

Ref. No.: EESL/CS/LC-Bonds/332

Date: 29.09.2022

To:

AGM - Dept. of Corporate Services
BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400001

Dear Sir,

Subject: Intimation of 13th Annual General Meeting to be held on 29th September 2022

Ref: SCRIP CODE – 954969

This is to inform you that the 13th Annual General Meeting (AGM) of Energy Efficiency Services Limited (EESL) is scheduled to be held on Thursday, 29th September 2022 at 05:45 p.m. through VC/OVAM.

Pursuant to Regulation 50 and Regulation 53 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice of the 13th AGM of the Company to be held on 29.09.2022 alongwith the copy of Directors' Report and Audited Standalone & Consolidated Financial Statements for the financial year 2021 – 22.

The abovementioned documents are also uploaded on the Company's website www.eeslindia.org.

This is for your information & records.

Thanking You,

For Energy Efficiency Services Limited

Company Secretary & Compliance Officer



ENERGY EFFICIENCY SERVICES LIMITED

(A JOINT VENTURE COMPANY OF PSUs OF MINISTRY OF POWER, GOVT OF INDIA)

Registered Office: NFL Building, 5th & 6th Floor, Core - III, SCOPE Complex, Lodhi Road, New Delhi - 110003

CIN: -U40200DL2009PLC196789

NOTICE OF 13TH ANNUAL GENERAL MEETING

Notice is hereby given that 13th Annual General Meeting of the shareholders of Energy Efficiency Services Limited will be held on Thursday, 29th September 2022 at 05:45 p.m. at NFL Building, 7th Floor, Board Room, Core - III, Scope Complex, Lodhi Road, New Delhi - 110003 through video conferencing ("VC")/other audio-visual means ("OAVM") to transact the following businesses:-

Ordinary Business: -

1. To receive, consider and adopt:
(a) the Audited Standalone Financial Statements of the Company for the financial year ended on 31st March 2022 together with the reports of Board of Directors and Auditors thereon; and
(b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March 2022 together with the report of the Auditors thereon.
2. To appoint a Director in place of **Shri Chandan Kumar Mondal (DIN: 08535016)**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri Sreekant Kandikuppa (DIN: 06615674)**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To record the appointment of Statutory Auditor as per CAG Letter No./CA.V/COY/CENTRAL GOVERNMENT, EESL (1)/443 dated 30th August 2022, M/s S P Chopra & Co., Chartered Accountants (Firm Registration No. 000346N) and fix the remuneration of Statutory Auditors for the financial year 2022 - 23.

Special Business: -

5. **Appointment of Shri Abhay Choudhary (DIN: 07388432) as a Non - Executive Nominee Director (PGCIL) in the Company**

To consider appointment of **Shri Abhay Choudhary (DIN: 07388432)** as a Non - Executive Nominee Director (PGCIL) and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of 152, 161(3) and all other applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder (including any statutory modification or re-enactment thereof) and Articles of Association of the Company, **Shri Abhay Choudhary (DIN: 07388432)** who was appointed as an Additional Director of the Company with effect from 18th June, 2022 and who holds office till the date of 13th Annual General Meeting of the Company in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act signifying his intention to be a candidate for the office of Director in the Company, be and is hereby appointed as a Non - Executive Director as a Nominee of PGCIL and he shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to the foregoing resolution."

Shraddha



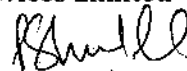
6. Appointment of Shri Ajay Tewari (DIN: 09633300) as a Non – Executive Government Nominee Director (MoP) in the Company

To consider appointment of **Shri Ajay Tewari (DIN: 09633300)** as a Non - Executive Government Nominee Director (MoP) in the Company and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of 152, 161(3) and all other applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder (including any statutory modification or re-enactment thereat) and Articles of Association of the Company, **Shri Ajay Tewari (DIN: 09633300)** who was appointed as an Additional Director of the Company with effect from 29th July, 2022 and who holds office till the date of 13th Annual General Meeting of the Company in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, signifying his intention to be a candidate for the office of Director in the Company, be and is hereby appointed as a Non - Executive Director as a Government Nominee (Ministry of Power, Government of India) and he shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to the foregoing resolution."

**By the order of Board of Directors
For Energy Efficiency Services Limited**



**Pooja Shukla
Company Secretary
M. No.: ACS 18008**

**Place: New Delhi
Date: 29.09.2022**

NOTES:

1. Pursuant to Section 139 of Companies Act, 2013, Statutory Auditors of the company are 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 (AGM) or in such manner as the Company in AGM may determine. C&AG in exercise of power conferred under Section 139 of Companies Act, 2013 has appointed M/s S.P. Chopra & Co., Chartered Accountants (Firm Registration No. 000346N), New Delhi as Statutory Auditor of the Company for the Financial Year 2022 – 23. The members may kindly authorise the Board of Directors to fix appropriate remuneration of Statutory Auditors for Financial Year 2022 – 23 in compliance with the applicable provisions of the Companies Act, 2013.
2. The relevant Explanatory Statement pursuant to Section 102 of Companies Act, 2013 in respect of the Special Businesses in the notice is annexed thereto.
3. The MCA has issued *General Circular No. 02/2022 Dated 05th May, 2022* in continuation to its previous General Circulars (including *General Circular No. 20/2020 dated 5th May 2020, General Circular No. 02/2021 dated 13th January 2021, General Circular No. 19/2021 dated 8th December 2021 and General Circular No. 21/2021 dated 14th December 2021*) allowing Companies whose AGMs are due in the Year 2022 to conduct AGM through video conferencing or other audio-visual means on or before 31st December 2022.

In accordance with the MCA Circulars and provisions of the Companies Act, 2013 ('the Act'), the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participation in the meeting through VC/OAVM is provided below:

A. Members will be able to attend the AGM through VC / OAVM using the following credentials:

- Link at the link:
<https://eeslindiaus.webex.com/j.php?MTID=m5944e4b974b85006c5a87523bcd08da6>
- Meeting ID: 2558 351 9382
- Password: BOD@1234

B. Members are requested to follow the procedure given below:

- i. Launch internet browser (chrome/edge/safari) by typing the URL Link given in Point A. above.
- ii. Enter the login credentials.
- iii. After logging in, click on "Video Conference" option
- iv. Then click on camera icon appearing against AGM event of Energy Efficiency Services Limited, to attend the Meeting.

C. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

D. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting

E. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

F. Facility to join the meeting shall be opened 15 minutes before the scheduled time of the AGM and shall be kept open till the expiry of 15 minutes after such scheduled time.

G. Members who need assistance before or during the AGM, can contact us on companysecretary@eesl.co.in or call on 011 - 45801260. Kindly quote your name, DP ID-Client ID / Folio no. and Event Number in all your communications.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Bhushan



5. During the meeting, where a poll on any item is required, the members shall cast their vote on the resolutions only by sending emails to the company on companysecretary@eesl.co.in.
6. Generally, 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 and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes.
7. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company at companysecretary@eesl.co.in a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
8. 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.
9. 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.

PSM

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

Item No. 5

Pursuant to the provisions of Companies Act, 2013, Board of Directors in their 107th Board Meeting held on 18th June 2022 appointed Shri Abhay Choudhary (DIN: 07388432) as Additional Director, to hold office up-to the date of 13th Annual General Meeting of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 signifying his candidature for Directorship of the Company. The Company has also received his consent to act as a Director of the Company in form DIR - 2 and a declaration that he is not disqualified from being appointed as a Director of the Company in Form DIR - 8. He shall be liable to retire by rotation. His brief resume, inter - alia, giving his experience, shareholding in the Company, other Directorships and other particulars, forms part of this notice. Pursuant to the provisions of Section 152(2) of the Companies Act, 2013, every Director shall be appointed in a General Meeting by way of Ordinary Resolution. The Board of Directors in their meeting held on 29th September 2022 recommended the same for consideration and approval of Members of the Company.

None of the Directors, Key Managerial Personnel or their relatives except Shri Abhay Choudhary is concerned or interested in the resolution.

The Board recommends the resolution for your approval as **Ordinary Resolution**.

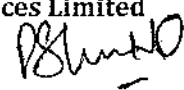
Item No. 6

The Board of Directors, as per Ministry of Power's Letter no. F. No. 13/5/2008-EC dated 28th July 2022, had appointed Shri Ajay Tewari (DIN: 09633300) as an Additional Director w.e.f. 29th July 2022. Pursuant to Section 161(1) of the Companies Act 2013, Shri Ajay Tewari holds the office upto the date of 13th Annual General Meeting of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 signifying his candidature for Directorship of the Company. The Company has also received his consent to act as a Director of the Company in form DIR - 2 and a declaration that he is not disqualified from being appointed as a Director of the Company in Form DIR - 8. He shall be liable to retire by rotation. His brief resume, inter - alia, giving his experience, shareholding in the Company, other Directorships and other particulars, forms part of this notice. Pursuant to the provisions of Section 152(2) of the Companies Act, 2013, every Director shall be appointed in a General Meeting by way of Ordinary Resolution. The Board of Directors in their meeting held on 29th September 2022 recommended the same for consideration and approval of Members of the Company.

None of the Directors or Key Managerial Personnel of the Company except Shri Ajay Tewari, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval as an **Ordinary Resolution**.

**By the order of Board of Directors
For Energy Efficiency Services Limited**


**Pooja Shukla
Company Secretary
M. No.: ACS 18008**

**Place: New Delhi
Date: 29.09.2022**

BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT/RE - APPOINTMENT:

Name	Shri Sreekant Kandikuppa	Shri Ajay Tewari
DOB / Age	21 st December 1963 / 58 years	05 th August 1970, 52 years
Date of appointment	6 th September, 2021	29 July, 2021
Terms & Conditions of appointment	As per Articles of Association of the Company	As per Articles of Association of the Company
Remuneration	NA	NA
Qualification	Cost & Management Accountant PGDM (Finance) from Management Development Institute, Gurgaon.	B. Tech (Electrical Engineer) from IIT, Kanpur PGDM (Finance) from IGNOU, New Delhi.
Experience	He has over 35 years of experience in the power sector in the areas of long-term financial planning, investment appraisals, formulation of capital budgets, resource mobilization from domestic and international markets, corporate accounts, commercial, regulatory affairs and enterprise resource planning systems.	He is presently Additional Secretary, Ministry of Power looking after Energy Conservation, Energy Transition, International Co-operation, Training & Research and Perspective Planning of Ministry of Power. Shri Ajay Tewari has wide range of experience of working in Finance, Education, Housing & Urban Affairs, Sports, Youth Welfare, General Administration, Revenue Administration, Disaster Management & Labour Welfare sectors.
Shareholding in the company	Nil	Nil
Number of Board Meetings attended during the year	14	Nil
Relationship with other Directors, Manager or KMP	NA	NA
Other Directorships	Power Grid Corporation of India Limited Bihar Grid Company Limited Powergrid Energy Services Limited North East Transmission Company Limited Cross Border Power Transmission Company Limited Powerlinks Transmission Limited Teestavalley Power Transmission Limited Powergrid Teleservices Limited	Power Finance Corporation Limited



Name	Shri Abhay Choudhary	Shri Chandan Kumar Mondol
DOB / Age	1 st July 1964 / 58 Years	17 th January 1963 / 59 years
Date of appointment	18 th June, 2022	6 th September, 2021
Terms & Conditions of appointment	As per Articles of Association of the Company	As per Articles of Association of the Company
Remuneration	NA	NA
Qualification	Graduate from NIT Durgapur (Electrical Engineering) PGDM from IMT Ghaziabad	Bachelor of Engineering (BE) from Jadavpur University
Experience	During his career spanning around 35 years in Power Sector, he has worked in various capacities in EHV Sub Stations and Transmission lines, both as an Operation & Maintenance executive as well as a construction engineer.	He has about 35 years of professional experience in the power sector. His area of experience includes Power Generation, Project Management, Contract Management, Engineering, Procurement, EPC, Renewable Energy and Customer Relationship Management in the power sector.
Shareholding in the company	Nil	Nil
Number of Board Meetings attended during the year	Nil	11
Relationship with other Directors, Manager or KMP	NA	NA
Other Directorships	Power Grid Corporation of India Limited RINL Powergrid TLT Private Limited Powergrid Bikaner Transmission System Limited Khetri-Narela Transmission Limited Powergrid Aligarh Sikar Transmission Limited Powergrid Sikar Transmission Limited Powergrid Ramgarh Transmission Limited Central Transmission Utility of India Limited Mohanlalganj Transmission Limited Powergrid Unchahar Transmission Limited	NTPC Limited NTPC Vidyut Vyapar Nigam Limited NTPC Mining Limited NTPC Renewable Energy Limited Convergence Energy Services Limited Bangladesh India Friendship Power Company Private Limited (Foreign Company) Trincomalee Power Company Limited – Sri Lanka

B. Sankar

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CIN: -U40200DL2009PLC196789

DIRECTORS' REPORT

To
The Members,
Energy Efficiency Services Limited
New Delhi

Your Directors are pleased to present the 13th Directors' Report on business and operations of the company along with the Audited Financial Statements for the financial year ended on 31st March 2022.

1. Financial Performance

The highlights of financial performance of the Company for the financial year 2021 – 22 together with comparative position of previous financial year are given as under:

(₹ in Lakhs)

Particulars	31 st March, 2022	31 st March, 2021
Paid up Share capital	1,39,082.00	98,332.84
Total Revenue (including Other Income)	1,59,095.91	1,67,485.48
Profit Before Depreciation & Taxes	42,296.64	57,981.23
Less: Depreciation	64,091.86	56,533.65
Profit/(Loss) Before Tax	(21,795.22)	1,447.58
Less: Prior Period Adjustments (Net)	0	0
Less: Provision for Taxation		
-Current Year	207.93	196.42
-Earlier years	72.72	0
-Deferred Tax credit	(6,981.80)	1,132.52
Profit/(Loss) after Tax	15,094.07	118.64
Add : Other comprehensive income / (expense)	(91.12)	(20.37)
Total Comprehensive income for the year	(15,185.19)	98.27

Revenue from operations for the financial year 2021 – 22 is ₹1,53,917.50 lakhs and total revenue for the period is ₹1,59,095.91 lakhs which is approx. 5.01% lower than previous year mainly due to lower sales in the pandemic year. Profit/(loss) after tax of the Company during the period is ₹(15,094.07) lakhs (12823% Lower) against ₹118.64 lakhs in the previous year.

1.1 Consolidated financial statements

The Company has various subsidiaries and Joint Venture Companies. The Consolidated Turnover of the group is ₹2,22,209.50 lakhs for the financial year 2021 – 22 as against ₹2,11,796.47 lakhs of the previous financial year. The Consolidated Profit/ (Loss) after tax of the group is ₹(17,077.59) lakhs for the financial year 2021 – 22 as against ₹(2989.98) lakhs of the previous financial year. The Company adopted Indian Accounting Standard (Ind-AS) from April 1, 2016 and accordingly, the Consolidated Financial Statements have been prepared in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ('the Act') and the relevant rules issued thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('the Listing Regulations') and the other accounting principles generally accepted in India.

1.2 Reserves and Dividend

No amount was transferred to free reserves of the company and no dividend was declared.

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1.3 Net Worth and Earning per Share

Your Company's net worth as on 31st March, 2022 was ₹1,25,848.83 lakhs (including DRR) as against ₹1,00,284.86 lakhs in the previous year. Earnings per Share of the Company for the year ended 31st March, 2022 stands at (₹1.24) in comparison to ₹0.01 for the financial year ended 31st March, 2021.

1.4 Resource Mobilization

The Company has availed long – term and short – term loans from various Banks, Multilateral and Bilateral funding agencies.

During the financial year 2021 – 22, the company has raised foreign long - term loans amounting to ₹32,899.58 lakhs from Asian Development Bank (ADB) & International Bank for Reconstruction and Development (IBRD) and domestic long – terms loans amounting to ₹20,000 lakhs from various Domestic Banks. As on 31st March, 2022, the total amount outstanding in respect of Foreign Long Term Borrowings is ₹3,11,813.05 lakhs and in respect of Domestic Long Term Borrowings is ₹1,69,778.18 lakhs. Additionally, EESL issued Secured / Unsecured, Redeemable, Taxable, Non – Cumulative, Non – Convertible Bonds which are listed on BSE Limited. As on 31st March, 2022, the value of outstanding Bonds is ₹70,000 lakhs. Further, as on 31st March, 2022, the Company has outstanding Short Term Loans (fund based) amounting to ₹1,42,990.20 lakhs (fund based).

1.5 Credit Rating

The credit rating of the company has been detailed in the Corporate Governance Report forming part of this report.

1.6 Change in Capital Structure & Board Structure: -

During the financial year 2021 – 22, following changes have been made to the share capital & Board structure of the company: -

- The promoters executed Supplementary Agreement No. 7 to the Joint Venture Agreement of the company on 1st September 2021 to amend the provisions pertaining to Share Capital and Board Structure of the company.
- The Board of Directors in their 90th Board Meeting held on 12th August, 2021 issued and offered equity shares amounting to ₹40749.16 lakhs to all existing shareholders on rights basis in the proportion of their shareholding. PGCIL subscribed to the offer, while NTPC Limited declined and Power Finance Corporation Limited and REC Limited renounced their offers in favour of PGCIL. As a result, equity shares amounting to ₹40749.16 lakhs were allotted to PGCIL on 6th September 2021. As on the date of this report, shareholding pattern of the company is as under:

S. No.	Name of Shareholders	No. of Shares Held @ ₹10 each	% of holding
1.	NTPC Limited and its Nominee	46,36,10,000	33.334
2.	REC Limited	21,81,00,000	15.681
3.	Power Finance Corporation Limited and its Nominee	24,55,00,000	17.651
4.	Power Grid Corporation of India Limited and its Nominee	46,36,10,000	33.334
Total		1,390,820,000	100

- Further, the promoters executed Supplementary Agreement No. 8 to the Joint Venture Agreement of the company on 5th July 2022 to amend the provisions pertaining to Board Structure of the company.
- As a result, the Articles of Association of the company were also altered.
- As on the date of this report, there are five (5) directors on the Board duly nominated by NTPC and Power Grid (two each) and Ministry of Power, Government of India (one). The Company has a

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professional management team headed by the Chief Executive Officer (CEO). CEO is responsible to the Board of Directors for the efficient functioning, corporate objectives, and performance parameters of the company and its group companies.

2. OPERATIONAL HIGHLIGHTS

2.1 STREET LIGHTING NATIONAL PROGRAM (SLNP)

Hon'ble Prime Minister, on 5th January, 2015 launched Street Lighting National Programme (SLNP) to replace conventional street lights with smart and energy efficient LED street lights across India. EESL is also implementing LED Street Lighting projects in Gram Panchayats on the same service model as the SLNP for municipalities with the objective to promote the use of efficient lighting in rural areas. During the financial year, EESL has finalised three business model i.e. Supply, Supply + Opex, ESCO model for implementation of Street Light National Programme going forward. The business models are prepared considering operational targets and payment security mechanism to ensure sustainability in operations. During the financial year 2021 – 22, EESL installed 8 lakh LED Street Lights where cumulative achievement as on 31st March 2022 is 1.26 Crore.

2.2 UNNAT JYOTI by AFFORDABLE LIGHTING (UJALA)

Under UJALA scheme, LED bulbs, LED Tube lights and Energy efficient fans are being provided to domestic consumers for replacement of conventional and inefficient variant.

- During the financial year 2021 – 22, EESL has distributed 10.50 lakh LED bulbs, where cumulative achievement as on 31st March 2022 is 36.79 crore. Total energy savings of 47.78 billion kWh per year with avoided peak demand of 9567 MW and estimated GHG emission reduction of 38.70 million tonnes CO₂ per year.
- During the financial year 2021 – 22, EESL has distributed 52,451 LED Tube Lights, where cumulative achievement as on 31st March 2022 is 72.18 Lakh. Total energy savings of 316.17 million kWh per year with avoided peak demand of 144 MW and estimated GHG emission reduction of 259.26 kilotonnes CO₂ per year.
- During the financial year 2021 – 22, EESL has distributed 56,574 Energy Efficient Fans, where cumulative achievement as on 31st March 2022 is 23.59 Lakh. Total energy savings of 219.40 million kWh per year with avoided peak demand of 59 MW and estimated GHG emission reduction of 179.91 kilotonnes CO₂ per year.

2.3 AGRICULTURE DEMAND SIDE MANAGEMENT (AgDSM)

EESL is implementing the Energy Efficient Pump Programme to distribute BEE 5-star energy efficient agricultural pumps and ensures a minimum of 30% reduction in energy consumption with smart control panels which can be remotely operated to enhance the ease of operation of pumps by the farmers. During the financial year 2021 – 22, EESL has installed 2,562 energy efficient agricultural pumps in the state of Uttar Pradesh. As on 31st March 2022, 79,975 agricultural pumps have been installed in Andhra Pradesh and Uttar Pradesh.

2.4 BUILDINGS ENERGY EFFICIENCY PROGRAM (BEEP)

EESL is implementing the Buildings Energy Efficiency Programme to retrofit commercial buildings in India into energy efficient complexes. During the financial year 2021 – 22, EESL has retrofitted 1112 nos. of buildings where cumulative achievement as on 31st March 2022 is 11,581 nos. of buildings.

2.5 ATAL JYOTI YOJANA (AJAY)

EESL is implementing Atal Jyoti Yojana (AJAY), a sub-scheme under Off- Grid and Decentralized Solar Application Scheme of MNRE where Solar LED Lights are being installed in rural, semi-urban and urban

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areas. The objective of the scheme is to provide ‘Solar Street Lighting Systems’ for public use, demonstration and replication. During the financial year 2021 – 22, under AJAY Phase II, EESL had installed 27,735 nos. of solar LED streetlights. As on 31st March 2022, under AJAY Phase I & II over 2.56 lakh Solar LED streetlights had been installed.

2.6 SUPER - EFFICIENT AIR CONDITIONER (SEAC) PROGRAM

With the goal of integrating energy efficiency into India’s cooling sector, EESL had initiated a first of its kind, Super-Efficient Air Conditioning (SEAC) programme. These Super-Efficient ACs are 5 star rated product and have high 5.4 ISEER and use environment friendly refrigerant with low Global Warming Potential (GWP) and Zero Ozone Depletion Potential (ODP) introduced in the market at competitive prices. The SEACs provides 1.5-TR cooling capacity at high ambient temperature while also reducing the cost of cooling by 50%. During the financial year 2021 – 22, EESL had sold 926 nos. of Super-Efficient Air Conditioners. As on 31st March 2022, EESL has sold 3,146 Super-Efficient Air Conditioners which lead to an energy saving of 26.5 Lakhs Units annually and CO₂ emission reduction of 24 lakh kg CO₂e. Further, EESL also supported GEM authority for adding Green AC in its categories of products which are super energy efficient having ISEER 5.4 and above.

2.7 MUNICIPAL ENERGY EFFICIENCY PROGRAM (MEEP)

To facilitate market transformation and replicate Municipal Energy Efficiency Program (MEEP) on a large scale in India, EESL had signed MoU with the Ministry of Housing and Urban Affairs (erstwhile MoUD) on 28th September 2016. As on 31st March 2022, IGEA studies for 338 cities have been successfully conducted and reports submitted. EESL has signed implementation agreements with 39 ULBs in the state of West Bengal and the project is presently being implemented in a phased manner. Till 31st March 2022, 18 pumps have been replaced in Khardah, and 12 more has been also installed in Bankura, West Bengal where the total number of pumps installed is 30. The savings of more than 20% have been achieved as mentioned in Third Party saving report for Khardah.

2.8 MOTOR REPLACEMENT PROGRAM

EESL aims to create an infrastructure to accelerate adoption for Higher Efficient Motors Specifically IE3 efficiency class through innovative financing business model & awareness creation. Under this program we are offering IE3 motors ranging from 1HP to 100 HP to the Indian Industries. This program is advantageous for MSME as well as non-MSME industries. EESL is offering Upfront/PMC and EQI/ESCO business modalities to the end users. During the financial year 2021 – 22, EESL has deployed 1,920 nos. of IE3 motors. As on 31st March 2022, 5,280 IE3 motors have been deployed in the industry.

2.9 SMART METER PROGRAM

EESL is undertaking Smart Metering Program to significantly improve the billing and collection efficiencies of Distribution Companies (DISCOMs). The programme is being implemented through its Joint Venture Company namely Intellismart Infrastructure Private Limited. During the financial year 2021 – 22, 8.1 Lakh smart meters have been installed with the cumulative achievement of 24.62 lakh Smart Meters as on 31st March 2022.

2.10 E-MOBILITY PROGRAM

EESL, through its wholly owned subsidiary CESL, is implementing e-Mobility Programme. During the financial year 2021 – 22, 317 nos. of e4W have been deployed, where cumulative deployment till 31st March 2022 is 1706 nos. of E4Ws. Going forward, EESL has directed CESL to focus exclusively on service-based operations and act as the aggregator, not entering into the financing of EVs and substantially pain-down the capex requirement in the business.

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2.11 ELECTRIC VEHICLES CHARGING INFRASTRUCTURE

EESL is developing Electric Vehicle Charging Infrastructure and has signed MoUs with multiple stakeholders across municipalities, DISCOMs for locational assessment study and setting up of charging infrastructures in their jurisdiction location. During the financial year 2021-22, 150 nos. of Public Charging Stations (PCS) have been installed in NDMC Delhi, SDMC Delhi, CMRL Chennai, Maha Metro Nagpur, Noida Authority and NKDA Kolkata. As on 31st March 2022, EESL has installed 406 nos. of EV chargers out of which 198 nos. are commissioned and rest in pre-commissioning stage.

2.12 SOLAR PROGRAM

- a. **Solar Roof Top Program:** EESL has initiated a nationwide program for implementation of solar PV based rooftop program across India. In this endeavour, EESL has signed MoU with various agencies such as Andaman & Nicobar Electricity Department (ANED), Maharashtra Public Works Department (PWD), New & Renewable energy Development Corporation of Andhra Pradesh Ltd. (NREDCAP), Kerala Tourism Development Corporation (KTDC). Agreements with Power Grid Corporation of India for the implementation of 120 kW at PGCIL substation in Uttar Pradesh and with Tamil Nadu Energy Development Agency (TEDA) have been signed. EESL has executed around 1 MW with TEDA on 32 buildings.
- b. **Decentralised Solar Power Plant Program:** EESL has initiated a first of its kind large scale distributed solar power programme wherein the existing agricultural feeders is being solarized through implementation of decentralized solar power plants at the vacant/un-used lands at DISCOM/Govt. substations/lands. In this regard, EESL has signed 500 MW Power Purchase Agreement with Maharashtra State Electricity Distribution Corporation Limited and 279 MW Power Purchase Agreement with MAHAGENCO. An MoU has also been signed with Department of New & Renewable Energy, Govt. of Goa under “Convergence Project” for the implementation of 110 MW Distributed Solar Project in Goa. During the financial year 2021 – 22, EESL has commissioned 61 MW of the Decentralized Solar Power Plant where cumulative achievement till 31st March 2022 is 192 MW. In Goa, EESL has commissioned 1 MW at Cuncolim Substation as pilot project in Goa. This initiative as led to the carbon sequestration of more than 300 kilo tonnes of CO₂.

2.13 TRI – GENERATION

Edina UK Ltd has set up its wholly owned subsidiary in India as "EPSL Trigenation Pvt Ltd" with in house capabilities of system design and feasibility study. As on date, EPSL has commissioned Mahindra and Mahindra Trigenation project of 800 kWe in 2020. EESL has also signed SLA with Data Center in Navi Mumbai for setting up of 2.0 MW Trigenation with 450 TR VAM (along with fully standby system). No new additional installation was carried out in the during the financial year 2021 – 22 as proposals are facing viability issues owing to high gas prices. During the period under review, load studies to develop LNG based Power station solution have been conducted at 5 identified islands of Andaman & Nicobar and the said study report is under review by A&NI Administration and Ministry of Power, Government of India.

3. INTERNATIONAL OPERATIONS/PROGRAMS

3.1 GLOBAL ENVIRONMENT FACILITY – 5 (GEF – 5) – PROMOTING MARKET TRANSFORMATION FOR ENERGY EFFICIENCY IN MICRO, SMALL & MEDIUM ENTERPRISES.

EESL is implementing the GEF-5 project in association with Ministry of MSME, United Nations Industrial Development Organization (UNIDO), Bureau of Energy Efficiency (BEE) and Small Industries Development Bank of India (SIDBI). The program is being implemented in 12 MSME clusters across India. So far, 19 technologies have been successfully demonstrated across the identified clusters out of 34 identified technologies. In the pursuit, EESL has conducted 800 surveys and 80 detailed energy audits in the MSME units. EESL has

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signed more than 50 energy performance agreements with the MSME units for implementation of energy efficient technologies resulting into the mobilization of investment to the tune of about Rs. 10 Cr.

3.2 GLOBAL ENVIRONMENT FACILITY – 6 (GEF – 6): CREATING AND SUSTAINING MARKETS FOR ENERGY EFFICIENCY

The Global Environment Facility (GEF)-6 programs aims at Expanding and Sustaining investments in existing market sectors, Building Market Diversification and Replication & Scaling Up of energy efficient technologies. The project involves funding to the tune of USD 453 million including a GEF grant of USD18.9 million. Out of the available GEF grant, USD 130 Lakh has been earmarked to establish and operationalize an “Energy Efficiency Revolving Fund” (EERF). The following progress has been made under the project during the financial year 2021 – 22:

Component 1

- Market assessment of the BLDC fan has been completed during the financial year 2021 – 22.
- Under the EHSS program, webinars targeting social and gender aspects were conducted during the financial year.
- Stakeholder Consultation Workshop were done for Street light national programme and Super-efficient AC program (SEAC).

Component 2

- Baseline and monitoring study for performance of SEACs at ATMs of bank.
- Industrial Energy Efficiency workshop were organized for MSME clusters
- Consultation Workshop for EESL's ESCO Engagement Initiative and “Accelerating adoption of Sustainable Solutions for Industries”.

Component 3

- Capacity building training for EESL Employees in Certified measurement and verification protocol.

4. INSTITUTIONAL STRENGTHENING

EESL has been partnering with leading consulting organizations like McKinsey, E&Y, PwC, KPMG for technical assistance, Organizational restructuring, Capacity building, Standardization of process, Project execution and monitoring etc. To effectively deal with the future foreseeable challenges in its functions and to consistently enhance the financial viability of its operations, EESL has been consistently taking proactive measure for improvement of its systems and processes. Key process improvement introduced for institutional strengthening during the current financial year are as follows:

- Systemic improvement in the Procurement Process involving Gap identification, standardization of processes, improved evaluation, enhanced participation by leveraging new technological measures, etc.
- Online Bill Tracking System (BTS) is being developed to bring transparency in end-to-end operations of “Procure to Pay Cycle” for vendors.
- Constitution of ‘Risk Management committee’ for evaluation and mitigation of risks associated with the company.
- Establishment of ‘Project Evaluation and Assessment Group’ (PE & A) to assess the project viability.
- Creation of ‘Corporate Monitoring Group’ to monitor the issues, performance, project progress of the company.
- Integrated Management System (ISO 9001, 14001, 45001, 50001) is being implemented in Corporate Office.

EESL by virtue of its association with various international financial institutions/Multilateral Development Banks (MDBs) and leading environmental stakeholders such as World Bank, ADB, AfD, KfW, USAID, UNEP etc. for

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technical assistance, trainings, financing and scaling up the Energy Efficiency programs in India is exposed to emerging management practices and adapts itself suitably.

5. HUMAN RESOURCES MANAGEMENT

The focus of Human Resource Management is to build an enabling culture and ensure motivated work force with required skill sets. The year has seen EESL foraying into new ventures and the focus has been on multiskilling to meet the new challenges.

a. Manpower

The total employee strength of the company is given as under:

Location	Number of employees			
	Regular	Fixed Tenure	Consultants	Third Party
India	256	89	15	493
Foreign Posting	3	-	-	-
Total	259	89	15	493

b. Industrial Relations

The thrust on participative culture and open communication channels continued during the year. We share cordial relations with Employee Officers Association and there has been no pending grievance with the association. The Industrial Relations Scenario has been peaceful and harmonious and no man – days were lost during the year.

c. Employee Welfare

EESL has always been a forefront in organizing engaging activities for its employees. Last year enthusiastically celebrated many festivals together and organized a daylong session for all the female employees on the account of International Women’s Day. EESL has been supportive in providing conducive work during the ongoing covid scenario. EESL has provided work from home for its employees so as to ensure the safety of all the employees of EESL and their families. EESL has provided support to families of employees whom we lost due to COVID by providing appropriate job opportunities to the dependent. During the COVID times, EESL has taken many steps for providing physical and mental support to all its employees like arranging for critical medical facilities during panic phases, online teleconsultation from a senior pulmonologist, yoga & mediation sessions, provided essential COVID toolkit to all the employees and many more. Also, we have conducted COVID vaccination drive I & II covering approx. 800 people. In addition to the above, continuous welfare and employee engagement activities are present in the organization to keep the employees oriented towards organizational goals, 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 PAN India. In addition, Group Insurance scheme and Group Personal Accident Insurance scheme are in place. To ensure long term financial security, your company has introduced Superannuation Fund for the employees. Employee annual health check-up and OPD facilities provided in the office for health and wellbeing of the employees.

d. Human Resource Development

EESL knowledge Centre (EKC) has conducted various in-house / online training and capacity building programs w.r.t. Business Communication, Employee Welfare, Gender Awareness and various other technical training sessions. During the financial year 2021 – 22, EKC has conducted total 53 trainings on the various subjects.

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e. 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 2021 – 22, the Company did not receive any complaint of sexual harassment. Our organization emphasizes on providing a safe working environment for women and in all the training programs, a special stress is given on gender sensitization.

f. Friendly policies for women empowerment

- EESL, being a relatively new public sector organization, has been very adaptive to the best practices of the sector, while at the same time, introducing proactive policies to facilitate women’s employment and empowerment. Inclusion of women into its workforce has been one of the issue that EESL wishes to address earnestly. EESL has always tried to provide an environment favorable for women at work. Either having women on top managerial posts or having women friendly policies. On the other hand, third party female employees are also significant at the workmen level.
- The South Asia Gender and Energy Facility (SAGE) at the World Bank, in collaboration with multiple stakeholders, has established WePOWER, as a regional network. The objectives of WePOWER are to support workforce participation of women in energy projects and institutions, and promote normative change regarding women in Science, Technology, Engineering, and Mathematics (STEM) education. EESL has also agreed to become a Strategic Partner of the WePOWER Network by the World Bank and has formed a committee of 5 members to lead this initiative in the organization. Additionally, weekly calls are being arranged between various organizations from South Asia to learn about good practices. Till date we have launched two gender reports 2019 – 20 & 2020 – 21 and third version of 2021 – 22 is in the last phase before its launch. The report covers different aspects of women empowerment and its analysis has been done to implement various interventions for providing better grounds for women growth.

6. INFORMATION TECHNOLOGY INITIATIVES

EESL has robust information technology and communication infrastructure in place. Company has implemented following applications in the financial year 2021 – 22 to accomplish the business requirement and maintain business continuity:

- **SAP** – EESL has implemented SAP on HANA based ERP solution across the organisation with aim to increase productivity, better inventory management, promote quality, reduced material cost, effective human resources management, optimise overheads to boost profits. As per the government guidelines various new provision of Taxation for GST (including offshore provisions), TCS & TDS are incorporated in the system and performed the System augmentation for getting the complete visibility of various financial information and Strong Operational Reporting Capabilities. EESL has also built business Intelligence reports for revenue, collection, outstanding, inventory, project cost etc., which helps to take more accurate and time bound decisions.
- **Security Audit** – EESL has empanelled the audit agencies via NICS for IT application audit. All the newly developed and existing applications are audited / being audited as per the security OWASP standard.
- **EESL Mart** – EESL has developed a dedicated portal for online sale of Super-Efficient Air Conditioner (SEACs) and UJALA appliances. Additionally, a dedicated portal has also been developed for EESL UNIDO MoSME GEF-5 project for promoting market transformation of energy efficient technologies in MSME. The portal provides dashboard, project information, Quick Estimator Tool (QET) and link for submission of Expression of Interest (EOIs) on energy efficient technologies in 10 MSME clusters. Further, GEF-5 Website

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to implement the additional features like providing the real-time (dynamically) project progress, energy saving, cost saving, emission reduction, total EE equipment's installed in pictorial form.

- **CCMS Dashboard** – A new CCMS dashboard was implemented for Gujarat state wherein one can perceive the real-time updates of the CCMS installed, Energy saving per year, CO₂ reduction per year, avoided capacity revenue saved per year, total streetlight on/off etc. Further, a new dashboard is developed, and the State of UP's Streetlights is integrated.
- **eOffice** – EESL is using e-Office in a proactive manner since June 2020. Approx. 21,500 files have been created till now. With the help of e-Office, EESL is optimizing file approval frequency with the help of department Heads, Cluster Heads and State Heads. An exhaustive report is being published on regular interval of forwarding and pendency with the help of e-Office data.
- **Helpdesk Tool** – IT department is proactive in resolving the end user issues, which in turn enhance the employee efficiency. Escalation matrix is being implemented for the ticket resolution. In case of no resolution within stipulated time, call is escalated to next level.
- **Call Centre** – EESL drive multilingual call centre in different locations to answer the calls in local languages. Call centre is being located in Udaipur, Hubli and Jabalpur. IT team monitor the call centre on different KPI parameters like FCR, AHT, CSAT and Abandonment Rate etc. Following applications are monitored through the centres:
 - **B2C Application** – Business to Consumer Mobile Application rolled out for raising the complaint by the consumer. Application provides the capability to track the status of complaint on real basis. At the backend the application is integrated with multiple vendors, which helps in resolving the complaint at faster pace.
 - **B2B Application** – Business to Business Application developed to raise the complaint by the corporate customers without calling and mailing. This application enables the timely resolution.
- **Document Repository System** – A portal is developed for internal purpose to store the project related data on cloud which can be accessed anytime and anywhere in secure manner with necessary restrictions.
- **e-Sampark** – Portal is developed for internal purpose to circulate internal information which is important for employees like transfer orders, joining orders, promotion orders, policies etc. This portal is accessible securely with necessary restrictions.
- **Energy Related Tools** – EESL developed energy related tools to calculate the energy consumption by different EESL products. Eleven tools are developed till now, additional Seventeen tools are under development. This program is promoted by UNIDO, GEF and MoMSME. The main advantage of the tool is to reduce the demonstration time and gathering the prospective customer data. These tools are used in Textiles Sector, Chemical Cluster, Tea Processing, Found & Forging, Paper and Rice Mill.

7. OFFICIAL LANGUAGE IMPLEMENTATION

Your Company took several initiatives for the progressive use of Hindi in the day-to-day official work and implementation of Official Language policy. □□□□□□ meeting was organized every quarter in the office. Online workshop was organized from Headquarters to Regional Offices. Also, Online training was given to Regional Offices - Jaipur and Hyderabad by senior officers of Parliamentary Official Language Committee Office. Officers and employees of EESL Headquarters and Regional Offices have enrolled in the courses conducted by

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the Department of Official Language, Ministry of Home Affairs. The employees of EESL office actively participated in the workshops, competitions and meetings conducted by the Town Official Language Committee. The Hyderabad Regional Office was inspected by the Parliamentary Committee on Official Language in September 2021.

During the financial year 2021 – 22, Hindi Pakhwada was celebrated in EESL office. EESL was awarded the Official Language Shield Award for the year 2019 – 20 by the Ministry of Power, Government of India.

8. RIGHT TO INFORMATION ACT, 2005 AND REDRESSAL OF PUBLIC GRIEVANCES

Energy Efficiency Services Limited (EESL) has a dedicated Public Grievances and Right to Information (RTI) cell. Recently, EESL attained a remarkable score of 97% in the annual RTI transparency audit of the financial year 2020 – 21, wherein it holds the topmost position amongst all the power sector PSUs, institutions, and organizations. During the financial year 2021 – 22, EESL has received 312 RTI applications, out of which 245 were responded to and the rest were transferred to different public authorities, rejected or returned to the applicant(s). As on date, no applications are pending with EESL.

9. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to sub-section (3) of section 129 of the Companies Act, 2013 (“the Act”), the statement containing the salient features of the financial statement of a company’s subsidiaries, associates and joint ventures is given in Form AOC – 1 (**Annexure – I**). The detail of subsidiary / associate companies of EESL is as under:

Subsidiary Company

a. EESL EnergyPro Assets Limited (EPAL)

EESL has a UK based subsidiary company, EESL EnergyPro Assets Limited (hereinafter referred to as “EPAL”) in which it holds 86.80% (PY 84.55%) Equity Shares. As on 31st March 2022, the paid – up share capital of EPAL was GBP 41,182,100 (PY £35,182,100). During the financial year 2021 – 22, EPAL has incurred a loss of GBP 0.52 million as against the loss of GBP 3.23mn in the FY 2020-21 as the business shows signs of recovery from COVID that has impacted the sales at Edina level.

List of companies under EPAL and name of the officers holding the position of director as on 31st March 2022 in EPAL and its subsidiaries are as under: -

- a. EESL EnergyPro Assets Limited—> Arun Kumar Mishra, Shankar Gopal, Steven Fawkes, Amit Kumar Kaushik – upto 30.04.2022
- b. Anesco Energy Services South Ltd—> Amit Kumar Kaushik - upto 30.04.2022, Amit Kumar Bharadwaj, Nitin Wadhwa
- c. Creighton Energy Limited—> Amit Kumar Kaushik – upto 30.04.2022, Amit Kumar Bharadwaj, Nitin Wadhwa
- d. EPAL Holdings Limited—> Arun Kumar Mishra, Steven Fawkes, Amit Kumar Kaushik – upto 30.04.2022
- e. Edina Acquisition Limited—> Arun Kumar Mishra, Steven Fawkes, Amit Kumar Kaushik – upto 30.04.2022
- f. Edina Power Services Limited—> Arun Kumar Mishra, Shankar Gopal, Steven Fawkes, Amit Kumar Kaushik – upto 30.04.2022, Hugh Kerr Richmond
- g. Edina Limited—> Hugh Kerr Richmond, Amit Kumar Kaushik – upto 30.04.2022, Nitin Wadhwa
- h. Edina UK Limited—> Hugh Kerr Richmond, Amit Kumar Kaushik – upto 30.04.2022, Nitin Wadhwa
- i. Edina Australia Pty Limited—> Hugh Kerr Richmond, Amit Kumar Kaushik – upto 30.04.2022, Julian Gyngell
- j. Armoura Holdings Limited—> Hugh Kerr Richmond, Amit Kumar Kaushik – upto 30.04.2022, Nitin Wadhwa
- k. Stanbeck Limited—> Hugh Kerr Richmond, Amit Kumar Kaushik – upto 30.04.2022, Nitin Wadhwa

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- l. Edina Manufacturing Limited—> Hugh Kerr Richmond, Amit Kumar Kaushik – upto 30.04.2022
- m. Edina Power Limited—> Hugh Kerr Richmond, Amit Kumar Kaushik – upto 30.04.2022, Nitin Wadhwa
- n. EPSL Trigeneneration Private Ltd. —> Arun Kumar Mishra, Shankar Gopal, Venkatesh Dwivedi

b. Convergence Energy Services Limited (CESL)

CESL is a wholly owned subsidiary of EESL which was incorporated on 29th October, 2020 and converted its status from Private Limited Company to Public Limited Company on 9th February, 2021. CESL is incorporated inter-alia to demonstrate convergence in EESL's businesses (such as i.e. Solar business, Electric Vehicles, Electric Charging Infrastructure and others) as well as resource generation by monetization of carbon savings.

Joint Ventures (JV) / Associate Companies

c. NEESL Private Limited

NEESL (P) Limited is a Joint Venture company wherein EESL holds a 2.16% stake and has invested ₹26,000/- for the purpose of supply, installation, operation and maintenance of Public Street Lighting System in the state of Odisha on Public Private Partnership (PPP) basis. As on 31st March 2022, the paid – up share capital of NEESL was ₹12,03,510/-. During the financial year 2021 – 22, NEESL has earned a profit of ₹73.82 Lakhs before tax which has increased by 253.64% as compared to last year's PBT. Earnings per share for the financial year 2021 – 22 stood at ₹45.28 per share.

d. Energy Efficiency Services Co. Ltd., Thailand

Energy Efficiency Services Co. Ltd., Thailand is a JV Company. The JV was established by EESL along with M/s. Sun Leisure World Thailand on 10th October, 2019 to tap potential market of Thailand. However, the plan couldn't be implemented primarily due to pandemic induced closure of international borders and change in JV partners' priorities in post pandemic business environment. EESL has completed the closure process of the company.

e. Energy Efficiency Services LLC (UAE)

EESL Energy Solutions LLC is a JV in UAE incorporated in September 2020 wherein EESL holds a 51% stake and has invested AED 87,000/- (approx. ₹17.40 lakhs) as seeding capital during incorporation. The JV was established by EESL in UAE, along with M/s. Hansa Energy Solutions LLC, UAE, to implement energy efficiency and renewable energy programmes in the United Arab Emirates. The core areas of focus for the JV are LED Streetlights, Building Retrofits (Commercial and Industrial), Trigeneneration and Solar Programmes. The turnover of the company stood at AED 1.456 mn / ₹291 lakhs (approx.) for the financial year 2021 – 22. The Company had signed MOU's with the government of Ras-Al-Khaimah, an emirate in UAE, as well as other leading business houses (M/s Al Naboodah & M/s Tabreed) in UAE in February 2021 for furthering expansion of EESL business in UAE.

f. IntelliSmart Infrastructure Private Limited (IIPL)

IntelliSmart Infrastructure Private Limited is a JV of NIIF (National Investment and Infrastructure Fund) & EESL established to scale up the smart meter projects. As on 31st March 2022, EESL holds 49% stake in the company amounting to ₹2768.5 lakhs. During the financial year 2021 – 22, IIPL has generated revenue of INR 26.44 Cr through PMC services, earned a Profit Before Tax of INR 0.75 Lakhs and suffered a Loss After Tax of INR 24.07 Lakhs. The loss is primarily due to Deferred Tax expense amounting to INR 24.83 Lakhs.

10. INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

Information required to be furnished as per the Act and as per the Listing Regulations and any amendments thereto are as under:

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10.1 RELATED PARTIES TRANSACTIONS

During the period under review, the Company has not entered into any material transaction with any of its related parties. Related Party Transactions covered under Section 177 and Section 188 form part of the notes to the Financial statements (Standalone) provided in the Annual Report.

10.2 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Loan, guarantees and investments covered under Section 186 of the Act form part of the notes to the Financial statements (Standalone) provided in the Annual Report.

10.3 PARTICULARS OF EMPLOYEES:

The information required as per Rule 5(2) & Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is placed at **Annexure – II**.

10.4 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) and Section 134(5) of the Act, the Board of Directors, hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) they have taken proper and sufficient care to the best of their knowledge and ability for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding 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.

10.5 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis report forms part of the report and is annexed at **Annexure – III**.

10.6 NOMINATION AND REMUNERATION POLICY

The Nomination & Remuneration Policy of the company in terms of Section 198 of the Act enumerates the criteria for appointment/re-appointment of Directors, Key Managerial Personnel (KMP) and Senior Management on the basis of their integrity, qualification, expertise and experience. The Policy also sets out the guiding principles for the remuneration to be paid to the Directors, KMP and Senior Management. The Nomination and Remuneration Policy of the Company is available on our website (www.eeslindia.org).

10.7 FOREIGN EXCHANGE RISK MANAGEMENT POLICY

The Foreign Exchange Risk Management Policy of the Company is duly approved by the Board of Directors and is available on our website (www.eeslindia.org).

10.8 VIGILANCE/WHISTLE BLOWER POLICY

The Company aims at bringing in transparency, objectivity and quality in decision making process and hence to monitor the same, the Company has a well-defined Vigilance set up, headed by Chief Vigilance Officer, consisting of GM-Vigilance and Vigilance Executives in Corporate Centre to deal with the various facets of Vigilance Mechanism. During the financial year 2021 – 22, a total 34 nos. of complaints were

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received by the Vigilance Department. Out of which, 32 nos. of complaints were examined and necessary action taken while remaining 2 are under process. As a preventive vigilance measure, 3 surprise checks were conducted and subsequently, System Improvements were suggested wherever found necessary. Besides, Vigilance Awareness Week was observed for awareness of the employees. During the year, 3 Preventive Vigilance Workshops were conducted at various places/CC in which 180 employees participated.

10.9 CORPORATE SOCIAL RESPONSIBILITY

EESL has a CSR Policy in line with the provisions of Companies Act 2013 and undertakes the CSR activities as per the policy and other applicable provisions of the Act. During the period under review and upto the date of this report, the composition of the CSR Committee is as defined in the Corporate Governance Report forming part of this report. The CSR Policy is available at the link: <https://eeslindia.org/wp-content/uploads/2021/04/EESL-CSR-Policy.pdf>. Further, the Annual Report on CSR Activities/ Initiatives is annexed with this report at **Annexure – IV**.

10.10 RISK MANAGEMENT POLICY

To keep pace with the dynamic business environment and to address emerging business risks, EESL has institutionalised Integrated Risk Management (IRM). A Risk Management Committee (RMC) of the Directors has been constituted for identification, evaluation, and mitigation of key internal and external business risks. An internal Executive Risk Management Committee (ERMC) has also been constituted to drive and implement the IRM process. Under the IRM Framework, the Company is undertaking a rigorous 5-step Risk Assessment to identify, assess, manage, monitor, and report for the risks that the Company may face from internal or external sources and through a reporting mechanism to periodically assess the effectiveness of controls and mitigation plans.

10.11 CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A) CONSERVATION OF ENERGY: All EESL projects are focussed either on conservation of energy or on use of alternate & cleaner sources of energy. The company has also emphasised on promotion of energy efficiency and energy conservation within its premises. Some of the initiatives taken are as follows:

- Censor based lights have been installed in various areas and Board Room in EESL Corporate Office
- All AC's installed in office premises are BEE-5 star rated.
- Usage of energy efficient electronic appliances.
- Support in implementation of solar based lights system by SCOPE.
- Awareness on usage of electricity

B) TECHNOLOGY ABSORPTION AND BENEFITS:

There are no significant particulars relating to technology absorption as your Company does not own any manufacturing facility.

10.12 FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Particulars	Year ended 31.03.2022 (in ₹)	Year ended 31.03.2021 (in ₹)
Expenditure in Foreign currency	39,76,10,564.25	44,77,86,579
Earning in Foreign Exchange	2,10,54,577.62	-

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(A JV of PSUs under the Ministry of Power)

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10.13 DIRECTORS, KEY MANAGERIAL PERSONNEL, BOARD OF DIRECTORS & BOARD LEVEL COMMITTEES

During the year, the company has appointed Chief Executive Officer, Chief Financial Officer and Company Secretary as Key Managerial Personnel. The details of Directors during the period under the review and up to the date of this report, and Board Level Committees form part of the Corporate Governance Report annexed to this report.

Re - appointment of Directors: -

In terms of Section 152 of the Act, Shri Sreekant Kandikuppa and Shri Chandan Kumar Mondol shall retire by rotation at the ensuing Annual General Meeting of the company and being eligible, has offered himself for re – appointment.

10.14 CORPORATE GOVERNANCE

A detailed report on Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is placed at **Annexure - V** and forms part of the Directors' Report.

10.15 DECLARATION OF INDEPENDENCE: -

During the period under review, the Company did not have any Independent Directors on its Board.

10.16 CODE OF CONDUCT:

EESL has adopted a Code of Conduct for Directors and Senior Management Personnel. For the financial year ended 31st March, 2022, the Directors and Senior Management Personnel have complied with the same.

10.17 PERFORMANCE EVALUATION OF DIRECTORS AND THE BOARD

The company has Nominee Directors on its Board. The nominees of Promoter Companies are nominated by the respective promoters and Government Nominee Directors are appointed by the Ministry of Power (concerned administrative ministry). The performance evaluation of the Directors of the Company is as laid down by the Nomination and Remuneration Policy of the Company.

10.18 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 and subsequent amendments till date. In terms of the said policy, following are the required details:

Sl. No.	Particulars	FY 2021 – 22 [In Lakhs (₹)]
1.	Total annual procurement (in value)	23442.63
2.	Total value of goods and services procured from MSEs	6353.16
3.	% age of procurement from MSEs out of total procurement	27.10%

10.19 ANNUAL RETURN:

A copy of Annual Return of the company in terms of Section 92(3) and Section 134(3) of the Act and Rules framed thereunder, for the financial year 2021 – 22 will be available on our website www.eeslindia.org.

10.20 STATUTORY AUDITOR

The Comptroller and Auditor General of India (C&AG), in exercise of powers conferred under Section 139 of the Act had vide letter 19th August, 2021 appointed M/s S P Chopra & Co., Chartered Accountants

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(Firm Reg. No. 000346N), New Delhi as Statutory Auditor of the Company for the financial year 2021 – 22. The Statutory Auditor’s Report for the financial year 2021 – 22 is annexed to the Financial Statements of the company provided in the Annual Report.

10.21 SECRETARIAL AUDITOR

M/s Kumar Naresh Sinha & Associates, practicing Company Secretaries were appointed as Secretarial Auditors of the Company to carry out Secretarial Audit for the Financial Year 2021 – 22. The Secretarial Audit Report is annexed at **Annexure – VI** to this report.

10.22 INTERNAL AUDITORS

M/s KPMG Assurance and Consulting Services LLP were appointed as Internal Auditors of the Company for the financial year 2021 – 22.

10.23 MAINTENANCE OF COST RECORDS AND COST AUDITORS

The Company is not required to maintain the cost records as specified by the Central Government under sub – section (1) of section 148 of the Act. Therefore, Cost Audit is not applicable to the Company.

10.24 REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA (C&AG)

The comments of C&AG for both the standalone and consolidated financial statements of your Company for the financial year ended 31st March 2022 are annexed at **Annexure - VII**.

10.25 DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Following are the cases in which EESL has filed application to initiate Corporate Insolvency Resolution Process (CIRP):

1. EESL Vs. A One Realtors Private Ltd.

EESL had floated a tender for award of work of large-scale distribution of LED Bulbs in the area of Rajasthan, Madhya Pradesh and Uttar Pradesh. The work was awarded to the Corporate Debtor by letters of award dated December 2, 2015, March 9, 2016 and January 1, 2016 issued by EESL. As per the terms of the letter of award and contract, the money collected by the Corporate Debtor for distribution of LED bulbs were to be deposited into the bank account of EESL. Despite various reminders/ notices sent by EESL to the Corporate Debtor, the Corporate Debtor failed to deposit the outstanding amounts claimed (i.e. INR 8,71,03,050 (Rupees Eight Crore Seventy-One Lakh Three Thousand and Fifty)). Due to the aforementioned reasons, EESL filed the present petition under Section 9 of the Insolvency and Bankruptcy Code, 2016. A-One Realtors during the pendency of the aforementioned litigation filed Civil Suit before Delhi High Court for declaration and recovery. EESL filed Interlocutory Application on maintainability of suit and under Section 8(1) of the Arbitration and Conciliation Act, 1996 seeking direction to refer the aforesaid matter to arbitration as the agreement entered into between the parties. The Hon’ble court vide order dated 31.03.2022 allowed the IA and appointed Mr. Justice (Retd.) Jayant Nath, former judge of Delhi High Court as the sole arbitrator to adjudicate the dispute between the parties.

2. Balaji Lifestyle Technologies Pvt. Ltd. Vs Excel Technovation Pvt. Ltd.

Balaji Lifestyle has filed insolvency petition against Excel Technovation Pvt Ltd, where EESL is not a privy or party to the litigation. However, EESL being one of the claimants has filed its claims pursuant to “Claim Form B (being operational creditor) under the Regulation 7 of the Insolvency and Bankruptcy Board of India Regulations 2016”. Therefore, for the sake of clarity, EESL has not

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initiated the insolvency proceedings against Excel Technovatio Pvt Ltd, EESL has filed its claim to the learned “Resolution Professional” Mr. Prashant Agarwal as appointed by Hon’ble NCLT Jaipur.

3. Signify Innovations india Ltd Vs Eon electric Ltd And In the matter of Ritu Rastogi, RP for EON Vs. EESL

Ms. Ritu Rastogi has been appointed as “Resolution Professional” by the Hon’ble NCLT, Chandigarh pursuant to the petition filed by M/s. Signify Innovation Ltd against M/s. Eon Electric. In this matter Ms. Ritu Rastogi has filed an application for reduction of Bank Guarantee from 10% to 3% under the contract signed between EESL and Eon. The reply for the same has been submitted by the EESL.

10.26 STATUTORY & OTHER DISCLOSURES

- a) There was no change in nature of business of the Company during the financial year 2021 – 22.
- b) The Company has in place adequate internal financial controls with reference to financial statements. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, safeguarding of its assets, the prevention of and detection of fraud and errors, the accuracy & completeness of the accounting records and the timely preparation of reliable financial disclosures.
- c) There was no revision in the financial statements or the Directors’ Report during the year.
- d) The Company has not issued any stock options to the Directors or any employee of the Company.
- e) The Company has complied with the applicable Secretarial Standards as issued by ICSI.
- f) During the financial year 2021 – 22, there was no failure to implement any Corporate Action.
- g) Till date, the company has not accepted any deposits and therefore, no disclosure is required relating to deposits under Chapter V of the Act.
- h) No significant or material orders were passed during the period under the review by the Regulators /Courts / Tribunals impacting the Going Concern Status and Company’s Operations in future.
- i) Pursuant to provisions of the Section 143(12) of the Act, neither the Statutory Auditors nor the Secretarial Auditor has reported any incident of fraud during the year under review.
- j) Neither the Statutory Auditor nor the Secretarial Auditor have given any qualification, reservation or adverse remarks in their report.
- k) During the year, there was no one – time settlement with the Banks / Financial Institutions.
- l) The Consolidated Financial Statements are also being presented in addition to the Standalone Financial Statements of the company.
- m) Any other material event having an impact on the affairs of the company: There has been a significant increase in attrition rate in the company. During the financial year 2021 – 22, the attrition was 3.39% amongst regular employees whereas amongst Fixed term employees, it was 14.65%.

10.27 MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are following material commitments, affecting the financial position of the Company which has occurred during the Financial Year ended on March 31, 2021:

- a. CESL was incorporated as a wholly owned subsidiary of EESL. The Board in their 88th Board Meeting accorded approval to transfer EESL’s business verticals i.e., Solar business, Electric Vehicles, Electric Charging Infrastructure and others subject to management approval of the promoter companies and approval of Shareholders. The matter is pending for approval of the promoters’ management and Shareholders.

11. 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

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governments, state electricity boards, State Power Utilities and other borrowers for their continued supports and trust in the Company.

The Directors thanks all employees of the Company at all levels for their dedication and sincerity 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

Abhay Choudhary
Director
DIN: 07388432

Aditya Dar
Director
DIN: 08079013

Date: 29.09.2022

Place: New Delhi

Encl.: -

Annexure – I: Form No. AOC-1

Annexure – II: Information under the provision of Section 197(12) of Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Annexure – III: Management Discussion and Analysis Report

Annexure – IV: Annual Report on CSR Activities

Annexure – V: Corporate Governance Report

Annexure – VI: Secretarial Audit Report

Annexure – VII: CAG Audit Report

Annexure-I

Energy Efficiency Services Limited
Form AOC-1

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2022, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

₹ in Lakhs

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16		
2	Name of subsidiary	EESL EnergyPro Assets Limited	Anesco Energy Services (South) Ltd	Creighton Energy Limited	EPAL Holdings Limited	Edina Acquisition Limited	Edina Power Services Limited	Edina Limited	Edina UK Limited	Edina Australia Pty Limited	Armoura Holdings Limited	Stanbeck Limited	Edina Manufacturing Limited	Edina Power Limited	EPSL Trigenation Private Ltd	EESL Energy Solutions LLC (Dubai)	Covergence Energy Services Limited
3	The date since when subsidiary was acquired	13-Mar-18	13-Mar-18	13-Mar-18	13-Mar-18	13-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	20-Dec-18	13-Sep-20	29-Oct-20
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Reporting currency of foreign subsidiaries.	GBP	GBP	GBP	GBP	GBP	EURO	EURO	GBP	AUD\$	EURO	EURO	GBP	GBP	INR	AED	INR
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	99.5524	99.5524	99.5524	99.5524	99.5524	83.9845	83.9845	99.5524	56.7497	83.9845	83.9845	99.5524	99.5524	1.0000	20.6425	1.0000
6	Share capital	40,997.77	4,908.09	1,991.05	31,421.23	-	12,259.12	7,173.54	9,955.24	0.06	0.00	167.97	0.10	0.10	10.00	61.93	1,000.01
7	Reserves and surplus	13,452.20	822.48	(165.27)	(42.00)	(13,129.54)	990.15	(1,578.01)	3,298.87	(197.07)	289.11	(399.06)	(0.10)	(414.14)	89.90	(39.90)	(1,230.35)
8	Total assets	97,052.95	6,057.53	1,892.03	79,511.57	66,400.83	18,313.52	8,174.49	26,756.46	782.54	997.43	963.17	-	2,357.01	957.42	370.15	15,868.53
9	Total Liabilities	42,602.98	326.96	66.25	48,132.34	48,109.14	5,064.25	2,578.95	13,502.35	979.55	708.31	1,194.26	-	2,771.05	857.52	348.13	16,098.87
10	Investments	1,841.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Turnover	1,661.73	270.27	274.23	-	-	-	6,427.61	58,235.69	704.10	25.99	-	-	8,460.27	618.06	295.42	988.66
12	Profit before taxation	2,697.46	1,249.50	79.78	(18.28)	(3,130.61)	39.30	(560.06)	213.69	34.70	(24.80)	(45.93)	-	(1,035.00)	162.26	(42.15)	(1,355.62)
13	Provision for taxation	-	(160.83)	(3.91)	-	-	-	58.66	(85.88)	(10.41)	-	-	-	5.37	(50.76)	-	338.52
14	Profit after taxation	2,697.46	1,088.68	75.86	(18.28)	(3,130.61)	39.30	(501.39)	127.82	24.29	(24.80)	(45.93)	-	(1,029.63)	111.50	(42.15)	(1,017.10)
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	% of shareholding	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	29.00%	100.00%

Note:

- The above financial information is based on audited financial information considered for the purpose of consolidated audited Ind AS financial statements.
- Financial information has been extracted from the submission considered for the purpose of consolidated audited Ind AS financial statements.
- Investments exclude investments in subsidiaries.
- Share capital of Edina Power Services Limited includes preference share capital.

Part B - Associates and Joint Ventures

₹ in Lakhs

S. No.	Name of Joint venture	Date on which Joint Venture was associated or acquired	Latest audited balance sheet date	Shares of Joint Venture held by the company on the year end			Description of how there is joint control	Net Worth attributable to shareholders as per latest audited Balance Sheet	Profit / (loss) for the year ended March 31, 2022	
				Number of shares	Amount of Investment	Extent of holding			Considered in consolidation	Not considered in consolidation
1	Intellismart Infrastructure Pvt Ltd	13-Nov-19	31-Mar-22	2,76,85,049	2768.50	49%	By virtue of shareholding	5,343.50	(11.79)	-

Note:

- Amount of investment in joint venture is based on the carrying value of investments in the consolidated financial statements of Energy Efficiency Services Limited.
- During the year, the Company's shareholding in its erstwhile joint venture namely NEESL Private Limited has reduced from 26% to 2.21% as the joint venture partner has introduced fresh equity in the joint venture company. It resulted into reduction in shareholding and in terms of the joint venture agreement, the Company has lost joint control of NEESL Private Limited.
- The Group does not have any investment in associate.

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ENERGY EFFICIENCY SERVICES LIMITED

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Annexure – II

Statement of Disclosure of Remuneration under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

S. N.	Name & Designation	Nature of Employment (whether contractual or otherwise)	Remuneration Received (₹ In Lacs)	Qualification	Date of Commencement of Employment	Age (DOB)	Last Employment	Number of Equity Shares held in the Company	If relative of any Director or Manager, name of such Director or Manager;
1.	Shri Shankar Gopal (Group Executive Director - Commercial)	Permanent	52.33	B.Com (Hons), C.W.A (ICWAI)	08.06.2016	55 years (08.07.1967)	Power Grid Corporation of India Limited	Nil	NA
2.	Shri Bhawanjeet Singh, Executive Director	Permanent	51.40	Bachelor of Technology (B.Tech.) & Master Of Business Administration (MBA)	01.07.2019	58 years (20.09.1963)	NTPC Limited	Nil	NA
3.	Shri Raj Kumar Luthra, Chief General Manager	Permanent	51.12	Bachelor Of Engineering (B.E.)	01.07.2019	59 years (10.04.1963)	NTPC Limited	Nil	NA
4.	Shri Rajneesh Rana, Chief General Manager	Permanent	48.46	Bachelor of Commerce (B.COM.), Post Graduation in Management	10.10.2013	46 years (25.03.1976)	Indian Potash Limited	Nil	NA
5.	Shri Pankaj Kumar Bansal, Deputy Manager	Permanent	47.60	Bachelor Of Technology (B.TECH.)	06.03.2017	32 years (07.08.1990)	MITCON	Nil	NA
6.	Shri Devdutt Gajanan Salpekar, Chief General Manager	Permanent	47.59	Bachelor of Engineering (B.E.)	01.07.2019	60 years (08.02.1962)	NTPC Limited	Nil	NA
7.	Shri Lokesh Kumar Agarwal, Chief General Manager	Permanent	42.78	B.Com, L.L.B, CS, CMA (ICWAI), PG Diploma In Internal Audit	25.09.2019	54 years (09.08.1968)	BHEL	Nil	NA
8.	Shri. Abhishek Agarwal, Chief General Manager	Permanent	41.78	Bachelor Of Engineering (B.E.) & M.S (Software Systems)	12.03.2020	49 years (28.01.1973)	Balmer Lawrie & Co. Ltd	Nil	NA

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9.	Shri Soumya Prasad Garnaik, Executive Director	Permanent	41.50	Post Graduate in Power Plant Engineering, Bachelor Of Engineering (B.E.)	01.07.2016	53 years (03.06.1969)	ICF International	Nil	NA
10.	Shri Ajay Raj	Permanent	41.01	Bachelor of Engineering (B.E.)	15.06.2016	42 years (14.11.1979)	HCL Infosystems Ltd	Nil	NA

Note:

- Remuneration is as per the Remuneration Policy of the Company.
- The Remuneration for the purpose of above table is defined as Salary Cost of the Company which excludes variable Performance related pay.
- In terms of the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee of the Company employed throughout the year who was in receipt of remuneration of Rupees one crore and two lacs or more in a year. Further, during the year under review, there was no employee of the Company employed for a part of year who was in receipt of remuneration of rupees eight lacs and fifty thousand or more per month.

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

Sd/-

**Abhay Choudhary
Director
DIN: 07388432**

Sd/-

**Aditya Dar
Director
DIN: 08079013**

**Date: 29.09.2022
Place: New Delhi**

Management Discussion and Analysis

1. Global Overview and Industry Outlook

COVID-19 pandemic continued to have its impact on the global economy owing to resurgent waves of mutant variants, supply-chain disruptions, and a return of inflation in both advanced and emerging economies. However, global economy was expected to grow at 6% in 2021 – 22, mainly owing to the anticipated vaccine – powered recovery in the second half of 2021. In India, the economic impact of the “second wave” in Q1 was much smaller than that experienced during the full lockdown phase in 2020 – 21 even though the health impact was more severe, resulting in estimated GDP growth of 8.7% in 2021 – 22, after witnessing contraction of 6.6% in the previous year. Nevertheless, Covid-19 pandemic did cause severe disruption in the energy efficiency sector and adversely affected the prospects for rapid clean energy transitions. Uncertainty over the duration of the pandemic, its economic and social impacts as well as the various policy responses continued to cast their shadow on the planned investments in Energy Efficient technologies by the Governments, businesses and households.

On the brighter side, as suggested by an IEA report, the socio-economic benefits of energy efficiency post-pandemic are becoming widely recognised and Governments are starting to rise to the challenge of “building back better” from this crisis, announcing billions of dollars in stimulus spending to increase energy efficiency, particularly in buildings and transport. Evidently, in India the renewable sources of energy such as wind and solar PV continued with their rapid growth and electric vehicles set new sales records in the financial year 2021 – 22 proving that the new energy economy, post the two Covid years, will be more electrified, efficient, interconnected and clean. Thus, while the full impact of the Covid-19 crisis may take years to properly understand, the crisis clearly poses both risks and opportunities for global energy efficiency.

Clean energy technology is becoming a major new area for investment and employment – and a dynamic arena for international collaboration and competition. Nations worldwide have slowly started moving towards setting the net zero targets which has been a positive push by the policymakers. European Union (EU) has set a net zero target of 2050 whereas countries such as Germany and Sweden has set out legally binding net zero targets for 2045. China, responsible for over a quarter of global GHG emissions, has set out a target for 2060 and US, the second largest emitter, has set a target of 2050. India too has joined the league and has committed towards net zero target by 2070 at the COP 26, along with setting out a five-point agenda “**Panchamrit**”, for achieving the goal. The agenda includes:

- Raising the non-fossil fuel based energy capacity of the country to 500 GW by 2030.
- By 2030, 50% of the country’s energy requirements would be met using renewable energy sources.
- The country will reduce the total projected carbon emission by one billion tonnes between 2021 and the year 2030.
- The carbon intensity of the economy would be reduced to less than 45% by 2030 (Compared to 2005 levels).
- India would become carbon neutral and achieve net zero emissions by the year 2070.

It has been made clear in the energy outlook report of IEA of 2020 that avoiding new emissions is not enough for meeting the temperature rise target of 1.5-degree C i.e. actions will be required to reduce emissions from existing infrastructure. Energy efficiency, thus holds a major potential for meeting the climate goals in reducing emissions from existing as well as upcoming energy infrastructure.

2. Business Outlook and key developments

It has been estimated that more than 100 GW additional coal capacity can be avoided in India until 2047 through energy efficiency measures. Further, Bureau of Energy Efficiency's (BEE), through its strategy plan UNATEE (Unlocking National Energy Efficiency Potential), has laid the framework and implementation strategy from short and medium to long term scenarios by establishing linkages between 'energy demand scenarios' and 'energy efficiency opportunities'. It elucidates total energy efficiency investment potential of 8.4 lakh crore by 2031 and energy saving potential of 1010 TWh. BEE studies have estimated energy saving potential to be 10.1 Mtoe in residential, 12.7 Mtoe in commercial and 40.2 Mtoe in industrial sector by 2030. Some of these sectors can be the focused domains for EESL's intervention in unlocking the energy saving potential and consequent expansion of its business, moving forward.

Energy efficiency is a key driver in achieving energy access at affordable prices, improved energy security, greater sustainability, and economic growth. Energy Services Companies (ESCOs) like EESL, can create the Energy Efficiency value chain and Grid interactive demand response through smart appliances, buildings/industrial consumers, and EV chargers that can provide critical services to the grid, especially for Renewable Energy grid integration or during peak demand periods.

Hon'ble Finance minister in her budget speech also emphasized on the promotion of energy efficiency and energy savings measures in large commercial buildings through the Energy Service Company (ESCO) business model. She delineated the role of capacity building and awareness for energy audits, performance contracts, and common measurement & verification protocol.

EESL, setup as a Super ESCO, is already implementing the world's largest non-subsidized energy efficiency portfolio across sectors like lighting, buildings, e-mobility, EV charging infrastructure, smart metering, solar, industrial energy efficiency and efficient agriculture pumping at a scale which no other organization has been able to achieve and thus, is naturally poised to take up large scale energy efficiency project implementation of new and emerging technologies, which is the need of the hour. The enormous cost reduction achieved through 'Demand aggregation & Bulk procurement' strategy adopted by EESL has helped in making the cutting-edge energy efficient technologies affordable for consumers without any subsidy from the Government. With the renewed emphasis and urgency all around for implementation of energy efficiency projects, EESL is well placed to expand its business.

Riding on the success and learnings of the previous years, EESL would be looking to adopt the best practices for its new programs. Also, based on the experience gained from the earlier projects and from the challenges faced during previous years, new approaches have been designed to make the processes robust to strengthen its programs for Smart Meters, , Decentralized Solar Plants and Industrial Energy efficiency. Key reformative measures initiated during the year are mentioned below:

- **Role of 'Demand Aggregator' for EV:** In order to avoid getting over-leveraged and to keep the company 'Asset-light', it was decided that EESL/CESL shall concern itself

only with the aggregation of demand and shall not get in to financing of EVs. This reduces the capex requirement in EESL's EV operations and demarcate shift from investment lead to service / value based operations.

- **Financial prudence and Receivables Management:** It was vital for the company to create a culture of cash consciousness and accelerate cash collection from the debtors to mitigate pressure of large receivables. During the course of the financial year, EESL focused on setting processes for better cash management.

Continuous engagement was done with the debtors for outstanding realisation and since major debtors were government agencies, active support of the Ministry of Power (MoP) was availed for conveying the criticality and the urgency of liquidation of outstanding dues. The Company also took stringent actions against defaulting customers and initiated arbitration/adjudication action, wherever required, for expediting liquidation of receivables. Technical as well as commercial Punch points were addressed and closed on priority basis to help /enable the realisation. Owing to the above efforts, cash collection in the financial year 2021 – 22 was more than > Rs. 1600 cr which is about 37% higher to the collections of Rs. 1178 cr in the financial year 2020 – 21.

- **Execution of Carbon finance based projects (Gram UJALA):** In its endeavour to make the energy efficient appliances more affordable for consumers, EESL remains in pursuit of possible avenues for funding. Carbon financing is one such avenue to be leveraged. CESL, a wholly owned subsidiary of EESL, has distributed more than 1 Crore LED bulbs under Gram UJALA program, wherein LED bulbs are sold at Rs. 10 to the rural consumers and the differential cost of bulbs is targeted to be funded through Carbon financing. The program is being executed as a pilot for rural areas. If commercially successful, it would pave the way for more carbon finance based programs.
- **Demonstration of Energy Efficiency Projects (DEEP) in PAT Industries**
 - Considering EESL's experience in the implementation of large-scale energy-efficient projects through innovative financial models and demand aggregation, BEE has entrusted EESL with providing support to PAT industries for the demonstration of innovative energy-efficient technologies and for creating an ecosystem for enabling market transformation for such innovative technologies. BEE and EESL with their collaborative approach and expertise have prepared this program to implement innovative technologies and deploy a bespoke package of energy efficiency technologies in PAT industries. The overall objective of this program is to demonstrate emerging/innovative energy-efficient technologies in the identified PAT sectors and to create a self-sustaining mechanism for their upscaling. Key activities of the project are as below: Identification of Innovative technologies
 - Selection of beneficiaries through REoIs (Request for expression of interest)
 - Baseline study & DPR preparation
 - Procurement, Installation & commissioning of technology
 - Measurement & Verification (M&V)
 - Training and capacity building.

Emerging technologies, which are innovative in nature and have potential to replicate in the notified PAT industries, which has not been commercialized to the large scale

and have potential for energy efficiency improvement or generation will be targeted under the scheme. Joint Technical Working Committee (JTWC) has already identified the following four technologies for demonstration of the project.

- Microturbine/ Back pressure turbine (HP/MP to LP expansion)
- VFD enabled Screw Compressor with Permanent Magnet (PM) motor
- Turbo Blower
- Low-Grade Waste Heat Recovery System (LGWHRS)

Finance for project shall be done through the grant support (partially) by BEE and upfront contribution from DC. DCs has to contribute minimum 30% of total technology cost. The DC, who will contribute more will be prefer for selection.

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

EESL is implementing the prestigious GEF-5 project in association with Ministry of MSME, United Nations Industrial Development Organization (UNIDO), Bureau of Energy Efficiency (BEE) and Small Industries Development Bank of India (SIDBI). The program is being implemented in 12 MSME clusters across India. So far, 19 technologies have been successfully demonstrated across the identified clusters out of 34 identified technologies. In the pursuit, EESL has conducted 800 surveys and 80 detailed energy audits in the MSME units.

EESL has signed more than 50 energy performance agreements with the MSME units for implementation of energy efficient technologies resulting into the mobilization of investment to the tune of about Rs. 10 Cr.

- **Creation of SLNP business models:** EESL has finalised three business model i.e. Supply, Supply + Opex, ESCO model for implementation of Street Light National Programme going forward. The business models are prepared considering operational targets and have inbuilt payment security mechanism to ensure sustainability in operations.

3. Glance at EESL Operations

With the confidence gained from the enormous success of its LED programs viz. UJALA and Street Light national Program (SLNP), EESL has been working on a series of Energy Efficiency programs and emerging Technologies and has focussed on the deployment of Electric Vehicle, EV Charging Infrastructure, Smart Meters, Decentralized Solar, and Energy Efficiency interventions in MSMEs (GEF-5) as well as in industries.

M/s **IntelliSmart** is working as the execution arm for Smart Meter projects. Smart metering is among the measures proposed by Government of India under RDSS, a part of erstwhile IPDS

and UDAY schemes to improve the financial health of DISCOMs. The Smart Meters are to be installed in phases, aiming to cover a entire consumer base of 250 million across the country.

M/s **CESL** is presently focussing upon carbon finance projects (e.g. Gram UJALA) as well as clean transportation through demand aggregation including bulk tendering for Electric vehicles. It's focus is on optimizing assets, monetizing and stacking multiple values and using innovative financial structures to deliver at scale.

A glimpse of Segment-Wise performance is as follows:

- Under UJALA scheme, LED bulbs, LED Tube lights and Energy efficient fans are being provided to consumers for replacement of conventional and inefficient variant. Till 31st March, 2022 EESL has completed the distribution of over 36.79 crore LED bulbs, 23.59 lakh Energy Efficient Fans and 72.18 lakh LED Tube lights.
- Under Street Light National Program, EESL has completed installation of 1.25 crore LED street lights across India.
- EESL (through CESL) has expanded UJALA program in rural areas i.e. Gram UJALA. Keeping in view that consumers' affordability is low - the price of the LED bulb has been kept at Rs. 10 which is comparable to that of Incandescent Lamps (ICLs) for similar illumination. The balance requirement for program is financed through carbon credits. M/s CESL has distributed a total of 1 Crore LED bulbs during the financial year to the rural consumers of Bihar, Uttar Pradesh, Karnataka, Andhra Pradesh and Telangana.
- EESL along with its JV, IntelliSmart is ensuing to establish itself as the leading smart meter player in India with implementation of more than 26 lakh meters under the Smart Metering Program and bids. Under the Meter Program EESL (through IntelliSmart) has installed 24.62 lakh smart meters during the year. Further, EESL is providing value added services to its customers by enabling its smart meters function in Pre-paid mode.
- Decentralised Solar: A first of its kind large scale programme wherein existing agricultural feeders are being solarized through implementation of decentralized solar power plants at vacant/un-used lands near DISCOM substations. Under Decentralized Solar Power Plant Program EESL has commissioned cumulative capacity of decentralized solar power plant of 192 MWp.
- In its EV program, EESL (through CESL) has aggregated demand of over 1.5 lac E3Ws, 2300 e-cars and has successfully carried out a tender of 5450 e-buses.
- Under Buildings Energy Efficiency Programme (BEEP) to retrofit commercial buildings in India into energy efficient complexes, EESL is creating a market for clean energy in India. Under BEEP, EESL has completed retrofitting work in 11,582 buildings.
- In Agricultural Demand Side Management (AgDSM) programme for BEE 5-star energy efficient agricultural pumps, EESL ensures a minimum of 30% reduction in energy consumption with smart control panels. Under AgDSM, EESL has installed 78,977 nos. of agricultural pumps.

- Under Motor Replacement Program EESL has deployed/replaced 5,280 with IE3 motors.

4. *EESL's Strengths*

EESL has developed in house expertise in execution of energy efficiency, clean energy and demand side management projects. The team has expertise and knowledge in the areas of Lighting projects and has developed expertise over time in the areas of Smart meter, EV, solar and Industrial efficiency projects. EESL has technical and financial support from its strong institutional promoters and has demonstrated proven track record of delivering impactful outcomes, building a strong brand and domain expertise. During the course of its operations, EESL has developed strong relationship with its core customer base – distribution utilities, municipal utilities, MSMEs and Industries. EESL has pioneered the demand aggregation and bulk procurement intervention thereby driving down the prices of appliances/equipment in Lighting, Smart Meter as well as EV segments in order to expand market and make them affordable. EESL has access to economical financing options from multi and bilateral funding agencies which enables it in delivering value and better returns to its customers. EESL is one the very few organizations which has successfully executed large scale energy efficiency projects in the country. E.g. UJALA, SLNP, Smart meters programme etc. EESL (through its wholly owned subsidiary-CESL) has also forayed on the Carbon finance market through its Gram UJALA program and plan to leverage this innovative financing for its other energy efficiency projects.

5. *EESL's Weaknesses*

EESL is projected to grow in the coming future through expansion of its existing programmes as well as inclusion of new programs and approaches. Availability of skilled and expert resources and mature processes is a key challenge for EESL. Further, in recent months there has been an increase in exodus of experienced manpower from EESL to various new entrants in the sector. This has further aggravated the shortage of expertise within the organization required for spearheading its new programmes.

Also, the current equity base is small to fuel EESL growth in future and leveraging in new strategic initiatives. The Promoters have been infusing equity into the company from time to time as needed, but new innovative funding sources are needed to fuel its ambitious growth targets.

Further, there have been large outstanding dues from various government departments i.e ULBs and DISCOMs which are hampering the growth opportunities.

6. *Opportunities*

EESL works under administrative control of Ministry of Power (MoP) and has been leveraging its position to tap government's project pipeline as well as in getting its outstanding payments cleared by Government agencies. Appreciating the fact that a healthy cash flow will facilitate EESL's investment in new energy efficiency projects, MoP has been proactively supporting EESL in liquidation of its outstanding payments through periodic reviews of receivables as well as issuing necessary directions to states/ULBs to liquidate EESL dues within a stipulated timeframe.

EESL has developed excellent working relationship with distribution utilities, MSMEs, industries, urban local bodies and multi/bi-lateral funding agencies. With its sectoral experience of more than a decade, the company has cultivated a keen understanding of regulations and policies related to energy efficiency and demand side management. Its unparalleled success in large scale deployment of energy efficient appliance such as LED

lighting, fans, motors, and other equipment makes EESL a prime contender to partner and implement projects in future to achieve NDC goal of reducing energy intensity of GDP by 45% by 2030 compared to 2005 levels.

Leveraging on its strategic partnership and synergy with Bureau of Energy Efficiency, EESL is foraying into Demonstration of Energy Efficiency Projects in PAT industry. EESL can work to tap huge market potential for energy efficiency interventions in industrial pumping, compressed air, waste heat recovery, chillers, district cooling, etc through a standard business model.

7. *Overseas Opportunities*

EESL has made significant progress by forming alliances with various government agencies and leading technology providers with the goal of increasing shareholder value by replicating a successful business model in energy efficiencies beyond the country's borders. One of the most significant achievements EESL has made in energy efficiency business in the overseas market is acquisition of Edina Power Services limited UK, Edina has a long history of developing Natural Gas Engine operated Tri-generation Projects in the United Kingdom and Ireland. Edina has developed approximately 1 GW of distributed CHP projects across the UK and surrounding geography over the last nearly four decades.

In the United Kingdom, there are significant business opportunities in the capacity market (peaking Power Plant); in this segment, Edina has proven to be the most reliable partner, with a 25-30% market share, making the company more sustainable. Except for the economic slowdown caused by the C-19 pandemic, Edina has contributed a large portion of revenue to EESL's top-line and will continue to do so.

Edina is exploring business opportunities in the UAE market, where initial market research and meetings with strategic clients have been conducted and has made significant progress. Natural gas pricing in the UAE market is under control because it is produced locally rather than relying on imported LNG gas. It is estimated that around 20-25% energy savings can be realised in UAE market, and this driver will also help to reduce carbon emissions, so UAE business opportunities are very promising.

8. *Threats, Risks and Concerns*

Majority of EESL programs are executed for ULBs and DISCOMs which do not possess a very good credit rating. This causes an inherent risk to EESL investments in its programs. This is evident from EESL's high outstanding receivables which has crossed over Rs. 3500 Crores and is adversely impacting the cash flows for operations. Further, as EESL's ESCO services models are investment led, the programs are capital intensive, the cost of debt always needs to be maintained at a sustainable level to ensure healthy returns for both EESL and their consumers.

However, given the global geopolitical situation and uncertainty in economic activities as a result of various other factors, particularly the rise in oil and gas prices, can have a significant impact on the overall overseas line of EESL' business.

With significant change in company's structure, the company has seen exodus of senior officers and experienced manpower who had sector expertise and were well versed with organization's business.

9. Internal Control System and their Adequacy

The Company maintains a system of Internal Control including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies. There has been a regular review and some area of improvement have been noticed. EESL is embarking on IMS implementation to inculcate a culture of process driven outcomes. EESL has instituted a 'Risk Management committee' for program risk appraisal A 'Corporate Monitoring Group' has also been created to monitor the issues, performance, project progress of the company. Systemic improvement in the Procurement Process involving Gap identification, standardization of processes, improved evaluation, enhanced participation by leveraging new technological measures, etc is also underway.

Suitable delegations of power and guidelines for accounting have been evolved 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 already implemented an ERP system.

10. Material Developments in Human Resources/Industrial Relations

The Total manpower of the Company as on 31st March 2022 stands at 856 which includes 259 regular employees, 89 fixed term employees, 15 consultants, 493 third party employees. With this talent pool bearing a unique mix of experienced and fresh executives and staff, the project execution capabilities have been enhanced.

11. Financial Performance and business analysis

During the financial year 2021-22, the Company registered a decrease in total income which went down to Rs. 1590.96 crore from Rs. 1674.85 crore during the financial year 2020-21. Loss before tax was at Rs. 217.95 crore in 2021 – 22 in comparison to a before tax profit of Rs. 14.48 crore in 2020 – 21. Net Loss (After Tax) of the Company in 2021 – 22 is Rs. 150.94 crore. Net worth of the Company as on March 31, 2022 stands at Rs. 1258.49 Crore. (Standalone audited financial Results).

The impact of Covid-19 was also seen on EESL's operations during the year. Urban local bodies (ULBs) forms a major client for EESL. During the pandemic, ULBs had to focus more on health infrastructure and sanitation activities which further aggravated their already stretched financial position. Deprioritising of Energy Efficiency projects resulted in reduced order booking while financial stress of clients hampered the payment realisation during the year though, a significant improvement in cash collections was achieved in the financial year 2021 – 22 owing to focused efforts of EESL and support from promoters and MoP. Counting on the continued support of all associated stakeholders, the company looks forward to further improve its cash collection figures in the coming year.

On the smart meter front, new installations could not take place at the desired pace due to lock downs, restricted entry in residential premises and supply chain disruption due to chip shortage issues.

In the EV business, EESL (through CESL) will be acting as an enabler and aggregator of demand for STUs, Mobility service providers and general consumers. Considering that EVs is a sun-rise industry with significant growth rate, EESL, having already established as a key enabler in EV adoption, will benefit immensely through its various programs in the sector.

EESL is the national executing partner for the GEF project titled 'Promoting Market Transformation for Energy Efficiency in Micro, Small and Medium Enterprises' being implemented in India by UNIDO in cooperation with the Ministry of MSME (MoMSME), Government of India. Under the project EESL has already completed the demonstration of energy saving potential of 19 identified technologies in 12 selected MSME clusters across the country, while work is in advance stage for demonstration of balance 17 technologies envisaged in the project. Armed with the learnings from the above pilot projects EESL will go ahead with ramping up the implementation of these proven Energy efficient technologies at a larger scale across the MSMEs and other industrial facilities thus diversifying its business portfolio in Industry Energy efficiency sector.

12. Environmental Protection and Conservation

The projects executed by EESL till the end of last financial year i.e. 2021 – 22 have saved about 58 billion kWh of energy per year, avoided peak demand of about 11,560 MW and resulted in reduction in CO₂ emission of about 46 million tonnes annually.

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.

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

Abhay Choudhary
Director
DIN: 07388432

Aditya Dar
Director
DIN: 08079013

Date: 29.09.2022

Place: New Delhi

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Annexure -IV

Annual Report on CSR Activities for the Financial Year 2021 - 22

1. Brief outline on CSR Policy of the Company:

CSR programs undertaken by your Company include activities specified in Schedule VII of the Companies Act 2013 & Rules made thereunder for the benefit of community at large. The Company's CSR activities primarily focused on Health, Sanitation, Safe Drinking Water and Education. CSR Policy of the Company as required under Section 135 of Companies Act, 2013 is available on our website (www.eeslindia.org).

2. Composition of CSR Committee:

As on 31st March 2022, Corporate Social Responsibility Committee comprised of the following: -

Sl. No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Smt. Seema Gupta	Nominee Director	1	1
2.	Shri Aditya Dar	Nominee Director	1	1
3.	Shri Arun Kumar Mishra	Whole – Time Director & Chief Executive Officer	1	1

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<https://eeslindia.org/en/investors-zone/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub – rule (3) of rule 8, if applicable: The activity of Impact Assessment related is under process.

5. (a) Average net profit of the company as per sub-section (5) of section 135: Rs. 3628.87 lacs

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 72.58 Lacs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set-off for the financial year, if any: Rs. 4.8 Lacs

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 67.80 Lacs

6. (a) Amount spent of CSR projects (both ongoing project and other than ongoing project): Rs. 67.80 Lacs*

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 67.80 Lacs*

(e) CSR amount spent or unspent for the financial year:

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Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub – section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub – section (5) of Section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer
67.80 Lacs*	NIL	NIL	NIL	NIL	NIL

* Amount transferred to PM Cares Fund

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	72.58 Lacs
(ii)	Total amount spent for the Financial Year	72.58 Lacs**
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set-off in succeeding Financial Years [(iii)-(iv)]	NIL

** (includes excess amount of Rs. 4.8 lacs spent for the Financial year 2020 – 21)

7. Details of Unspent CSR amount for the preceding three Financial Years:

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1.	2.	3.	4.	5.	6.		7.	8.
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of 135 (in Rs.)	Balance Amount in Unspent CSR account under sub-section (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding Financial Years. (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1	2020 – 21	NIL	NA	35.94 Lacs	117.6 Lacs	30.09.2021	NIL	NA
2	2019 – 20	NIL	NA	183.4 Lacs	NIL	NA	NIL	NA
3	2018 – 19	NIL	NA	66.94 Lacs	NIL	NA	NIL	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes

☐

No

☒

If Yes, enter the number if Capital assets created / acquired

NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s)	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity / Authority / Beneficiary of the registered owner		
	[including complete address and location of the property]						
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
NA							

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9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub – section (5) of Section 135. - NA

Arun Kumar Mishra (Chief Executive Officer)	Abhay Choudhary (Chairman CSR Committee)	NA/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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Annexure – V

Corporate Governance Report

(for the period ended on 31st March 2022)

(Pursuant to Schedule V of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015)

1. CORPORATE GOVERNANCE PHILOSOPHY

EESL has been practising Corporate Governance to ensure transparency in corporate affairs. The Corporate Governance framework has been built on the Company's value system, aimed at conducting business ethically, efficiently and in a transparent manner.

2. BOARD OF DIRECTORS

2.1. Size and Composition of the Board

As per the provisions of Articles of Association of the Company, the number of directors of the Company shall not be less than four (4) and not more than six (6). Composition of the Board of Directors of the Company as on March 31, 2022 is as under:

S. No.	Name of the Director	Designation
1.	Shri K. Sreekant	Chairman & Non – Executive Nominee Director
2.	Shri Arun Kumar Mishra	Chief Executive Officer & Whole – Time Director
3.	Shri Vivek Kumar Dewangan	Government Nominee Director (Non – Executive)
4.	Smt. Seema Gupta	Non – Executive Nominee Director
5.	Shri C. K. Mondol	Non – Executive Nominee Director
6.	Shri Aditya Dar	Non – Executive Nominee Director

During the financial year 2021 – 22 and upto the date of this report, following changes took place in the composition of Board of Directors of the Company:

- Due to Board Restructuring, following changes took place:
 - Shri Saurabh Kumar who was appointed as Executive – Vice Chairman of EESL w.e.f. 1st April, 2021 ceased to be a part of Board of Directors of the company w.e.f. 6th September, 2021.
 - Shri Rajeev Sharma ceased to be Nominee Director (REC Limited) and Chairman of the company w.e.f. 6th September, 2021 due to withdrawal of nomination.
 - Shri Rajat Kumar Sud, Managing Director, ceased to be a part of Board of Directors of the company w.e.f. 6th September, 2021.
 - Smt. Parminder Chopra who was appointed as Nominee Director (Power Finance Corporation Limited) ceased to be Director in EESL w.e.f. 6th September, 2021 due to withdrawal of nomination.
 - Shri Shankar Gopal (Director (Commercial)) and Shri Venkatesh Dwivedi (Director (Projects & Business Development)) ceased to be a part of Board of Directors of the company w.e.f. 6th September, 2021.
 - Shri Abhay Bakre ceased to be a Director on the Board of EESL w.e.f. 5th October, 2021 due to withdrawal of nomination.
- Shri Mritunjay Kumar Narayan was appointed as an Additional Director, designated as Government Nominee Director w.e.f. 30th June, 2021 whose office ceased w.e.f. 21st December 2021 due to change in nomination.

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3. Shri Sreekant Kandikuppa was appointed as Nominee Director of Power Grid Corporation of India Limited (PGCIL) and Chairman of the Company w.e.f. 6th September, 2021.
4. Smt. Seema Gupta was appointed as Nominee Director of PGCIL w.e.f. 6th September, 2021 who ceased to be Director in the company w.e.f. 31st May 2022 due to change in nomination.
5. Shri C. K. Mondol was appointed as Nominee Director (NTPC Limited) w.e.f. 6th September, 2021.
6. Shri Arun Kumar Mishra was appointed Chief Executive Officer of EESL w.e.f. 5th October, 2021 and Whole Time Director in the company w.e.f. 7th October, 2021. However, due to recent change in structure of Board of Directors of the company where Chief Executive Officer was made a below Board – level position, he ceased to be the Whole Time Director w.e.f. 27th July 2022.
7. Shri Vivek Kumar Dewangan was appointed as Additional Director, designated as Government Nominee Director (Ministry of Power) w.e.f. 23rd December 2021. However, he ceased to be Director in EESL w.e.f. 28th July 2022 due to change in nomination.
8. Shri Abhay Choudhary was appointed as Additional Director, designated as Nominee Director of PGCIL in place of Smt. Seema Gupta w.e.f. 18th June 2022.
9. Shri Ajay Tewari was appointed as Additional Director, designated as Government Nominee Director w.e.f. 29th July 2022 in place of Shri Vivek Kumar Dewangan.

2.2. Board Meetings

The Board Meetings of the Company are usually held at the Registered Office of the Company located at New Delhi. However, owing to the Covid – 19 pandemic the meetings were also held over video – conferencing in terms of the notifications issued by the Ministry of Corporate Affairs.

Seventeen (17) meetings of the Board of Directors were held during the year under review and gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on 30th June 2021, 12th August 2021, 31st August 2021, 6th September 2021, 17th September 2021, 5th October 2021, 14th October 2021, 29th October 2021, 13th November 2021, 30th November 2021, 13th December 2021, 29th December 2021, 3rd January 2022, 27th January 2022, 11th February 2022, 9th March 2022 and 25th March 2022. The necessary quorum was present for all the meetings.

2.3. Attendance record of Directors at Board meetings and last Annual General Meeting and number of other Directorships / Committee Memberships / Chairmanships

The table below shows attendance of Directors in Board Meetings held during the FY 2021 – 22, their attendance at the last Annual General Meeting and number of other Directorships / Committee Memberships / Chairmanships as on 31st March 2022:

Name and Designation of the Director	No. of Board Meetings held during the tenure	No. of Board Meetings attended during the tenure	No. of other Directorship in other Companies	Directorship in Listed entity & Category	No. of Committee Membership in other Public Companies*		Whether attended Last AGM (30.11.2021)
					As Chairman	As Member	
Shri K. Sreekant, Chairman & Non – Executive Nominee Director	14	14	9	Power Grid Corporation of India Limited – Chairman & Managing Director	-	-	YES

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Shri Arun Kumar Mishra, Chief Executive Officer & Whole – Time Director	11	11	6	-	-	-	YES
Shri Vivek Kumar Dewangan, Government Nominee Director (Non – Executive)	6	6	1	NTPC Limited – Nominee Director	-	-	NO
Smt. Seema Gupta, Non – Executive Nominee Director	14	14	9	Power Grid Corporation of India Limited – Whole Time Director	2	1	YES
Shri Chandan Kumar Mondol, Non – Executive Nominee Director	14	11	7	NTPC Limited – Whole Time Director	-	-	YES
Shri Aditya Dar, Non – Executive Nominee Director	17	15	4	-	-	-	YES
Shri Mritunjay Kumar Narayan, Government Nominee Director (Non – Executive)	11	9	NA	NA	NA	NA	YES
Shri Abhay Bakre, Government Nominee Director (Non – Executive)	3	1	NA	NA	NA	NA	NO
Shri Rajeev Sharma, Non – Executive Nominee Director	3	3	NA	NA	NA	NA	NO
Shri Saurabh Kumar, Executive Vice Chairman	3	3	NA	NA	NA	NA	NO
Shri Rajat Kumar Sud, Managing Director	3	3	NA	NA	NA	NA	NO
Smt. Parminder Chopra, Non – Executive Nominee Director	3	3	NA	NA	NA	NA	NO
Shri S. Gopal, Director (Commercial)	3	3	NA	NA	NA	NA	NO

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Shri Venkatesh Dwivedi, Director (Projects & Business Development)	3	3	NA	NA	NA	NA	NO
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*includes only Audit Committee & Stakeholders Relationship Committee in all public limited companies excluding EESL and Membership includes Chairmanship.

1. NA indicates that concerned person was not a Director in EESL on 31st March 2022.
2. None of the directors on Board is a member of more than 10 Committees or Chairperson of more than 5 Committees across all the Public Limited Companies in which they are a Director as prescribed under Regulation 26 of SEBI (LODR) Regulations 2015. Further, none of the Directors of the Company is inter-se related to other directors of the Company.

2.4. Number of shares and convertible instruments held by non- executive directors

None of the non – executive directors of the company hold any shares or convertible instruments of EESL.

2.5. Core competencies of Directors

The Board of Directors comprises of qualified members with sector experience, various skills and competencies that contribute in guiding the management in efficient functioning of the Company. Brief profile of directors of the company is as under:

- a. **Shri K. Sreekant** is the Chairman & Managing Director in Power Grid Corporation of India Limited and the Chairman of EESL. He is a CMA and holds PGDM (Finance) from Management Development Institute, Gurgaon. He has over 34 years of experience in the power sector in the areas of long term financial planning, investment appraisals, formulation of capital budgets, resource mobilization from domestic and international markets, corporate accounts, commercial, regulatory affairs and enterprise resource planning systems.
- b. **Shri Arun Kumar Mishra**, Chief Executive Officer of EESL is an Engineering Graduate (Electrical Engineering) and a certified ISMS lead auditor. He is a veteran in the energy sector, with more than three decades of professional experience in NTPC and Power Grid Corporation of India Limited including Policy perspective as Director of National Smart Grid Mission (NSGM), Project Management Unit (PMU) and Vice-Chair of International Smart Grid Action Network (ISGAN). He has experience in the planning, design and implementation of power systems, information and communication technology (ICT) integration in power utilities, SCADA and smart grid applications. He has also undertaken feasibility studies and requirements of load despatch centres, besides designing their complex communication networks.
- c. **Shri C. K. Mondol** is Director (Commercial), NTPC Limited and a Nominee Director in EESL. He holds a Bachelor's Degree in Engineering. He has more than 35 years of professional experience and comprehensive knowledge of the power sector and has worked in both power plant and corporate functions. His area of experience includes Power Generation, Project Management, Contract Management, Engineering, Procurement, EPC, Renewable Energy and Customer Relationship Management in the power sector.
- d. **Smt. Seema Gupta** was Director (Operations) in Power Grid Corporation of India Limited and a Nominee Director in EESL. After graduating in Electrical Engineering from DCE in 1983, she served for more than 38 years in two of the flagship organizations of the Indian power sector -NTPC Ltd. & Power Grid Corporation of India Ltd. She has professional experience in the Indian Power Sector. Her area of experience includes Business Development (Domestic & International), Telecom, Load Despatch & Communication, Energy Management, laying down operations philosophy of the transmission system, Corporate Planning, Corporate Monitoring and Central Transmission Utility. She has been part of various Committees / Forums such as National Study Committee A2 (Transformers & Reactors) of CIGRE India, Women in Engineering Forum, etc.

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- e. **Shri Aditya Dar** is an Executive Director in NTPC Limited and a Nominee Director in EESL. He holds a B.Sc. (Hons) degree and PGDM (Finance) from MDI, Gurgaon. He has over 32 years of experience in the areas of investors' services, resource mobilization from domestic and international markets, long – term financial planning, formulation of capital and O&M budgets and regulatory affairs.
- f. **Shri Vivek Kumar Dewangan** was serving as Additional Secretary in the Ministry of Power, Government of India and a Government Nominee Director on the Board of EESL. Presently, he is Chairman & Managing Director of REC Limited with effect from May 17, 2022. He is an Indian Administrative Service Officer of Manipur Cadre (1993 batch). He holds B.E. in Electronics from NIT, Bhopal and P.G. in Optoelectronics & Optical Communication from IIT, Delhi. He has held various administrative positions in the areas of finance, power / energy, petroleum & natural gas, elections / law & justice, commerce & industries, Minister's office (Corporate Affairs / Agriculture & Food Processing Industries), education / human resource development, sericulture / agriculture & cooperation, economic affairs, economics & statistics, rural development & Panchayati raj, district administration (Surguja & Raipur district in Chhattisgarh and Senapati district in Manipur) and revenue administration.
- g. **Shri Abhay Choudhary** is Director (Technical) in Power Grid Corporation of India Limited and a Nominee Director in EESL. He is a graduate in Electrical Engineering and holds PGDM from IMT Ghaziabad. During his career spanning around 35 years in Power Sector, he has worked in various capacities in EHV Sub Stations and Transmission lines, both as an Operation & Maintenance executive as well as a construction engineer.
- h. **Shri Ajay Tewari** is Additional Secretary, Ministry of Power, Government of India and Government Nominee Director on the Board of EESL. He is B. Tech (Electrical Engineer) from Indian Institute of Technology – Kanpur, holds PG Diploma in Financial Management from Indira Gandhi National Open University (IGNOU), New Delhi and an Indian Administrative Service Officer of 1993 Batch of Assam Meghalaya Cadre. He is presently looking after Energy Conservation, Energy Transition, International Co-operation, Training & Research and Perspective Planning of Ministry of Power. Before joining Central deputation in the Ministry of Labour & Employment as Joint Secretary & Director General of Labour Welfare in the year 2018, he had worked in different capacities in the State of Assam and Meghalaya. He has wide range of experience of working in Finance, Education, Housing & Urban Affairs, Sports, Youth Welfare, General Administration, Revenue Administration, Disaster Management & Labour Welfare sectors.

2.6. Independent Directors

EESL is a Joint Venture Company of four CPSEs and therefore, in terms of proviso to Section 2(52) and Section 149 of Companies Act 2013 read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, EESL was not required to appoint Independent Directors on its Board. However, EESL is also a High Value Debt Listed Entity as per SEBI (LODR) Regulations 2015 (as amended) and therefore, the provisions relating to Regulations 15 - 27 of the said Regulations became applicable to the Company w.e.f. 7th September 2021 on a 'comply or explain' basis until March 31, 2023 and on a mandatory basis thereafter, pursuant to notification of SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021. The company shall take adequate steps in due course to comply with the requirements pertaining to the composition of Board of Directors and Committees alongwith other incidental requirements thereto.

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company had constituted various statutory committees i.e. Audit Committee, the Nomination and Remuneration Committee, CSR Committee, Risk Management Committee, and other group of committees of directors formed from time to time for specific purpose. The details of such committees are as under:

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a. AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Act and SEBI (LODR) Regulations 2015, Audit Committee has been constituted by the Board of Directors. The composition of the Committee as on 31st March 2022 was as under:

S. No.	Name of the Member	Designation
1.	Shri Chandan Kumar Mondol, Non – Executive Nominee Director	Chairman of the Committee
2.	Smt. Seema Gupta, Non – Executive Nominee Director	Member
3.	Shri Aditya Dar, Non – Executive Nominee Director	Member

During the financial year 2021 – 22, following changes took place in the composition of the Committee:

- Smt. Parminder Chopra and Shri Shankar Gopal ceased to be Members of the committee whereas Shri Chandan Kumar Mondol and Smt. Seema Gupta were appointed as Members of the committee w.e.f. 6th September 2021.

The composition of the Committee as on the date of this report is as under:

S. No.	Name of the Member	Designation
1.	Shri Chandan Kumar Mondol, Non – Executive Nominee Director	Chairman of the Committee
2.	Shri Abhay Choudhary, Non – Executive Nominee Director (appointed as Committee Member w.e.f. 4 th July 2022)	Member
3.	Shri Aditya Dar, Non – Executive Nominee Director	Member

The members of the Committee are financially literate. The Chief Financial Officer attends all the meetings of the Committee. The Company Secretary is the Secretary to the Committee. The Statutory Auditor and the Internal Auditor also make their presentation at the Committee Meetings, as and when required.

The term of reference of Audit Committee is as follows:-

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, term of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval with particular reference to the following and examination of auditors' report thereon:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Disclosure of any related party transactions.
- Reviewing and monitoring, with the management, independence and performance of statutory auditors, and effectiveness of audit process.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up there on.
- Evaluation of internal financial controls and risk management systems.

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9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Reviewing, with the management, investment guidelines /policies of the Company.
12. Review of the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transaction submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses.
13. Approval or any subsequent modification of transactions of the company with related parties.
14. Scrutiny of inter corporate loans and investments.
15. Valuation of undertakings or assets of the company, wherever it is necessary.
16. Monitoring the end use of funds raised through public offering and related matters.

Meetings and Attendance

During the financial year 2021 – 22, seven (7) meetings of the Audit Committee were held and details including attendance of members of the Committee are as follows:

Name of the Members	Meeting Date							Total Meetings held during the tenure	No. of meetings attended	% of Attendance
	30/06/2021	14/10/2021	28/10/2021	12/11/2021	29/11/2021	27/01/2022	11/02/2022			
Smt. Parminder Chopra	Y	-	-	-	-	-	-	1	1	100
Shri Aditya Dar	Y	Y	Y	Y	Y	Y	N	7	6	85.7
Shri S. Gopal	Y	-	-	-	-	-	-	1	1	100
Shri C. K. Mondol	-	Y	Y	Y	Y	Y	Y	6	6	100
Smt. Seema Gupta	-	Y	Y	Y	Y	Y	Y	6	6	100

Shri Chandan Kumar Mondol, Chairman of the Audit Committee was present in the Annual General Meeting held on 30th November 2021 to answer the queries of the Shareholders.

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b. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Act and SEBI (LODR) Regulations 2015, Nomination & Remuneration Committee has been constituted by the Board of Directors. The composition of the Committee as on 31st March 2022 was as under:

S. No.	Name of the Member	Designation
1.	Shri Vivek Kumar Dewangan, Government Nominee Director	Chairman of the Committee
2.	Shri K. Sreekant, Non – Executive Nominee Director	Member
3.	Shri Chandan Kumar Mondol, Non – Executive Nominee Director	Member

During the financial year 2021 – 22, following changes took place in the composition of the Committee:

- Smt. Parminder Chopra and Shri Shankar Gopal ceased to be Members of the committee whereas Shri Mritunjay Kumar Narayan and Shri K. Sreekant were appointed as Members of the committee w.e.f. 6th September 2021.
- Shri Mritunjay Kumar Narayan ceased to be member of the Committee and Shri Vivek Kumar Dewangan was appointed as Committee Member w.e.f. 29th December 2021.

The composition of the Committee as on the date of this report is as under:

S. No.	Name of the Member	Designation
1.	Shri Ajay Tewari, Government Nominee Director (appointed w.e.f. 29 th July 2022)	Chairman of the Committee
2.	Shri K. Sreekant, Non – Executive Nominee Director	Member
3.	Shri Chandan Kumar Mondol, Non – Executive Nominee Director	Member

The Term of Reference of the Committee is as under:

1. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
2. To formulate criteria for evaluation of individual Directors and the Board.
3. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy.
4. To carry out evaluation of every Director's performance.
5. To recommend to the Board the appointment and removal of Directors and Senior Management.
6. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
7. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
8. To devise a policy on Board diversity.
9. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
10. To perform such other functions as may be necessary or appropriate for the performance of such duties.

Meetings and Attendance

During the financial year 2021 – 22, one (1) meeting of the Nomination and Remuneration Committee was held and details including attendance of members of the Committee are as follows:

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Name of the Members	Meeting Date	Total Meetings held during the tenure	No. of meetings attended	% of Attendance
	25/11/2021			
Shri Mritunjay Kumar Narayan	25/11/2021	1	1	100
Shri K. Sreekant	25/11/2021	1	1	100
Shri C. K. Mondol	25/11/2021	1	1	100

c. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been constituted in compliance with the provisions of Section 135 of the Act. This Committee is constituted to formulate and recommend to the Board, Corporate Social Responsibility Policy as per Schedule VII of the Companies Act, 2013 as amended from time to time; to recommend the amount of expenditure to be incurred on the activities specified in the CSR Policy; to monitor the Corporate Social Responsibility Policy of the company from time to time; and any other matter as the Board may delegate from time to time. The composition of the Committee as on 31st March 2022 was as under:

S. No.	Name of the Member	Designation
1.	Smt. Seema Gupta, Non - Executive Nominee Director	Chairperson of the Committee
2.	Shri Arun Kumar Mishra, Whole – Time Director	Member
3.	Shri Aditya Dar, Non – Executive Nominee Director	Member

During the financial year 2021 – 22, following changes took place in the composition of the Committee:

- Smt. Seema Gupta and Shri Arun Kumar Mishra were appointed as Members of the committee w.e.f. 6th September 2021 and 7th October 2021, respectively.

The composition of the Committee as on the date of this report is as under:

S. No.	Name of the Member	Designation
1.	Shri Abhay Choudhary, Non - Executive Nominee Director (appointed w.e.f. 4 th July 2022)	Chairman of the Committee
2.	Shri Aditya Dar, Non – Executive Nominee Director	Member

EESL's policy on Corporate Social Responsibility is available on the website of the company at weblink: <https://eeslindia.org/wp-content/uploads/2021/04/EESL-CSR-Policy.pdf>

Meetings and Attendance

During the financial year 2021 – 22, one (1) meeting of the Corporate Social Responsibility Committee was held and details including attendance of members of the Committee are as follows:

Name of the Members	Meeting Date	Total Meetings held during the tenure	No. of meetings attended	% of Attendance
	11/02/2022			
Smt. Seema Gupta	11/02/2022	1	1	100
Shri Arun Kumar Mishra	11/02/2022	1	1	100
Shri Aditya Dar	11/02/2022	1	1	100

d. RISK MANAGEMENT COMMITTEE

Pursuant to Regulation 21 of the SEBI (LODR) Regulations 2015, Risk Management Committee has been constituted to properly align with management as it embarks on a risk management program. The primary responsibility of the risk committee is to oversee and approve the company-wide risk management practices to assist the board in:

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- a. Overseeing that the executive team has identified and assessed all the risks that the organization faces and has established a risk management infrastructure capable of addressing those risks.
- b. Overseeing, in conjunction with other board-level committees or the board, risks, such as strategic, financial, credit, market, liquidity, security, property, Information Technology, legal, regulatory, reputational, and other risks.
- c. In conjunction with the board, approving the company's enterprise-wide risk management framework.

The composition of the Committee as on 31st March 2022 was as under:

S. No.	Name of the Member	Designation
1.	Shri Vivek Kumar Dewangan, Government Nominee Director	Chairman of the Committee
2.	Smt. Seema Gupta, Non - Executive Nominee Director	Member
3.	Shri Arun Kumar Mishra, Whole – Time Director	Member
4.	Shri Aditya Dar, Non – Executive Nominee Director	Member

The composition of the Committee as on the date of this report is as under:

S. No.	Name of the Member	Designation
1.	Shri Ajay Tewari, Government Nominee Director (appointed w.e.f. 29 th July 2022)	Chairman of the Committee
2.	Shri Abhay Choudhary, Non - Executive Nominee Director (appointed w.e.f. 4 th July 2022)	Member
3.	Shri Aditya Dar, Non – Executive Nominee Director	Member

The Chief Risk Officer of the Company is permanent invitee to the meetings of the Committee. No meeting of the Committee was held during the year under review.

e. OTHER BOARD LEVEL COMMITTEES

Some of other major sub-committees of the Board of Directors including their constitution is as under:

Name of the Committee	Roles & Responsibility	Members as on 31 st March 2022	Composition as on the date of this report
Project Sub - Committee	<ol style="list-style-type: none"> To consider and accord approval for the investment in project having project cost of more than Rs. 20 Crores but less than Rs. 100 Crores in each case. To recommend projects for investment to the Board of Directors having project cost of more than Rs. 100 Crores in each case. To consider upward variation in project cost in aggregate, which exceeds 10% of originally approved project cost but are up to 25% of originally, approved project cost within the scope of Project Sub Committee. To consider changes in means of finance, validity and terms and conditions of the project proposal within the scope of Project Sub Committee. 	<ol style="list-style-type: none"> Shri K Sreekant, Non – Executive Nominee Director Smt. Seema Gupta, Non – Executive Nominee Director Shri C.K. Mondol, Non – Executive Nominee Director Shri Aditya Dar, Non – Executive Nominee Director Shri Arun Kumar Mishra, CEO & Whole – Time Director 	<ol style="list-style-type: none"> Shri K Sreekant, Non – Executive Nominee Director Shri Abhay Choudhary, Non – Executive Nominee Director (appointed w.e.f. 4th July 2022) Shri C.K. Mondol, Non – Executive Nominee Director Shri Aditya Dar, Non – Executive Nominee Director

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Business Development Committee	<p>a. To review and oversee the development and implementation of the Company's growth strategies, including:</p> <ul style="list-style-type: none"> • identification of growth horizons, • development of new business models, • Strategic equity or debt investments, and • Strategic alliances with other companies. <p>b. To review and make recommendations to the Board with respect to</p> <p>(1) investments in growth strategies or</p> <p>(2) business acquisitions or divestitures, in each case to the extent that the Board's approval is required pursuant to applicable law, the Company's Articles of Incorporation or By-laws or resolutions adopted by the Board.</p> <p>c. To review restructuring of the organization.</p> <p>d. To fulfil any other duties or responsibilities delegated to the Committee by the Board from time to time.</p>	<p>1. Shri K Sreekant, Non – Executive Nominee Director</p> <p>2. Smt. Seema Gupta, Non – Executive Nominee Director</p> <p>3. Shri C.K. Mondol, Non – Executive Nominee Director</p> <p>4. Shri Aditya Dar, Non – Executive Nominee Director</p> <p>5. Shri Arun Kumar Mishra, CEO & Whole – Time Director</p>	<p>1. Shri K Sreekant, Non – Executive Nominee Director</p> <p>2. Shri Abhay Choudhary, Non – Executive Nominee Director (appointed w.e.f. 4th July 2022)</p> <p>3. Shri C.K. Mondol, Non – Executive Nominee Director</p> <p>4. Shri Aditya Dar, Non – Executive Nominee Director</p>
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5. REMUNERATION OF DIRECTORS

The details of remuneration paid to directors during the year is as under:

Name of Director / Remuneration Details	Shri Saurabh Kumar, Executive Vice Chairman (upto 06.09.2021)	Shri Rajat Kumar Sud, Managing Director (upto 06.09.2021)	Shri Shankar Gopal, Director (Commercial) (upto 06.09.2021)	Shri Venkatesh Dwivedi, Director (Projects & Business Development) (upto 06.09.2021)	Shri Arun Kumar Mishra, Chief Executive Officer & Whole – Time Director (w.e.f. 07.10.2021)
Salary*	Rs. 20,03,686.00	Rs. 18,57,301.33	Rs. 26,12,205.88	Rs. 15,65,296.03	Rs. 21,94,680.42
Benefits	--	--	--	--	--
Bonuses	--	--	--	--	--
Stock Options	--	--	--	--	--
Pension	--	--	--	--	--
Employer's contribution to Provident Fund	Rs. 1,61,947.00	Rs. 1,35,363.00	Rs. 1,57,641.00	Rs. 1,25,476.00	Rs. 1,31,022.00
Employer's contribution to Superannuation Fund	Rs. 1,16,601.00	Rs. 97,459.00	Rs. 1,13,501.00	Rs. 89,694.00	Rs. 98,267.00
Performance linked incentives	--	--	--	--	Rs. 7,64,759.57

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Notice Period	3 months	3 months	3 months	3 months	3 months
Total	Rs. 22,82,234.00	Rs. 20,90,123.33	Rs. 28,83,347.88	Rs. 17,80,466.03	Rs. 31,88,728.99

*includes perquisites

6. GENERAL BODY MEETINGS

Annual General Meetings

Financial Year	2020 – 21	2019 – 20	2018 – 19
Date	30 th November 2021	30 th January 2021	30 th September 2019
Time	01:30 p.m.	10:00 a.m.	04:00 p.m.
Venue	Energy Efficiency Services Limited, NFL Building, 7 th Floor, Board Room, Core – III, SCOPE Complex, Lodhi Road, New Delhi – 110003	EESL Registered Office, 5 th & 6 th Floor, SCOPE Complex, Lodhi Road, New Delhi – 110003	Power Finance Corporation Ltd., ‘URJANIDHI’, 1, Barakhamba Lane, Connaught Place, New Delhi – 110001
Special Resolution	NIL	<ul style="list-style-type: none"> Alteration of Articles of Association of the Company. Appointment of Shri Saurabh Kumar (DIN: 06576793), Managing Director, Edina UK Limited as a Whole Time Director designated as Executive Vice Chairman (Interim Charge) of the Company. 	<ul style="list-style-type: none"> Alteration of Objects Clause of Memorandum of Association of the Company. Alteration of Articles of Association of the Company.

No special resolution was passed or is proposed to be passed through Postal Ballot.

7. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, disclosures made on Stock Exchange and on its Website. Information, latest updates and announcements regarding the Company can be accessed at company’s website: www.eeslindia.org.

During the financial year 2021 – 22, Quarterly Results have been published as per details given below:

Quarter	Date of Publication	Newspaper(s)
Q1	NA*	NA*
Q2	16.11.2021	Financial Express
Q3	14.02.2022	Financial Express
Q4	11.07.2022	Financial Express

* The provisions w.r.t. approval and publication of financial statements on a quarterly basis become applicable w.e.f. 7th September 2021 by virtue of SEBI (LODR) Fifth Amendment Regulations 2015.

8. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting: 13th

Date – 29th September 2022

Time – 05:45 p.m.

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Venue – Energy Efficiency Services Limited, NFL Building, 7th Floor, Board Room, Core – III, SCOPE Complex, Lodhi Road, New Delhi – 110003

Financial Year – 2021 – 22

ii. Listing on Stock Exchange:

The Non – Convertible Debentures (NCDs) issued by EESL are listed on the following Stock Exchange:
BSE Limited

Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

The details of NCDs as on 31st March 2022 are as under:

Series	Particulars of Bonds	ISIN	Scrip Code	Amount (in Rs.)	Date of Issue	Date of Maturity
Series 1 (2016 – 17) (STRPP C)	1250 no.s of 8.07% Secured Redeemable Taxable Non - Cumulative Non-Convertible Bonds of face value @ Rs. 20,00,000 each issued on Private Placement Basis	INE688V07033	954969	250,00,00,000	20.09.2016	20.09.2023
Series II (2017- 18)	4500 no.s of 7.80% Unsecured, Redeemable, Taxable, Non-Cumulative, Non-Convertible Bonds in the nature of Debentures of Face Value @ Rs. 10,00,000 each issued on Private Placement Basis	INE688V08015	956723	450,00,00,000	18.07.2017	18.07.2022

The Annual Listing Fee for the financial year 2022 – 23 have been paid to BSE.

iii. Debenture Trustee:

Axis Trustee Services Limited

Plot 25, 2nd Floor, Pusa Road,

Karol Bagh, New Delhi – 110005

Email ID: rajat.gupta@axistrustee.in; subhash.jha@axistrustee.in

Website: <https://www.axistrustee.in/>

iv. Registrar to an issue and Share Transfer Agents

KFin Technologies Private Limited.

Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda,

Serilingampally Mandal,

Hyderabad – 500032

Toll Free No.: 1800 309 4001

Email ID: einward.ris@kfintech.com

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Website: www.kfintech.com

v. Share Transfer System:

All securities issued by the Company are in dematerialised form. Therefore, the transfers are effected through depositories and RTA, without involvement of the company.

vi. Distribution of Shareholding:

The Shareholding pattern of the Company as on 31st March 2022 was as under:

S. No.	Name of Shareholders	No. of Shares Held @ ₹10 each	% of holding
1.	NTPC Limited and its Nominee	46,36,10,000	33.334
2.	REC Limited	21,81,00,000	15.681
3.	Power Finance Corporation Limited and its Nominee	24,55,00,000	17.651
4.	Power Grid Corporation of India Limited and its Nominee	46,36,10,000	33.334
Total		1,390,820,000	100

vii. Dematerialization of Shares and Liquidity;

The shares and debentures of the company are in compulsory dematerialised segment and are admitted with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Details of holding in dematerialised mode as on 31st March 2022 are as under:

Security	Share %	Holder %
Equity		
CDSL	Nil	Nil
NSDL	100	100
Debentures		
CDSL	2.8	4
NSDL	97.2	49

viii. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

No GDRs / ADRs / Warrants or any other convertible instruments has been issued by the Company.

ix. Credit Rating:

	CRISIL	CARE	ICRA
Facility			
NCDs	CRISIL A+/Stable	CARE A+/Stable	[ICRA] A+ (Stable)
Long Term Loan	CRISIL A+/Stable	CARE A+/Stable	-
Short Term Loan	CRISIL A1	CARE A1	[ICRA]A1
Date of Rating	20.12.2021	11.01.2022	25.10.2021
Revision in the rating			
NCDs	Downgraded from AA-/Negative	Reaffirmed	Reaffirmed
Long Term Loan	Downgraded from AA-/Negative	Reaffirmed	-

ENERGY EFFICIENCY SERVICES LIMITED

(A JV of PSUs under the Ministry of Power)

Registered Office: NFL Building, 5th & 6th Floor, Core – III, SCOPE Complex, Lodhi Road, New Delhi – 110003

CIN: -U40200DL2009PLC196789

Short Term Loan	Downgraded from A1+	Downgraded from A1+	Reaffirmed
Reasons provided by the rating agency for a downward revision	Ratings have been downgraded due to higher than envisaged receivables thereby resulting in moderation in its liquidity position.		--

x. Address for Correspondence:

NFL Building, 5th & 6th Floor, Core – III, SCOPE Complex, Lodhi Road, New Delhi - 110003

9. DISCLOSURES

(a) Related Party Transaction:

During the financial year 2021 – 22, the Company has not entered into any material transaction with any of its related parties. Related Party Transactions covered under Section 177 and Section 188 form part of the notes to the Financial statements (Standalone) provided in the Annual Report.

- (b)** During the financial year 2021 – 22, the Company has broadly complied with all the applicable requirements of SEBI (LODR) Regulations, 2015 and Companies Act, 2013. There were no penalties or strictures imposed on the Company by any statutory authorities for non – compliance on any matter related to Indian Capital Market, during the last three financial years.

(c) Whistle Blower Policy:

The company has a Board approved ‘Whistle Blower Policy’ for directors and employees to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Whistle Blower Policy is available at the weblink: <https://eeslindia.org/wp-content/uploads/2021/04/EESL-Whistle-Blower-policy.pdf>

- (d)** Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: EESL is a High Value Debt Listed Entity as per SEBI (LODR) Regulations 2015 (as amended) and therefore, the provisions relating to Regulations 15 - 27 of the said Regulations became applicable to the Company w.e.f. 7th September 2021 on a 'comply or explain' basis until March 31, 2023 and on a mandatory basis thereafter, pursuant to notification of SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021. The company shall take adequate steps in due course to comply with the applicable requirements.

- (e)** During the financial year 2021 – 22, there were no instances where the Board had not accepted any recommendation of any committee of the Board, which is mandatorily required.

- (f)** Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Rs. 47,49,850/-

- (g)** Weblink for Policy for determining ‘material’ subsidiaries is disclosed and Policy on dealing with Related Party Transactions: EESL is a High Value Debt Listed Entity as per SEBI (LODR) Regulations 2015 (as amended) and therefore, the provisions relating to Regulations 15 - 27 of the said Regulations became applicable to the Company w.e.f. 7th September 2021 on a 'comply or explain' basis until March 31, 2023 and on a mandatory basis thereafter, pursuant to notification of SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021. The company shall take adequate steps in due course to comply with the applicable requirements.

ENERGY EFFICIENCY SERVICES LIMITED

(A JV of PSUs under the Ministry of Power)

Registered Office: NFL Building, 5th & 6th Floor, Core – III, SCOPE Complex, Lodhi Road, New Delhi – 110003

CIN: -U40200DL2009PLC196789

-
- (h) Details of ‘Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount’: Notes to Standalone Financial Statements for the period ended on 31st March 2022 may be referred.
- (i) The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted: Till date, none of the discretionary requirements have been adopted.
- (j) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- Number of complaints filed during the financial year – 0
 - Number of complaints disposed of during the financial year – 0
 - Number of complaints pending as on end of the financial year – 0
- (k) Certificate of Non – Disqualification of Directors: Annexed as Annexure – A
- (l) Declaration w.r.t. Compliance of Code of Conduct: Annexed as Annexure – B

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

**Sd/-
Abhay Choudhary
Director
DIN: 07388432**

**Sd/-
Aditya Dar
Director
DIN: 08079013**

Date: 29.09.2022

Place: New Delhi

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C sub-clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
ENERGY EFFICIENCY SERVICES LIMITED
NFL BUILDING, 5TH & 6TH FLOOR
CORE III, SCOPE COMPLEX, LODHI ROAD
NEW DELHI 110003

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ENERGY EFFICIENCY SERVICES LIMITED** having CIN **U40200DL2009PLC196789** and having registered office at **NFL BUILDING, 5TH & 6TH FLOOR CORE – III, SCOPE COMPLEX, LODHI ROAD, NEW DELHI – 110003** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below during the Financial Year **March 31, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company	Date of Cessation
1.	Sreekant Kandikuppa	06615674	06.09.2021	
2.	Arun Kumar Mishra	09349810	07.10.2021	-
3.	Chandan Kumar Mondol	08535016	06.09.2021	
4.	Aditya Dar	08079013	22.08.2020	-
5.	Seema Gupta	06636330	06.09.2021	*
6.	Vivek Kumar Dewangan	01377212	23.12.2021	**

7.	Mritunjay Kumar Narayan	03426753	30.06.2021	21.12.2021
8.	Rajeev Sharma	00973413	05.02.2018	06.09.2021
9.	Saurabh Kumar	06576793	01.04.2021	06.09.2021
10.	Rajat Kumar Sud	06582245	07.10.2020	06.09.2021
11.	Parminder Chopra	08530587	23.12.2020	06.09.2021
12.	Venkatesh Dwivedi	07847265	07.02.2019	06.09.2021
13.	Shankar Gopal	08339439	07.02.2019	06.09.2021
14.	Abhay Bakre	08104259	08.05.2018	05.10.2021

* Smt. Seema Gupta ceased to be Director in EESL w.e.f. 31.05.2022.

* Shri Abhay Choudhary having DIN 07388432 has been appointed as Director w.e.f. 18.06.2022.

** Shri Vivek Kumar Dewangan ceased to be Director in EESL w.e.f. 28.07.2022.

** Shri Ajay Tewari having DIN 09633300 has been appointed as Director w.e.f. 29.07.2022.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Noida

Date: August 26, 2022

For Kumar Naresh Sinha & Associates

Company Secretaries

NARESH
KUMAR
SINHA

Digitally signed by
NARESH KUMAR
SINHA
Date: 2022.08.26
18:06:27 +05'30'

CS Naresh Kumar Sinha

(Proprietor)

FCS: 1807; C P No.: 14984

PR: 610/2019

F.R. No. S2015UP440500

UDIN: F001807D000854615

Annexure-B

Declaration as required under Schedule V of the SEBI (LODR) Regulations, 2015

The members of the Board and Senior Management Personnel have affirmed compliance of the Code of Conduct for Board Members & Senior Management Personnel for the financial year ended on 31st March, 2022.

For Energy Efficiency Services Limited



**Arun Kumar Mishra
Chief Executive Officer**

Date: 30/08/2022

Place: New Delhi

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

Form No. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,

**The Members,
Energy Efficiency Services Limited
CIN: U40200DL2009PLC196789
NFL Building, 5th & 6th Floor, Core - III, SCOPE Complex,
Lodhi Road, New Delhi - 110003**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Energy Efficiency Services Limited** (hereinafter called "The Company"), having its Registered Office at **NFL Building, 5th & 6th Floor, Core - III, SCOPE Complex, Lodhi Road, New Delhi – 110003**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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 March, 2022** complied with the statutory provisions prescribed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2022** 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment - As per the information provided to us and documents furnished before us, the 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 during the period under review)**
- (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, 2018; **(Not Applicable during the period under review)**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021; **(Not Applicable during the period under review)**
- (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Applicable to the company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable during the period under review); and**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the period under review)**

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor and other designated professionals.

We have also examined compliance with the applicable clauses/Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. **(Applicable to the company during the audit period as the debt securities of the company are listed on BSE).**

During the period under review and as per the explanations made by the management and subject to the clarifications given to us, the Company has satisfactorily complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company consists of Executive Director, Non-Executive Directors including Woman Director. 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.

- As per the minutes of the meetings, duly recorded and signed by the Chairman, majority decision is carried through unanimously while the dissenting members' views, wherever given, are captured and recorded as part of the minutes.
- Generally, 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, other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation in the meeting.

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.

We further report that during the audit period i.e., Financial Year 2021-22;

- Supplementary Agreement No. 7 was executed by the promoters and corresponding Articles of Association were amended to change the management structure of the company wherein the Board shall comprise of 6 directors including 2 each from NTPC and PowerGrid, one government nominated director not below the rank of Joint Secretary of Ministry of Power and the Chief Executive Officer (CEO) of the Company.
- The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible). However, a Rights Issue amounting to Rs. 407.49 cr. was made during the reporting period.
- The Company made investments of Rs. 1000 lakhs in Convergence Energy Services Limited, Rs. 6150.60 lakhs in EESL Energy Pro Assets Limited and Rs. 1808.10 lakhs in Intellismart Infrastructure Private Limited and granted loan of Rs. 3000 lakhs to Convergence Energy Services Limited.
- As per the explanations made by the management and subject to the clarifications given to us, the Company has not issued any bonus shares, shares for consideration other than cash or has not bought back any shares.

Date: 26th August, 2022

Place: Noida

For Kumar Naresh Sinha & Associates

Company Secretaries
NARESH
KUMAR
SINHA
 Digitally signed by
 NARESH KUMAR
 SINHA
 Date: 2022.08.26
 18:07:08 +05'30'
Naresh Kumar Sinha
 (Proprietor)

FCS No.: 1807; CP No.: 14984

PR: 610/2019

FRN: S2015UP440500

UDIN: F001807D000854989

*Note: 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.*

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

Annexure-A

To,
The Members,
Energy Efficiency Services Limited
CIN: U40200DL2009PLC196789
NFL Building, 5th & 6th Floor, Core - III, SCOPE Complex,
Lodhi Road, New Delhi – 110003

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 finding/ audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have relied upon the Reports of statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statement of the relevant financial year, which give a true and fair view of the state of the affairs of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis, which satisfies the compliances of applicable laws.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 26th August, 2022
Place: Noida

For, Kumar Naresh Sinha & Associates
Company Secretaries

NARESH
KUMAR SINHA

Digitally signed by
NARESH KUMAR SINHA
Date: 2022.08.26
18:07:34 +05'30'

Naresh Kumar Sinha
(Proprietor)

FCS No.: 1807; CP No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807D000854989

गोपनीय

Annexure-VII

संख्या: DGA(E)/REP/01-243/Acs-EESL-SFS/2022-23/444



सत्यमेव जयते

भारतीय लेखापरीक्षा एवं लेखा विभाग
महानिदेशक लेखापरीक्षा (ऊर्जा) का कार्यालय
दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE
DIRECTOR-GENERAL OF AUDIT (ENERGY)
DELHI

Dated: 19-09-2022

सेवा में,

अध्यक्ष,

एनर्जी एफिशिएंसी सर्विसेज लिमिटेड,

नई दिल्ली

विषय:- 31 मार्च 2022 को समाप्त वर्ष के लिए एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नई दिल्ली के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

नहोदय,

मैं एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नई दिल्ली के 31 मार्च 2022 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अरोपित कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

(Handwritten Signature)

(डी. के. शेखर)

महानिदेशक

ऊर्जा एवं संश्लेषण एवं एनर्जी इंडिया, 10, बहादुर शाह जफर मार्ग, नई दिल्ली-110002
6th & 7th Floor, Annex Building, 10 Bahadur Shah Zafar Marg, New Delhi-110002
Tel: 011-23239227, Fax: 011-23239211, E-mail: pdacenergy@dig.gov.in

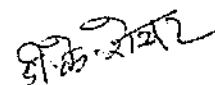
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ENERGY EFFICIENCY SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of Energy Efficiency Services Limited for the year ended 31 March 2022 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 08.07.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Energy Efficiency Services Limited for the year ended 31 March 2022 under Section 143(6)(a) of the Act. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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



(D. K. Sekar)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 19-09-2022

गोपनीय

संख्या.: DGA(E)/REP/01-244/Acs-EESL_CFS/2022-23/ 442



भारतीय लेखापरीक्षा एवं लेखा विभाग
महानिदेशक लेखापरीक्षा (ऊर्जा) का कार्यालय
दिल्ली
INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE
DIRECTOR GENERAL OF AUDIT (ENERGY)
DELHI

Dated: 19-09-2022

सेवा में,

अध्यक्ष,

एनर्जी एफिशिएंसी सर्विसेज लिमिटेड,

नई दिल्ली

विषय:- 31 मार्च 2022 को समाप्त वर्ष के लिए एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नई दिल्ली के समेकित वित्तीय विवरण (Consolidated Financial Statement) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नई दिल्ली के 31 मार्च 2022 को समाप्त वर्ष के समेकित वित्तीय विवरण (Consolidated Financial Statement) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

(Handwritten signature)

(डी. के. शेखर)

महानिदेशक

एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नई दिल्ली
10 Bahadur Shah Zafar Marg, New Delhi - 110002
Tel: 011-23219227, Fax: 011-23239211, E-mail: pdenergydga@gag.gov.in

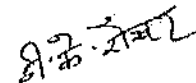
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ENERGY EFFICIENCY SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of consolidated financial statements of Energy Efficiency Services Limited for the year ended 31 March 2022 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 08.07.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Energy Efficiency Services Limited for the year ended 31 March 2022 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Energy Efficiency Services Limited but did not conduct supplementary audit of the financial statements of Convergence Energy Services Private Limited for the year ended on that date. Further, Section 139(5) and Section 143(6)(a) of the Act are not applicable to the entities listed in Annexure I being private entity(ies)/ entity(ies) incorporated in foreign country(ies) under the respective laws, for appointment of their Statutory Auditors and for conduct of supplementary audit. Accordingly, Comptroller & Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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



(D.K. Sekar)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 19 September 2022

List of subsidiaries, associate companies and jointly controlled entities where section 139 (5) and 143 (6) of the Act are not applicable

Subsidiaries

1. EESL Energy Pro Assets Limited
2. Anesco Energy Services (South) Limited
3. Creighton Energy Limited
4. EPAL Holdings Limited
5. Edina Acquisition Limited
6. Edina Power Services Limited
7. Edina Limited
8. Edina UK Limited
9. Edina Australia Pty Limited
10. Armoura Holdings Limited
11. Stanbeck Limited
12. Edina Manufacturing Limited
13. Edina Power Limited
14. EPSL Trigenation Private Limited
15. EESL Energy Solutions LLC (Dubai)

Associates and Joint Venture


16. Intellismart Infrastructure Pvt. Limited

ENERGY EFFICIENCY SERVICES LIMITED

23/08/2022

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE YEAR ENDED 31st MARCH 2022

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- a. significant changes in internal control over financial reporting during the year;
 - b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.


Sandeep Kumar Jain
(Chief Financial Officer)


Arun Kumar Mishra
(Chief Executive Officer)

S. P. CHOPRA & CO.

Chartered Accountants

Corporate Office
1505, Astralis Supernova
Sector-94, Gautam Buddha Nagar
Noida – 201 301
Phone 0120 - 4516921
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spc1949@spchopra.in

Independent Auditor's Report **To the Members of 'Energy Efficiency Services Limited'**

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of 'Energy Efficiency Services Limited' (the "Company"), which comprise the standalone Balance Sheet as at 31 March, 2022, and the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31 March, 2022 and its loss (including other comprehensive loss), its changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the standalone financial statements' section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of matters

We draw attention to the following matters in the notes to the standalone financial statements:

- a) Necessary rectifications as may be required to be effected in the standalone financial statements upon completion of reconciliation of trade receivables, trade payables, capital work in progress and property, plant and equipment including its physical verification. Refer note 3(i), 4(d) and 61 to the standalone financial statements.
- b) (i) The Company is in the process to seek clarifications/ amendments in certain agreements for smart meter projects, for extension of period, change in rates etc. including for those meters where the billing could not be done (ii) reconciliation of street lights installed/ completed so as to adequately capitalize/ recognize revenue, the effect of these notes shall be considered in the year in which such amendments/ reconciliations/ receipt of data is finalized and amounts determined. Refer note 35(d), 35(e), 35(f) and 35(g) to the standalone financial statements.



Registered Office – F-31 Connaught Place New Delhi - 110 001 Tel: 91-11-23313495

- c) Provision of ₹ 4,145.96 lakhs has been charged to standalone statement of profit and loss in the current year i.e., 2021-22 and ₹ 6,660.93 lakhs pertaining to the financial years 2014-15 to 2020-21 has been restated in the respective years towards ESCO services rendered to various urban local bodies (ULB's) for the reasons as stated in note 43(e)(iv) to the standalone financial statements.
- d) Accumulation of trade receivables to ₹ 3,72,450.02 lakhs against which Expected Credit Loss (ECL) of ₹ 5,642.89 lakhs created during the year and cumulative ECL of ₹ 13,419.62 lakhs as at 31 March, 2022, based on assessment by an external agency is considered adequate by the management for the reasons as stated in note 14(f) to the standalone financial statements.

Our opinion is not modified in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matter	How our audit addressed the key audit matter
1	<p>Depreciation accounting</p> <p>The Company has charged the depreciation of ₹ 63,596.93 lakhs for the period 1 April 2021 to 31 March 2022 on tangible assets as disclosed in note 3 and 40 to the accompanying standalone financial statements of the company. Such depreciation is charged on straight line method, as per the accounting policy disclosed in note 2.2(v).</p> <p>This is considered as Key Audit Matter due to its nature and area of significant risk which may have material impact on the standalone financial statements.</p>	<p>An understanding of the system of capitalization of assets and calculation of depreciation was obtained and adopted the following audit procedures:</p> <ul style="list-style-type: none"> Evaluated and tested the effectiveness of the company's design of internal controls relating to recognition and measurement of depreciation for various assets. The calculations of depreciation on various class of assets were tested and verified. Verified the accounting of depreciation based on applicable INDAS. <p>Based on the above procedures performed and based on the explanations/ representation by the company, the recognition of depreciation on assets is considered to be adequate and reasonable.</p>
2	<p>Contingent Liabilities</p> <p>There are number of litigations against the company pending before various forums. There is a high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, company's judgement thereon, past experience and advice from legal and tax consultants, wherever necessary.</p> <p>We identified this as a key audit.</p>	<p>We obtained an understanding of the company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> Understood and tested the design and operating effectiveness of controls as established by the management for obtaining the relevant information for pending litigation cases; Discussed with the management any material developments thereto and latest status of legal matters; Read various correspondences and related



<p>matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and in view of associated uncertainty relating to the outcome of these matters.</p> <p>(Refer note 53(b) to the standalone financial statements, read with the significant accounting policy no. 2.9)</p>	<p>documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities;</p> <ul style="list-style-type: none"> • Examined recent orders from competent authorities and/ or communication received from various authorities, judicial forums and follow-up action thereon. • Examined management's judgement and assessment for the requirement of provisions; • Reviewed the adequacy and completeness of disclosures; <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.</p>
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Information other than the standalone financial statements and auditor's report thereon

The company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the report of the board of directors', including annexures, but does not include the standalone financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the report of the board of directors', including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the management and those charged with governance for the standalone financial statements

The company's board of directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors is also responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matter

We did not audit the financial statements/ information of a foreign branch of the company, included in the standalone financial statements of the company whose financial statements / information reflects total assets of ₹ 2,892.06 lakhs as at 31 March 2022 and total revenue of ₹ 31.32 lakhs for the year ended on that date, the financial statements/ information of the said branch is certified by the management and has not been audited by any other auditor. Our opinion in so far as it relates to the amounts and disclosures included in respect of the said branch solely on the information certified by the management.

Our opinion is not modified in respect of these matters.

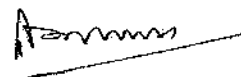
Report on other legal and regulatory requirements

1. As required by the 'Companies (Auditor's Report) Order, 2020' ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **Annexure – 'A'**, a statement on the matters specified in paragraph 3 and 4 of the order
2. We also enclose our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us by the management, in **Annexure - 'B'**, on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c. the accounts of one foreign branch of the company that reflect total assets of ₹ 2,892.06 lakhs as at 31 March 2022 and total revenue of ₹ 31.32 lakhs for the year ended on that date are unaudited and certified by the management.
 - d. the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with, in the report are in agreement with the books of account;
 - e. in our opinion, the standalone financial statements comply with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
 - f. on the basis of the written representations received from the directors and taken on record by the board of directors, none of the directors are disqualified as at 31 March 2022 from being appointed as a director, in terms of section 164(2) of the Act;
 - g. with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure - 'C'**;
 - h. the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Companies Act, 2013, read with schedule V of the Act; and



- i. 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, as amended 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 note 53 to its standalone financial statements;
 - ii. The company has not entered into any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no amount which were required to be transferred to the Investor Education and Protection Fund by the company;
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and
 - v. No dividend was declared or paid during the year; hence, the said clause is not applicable.

For S. P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N



Ankur Goyal
Partner

Membership No. 099143
UDIN 22099143AMMUMS7644

Place: New Delhi
Date: 8 July 2022



Annexure - 'A' to Independent Auditor's Report

(Referred to in paragraph '1' under 'Report on other legal and regulatory requirements' section of the Independent Auditor's Report of even date on the standalone financial statements of Energy Efficiency Services Limited for the year ended 31 March 2022)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) In respect of its property, plant and equipments;

- a. (A) The company has maintained the records showing particulars of property, plant and equipments. However, the quantitative details, situation of property, plant and equipment etc. have not been recorded therein.

(B) The company has maintained the records showing particulars of intangible assets. However, the quantitative details, and situation of intangible assets etc. have not been recorded therein.

- b. As explained to us, the physical verification of property, plant and equipments has not been carried out by the management.

- 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 property are held in the name of the company except for a property located at Kolkata whose registration is pending, hence the title deed of the said property is not held. The details of said property are disclosed in note 3(f) on property, plant and equipment to the standalone financial statements and also given below:

Description of property	Gross carrying value (₹ in lakhs)	Property held in the name of	Whether title deed holder is a promoter, director or their relative or employee	Date since when property is held	Reason for property not being held in the name of the company
Office building in Kolkata	335.09	NBCC (India) Limited	No	31-Mar-21	Awaiting completion of legal formalities

- d. The company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

- e. According to the information and explanations given to us and on the basis of our examination of the records of the company, no proceedings have been initiated during the year or are pending against the company as at 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended.

- (ii) (a) As explained to us, the physical verification of inventory has been conducted by the management during the year in which no material discrepancies were noticed. In our opinion, the system of physical verification should be strengthened by undertaking it at frequent intervals, having regard to the size of the company and nature of its business.



- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has been sanctioned the working capital limit in excess of ₹ 5 crores, in aggregate at any point of time during the year, from banks or financial institutions on the basis of security of current assets. The differences observed in the amount reported in quarterly statements filed by the company with such banks/ financial institutions during the year and amount as per books of account of the company are given below:

Quarter	Name of Bank	Particulars of security provided	Amount as per books of account (₹ in crores)	Amount as reported in quarterly statement (₹ in crores)	Amount of short/ (excess) reporting (₹ in crores)	Reason for material discrepancies
Quarter 1	Bank of Baroda, ICICI Bank, Canara Bank, IndusInd Bank and Bajaj Finance	Trade receivables	3,396.74	3,396.74	Nil	-
Quarter 2			3,494.27	3,375.08	119.19	Due to adjustments accounted at the end of each quarter
Quarter 3			3,832.40	3,682.84	149.56	
Quarter 4			3,724.50	3,869.47	(144.97)	
Quarter 1	Bank of Baroda, IndusInd Bank and Bajaj Finance	Inventories	181.70	181.70	Nil	-
Quarter 2			219.15	189.97	29.18	Due to adjustments accounted at the end of each quarter
Quarter 3			209.02	177.20	31.82	
Quarter 4			157.71	164.12	(6.41)	

The stock statements to Bank of Baroda and ICICI Banks were submitted for all 4 quarters and the stock statements to Canara Bank, IndusInd Bank and Bajaj Finance were submitted for Quarter-4 only since the date of sanction of working capital limits were.

- (iii) The company, during the year, made investments of ₹ 1,000 lakhs in Convergence Energy Services Limited, ₹ 6,150.60 lakhs (GBP 6 million) in EESL EnergyPro Assets Limited and ₹ 1,808.10 lakhs in Intellismart Infrastructure Private Limited and granted loan of ₹ 3,000 lakhs to Convergence Energy Services Limited. The disclosures under clause 3(iii)(a) to 3(iii)(f) in this respect are as under:

- (a) (A) Loan of ₹ 3,000 lakhs was given during the year to Convergence Energy Services Limited, a subsidiary company. The entire amount of loan is outstanding as at 31.03.2022.

Further, corporate guarantees of GBP 25.65 million (equivalent to ₹ 25,535.19 lakhs) and Irrevocable standby letter of credit (SBLC) of GBP 20.21 million (equivalent to ₹ 20,119.54 lakhs) have been given in earlier years, in respect of its subsidiary company namely EESL EnergyPro Assets Limited, which is outstanding as at 31.03.2022. No additional corporate guarantee or Irrevocable standby letter of credit (SBLC) has been given during the year in respect of any of its subsidiaries and joint ventures. Further, the company has no associates.

(B) The company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured during the year, to parties other than subsidiaries and joint ventures. Further, the company has no associates.

- (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. The repayment thereof has not fallen due as at the date of the financial statements.



- (d) The repayment of loan is still to commence hence the same has not fallen overdue as at the year end.
- (e) During the year, neither the loan has fallen overdue nor renewed/ extended or fresh loan granted to settle the overdue of existing loan given to same party.
- (f) The company has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not granted any loans or has not given any guarantee and security covered under Section 185 and 186 of the Act. In respect of investments, company has complied with the provisions of section 186 of the Act.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder to the extent notified, hence reporting under this clause is not applicable.
- (vi) Pursuant to the rules made by the Central Government of India, the company is not required to maintain cost records as specified under sub-section (1) of section 148 of the Act, hence reporting under this clause is not applicable.
- (vii) In respect of statutory dues:
- a. According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the undisputed statutory dues including provident fund, employee state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable have generally been regularly deposited with the appropriate authorities *though there have been delays in few cases* and no undisputed amounts payable in respect of aforesaid dues are outstanding as at 31 March 2022 for a period of more than six months from the date they became payable.
- b. The statutory dues of ₹ 7,896.28 lakhs are disputed on account of matter pending in appeals before appropriate authority against which company has deposited ₹ 4,868.14 lakhs under protest, the details of which are as under:

Sr. No.	Name of statute	Nature of dues	Forum where dispute is pending	Period to which amount/ disputes relates	Amount (₹ in crores)	Deposit under protest (₹ in crores)
1	AP Value Added Tax Act, 2005	Tax	Andhra Pradesh VAT Appellate Tribunal, Visakhapatnam	Oct-14 to Nov-15	3,703.55	3,715.19
2	AP Value Added Tax Act, 2005	Tax	Andhra Pradesh VAT Appellate Tribunal, Visakhapatnam	Dec-15 to Dec-16	1,291.68	645.84
3	AP Value Added Tax Act, 2005	Penalty	Andhra Pradesh VAT Appellate Tribunal, Visakhapatnam	Oct-14 to Nov-15	925.89	462.94
4	AP Value Added Tax Act, 2005	Penalty	Andhra Pradesh VAT Appellate Tribunal, Visakhapatnam	Dec-15 to Dec-16	322.92	40.36
5	Maharashtra Value Added Tax Act, 2002	Tax	Joint Commissioner of State Tax, Maharashtra	Apr-15 to Mar-16	91.44	3.81



6	Odisha Good and Services Tax Act, 2017	Tax	GST Appellate Authority, Odisha	Apr-18 to Mar-19	701.34	-
7	Odisha Good and Services Tax Act, 2017	Tax	GST Appellate Authority, Odisha	Apr-19 to Mar-20	8.29	-
8	Income Tax Act, 1961	Tax	Commissioner of Income Tax	Apr-17 to Mar-18	851.17	-
				Total	7,896.28	4,868.14

- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) Based on the audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
- (b) Based on the audit procedures and according to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and the records of the company examined by us, the term loans received during the year were applied for the purpose for which these term loans were obtained and unutilized balances are held in fixed deposits/ bank accounts by the company.
- (d) On an overall examination of the standalone financial statements of the company, funds raised on short-term basis have, prima facie, not been utilized during the year for long-term purposes by the company.
- (e) Based on the audit procedures and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint ventures. Further, the company has no associate.
- (f) Based on the audit procedures and according to the information and explanations given to us, the company has not raised any loans during the year on pledge of securities held in its subsidiaries and joint ventures. Further, the company has no associate.
- (x) (a) In our opinion and according to the information and explanations given to us, the company has neither raised funds by way of initial public offer nor further public offer (including debt instruments) during the year hence reporting under this clause is not applicable.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, hence reporting under this clause is not applicable. However, during the year the company had made an offer for right issue of its share to its existing shareholders, which was renounced by other shareholders in favor of Power Grid Corporation of India Limited and was fully subscribed.
- (xi) (a) Based on the audit procedures and according to the information and explanations given to us, no fraud by the company or no material fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, as amended, with the Central Government, during the year and upto the date of this report.



- (c) According to the information and explanations given to us and based on our examination of the records of the company, no whistle blower complaint was received by the company during the year.
- (xii) The company is not a Nidhi company hence reporting under clause 3(xii)(a) to 3(xii)(c) is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of 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. The details of such transactions have been disclosed in the standalone financial statements as required by Ind AS 24 – Related Party Disclosures. However, some of the related party transactions were not put up to the Audit Committee/ Board for their approval as required by the Act.
- (xiv) (a) In our opinion, the company need to strengthen the internal audit system to make it commensurate with the size and the nature of its business as the area of coverage are not adequate.
- (b) The internal audit has been carried out by an independent firm of chartered accountants of which the report for the year under audit, issued to the company during the year, was considered by us while conducting our audit procedures. However, the internal audit needs to be conducted quarterly instead of entire year.
- (xv) According to the information and explanation given to us, the company has not entered into any non-cash transactions with its directors or person connected with them.
- (xvi) (a), (b) and (c) According to the information and explanation given to us, the company does not undertake any activity which requires the company to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence, reporting under clauses 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (d) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The company has not incurred cash losses during the financial year covered under our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the company during the year.
- (xix) On the basis of the financial ratios {as given in note 60(i) of the standalone financial statements}, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR), in respect of other than ongoing projects, requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

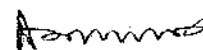


(b) There are no unspent amounts towards Corporate Social Responsibility (CSR), pursuant to any ongoing projects under sub-section (5) of Section 135 of the Act, requiring a transfer to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

- (xii) The Companies (Auditor's Report) Order (CARO) reports are not applicable to its foreign subsidiaries namely EESL EnergyPro Assets Limited (incorporated in United Kingdom) and EESL Energy Solutions LLC (incorporated in United Arab Emirates).

In respect of subsidiary company namely Convergence Energy Services Limited (incorporated in India), though there has been no qualification its CARO report however, the said subsidiary company has incurred cash loss of ₹ 945 lakhs and ₹ 285 lakhs during current and immediately preceding financial years respectively as reported by the auditor of the said company under clause xvii of its CARO report.

For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N



Ankur Goyal
Partner

Membership No. 099143
UDIN 22099143AMMUMS7644

Place: New Delhi
Dated: 8 July 2022



Annexure - 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on other legal and regulatory requirements' section of the Independent Auditor's Report of even date on the standalone financial statements of Energy Efficiency Services Limited for the year ended 31 March 2022)

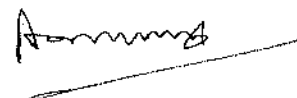
Directions and Sub-Directions issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013 in respect of annual accounts of Energy Efficiency Services Limited for the year 2021-22.

Sr. No.	Directions/ Sub-Directions	Auditor's Responses	Action taken thereon by management	Impact on standalone financial statements
A	Directions			
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Based on audit procedures carried out by us and according to the information and explanations given to us, the company has a system in place to process the material accounting transactions through IT system (SAP) under various modules such as Financial Accounting and Controlling (FICO), Sales and Distribution (S&D), Material Management (MM), Payroll / Human Capital Management (HCM). Accordingly, there are no implications on the integrity of the accounts.	No action is required	No Impact
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable from statutory auditors of lender company).	According to information and explanations given to us, there is no case of restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by any lender to the company due to the company's inability to repay the loan.	No action is required	No Impact



3	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State governments or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	According to information and explanations given to us, the funds received/ receivable for specific schemes from the central/ state government or its agencies were properly accounted for/ utilized as per the respective terms and conditions.	No action is required	No Impact
B	Sub-Directions			
	NIL			

For S. P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N



Ankur Goyal
Partner

Membership No. 099143
UDIN 22099143AMMUMS7644

Place: New Delhi
Date: 8 July 2022



Annexure 'C' to the Independent Auditor's Report

(Referred to in paragraph 3(g) under 'Report on other legal and regulatory requirements' section of the Independent Auditor's Report of even date on the standalone financial statements of Energy Efficiency Services Limited for the year ended 31 March 2022)

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 with reference to the standalone financial statements of 'Energy Efficiency Services Limited' ("the Company") as at 31 March 2022 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management responsibility for internal financial controls

The board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over 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" (the "Guidance Note") 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 Act.

Auditor's responsibility

Our responsibility is to express an opinion on the company's internal financial controls with reference to standalone financial statements 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 the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.



Meaning of internal financial controls with reference to standalone financial statements

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

Inherent limitations of internal financial controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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, to the best of our information and according to the explanations given to us, the company has maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2022, based on the internal control with reference to standalone financial statements 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 S. P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N



Ankur Goyal
Partner

Membership No. 099143
UDIN 22099143AMMUMS7644

Place: New Delhi
Date: 8 July 2022



ENERGY EFFICIENCY SERVICES LIMITED
Standalone Balance Sheet as at 31 March 2022

Particulars	Note	₹ in Lakhs		
		As at 31 March 2022	As at 31 March 2021 *	As at 1 April 2020 *
ASSETS				
Non-current assets				
Property, plant and equipment	3	2,99,889.88	2,86,085.30	2,56,754.33
Capital work-in-progress	4	1,05,524.25	1,20,540.07	1,30,398.98
Right-of-use assets	5	1,125.73	1,214.88	1,272.45
Intangible assets	6	532.77	717.61	675.24
Investments in subsidiary and joint venture companies	7	37,068.31	28,109.87	27,131.13
Financial assets				
Investments	8	0.26	-	-
Loans	9	2,911.06	284.18	216.82
Other financial assets	10	10,524.43	9,051.36	9,103.21
Deferred tax assets (net)	11	7,813.88	801.44	1,927.12
Other non-current assets	12	6,611.24	3,921.10	1,482.48
Total non-current assets		4,72,001.81	4,50,725.81	4,28,961.76
Current assets				
Inventories	13	15,771.27	20,387.15	22,428.05
Financial assets				
Trade receivables	14	3,48,223.51	3,09,859.07	2,72,067.17
Cash and cash equivalents	15	72,405.31	70,552.27	33,106.73
Bank balances other than cash and cash equivalents	16	29,394.51	51,136.46	30,027.95
Loans	17	538.17	132.92	140.40
Other financial assets	18	15,097.49	18,623.06	9,351.18
Current tax assets (net)	19	1,562.90	1,114.61	2,356.42
Other current assets	20	43,133.33	48,117.37	54,380.17
Total current assets		5,26,126.49	5,19,922.91	4,23,858.07
TOTAL ASSETS		9,98,128.30	9,70,648.72	8,52,819.83
EQUITY AND LIABILITIES				
Equity				
Equity share capital	21	1,39,082.00	98,332.84	98,332.84
Other equity	22	(13,233.17)	1,952.02	1,853.75
Total equity		1,25,848.83	1,00,284.86	1,00,186.59
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	23	4,46,213.53	4,91,695.04	4,22,466.86
Lease liabilities	24	168.66	369.10	425.07
Trade payables	25			
-total outstanding dues of micro enterprises and small enterprises		938.80	1,809.21	1,593.02
-total outstanding dues of creditors other than micro enterprises and small enterprises		10,130.39	13,225.32	5,960.39
Other financial liabilities	26	2,079.96	4,304.82	5,439.85
Provisions	27	1,383.17	1,112.03	921.70
Other non-current liabilities	28	3,771.09	1,797.19	2.74
Total non-current liabilities		4,64,685.60	5,14,312.71	4,36,809.63
Current liabilities				
Financial liabilities				
Borrowings	29	2,47,435.31	1,77,028.57	1,20,158.36
Lease liabilities	30	294.95	167.12	129.37
Trade payables	31			
-total outstanding dues of micro enterprises and small enterprises		8,689.33	8,030.59	5,868.63
-total outstanding dues of creditors other than micro enterprises and small enterprises		90,410.88	1,04,215.89	1,18,006.87
Other financial liabilities	32	49,923.36	56,227.69	43,185.05
Other current liabilities	33	10,563.11	10,128.92	28,316.80
Provisions	34	68.98	55.95	29.48
Current tax liabilities (net)		207.95	196.42	129.05
Total current liabilities		4,07,593.87	3,56,051.15	3,15,823.61
TOTAL EQUITY AND LIABILITIES		9,98,128.30	9,70,648.72	8,52,819.83

* Restated (refer note 43)

Significant Accounting Policies

2

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

3 to 63

As per our report of even date attached

For S.P. Chopra & Co.

Chartered Accountants

Firm Registration No. 000346N

Ankur Goyal

Ankur Goyal

Partner

Membership No. 099143

Place : New Delhi

Date : 8 July 2022



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

Arun K Mishra
Arun K Mishra
CEO and Director
DIN : 09349810

Aditya Dar
Aditya Dar
Director
DIN : 08079013

Sandeep Kumar Jain
Sandeep Kumar Jain
Chief Financial Officer

Pooja Shukla
Pooja Shukla
Company Secretary

ENERGY EFFICIENCY SERVICES LIMITED
Standalone Statement of Profit and Loss for the year ended 31 March 2022

		₹ in Lakhs	
Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021 *
Income			
Revenue from operations	35	1,53,917.50	1,52,573.01
Other income	36	5,178.41	14,912.47
Total income		1,59,095.91	1,67,485.48
Expenses			
Purchase of stock-in-trade		10,975.57	20,921.03
Changes in inventory of stock-in-trade	37	4,615.88	2,040.90
Employee benefits expense	38	5,629.69	4,506.28
Finance costs	39	39,070.61	36,547.36
Depreciation and amortisation expense	40	64,091.86	56,533.65
Other expenses	41	56,507.52	45,488.68
Total expenses		1,80,891.13	1,66,037.90
Profit/(Loss) before tax		(21,795.22)	1,447.58
Tax expense	42		
Current tax			
Current year		207.93	196.42
Earlier years		72.72	-
Deferred tax		(6,981.80)	1,132.52
Total tax (credit)/expense		(6,701.15)	1,328.94
Profit/(Loss) for the year		(15,094.07)	118.64
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss (net of tax)			
- Net actuarial gains/(losses) on defined benefit plans		(121.76)	(27.22)
- Less: Income tax relating to above item		(30.64)	(6.85)
Other comprehensive loss for the year, net of income tax		(91.12)	(20.37)
Total comprehensive (loss)/income for the year		(15,185.19)	98.27
Earnings per equity share (Nominal value of ₹ 10/- each)	52		
Basic earnings per share (₹)		(1.24)	0.01
Diluted earnings per share (₹)		(1.24)	0.01

* Restated (refer note 43)

Significant Accounting Policies

2

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

3 to 63

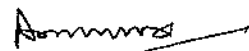
As per our report of even date attached

For S.P. Chopra & Co.

Chartered Accountants.

Firm Registration No. 000346N

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



Ankur Goyal

Partner

Membership No. 099143

Place : New Delhi

Date : 8 July 2022



Arun K Mishra
CEO and Director
DIN : 09349810



Aditya Dar
Director
DIN : 08079013



Sandeep Kumar Jain
Chief Financial Officer



Pooja Shukla
Company Secretary

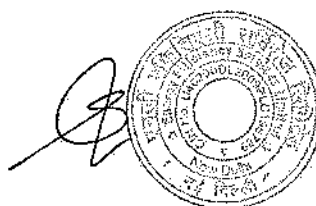


ENERGY EFFICIENCY SERVICES LIMITED
Standalone Statement of Cash Flows for the year ended 31 March 2022

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021 *
A Cash flow from operating activities		
Profit before tax	(21,795.22)	1,447.58
Adjustments for:-		
Depreciation and amortization expense	64,091.86	56,533.65
Finance costs	34,493.50	34,782.91
Allowance for doubtful receivables	5,642.89	6,337.18
Provision for interest variance	4,145.96	3,369.79
Provision for doubtful advances	852.27	-
Provision for shortage in inventories	353.02	-
Loss on sale of property, plant and equipment (net)	13.61	10.05
Interest income	(1,872.89)	(2,774.37)
(Gain)/loss on foreign currency transactions and translation (net)	5,824.11	(2,643.67)
Grant income	(727.59)	(845.13)
Liquidation damages recovered from vendors	(642.15)	(2,332.65)
Liabilities/excess provisions no longer required written back	(8.23)	(1,523.56)
Operating profit before working capital changes	90,371.14	92,361.78
Adjustments for:		
(Increase)/Decrease in Trade receivables	(47,863.97)	(46,939.81)
(Increase)/Decrease in Inventories	4,262.86	2,040.90
(Increase)/Decrease in loans, other financial assets and other assets	3,944.72	(2,903.95)
Increase/(Decrease) in trade payables, other financial liabilities and other liabilities	(12,659.95)	(17,507.69)
Increase/(Decrease) in provisions	162.41	189.58
Cash (used in) / generated from operations	38,217.21	27,240.81
Less: Income tax paid/(refund)	717.41	(1,112.77)
Cash generated from operating activities (A)	37,499.80	28,353.58
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advance)	(68,733.23)	(60,969.26)
Interest income	1,560.83	2,206.95
Investment in subsidiaries and joint venture company	(8,958.70)	(978.74)
Loan given to subsidiary	(3,000.00)	-
Investment in bank balances other than cash and cash equivalents (net)	21,864.03	(21,152.34)
Cash used in investing activities (B)	(57,267.07)	(80,893.39)
C Cash flow from financing activities		
Proceeds from share capital	40,749.16	-
Proceeds from non-current borrowings	52,899.58	1,44,148.45
Repayment of non-current borrowings	(72,235.97)	(41,551.59)
Proceeds / (repayments) of current borrowings (net)	37,602.23	26,387.98
Finance costs	(38,076.69)	(38,370.86)
Lease rent paid	(314.83)	(196.35)
Cash from financing activities (C)	20,623.48	90,417.63
Net increase in cash and cash equivalents (A+B+C)	856.21	37,877.82
Cash and cash equivalents at the beginning of the year	70,552.27	33,106.73
Exchange difference on translation of foreign currency cash and cash equivalents	996.83	(432.28)
Cash and cash equivalents at the end of the year	72,405.31	70,552.27

* Restated (refer note 43)



ENERGY EFFICIENCY SERVICES LIMITED
Notes to Standalone Statement of Cash Flows (continued)

- a) Cash and cash equivalents consists of balances with banks.
b) Reconciliation of cash and cash equivalents:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Balances with banks		
Current accounts	47,233.71	69,595.22
Deposits with original maturity upto three months (including interest accrued)	25,171.60	957.05
Cash and cash equivalents as per note-15	72,405.31	70,552.27

- c) Reconciliation between the opening and closing balances of the balance sheet for liabilities arising from financing activities:

Particulars	₹ in Lakhs			
	Non-current borrowings*	Current borrowings**	Lease liabilities	Interest accrued on borrowings
For the year ended 31 March 2022				
Opening balance as at 1 April 2021	5,63,335.64	1,05,387.97	536.22	6,334.91
Addition in lease liabilities	-	-	263.78	-
Cash flow during the year	(19,336.39)	37,602.23	(314.83)	(38,076.69)
Non-cash changes due to:				
- Variation in exchange rates	6,774.45	-	-	-
- Interest accrued	-	-	56.01	36,290.10
- Modification in leases	-	-	(79.57)	-
- Transaction cost on borrowings	(115.06)	-	-	109.53
Closing balance as at 31 March 2022	5,50,658.64	1,42,990.20	463.61	4,657.85
For the year ended 31 March 2021				
Opening balance as at 1 April 2020	4,63,625.23	78,999.99	554.44	7,489.90
Addition in lease liabilities	-	-	119.75	-
Cash flow during the year	1,02,596.86	26,387.98	(196.35)	(38,370.86)
Non-cash changes due to:				
- Variation in exchange rates	(2,783.72)	-	-	-
- Interest accrued	-	-	58.38	37,123.64
- Transaction cost on borrowings	(102.73)	-	-	92.23
Closing balance as at 31 March 2021	5,63,335.64	1,05,387.97	536.22	6,334.91

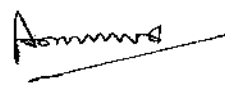
* includes current maturities of non-current borrowings, refer note 32.

** Inflows/outflows from current borrowings have been presented on net basis.

- d) Refer note 45 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

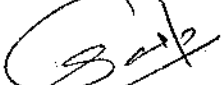
As per our report of even date attached
For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N.

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


Ankur Goyal
Partner
Membership No. 099143
Place : New Delhi
Date : 8 July 2022


Arun K Mishra
CEO and Director
DIN : 09349810


Aditya Dar
Director
DIN : 08079013


Sandeep Kumar Jain
Chief Financial Officer


Pooja Shukla
Company Secretary



ENERGY EFFICIENCY SERVICES LIMITED
Standalone Statement of changes in equity for the year ended 31 March 2022

(A) Equity share capital

For the year ended 31 March 2022

₹ in Lakhs

Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
98,332.84	-	98,332.84	40,749.16	1,39,082.00

For the year ended 31 March 2021

₹ in Lakhs

Balance as at 1 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
98,332.84	-	98,332.84	-	98,332.84

(B) Other equity

For the year ended 31 March 2022

₹ in Lakhs

Particulars	Share application money pending allotment	Reserves and surplus		Total
		Debenture redemption reserve	Retained earnings	
Balance as at 1 April 2021	-	12,434.13	868.85	13,302.98
Prior period errors	-	-	(11,350.96)	(11,350.96)
Restated balance as at 1 April 2021	-	12,434.13	(10,482.11)	1,952.02
Loss for the year	-	-	(15,094.07)	(15,094.07)
Other comprehensive expense for the year	-	-	(91.12)	(91.12)
Transfer (to)/from retained earnings	-	(5,434.13)	5,434.13	-
Share application money received	40,749.16	-	-	40,749.16
Shares allotted against share application money	(40,749.16)	-	-	(40,749.16)
Balance as at 31 March 2022	-	7,000.00	(20,233.17)	(13,233.17)

For the year ended 31 March 2021

₹ in Lakhs

Particulars	Share application money pending allotment	Reserves and surplus		Total
		Debenture redemption reserve	Retained earnings	
Balance as at 1 April 2020	-	15,126.44	(5,123.72)	10,002.72
Prior period errors	-	-	(8,148.97)	(8,148.97)
Restated balance as at 1 April 2020	-	15,126.44	(13,272.69)	1,853.75
Profit for the year	-	-	118.64	118.64
Other comprehensive expense for the year	-	-	(20.37)	(20.37)
Transfer (to)/from retained earnings	-	(2,692.31)	2,692.31	-
Balance as at 31 March 2021	-	12,434.13	(10,482.11)	1,952.02

Analysis of accumulated other comprehensive income (net of taxes) included in retained earnings

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	(46.94)	(26.57)
Other comprehensive income/(expense) for the year	(91.12)	(20.37)
Balance as at the end of the year	(138.06)	(46.94)

As per our report of even date attached

For S.P. Chopra & Co.

Chartered Accountants

Firm Registration No. 000346N

Ankur Goyal

Partner

Membership No. 099143

Place : New Delhi

Date : 8 July 2022

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

Arun K Mishra
CEO and Director
DIN : 09349810

Aditya Dar
Director
DIN : 08079015

Sandeep Kumar Jain
Chief Financial Officer

Pooja Shukla
Company Secretary



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements (continued)

1. Company information

Energy Efficiency Services Limited (the "Company") is a Company domiciled and incorporated in India (CIN: U40200DL2009PLC196789). The address of the Company's registered office is NFL Building, 5th & 6th Floor, Core – III, SCOPE Complex, Lodhi Road, New Delhi- 110003. The Company has its debt securities listed on BSE Limited.

The Company is a Joint Venture of NTPC Limited, Power Finance Corporation Limited, Rural Electrification Corporation Limited and Power Grid Corporation of India Limited under the Ministry of Power. The Company is engaged in implementation of energy efficiency projects as an Energy Saving Company (ESCO). It acts as the resource center for capacity building for State Distribution Companies (DISCOMs), Energy Regulatory Commissions (ERCs), State Development Authorities (SDAs), upcoming ESCOs, financial institutions, etc.

The standalone financial statements for the year ended 31 March 2022 were approved for issue by Board of Directors on 8 July 2022.

2. 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 utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 and 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.

2.1. Basis of preparation

(i) Statement of Compliance

These standalone financial statements are prepared on going concern basis following accrual system 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.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis except for:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- Plan assets in the case of employee defined benefit plans that are measured at fair value.

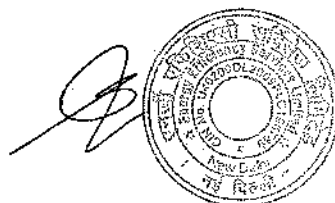
The methods used to measure fair values are discussed in notes to the financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) 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 (up to two decimals), except as stated otherwise.



(iv) 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.

2.2. Property, plant and equipment

(i) Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Project Development Cost incurred on ESCO Model Energy Efficiency Projects undertaken by the Company are recognised as property, plant and equipment.

Project Development Cost includes purchase price, taxes and duties, labor cost and any other costs 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 affected, capitalisation is done on a provisional basis subject to necessary adjustment in the year of final settlement.

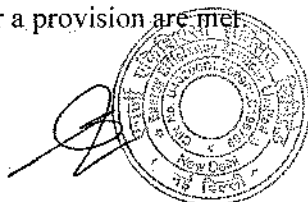
(ii) Subsequent costs

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.

(iii) 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.



ENERGY EFFICIENCY SERVICES LIMITED**Notes to the standalone financial statements (continued)****(iv) 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 derecognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

(v) Depreciation

Depreciation is recognised in the statement of profit and loss on pro rata basis on Straight Line Method using the rate arrived on useful lives of assets, specified in part C of Schedule II thereto of the Companies Act 2013 (the 'Act'). Freehold land is not depreciated.

Estimated useful lives of the assets, based on technical assessment, are as follows:

Nature of assets	Life of property, plant and equipment
Project equipment	3-10 years
Solar plant	25 years
Smart meter	8-10 years
Public chargers	10 years
E-Vehicles	5-8 years
Building	30 years
Furniture and fittings	10 years
Office equipment	5 years
Computers	3 years
Cell phones	2 years
Residential assets	3 years

Leasehold improvements are depreciated on straight line basis over lower of 3 years and their initial agreement period unless the entity expects to use the asset beyond the lease term.

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 and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed of.

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.

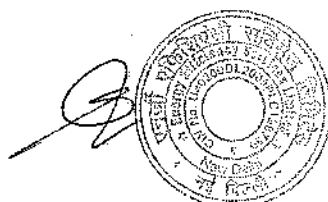
The Company considers the residual value of project equipment of ₹ 100.

2.3. Capital work-in-progress

The cost of self-constructed assets includes the cost of materials and direct labor, 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 and borrowing costs.

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 doesn't materialize, then the expenditure incurred in respect of the same is charged to Statement of Profit and Loss in that year.



2.4. Intangible assets

(i) Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

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

(ii) Subsequent costs

Subsequent expenditure is recognized 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 enterprise and the cost of the item can be measured reliably.

(iii) Derecognition

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

(iv) Amortisation

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

The amortization period and the amortization method of intangible assets with finite useful lives is reviewed at each financial year end and adjusted prospectively, wherever required.

2.5. Borrowing costs

Borrowing costs consist of:

- (a) interest expense calculated using the effective interest method as described in Ind AS 109 – ‘Financial Instruments’;
- (b) finance charges in respect of leases recognized in accordance with Ind AS 116 – ‘Leases’ and
- (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

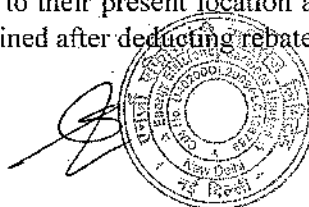
Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready 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 borrowings that are outstanding during the period and used for the acquisition or construction of the qualifying asset. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. 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 subsequent year of utilization.

2.6. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis. Cost of purchased inventory are determined after deducting rebates and discounts. Net realizable value is



the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares is ascertained on review and provided for.

2.7. Cash and cash equivalents

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

2.8. Government grants

Government grants related to assets are recognized initially as deferred income when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

9. Provisions, contingent liabilities and contingent assets

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, considering 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 based on judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

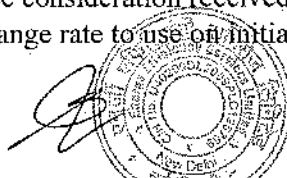
Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable based on judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

2.10. Foreign currency transactions and translations

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 and equipment recognised up to 31 March 2016 and still outstanding are adjusted to carrying cost of property, plant and equipment.

Non-monetary items are measured in terms of historical cost in a foreign currency and are translated using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense



or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

2.11. Revenue

The Company's revenues arise from sale of goods and rendering of services related to energy efficiency and consultancy. Other income includes interest from banks, employees and customers, management fee income, guarantee fee income, other miscellaneous income, etc.

(i) Revenue from sale of goods

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

(ii) Revenue from rendering of services

Revenue from rendering of services is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the services is transferred to a customer.

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

- **Energy efficiency services:**

Revenue from rendering of energy efficiency services by supply and installation of streetlights, agricultural pumps and other equipment is recognised over time as the customers simultaneously receive and consume the benefits provided by the Company.

- **Consultancy services:**

Revenue from consultancy services rendered is recognised over time based on satisfaction of performance obligations over time as the customers simultaneously receive and consume the benefits provided by the Company. Income on consultancy contracts is recognised in the statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion was assessed by reference to actual progress/technical assessment of work executed, in line with the terms of the respective contracts.

Contract modifications

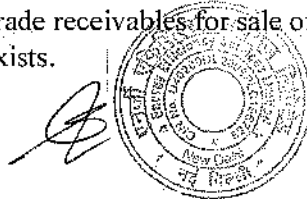
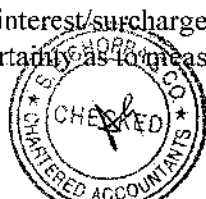
Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catchup basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

(iii) Other income

Interest income is recognised, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis considering the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

For debt instruments measured 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.

The interest/surcharge on late payment/overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.



2.12. Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions 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 the statement of profit and 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 at the predetermined rates in the provident fund scheme.

The Company has a trust for Contributory Superannuation Scheme which provides pension benefits and Company pays a fixed contribution to the trust.

The contributions to both the funds for the year are recognised as expense and are charged to the statement of profit and loss.

(ii) 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 is in the nature of a defined benefit plan. The Company contributes to (Life Insurance Corporation of India) a fund set up by the Company and administered by a board of trustees with respect to its gratuity obligation.

The Company's net obligation in respect of defined benefit plans is calculated 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 and the fair value of any plan assets 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 and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognised in other comprehensive income (OCI) in the period in which they arise.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in statement of profit and loss.

(iii) Other long-term employee benefits

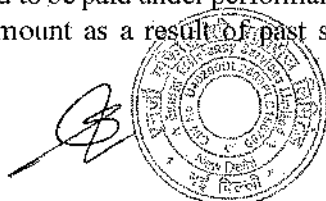
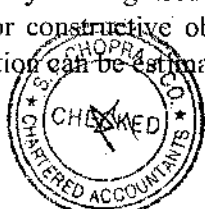
Benefits under the Company's leave encashment constitute other long-term employee benefit.

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 the statement of profit and loss in the period in which they arise.

(iv) Short-term benefits

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

A liability is recognised for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



2.13. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognised in the statement of profit and 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 respectively.

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 is recognised in the statement of profit and 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 respectively.

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 utilized. 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.

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. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

When there is uncertainty regarding income tax treatments, the Company assesses whether the tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

2.14. Leases

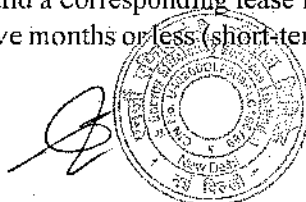
At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(i) Where the Company is a lessee

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying



assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate is used.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities as a separate line item on the face of the Balance Sheet. The Group has elected to use the recognition exemptions for short-term and low value leases as per Ind AS 116.

(ii) Where the Company is a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

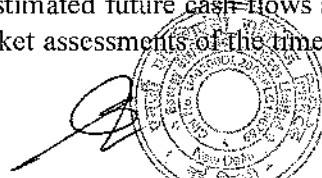
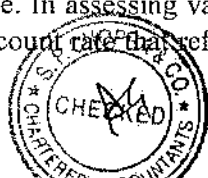
Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Amounts due from lessees under finance leases are recorded as receivables ('Finance lease receivables') at the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.15. 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 statement of profit and 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.

2.16. Operating segments

In accordance with Ind AS 108, Operating Segments, 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.

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, 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.

2.17. Dividends

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

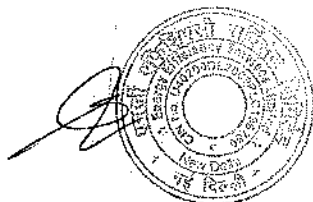
2.18. Material prior period errors

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.

2.19. 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.



2.20. Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 Statement of cash flows.

2.21. 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.

(i) Financial assets

Initial recognition and measurement

The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by considering 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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and 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 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 and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

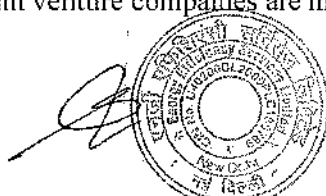
Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization 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 statement of profit and loss.

Equity Investments

Equity investments in subsidiary and joint venture companies are measured at cost, less impairment if any.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements (continued)

Other equity investments are measured at fair value. The Company decides to classify the equity investments either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized 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) Receivables, unbilled revenue and contract assets under Ind AS 115 and Ind AS 116.

For trade receivables and unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines 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.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

(ii) Financial liabilities

Initial recognition and measurement

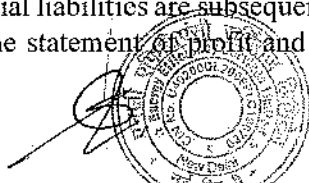
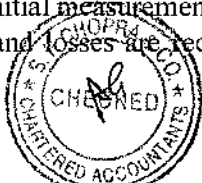
All financial liabilities are recognised initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings and retention money.

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 the statement of profit and loss when the liabilities are derecognised as well as



through the EIR amortisation process. Amortised cost is calculated by considering 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 statement of profit and 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 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 statement of profit and 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 the statement of 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 and loss.

(iii) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.22. Other expenses

Expenses on annual maintenance, legal & professional consultancy, training & recruitment etc. are charged to statement of profit and loss in the year incurred.

2.23. Related party transactions

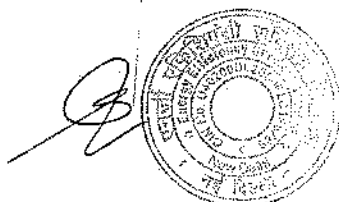
The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

2.24. 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:



ENERGY EFFICIENCY SERVICES LIMITED

Notes to the standalone financial statements (continued)

(i) Property, plant and equipment and intangible assets

The Company estimates the useful life of property, plant and equipment and intangible assets 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 useful life of property, plant and equipment and intangible assets are reviewed at the end of each reporting date and adjusted prospectively, if appropriate.

The recoverable amount of property, plant and equipment and intangible assets are also based on estimates and assumptions regarding the expected market outlook and future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

(ii) Impairment of non-financial assets

The recoverable amount of investment in subsidiary and joint venture companies is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee Company. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

(iii) Revenues

The Company applies judgements that affect the determination of the amount and timing of revenue from contracts with customers. The Company also applies judgement to determine whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. Rebates and discounts, if any, are recognised as a reduction from revenue based on management estimates.

(iv) Provision for expected credit loss (ECL) of trade receivables and contract assets

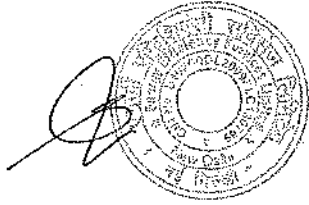
The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(v) Leases not in legal form of lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.



ENERGY EFFICIENCY SERVICES LIMITED

Notes to the standalone financial statements (continued)

(vi) Post-employment benefit plans

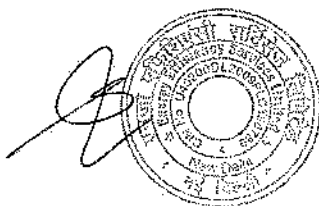
Employee benefit obligations are measured based on actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the discount rate. The Company considers that the assumptions used to measure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

(vii) 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.

(viii) Income taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.



ENERGY EFFICIENCY SERVICES LIMITED

Notes to the standalone financial statements for the year 31 March 2022

3 Property, plant and equipment

Particulars	Gross block				Accumulated depreciation			Net block
	As at	Additions	Deductions/	As at	For the year	Deductions/	As at	
	1 April 2021		Adjustments	31 March 2022	1 April 2021	31 March 2022	31 March 2022	
Project equipment	3,23,222.69	21,171.84	-	3,44,394.53	1,35,915.95	51,043.67	1,86,959.62	1,57,434.91
Solar plant	52,581.96	26,188.46	-	78,770.42	2,355.51	2,704.78	5,060.29	73,710.13
Smart meter	56,481.28	28,470.77	-	84,952.05	10,588.05	9,242.73	19,830.78	65,121.27
Public chargers	400.30	526.83	-	927.13	27.91	65.53	93.44	833.69
E-Vehicles	1,262.48	418.12	-	1,680.60	201.31	195.41	396.72	1,283.88
Building	512.56	335.09	-	847.65	33.08	26.84	59.92	787.73
Furniture and fittings	407.76	65.39	-	473.15	183.49	44.96	228.45	244.70
Office equipment	397.70	19.33	-	417.03	234.97	56.35	291.32	125.71
Computers	745.86	15.33	132.03	629.16	484.35	103.56	464.04	165.12
Cell phones	92.69	16.01	90.33	18.37	83.79	9.53	7.03	11.34
Residential assets	79.06	-	79.06	-	75.10	-	-	-
Leasehold improvements	247.70	190.50	-	438.20	163.23	103.57	266.80	171.40
Total	4,36,432.04	77,417.67	301.42	5,13,548.29	1,50,346.74	63,596.93	2,13,658.41	2,99,889.88

Particulars	Gross block				Accumulated depreciation			Net block
	As at	Additions	Deductions/	As at	For the year	Deductions/	As at	
	1 April 2020		Adjustments	31 March 2021	1 April 2020	31 March 2021	31 March 2021	
Project equipment	2,80,924.36	42,298.33	-	3,23,222.69	89,217.54	46,698.41	1,35,915.95	1,87,306.74
Solar plant	27,226.56	25,355.40	-	52,581.96	710.40	1,645.11	2,355.51	50,226.45
Smart meter	40,338.81	16,142.47	-	56,481.28	3,652.05	6,936.00	10,588.05	45,893.23
Public chargers	54.30	346.00	-	400.30	4.02	23.89	27.91	372.39
E-Vehicles	654.36	608.12	-	1,262.48	79.21	122.10	201.31	1,061.17
Building	472.01	40.55	-	512.56	16.17	16.91	33.08	479.48
Furniture and fittings	409.02	21.83	23.09	407.76	154.15	42.30	183.49	224.27
Office equipment	296.27	101.43	-	397.70	173.75	61.22	234.97	162.73
Computers	539.30	210.73	4.17	745.86	391.65	95.84	484.35	261.51
Cell phones	83.92	8.82	0.05	92.69	68.54	15.26	83.79	8.90
Residential assets	80.27	-	1.21	79.06	60.99	15.11	75.10	3.96
Leasehold improvements	279.81	-	32.11	247.70	76.14	87.09	163.23	84.47
Total	3,51,358.99	85,133.68	60.63	4,36,432.04	94,604.61	55,759.24	1,50,346.74	2,86,085.30



ENERGY EFFICIENCY SERVICES LIMITED

Notes to the standalone financial statements for the year 31 March 2022

3 Property, plant and equipment (continued)

a) Exchange variations capitalised are disclosed in the 'Addition' column of capital work-in-progress (CWIP) and allocated to various heads of CWIP in the year/ period of capitalisation through 'Deductions/ Adjustments' column of CWIP. Asset-wise details of exchange variations and borrowing costs included in the cost of major heads of plant and equipment (PPE) and CWIP are given below:

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Exchange variations	Borrowing costs	Exchange variations	Borrowing costs
Project equipment	735.95	1,639.59	164.66	2,190.10
Solar plant	361.53	558.36	-	390.72
Smart meter	850.18	1,702.07	-	910.53
Public chargers	-	-	-	1.09
Total	1,947.66	3,900.02	164.66	3,492.44

b) The borrowing cost capitalised during the year is net of income on idle funds amounting to ₹ 220.03 Lakhs (31 March 2021: ₹ 70.12 Lakhs).

c) Refer note 23 and 29 for information on property, plant and equipment pledged as security by the company.

d) Refer note 53 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

e) Refer note 43 for restatement of previous year figures.

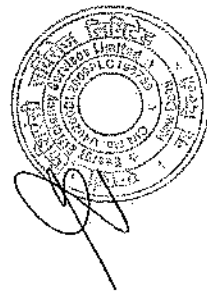
f) Details of title deeds of immovable properties not held in name of the Company:

Item category of Balance sheet	Description of item of Property	Gross carrying value (₹ in Lakhs)	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Office building in Kolkata	335.09	NBCC (India) Limited	No	31-Mar-21	Awaiting completion of legal formalities

g) During the year, the company has not revalued any of its property, plant and equipment or intangible assets.

h) The Company is in possession of 727.06 acres (31 March 2021: 536.48 acres) of land at 142 locations (31 March 2021: 113 locations) for development of solar plants.

i) The Company's property, plant and equipment primarily consists of project assets under ESCO model, which are spread all over the country, however, physical verification of these assets could not be undertaken, pending finalisation of modalities in view of large quantities per contract/ projects. Company is taking adequate steps to work out the modalities for the same and thereafter physical verification shall be undertaken in the phased manner.

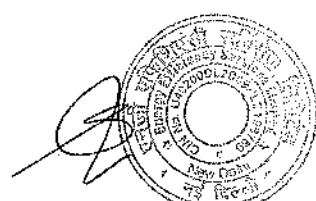


ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
4 Capital work-in-progress

As at 31 March 2022				₹ in Lakhs
Particulars	As at 1 April 2021	Additions	Capitalised	As at 31 March 2022
Project equipment				
Street lights	49,533.54	19,086.47	18,860.80	49,759.21
Building	8,842.01	756.49	1,364.51	8,233.99
Trigeneration project	1,210.21	12.29	1,197.41	25.09
National Motor Replacement Program Project	213.37	15.66	213.37	15.66
Municipal Demand Side Management (MuDSM)	46.72	36.07	36.07	46.72
	59,845.85	19,906.98	21,672.16	58,080.67
Solar plant	32,387.80	9,626.74	25,982.36	16,032.18
Smart Meter	26,245.44	29,889.24	28,312.96	27,821.72
Public chargers	1,481.60	1,484.39	392.89	2,573.10
Solar rooftop	16.74	415.40	-	432.14
Glass furnace	562.64	19.34	(2.46)	584.44
Total	1,20,540.07	61,342.09	76,357.91	1,05,524.25

As at 31 March 2021				₹ in Lakhs
Particulars	As at 1 April 2020	Additions	Capitalised	As at 31 March 2021
Project equipment				
Street lights	69,278.04	17,180.29	36,924.79	49,533.54
Building	12,068.88	2,065.99	5,292.86	8,842.01
Trigeneration project	1,010.24	199.97	-	1,210.21
National Motor Replacement Program Project	97.67	196.37	80.67	213.37
Municipal Demand Side Management (MuDSM)	0.05	46.67	-	46.72
	82,454.88	19,689.29	42,298.32	59,845.85
Solar plant	22,145.75	35,597.45	25,355.40	32,387.80
Smart Meter	25,620.49	16,767.42	16,142.47	26,245.44
Public chargers	170.31	1,657.29	346.00	1,481.60
Solar rooftop	-	16.74	-	16.74
Glass furnace	-	562.64	-	562.64
Software	7.55	-	7.55	-
Total	1,30,398.98	74,290.83	84,149.74	1,20,540.07

- a) The borrowing cost proportionate to the unutilised amount of borrowings for qualifying assets is carried forward for capitalization in the year of its utilization. However, income earned on temporary investment of the borrowings is deducted from the borrowing costs eligible for capitalisation. During the year, the Company has capitalised employee benefit expenses amounting to ₹ 1,910.79 Lakhs (31 March 2021: ₹ 2,627.39 Lakhs) and other expenses amounting to ₹ 1,227.97 Lakhs (31 March 2021: ₹ 1,513.09 Lakhs) which are directly attributable to assets.
- b) The Company is in process of assessment of assets held under capital work-in-progress available for use but pending capitalisation/ recognition of revenue to that extent due to non-receipt of completion certificate from Urban Local Bodies (ULBs). Obtaining of pending completion certificates is under active follow-up with the ULBs and same will be capitalized on receipt thereof.
- c) The Capital work-in-progress includes inventory of capital items of ₹ 46,227.83 Lakhs held with the Company as at 31 March 2022 (31 March 2021: ₹ 54,178.01 Lakhs).
- d) The details/ components of project wise work/ components appearing under capital work-in-progress are under preparation/ compilation in view of number of contracts of large quantities consisting of small items, hence the assessment of stage of completion of such small quantities could not be ascertained due to lack of complete information of its installation from the contractors/ vendors. Appropriate steps have been initiated to compile those details to suitably capitalise these items project wise.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
4 Capital work-in-progress (continued)
e) Ageing schedule of capital work-in-progress

As at 31 March 2022					₹ in Lakhs
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	51,474.73	20,909.26	12,784.51	20,355.75	1,05,524.25
Projects temporarily suspended	-	-	-	-	-
Total	51,474.73	20,909.26	12,784.51	20,355.75	1,05,524.25

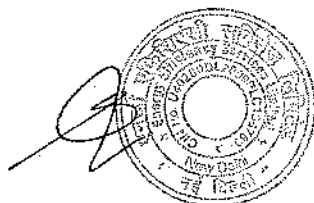
As at 31 March 2021					₹ in Lakhs
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	77,283.75	18,075.74	12,078.57	13,102.01	1,20,540.07
Projects temporarily suspended	-	-	-	-	-
Total	77,283.75	18,075.74	12,078.57	13,102.01	1,20,540.07

f) Completion schedule whose completion is overdue or has exceeded its cost compared to its original plan:

As at 31 March 2022					₹ in Lakhs
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Completion is overdue	-	-	-	-	-
Exceeded its costs to its original plan:	-	-	-	-	-
Projects temporarily suspended					
Completion is overdue:	-	-	-	-	-
Exceeded its costs to its original plan:	-	-	-	-	-
Total	-	-	-	-	-

As at 31 March 2021					₹ in Lakhs
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Completion is overdue	-	-	-	-	-
Exceeded its costs to its original plan:	-	-	-	-	-
Projects temporarily suspended					
Completion is overdue:	-	-	-	-	-
Exceeded its costs to its original plan:	-	-	-	-	-
Total	-	-	-	-	-

Information to the extent readily available in the records is furnished and may not be comprehensive in view of large number of projects due to paucity of time, being the first-time requirement to present the information under Schedule III of the Companies Act, 2013.



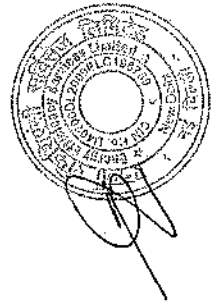
ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022

5 Right-of-use assets

As at 31 March 2022										₹ in Lakhs	
Particulars	Gross block			Accumulated amortisation			Net block				
	As at 1 April 2021	Additions	Deductions/ Adjustments	As at 31 March 2022	As at 1 April 2021	For the year	Deductions/ Adjustments	As at 31 March 2022	As at 31 March 2022		
Right of use asset (refer note 56)	1,579.64	275.06	78.43	1,776.27	364.76	285.78	-	650.54	1,125.73		
Total	1,579.64	275.06	78.43	1,776.27	364.76	285.78	-	650.54	1,125.73		
As at 31 March 2021										₹ in Lakhs	
Particulars	Gross block			Accumulated amortisation			Net block				
	As at 1 April 2020	Additions	Deductions/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the year	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2021		
Right of use asset (refer note 56)	1,457.20	122.44	-	1,579.64	184.75	180.01	-	364.76	1,214.88		
Total	1,457.20	122.44	-	1,579.64	184.75	180.01	-	364.76	1,214.88		

6 Intangible assets

As at 31 March 2022										₹ in Lakhs	
Particulars	Gross block			Accumulated amortisation			Net block				
	As at 1 April 2021	Additions	Deductions/ Adjustments	As at 31 March 2022	As at 1 April 2021	For the year	Deductions/ Adjustments	As at 31 March 2022	As at 31 March 2022		
Software	2,562.42	24.31	-	2,586.73	1,844.81	209.15	-	2,053.96	532.77		
Total	2,562.42	24.31	-	2,586.73	1,844.81	209.15	-	2,053.96	532.77		
As at 31 March 2021										₹ in Lakhs	
Particulars	Gross block			Accumulated amortisation			Net block				
	As at 1 April 2020	Additions	Deductions/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the year	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2021		
Software	1,925.65	636.77	-	2,562.42	1,250.41	594.40	-	1,844.81	717.61		
Total	1,925.65	636.77	-	2,562.42	1,250.41	594.40	-	1,844.81	717.61		



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
7 Investments in subsidiary and joint venture company

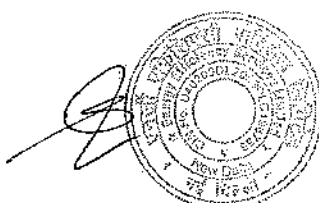
Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Equity instruments - Unquoted (fully paid up - unless otherwise stated, at cost)		
Subsidiaries		
EESL EnergyPro Assets Limited (refer note b below) 35,745,680 (31 March 2021: 29,745,680) equity shares of ₹1 each	33,281.47	27,130.87
EESL Energy Solutions LLC (refer note c below) 87 (31 March 2021: 87) equity shares of AED 1000 each	18.33	18.33
Convergence Energy Services Limited (refer note d below) 10,000,100 (31 March 2021: 100) equity shares of ₹10 each	1,000.01	0.01
Joint venture company		
Intellismart Infrastructure Private Limited (refer note e below) 2,76,85,049 (31 March 2021: 96,04,049) equity shares of ₹10 each	2,768.50	960.40
NEESL Private Limited (refer note f below) Nil (31 March 2021: 2,600) equity shares of ₹10 each	-	0.26
Total	37,068.31	28,109.87
Aggregate amount of unquoted investments	37,068.31	28,109.87
Aggregate amount of impairment in value of investments	-	-

- a) Investments have been valued as per accounting policy no.2.21. Equity investment in subsidiary and joint venture company are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements', considering the investment being long term strategic investment.
- b) During the year, the Company has further invested ₹ 6,150.60 Lakhs by acquiring 6,000,000 shares in EESL EnergyPro Assets Limited at face value of GBP 1 each resulting in increase in shareholding from 84.55% to 86.80%.
- c) The Company had invested ₹ 18.33 Lakhs during the financial year ended 31 March 2021 and acquired 29% equity stake in a newly formed Company EESL Energy Solutions LLC with management control. The JV agreement amongst JV partners was amended w.e.f. 15th September 2021. Consequently, one of the JV partners has divested his shareholding in the JV company in favour of EESL resulting in increase in EESL's shareholding to 51%, which is yet to be ratified by EESL.
- d) The Company has further invested ₹ 1000.00 Lakhs (31 March 2021- ₹ 0.01 Lakhs) in its wholly owned subsidiary namely Convergence Energy Services Limited (newly formed in previous year). The Company has further invested ₹ 3,563.97 Lakhs for 3,56,39,700 number of shares on 4 May 2022 i.e. subsequent to the financial year ending 31 March 2022.
- e) The Company has further invested ₹ 1,808.10 Lakhs (31 March 2021- ₹ 960.40 Lakhs) in its joint venture namely Intellismart Infrastructure Private Limited by acquiring 1,80,81,000 equity shares at a par value of ₹ 10 per share against right issue.
- f) During the year, the Company's shareholding in its joint venture namely NEESL Private Limited has reduced from 26% to 2.21% as the joint venture partner has introduced fresh equity in the joint venture company. It resulted into reduction in shareholding and in terms of the joint venture agreement, the Company has lost joint control of NEESL Private Limited, which is yet to be ratified by EESL. The said investment is carried at cost considering the value of investment is nominal.

- g) EESL Energy Pro Assets Limited has accumulated losses of ₹ 2,962.74 Lakhs (31 March 2021: ₹ 2,477.42 Lakhs), Convergence Energy Services Limited has accumulated losses of ₹ 1,230.35 Lakhs (31 March 2021: ₹ 213.25 Lakhs) and EESL Energy Solutions LLC has accumulated losses of ₹ 39.90 Lakhs (31 March 2021: accumulated earnings of ₹ 2.91 Lakhs) as at reporting date. However, being a strategic investment and considering the long term nature of these investment, there is no permanent impairment in the value of shares as on date.

h) Disclosure as per Ind AS 27 'Separate financial statements'

Particulars	Proportion of ownership interest (%)	
	As at 31 March 2022	As at 31 March 2021
Investment in subsidiary company:		
EESL EnergyPro Assets Limited (incorporated in United Kingdom)	86.80%	84.55%
EESL Energy Solutions LLC (incorporated in United Arab Emirates)	29.00%	29.00%
Convergence Energy Services Limited (incorporated in India)	100.00%	100.00%
Investment in joint venture company:		
Intellismart Infrastructure Private Limited (incorporated in India)	49.00%	49.00%
NEESL Private Limited (incorporated in India)	-	26.00%



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
8 Investments

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Investment in fully paid up unquoted equity instruments (measured at fair value through profit and loss)		
NEESL Private Limited	0.26	-
2,600 (31 March 2021: Nil) equity shares of ₹10/- each		
Total	0.26	-
Aggregate amount of unquoted investments	0.26	-
Aggregate amount of impairment in value of investments	-	-

a) Refer note 44 for disclosures related to fair valuation.

9 Non-current loans

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Loan to Subsidiary Company (refer a below)		
Unsecured, considered good	3,008.65	-
Less: Current maturities of loan to Subsidiary Company	385.36	-
Sub-total	2,623.29	-
Loan to employees (including interest accrued)		
Secured, considered good (refer b below)	214.22	219.97
Unsecured, considered good	73.55	64.21
Total	2,911.06	284.18

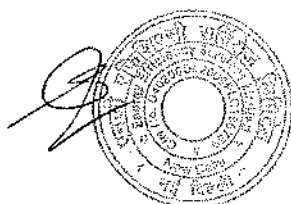
a) During the year, the Company has given an unsecured loan of ₹ 3,000.00 Lakhs to Convergence Energy Services Limited, a subsidiary company. The loan carries interest rate of 7.80% p.a. payable on half yearly basis and is repayable in seven annual installments starting from 31 March 2023 as stipulated in the agreement.

b) House building loan and conveyance advance to employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given as per the policies of the Company.

c) Refer note 48 for the related party disclosures.

10 Other non-current financial assets

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Unbilled revenue	192.48	331.69
Security deposits	135.24	93.70
Lease receivables	10,160.40	8,467.58
Deposits with banks (including interest accrued)	1.71	-
Earmarked balances with banks (including interest accrued)		
Deposits held as margin money for letter of credit and bank guarantees	32.54	147.18
Deposits held as security with government authorities	2.06	3.48
Deposit against standby letter of credit issued with respect to term loan facility availed by EESL EnergyPro Assets Limited.	-	7.73
Total	10,524.43	9,051.36



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
11 Deferred tax assets (net)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Tax effect of items constituting deferred tax assets		
Unabsorbed losses/depreciation carried forward	7,914.26	3,035.16
Timing difference on account of expense allowable on payment basis	6,766.90	3,927.63
Others	16.71	17.26
	14,697.87	6,980.05
Less: Tax effect of items constituting deferred tax liabilities		
Difference between accounting base and tax base of property, plant and equipment	6,071.76	4,609.83
Financial assets and liabilities measured at amortised cost	812.23	1,032.82
Others	-	535.96
	6,883.99	6,178.61
Net deferred tax assets	7,813.88	801.44

- a) Refer note 42 for disclosures as per Ind AS 12 Income Taxes.
b) Deferred tax assets of ₹ 7,012.44 Lakhs has been recognized during the current year since it is probable that future taxable profits will be available against which the temporary difference can be utilized.

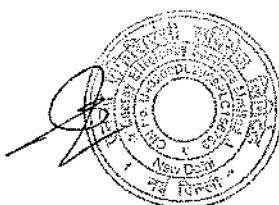
12 Other non-current assets

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Capital advances to related parties (refer note 48)	762.80	792.81
Capital advances to others	5,834.77	3,121.11
Prepaid expenditure	13.67	7.18
Total	6,611.24	3,921.10

13 Inventories

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Stock in trade	16,124.29	20,390.76
Less: Provision for shortage in inventories	353.02	3.61
Total	15,771.27	20,387.15

- a) Inventory items have been valued at lower of cost or net realisable value as per accounting policy no.2.6.
b) Inventories have been pledged as security for borrowings, for details refer note 29.
c) The cost of inventories recognised as expense for the year ended 31 March 2022 is ₹ 16,584.80 Lakhs (including ₹ 2.94 Lakhs as Business promotion) (31 March 2021: ₹ 22,964.74 Lakhs (including ₹ 2.81 Lakhs as Business Promotion)).
d) The write down of inventories to net realisable value amounting to ₹ 637.39 Lakhs (31 March 2021: ₹ Nil) has been recognised as an expense during the year and included in changes in inventory of stock-in-trade in statement of profit and loss.
e) The Company does not have any goods in transit.
f) Reports of sales and purchase orders issued during the year, stores ledger depicting itemised inventory ledgers showing its receipt and issues could not be generated from SAP due to technical issue. However, the Company has carried out the inventory valuation based on balances extracted from SAP and valued it as per the accounting policy.



ENERGY EFFICIENCY SERVICES LIMITED

Notes to the standalone financial statements for the year 31 March 2022

14 Trade receivables

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Considered good – Unsecured	3,50,056.80	3,04,002.15
Trade receivables – credit impaired	22,393.22	20,294.57
Sub-total	3,72,450.02	3,24,296.72
Less: Allowance for expected credit losses	13,419.62	7,776.73
Less: Provision for interest variance	10,806.89	6,660.92
Total	3,48,223.51	3,09,859.07

- a) Refer note 45 for details with respect to credit risk.
- b) Amounts receivables from related parties are disclosed in note 48.
- c) Trade receivables have been pledged as security for borrowings, for details refer note 29.
- d) Based on agreements entered with the customers, the receivables have been discounted with the Bank. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ 7,924.73 Lakhs (31 March 2021 : ₹ 32,025.96 Lakhs). Also refer note 53(b)(vii).
- e) Refer note 60(i) for trade receivable ageing.
- f) Trade receivables, primarily consisting of dues recoverable from various government bodies/ ULBs, has accumulated to ₹ 3,72,450.02 lakhs as at 31 March 2022. The company appointed an external agency for an assessment/ evaluation of credit risk based on factors such as ageing of dues, specific credit circumstances, nature and credit worthiness, historical payment behaviour etc. Based on aforesaid assessment, Expected Credit Loss (ECL) of ₹ 5,642.89 lakhs has been created during the year resulting in cumulative ECL of ₹ 13,419.62 lakhs as at 31 March, 2022.
- The company is actively pursuing/ following up for the recovery of dues from trade receivables with the support of various stakeholders including the administrative ministry and is confident of recovery of these dues as these are mainly from various government agencies, hence the aforesaid provision is considered adequate by the management.

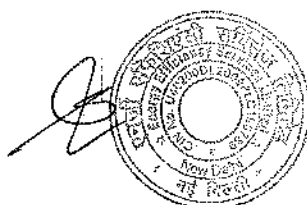
15 Cash and cash equivalents

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Balances with banks		
Current accounts	47,233.71	69,595.22
Deposits with original maturity upto three months (including interest accrued)	25,171.60	957.05
Total	72,405.31	70,552.27

- a) There are no repatriation restrictions with regard to cash and cash equivalents at the end of reporting and previous year.

16 Bank balances other than cash and cash equivalents

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	16,848.14	39,556.02
Earmarked balances with banks (including interest accrued)		
Deposit against standby letter of credit issued with respect to term loan facility availed by EESL EnergyPro Assets Limited	12,360.83	11,202.24
Deposits held as margin money for letter of credit and bank guarantees	183.94	34.39
Deposits held as security with government authorities	1.60	343.81
Total	29,394.51	51,136.46



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
17 Current loans

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Loan to Subsidiary Company (refer note 9(a))		
Unsecured, considered good	385.36	-
Loan to employees (including interest accrued)		
Secured, considered good (refer a below)	34.55	31.41
Unsecured, considered good	118.26	101.51
Total	538.17	132.92

- a) House building loan and conveyance advance to employees are secured against the mortgage of house properties or hypothecation of vehicles for which such loans have been given as per the policies of the Company.

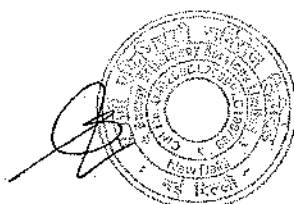
18 Other financial assets

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Unbilled revenue	8,302.68	13,324.42
Lease receivables	3,100.80	3,101.35
Recoverable from related party (refer note 48)	3,206.48	861.11
Security deposits	458.47	673.95
Earnest money deposits	-	252.00
Other recoverables (refer note a below)	29.06	410.23
	15,097.49	18,623.06
Unsecured, considered doubtful		
Other recoverables (refer note a below)	178.10	-
Less: Provision for doubtful recoverables	178.10	-
	-	-
Total	15,097.49	18,623.06

- a) Others includes expenses incurred on behalf of third parties which are recoverable.

19 Current tax assets (net)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Advance tax (net of provision for tax)	1,562.90	1,114.61
Total	1,562.90	1,114.61

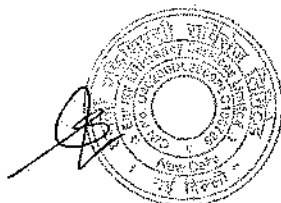


ENERGY EFFICIENCY SERVICES LIMITED

Notes to the standalone financial statements for the year 31 March 2022

20 Other current assets

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Balance/ receivable from statutory authorities		
Unsecured, considered good	23,055.81	28,960.72
Unsecured, considered doubtful	1.15	-
Less: Provision for doubtful receivables	1.15	-
	<u>23,055.81</u>	<u>28,960.72</u>
Advances to/ Recoverables from suppliers		
Related party (refer note 48)	2,360.60	1,245.00
Others		
Unsecured, considered good	10,593.53	4,295.25
Unsecured, considered doubtful	674.35	-
Less: Provision for doubtful advances	674.35	-
	<u>12,954.13</u>	<u>5,540.25</u>
Advance to employees		
Unsecured, considered good	73.79	50.78
Unsecured, considered doubtful	1.61	-
Less: Provision for doubtful advances	1.61	-
	<u>73.79</u>	<u>50.78</u>
Deposits paid under protest (refer note 53(b)(viii))	4,868.15	4,868.15
Prepaid expenditure	2,181.45	8,697.47
Total	<u>43,133.33</u>	<u>48,117.37</u>



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
21 Share capital

₹ in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of par value ₹10/- each	350,00,00,000	3,50,000.00	350,00,00,000	3,50,000.00
Issued, subscribed and fully paid up				
Equity shares of par value ₹10/- each	1,39,08,20,000	1,39,082.00	98,33,28,350	98,332.84

a) Movements in equity share capital:

₹ in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	98,33,28,350	98,332.84	98,33,28,350	98,332.84
Add: Shares issued during the year	40,74,91,650	40,749.16	-	-
Balance at the end of the year	1,39,08,20,000	1,39,082.00	98,33,28,350	98,332.84

The promoters initially subscribed to 25% shares each of the Company. Over the years, the Company has made offers for right issue under private placement of equity shares to existing shareholders. Some shareholders have not subscribed to the offered shares or renounced their right to other shareholder resulting in change in their shareholding percentage from the original 25%.

The Board of Directors in their 90th Board Meeting held on 12 August 2021 issued and offered equity shares amounting to ₹ 40,749.16 lakhs to all existing shareholders on rights basis at par in the proportion of their shareholding. Power Grid Corporation of India Limited (PGCIL) subscribed to the offer, while NTPC Limited declined and Power Finance Corporation Limited and REC Limited renounced their offers in favour of PGCIL. As a result, 40,749,1650 equity shares amounting to ₹ 40,749.16 lakhs were allotted to PGCIL on 6 September 2021. The revised shareholding post the right issue is given in note d below.

b) The Company has neither issued any bonus shares nor issued any shares for consideration other than cash during the five years immediately preceding the current financial year. The Company has also not bought back any shares during the same period.

c) 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, voting rights proportionate to their share holding at the meetings of shareholders and share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. No dividend has been paid/proposed to be paid to the shareholders during the year 2021-22 (2020-21: Nil).

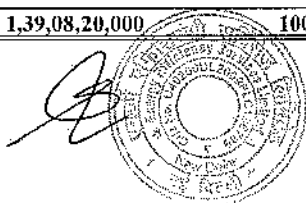
d) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	%age holding	No. of shares	%age holding
PowerGrid Corporation of India Limited	46,36,10,000	33.33%	5,61,18,350	5.70%
NTPC Limited	46,36,10,000	33.33%	46,36,10,000	47.15%
Power Finance Corporation Limited	24,55,00,000	17.65%	24,55,00,000	24.97%
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	15.69%	21,81,00,000	22.18%
Total	1,39,08,20,000	100%	98,33,28,350	100%

As per the records of the Company, including its register of shareholders/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e) Details of changes in promoter shareholding during the year:

Name of the promoter	As at 31 March 2022		As at 31 March 2021		% Change during the year
	No. of shares	%age holding	No. of shares	%age holding	
PowerGrid Corporation of India Limited	46,36,10,000	33.33%	5,61,18,350	5.70%	27.63%
NTPC Limited	46,36,10,000	33.33%	46,36,10,000	47.15%	(13.82%)
Power Finance Corporation Limited	24,55,00,000	17.65%	24,55,00,000	24.97%	(7.32%)
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	15.69%	21,81,00,000	22.18%	(6.49%)
Total	1,39,08,20,000	100%	98,33,28,350	100%	



21 Share capital (continued)

f) On 1 September 2021, the promoters, in accordance with the recommendations of the Ministry of Power regarding restructuring of the company, executed a supplementary agreement amending the provisions of the Joint Venture Agreement pertaining to shareholding and management of the Company. The Articles of Association of the company were also altered. As per the amended agreement, the Board should comprise of six (6) directors including two (2) each from NTPC and Power Grid, one government nominated director not below the rank of Joint Secretary of Ministry of Power and the Chief Executive Officer (CEO) of the Company. The Company shall have a professional management team headed by the Chief Executive Officer (CEO). The CEO shall be responsible to the Board of Directors for the efficient functioning, corporate objectives, and performance parameters of the company and its group companies.

Further, it was decided that shareholding of NTPC Limited and PowerGrid Corporation of India Limited shall remain equal going forward and shareholding of Power Finance Corporation Limited and REC Limited shall be brought down to less than 10%. Accordingly, NTPC Limited and PowerGrid Corporation of India Limited shall infuse the capital equally in future.

22 Other equity

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Debenture redemption reserve	7,000.00	12,434.13
Retained earnings	(20,233.17)	(10,482.11)
Total	(13,233.17)	1,952.02

a) Share application money pending allotment

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	-	-
Share application money received	40,749.16	-
Equity shares issued	(40,749.16)	-
Closing balance	-	-

b) Debenture redemption reserve

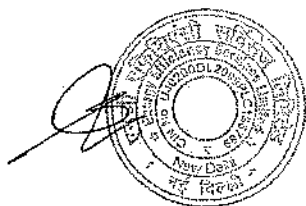
The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures. Movement in reserves is as follows:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	12,434.13	15,126.44
Add: Transfer to retained earnings	(5,434.13)	(2,692.31)
Closing balance	7,000.00	12,434.13

c) Retained earnings

Retained earnings represents the amount of accumulated earnings of the company and re-measurement differences on defined benefit plans and gains. Movement in reserves is as follows:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	(10,482.11)	(13,272.69)
Profit for the year as per statement of profit and loss	(15,094.07)	118.64
Transfer from debenture redemption reserve	5,434.13	2,692.31
	(20,142.05)	(10,461.74)
Items of OCI recognised directly in retained earnings:		
Net actuarial gains/(losses) on defined benefit plans	(91.12)	(20.37)
Closing balance	(20,233.17)	(10,482.11)



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
23 Non-current borrowings

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Secured Debentures/Bonds		
(i) 8.07% Debentures (Domestic bonds)- Secured by pari passu charge on the movable fixed assets both present and future. (8.07% p.a. secured non-cumulative non-convertible redeemable taxable bonds with separately transferable redeemable principal parts (STRPP) of ₹ 25,000.00 Lakhs redeemable at par on 20 September 2023 (First Issue - Private Placement)	26,072.32	39,100.18
Unsecured Debentures/Bonds		
(i) 7.80% Debentures (Domestic bonds) (7.80% p.a. unsecured non-cumulative non-convertible redeemable taxable bonds repayable as bullet payment on 18 July 2022 amounting ₹45,000.00 Lakhs (Second Issue - Private Placement)	47,471.42	47,471.42
(ii) 8.29% Debentures (Domestic bonds) (8.29 % p.a. unsecured non-cumulative non-convertible redeemable taxable bonds)	-	12,676.02
Term loan from banks		
Secured rupee term loan		
(i) Canara Bank- Secured by pari passu charge on the movable fixed assets both present and future (ROI linked to 1 year MCLR, repayable in 5 equated yearly instalments for 60 months from the date of drawl of each tranche)	20,016.22	-
(ii) Bank of Baroda- Secured by pari passu charge on the movable fixed assets both present and future (ROI linked to 1 year MCLR, repayable in 10 equated half yearly instalments starting from January 2022 and ending in July 2026)	45,000.00	50,000.00
(iii) Bank of Baroda- Secured by pari passu charge on the movable fixed assets both present and future (ROI linked to 1 year MCLR, repayable in 10 equated half yearly instalments starting from March 2021 and ending in September 2025)	34,979.95	44,967.60
(iv) Canara Bank- Secured by pari passu charge on the movable fixed assets both present and future (ROI linked to 1 year MCLR, repayable in 10 equated half yearly instalments of each tranche starting from September 2020 and ending in March 2025)	29,959.91	39,964.91
Unsecured rupee term loan		
(i) Punjab National Bank (ROI linked to 6 months MCLR, repayable in 10 equated half yearly instalments starting from June 2021 and ending in December 2025)	39,838.32	49,938.26
Term loan from other than banks		
Unsecured foreign currency loans		
(i) ADB Loan -Guaranteed by Government of India (6 month LIBOR+ 60 Basis point +/- rebate/surcharge, if any, currently 0.73788% p.a., loan repayable on half yearly basis starting from 15 May 2025 in 30 equal instalments)	15,147.56	-
(ii) CTF Loan (ADB)-Guaranteed by Government of India (0.25% p.a. loan repayable on half yearly basis starting from 15 May 2030 in 20 instalments of USD 460,000 each and 40 instalments of USD 920,000 each)	34,793.69	33,804.35
(iii) IBRD Loan -Guaranteed by Government of India (6 month LIBOR+variable spread, if any, currently at 0.96% p.a., loan repayable on half yearly basis starting from 15 May 2023 in 27 equal instalments of 3.57% of disbursed amount and last installment of 3.61% of disbursed amount)	1,06,943.36	93,351.05
(iv) ADB Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 0.930076% p.a., loan repayable on half yearly basis starting from 15 March 2022 in 30 equal instalments)	1,04,179.94	97,134.72



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
23 Non-current borrowings (continued)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
(v) AFD Loan -Guaranteed by Government of India (1.87% p.a. for Euro 3,719,016.59, 2.20% p.a. for Euro 1,205,674.41, 2.19% p.a. for Euro 8,460,156.73, 2.22% p.a. for Euro 3,112,936.93, 1.35% p.a. for Euro 8,235,022.51, 1.44% p.a. for Euro 5,932,983.01 and 1.42% for Euro 77,14,307.54. Loan repayable in half yearly basis starting from 31 October 2020 in 1 instalment of Euro 15,33,289.51 and 19 instalments of Euro 19,39,305.70 each)	28,110.77	31,934.95
(vi) KfW Loan -Guaranteed by Government of India (1.96% p.a. loan repayable on half yearly basis starting from 30 June 2018 in 14 instalments of Euro 2,941,000 each and 3 instalments of Euro 2,942,000 each)	22,522.20	27,994.48
	5,55,035.66	5,68,337.94
Less: Current maturities of long term borrowings		
Secured Debentures/Bonds	-	15,000.00
Unsecured Debentures/Bonds	45,000.00	20,000.00
Secured rupee term loan from bank	34,000.00	15,000.00
Unsecured rupee term loan from bank	10,000.00	10,000.00
Unsecured foreign currency loans	15,445.11	11,640.60
Less: Interest accrued but not due on borrowings	4,377.02	5,002.30
Total	4,46,213.53	4,91,695.04

- a) The company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.
b) The company has used its specific borrowings for the specific purpose for which they were taken.
c) There has been no default in repayment of the loans/ interest thereon as at the end of the year/ during the year.
d) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
e) The Company has access to ₹ 443,494.51 Lakhs foreign currency borrowings which has been sanctioned but not availed as at 31 March 2022. These borrowings have been guaranteed by Government of India. Refer note 45.

24 Non-current lease liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note 56)	168.66	369.10
Total	168.66	369.10

25 Non-current trade payable

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Trade payable for goods and services		
Total outstanding dues of micro enterprises and small enterprises	938.80	1,809.21
Total outstanding dues of creditors other than micro and small enterprises	10,130.39	13,225.32
Total	11,069.19	15,034.53

- a) Amounts payable to related parties are disclosed in note 48.
b) Refer note 58 for disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006.
c) Refer note 60(k) for trade payable ageing.

26 Other non-current financial liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Retention money	2,079.96	4,304.82
Total	2,079.96	4,304.82

- a) Refer note 58 for disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
27 Non-current provisions

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity	195.81	99.97
Leave encashment	1,187.36	1,012.06
Total	1,383.17	1,112.03

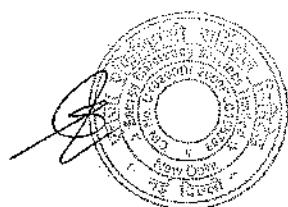
a) Refer note 49 for disclosure as per Ind AS 19 on 'Employee Benefits'.

28 Other non-current liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Deferred income on account of government grants	3,771.09	1,797.19
Total	3,771.09	1,797.19

29 Current borrowings

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Secured short-term loan from banks		
(i) ICICI Bank - Secured by first pari passu charge on the current asset both present and future. (ROI: Linked to tenor based MCLR repayable as Bullet payment within 1 year maximum from the drawl of the loan amount)	18,100.00	10,400.00
(ii) Bank of Baroda - Secured by first pari passu charge on the stock and receivables both present and future. (ROI: Linked to tenor based MCLR repayable as Bullet payment within 1 year maximum from the drawl of the loan amount)	15,900.00	16,000.00
(iii) IndusInd Bank - Secured by pari passu charge on stock and book debts of the Company (ROI: Linked to tenor based MCLR repayable as Bullet payment within 1 year maximum from the drawl of the loan amount)	12,500.00	15,000.00
(iv) Union Bank of India- Secured by the current assets of the Company present and future (ROI: Linked to tenor based MCLR repayable as Bullet payment within 1 year maximum from the drawl of the loan amount)	64,999.99	29,987.97
(v) Canara Bank- Secured by first pari passu charge on the stock and receivables both present and future (ROI: Linked to tenor based MCLR repayable as Bullet payment within 1 year maximum from the drawl of the loan amount)	19,990.21	30,000.00
Secured short-term loans from others		
(i) Bajaj Finance Limited- Secured by first pari passu charge on the current assets (receivables and inventory) both present and future (ROI is 6.75% p.a. repayable as bullet payment after 12 from the drawl of the Loan amount)	7,500.00	-
Unsecured short-term loan from banks		
(i) CTBC Bank (ROI linked to MIBOR repayable as bullet payment after 6 months from the drawl of the Loan amount and will be rolled over twice a year)	4,000.00	4,000.00
Sub-total	1,42,990.20	1,05,387.97
Current maturities of non-current borrowings (refer note 23)		
Secured Debentures/Bonds	-	15,000.00
Unsecured Debentures/Bonds	45,000.00	20,000.00
Secured rupee term loan from bank	34,000.00	15,000.00
Unsecured rupee term loan from bank	10,000.00	10,000.00
Unsecured foreign currency loans	15,445.11	11,640.60
Sub-total	1,04,445.11	71,640.60
Total	2,47,435.31	1,77,028.57



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
30 Current lease liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note 56)	294.95	167.12
Total	294.95	167.12

31 Trade Payables

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Trade payable for goods and services		
Total outstanding dues of micro enterprises and small enterprises	8,689.33	8,030.59
Total outstanding dues of creditors other than micro and small enterprises	90,410.88	1,04,215.89
Total	99,100.21	1,12,246.48

- a) Amounts payable to related parties are disclosed in note 48.
b) Refer note 58 for disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006.
c) Refer note 60(k) for trade payable ageing.

32 Other current financial liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Interest accrued on borrowings	4,377.02	5,002.30
Unclaimed interest on debentures/bonds (refer note a below)	1.61	1.61
Retention money	42,334.21	44,855.69
Liabilities for expenses	2,179.65	2,375.57
Earnest money deposits	404.70	494.28
Guarantee fee payable	-	2,907.64
Commitment fee payable	280.83	291.55
Security deposits	108.10	118.06
Payable to employees	237.24	180.99
Total	49,923.36	56,227.69

- a) Unclaimed interest of ₹ 1.61 Lakhs on debentures (₹ 0.81 Lakhs each pertaining to year 2016-17 and 2017-18) is not due for transfer to Investor's Education and Protection Fund. The said amount of unclaimed interest has been kept in separate bank account and the company is in process of opening an escrow account for the same.
b) Refer note 58 for disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006.

33 Other current liabilities

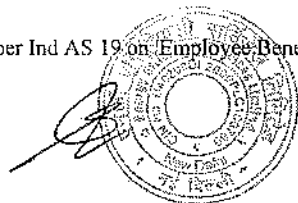
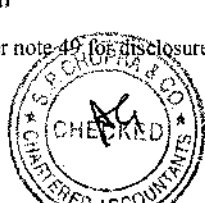
Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Statutory dues (refer note a below)	8,593.65	8,860.29
Liquidated damages	-	93.25
Revolving/project fund	800.86	838.49
Unearned income	411.91	-
Deferred income on account of government grants	756.69	336.89
Total	10,563.11	10,128.92

- a) The sales and its corresponding output tax liability, purchases and its corresponding input tax credit reported in GST returns, the net input tax credit receivable/ net output tax liability payable are subject to reconciliation with the books of accounts and the impact, if any, subsequent to the reconciliation will be taken in annual GST statements/ revised returns to be filed in due course, which in view of management will not be material.

34 Current provisions

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity	19.93	7.41
Leave encashment	49.05	48.54
Total	68.98	55.95

- a) Refer note 49 for disclosure as per Ind AS 19 on 'Employee Benefits'.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
35 Revenue from operations

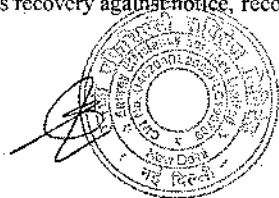
Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of goods	15,788.12	23,280.47
Rendering of services	1,38,129.38	1,29,292.54
Total	1,53,917.50	1,52,573.01

- a) Refer note 55 for disclosure in respect of Ind AS 115, 'Revenue from contracts with customers'.
- b) Refer note 48 for transactions with related parties.
- c) The Company as per practise, recognises revenue under street light agreements with ULB's whereby the start date of project period is taken as the date of first completion certificate received from ULB. For subsequent completion certificates, revenue is recognised co-terminus to the project period based on the initial completion certificate.
- d) The company is in the process to seek clarifications/ amendments in certain agreements for smart meter projects, for extension of period, change in rates etc., the effect of which shall be considered in the year in which such amendments are finalized. Further, as per terms of agreement, revenue from smart meters to be booked for which reading is captured from various Discoms however where the reading could not be captured due to tele-communication issue, TD/PD cases etc, the Company is taking steps to devise a suitable mechanism to bill for such installed meters.
- e) The details of streetlights installed and completed till date against quantity ordered by Urban Local Bodies (ULB) is under compilation and thereafter adjustments towards capitalization and revenue recognition, if any, will be undertaken. No material differences are envisaged at this stage and the same will be accounted in the year of completion of compilation/ reconciliation.
- f) Under Trigeneration ESCO segment, the details of bill read/ gas consumption etc. could not be compiled due to non-receipt of relevant data from customers. Consequently, the revenue could not be recognized for the period October 2021 to March 2022 and will be recognised in the subsequent period.
- g) The billing towards PMC and repair and maintenance (R&M) for the year in respect of Energy Efficient Pumps under AgDSM project in the state of Andhra Pradesh has been raised to the extent details received from DISCOM and balance bill could not be raised due to splitting of DISCOMS i.e. APSPDCI and APCPDCL. The revenue will be recognised as and when the revised agreement is signed with DISCOMS for the pumps in their relevant jurisdiction.

36 Other income

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income from financial assets measured at amortised cost		
Bank deposits	1,540.69	1,795.37
Trade receivables/unbilled revenue	289.32	559.06
Loans to employees	19.17	18.39
Loans to related parties	9.62	-
Security deposit	14.09	8.36
Others	-	393.19
Interest on income tax refund	-	245.63
Other non-operating income		
Gain on foreign exchange fluctuation (net)	700.66	4,572.78
Guarantee fee income (refer note 48)	869.46	753.11
Management fee income (refer note 48)	211.31	291.46
Penal interest charged from vendors	-	807.02
Grant income (refer note 50)	727.59	845.13
Tender document fees	16.55	27.37
E- Tendering registration fee	13.40	10.64
Liquidation damages recovered from vendors	642.15	2,332.65
Liabilities / excess provisions no longer required written back	8.23	1,523.56
Miscellaneous income (refer note b below)	116.17	728.75
Total	5,178.41	14,912.47

- a) Refer note 48 for transactions with related parties.
- b) Miscellaneous income includes recovery against notice, recovery for health insurance, recruitment income etc.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
37 Changes in inventory of stock-in-trade

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening stock	20,387.15	22,428.05
Closing stock	15,771.27	20,387.15
Total	4,615.88	2,040.90

38 Employee benefits expense

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	6,610.68	6,338.98
Leave encashment	378.74	308.89
Contribution to provident and other funds	445.51	422.15
Staff welfare expenses	105.55	63.65
	7,540.48	7,133.67
Less: Transferred to capital work-in-progress (Note 4)	1,910.79	2,627.39
Total	5,629.69	4,506.28

a) Refer note 49 for disclosure as per Ind AS 19 on 'Employee Benefits'.

39 Finance costs

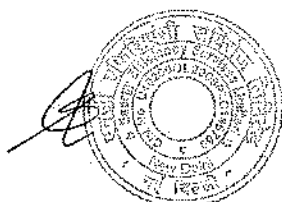
Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance charges on financial liabilities measured at amortised cost		
Debentures/Bonds	6,180.94	8,966.66
Short term loans	8,427.51	7,033.49
Foreign currency term loans	2,889.59	3,265.02
Rupee term loans	13,246.17	13,284.53
Unwinding of discount on retention money	831.99	988.20
Unwinding of discount on trade payables	996.36	123.30
Lease liabilities	56.01	58.38
Net loss on foreign currency transactions and translation	6,524.77	1,929.11
Other borrowing costs		
Guarantee fees for foreign currency term loans	3,416.61	2,633.67
Commitment fees for foreign currency term loans	932.40	1,438.28
Processing fee	383.80	480.13
Other (refer note a below)	1,032.14	3.69
	44,918.29	40,204.46
Less: Transferred to capital work-in-progress (Note 4)	5,847.68	3,657.10
Total	39,070.61	36,547.36

a) Other Borrowing costs includes factoring cost of ₹ 780.05 Lakhs (31 March 2021: ₹ 3.69 Lakhs) and loan cancellation fee of ₹ 252.09 Lakhs (31 March 2021: ₹ Nil).

b) Borrowing costs capitalised during the year includes interest cost of ₹ 3,900.02 Lakhs (31 March 2021: ₹ 3,492.44 Lakhs) and foreign exchange variation of ₹ 1,947.66 Lakhs (31 March 2021: ₹ 164.66 Lakhs).

40 Depreciation and amortisation expense

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	63,596.93	55,759.24
Depreciation on right-of-use assets	285.78	180.01
Amortisation of intangible assets	209.15	594.40
Total	64,091.86	56,533.65

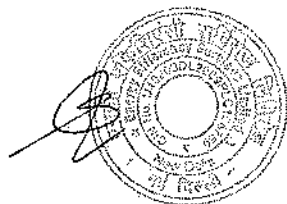


ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
41 Other expenses

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Annual maintenance charges (projects)	32,832.65	22,337.16
Manpower cost	4,436.89	3,754.08
Rent	2,116.87	2,121.09
Legal fees & professional	1,833.01	1,557.73
Project cost	361.75	1,205.70
Insurance	453.64	460.99
Tour and traveling	616.57	535.20
Communication	461.90	436.53
Bank charges	306.56	331.10
Repair and maintenance		
- Building	191.72	125.97
- Computer	2.21	10.67
Electricity	178.56	173.80
Rate and taxes	129.87	229.68
Printing and stationery	71.77	79.01
Corporate social responsibility (refer note 57)	67.80	153.53
Payment to auditors (refer note a and b below)	39.48	39.92
Internal audit fees	37.52	6.60
Advertisement and publicity	33.82	101.57
Meeting and hospitality	28.84	27.39
Recruitment	19.92	295.95
Sponsorship	9.75	18.80
Net loss on sale of property, plant and equipment	13.61	10.05
Business promotion	5.38	180.81
Conveyance	4.97	4.47
Allowance for doubtful receivables	5,642.89	6,337.18
Provision for interest variance	4,145.96	3,369.79
Provision for doubtful advances	852.27	-
Fair value change in trade receivable	-	1,742.06
Provision for shortage in inventories	353.02	-
Miscellaneous expenses	2,486.29	1,354.94
	57,735.49	47,001.77
Less: Transferred to capital work-in-progress (Note 4)	1,227.97	1,513.09
Total	56,507.52	45,488.68
a) Details in respect of payment to auditors:		
Statutory audit fee	17.33	16.50 *
Tax audit fee	6.44 *	7.15
Certification	13.70	13.60
Reimbursement of expenses	2.01	2.67
Total	39.48	39.92

* Net of reversal of provision of ₹ 0.71 Lakhs in tax audit fees for the year ended 31 March 2022 and ₹ 0.83 Lakhs in statutory audit fee for the year ended 31 March 2021.

b) The payment to auditors for the financial year ended 31 March 2021, amounting to ₹ 39.92 Lakhs and reimbursement of expenses for the financial year ended 31 March 2022 amounting to ₹ 1.52 Lakhs was paid to previous auditors.



42 Income taxes

a) Income tax recognised in statement of profit and loss

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax expense		
Current year	207.93	196.42
Earlier years	72.72	-
	280.65	196.42
Deferred tax credit		
Origination and reversal of temporary differences	(6,981.80)	1,132.52
	(6,981.80)	1,132.52
Total income tax (credit) / expense	(6,701.15)	1,328.94

The gross movement in the net current income tax asset is as follows:

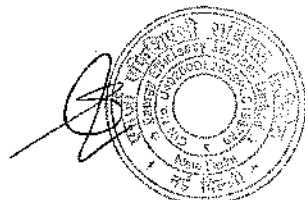
Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Net current income tax asset at the beginning	918.19	2,227.37
Income tax paid (net of refunds)	717.41	(1,112.76)
Current income tax expense	(280.65)	(196.42)
Net current income tax asset at the end	1,354.95	918.19

b) Income tax recognised in other comprehensive income

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Other comprehensive income		
Net actuarial gains/(losses) on defined benefit plans	(121.76)	(27.22)
Less: Income tax relating to above items	(30.64)	(6.85)
Other comprehensive income / (expense) for the year, net of income tax	(91.12)	(20.37)

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

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	(21,795.22)	1,447.58
Tax using the Company's domestic tax rate of 25.168% (31 March 2021: 25.168 %)	(5,485.42)	364.33
Tax effect of:		
Unrecognised deferred tax of previous year on account of adjustment in PPE	(1,545.09)	-
Tax on foreign branch	207.93	196.42
Earlier year tax	72.72	-
Excess business loss of previous year	(80.14)	-
Non-deductible tax expenses	(13.14)	12.49
Others	141.98	755.70
Income tax expense	(6,701.15)	1,328.94



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
42 Income taxes (continued)
d) Movement in deferred tax balances

For the year ended 31 March 2022				₹ in Lakhs
Particulars	Balance 1 April 2021	Recognised in profit or loss	Recognised in OCI	Balance 31 March 2022
Deferred tax assets				
Unabsorbed losses/depreciation carried forward	3,035.16	4,879.10	-	7,914.26
Timing difference on account of expense allowable on payment basis	3,927.63	2,808.63	30.64	6,766.90
Others	17.26	(0.55)	-	16.71
Sub-total	6,980.05	7,687.18	30.64	14,697.87
Less: Deferred tax liabilities				
Financial assets and liabilities measured at amortised cost	1,032.82	(220.59)	-	812.23
Difference between accounting base and tax base of property, plant and equipment	4,609.83	1,461.93	-	6,071.76
Others	535.96	(535.96)	-	-
Sub-total	6,178.61	705.38	-	6,883.99
Deferred tax assets (net)	801.44	6,981.80	30.64	7,813.88

For the year ended 31 March 2021				₹ in Lakhs
Particulars	Balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Balance 31 March 2021
Deferred tax assets				
Unabsorbed losses/depreciation carried forward	2,535.60	499.56	-	3,035.16
Timing difference on account of expense allowable on payment basis	1,430.01	2,490.77	6.85	3,927.63
Others	22.67	(5.41)	-	17.26
	3,988.28	2,984.92	6.85	6,980.05
Less: Deferred tax liabilities				
Financial assets and liabilities measured at amortised cost	1,960.53	(927.71)	-	1,032.82
Difference between accounting base and tax base of property, plant and equipment	41.91	4,567.92	-	4,609.83
Others	58.73	477.23	-	535.96
	2,061.17	4,117.44	-	6,178.61
Deferred tax assets (net)	1,927.11	(1,132.52)	6.85	801.44

e) Accumulated earnings of subsidiaries, if paid out as dividends, would be subject to tax in the hands of recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Company is able to control the timing of distributions from the subsidiary. The subsidiaries are not expected to distribute the profits in the foreseeable future.

EESL Energy Pro Assets Limited has accumulated losses of ₹ 2,962.74 Lakhs (31 March 2021: ₹ 2,477.42 Lakhs), Convergence Energy Services Limited has accumulated losses of ₹ 1,230.35 Lakhs (31 March 2021: ₹ 213.25 Lakhs) and EESL Energy Solutions LLC has accumulated losses of ₹ 39.90 Lakhs (31 March 2021: accumulated earnings of ₹ 2.91 Lakhs) as at reporting date. However, being a strategic investment and considering the long term nature of these investment, there is no permanent impairment in the value of shares as on date.



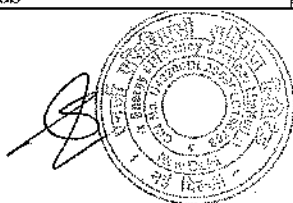
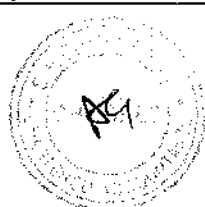
ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
43 Restatement for the year ended 31 March 2021 and as at 1 April 2020

In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statements', the Company has retrospectively restated its Balance Sheet as at 31 March 2021 and 1 April 2020 (beginning of the preceding period) and Statement of Profit and Loss for the year ended 31 March 2021 for the reasons as stated in the notes below. Reconciliation of items which are retrospectively restated in the Balance Sheet and Statement of Profit and Loss are as under:

a) Reconciliation of restated items of Balance Sheet as at 31 March 2021 and 1 April 2020

₹ in Lakhs

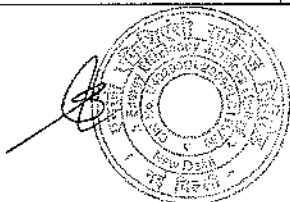
Particulars	Note	As at 31 March 2021			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
ASSETS					
Non-current assets					
Property, plant and equipment	(i)	2,89,482.11	(1,213.95)	(2,182.86)	2,86,085.30
Capital work-in-progress	(ii)	1,21,223.06	-	(682.99)	1,20,540.07
Right-of-use assets		-	1,213.95	0.93	1,214.88
Intangible assets	(i)	722.02	-	(4.41)	717.61
Investments in subsidiary and joint venture companies		28,109.87	-	-	28,109.87
Financial assets					
Loans		380.83	(96.65)	-	284.18
Other financial assets		8,957.66	93.70	-	9,051.36
Deferred tax assets (net)	(xiii)	-	(889.28)	1,690.72	801.44
Other non-current assets	(iii)	4,061.91	7.19	(148.00)	3,921.10
Total non-current assets		4,52,937.46	(885.04)	(1,326.61)	4,50,725.81
Current assets					
Inventories		20,387.15	-	-	20,387.15
Financial assets					
Trade receivables	(iv)	3,16,519.99	-	(6,660.92)	3,09,859.07
Cash and cash equivalents		70,716.74	(164.47)	-	70,552.27
Bank balances other than cash and cash equivalents		50,971.99	164.47	-	51,136.46
Loans		803.91	(670.99)	-	132.92
Other financial assets	(v)	16,874.80	925.95	822.31	18,623.06
Current tax assets (net)		4,823.85	(3,709.24)	-	1,114.61
Other current assets	(vi), (vii), (viii)	48,072.33	(838.05)	883.09	48,117.37
Total current assets		5,29,170.76	(4,292.33)	(4,955.52)	5,19,922.91
TOTAL ASSETS		9,82,108.22	(5,177.37)	(6,282.13)	9,70,648.72
EQUITY AND LIABILITIES					
Equity					
Equity share capital		98,332.84	-	-	98,332.84
Other equity	(xiv)	13,302.97	-	(11,350.95)	1,952.02
Total equity		1,11,635.81	-	(11,350.95)	1,00,284.86
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	(vii)	4,92,307.92	-	(612.88)	4,91,695.04
Lease liabilities		369.10	-	-	369.10
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		2,102.98	(293.77)	-	1,809.21
-total outstanding dues of creditors other than micro enterprises and small enterprises		12,931.55	293.77	-	13,225.32
Other financial liabilities		4,304.82	-	-	4,304.82
Provisions		1,112.03	-	-	1,112.03
Deferred tax liabilities (net)	(xiii)	889.28	(889.28)	-	-
Other non-current liabilities	(xii)	-	-	1,797.19	1,797.19
Total non-current liabilities		5,14,017.68	(889.28)	1,184.31	5,14,312.71
Current liabilities					
Financial liabilities					
Borrowings		1,05,387.97	71,640.60	-	1,77,028.57
Lease liabilities		167.12	-	-	167.12
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		8,073.43	(42.84)	-	8,030.59
-total outstanding dues of creditors other than micro enterprises and small enterprises	(ix), (x), (xi)	1,08,903.79	(8,130.07)	3,442.17	1,04,215.89
Other financial liabilities	(vii)	1,24,688.37	(71,368.32)	2,907.64	56,227.69
Other current liabilities	(xii)	8,981.68	3,612.54	(2,465.30)	10,128.92
Provisions		55.95	-	-	55.95
Current tax liabilities (net)		196.42	-	-	196.42
Total current liabilities		3,56,454.73	(4,288.09)	3,884.51	3,56,051.15
TOTAL EQUITY AND LIABILITIES		9,82,108.22	(5,177.37)	(6,282.13)	9,70,648.72



43 Restatement for the year ended 31 March 2020 and as at 1 April 2019 (continued)

₹ in Lakhs

Particulars	Note	As at 1 April 2020			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
ASSETS					
Non-current assets					
Property, plant and equipment	(i)	2,59,165.10	(1,271.75)	(1,139.02)	2,56,754.33
Capital work-in-progress	(ii)	1,31,081.97	-	(682.99)	1,30,398.98
Right-of-use assets	(i)	-	1,271.75	0.70	1,272.45
Intangible assets		675.24	-	-	675.24
Investments in subsidiary and joint venture companies		27,131.13	-	-	27,131.13
Financial assets					
Loans		292.39	(75.57)	-	216.82
Other financial assets		9,028.11	75.10	-	9,103.21
Deferred tax assets (net)	(xiii)	845.64	-	1,081.48	1,927.12
Other non-current assets	(iii)	1,625.93	4.55	(148.00)	1,482.48
Total non-current assets		4,29,845.51	4.08	(887.83)	4,28,961.76
Current assets					
Inventories		22,428.05	-	-	22,428.05
Financial assets					
Trade receivables	(iv)	2,76,686.00	(1,327.69)	(3,291.14)	2,72,067.17
Cash and cash equivalents		33,106.73	-	-	33,106.73
Bank balances other than cash and cash equivalents		30,027.95	-	-	30,027.95
Loans		780.73	(640.33)	-	140.40
Other financial assets		8,460.40	890.78	-	9,351.18
Current tax assets (net)		5,141.74	(2,785.32)	-	2,356.42
Other current assets	(vii)	51,723.73	1,774.33	882.11	54,380.17
Total current assets		4,28,355.33	(2,088.23)	(2,409.03)	4,23,858.07
TOTAL ASSETS		8,58,200.84	(2,084.15)	(3,296.86)	8,52,819.83
EQUITY AND LIABILITIES					
Equity					
Equity share capital		98,332.84	-	-	98,332.84
Other equity	(xiv)	10,002.72	-	(8,148.97)	1,853.75
Total equity		1,08,335.56	-	(8,148.97)	1,00,186.59
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	(vii)	4,22,995.26	-	(528.40)	4,22,466.86
Lease liabilities		425.07	-	-	425.07
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		1,593.02	-	-	1,593.02
-total outstanding dues of creditors other than micro enterprises and small enterprises		5,960.39	-	-	5,960.39
Other financial liabilities		5,439.85	-	-	5,439.85
Provisions		921.70	-	-	921.70
Other non-current liabilities	(xii)	-	-	2.74	2.74
Total non-current liabilities		4,37,335.29	-	(525.66)	4,36,809.63
Current liabilities					
Financial liabilities					
Borrowings		78,999.99	41,158.37	-	1,20,158.36
Lease liabilities		129.37	-	-	129.37
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		5,868.63	-	-	5,868.63
-total outstanding dues of creditors other than micro enterprises and small enterprises	(ix), (xi)	1,17,087.46	(2,653.87)	3,573.28	1,18,006.87
Other financial liabilities	(vii)	82,095.18	(40,849.79)	1,939.66	43,185.05
Other current liabilities	(xii)	28,190.83	261.14	(135.17)	28,316.80
Provisions		29.48	-	-	29.48
Current tax liabilities (net)		129.05	-	-	129.05
Total current liabilities		3,12,529.99	(2,084.15)	5,377.77	3,15,823.61
TOTAL EQUITY AND LIABILITIES		8,58,200.84	(2,084.15)	(3,296.86)	8,52,819.83



43 Restatement for the year ended 31 March 2021 and as at 1 April 2020 (continued)

b) Reconciliation of restated items of Statement of Profit and Loss for the year ended 31 March 2021

₹ in Lakhs

Particulars	Note	For the year ended 31 March 2021			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
Revenue					
Revenue from operations		1,52,573.01	-	-	1,52,573.01
Other income	(v), (vi), (ix), (x), (xii)	13,201.05	-	1,711.42	14,912.47
Total revenue		1,65,774.06	-	1,711.42	1,67,485.48
Expenses					
Purchase of stock-in-trade		20,917.02	4.01	-	20,921.03
Distribution expenses (Ujala)		417.17	(417.17)	-	-
Media expenses (Ujala)		88.90	(88.90)	-	-
Decrease in inventories		2,040.90	-	-	2,040.90
Employee benefits expense		4,506.28	-	-	4,506.28
Finance costs	(vii)	35,519.82	-	1,027.54	36,547.36
Depreciation and amortisation expense	(i)	55,485.63	-	1,048.02	56,533.65
Other expenses	(iv), (viii), (xi)	41,539.51	502.09	3,447.08	45,488.68
Total expenses		1,60,515.23	0.03	5,522.64	1,66,037.90
Profit before tax		5,258.83	(0.03)	(3,811.22)	1,447.58
Tax expense					
Current tax					
Current year		196.42	-	-	196.42
Earlier years		-	-	-	-
Deferred tax credit	(xiii)	1,741.76	-	(609.24)	1,132.52
Total tax (credit)/expense		1,938.18	-	(609.24)	1,328.94
Profit for the year		3,320.65	(0.03)	(3,201.98)	118.64
Other comprehensive income/(expense)					
Items that will not be reclassified to profit or loss					
- Net actuarial gains/(losses) on defined benefit plans		(27.22)	-	-	(27.22)
- Less: Income tax relating to above item		(6.85)	-	-	(6.85)
Other comprehensive income/(expense) for the year, net of income tax		(20.37)	-	-	(20.37)
Total comprehensive income for the year		3,300.28	(0.03)	(3,201.98)	98.27
Earnings per equity share (Par value ₹ 10/- each)					
Basic earnings per share (₹)		0.34	-	(0.33)	0.01
Diluted earnings per share (₹)		0.34	-	(0.33)	0.01

c) Reconciliation of Statement of Cash Flows for the year ended 31 March 2021

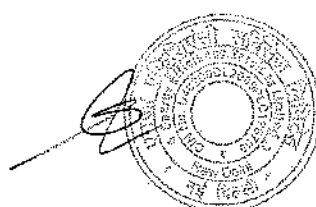
₹ in Lakhs

Particulars	For the year ended 31 March 2021		
	As previously reported	Adjustments	As restated
Net cash flow from operating activities	27,270.94	(1,082.64)	28,353.58
Net cash flow used in investing activities	(80,666.30)	227.09	(80,893.39)
Net cash flow from financing activities	91,005.37	587.74	90,417.63
Net decrease in cash and cash equivalents during the year	37,610.01	(267.81)	37,877.82
Cash and cash equivalents at the beginning of the year	33,106.73	-	33,106.73
Exchange difference on translation of foreign currency cash and cash equivalents	-	432.28	(432.28)
Cash and cash equivalent at the end of the year	70,716.74	164.47	70,552.27

d) Earnings per share

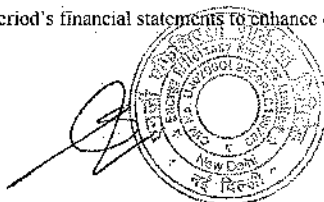
Basic and diluted earnings per share for the year ended 31 March 2021 have changed as below:

Particulars	As previously reported	Adjustments	As restated
Basic earnings per equity share (₹)	0.34	(0.33)	0.01
Diluted earnings per equity share (₹)	0.34	(0.33)	0.01



43 Restatement for the year ended 31 March 2021 and as at 1 April 2020 (continued)**e) Notes on restatement**

- (i) The Company has recalculated the depreciation expense on its property plant and equipment and intangible assets as per its accounting policies and difference in depreciation in previous years has been restated. Accordingly, the Company has reduced its property, plant and equipment with corresponding impact in retained earnings by ₹ 1,139.02 Lakhs as at 1 April 2020. For the year ended 31 March 2021, the Company has recognised depreciation expense of ₹ 1,043.61 Lakhs and ₹ 4.41 Lakhs on property, plant and equipment and intangible assets respectively.
- (ii) The Company has reduced its capital work-in-progress with corresponding impact in retained earnings by ₹ 682.99 Lakhs on account of excess recognition of revenue expenses as CWIP in earlier years.
- (iii) The Company had recognised ₹ 148.00 Lakhs as capital advance in earlier year. These advances were related to repair and maintenance expenses pertaining to periods prior to 1 April 2020. Accordingly, capital advance has been written off with corresponding adjustment in retained earnings as at 1 April 2020.
- (iv) Revenue recognition towards ESCO services to various urban local bodies (ULB's), which could not be accounted for fully/ correctly earlier due to pending clarification/clarity on account of interest portion of the project cost, taxes etc., the company has since received such clarifications and accordingly made a provision of ₹ 4,145.96 Lakhs for the financial year 2021-22 by debiting it to statement of profit and loss. ₹ 6,660.93 lakhs pertaining to the previous period from financial year 2014-15 to 2020-21 has been restated in the respective years. This has resulted in reduction of retained earnings as at 1 April 2020 by ₹ 3,291.14 lakhs and increase in provisions on trade receivables for the year ended 31 March 2021 by ₹ 3,369.79 lakhs.
- (v) The Company has recognised subsidy income of ₹ 537.00 Lakhs and income on account of penalty charged from vendors of ₹ 285.31 Lakhs pertaining to previous year in other income for the year ended 31 March 2021.
- (vi) The Company has recognised penal income on account of delay in submission of CPG by ₹ 201.66 Lakhs pertaining to previous year in other income for the year ended 31 March 2021.
- (vii) During the current period, the Company has paid guarantee fees pertaining to previous years to Government of India on account of guarantee provided to the Company on some of its foreign currency loans resulting in reduction in retained earnings as at 1st April 2020 by ₹ 529.15 lakhs and increase in finance cost for the year ended 31 March 2021 by ₹ 1,027.54 lakhs.
- (viii) The Company has recognised expense of ₹ 56.64 Lakhs pertaining to previous year in other expenses on account of discounting of trade receivables.
- (ix) Interest earned on advance received under "Atal Jyoti Yojana Scheme", recorded as other income in previous years, has now been credited to scheme, resulting in decline in retained earnings as at 1 April 2020 by ₹ 3,546.08 Lakhs and other income for the year ended 31 March 2021 by ₹ 285.69 Lakhs.
- (x) The Company has recognised excess provision written back during the year ended 31 March 2021 of ₹ 437.47 Lakhs since it was not required.
- (xi) The Company has restated its retained earnings as at 1 April 2020 by ₹ 27.20 Lakhs and other expenses for the year ended 31 March 2021 by ₹ 20.65 Lakhs on account of prior period expenses.
- (xii) The Company has recognised grant received as advance from customers in previous years. The company has now recognised grant income in line with its accounting policy resulting in increase in retained earnings as at 1 April 2020 by ₹ 132.43 Lakhs and other income for the year ended 31 March 2021 by ₹ 535.67 Lakhs.
- (xiii) The above mentioned adjustments had a consequential impact on deferred tax credit and deferred tax asset. The Company has recognised deferred tax credit of ₹ 1,081.48 Lakhs as at 1 April 2020 and further credit of ₹ 609.24 Lakhs during the year ended 31 March 2021.
- (xiv) The above mentioned adjustments have resulted in decline in other equity as at 1 April 2020 by ₹ 8,148.97 Lakhs and decline in profit for the year ended 31 March 2021 by ₹ 3,201.98 Lakhs.
- (xv) The restatement has not had a material impact on the statement of cash flows.
- (xvi) Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.



44 Fair value measurements

a) Financial instruments by category

₹ in Lakhs

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Investments in equity instruments	0.26	-	-	-	-	-
Non-current loans	-	-	2,911.06	-	-	284.18
Other non-current financial assets	-	-	10,524.43	-	-	9,051.36
Trade receivables	-	-	3,48,223.51	-	-	3,09,859.07
Cash and cash equivalents	-	-	72,405.31	-	-	70,552.27
Bank balances other than cash and cash equivalents	-	-	29,394.51	-	-	51,136.46
Current loans	-	-	538.17	-	-	132.92
Other current financial assets	-	-	15,097.49	-	-	18,623.06
Total	0.26	-	4,79,094.48	-	-	4,59,639.32
Financial liabilities:						
Borrowings	-	-	4,46,213.53	-	-	4,91,695.04
Non-current lease liabilities	-	-	168.66	-	-	369.10
Non-current trade payables	-	-	11,069.19	-	-	15,034.53
Other non-current financial liabilities	-	-	2,079.96	-	-	4,304.82
Borrowings	-	-	2,47,435.31	-	-	1,77,028.57
Current trade payables	-	-	99,100.21	-	-	1,12,246.48
Current lease liabilities	-	-	294.95	-	-	167.12
Other current financial liabilities	-	-	49,923.36	-	-	56,227.69
Total	-	-	8,56,285.17	-	-	8,57,073.35

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. 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 the levels prescribed under the Ind AS 113, 'Fair value measurement' details of which are as under:

(i) Financial assets measured at fair value (recurring fair value measurement)

₹ in Lakhs

Particulars	Note	Level	As at	As at
			31 March 2022	31 March 2021
Financial assets:				
Investments in equity instruments	8	Level 3	0.26	-
Total			0.26	-

(ii) Financial assets measured at fair value (non-recurring fair value measurement)

₹ in Lakhs

Particulars	Note	Level	As at	As at
			31 March 2022	31 March 2021
Financial assets:				
Loan to subsidiary	9 and 17	Level 2	2,764.21	-
Security deposits	10 and 18	Level 2	595.19	764.86
Unbilled revenue	10 and 18	Level 2	8,709.33	13,682.95
Loan to employees	9 and 17	Level 3	440.58	417.10
Lease receivables	10 and 18	Level 3	13,261.20	11,568.93
Non current bank deposits	10	Level 3	34.60	158.39
Total			25,805.11	26,592.23
Financial liabilities:				
Borrowings	23	Level 2	5,17,194.68	5,29,199.58
Retention money	26 and 32	Level 2	46,328.08	49,176.93
Trade payables	25 and 31	Level 2	1,18,682.53	1,28,193.06
Total			6,82,205.29	7,06,569.57

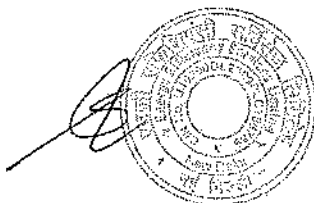
Financial assets and financial liabilities at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs in the measurement as follows:

Level 1: The fair value of financial instruments traded in an active market is based on the quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

There are no transfers between level 1 and 2 during the year.



44 Fair value measurements (continued)

c) Valuation technique used to determine fair value

- (i) For investment in equity instruments - Valuation through a SEBI registered merchant banker using net asset value method.
- (ii) For financial assets (loan to subsidiary, security deposits and unbilled revenue) - Discounted future cash flow; appropriate market rate as of each balance sheet date used for discounting.
- (iii) For financial liabilities (borrowings, retention money and trade payables): Discounted cash flow; appropriate market borrowing rate of the entity as of each balance sheet date used for discounting.

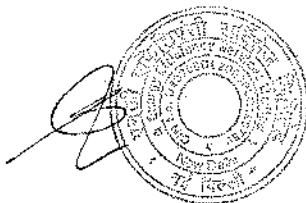
d) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loan to subsidiary	3,008.65	2,764.21	-	-
Security deposits	593.71	595.19	767.65	764.86
Unbilled revenue	8,495.16	8,709.33	13,656.11	13,682.95
Loan to employees	440.58	440.58	417.10	417.10
Lease receivables	13,261.20	13,261.20	11,568.93	11,568.93
Non current bank deposits	34.60	34.60	158.39	158.39
Total	25,833.90	25,805.11	26,568.18	26,592.23
Financial liabilities:				
Non-current borrowings	5,55,035.66	5,17,194.68	5,68,337.94	5,29,199.58
Retention money	44,414.17	46,328.08	49,160.51	49,176.93
Trade payables	1,10,169.40	1,18,682.53	1,27,281.01	1,28,193.06
Total	7,09,619.23	6,82,205.29	7,44,779.46	7,06,569.57

The carrying amounts of current trade receivables, trade payables, payable for capital expenditure, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

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

For financial asset measured at fair value, the carrying amounts are equal to the fair values.



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.

- Credit risk
- Market risk
- Liquidity 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 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. The carrying amounts of financial assets represents the maximum credit risk exposure.

The Company earns its revenue mainly from government-controlled entities (both central and state government) where the counter party risk is considered to be low. The Company evaluates and manages its credit risk by taking into consideration the ageing of the dues, nature of the customers (Government and Non-Government receivables, credit worthiness of the customers and specific credit circumstances.

The impairment loss allowance is assessed by the company using lifetime ECL approach which is based on the business environment in which the company operates.

The trade receivables are considered in default (credit impaired) when the possibility of recovery of receivables based on the assessment/evaluation on the parameters stated above are deteriorating and are required to be provided as allowance for doubtful receivables in a systematic manner.

Since the Company has its customers within different states of India, geographically there is no concentration of credit risk.

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

The Company held cash and cash equivalents of ₹ 72,405.31 Lakhs (31 March 2021: ₹ 70,552.27 Lakhs). The cash and cash equivalents are held with banks with high rating.

The Company held deposits with banks and financial institutions of ₹ 29,430.82 Lakhs (31 March 2021: ₹ 51,294.85 Lakhs); in order to manage the risk, Company places deposits with only high rated banks/institutions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

* Excluding unbilled revenue

						₹ in Lakhs
Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	More than 2 years	Total
Gross amount as at 31 March 2022	27,546.78	61,642.61	58,814.74	99,287.48	1,25,158.41	3,72,450.02
Gross amount as at 31 March 2021	21,771.03	43,272.20	84,467.11	1,48,123.40	26,662.98	3,24,296.72

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

The Company has recognised an allowance for doubtful receivables of ₹ 5,642.89 Lakhs during the year ended 31 March 2022 (31 March 2021: ₹ 6,337.18 Lakhs).

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 negligible. The Company has recognised an allowance for doubtful recoverables of ₹ 178.10 Lakhs during the year ended 31 March 2022 (31 March 2021: ₹ Nil).



45 Financial risk management (continued)

(iv) Reconciliation of allowance for doubtful receivables

The movement in the allowance for doubtful receivables in respect of trade receivables during the year is as follows:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	7,776.73	1,439.55
Add: Allowance for doubtful debts recognised during the year	5,642.89	6,337.18
Closing balance	13,419.62	7,776.73

The movement in the allowance for doubtful receivables in respect of other financial assets during the year is as follows:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	-	-
Add: Allowance for doubtful debts recognised during the year	178.10	-
Closing balance	178.10	-

b) 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.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the risk management committee.

(i) Interest rate risk

The Company is exposed to interest rate risk arising mainly from non-current 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. The Company manages the interest rate risks by entering into different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, rupee term loans, foreign currency loans, etc.).

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

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Financial assets		
Fixed-rate instruments		
Loan to subsidiary	3,000.00	-
Employee Loans	203.55	216.18
Bank deposits	54,602.42	52,251.90
Total	57,805.97	52,468.08
Financial liabilities		
Fixed-rate instruments		
Foreign currency loans	85,082.77	93,348.44
Debentures	70,000.00	95,000.00
Short term loans	1,38,990.20	1,01,387.97
Lease obligations	463.61	536.22
Sub-total [A]	2,94,536.58	2,90,272.63
Variable-rate instruments		
Foreign currency loans	2,25,797.69	1,90,116.44
Rupee term loans	1,69,778.18	1,84,870.76
Short term loans	4,000.00	4,000.00
Sub-total [B]	3,99,575.87	3,78,987.20
Total [A + B]	6,94,112.45	6,69,259.83

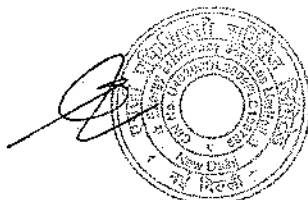
Fair value sensitivity analysis for fixed-rate instruments

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 (increase/decrease) at the reporting date would have increased/decreased profit 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.

Particulars	₹ in Lakhs			
	Profit (before tax)			
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	Increase	Decrease	Increase	Decrease
Foreign currency loans	(1,128.99)	1,128.99	(950.58)	950.58
Rupee term loans	(848.89)	848.89	(924.35)	924.35
Short term loans	(20.00)	20.00	(20.00)	20.00
Total	(1,997.88)	1,997.88	(1,894.94)	1,894.94



45 Financial risk management (continued)

(ii) 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 instruments as at reporting date are as below:

As at 31 March 2022

Particulars	Foreign currency			₹ in Lakhs		
	EURO	USD	GBP	EURO	USD	GBP
Financial liabilities						
Foreign currency borrowings	5,98,07,505	34,56,10,309	-	50,632.97	2,61,064.55	-
Commitment fee payable	1,44,160	2,09,443	-	122.05	158.78	-
Trade payables	-	-	38,426	-	-	38.25
Total	5,99,51,665	34,58,19,752	38,426	50,755.02	2,61,223.33	38.25
Financial assets						
Trade receivables	-	-	33,37,988	-	-	3,323.05
Unbilled revenue	-	-	54,864	-	-	54.62
Balance with bank-current account	-	4,30,70,158	9,925	-	32,650.24	9.88
Total	-	4,30,70,158	34,02,776	-	32,650.24	3,387.55
Net Exposure	5,99,51,665	30,27,49,594	(33,64,351)	50,755.02	2,28,573.09	(3,349.30)

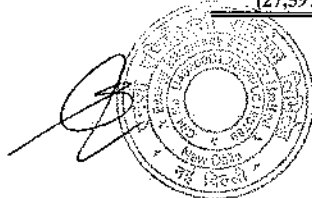
As at 31 March 2021

Particulars	Foreign currency			₹ in Lakhs		
	EURO	USD	GBP	EURO	USD	GBP
Financial liabilities						
Foreign currency borrowings	6,96,05,262	30,62,32,500	-	59,929.43	2,24,902.99	-
Commitment fee payable	1,44,160	2,27,781	-	124.12	167.43	-
Trade payables	-	-	28,419	-	-	28.69
Total	6,97,49,422	30,64,60,281	28,419	60,053.55	2,25,070.42	28.69
Financial assets						
Trade receivables	-	-	24,46,969	-	-	2,470.24
Unbilled revenue	-	-	23,513	-	-	23.74
Balance with bank-current account	-	6,30,32,132	16,082	-	46,331.58	16.23
Total	-	6,30,32,132	24,86,564	-	46,331.58	2,510.21
Net Exposure	6,97,49,422	24,34,28,149	(24,58,145)	60,053.55	1,78,738.84	(2,481.52)

Sensitivity analysis

A change in the value of the Indian Rupee (strengthening/weakening), as indicated below, against Euro, USD and GBP at 31 March would have increased/decreased profit 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.

Particulars	₹ in Lakhs			
	31 March 2022		31 March 2021	
	Strengthening	Weakening	Strengthening	Weakening
10% movement				
INR/EUR	(5,075.50)	5,075.50	(6,005.36)	6,005.36
INR/USD	(22,857.31)	22,857.31	(17,873.88)	17,873.88
INR/GBP	334.93	(334.93)	248.15	(248.15)
Total	(27,597.88)	27,597.88	(23,631.09)	23,631.09



45 Financial risk management (continued)

c) 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 has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Fixed-rate borrowings		
Foreign currency loans	1,65,797.60	1,68,615.93
Working capital loan	28,000.00	38,600.00
Total	1,93,797.60	2,07,215.93
Floating-rate borrowings		
Term loans	-	-
Foreign currency loans	2,77,696.91	3,01,604.81
Total	2,77,696.91	3,01,604.81
Total	4,71,494.51	5,08,820.74

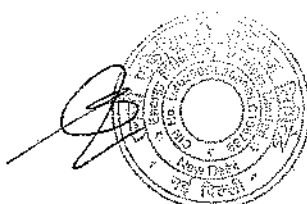
(ii) Maturities of financial liabilities

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

As at 31 March 2022						₹ in Lakhs
Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings*	13,387.04	1,11,253.20	1,05,297.83	1,65,073.72	2,14,081.08	6,09,092.87
Current borrowings*	26,690.20	1,16,300.00	-	-	-	1,42,990.20
Trade payables	94,642.48	4,475.87	5,257.52	8,183.33	829.01	1,13,388.21
Retention money	40,710.21	1,486.84	1,043.48	1,179.11	3.49	44,423.13
Lease liabilities	79.85	244.82	172.74	-	-	497.41
Liability for expenses	1,147.30	1,032.35	-	-	-	2,179.65
Payable to employees	77.24	160.00	-	-	-	237.24
Others	404.71	390.53	-	-	-	795.24
Total	1,77,139.03	2,35,343.61	1,11,771.57	1,74,436.16	2,14,913.58	9,13,603.95

As at 31 March 2021						₹ in Lakhs
Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings*	27,329.32	67,945.53	1,18,349.75	2,15,939.94	2,07,044.89	6,36,609.43
Current borrowings*	10,513.10	1,00,416.95	-	-	-	1,10,930.05
Trade payables	1,15,749.20	4,174.53	879.90	8,969.00	954.48	1,30,727.11
Retention money	43,490.88	2,022.70	1,804.52	2,671.51	7.39	49,997.00
Lease liabilities	51.76	159.71	221.31	153.82	43.28	629.88
Liability for expenses	2,375.57	-	-	-	-	2,375.57
Guarantee fee payable	2,907.64	-	-	-	-	2,907.64
Payable to employees	180.99	-	-	-	-	180.99
Others	905.50	-	-	-	-	905.50
Total	2,03,503.96	1,74,719.42	1,21,255.48	2,27,734.27	2,08,050.04	9,35,263.17

* includes contractually committed interest



46 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 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, broadly:

- (i) Maintain a current ratio (current assets divided by current liabilities) of at least 1.0.
- (ii) Maintain a minimum asset coverage of 1.00 times
- (iii) Maintain a Debt:Equity ratio (long-term debt divided by equity net of accumulated profits/losses) not exceeding 80:20
- (iv) Maintain a asset debt service coverage ratio (net cash flow from operations divided by debt service obligations, including all principal payments and tax-shielded interest and lease payments following due within the year) of at least 1.2
- (v) 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.

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

The financial covenant ratios which the Company uses to monitor its capital are as follows:

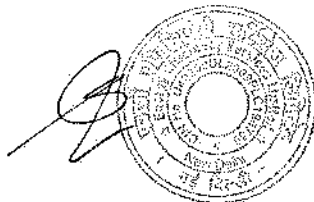
Particulars	As at 31 March 2022	As at 31 March 2021
Current ratio	1.29	1.46
Debt-equity ratio	3.55	4.90
Debt service coverage ratio	0.90	1.32
Asset coverage ratio	1.92	1.64

- 47 The Company raises funds through various sources including series of non-convertible bond issues. The details of redeemable, taxable, non-cumulative, non-convertible bonds in the nature of debentures issued by the Company are as follows:

Series	Secured/ Unsecured	Total issue Size	Face value of each Bond	Allotment Date	Next Due Date of principal repayment	Next Due Date of Annual Interest
Series-I	Secured*	37,500.00	₹ 30.00 Lakh**	20-Sep-16	20-Sep-23	20-Sep-23
Series-II	Unsecured	45,000.00	₹ 10.00 Lakh	18-Jul-17	18-Jul-22	18-Jul-22

* Series-I is secured by first pari-passu charge over moveable fixed assets of the Company with minimum asset coverage of 1.00 times.

** Each bond of Series-I comprises of 1 STRIP of the value of ₹ 10.00 Lakh and 1 STRPP of the value of ₹ 20.00 Lakh.



48 Disclosure as per Ind AS 24 'Related Party Disclosures'

In accordance with the requirements of Ind AS 24 'Related Party Disclosures', the name of the related party where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the Management are given below:

a) List of related parties and nature of relationship:**(i) Entities having joint control over the company:**

NTPC Limited	Powergrid Corporation of India Limited
Power Finance Corporation Limited	REC Limited

(ii) Key Managerial Personnel (KMP):

Sreekant Kandikuppa	Nominee Director and Chairman	w.e.f. 6 September 2021
Arun Kumar Mishra	Chief Executive Officer	w.e.f. 5 October 2021
	Director	w.e.f. 7 October 2021
Vivek Kumar Dewangan	Nominee Director	w.e.f. 23 December 2021
Chandan Kumar Mondol	Nominee Director	w.e.f. 6 September 2021
Aditya Dar	Nominee Director	w.e.f. 22 August 2020
Abhay Choudhary	Nominee Director	w.e.f. 18 June 2022
Sandeep Kumar Jain	Chief Financial Officer	w.e.f. 1 April 2022
Pooja Shukla	Company Secretary	w.e.f. 27 December 2012
Seema Gupta	Nominee Director	w.e.f. 6 September 2021 upto 31 May 2022
Rajeev Sharma	Nominee Director and Chairman	w.e.f. 5 February 2018 upto 6 September 2021
Saurabh Kumar	Executive Vice-Chairman	w.e.f. 1 April 2021 upto 6 September 2021
Saurabh Kumar	Executive Vice-Chairman (Additional Charge)	w.e.f. 1st August 2020 upto 31 March 2021
Saurabh Kumar	Managing Director (Additional Charge)	w.e.f. 1 December 2019 upto 31 July 2020
Shankar Gopal	Managing Director (Additional Charge)	w.e.f. 1 August 2020 upto 7 October 2020
Rajat Kumar Sud	Managing Director	w.e.f. 7 October 2020 upto 6 September 2021
Venkatesh Dwivedi	Director (P & BD)	w.e.f. 7 February 2019 upto 6 September 2021
Shankar Gopal	Director (Commercial)	w.e.f. 7 February 2019 upto 6 September 2021
Mritunjay Kumar Narayan	Nominee Director	w.e.f. 30 June 2021 upto 21 December 2021
Abhay Bakre	Nominee Director	w.e.f. 8 May 2018 upto 5 October 2021
Parminder Chopra	Nominee Director	w.e.f. 23 December 2020 upto 6 September 2021
Raj Pal	Nominee Director	w.e.f. 14 July 2016 upto 15 February 2021
Raju Lakshmanan	Nominee Director	w.e.f. 1 May 2020 upto 9 November 2020
Chandan Kumar Mondol	Nominee Director	w.e.f. 30 May 2020 upto 13 August 2020
Mohit Bhargava	Nominee Director	w.e.f. 5 February 2018 upto 30 May 2020
Seethapathy Chander	Independent Director	w.e.f. 5 February 2018 upto 3 August 2020
Gauri Surendra Trivedi	Independent Director	w.e.f. 5 February 2018 upto 4 August 2020
Lokesh Kumar Aggarwal	Chief Financial Officer	w.e.f. 20 April 2021 upto 1 April 2022
Mohit Khatri	Chief Financial Officer	w.e.f. 21 January 2021 upto 19 April 2021
Lokesh Kumar Aggarwal	Chief Financial Officer	w.e.f. 11 December 2020 upto 21 January 2021
Shankar Gopal	Chief Financial Officer	w.e.f. 7 February 2019 upto 11 December 2020

(iii) Subsidiary of the company:

EESL EnergyPro Assets Limited	Convergence Energy Services Limited
EESL Energy Solutions LLC	

(iv) Subsidiaries of EESL EnergyPro Assets Limited

EPAL Holding Limited	Stanbeck Limited
Edina Acquisitions Limited	Edina Power Limited
Edina Power Services Limited	Edina Australia Pty Limited
Edina Limited	EPSL Trigeneneration Private Limited
Edina UK Limited	Anesco Energy Services (South) Limited
Edina Manufacturing Limited	Creighton Energy Limited
Armoura Holdings Limited	

(v) Joint Ventures of the company:

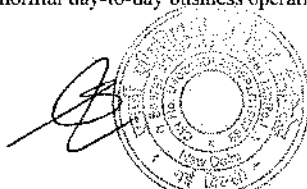
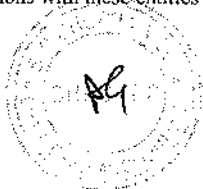
Intellismart Infrastructure Private Ltd	NEESL Private Limited (upto 26 April 2021)
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(vi) Post Employment Benefit Plans:

Energy Efficiency Services Limited Employees Group Superannuation Defined Contribution Scheme Trust (EESL- Superannuation Trust)

(vii) Entities under the control of the same government:

The Company is a joint venture of NTPC Limited, Power Finance Corporation Limited, Rural Electrification Corporation Limited and Power Grid Corporation of India Limited under the Ministry of Power and hence controlled by Government of India (GOI) through these controlled entities (refer Note 21). The Company has transactions with other entities controlled by GOI for sale and purchase of goods and services through a transparent price discovery process against open tenders, except in a few cases of single tender due to urgency, compatibility or other reasons. Transactions with these entities are in the course of normal day-to-day business operations, carried out at market terms on arms length basis.



48 Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

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

Anushakti Vidyut Nigam Ltd	Bangladesh India Friendship Power Company Private Ltd
Aravali Power Company Private Ltd	Central Transmission Utility of India Ltd
Bhartiya Rail Bijlee Company Ltd	Cross Border Power Transmission Company Ltd
Bihar Grid Company Ltd	Nabinagar Power Generating Company Ltd
CIL NTPC Urja Private Ltd	National High Power Test Laboratory Private Ltd
Hindustan Urvarak & Rasayan Ltd	North East Transmission Company Ltd
Kanti Bijlee Utpadan Nigam Ltd	North Eastern Electric Power Corporation Ltd
Konkan LNG Private Ltd	NTPC EDMC Waste Solutions Private Ltd
Meja Urja Nigam Private Ltd	NTPC Tamil Nadu Energy Company Ltd
NTPC Electric Supply Company Ltd	NTPC-BHEL Power Project Private Ltd
NTPC Mining Ltd	NTPC-GE Power Service Private Ltd
NTPC Renewable Energy Ltd	Parbati Koldam Transmission Company Ltd
NTPC Vidyut Vyapar Nigam Ltd	Power Transmission Company Nepal Ltd
NTPC-SAIL Power Company Ltd	Powergrid Ajmer Phagi Transmission Ltd
Patralu Vidyut Utpadan Nigam Ltd	Powergrid Aligarh Sikar Transmission Ltd
PFC Capital Advisory Services Ltd	Powergrid Bhind Guna Transmission Ltd
PFC Consulting Ltd	Powergrid Bikaner Transmission System Ltd
PFC Green Energy Ltd	Powergrid Fatehgarh Transmission Ltd
Powergrid Bhadla Transmission Ltd	Powergrid Himachal Transmission Ltd
Powergrid Bhuj Transmission Ltd	Powergrid Jabalpur Transmission Ltd
Powergrid NM Transmission Ltd	Powergrid Jawaharpur Firozabad Transmission Ltd
Powergrid Parli Transmission Ltd	Powergrid Kala Amb Transmission Ltd
Powergrid Sikar Transmission Ltd	Powergrid Khetri Transmission System Ltd
Powergrid Teleservices Ltd	Powergrid Modinipur Jecrat Transmission Ltd
Powergrid Vizag Transmission Ltd	Powergrid Meerut Simbhalvi Transmission Ltd
Powergrid Warora Transmission Ltd	Powergrid Mithilanchal Transmission Ltd
Powerlinks Transmission Ltd	Powergrid Ramgarh Transmission Ltd
Ratnagiri Gas & Power Private Ltd	Powergrid Rampur Sambhal Transmission Ltd
RINL Powergrid TLT Private Ltd	Powergrid Southern Interconnector Transmission System Ltd
Tecstavalley Power Transmission Ltd	Powergrid Unchahar Transmission Ltd
THDC India Ltd	Powergrid Varanasi Transmission System Ltd
Torrent Power Grid Ltd	Powergrid Vemagiri Transmission Ltd
Trincomalee Power Company Ltd	REC Power Development and Consultancy Ltd
Utility Powertech Ltd	Transformers and Electricals Kerala Ltd

b) Transactions carried out with the related parties in the ordinary course of business are as follows:

Transactions with shareholders

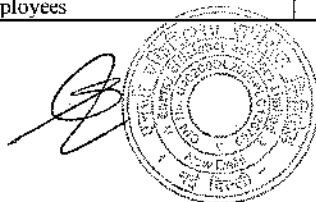
₹ in Lakhs

Name of related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
NTPC Limited	Sale of goods and services (including GST)	1,616.56	1,848.08
	Rent/electricity/office maintenance expense	885.83	317.01
	Deputation of employees	72.82	74.05
Power Grid Corporation of India Limited	Sale of goods and services (including GST)	128.43	247.11
	Rent/internet expense	245.50	224.45
	Deputation of employees	89.48	-
	Equity contribution received	40,749.17	-
REC Limited	Sale of goods and services (including GST)	0.42	-
Power Finance Corporation Limited	Sale of goods and services (including GST)	23.80	21.04

Transactions with subsidiaries

₹ in Lakhs

Name of related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
EESL EnergyPro Assets Limited	Guarantees provided/(released) (refer note 53)	(641.36)	7,334.48
	Guarantee fees income	869.46	753.11
	Management fees income	106.86	106.68
	Equity investment	6,150.60	-
	Interest income	213.71	243.70
Edina UK Limited	Management fees income	104.45	184.78
	Expenditure incurred on behalf of companies	-	4.32
EPSL Trigenation Private Limited	Sale of goods and services (including GST)	104.01	5.78
	Purchase of goods and services	618.06	803.00
	Expenditure incurred on behalf of companies	73.20	19.58
	Capital advances given	(30.01)	792.81
	Deputation of employees	10.15	-



48 Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

		₹ in Lakhs	
Name of related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Convergence Energy Services Limited	Sale of goods and services	977.69	-
	Purchase of goods and services	342.30	-
	Expenditure incurred on behalf of companies	2,366.65	623.34
	Investment in subsidiary	1,000.00	0.01
	Loan given	3,000.00	-
	Interest income	9.62	-
EESL Energy Solutions LLC	Investment in subsidiary/Joint Venture	-	18.33

Transactions with joint ventures

		₹ in Lakhs	
Name of related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Intellismart Infrastructure Private Limited	Investment in Joint Venture	1,808.10	960.40
	Purchase of goods and services	2,740.27	809.56
	Advances given	1,478.99	1,245.00
	Sale of goods and services (including GST)	135.74	8.21

Transactions with other related parties

		₹ in Lakhs	
Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions with post employment benefit plan			
Contributions made during the year		284.66	263.90
Compensation to Key management personnel*			
Short term benefits		140.47	118.77
Post employment benefits		24.58	38.55
Other long term benefits		11.79	15.08
Total compensation		176.84	172.40
Transactions with related parties of entities having joint control over the company:			
Sale of goods and services (including GST)		179.25	463.87
Purchase of goods and services		2,446.90	1,447.73
Manpower services		2,841.64	2,410.12

c) Individually significant transactions:

		₹ in Lakhs	
Name of related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions with related parties of entities having joint control over the company:			
Utility Powertech Limited	Manpower services received by the Company	2,841.64	2,410.12

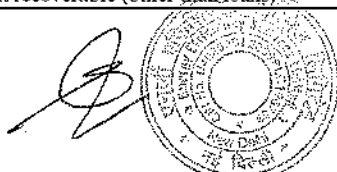
d) Outstanding balances with related parties are as follows:

Outstanding balances with shareholders

		₹ in Lakhs	
Name of related party	Nature of transaction	As at 31 March 2022	As at 31 March 2021
NTPC Limited	Amount recoverable for sale/purchase	1,160.23	1,733.00
	Amount recoverable (other than loans)	44.91	105.52
	Amount payable (other than loans)	188.78	-
Power Grid Corporation of India Limited	Amount recoverable for sale/purchase	1,398.64	1,386.50
	Amount payable (other than loans)	123.06	40.65
REC Limited	Amount recoverable for sale/purchase	330.48	153.11
	Amount recoverable (other than loans)	16.49	16.49
Power Finance Corporation Limited	Amount recoverable for sale/purchase	65.84	78.20
	Amount recoverable (other than loans)	10.02	10.02

Outstanding balance with subsidiaries

		₹ in Lakhs	
Name of related party	Nature of transaction	As at 31 March 2022	As at 31 March 2021
EESL Energy Pro Assets Limited	Amount recoverable for sale/purchase	3,406.80	2,550.05
	Amount recoverable (other than loans)	216.49	216.49
	Guarantees provided/(released) (refer note 53)	45,654.73	46,296.09
Edina UK Limited	Amount recoverable for sale/purchase	205.78	208.53
	Amount recoverable (other than loans)	-	-
EPSL Trigenation Private Limited	Amount recoverable for sale/purchase	38.40	8.17
	Capital advance	762.80	792.81
	Amount recoverable (other than loans)	-	21.28
Convergence Energy Services Limited	Amount recoverable for sale/purchase	977.69	-
	Amount payable for sale/purchase	335.82	-
	Loan given including interest	3,008.65	-
	Amount recoverable (other than loans)	2,989.99	623.34



48 Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

Outstanding balance with joint venture

₹ in Lakhs

Name of related party	Nature of transaction	As at 31 March 2022	As at 31 March 2021
Intellismart Infrastructure Private Limited	Amount payable against purchase	2,505.50	727.35
	Amount recoverable (other than loans)	2,723.99	1,245.00

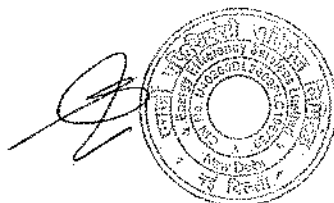
Outstanding balances with other related parties

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Subsidiaries/Joint ventures of entities having joint control over the company:		
Amount recoverable for sale/purchase of goods and services	1,057.06	483.36
Amount payable (other than loans)	397.47	834.13

e) 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) The contracts or arrangements or transactions entered into during the year ended 31 March 2022 which were at arm's length basis.
- (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 service charges from such companies.
- (5) Outstanding balances of related parties at the year-end are unsecured and interest free and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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.



49 Disclosure as per Ind AS 19 'Employee Benefits'

a) Defined contribution plans:

(i) 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 ₹ 444.60 Lakhs (31 March 2021: ₹ 284.30 Lakhs) pertaining to employers' contribution to provident fund is recognised as an expense and included in "Employee benefits expense" in note 38.

(ii) Superannuation fund

The Company pays fixed contribution to superannuation fund to a separate trust. Amount of ₹ 284.66 Lakhs (31 March 2021: ₹ 263.90 Lakhs) pertaining to employers' contribution to superannuation fund is recognised as an expense and included in "Employee benefits expense" in note 38.

b) Other long term employee benefit plans- Leave encashment

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is encashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation.

During the year, provision amounting to ₹ 378.74 Lakhs (31 March 2021: ₹ 308.89 Lakhs) has been recognised on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

c) Defined benefit plan- Gratuity

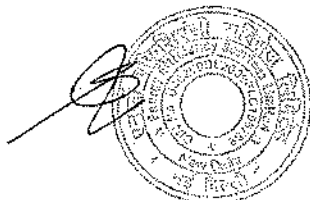
The Company operates a gratuity plan for its regular employees which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Regular employee who has completed 5 years of continuous service is entitled to receive gratuity at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

The company has set up a fund with Life Insurance Corporation (LIC) of India and contribution is made to the gratuity policy issued by LIC of India. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Net defined benefit (asset)/liability:		
Non-current	195.81	99.97
Current	19.93	7.41
Gratuity	<u>215.74</u>	<u>107.38</u>

(i) Movement in net defined benefit (asset)/liability

Particulars	₹ in Lakhs		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance as at 1 April 2021	598.35	490.97	107.38
Included in profit or loss:			
Current service cost	146.57	-	146.57
Net Interest cost	40.69	41.65	(0.96)
Total amount recognised in profit or loss	<u>187.26</u>	<u>41.65</u>	<u>145.61</u>
Included in other comprehensive income (OCI):			
Remeasurement loss/(gain) arising from:			
Financial assumptions	(52.79)	-	(52.79)
Experience adjustment	175.81	-	175.81
Return on plan assets excluding interest income	-	1.26	(1.26)
Total amount recognised in OCI	<u>123.02</u>	<u>1.26</u>	<u>121.76</u>
Other			
Contributions paid by the employer	-	164.59	(164.59)
Benefits paid	(15.10)	(15.10)	-
Benefit amount received from LIC	-	(4.43)	4.43
Benefits received yet to be paid	-	(1.15)	1.15
Balance as at 31 March 2022	<u>893.53</u>	<u>677.79</u>	<u>215.74</u>



49 Disclosure as per Ind AS 19 'Employee Benefits' (continued)

₹ in Lakhs			
Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance as at 1 April 2020	408.11	291.21	116.90
Included in profit or loss:			
Current service cost	132.21	-	132.21
Past service cost	-	-	-
Net interest cost	27.55	27.00	0.55
Total amount recognised in profit or loss	159.76	27.00	132.76
Included in other comprehensive income (OCI):			
Remeasurement loss/(gain) arising from:			
Financial assumptions	(4.65)	-	(4.65)
Experience adjustment	32.44	-	32.44
Return on plan assets excluding interest income	-	0.57	(0.57)
Total amount recognised in OCI	27.79	0.57	27.22
Other			
Contributions paid by the employer	-	172.19	(172.19)
Acquisition adjustment	2.69	-	2.69
Benefits paid	-	-	-
Balance as at 31 March 2021	598.35	490.97	107.38

(ii) Plan assets

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company. Information on categories of plan assets as at 31 March 2022 and 31 March 2021 has not been provided by Life Insurance Corporation of India. Actual return on plan assets is ₹ 42.91 Lakhs (31 March 2021: ₹ 27.57 Lakhs).

(iii) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	7.18%	6.80%
Salary escalation rate	6.50%	6.50%
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	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.

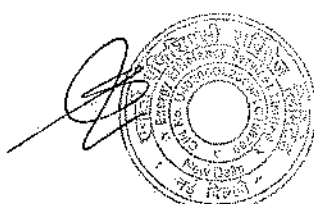
(iv) Sensitivity analysis

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.

Particulars	Increase	Decrease
As at 31 March 2022		
Discount rate (0.5% movement)	(63.55)	70.33
Salary escalation rate (0.5% movement)	52.23	(53.92)
As at 31 March 2021		
Discount rate (0.5% movement)	(44.01)	48.79
Salary escalation rate (0.5% movement)	42.64	(39.49)

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.



49 Disclosure as per Ind AS 19 'Employee Benefits' (continued)

(v) Risk exposure

Changes in discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

Salary increases: Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Life expectancy: The plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Investment risk: Assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

(vi) Expected maturity analysis of the defined benefit plans in future years

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Less than 1 year	19.93	7.41
Between 1-2 years	16.71	10.69
Between 2-5 years	73.24	43.03
Over 5 years	783.65	537.22
Total	893.53	598.35

(vii) Expected contributions to post-employment benefit plans for the year ending 31 March 2023 are ₹ 175.73 Lakhs.

(viii) The weighted average duration of the defined benefit plan obligation as at 31 March 2022 is 17.58 years (31 March 2021: 18.23 years).

50 Disclosure as per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance'

Government grants have been accounted in line with accounting policy no. 2.8.

Asian Development Bank ("ADB") acting as an implementation agency of the Global Environment Facility ("GEF") had sanctioned a grant of USD 13,000,000 for specific energy efficiency projects. There are no unfulfilled conditions or other contingencies attached to above grant. The Company has recognised ₹ 727.59 (31 March 2021: ₹ 535.68 Lakhs) as grant income (refer note 36).

International Bank for Reconstruction and Development ("World Bank") acting as an implementation agency of the Global Environment Facility ("GEF") had sanctioned a grant of USD 1,500,000 for implementation of SAP and USD 500,000 for other consultancy. There are no unfulfilled conditions or other contingencies attached to above grant. The Company has recognised ₹ Nil (31 March 2021: ₹ 309.45 Lakhs) as grant income (refer note 36).

51 Disclosure as per Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'

The amount of exchange differences (net) debited to the statement of profit and loss is ₹ 3,876.36 Lakhs (31 March 2021: credited to Statement of profit and loss ₹ 2,808.33 Lakhs).

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

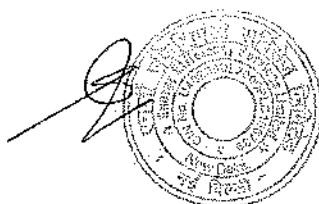
Particulars	(In ₹)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Basic earnings per share* [A/B]	(1.24)	0.01
Diluted earnings per share* [A/C]	(1.24)	0.01
Nominal value per share	10.00	10.00

*rounded upto two decimal places

a) Profit attributable to equity shareholders [A] (₹ in Lakhs) (15,094.07) 118.64

b) Weighted average number of equity shares

Particulars	As at	
	31 March 2022	31 March 2021
Opening balance of issued equity shares	98,33,28,350	98,33,28,350
Effect of shares issued during the year, if any	23,10,98,004	-
Weighted average number of equity shares for Basic EPS [B]	1,21,44,26,354	98,33,28,350
Effect of dilution	22,32,831	-
Weighted average number of equity shares for Diluted EPS [C]	1,21,66,59,185	98,33,28,350



53 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'**a) Commitments**

(i) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances) is ₹ 4,20,053.21 Lakhs (31 March 2021: ₹ 18,29,889.45 Lakhs).

(ii) Equity contribution in subsidiaries is ₹ 3,577.59 Lakhs (31 March 2021: ₹ Nil)

b) Contingent liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
(i) Irrevocable stand by letter of credit in favour of ICICI Bank, UK for £5.5 Millions in the favor of EESL EnergyPro Assets Limited in London, UK valid upto 30 April 2022 with claim expiry upto 30 April 2022 against the Company's non-fund based bank guarantee limit.	5,475.38	5,552.30
(ii) Corporate guarantee of £14 Mn given to Bank of Baroda, UK for avilment of equity bridge loan of £12Millions by EESL EnergyPro Assets Limited in London, UK, valid up to 13 September 2023	13,937.34	14,133.13
(iii) Corporate guarantee of £4 Mn given to Bank of Baroda, UK for avilment of equity bridge loan of £3 Millions by EESL EnergyPro Assets Limited in London, UK, valid upto 5 December 2022	3,982.10	4,038.04
(iv) Irrevocable stand by letter of credit in favour of ICICI Bank, UK for £10.71 Millions in the favor of EESL EnergyPro Assets Limited in London, UK valid upto 23 April 2022 with claim expiry upto 23 April 2022 against the Company's non-fund based bank guarantee limit	10,662.06	10,811.84
(v) Corporate guarantee in favour of ICICI Bank, UK for £ 7.65 Millions in the favor of EESL EnergyPro Assets Limited in London, UK valid upto 31 December 2022 with claim expiry upto 31 December 2022 against the Company's non-fund based bank guarantee limit	7,615.76	7,722.74
(vi) Irrevocable stand by letter of credit in favour of Bank of Baroda (UK) Limited, UK for £4.00 Millions in the favor of EESL EnergyPro Assets Limited in London, UK valid and claim expiry upto 18 January 2023 against the Company's non-fund based bank guarantee limit	3,982.10	4,038.04
(vii) Bills discounted with banks against trade receivables	7,924.73	32,025.96
(viii) Claims against the Company not acknowledged as debt (VAT paid under protest of ₹ 4,868.15 Lakhs (31 March 2021: ₹ 4,868.15 Lakhs), refer note 20)	8,831.43	8,168.68
(ix) Claims against the Company not acknowledged as debt (income tax demand)	22,563.01	-
(x) Other claims against the Company not acknowledged as debt	12,301.46	5,684.07
(xi) Bank guarantees- lien against fixed deposits	175.09	536.08
Total	97,450.45	92,710.88

The Company is contesting the above demands/ claims and the management including its advisors are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursement in respect of above contingent liabilities and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending the decisions of the competent authorities.

54 Disclosure as per Ind AS 108 'Operating Segments'**a) General Information**

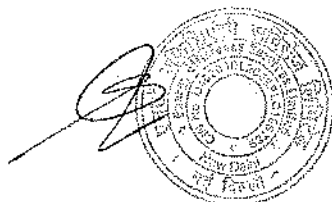
The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business 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: Sale of energy efficient appliances to the different customers

Services: Providing the energy efficient technology services on ESCO model and consultancy services.

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.



54 Disclosure as per Ind AS 108 'Operating Segments' (continued)

b) Information about reportable segments and reconciliations to amounts reflected in the financial statements:

	₹ in Lakhs		
Particulars	Trading	Services	Total
For the year ended 31 March 2022			
Segment revenue	15,788.12	1,38,129.38	1,53,917.50
Segment expenses	15,591.45	1,25,444.31	1,41,035.76
Segment results	196.67	12,685.07	12,881.74
Unallocated corporate interest and other income			5,178.41
Unallocated corporate expenses, finance charges			39,855.37
Profit before tax			(21,795.22)
Income tax (net)			(6,701.15)
Profit after tax			(15,094.07)

	₹ in Lakhs		
Particulars	Trading	Services	Total
For the year ended 31 March 2021			
Segment revenue	23,280.47	1,29,292.54	1,52,573.01
Segment expenses	22,957.92	1,10,269.34	1,33,227.26
Segment results	322.55	19,023.20	19,345.75
Unallocated corporate interest and other income			14,912.47
Unallocated corporate expenses, finance charges			32,810.64
Profit before tax			1,447.58
Income tax (net)			1,328.94
Profit after tax			118.64

	₹ in Lakhs		
Particulars	Trading	Services	Total
As at 31 March 2022			
Segment assets	93,297.92	7,31,821.18	8,25,119.10
Unallocated corporate and other assets			1,73,009.20
Total assets	93,297.92	7,31,821.18	9,98,128.30
Segment liabilities	13,602.60	6,64,549.76	6,78,152.36
Unallocated corporate and other liabilities			1,94,127.11
Total liabilities	13,602.60	6,64,549.76	8,72,279.47

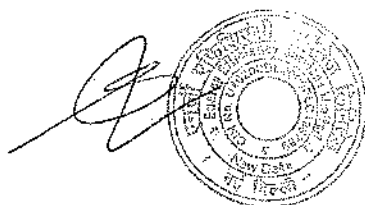
	₹ in Lakhs		
Particulars	Trading	Services	Total
As at 31 March 2021			
Segment assets	1,02,020.83	6,72,699.34	7,74,720.17
Unallocated corporate and other assets			1,95,928.55
Total assets	1,02,020.83	6,72,699.34	9,70,648.72
Segment liabilities	26,033.92	7,00,709.73	7,26,743.65
Unallocated corporate and other liabilities			1,43,620.21
Total liabilities	26,033.92	7,00,709.73	8,70,363.86

c) Other information about reportable segments:

	₹ in Lakhs		
Particulars	Trading	Services	Total
For the year ended 31 March 2022			
Depreciation and amortisation expense	-	63,056.71	63,056.71
Non-cash expenses other than depreciation	10,641.12	-	10,641.12
Capital expenditure	-	61,322.75	61,322.75
For the year ended 31 March 2021			
Depreciation and amortisation expense	-	55,303.41	55,303.41
Non-cash expenses other than depreciation	9,706.97	-	9,706.97
Capital expenditure	-	73,728.19	73,728.19

d) Information about major customers:

No external customer individually accounted for more than 10% of the revenues during the year ended 31 March 2022 and 31 March 2021.



54 Disclosure as per Ind AS 108 'Operating Segments' (continued)

e) Information about geographical areas:

The Company is domiciled in India and has a branch located at London. The amount of its revenue from external customers (including other income) broken down by location of the customers is shown in the table below:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
India	1,57,770.11	1,66,426.84
United Kingdom	1,325.80	1,058.64
Total	1,59,095.91	1,67,485.48

Non-current assets (other than financial instruments, investments and deferred tax assets) broken down by location is shown in the table below:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
India	4,12,504.90	4,11,184.99
United Kingdom	53.24	79.09
Total	4,12,558.14	4,11,264.08

55 Disclosure as per Ind AS 115, 'Revenue from contracts with customers'

a) Nature of goods and services

The revenue of the Company comprises of revenue from sale of goods and rendering of services. The following is a description of the principal activities:

Revenue from sale of goods

The Company sells energy efficient appliances such as LEDs, streetlights, solar lamps, agricultural pumps, energy efficient fans/tubes etc. (including standard warranties) to various customers. Majority of the revenue is derived from government customers. Sale of goods is made as per the terms and conditions mentioned in agreement entered into between the Company and the customer.

Nature, timing of satisfaction of performance obligation and significant payment terms

The Company recognises revenue from sale of goods at a point in time when control of the goods is transferred to the customers. The amount of revenue recognised as per the terms of the contracts and is adjusted for components of variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period which varies from 30 to 60 days.

Revenue from rendering of services

The Company provides energy efficiency services on ESCO model and consultancy services to various customers. Majority of the revenue is derived from government customers. Services are provided as per the terms and conditions mentioned in agreement entered into between the Company and the customer.

Nature, timing of satisfaction of performance obligation and significant payment terms

The Company recognises revenue from rendering of services over time as the customers simultaneously receive and consume the benefits provided by the Company. The amount of revenue recognised as per the terms of the contracts and is adjusted for components of variable consideration, wherever applicable, which are estimated based on the historical data available with the Company. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period which varies from 30 to 60 days.

b) Disaggregation of revenue

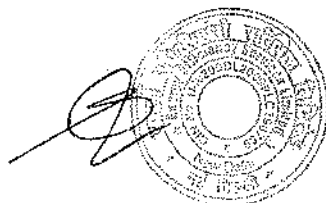
Revenue is disaggregated by type and nature of goods and services and timing of revenue recognition.

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021

(i) Nature of goods and services

Sale of goods

Ujala Scheme	1,269.97	3,405.34
Agricultural Demand Side Management	369.42	1,634.52
Street light projects	9,510.18	10,448.61
Solar street light projects	1,993.41	5,550.30
Building projects	360.29	260.38
E-Vehicle	234.39	14.73
Others	2,050.46	1,966.59
Total [A]	15,788.12	23,280.47



55 Disclosure as per Ind AS 115, 'Revenue from contracts with customers' (continued)

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Rendering of services		
Street light projects	1,02,850.72	98,887.57
Building projects	7,001.35	6,456.31
Smart Meter	17,622.23	13,497.56
Agricultural Demand Side Management	540.75	1,068.87
Solar street light projects	30.46	1,769.05
Solar power	6,170.52	4,202.35
E-Vehicle	3,450.22	2,435.94
Others	463.13	974.89
Total [B]	1,38,129.38	1,29,292.54
Other income		
Guarantee fee income	869.46	753.11
Management fees income	211.31	291.46
Total [C]	1,080.77	1,044.57
Total [A + B + C]	1,54,998.27	1,53,617.58
(ii) Timing of revenue recognition		
Products and services transferred at a point in time	15,788.12	23,280.47
Products and services transferred over time	1,39,210.15	1,30,337.11
Total	1,54,998.27	1,53,617.58

c) Reconciliation of revenue recognised with contract price:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract price	1,53,917.50	1,52,573.01
Adjustments	-	-
Revenue from operations	1,53,917.50	1,52,573.01

d) Contract balances

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are transferred to unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The contract liabilities primarily relate to the advance consideration received from the customers which are referred as 'advances from customers' and advance billings referred as 'unearned revenue'.

The following table provides information about trade receivables, unbilled revenue, advances from customers and unearned revenue from contracts with customers:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Trade receivables	3,48,223.51	3,09,859.07
Non-current unbilled revenue	192.48	331.69
Current unbilled revenue	8,302.68	13,324.42
Unearned revenue	411.91	-

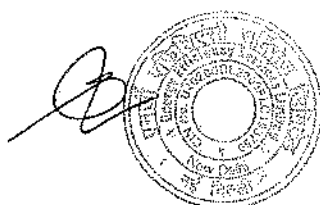
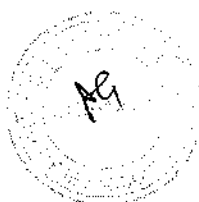
The amount of revenue recognised in current year from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to delay in issuance of completion certificate by competent authorities is ₹ 5,093.38 Lakhs (31 March 2021: ₹ 796.99 Lakhs).

e) Practical expedients applied as per Ind AS 115:

- (i) The company has applied the practical expedient as per para 121 of Ind AS 115 and not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date. There are no performance obligations that are completely or partially unsatisfied as of 31 March, 2022, other than those meeting this exclusion criteria.
- (ii) The Company does not expect to have any contracts for which revenue is recognised during the year where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company has not adjusted the transaction prices for the time value of money.

f) Incremental costs of obtaining contracts

The Company has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such costs.



55 Disclosure as per Ind AS 115, 'Revenue from contracts with customers' (continued)**g) Significant Judgments****(i) Significant judgments in determining the timing of satisfaction of performance obligation**

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and transfer of significant risks and rewards to the customer etc.

For performance obligations that are satisfied over time, the Company uses judgement to determine the method used for revenue recognition. The Company uses input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue is recorded proportionally based on measure of progress. The Company uses output method where direct measurements of value to the customer is based on survey's of performance completed to date.

(ii) Significant judgment in determining the transaction price and allocation of transaction price

Judgement is also required to determine the transaction price for the contract. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

56 Disclosure as per Ind AS 116 on 'Leases'**a) As a lessee**

The Company lease asset primarily consist of leases for land and buildings for residential/office premises and warehouses having the various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases. The following are the carrying value of right to use asset and lease liabilities and movement thereof.

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Right of use assets		
Opening balance	1,214.88	1,272.45
Additions during the year	275.06	122.44
Modification in leases	(78.43)	-
Depreciation for the year	(285.78)	(180.01)
Closing balance	<u>1,125.73</u>	<u>1,214.88</u>
Lease liabilities		
Opening balance	536.22	554.44
Additions during the year	265.78	119.75
Accretion of interest	56.01	58.38
Modification in leases	(79.57)	-
Payments	(314.83)	(196.35)
Closing balance	<u>463.61</u>	<u>536.22</u>
Bifurcation of lease liabilities		
	₹ in Lakhs	
Particulars	As at 31 March 2022	As at 31 March 2021
Current	294.95	167.12
Non-current	168.66	369.10
Total	<u>463.61</u>	<u>536.22</u>

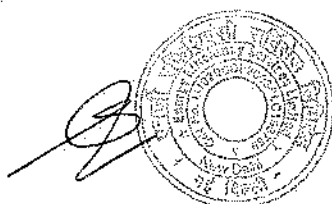
The maturity analysis of lease liabilities are disclosed in Note 45(c)(ii).

The weighted average incremental borrowing rate applied to lease liabilities ranges from 8.75% to 10.05%. The Company has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

The Company has recognised ₹ 285.78 Lakhs and ₹ 56.01 Lakhs (31 March 2021: ₹ 180.01 Lakhs and ₹ 58.38 Lakhs) as depreciation of right-of-use assets and interest expense on lease liabilities respectively in the statement of profit and loss and cash outflow for leases of ₹ 314.83 Lakhs (31 March 2021: ₹ 196.35 Lakhs) in statement of cash flows. The Company has recognised an expense of ₹ 2,116.87 Lakhs (31 March 2021: ₹ 2,121.09 Lakhs) on account of short term leases.

The Company has recognised ₹ 1.14 Lakhs as gain on account of modification in leases in other income.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



56 Disclosure as per Ind AS 116 on 'Leases' (continued)

b) As a lessor

The Company provides electrical vehicles (E-vehicles) on finance lease for a period of three to eight years. Lease rentals are subject to escalation of 0% to 10% per annum. Total future minimum lease payments due under non-cancellable finance leases are as follows:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Less than one year	4,349.33	3,265.32
One to two year	4,348.72	3,265.32
Two to three year	3,938.82	3,257.51
Three to four year	2,542.28	2,840.73
Four to five year	1,184.29	1,488.53
More than five years	622.93	413.98
Total minimum lease payments	16,986.37	14,531.39
Unearned finance income	3,725.17	2,962.46
Present value of minimum lease payments	13,261.20	11,568.93

Present value of future minimum lease payments due under non-cancellable finance leases are as follows:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Less than one year	3,028.49	3,101.35
One to two year	3,306.28	2,802.01
Two to three year	3,208.46	2,532.33
Three to four year	2,188.74	1,990.86
Four to five year	1,034.39	924.69
More than five years	494.84	217.69
Present value of minimum lease payments	13,261.20	11,568.93

The Company has recognised finance income on the net investment in the E-Vehicle lease amounting to ₹ 3,450.22 Lakhs (31 March 2021: ₹ 2,435.94 Lakhs) in rendering of services under note 35- revenue from operations.

57 Corporate Social Responsibility Expenses (CSR)

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

a) Amount required to be spent on CSR activities

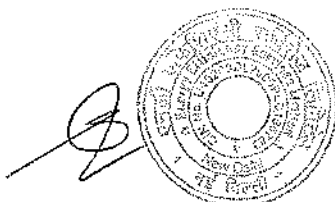
Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Amount required to be spent during the year	72.58	148.76
Amount spent during the year on-		
(i) Construction/ acquisition of any asset	-	93.22
(ii) On purposes other than (i) above	67.81	60.31
Total	67.81	153.53

b) Amount spent on CSR activities

Particulars	₹ in Lakhs		
	In cash	Yet to be paid in cash	Total
Amount spent during the year ended 31 March 2022			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	67.81	-	67.81
Amount spent during the year ended 31 March 2021			
(i) Construction/ acquisition of any asset	28.22	65.00	93.22
(ii) On purposes other than (i) above	46.77	13.54	60.31

c) Break-up of the CSR expenses under major heads is as under:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
PM Care funds	67.81	-
Construction of toilets	-	93.22
Healthcare and sanitation	-	31.30
Education and skill development	-	29.01
Total	67.81	153.53



57 Corporate Social Responsibility Expenses (CSR) (continued)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Opening shortfall/(surplus)	(4.77)	-
Add: Amount required to be spent during the year	72.58	148.76
Less: Amount spent during the year	(67.81)	(153.53)
Closing shortfall/(surplus)	-	(4.77)

e) The Company did not have any related party transaction in relation to its CSR expenditure.

f) The Company does not have any shortfall in the expenditure required to be spent on CSR and accordingly has not recognised any provision.

58 Information in respect of micro and small enterprises as required by section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is as follows. This information has been determined to the extent such parties have been indentified on the basis of information available with the Company.

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
a) Amount remaining unpaid to any supplier:		
Principal amount*	26,845.70	18,126.25
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

*Includes ₹ 9,628.13 Lakhs in trade payables and ₹ 17,217.57 Lakhs in retention money (31 March 2021: ₹ 9,839.80 Lakhs in trade payables and ₹ 8,286.45 Lakhs in retention money). The said amount, as per mutually specifically agreed terms, has not fallen due as at 31 March 2022.

59 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

a) Ind AS 16 – Property, Plant and equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

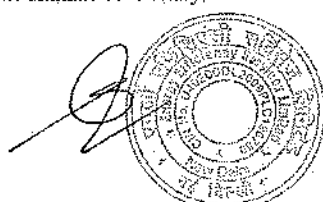
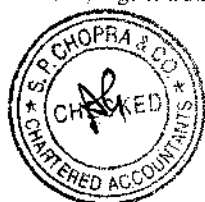
c) Ind AS 109 – Annual Improvements to Ind AS (2021):

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company has evaluated the amendment and there is no impact on its financial statements.

There are certain other amendments which are not expected to have any impact on the financial statements of the Company.

60 Additional regulatory information

- The company has not granted any loans or advances in the nature of loans to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.
- No proceedings have been initiated or pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988.
- The company has neither provided nor taken any loan or advance to/from any other person or entity with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.

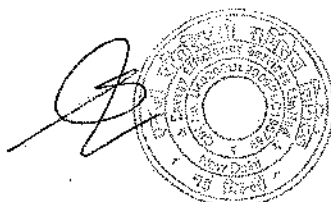


ENERGY EFFICIENCY SERVICES LIMITED
Notes to the standalone financial statements for the year 31 March 2022
60 Additional regulatory information (continued)

- d) The Company has complied with the provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers)
- e) No scheme of arrangements has been approved by competent authority in terms of sections 230 to 237 of the Companies Act, 2013 in respect of
- f) The Company has neither traded nor invested in crypto currency or virtual currency during the financial year.
- g) The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961
- h) The Company did not have transactions with any Company struck off under section 248 of the Companies Act, 2013.

i) Ratios.

Particulars	As at 31 March 2022	As at 31 March 2021	Variance	Reason (Where variance exceeds 25%)
Liquidity ratio (times)				
Current ratio (current assets divide by current liabilities)	1.29	1.46	(11.54%)	-
Solvency ratios (times)				
Debt-equity ratio (Long term debt divide by total equity)	3.55	4.90	(27.55%)	Equity infusion and reduction in non-current borrowings
Debt service coverage ratio (Profit for the year + finance costs + depreciation and amortisation expenses divide by principal repayments of long term borrowings + finance)	0.90	1.32	(31.82%)	Higher repayments of non-current borrowings due during F.Y. 2022-23
Profitability ratios (%)				
Net Profit Ratio (Profit for the year divide by revenue from operations)	(9.81%)	0.08%	(12362.50%)	Increase in annual maintenance cost and loss on account of foreign exchange fluctuation
Return on Equity Ratio (Profit for the year divide by average shareholder's equity)	(13.35%)	0.12%	(11225.00%)	Increase in annual maintenance cost and loss on account of foreign exchange fluctuation
Return on Capital employed (Earning before interest and taxes divide by capital employed)	2.55%	5.73%	(55.50%)	Increase in annual maintenance cost and loss on account of foreign exchange fluctuation
Return on Investment ((Profit before tax + Finance Cost) * (1-tax rate) divide by total assets)	1.30%	2.93%	(55.78%)	Increase in annual maintenance cost and loss on account of foreign exchange fluctuation
Utilization ratios (times)				
Trade Receivables turnover ratio (Revenue from operations divide by average trade receivables)	0.47	0.52	(10.79%)	-
Inventory turnover ratio (Revenue from operations divide by average inventory)	8.51	7.13	19.35%	-
Trade payables turnover ratio (Total purchases divide by average trade payables)	0.43	0.64	(33.18%)	Reduction in purchases and decline in trade payables
Net capital turnover ratio (Revenue from operations divide by working Capital)	1.30	0.93	39.78%	Higher repayments of non-current borrowings due during F.Y. 2022-23



ENERGY EFFICIENCY SERVICES LIMITED

Notes to the standalone financial statements for the year 31 March 2022

60 Additional regulatory information (continued)
1) Trade Receivables and unbilled ageing schedule as at 31 March 2022

₹ Lakhs

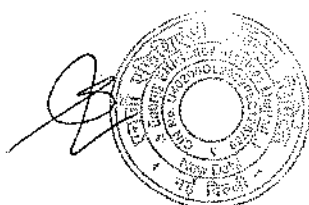
Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment/					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -- considered good	8,495.16	27,427.54	60,924.16	58,778.45	98,259.02	69,627.24	35,040.39	3,58,551.96
(ii) Undisputed Trade Receivables -- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables -- credit impaired	-	119.24	447.93	14.49	9.22	69.90	1,901.27	2,562.05
(iv) Disputed Trade Receivables -- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables -- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables -- credit impaired	-	-	270.52	21.80	1,019.24	571.12	17,948.49	19,831.17
Subtotal	8,495.16	27,546.78	61,642.61	58,814.74	99,287.48	70,268.26	54,890.15	3,80,945.18
Less: Loss allowance	-	-	914.22	870.46	1,570.36	1,052.66	9,011.92	13,419.62
Less: Provision for interest variation	-	1,180.38	988.53	1,977.06	3,369.79	1,283.76	2,007.37	10,806.89
Total	8,495.16	26,366.40	59,739.86	55,967.22	94,347.33	67,931.84	43,870.86	3,56,718.67

Trade Receivables and unbilled ageing schedule as at 31 March 2021

₹ Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment/					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -- considered good	13,656.11	21,771.03	43,070.64	83,427.86	1,47,543.06	3,107.27	5,082.29	3,17,658.26
(ii) Undisputed Trade Receivables -- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables -- credit impaired	-	-	43.46	19.17	9.22	69.90	2,000.20	2,141.95
(iv) Disputed Trade Receivables -- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables -- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables -- credit impaired	-	-	158.10	1,020.08	571.12	704.59	15,698.73	18,152.62
Subtotal	13,656.11	21,771.03	43,272.20	84,467.11	1,48,123.40	3,881.76	22,781.22	3,37,952.83
Less: Loss Allowance	-	-	5,641.52	695.67	1,242.91	196.63	-	7,776.73
Less: Provision for interest variation	-	-	1,684.90	1,684.90	1,283.76	1,201.23	806.14	6,660.92
Total	13,656.11	21,771.03	35,945.79	82,086.55	1,45,596.73	2,483.90	21,975.08	3,23,515.18

*The above ageing has been prepared by the Management based on date of transactions.



ENERGY EFFICIENCY SERVICES LIMITED**Notes to the standalone financial statements for the year 31 March 2022**

61 Confirmation of balances

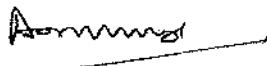
The company during the year under audit has reconciled a major portion of various balances lying under trade receivable and trade payables. The necessary adjustments if any, which in the view of management may not be material, will be carried out on completion of the exercise.

62 The Company has considered the possible effects that may result from the Covid 19 pandemic on the carrying amounts of property, plant and equipment, inventory, receivables and other current assets. The Management, based on the current indicators of future economic condition, expects that the carrying amount of the assets will be recovered, liabilities will be settled and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainties of the pandemic, the Company will continue to closely monitor any material changes to future economic conditions.

63 Previous year figures have been regrouped / reclassified to make them comparable with the current year.


As per our report of even date attached
For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N


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


Ankur Goyal
Partner
Membership No. 099143
Place : New Delhi
Date : 8 July 2022




Arun K Mishra
CEO and Director
DIN : 09349810


Sandeep Kumar Jain
Chief Financial Officer


Aditya Dar
Director
DIN : 08079013


Pooja Shukla
Company Secretary

S. P. CHOPRA & CO.

Chartered Accountants

Corporate Office
1505, Astralis Supernova
Sector-94, Gautam Buddha Nagar
Noida – 201 301
Phone 0120 - 4516921
www.spchopra.in
spc1949@spchopra.in

Independent Auditor's Report **to the Members of 'Energy Efficiency Services Limited'**

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of '**Energy Efficiency Services Limited**' (the "Holding company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group") and its joint venture which comprise the consolidated Balance Sheet as at 31 March 2022, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary and the joint venture as referred to in the 'Other Matters' section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group and its joint venture as at 31 March 2022 and their consolidated loss (including other comprehensive loss), its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the group and its joint venture, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the other auditors in terms of their reports as referred to in sub-paragraph (b) of the 'Other Matters' section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to the following matters pertaining to the holding company, in the notes to the consolidated financial statements:

- a) Necessary rectifications as may be required to be effected in the consolidated financial statements upon completion of reconciliation of trade receivables, trade payables, capital work in progress and property, plant and equipment including its physical verification. Refer note 3(i), 4(d) and 63 to the consolidated financial statements.



Registered Office – F-31 Connaught Place New Delhi - 110 001 Tel: 91-11-23313495

- b) (i) The holding company is in the process to seek clarifications/ amendments in certain agreements for smart meter projects, for extension of period, change in rates etc. including for those meters where the billing could not be done (ii) reconciliation of street lights installed/ completed so as to adequately capitalize/ recognize revenue, the effect of these notes shall be considered in the year in which such amendments/ reconciliations/ receipt of data is finalized and amounts determined. Refer note 37(d), 37(e), 37(f) and 37(g) to the consolidated financial statements.
- c) Provision of ₹ 4,145.96 lakhs has been charged to statement of profit and loss in the current year i.e., 2021-22 and ₹ 6,660.93 lakhs pertaining to the financial years 2014-15 to 2020-21 has been restated in the respective years towards ESCO services rendered to various urban local bodies (ULB's) for the reasons as stated in note 46(e)(iv) to the consolidated financial statements.
- d) Accumulation of trade receivables to ₹ 3,72,450.02 lakhs of the holding company against which Expected Credit Loss (ECL) of ₹ 5,642.89 lakhs created during the year and cumulative ECL of ₹ 13,419.62 lakhs as at 31 March 2022, based on assessment by an external agency is considered adequate by the management for the reasons as stated in note 15(f) to the consolidated financial statements.

Our opinion is not modified in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Considering the requirement of Standard on Auditing (SA 600) on 'Using the Work of Another Auditor' including materiality, below Key Audit Matters have been reproduced from the Independent Auditor's Report on the audit of standalone financial statements of the holding company.

Sr. No.	Key audit matter	How our audit addressed the key audit matter
1	<p>Depreciation accounting</p> <p>The holding company has charged the depreciation of ₹ 63,596.93 lakhs for the period 1 April 2021 to 31 March 2022 on tangible assets as disclosed in note 3 and 42 to the accompanying consolidated financial statements of the company. Such depreciation is charged on straight line method, as per the accounting policy disclosed in note 2.3(v).</p> <p>This is considered as Key Audit Matter due to its nature and area of significant risk which may have material impact on the standalone financial statements of the holding company.</p>	<p>An understanding of the system of capitalization of assets and calculation of depreciation was obtained and adopted the following audit procedures:</p> <ul style="list-style-type: none"> Evaluated and tested the effectiveness of the company's design of internal controls relating to recognition and measurement of depreciation for various assets. The calculations of depreciation on various class of assets were tested and verified. Verified the accounting of depreciation based on applicable INDAS. <p>Based on the above procedures performed and based on the explanations/ representation by the holding company, the recognition of depreciation on assets is considered to be adequate and reasonable.</p>



2	<p>Contingent Liabilities</p> <p>There are number of litigations against the holding company pending before various forums. There is a high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, company's judgement thereon, past experience and advice from legal and tax consultants, wherever necessary.</p> <p>We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and in view of associated uncertainty relating to the outcome of these matters.</p> <p>(Refer note 58(b) to the consolidated financial statements, read with the significant accounting policy no. 2.10)</p>	<p>We obtained an understanding of the company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> • Understood and tested the design and operating effectiveness of controls as established by the management for obtaining the relevant information for pending litigation cases; • Discussed with the management any material developments thereto and latest status of legal matters; • Read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; • Examined recent orders from competent authorities and/ or communication received from various authorities, judicial forums and follow-up action thereon. • Examined management's judgement and assessment for the requirement of provisions; • Reviewed the adequacy and completeness of disclosures; <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.</p>
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Information other than the consolidated financial statements and auditor's report thereon

The holding company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the report of the board of directors, including annexures but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information, and do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the report of the board of directors, including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibilities of the management and those charged with governance for the consolidated financial statements

The holding company's board of directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the group and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and its joint venture 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 consolidated 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 holding company, as aforesaid.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the ability of the group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group and its joint venture or to cease operations, or has no realistic alternative but to do so.

The board of directors is also responsible for overseeing the group and its joint venture's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and its joint venture's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other matters' in this audit report.

We communicate with those charged with governance of the holding company and such other entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

- a) We did not audit the financial statements/ information of a foreign branch of the holding company, included in the consolidated financial results whose financial statements/ information reflects total assets of ₹ 2,892.06 lakhs as at 31 March 2022 and total revenue of ₹ 31.32 lakhs for the year ended on that date, the financial statements/ information of the said branch is certified by the management and has not been audited by any other auditor. Our opinion in so far as it relates to the amounts and disclosures included in respect of the said branch solely on the information certified by the management.



- b) The consolidated financial results include the audited financial statements of 2 subsidiaries and 13 step down subsidiaries, whose financial statements reflect Group's share of total assets of ₹ 103,053.70 lakhs as at 31 March 2022, Group's share of total revenue of ₹ 69,303.10 lakhs and Group's share of total loss after tax (including other comprehensive loss) of ₹ 2,545.22 lakhs for the year ended 31 March 2022, as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- c) The consolidated financial results include the unaudited financial results of 1 subsidiary, whose financial statements/ financial information reflect Group's share of total assets of ₹ 370.16 lakhs as at 31 March 2022, Group's share of total revenue of ₹ 295.42 lakhs and Group's share of total loss after tax of ₹ 40.84 lakhs for the year ended 31 March 2022 and 1 joint venture whose financial statements reflect Group's share of total loss after tax (including other comprehensive expense) of ₹ 24.07 lakhs for the year ended 31 March 2022, as considered in the consolidated financial results. The unaudited interim financial statements/ financial information has been furnished to us by the Board of Directors and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary and joint venture 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 Board of Directors, these financial statements/ financial informations are not material to the Group.
- d) These financial statements have been audited their respective independent auditors whose report have been furnished to us by the holding company's management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of Section 143(3), in so far it relates to these subsidiaries and joint venture is based solely on the reports of the respective auditor.

Our opinion on the consolidated financial statements, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the management.

Report on other legal and regulatory requirements

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

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements;
- b. in our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- c. the accounts of one foreign branch of the company that reflect total assets of ₹ 2,892.06 lakhs as at 31 March 2022 and total revenue of ₹ 31.32 lakhs for the year ended on that date are unaudited and certified by the management;
- d. the consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows 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;



- e. in our opinion, the consolidated financial statements comply with the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
- f. on the basis of the written representations received from the directors, taken on record by the board of directors none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- g. with respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure - 'A'**;
- h. the remuneration paid by the holding company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act;
- i. 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group and its joint venture. Refer note 58 to the consolidated financial statements;
 - ii) The group and its joint venture have not entered into any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group;
 - iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

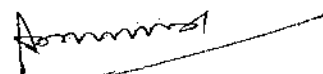


S.P. CHOPRA & CO.

Continuation Sheet

- v) No dividend was declared or paid by the group during the year; hence, the said clause is not applicable.

**For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N**



**Ankur Goyal
Partner**

**Membership No. 099143
UDIN 22099143AMMUQD7136**

**Place: New Delhi
Date: 8 July 2022**



Annexure - 'A' to the Independent Auditor's Report

(Referred to in paragraph (g) under 'Report on other legal and regulatory requirements' section of the Independent Auditor's Report of even date on the consolidated financial statements of Energy Efficiency Services Limited for the year ended 31 March 2022)

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 with reference to consolidated financial statements of 'Energy Efficiency Services Limited' ("the Holding Company") and three subsidiaries (the holding company and its subsidiaries together referred to as "the Group") and its joint venture for the year ended 31 March 2022, in conjunction with our audit of the consolidated financial statements of the holding company (excluding its two foreign direct subsidiaries which are incorporated outside India and its joint venture, which is incorporated in India and are unaudited) and have relied on the auditor's report of the Indian Subsidiary for the year ended on that date.

Management's responsibility for internal financial controls

The respective board of directors of the group and its joint venture are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements reporting criteria established by the respective company considering the essential components of internal control 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 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 Act.

Auditor's responsibility

Our responsibility is to express an opinion on the group and its joint venture's internal financial controls with reference to consolidated financial statements 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 the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the consolidated 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 group and its joint venture's internal financial controls system with reference to consolidated financial statements.



Meaning of internal financial controls with reference consolidated financial statements

The group and its joint venture's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A group and its joint venture's internal financial control with reference to consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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, to the best of our information and according to the explanations given to us, the holding company and its Indian subsidiary, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2022, based on the internal control with reference to consolidated financial statements criteria established by the group and its joint venture 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.

Other matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements insofar as it relates to one subsidiary incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India and insofar as it relates to one joint venture incorporated in India (whose financial statements / information are unaudited) and our opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial reporting in financial statements with reference to consolidated financial statements of the group is not affected as the group's share of loss (including other comprehensive loss) and disclosures included in respect of this joint venture in these consolidated financial statements are not considered material to the group.

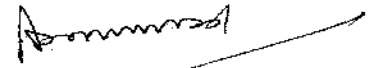


S.P. CHOPRA & CO.

Continuation Sheet

Our opinion is not modified in respect of above matter..

**For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N**



**Ankur Goyal
Partner**

**Membership No. 099143
UDIN 22099143AMMUQD7136**

**Place: New Delhi
Date: 8 July 2022**



ENERGY EFFICIENCY SERVICES LIMITED
Consolidated Balance Sheet as at 31 March 2022

₹ in Lakhs

Particulars	Note	As at 31 March 2022	As at 31 March 2021 *	As at 31 March 2020 *
ASSETS				
Non-current assets				
Property, plant and equipment	3	3,03,095.92	2,91,272.55	2,60,398.81
Capital work-in-progress	4	1,05,524.25	1,21,330.51	1,30,601.86
Right-of-use assets	5	1,410.85	1,615.64	1,896.62
Goodwill	6	47,601.52	48,263.10	44,537.73
Other intangible assets	6	7,275.83	730.66	679.20
Intangible assets under development	7	-	10.79	-
Investments in joint venture accounted for using equity method	8	2,618.32	832.62	6.59
Financial assets				
Investments	9	1,841.75	1,867.36	1,721.69
Loans	10	7,112.14	6,840.25	5,909.12
Other financial assets	11	14,190.04	13,109.92	15,420.53
Deferred tax assets (net)	12	8,701.03	1,403.67	2,187.70
Other non-current assets	13	5,848.44	3,128.29	1,482.48
Total non-current assets		5,05,220.09	4,90,405.36	4,64,842.33
Current assets				
Inventories	14	20,672.81	24,676.39	26,295.91
Financial assets				
Trade receivables	15	3,54,430.32	3,15,860.41	2,80,925.27
Cash and cash equivalents	16	75,914.13	73,787.87	34,881.79
Bank balances other than cash and cash equivalents	17	29,876.96	51,790.02	30,493.31
Loans	18	152.81	139.64	141.32
Other financial assets	19	19,585.87	23,117.19	14,068.03
Current tax assets (net)	20	1,579.89	1,251.67	2,431.63
Other current assets	21	45,415.09	49,349.84	54,061.19
Total current assets		5,47,627.88	5,39,973.03	4,43,298.45
TOTAL ASSETS		10,52,847.97	10,30,378.39	9,08,140.78
EQUITY AND LIABILITIES				
Equity				
Equity share capital	22	1,39,082.00	98,332.84	98,332.84
Other equity	23	(17,103.67)	598.18	1,283.76
Equity attributable to owners		1,21,978.33	98,931.02	99,616.60
Non-controlling interests		4,628.17	4,719.08	4,765.46
Total equity		1,26,606.50	1,03,650.10	1,04,382.06
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	24	4,46,583.72	5,16,030.71	4,49,177.81
Lease liabilities	25	308.06	524.14	667.61
Trade payables	26			
-total outstanding dues of micro enterprises and small enterprises		938.80	1,809.21	1,593.02
-total outstanding dues of creditors other than micro enterprises and small enterprises		10,130.39	13,225.32	5,960.39
Other financial liabilities	27	2,079.96	4,304.82	5,439.85
Provisions	28	1,383.17	1,112.03	921.70
Deferred tax liabilities (net)	29	240.53	178.58	-
Other non-current liabilities		3,771.09	1,797.19	2.74
Total non-current liabilities		4,65,435.72	5,38,982.00	4,63,763.12
Current liabilities				
Financial liabilities				
Borrowings	31	2,81,617.29	1,92,423.59	1,26,208.30
Lease liabilities	32	517.44	444.15	496.36
Trade payables	33			
-total outstanding dues of micro enterprises and small enterprises		9,197.45	8,030.59	5,868.63
-total outstanding dues of creditors other than micro enterprises		1,03,021.20	1,13,355.67	1,27,773.83
Other financial liabilities	34	50,186.92	56,617.27	48,037.67
Other current liabilities	35	16,040.99	16,590.92	31,452.28
Provisions	36	68.98	55.95	29.48
Current tax liabilities (net)		155.48	228.15	129.05
Total current liabilities		4,60,805.75	3,87,746.29	3,39,995.60
TOTAL EQUITY AND LIABILITIES		10,52,847.97	10,30,378.39	9,08,140.78

* Restated (refer note 46)

Significant Accounting Policies

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

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

As per our report of even date attached
For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N

Ankur Goyal
Partner
Membership No. - 099143
Place : New Delhi
Date : 8 July 2022



Arun K Mishra
CEO and Director
DIN : 09349810

Aditya Dar
Director
DIN : 08079013

Sandeep Kumar Jain
Chief Financial Officer

Pooja Shukla
Company Secretary

ENERGY EFFICIENCY SERVICES LIMITED
Consolidated Statement of Profit and Loss for the year ended 31 March 2022

₹ in Lakhs

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	37	2,22,209.50	2,11,796.47
Other income	38	4,576.21	14,254.47
Total income		2,26,785.71	2,26,050.94
Expenses			
Purchase of stock-in-trade		61,429.24	64,151.45
Changes in inventory of stock-in-trade	39	3,769.27	1,956.98
Employee benefits expense	40	17,929.24	16,302.61
Finance costs	41	40,271.79	37,975.95
Depreciation and amortization expense	42	65,571.29	57,571.05
Other expenses	43	61,771.09	49,736.42
Total expenses		2,50,741.92	2,27,694.46
Profit/(Loss) before share of net profits of investments accounted for using equity method and tax		(23,956.21)	(1,643.52)
Add: Share of net profits of joint ventures accounted for using equity method		(10.84)	(134.37)
Profit/(Loss) before tax		(23,967.05)	(1,777.89)
Tax expense	44		
Current tax			
Current year		248.78	196.42
Earlier years		72.72	(89.00)
Deferred tax credit		(7,210.96)	1,104.67
Total tax (credit)/expense		(6,889.46)	1,212.09
Profit/(Loss) for the year		(17,077.59)	(2,989.98)
Other comprehensive income/ (expense)			
Items that will not be reclassified to profit or loss (net of tax)			
- Net actuarial gains/(losses) on defined benefit plans		(121.76)	(27.22)
- Less: Income tax relating to above item		(30.64)	(6.85)
Items that will be reclassified to profit or loss (net of tax)			
- Exchange differences on translation of foreign operations		(624.05)	2,235.81
Other comprehensive income/ (expense) for the year, net of income tax		(715.17)	2,215.44
Total comprehensive income/(expense) for the year		(17,792.76)	(774.54)
Profit attributable to			
- Owners of Energy Efficiency Services Limited		(16,933.44)	(2,555.54)
- Non-controlling interests		(144.15)	(434.44)
		(17,077.59)	(2,989.98)
Other comprehensive income attributable to			
- Owners of Energy Efficiency Services Limited		(634.40)	1,869.96
- Non-controlling interests		(80.77)	345.48
		(715.17)	2,215.44
Total comprehensive income attributable to			
- Owners of Energy Efficiency Services Limited		(17,567.84)	(685.58)
- Non-controlling interests		(224.92)	(88.96)
		(17,792.76)	(774.54)
Earnings per equity share (Par value ₹ 10/- each)	57		
Basic (₹)		(1.39)	(0.26)
Diluted (₹)		(1.39)	(0.26)
* Restated (refer note 46)			
Significant Accounting Policies	2		
The accompanying notes form an integral part of consolidated financial statements.	3 to 65		

As per our report of even date attached

For S.P. Chopra & Co.

Chartered Accountants

Firm Registration No. 000346N

Ankur Goyal
Partner

Membership No.- 099143

Place : New Delhi

Date : 8 July 2022



Arun K Mishra
CEO and Director
DIN : 09349810

Aditya Dar
Director
DIN : 08079013

Sandeep Kumar Jain
Chief Financial Officer

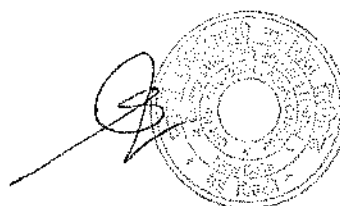
Pooja Shukla
Company Secretary

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

Energy Efficiency Services Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2022

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
Profit before tax	(23,967.05)	(1,777.89)
Adjustment for:-		
Depreciation and amortization expense	65,571.29	57,571.05
Finance costs	35,694.68	36,211.50
Bad debts	3.42	2.95
Allowance for doubtful receivables	5,642.89	6,337.18
Provision for interest variance	4,145.96	3,369.79
Provision for doubtful advances	852.27	-
Provision for shortage in inventories	353.02	-
Loss on sale of property, plant and equipment (net)	3.27	9.33
Interest income	(2,134.76)	(3,046.80)
(Gain)/loss on foreign currency transactions and translation (net)	9,245.74	(2,908.72)
Grant income	(727.59)	(845.13)
Liquidation damages recovered from vendors	(642.15)	(2,332.65)
Liabilities/excess provisions no longer required written back	(79.94)	(1,523.56)
Share of net profits/(losses) of joint ventures	10.84	134.37
Operating profit before working capital changes	93,971.89	91,201.42
Adjustment for:		
(Increase) in Trade receivables	(48,201.35)	(43,297.57)
(Increase)/ Decrease in Inventories	3,581.10	1,959.60
(Increase) in loans, other financial assets and other assets	382.37	(844.12)
Increase/(Decrease) in trade payables, other financial liabilities and other liabilities	(15,225.60)	(16,845.16)
Increase/(Decrease) in provisions	162.41	189.58
Cash generated from operations	34,670.82	32,363.75
Income tax paid	722.39	(1,178.87)
Net cash from operating activities (A)	33,948.43	33,542.62
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advance)	(69,063.02)	(63,289.12)
Investments	(1,796.79)	(917.81)
Interest income	1,814.62	2,479.38
Investment in bank balances other than cash and cash equivalents (net)	22,245.21	(20,712.48)
Loan given	(367.35)	(367.37)
Net cash used in investing activities (B)	(47,167.33)	(82,807.40)
C. Cash flow from financing activities		
Proceeds from share capital	40,749.16	-
Proceeds from non-current borrowings	52,899.57	1,44,148.44
Repayment of non-current borrowings	(77,073.05)	(45,797.23)
Proceeds / (repayments) of current borrowings (net)	37,602.22	30,269.71
Finance costs	(39,054.61)	(39,543.05)
Lease rent paid	(781.83)	(672.33)
Net cash from financing activities (C)	14,341.46	88,405.54
Net increase in cash and cash equivalents (A+B+C)	1,122.56	39,140.76
Cash and cash equivalents at the beginning of the year	73,787.87	34,881.79
Exchange differences on translation of foreign currency cash and cash equivalents	1,003.70	(234.68)
Cash and cash equivalents at the end of the period	75,914.13	73,787.87



Energy Efficiency Services Limited
Notes to Consolidated Statement of Cash Flows

- a) Cash and cash equivalents consists of balances with banks.
b) Reconciliation of cash and cash equivalents:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Balances with banks		
Current accounts	49,197.44	72,828.53
Deposits with original maturity upto three months (including interest accrued)	26,716.21	957.05
Cash on hand	0.48	2.29
Cash and cash equivalents as per note-16	75,914.13	73,787.87

- c) Reconciliation between the opening and closing balances of the balance sheet for liabilities arising from financing activities:

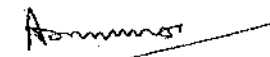
Particulars	₹ in Lakhs			
	Non-current borrowings*	Current borrowings**	Lease liabilities	Interest on borrowings
For the year ended 31 March 2022				
Opening balance as at 1 April 2021	5,92,466.48	1,15,987.82	968.29	6,435.30
Addition in lease liabilities	-	-	621.62	-
Deletion in lease liabilities	-	-	(79.57)	-
Cash flow during the year	(24,173.48)	37,602.22	(781.83)	(39,054.61)
Non-cash changes due to:				
- Variation in exchange rates	6,476.93	(146.83)	3.36	(3.24)
- Interest accrued	-	-	93.63	37,350.72
- Transaction cost on borrowings	(12.13)	-	-	109.53
Closing balance as at 31 March 2022	5,74,757.80	1,53,443.21	825.50	4,837.70
For the year ended 31 March 2021				
Opening balance as at 1 April 2020	4,94,408.25	85,049.93	1,163.97	7,636.34
Addition in lease liabilities	-	-	304.29	-
Cash flow during the year	98,351.22	30,269.71	(672.33)	(39,543.05)
Non-cash changes due to:				
- Variation in exchange rates	(344.02)	-	93.75	10.13
- Interest accrued	-	668.18	78.61	38,393.41
- Transaction cost on borrowings	51.03	-	-	(61.53)
Closing balance as at 31 March 2021	5,92,466.48	1,15,987.82	968.29	6,435.30

* includes current maturities of non-current borrowings, refer note 34.

** Inflows/outflows from current borrowings have been presented on net basis.


- d) Refer note 48 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.


As per our report of even date attached
For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N

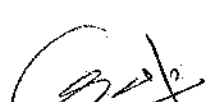

Ankur Goyal
Partner
Membership No.- 099143
Place : New Delhi
Date : 8 July 2022

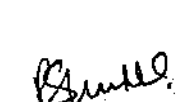


For and on behalf of the Board of Directors of Energy Efficiency Services Limited


Arun K Mishra
CFO and Director
DIN : 09349810


Aditya Dar
Director
DIN : 08070565


Sandeep Kumar Jain
Chief Financial Officer


Pooja Shukla
Company Secretary

Energy Efficiency Services Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2022

(A) Equity share capital

For the year ended 31 March 2022

₹ in Lakhs

Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
98,332.84	-	98,332.84	40,749.16	1,39,082.00

For the year ended 31 March 2021

₹ in Lakhs

Balance as at 1 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2021
98,332.84	-	98,332.84	-	98,332.84

(B) Other equity

For the year ended 31 March 2022

₹ in Lakhs

Particulars	Share application money pending allotment	Reserves and surplus			OCI Foreign Currency Translation Reserve	Other equity attributable to owners of the parent	Non-controlling interests	Total
		Debt redemption reserve	Statutory reserve	Retained earnings				
Balance as at 1 April 2021	-	12,434.13	0.15	(1,513.21)	1,028.07	11,949.14	4,719.08	16,668.22
Prior period errors	-	-	-	(11,350.96)	-	(11,350.96)	-	(11,350.96)
Restated balance as at 1 April 2021	-	12,434.13	0.15	(12,864.17)	1,028.07	598.18	4,719.08	5,317.26
Profit/ (loss) for the year	-	-	-	(16,933.44)	-	(16,933.44)	(144.15)	(17,077.59)
Other comprehensive income/ (expense)	-	-	-	(91.12)	(543.28)	(634.40)	(80.77)	(715.17)
Share application money received	40,749.16	-	-	-	-	40,749.16	-	40,749.16
Shares allotted against share application money	(40,749.16)	-	-	-	-	(40,749.16)	-	(40,749.16)
Impact of change in ownership interest in Subsidiary (refer note 53)	-	-	-	(134.01)	-	(134.01)	134.01	-
Transfer (to)/from retained earnings	-	(5,434.13)	-	5,434.13	-	-	-	-
Balance as at 31 March 2022	-	7,000.00	0.15	(24,588.61)	484.79	(17,103.67)	4,628.17	(12,475.50)

For the year ended 31 March 2021

₹ in Lakhs

Particulars	Share application money pending allotment	Reserves and surplus			OCI Foreign Currency Translation Reserve	Other equity attributable to owners of the parent	Non-controlling interests	Total
		Debt redemption reserve	Statutory reserve	Retained earnings				
Balance as at 1 April 2020	-	15,126.44	-	(4,831.45)	(862.26)	9,432.73	4,765.46	14,198.19
Prior period errors	-	-	-	(8,148.97)	-	(8,148.97)	-	(8,148.97)
Restated balance as at 1 April 2020	-	15,126.44	-	(12,980.42)	(862.26)	1,283.76	4,765.46	6,049.22
Profit for the year	-	-	-	(2,555.54)	-	(2,555.54)	(434.44)	(2,989.98)
Other comprehensive income/ (expense)	-	-	-	(20.37)	1,890.33	1,869.96	345.48	2,215.44
Equity contribution by non-controlling interest	-	-	-	-	-	-	42.58	42.58
Transfer (to)/from retained earnings	-	(2,692.31)	0.15	2,692.16	-	-	-	-
Balance as at 31 March 2021	-	12,434.13	0.15	(12,864.17)	1,028.07	598.18	4,719.08	5,317.26

Analysis of accumulated other comprehensive income (net of taxes) included in retained earnings

₹ in Lakhs

Particulars	For the year ended	
	31 March 2022	31 March 2021
Balance at the beginning of the year	(46.94)	(26.57)
Other comprehensive income/(expense) for the year	(91.12)	(20.37)
Balance as at the end of the year	(138.06)	(46.94)

As per our report of even date attached

For S.P. Chopra & Co.

Chartered Accountants

Firm Registration No. 000346N

Ankur Goyal

Partner

Membership No. - 099145

Place : New Delhi

Date : 8 July 2022



For and on behalf of the Board of Directors

Arun K Mishra
CEO and Director
DIN : 09349810

Aditya Dar
Director
DIN : 08079013

Sandeep Kumar Jain
Chief Financial Officer

Pooja Shukla
Company Secretary

ENERGY EFFICIENCY SERVICES LIMITED
Notes to the consolidated financial statements (continued)

1. Group information

Energy Efficiency Services Limited (the "Company" or "Parent Company") is a Company domiciled and incorporate in India (CIN: U40200DL2009PLC196789). The address of the Company's registered office is NFL Building, 5th & 6th Floor, Core – III, SCOPE Complex, Lodhi Road, New Delhi- 110003. The Company has its debt securities listed on BSE Limited.

The Company is a Joint Venture of NTPC Limited, Power Finance Corporation Limited, Rural Electrification Corporation Limited and Power Grid Corporation of India Limited under the Ministry of Power. The Company is engaged in implementation of energy efficiency projects as an Energy Saving Company (ESCO). These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in joint ventures. For details of group structure, refer note 53.

The Company acts as the resource center for capacity building for State Distribution Companies (DISCOMs), Energy Regulatory Commissions (ERCs), State Development Authorities (SDAs), upcoming ESCOs, financial institutions, etc. The principal activities of the Company's subsidiaries are manufacture, installation, containerisation, sale and service of diesel and gas generators, sale of related spare parts and investing in and rental of property.

These consolidated financial statements for the year ended 31 March 2022 were approved for issue by Board of Directors on 8 July 2022.

2. 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 Group has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 and 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 Group's date of transition to Ind AS, were maintained on transition to Ind AS.

2.1. Basis of preparation

(i) Statement of Compliance

These consolidated financial statements are prepared on going concern basis following accrual system 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.

(ii) Basis of measurement

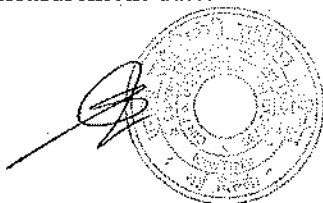
The consolidated financial statements have been prepared on a historical cost basis except for:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments); and
- Plan assets in the case of employees defined benefit plans that are measured at fair value.

The methods used to measure fair values are discussed in notes to the consolidated financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the consolidated financial statements (continued)

(iii) 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 (up to two decimals), except as stated otherwise.

(iv) Current and non-current classification

The Group 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.

2.2. Basis of consolidation

The financial statements of Subsidiary Companies and Joint ventures are drawn up to the same reporting date as of the Company for the purpose of consolidation.

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests (NCI) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the consolidated financial statements (continued)

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

(ii) Joint ventures

Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the group 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 group and its joint ventures are eliminated to the extent of the group's interest in these entities. 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 group.

The carrying amount of equity accounted as investments are tested for impairment in accordance with the policy described in C.15 below.

When the group 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 group 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.

2.3. Property, plant and equipment

(i) Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Project Development Cost incurred on ESCO Model Energy Efficiency Projects undertaken by the Group are recognised as property, plant and equipment.

Project Development Cost includes purchase price, taxes and duties, labor 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.

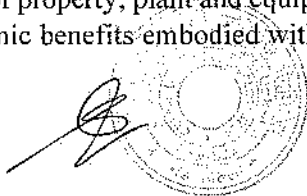
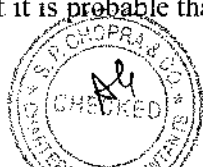
When parts of an item of property, plant and equipment have different useful lives, they are recognised separately.

In the case of assets put to use, where final settlement of bills with contractors is yet to be affected, capitalisation is done on a provisional basis subject to necessary adjustment in the year of final settlement.

(ii) 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 Group 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 Group and its cost can be



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the consolidated financial statements (continued)

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.

(iii) 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.

(iv) 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 derecognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

(v) Depreciation

Depreciation is recognised in the statement of profit and loss on pro rata basis on Straight Line Method using the rate arrived on useful lives of assets, specified in part C of Schedule II thereto of the Companies Act 2013 (the 'Act'). Freehold land is not depreciated.

Estimated useful lives of the assets, based on technical assessment, are as follows:

Nature of assets	Life of property, plant and equipment
Project equipment	3-10 years
Solar plant	25 years
Smart meter	8-10 years
Public chargers	10 years
E-Vehicles	5-8 years
Building	30 years
Furniture and fittings	10 years
Office equipment	5 years
Computers	3 years
Cell phones	2 years
Residential assets	3 years

Estimated useful lives of the assets of foreign subsidiaries are as follows:

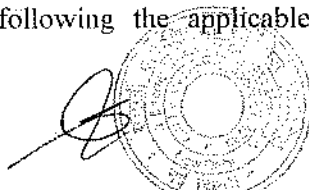
Nature of assets	Life of property, plant and equipment
Buildings	50 years
ESCO projects	Project period
Motor vehicles	5/6 years
Fixtures and fittings	6/8/10 years
Plant and machinery	6/8 years
Computer equipment	6/8 years

Leasehold improvements are depreciated on straight line basis over lower of 3 years and their initial agreement period unless the entity expects to use the asset beyond the lease term.

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 and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed of.

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.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the consolidated financial statements (continued)

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.

The Company considers the residual value of project equipment of ₹ 100.

The residual values, useful lives and method of depreciation of assets are reviewed at each financial year end and adjusted prospectively, wherever required.

2.4. Capital work-in-progress

The cost of self-constructed assets includes the cost of materials and direct labor, 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 and borrowing costs.

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 doesn't materialize, then the expenditure incurred in respect of the same is charged to Statement of Profit and Loss in that year.

2.5. Intangible assets

(i) Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Group, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for their intended use.

(ii) Subsequent costs

Subsequent expenditure is recognized 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 enterprise and the cost of the item can be measured reliably.

(iii) Derecognition

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

(iv) Amortisation

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

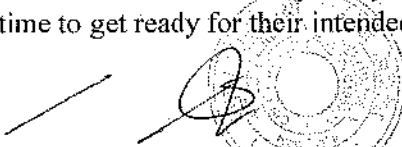
The amortization period and the amortization method of intangible assets with finite useful lives is reviewed at each financial year end and adjusted prospectively, wherever required.

2.6. Borrowing costs

Borrowing costs consist of:

- (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments';
- (b) finance charges in respect of leases recognized in accordance with Ind AS 116 – 'Leases' and
- (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest 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.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the consolidated financial statements (continued)

When the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When Group 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 borrowings that are outstanding during the period and used for the acquisition or construction of the qualifying asset.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. 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 subsequent year of utilization.

2.7. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares is ascertained on review and provided for.

2.8. Cash and cash equivalents

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

2.9. Government grants

Government grants related to assets are recognized initially as deferred income when there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Group for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

2.10. Provisions, contingent liabilities and contingent assets

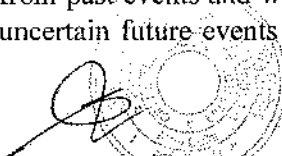
A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, 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, considering 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 Group. 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 based on judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the consolidated financial statements (continued)

Contingent assets are disclosed in the consolidated financial statements when inflow of economic benefits is probable based on judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements.

2.11. Foreign currency transactions and translations

(i) Foreign currency transactions

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 and equipment recognised up to 31 March 2016 and still outstanding are adjusted to carrying cost of property, plant and equipment.

Non-monetary items are measured in terms of historical cost in a foreign currency and are translated using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Group initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

(ii) Foreign operations

The assets and liabilities of foreign operations (i.e. subsidiary) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the average exchange rate as the average rate approximates the actual rate at the date of the transaction.

2.12. Revenue

Group's revenues arise from sale of goods, rendering of services and other income. Revenue from other income comprises interest from banks, employees and customers, other miscellaneous income, etc.

(i) Revenue from sale of goods

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Group recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

(ii) Revenue from rendering of services

Revenue from rendering of services is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Group recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the services is transferred to a customer.

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

• **Energy efficiency services:**

Revenue from rendering of energy efficiency services by supply and installation of streetlights, agricultural pumps and other equipment is recognised over time as the customers simultaneously receive and consume the benefits provided by the Group.

• **Consultancy services:**

Revenue from consultancy services rendered is recognised over time based on satisfaction of performance obligations over time as the customers simultaneously receive and consume the benefits provided by the Group. Revenue from consultancy services rendered was recognised in the statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion was assessed by reference



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Notes to the consolidated financial statements (continued)

to actual progress/technical assessment of work executed, in line with the terms of the respective contracts. Income on consultancy contracts are accounted in proportion to expenses incurred based on the progress of service rendered on that contract.

Contract modifications

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catchup basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

(iii) Other income

Interest income is recognised, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis considering the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

For debt instruments measured 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 Group 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.

The interest/surcharge on late payment/overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

2.13. Employee benefits

(i) 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 the statement of profit and 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 the predetermined rates to regional provident fund commissioner. Further, the group voluntarily contributes 6% to an external pension fund for the employees of its subsidiaries.

The Company has a trust for Contributory Superannuation Scheme which provides pension benefits and Company pays a fixed contribution to the trust.

The contributions to both the funds for the year are recognised as expense and are charged to the statement of profit and loss.

(ii) 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 contributes to (Life Insurance Corporation of India) a fund set up by the Company and administered by a board of trustees with respect to its gratuity obligation.

The Company's net obligation in respect of defined benefit plans is calculated 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 and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that



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Notes to the consolidated financial statements (continued)

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 and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognised in other comprehensive income (OCI) in the period in which they arise.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in statement of profit and loss.

(iii) 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 the statement of profit and loss in the period in which they arise.

(iv) Short-term benefits

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

A liability is recognised for the amount expected to be paid under performance related pay if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.14. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognised in the statement of profit and 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 respectively.

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.

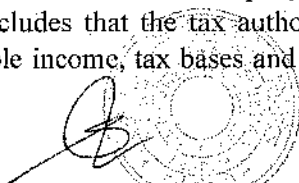
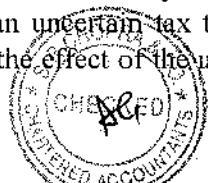
Deferred tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in OCI or equity, in which case it is recognised in OCI or equity respectively.

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 utilized. 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.

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. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realised the asset and settle the liability simultaneously.

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

When there is uncertainty regarding income tax treatments, the Company assesses whether the tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is



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Notes to the consolidated financial statements (continued)

recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

2.15. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(i) Where the Group is a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

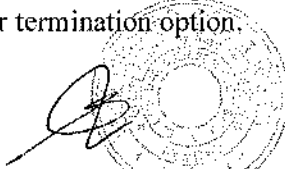
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate is used.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the consolidated financial statements (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities as a separate line item on the face of the Balance Sheet. The Group has elected to use the recognition exemptions for short-term and low value leases as per Ind AS 116.

(ii) Where the Group is a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Amounts due from lessees under finance leases are recorded as receivables ('Finance lease receivables') at the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.16. Impairment of non-financial assets

The carrying amounts of the Group'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 statement of profit and 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 increased 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.

2.17. Operating segments

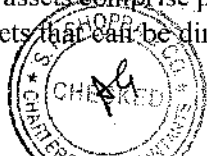
In accordance with Ind AS 108, Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

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, property,



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the consolidated financial statements (continued)

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.

2.18. Dividends

Dividends and interim dividends payable to the Group's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

2.19. 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.

2.20. 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.

2.21. Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 Statement of cash flows.

2.22. 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.

(i) Financial assets

Initial recognition and measurement

The Group recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by considering 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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and 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 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 Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of 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 categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group 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 statement of profit and loss.

Equity Investments

Equity investments are measured at fair value. The Group decides to classify the equity investments either as at FVTOCI or FVTPL. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group 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 Group 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) Receivables, unbilled revenue and contract assets under Ind AS 115 and Ind AS 116.

For trade receivables and unbilled revenue, the Group applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For recognition of impairment loss on other financial assets and risk exposure, the Group 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,



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the consolidated financial statements (continued)

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.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

(ii) 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 Group'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 the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by considering 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 statement of profit and 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 by the Group 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 statement of profit and loss.

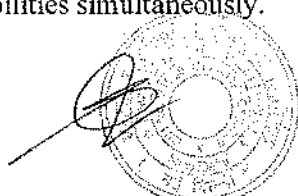
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Group 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 Group 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 and loss.

(iii) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



2.23. Other expenses

Expenses on annual maintenance, legal & professional consultancy, training & recruitment etc. are charged to statement of profit and loss in the year incurred.

2.24. Related party transactions

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

D. Use of estimates and management judgments

The preparation of consolidated 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 consolidated 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 consolidated financial statements is as under:

(i) Property, plant and equipment and intangible assets

The estimated useful life of property, plant and equipment and intangible assets 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 useful life of property, plant and equipment and intangible assets are reviewed at the end of each reporting date and adjusted prospectively, if appropriate.

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

(ii) Impairment of non-financial assets

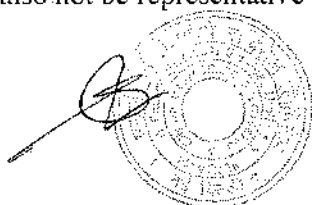
The recoverable amount of investment in joint venture companies is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee Group. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

(iii) Revenues

The Group applies judgements that affect the determination of the amount and timing of revenue from contracts with customers. The Group also applies judgement to determine whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Group allocates the consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. Rebates and discounts, if any, are recognised as a reduction from revenue based on management estimates.

(iv) Provision for expected credit loss (ECL) of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to the consolidated financial statements (continued)

(v) Leases not in legal form of lease

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(vi) Post-employment benefit plans

Employee benefit obligations are measured based on 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 Group 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.

(vii) 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.

(viii) Income taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.



Energy Efficiency Services Limited
Notes to the consolidated financial statements for the year 31 March 2022

3 Property, plant and equipment

Particulars	Gross block					Depreciation					Net block	
	As at 1 April 2021	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2022	Upto 1 April 2021	For the year	Deductions/ adjustments	Foreign exchange translation difference	Upto 31 March 2022	As at 31 March 2022	₹ in Lakhs
Project equipment	3,23,222.69	21,154.70	-	-	3,44,377.39	1,35,915.95	51,043.67	-	-	1,86,959.62	1,57,417.77	
Solar plant	52,581.96	26,188.46	-	-	78,770.42	2,355.51	2,704.78	-	-	5,060.29	73,710.13	
Smart meter	56,481.28	28,470.77	-	-	84,952.05	10,588.05	9,242.73	-	-	19,830.78	65,121.27	
Public chargers	400.30	526.83	-	-	927.13	27.91	65.53	-	-	93.44	833.69	
E-Vehicles	1,262.48	418.12	-	-	1,680.60	201.31	195.41	-	-	396.72	1,283.88	
Building	5,224.72	335.09	-	(124.86)	5,434.95	2,529.19	434.35	-	(69.90)	2,893.64	2,541.31	
Furniture and fitting	2,623.20	624.54	-	(51.67)	3,196.07	1,955.54	215.33	-	(44.44)	2,126.43	1,069.64	
Office equipment	400.28	45.84	0.18	0.24	446.18	235.19	61.55	0.02	0.05	296.77	149.41	
Computers	745.86	40.32	132.03	-	654.15	484.35	106.18	123.87	-	466.66	187.49	
Cell phones	92.69	16.01	90.33	-	18.37	83.79	9.53	86.29	-	7.03	11.34	
Residential assets	79.06	-	79.06	-	-	75.10	-	75.10	-	-	-	
Leasehold improvements	247.70	190.50	-	-	438.20	163.23	103.57	-	-	266.80	171.40	
Plant and machinery	3,610.76	94.25	1,942.04	(52.96)	1,710.01	1,112.30	79.34	29.85	(26.47)	1,135.32	574.69	
Other motor vehicles	372.84	-	36.32	(6.91)	329.61	345.85	2.53	36.32	(6.35)	305.71	23.90	
Total	4,47,345.82	78,105.43	2,279.96	(236.16)	5,22,935.13	1,56,073.27	64,264.50	351.45	(147.11)	2,19,839.21	3,03,095.92	

As at 31 March 2021

Particulars	Gross block					Depreciation					Net block	
	As at 1 April 2020	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2021	Upto 1 April 2020	For the year	Deductions/ adjustments	Foreign exchange translation difference	Upto 31 March 2021	As at 31 March 2021	₹ in Lakhs
Project equipment	2,80,924.36	42,298.33	-	-	3,23,222.69	89,217.54	46,698.41	-	-	1,35,915.95	1,87,306.74	
Solar plant	27,226.56	25,355.40	-	-	52,581.96	710.40	1,645.11	-	-	2,355.51	50,226.45	
Smart meter	40,338.81	16,142.47	-	-	56,481.28	3,652.05	6,936.00	-	-	10,588.05	45,893.23	
Public chargers	54.30	346.00	-	-	400.30	4.02	23.89	-	-	27.91	372.39	
E-Vehicles	654.36	608.12	-	-	1,262.48	79.21	122.10	-	-	201.31	1,061.17	
Building	5,062.86	40.55	-	121.31	5,224.72	2,050.89	396.14	-	82.16	2,429.19	2,695.53	
Furniture and fitting	2,370.26	187.84	23.09	88.19	2,623.20	1,715.88	188.47	12.96	64.15	1,955.54	667.66	
Office equipment	296.27	104.01	-	-	400.28	173.75	61.44	-	-	235.19	165.09	
Computers	539.30	210.73	4.17	-	745.86	391.65	95.84	3.14	-	484.35	261.51	
Cell phones	83.92	8.82	0.05	-	92.69	68.54	15.26	0.01	-	83.79	8.90	
Residential assets	80.27	-	1.21	-	79.06	60.99	15.11	1.00	-	75.10	3.96	
Leasehold improvements	279.81	-	32.11	-	247.70	76.14	87.09	-	-	163.23	84.47	
Plant and machinery	1,640.72	19.99	(1,811.62)	138.43	3,610.76	981.86	94.52	-	35.92	1,112.30	2,498.46	
Other motor vehicles	354.31	-	-	18.53	372.84	324.38	4.22	-	17.25	345.85	26.99	
Total	3,59,906.11	85,322.26	(1,750.99)	366.46	4,47,345.82	99,507.30	56,383.60	17.11	199.48	1,56,073.27	2,91,272.55	

* Refer note 60.



3 Property, plant and equipment (Continued)

a) Exchange differences capitalised are disclosed in the 'Addition' column of capital work-in-progress (CWIP) and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustments' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of property, plant and equipment (PPE). Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of PPE and CWIP are given below:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
	Exchange variations	Borrowing costs
Project equipment	735.95	1,639.59
Solar plant	361.53	558.36
Smart meter	850.18	1,702.07
Public chargers	-	-
Total	1,947.66	3,900.02
	164.66	3,492.44

b) The borrowing cost capitalised during the year is net of income on idle funds amounting to ₹ 220.03 Lakhs (31 March 2021: ₹ 70.12 Lakhs).

c) Refer note 24 and 31 for information on property, plant and equipment pledged as security by the group.

d) Refer Note 58 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

e) Refer note 46 for restatement in previous period.

f) Details of title deeds of immovable properties not held in name of the Group:

Item category of Balance sheet	Description of item of Property	Gross carrying value (₹ in Lakhs)	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Office building in Kolkata	335.09	NBCC (India) Limited	No	31-Mar-21	Awaiting completion of legal formalities

g) During the year the group has not revalued any of its Property, plant and equipment or intangible assets.

h) Energy Efficiency Services Limited is in possession of 727.06 acres (31 March 2021: 536.48 acres) of land at 142 locations (31 March 2021: 113 locations) for development of solar plants.

i) Energy Efficiency Services Limited's property, plant and equipment primarily consists of project assets under ESCO model, which are spread all over the country, however, physical verification of these assets could not be undertaken, pending finalisation of modalities in view of large quantities per contract/ projects. Company is taking adequate steps to work out the modalities for the same and thereafter physical verification shall be undertaken in the phased manner.

j) The computation of right to use assets and lease liability in respect of subsidiaries has been taken as per audited consolidated financial statements of subsidiary EESL EnergyPro Asset Limited and Convergence Energy Services Limited.



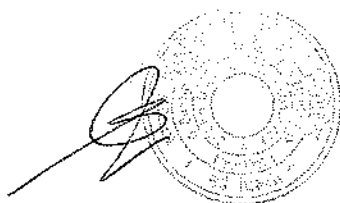
4 Capital work-in-progress

As at 31 March 2022				₹ in Lakhs
Particulars	As at 1 April 2021	Additions	Deductions/ adjustments/ capitalised	As at 31 March 2022
Project equipment				
Street lights	49,533.54	19,086.47	18,860.80	49,759.21
Building	9,276.31	756.49	1,798.81	8,233.99
Trigeneration project	1,566.35	12.29	1,553.55	25.09
National Motor Replacement Program Project	213.37	15.66	213.37	15.66
Municipal Demand Side Management (MuDSM)	46.72	36.07	36.07	46.72
	60,636.29	19,906.98	22,462.60	58,080.67
Solar plant	32,387.80	9,626.74	25,982.36	16,032.18
Smart Meter	26,245.44	29,889.24	28,312.96	27,821.72
Public chargers	1,481.60	1,484.39	392.89	2,573.10
Solar rooftop	16.74	415.40	-	432.14
Glass furnace	562.64	19.34	(2.46)	584.44
Total	1,21,330.51	61,342.09	77,148.35	1,05,524.25

As at 31 March 2021				₹ in Lakhs
Particulars	As at 1 April 2020	Additions	Deductions/ adjustments/ capitalised	As at 31 March 2021
Project equipment				
Street lights	69,278.04	17,180.29	36,924.79	49,533.54
Building	12,068.88	2,500.29	5,292.86	9,276.31
Trigeneration project	1,213.12	353.23	-	1,566.35
National Motor Replacement Program Project	97.67	196.37	80.67	213.37
Municipal Demand Side Management (MuDSM)	0.05	46.67	-	46.72
	82,657.76	20,276.85	42,298.32	60,636.29
Solar plant	22,145.75	35,597.45	25,355.40	32,387.80
Smart Meter	25,620.49	16,767.42	16,142.47	26,245.44
Public chargers	170.31	1,657.29	346.00	1,481.60
Solar rooftop	-	16.74	-	16.74
Glass furnace	-	562.64	-	562.64
Software	7.55	-	7.55	-
Total	1,30,601.86	74,878.39	84,149.74	1,21,330.51

Notes to capital work-in-progress

- The borrowing cost proportionate to the unutilised amount of borrowings for qualifying assets is carried forward for capitalization in the year of its utilization. However, income earned on temporary investment of the borrowings is deducted from the borrowing costs eligible for capitalisation. During the year, the Company has capitalised employee benefit expenses amounting to ₹ 1,910.79 Lakhs (31 March 2021: ₹ 2,627.39 Lakhs) and other expenses amounting to ₹ 1,227.97 Lakhs (31 March 2021: ₹ 1,513.09 Lakhs) which are directly attributable to assets.
- The Group is in process of assessment of assets held under capital work-in-progress available for use but pending capitalisation/ recognition of revenue to that extent due to non-receipt of completion certificate from Urban Local Bodies (ULBs). Obtaining of pending completion certificates is under active follow-up with the ULBs and same will be capitalized on receipt thereof.
- The Capital work-in-progress includes inventory of capital items of ₹ 46,227.83 Lakhs held with the Company as at 31 March 2022 (31 March 2021: ₹ 54,178.01 Lakhs).
- The details/ components of project wise work/ components appearing under capital work-in-progress are under preparation/ compilation in view of number of contracts of large quantities consisting of small items, hence the assessment of stage of completion of such small quantities could not be ascertained due to lack of complete information of its installation from the contractors/ vendors. Appropriate steps have been initiated to compile those details to suitably capitalise these items project wise.



4 Capital work-in-progress (continued)

c) Ageing schedule of capital work-in-progress

As at 31 March 2022					₹ in Lakhs
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	51,474.73	20,909.26	12,784.51	20,355.75	1,05,524.25
Projects temporarily suspended	-	-	-	-	-
Total	51,474.73	20,909.26	12,784.51	20,355.75	1,05,524.25

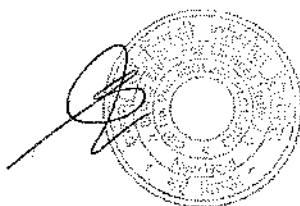
As at 31 March 2021					₹ in Lakhs
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	78,074.19	18,075.74	12,078.57	13,102.01	1,21,330.51
Projects temporarily suspended	-	-	-	-	-
Total	78,074.19	18,075.74	12,078.57	13,102.01	1,21,330.51

d) Completion schedule whose completion is overdue or has exceeded its cost compared to its original plan:

As at 31 March 2022					₹ in Lakhs
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Completion is overdue	-	-	-	-	-
Exceeded its costs to its original plan:	-	-	-	-	-
Projects temporarily suspended					
Completion is overdue:	-	-	-	-	-
Exceeded its costs to its original plan:	-	-	-	-	-
Total	-	-	-	-	-

As at 31 March 2021					₹ in Lakhs
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
Completion is overdue	-	-	-	-	-
Exceeded its costs to its original plan:	-	-	-	-	-
Projects temporarily suspended					
Completion is overdue:	-	-	-	-	-
Exceeded its costs to its original plan:	-	-	-	-	-
Total	-	-	-	-	-

Information to the extent readily available in the records is furnished and may not be comprehensive in view of large number of projects due to paucity of time, being the first-time requirement to present the information under Schedule III of the Companies Act, 2013.



Energy Efficiency Services Limited
Notes to the consolidated financial statements for the year 31 March 2022

5 Right-of-use assets

Particulars	Gross block			Amortisation			Net block	
	As at 1 April 2021	Additions	Deductions/ adjustments	Foreign	As at 31 March 2022	Upto 1 April 2021	For the year	Upto 31 March 2022
Right of use assets*	2,519.77	619.13	595.22	2.39	2,546.07	904.13	905.13	1,279.83
Total	2,519.77	619.13	595.22	2.39	2,546.07	904.13	905.13	1,279.83

As at 31 March 2021

Particulars	Gross block			Amortisation			Net block	
	As at 1 April 2020	Additions	Deductions/ adjustments	Foreign	As at 31 March 2021	Upto 1 April 2020	For the year	Upto 31 March 2021
Right of use assets*	2,443.74	343.03	278.01	11.01	2,519.77	547.12	587.07	904.13
Total	2,443.74	343.03	278.01	11.01	2,519.77	547.12	587.07	904.13

6 Intangible assets

Particulars	Gross block			Amortisation			Net block	
	As at 1 April 2021	Additions	Deductions/ adjustments	Foreign exchange	As at 31 March 2022	Upto 1 April 2021	For the year	Upto 31 March 2022
Software	2,672.10	25.06	-	(1.54)	2,695.62	1,941.44	214.83	2,154.80
Goodwill*	48,263.10	-	-	(661.58)	47,601.52	-	-	-
Right to Receive Carbon Credits (LED Bulbs Distributed)	-	7,066.45	-	-	7,066.45	-	331.44	331.44
Total	50,935.20	7,091.51	-	(663.12)	57,363.59	1,941.44	546.27	2,486.24

As at 31 March 2021

Particulars	Gross block			Amortisation			Net block	
	As at 1 April 2020	Additions	Deductions/ adjustments	Foreign exchange	As at 31 March 2021	Upto 1 April 2020	For the year	Upto 31 March 2021
Software	2,612.96	651.17	-	7.97	2,672.10	1,333.76	600.38	1,941.44
Goodwill*	48,263.73	-	-	3,725.37	48,263.10	-	-	-
Total	46,550.69	651.17	-	3,733.34	50,935.20	1,333.76	600.38	1,941.44

*The Goodwill valuation has been taken as per the audited consolidated financial statements of its subsidiary EESL Energypro Asset Limited.



Energy Efficiency Services Limited
Notes to the consolidated financial statements for the year 31 March 2022

7 Intangible assets under development

As at 31 March 2022											₹ in Lakhs
Particulars	Gross block				Amortisation				Net block		
	As at 1 April 2021	Additions	Deductions/ adjustments	Foreign exchange	As at 31 March 2022	Upto 1 April 2021	For the year	Deductions/ adjustments	Foreign exchange	Upto 31 March 2022	As at 31 March 2022
Right to Receive Carbon Credits	10.79	-	10.79	-	-	-	-	-	-	-	-
Total	10.79	-	10.79	-	-	-	-	-	-	-	-
As at 31 March 2021											₹ in Lakhs
Particulars	Gross block				Amortisation				Net block		
	As at 1 April 2020	Additions	Deductions/ adjustments	Foreign exchange	As at 31 March 2021	Upto 1 April 2020	For the year	Deductions/ adjustments	Foreign exchange	Upto 31 March 2021	As at 31 March 2021
Right to Receive Carbon Credits	-	10.79	-	-	10.79	-	-	-	-	-	10.79
Total	-	10.79	-	-	10.79	-	-	-	-	-	10.79

a) Ageing schedule of Intangible assets under development

Particulars	Amount for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Right to Receive Carbon Credits	-	-	-	-	-
Total	-	-	-	-	-

Particulars	Amount for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Right to Receive Carbon Credits	10.79	-	-	-	10.79



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
8 Non-current assets - Investment in joint venture accounted for using equity method

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Equity instruments - Unquoted (fully paid up - unless otherwise stated, at cost)		
Joint venture companies		
Intellismart Infrastructure Private Limited (refer note c below) 2,76,85,049 (31 March 2021: 96,04,049) equity shares of ₹10 each	2,618.32	822.01
NEESL Private Limited 2,600 (31 March 2021: 2,600) equity shares of ₹10 each	-	10.61
Total	2,618.32	832.62
Aggregate amount of unquoted investments	2,618.32	832.62
Aggregate amount of impairment in value of investments	-	-

- a) Investments have been valued as per accounting policy no. 2.22.
b) Refer note 53 for disclosure required as per Ind AS 112 'Disclosure of interest in other entities'.
c) The Company has further invested ₹ 1,808.10 Lakhs (31 March 2021: ₹ 960.40 Lakhs) in its joint venture namely Intellismart Infrastructure Private Limited by acquiring 1,80,81,000 equity shares at a par value of ₹ 10 per share against right issue.
d) During the year, the Company's shareholding in its joint venture namely NEESL Private Limited has reduced from 26% to 2.21% as the joint venture partner has introduced fresh equity in the joint venture company. It resulted into reduction in shareholding and in terms of the joint venture agreement, the Company has lost joint control of NEESL Private Limited. The said investment is carried at cost considering the value of investment is nominal.

9 Non-current financial assets - Investments

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Unquoted investments		
Unquoted at Fair Value Through Profit and Loss (FVTPL):		
Investment in Maple Leaf	1,841.49	1,867.36
NEESL Private Limited 2,600 (31 March 2021: Nil) equity shares of ₹10 each	0.26	-
Total	1,841.75	1,867.36
Aggregate amount of unquoted investments	1,841.75	1,867.36
Aggregate amount of impairment in value of investments	-	-

- a) Information about fair value measurement and group's exposure to market risks is disclosed in note 47 and note 48.

10 Non-current financial assets - Loans

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Loan to EnergyPro Asset Management Ltd (includes interest accrued)		
Unsecured, considered good	6,824.37	6,556.07
Loans to employees (includes interest accrued)		
Secured, considered good (refer a below)	214.22	219.97
Unsecured, considered good	73.55	64.21
Total	287.77	284.18
Total	7,112.14	6,840.25

- a) House building loan and conveyance advance to employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given as per the policies of the Group.
b) Refer note 51 for related party disclosures.



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

11 Other non-current financial assets

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Unbilled revenue	418.34	643.08
Security deposits	135.24	93.70
Lease receivables (refer note 60 and note a below)	12,275.36	10,679.87
Deposits with banks	1.71	-
Earmarked balances with banks held as:		
- Security to cash collateralise the bonds	1,296.15	1,182.46
- Deposit in debt service reserve account mandatorily required under loan facility agreement	-	324.31
- Margin money for letter of credit and bank guarantees	32.54	147.18
- Security towards credit cards	28.64	28.11
- Security with government authorities	2.06	3.48
- Deposit against standby letter of credit issued with respect to term loan facility availed by EESL EnergyPro Assets Limited	-	7.73
Total	14,190.04	13,109.92

- a) Finance lease receivables of subsidiaries includes ₹ 2,072.98 Lakhs out of which ₹ 107.72 Lakhs is current finance lease receivable (31 March 2021: ₹ 2,212.29 Lakhs out of which ₹ 109.23 Lakhs is current finance lease receivable) which are subject to uncertainties of recoverability, the directors believe that the receivable will be recovered in full.

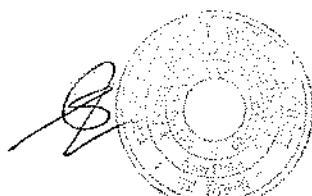
12 Deferred tax asset (net)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Tax effect of items constituting deferred tax assets:		
Unabsorbed losses/depreciation carried forward	8,831.99	3,395.87
Timing difference on account of expense allowable on payment basis	7,086.55	4,251.77
Others	59.32	17.26
Sub-total	15,977.86	7,664.90
Less: Tax effect of items constituting deferred tax liabilities		
Financial assets and liabilities measured at amortised cost	812.23	1,041.20
Difference between accounting base and tax base of property, plant and equipment	6,282.37	4,621.96
Revenue measured at fair value	-	39.99
Others	182.23	558.08
Sub-total	7,276.83	6,261.23
Net deferred tax assets/(liabilities)	8,701.03	1,403.67

- a) 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.
- b) Refer note 44 for disclosure required as per Ind AS 12 Income Taxes.
- c) Deferred tax assets of ₹ 7,241.60 Lakhs has been recognized during the current year since it is probable that future taxable profits will be available against which the temporary difference can be utilized.

13 Other non-current assets

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Capital advances to related parties (refer note 48)	-	-
Capital advances to others	5,834.77	3,121.11
Prepaid expenditure	13.67	7.18
Total	5,848.44	3,128.29



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

14 Inventories

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Stock in trade	16,363.44	20,390.76
Less: Provision for shortage in inventories	353.02	3.61
Finished Goods	2,708.69	-
Work in progress	1,953.70	4,289.24
Raw materials	-	-
Total	20,672.81	24,676.39

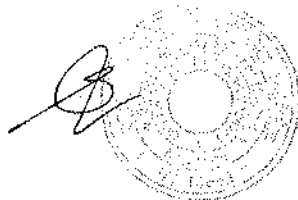
- a) Inventory items have been valued at lower of cost or net realisable value as per accounting policy no: 2.7.
- b) Inventories have been pledged as security for borrowings, for details, refer note 31.
- c) The cost of inventories recognised as expense for the year ended 31 March 2022 is ₹ 63,300.42 Lakhs (including ₹ 2.94 Lakhs as Business promotion) (31 March 2021: ₹ 66,111.24 Lakhs (including ₹ 2.81 Lakhs as Business Promotion)).
- d) The write down of inventories to net realisable value amounting to ₹ 637.39 Lakhs (31 March 2021: ₹ Nil) has been recognised as an expense during the year and included in changes in inventory of stock-in-trade in statement of profit and loss.
- e) The Group does not have any goods in transit.
- f) Reports of sales and purchase orders issued during the year, stores ledger depicting itemised inventory ledgers showing its receipt and issues could not be generated from SAP due to technical issue. However, the Parent Company has carried out the inventory valuation based on balances extracted from SAP and valued it as per the accounting policy.

15 Trade receivables

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Trade receivables		
Considered good – Unsecured	3,56,263.61	3,10,003.49
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	22,393.22	20,294.57
	3,78,656.83	3,30,298.06
Less: Allowance for expected credit losses	13,419.62	7,776.73
Less: Provision for interest variance	10,806.89	6,660.92
Total	3,54,430.32	3,15,860.41

- a) Refer note 48 for details with respect to credit risk.
- b) Amounts receivables from related parties are disclosed in note 51.
- c) Trade receivables (including related party balances) are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.
- d) Trade receivables have been pledged as security for borrowings. For details, refer note 31.
- e) Based on agreements entered with the customers, the receivables have been discounted with the Bank. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ 7,924.73 Lakhs (31 March 2021 : ₹ 32,025.96 Lakhs). Refer note 58.
- f) Refer note 62(i) for trade receivable ageing.
- g) Trade receivables, primarily consisting of dues recoverable from various government bodies/ ULBs, has accumulated to ₹ 3,72,450.02 lakhs as at 31 March 2022. The company appointed an external agency for an assessment/ evaluation of credit risk based on factors such as ageing of dues, specific credit circumstances, nature and credit worthiness, historical payment behaviour etc. Based on aforesaid assessment, Expected Credit Loss (ECL) of ₹ 5,642.89 lakhs has been created during the year resulting in cumulative ECL of ₹ 13,419.62 lakhs as at 31 March, 2022.

The company is actively pursuing/ following up for the recovery of dues from trade receivables with the support of various stakeholders including the administrative ministry and is confident of recovery of these dues as these are mainly from various government agencies, hence the aforesaid provision is considered adequate by the management.



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

16 Cash and cash equivalents

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Balances with banks		
Current accounts	49,197.44	72,828.53
Deposits with original maturity upto three months (including interest accrued)	26,716.21	957.05
Cash on hand	0.48	2.29
Total	75,914.13	73,787.87

a) There are no repatriation restrictions with regard to cash and cash equivalents at the end of reporting and previous year.

17 Bank balances other than cash and cash equivalents

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	16,848.14	39,556.02
Earmarked balances with banks (including interest accrued):		
- Deposit against standby letter of credit issued with respect to term loan facility availed by EESL EnergyPro Assets Limited	12,360.83	11,202.24
- Margin money for letter of credit and bank guarantees	346.57	47.38
- Deposit in debt service reserve account mandatorily required under loan facility agreement	319.82	-
- Security to cash collateralise the bonds	-	640.57
- Security with government authorities	1.60	343.81
Total	29,876.96	51,790.02

18 Current loans

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Loan to employees (including interest accrued)		
Secured, considered good (refer a below)	34.55	38.13
Unsecured, considered good	118.26	101.51
Total	152.81	139.64

a) House building loan and conveyance advance to employees are secured against the mortgage of house properties or hypothecation of vehicles for which such loans have been given as per the policies of the Parent Company.



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

19 Other current financial assets

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Unbilled revenue	15,407.65	18,498.69
Interest Receivable	3.54	-
Lease receivables (refer note 11 and note 60)	3,146.17	3,210.58
Expenses Recoverable	51.08	-
Security deposits	556.24	745.68
Earnest money deposits	-	252.00
Others (refer note a below)	421.19	410.24
	<u>19,585.87</u>	<u>23,117.19</u>
Unsecured, considered doubtful		
Other recoverables (refer note a below)	178.10	-
Less: Provision for doubtful recoverables	<u>178.10</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total	<u>19585.87</u>	<u>23117.19</u>

a) Others includes expenses incurred on behalf of third parties which are recoverable.

20 Current tax assets (net)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Advance tax (net of provision for tax)	1,579.89	1,251.67
Total	<u>1,579.89</u>	<u>1,251.67</u>

21 Other current assets

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Balance/ receivable from statutory authorities		
Unsecured, considered good	24,319.43	28,960.72
Unsecured, considered doubtful	1.15	-
Less: Provision for doubtful receivables	<u>1.15</u>	<u>-</u>
	<u>24,319.43</u>	<u>28,960.72</u>
Advances to/ Recoverables from suppliers		
Related party (refer note 51)	2,360.60	1,245.00
Others		
Unsecured, considered good	10,602.39	4295.25
Unsecured, considered doubtful	674.35	0.00
Less: Provision for doubtful advances	<u>674.35</u>	<u>0.00</u>
	<u>12,962.99</u>	<u>5,540.25</u>
Advance to employees		
Unsecured, considered good	74.54	50.89
Unsecured, considered doubtful	1.61	-
Less: Provision for doubtful advances	<u>1.61</u>	<u>-</u>
	<u>74.54</u>	<u>50.89</u>
Deposits paid under protest (refer note 58)	4,868.15	4,879.39
Prepaid expenditure	2,299.12	9,881.79
Earnest Money Deposit	0.72	-
Advance for expenses	1.10	-
Imprest to employees	34.41	31.33
Undistributed Energy Efficient Bulbs	854.63	5.47
Total	<u>45,415.09</u>	<u>49,349.84</u>



22 Share capital

₹ in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of par value ₹10/- each	350,00,00,000	3,50,000.00	350,00,00,000	3,50,000.00
Issued, subscribed and fully paid up				
Equity shares of par value ₹10/- each	1,39,08,20,000	1,39,082.00	98,33,28,350	98,332.84

a) Movements in equity share capital:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	98,33,28,350	98,332.84	98,33,28,350	98,332.84
Add: Shares issued during the financial year	40,74,91,650	40,749.16	-	-
Balance at the end of the year	1,39,08,20,000	1,39,082.00	98,33,28,350	98,332.84

The promoters initially subscribed to 25% shares each of the Parent Company. Over the years, the Parent Company has made offers for right issue under private placement of equity shares to existing shareholders. Some shareholders have not subscribed to the offered shares or renounced their right to other shareholder resulting in change in their shareholding percentage from the original 25%.

The Board of Directors in their 90th Board Meeting held on 12 August 2021 issued and offered equity shares amounting to ₹ 40,749.16 lakhs to all existing shareholders on rights basis in the proportion of their shareholding at par. Power Grid Corporation of India Limited (PGCIL) subscribed to the offer, while NTPC Limited declined and Power Finance Corporation Limited and REC Limited renounced their offers in favour of PGCIL. As a result, 40,749,1650 equity shares amounting to ₹ 40,749.16 lakhs were allotted to PGCIL on 6 September 2021. The revised shareholding post the right issue is given in note d below.

- b) The Parent Company has neither issued any bonus shares nor issued any shares for consideration other than cash during the five years immediately preceding the current financial year. The Parent Company has also not bought back any shares during the same period.

c) Terms and rights attached to equity shares:

The Parent 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 share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. No dividend has been paid/proposed to be paid to the shareholders during the year 2021-22 (2020-21: Nil).

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

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	%age holding	No. of shares	%age holding
Powergrid Corporation of India Limited	46,36,10,000	33.33%	5,61,18,350	5.70%
NTPC Limited	46,36,10,000	33.33%	46,36,10,000	47.15%
Power Finance Corporation Limited	24,55,00,000	17.65%	24,55,00,000	24.97%
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	15.69%	21,81,00,000	22.18%
Total	1,39,08,20,000		98,33,28,350	

As per the records of the Parent Company, including its register of shareholders/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e) Details of changes in promoter shareholding during the year:

Name of the promoter	As at 31 March 2022		As at 31 March 2021		% Change during the year
	No. of shares	%age holding	No. of shares	%age holding	
Powergrid Corporation of India Limited	46,36,10,000	33.33%	5,61,18,350	5.70%	27.63%
NTPC Limited	46,36,10,000	33.33%	46,36,10,000	47.15%	(13.82%)
Power Finance Corporation Limited	24,55,00,000	17.65%	24,55,00,000	24.97%	(7.32%)
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	15.69%	21,81,00,000	22.18%	(6.49%)
Total	1,39,08,20,000		98,33,28,350		

- f) On 1 September 2021, the promoters, in accordance with the recommendations of the Ministry of Power regarding restructuring of the Parent company, executed a supplementary agreement amending the provisions of the Joint Venture Agreement pertaining to shareholding and management of the Parent Company. The Articles of Association of the Parent company were also altered. As per the amended agreement, the Board should comprise of six (6) directors including two (2) each from NTPC and Power Grid, one government nominated director not below the rank of Joint Secretary of Ministry of Power and the Chief Executive Officer (CEO) of the Parent Company. The Parent Company shall have a professional management team headed by the Chief Executive Officer (CEO). The CEO shall be responsible to the Board of Directors for the efficient functioning, corporate objectives, and performance parameters of the Parent Company and its Group Companies.

Further, it was decided that shareholding of NTPC Limited and PowerGrid Corporation of India Limited shall remain equal going forward and shareholding of Power Finance Corporation Limited and REC Limited shall be brought down to less than 10%. Accordingly, NTPC Limited and PowerGrid Corporation of India Limited shall infuse the capital equally in future.



23 Other equity

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Debenture redemption reserve	7,000.00	12,434.13
Statutory reserve	0.15	0.15
Retained earnings	(24,588.61)	(12,864.17)
Foreign currency translation reserve	484.79	1,028.07
Total	(17,103.67)	598.18

a) Share application money pending allotment

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	-	-
Share application money received	40,749.16	-
Equity shares issued	(40,749.16)	-
Closing balance	-	-

b) Debenture redemption reserve

The Group 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. Movement in reserves is as follows:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	12,434.13	15,126.44
Add: Transfer (to)/from retained earnings	(5,434.13)	(2,692.31)
Closing balance	7,000.00	12,434.13

c) Statutory reserve

In accordance with the U.A.E. Federal Law No. 2 of 2015, the Group has established a statutory reserve by appropriating 10% of the profits of EESL Energy Solutions LLC until the reserve reaches 50% of the share capital of the subsidiary. This reserve is not available for distribution except in the circumstances stipulated by the law.

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	0.15	-
Less: Transferred from retained earnings	-	(0.15)
Closing balance	0.15	0.15

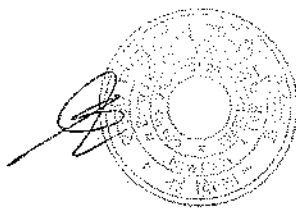
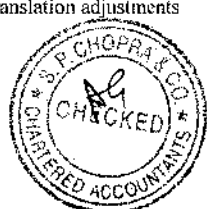
d) Retained earnings

Retained earning represents the amount of accumulated earnings of the company and re-measurement differences on defined benefit plans and gains. Movement in reserves is as follows:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	(12,864.17)	(12,980.42)
Profit for the year as per statement of profit and loss	(16,933.44)	(2,555.54)
Impact of change in ownership interest in Subsidiary (refer note 53)	(134.01)	-
Transfer to statutory reserve	-	(0.15)
Transfer from debenture redemption reserve	5,434.13	2,692.31
	(24,497.49)	(12,843.80)
Items of OCI recognised directly in retained earnings:		
Net actuarial gains/(losses) on defined benefit plans	(91.12)	(20.37)
Closing balance	(24,588.61)	(12,864.17)

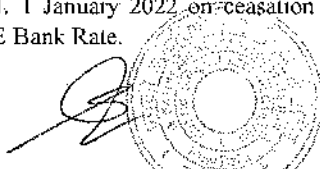
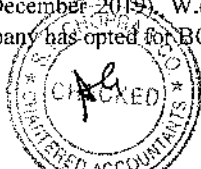
e) Foreign currency translation reserve

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	1,028.07	(862.26)
Add: Currency translation adjustments	(543.28)	1,890.33
Closing balance	484.79	1,028.07



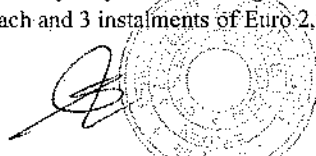
24 Non-current borrowings

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Secured Debentures/Bonds		
(i) 8.07% Debentures (Domestic bonds)- Secured by pari passu charge on the movable fixed assets both present and future (8.07% p.a. secured non-cumulative non-convertible redeemable taxable bonds with two unequal separately transferable redeemable principal parts (STRPP) of ₹12,500.00 Lakhs and ₹25,000.00 Lakhs redeemable at par on 20 September 2021 and 20 September 2023, respectively (First Issue - Private Placement)	26,072.32	39,100.18
Unsecured Debentures/Bonds		
(i) 7.80% Debentures (Domestic bonds) (7.80% p.a. unsecured non-cumulative non-convertible redeemable taxable bonds repayable as bullet payment in the month of July 2022 amounting ₹45,000.00 Lakhs (Second Issue - Private Placement)	47,471.42	47,471.42
(ii) 8.29% Debentures (Domestic bonds) (8.29 % p.a. unsecured non-cumulative non-convertible redeemable taxable bonds repayable as bullet payment in the month of May 2021 amounting ₹12,500.00 Lakhs (Fourth Issue - Private Placement)	-	12,676.02
Term loan from banks		
Secured term loan		
(i) Bank of Baroda- Secured by pari passu charge on the movable fixed assets both present & future (ROI linked to 1 year MCLR, repayable in 10 equated half yearly instalments starting from January 2022 and ending in July 2026)	45,000.00	50,000.00
(ii) Bank of Baroda- Secured by pari passu charge on the movable fixed assets both present & future (ROI linked to 1 year MCLR, repayable in 10 equated instalments starting from March 2021 and ending in September 2025)	34,979.95	44,967.60
(iii) Canara Bank- Secured by pari passu charge on the movable fixed assets both present & future (ROI linked to 1 year MCLR, repayable in 10 equated instalments of each tranche starting from September 2020 and ending in March 2025)	29,959.91	39,964.91
Canara Bank- Secured by pari passu charge on the movable fixed assets both present & future (ROI linked to 1 year MCLR, repayable in 5 equated yearly instalments for 60 months from the date of drawl of each tranche)	20,016.22	-
(v) ICICI Bank UK Plc - secured by way of corporate guarantee from Energy Efficiency Services Limited, a charge over shares of Edina Power Services Limited, Edina UK Limited and Edina Limited; and a debenture over Edina Power Services Limited, Edina Limited and Edina UK Limited (ROI: 3 months LIBOR plus 240 bps repayable in 10 equal instalments of GBP 750,000 each starting from January 2020). W.e.f 1 January 2022 on cessation of LIBOR benchmark, the company has opted for BOE Bank Rate and thus margin has been increased from 2.40% to 2.4793%.	749.69	3,764.87
(vi) ICICI Bank UK Plc - secured by way of a charge over shares of Edina Power Services Limited, Edina UK Limited, Edina Limited, Edina Power Limited, Stanbeck Limited and Armoura Holdings Limited; a debenture over Edina Power Services Limited, Edina Limited, Edina UK Limited, Edina Power Limited, Stanbeck Limited and Armoura Holdings Limited; and a mortgage over properties of Edina UK Limited, Stanbeck Limited and Armoura Holdings Limited (ROI: 3 months LIBOR plus 343 bps repayable in 20 equal instalments of GBP 62,500 each starting from December 2019). W.e.f. 1 January 2022 on cessation of LIBOR benchmark, the company has opted for BOE Bank Rate.	621.08	875.27



24 Non-current borrowings (continued)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
(vi) National Westminster Bank PLC- Secured by way of fixed and floating charge over all property and assets, present and future, including deposits of Edina UK Limited (ROI: Base Rate plus 179 bps repayable as 31 equated monthly instalments of GBP 9850 each and balance as bullet payment on 24 November 2020)	-	-
Unsecured term loan		
(i) Bank of Baroda, UK- secured by way of corporate guarantee from Energy Efficiency Services Limited (ROI: 3 months LIBOR plus 280 bps repayable as bullet payment of GBP 12 Millions on 13 March 2023. W.e.f. 1 January 2022 on cessation of LIBOR benchmark, the company has opted for BOE Bank Rate and thus margin has been increased from 2.80% to 2.85%.)	11,982.68	12,042.35
(ii) ICICI Bank UK Plc - secured by way of Stand by letter of credit issued by ICICI Bank, India on behalf of Energy Efficiency Services Limited (ROI: 6 month LIBOR plus 170 bps repayable as bullet payment in the month of April 2022 amounting to GBP 10.50 Millions). W.e.f 1 January 2022 on cessation of LIBOR benchmark, the company has opted for BOE Bank Rate and thus margin has been increased from 1.70% to 1.9366%.	10,543.35	10,653.34
(iii) Punjab National Bank (ROI linked to 6 months MCLR, repayable in 10 equated instalments starting from June 2021 and ending in December 2025)	39,838.32	49,938.26
(iv) Bank of Baroda, UK- secured by way of corporate guarantee from Energy Efficiency Services Limited (ROI: 3 months LIBOR plus 280 bps repayable in 8 equal instalments of GBP 375,000 each starting from September 2020. W.e.f 1 January 2022 on cessation of LIBOR benchmark, the company has opted for BOE Bank Rate and thus margin has been increased from 2.80% to 2.85%.)	373.32	1,892.83
Unsecured term loan from other than banks		
(i) CTF Loan (ADB)-Guaranteed by Government of India (0.25% p.a. loan repayable on half yearly basis starting from 15 May 2030 in 20 instalments of USD 460000 and 40 instalments of USD 920,000 each)	34,793.69	33,804.35
(ii) IBRD Loan -Guaranteed by Government of India (6 month LIBOR+variable spread, if any, currently at 0.96% p.a., loan repayable on half yearly basis starting from 15 May 2023 in 27 equal instalments of 3.57% of disbursed amount and last installment of 3.61% of disbursed amount)	1,06,943.36	93,351.05
(iii) ADB Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 0.930076% p.a., loan repayable on half yearly basis starting from 15 March 2022 in 30 equal instalments)	1,04,179.94	97,134.72
(iv) ADB Loan -Guaranteed by Government of India (6 month LIBOR+ 60 Basis point +/- rebate/surcharge, if any, currently 0.73788% p.a., loan repayable on half yearly basis starting from 15 May 2025 in 30 equal instalments)	15,147.56	-
(v) AFD Loan -Guaranteed by Government of India (1.87% p.a. for Euro 3,719,016.59, 2.20% p.a. for Euro 1,205,674.41, 2.19% p.a. for Euro 8,460,156.73, 2.22% p.a. for Euro 3,112,936.93, 1.35% p.a. for Euro 8,235,022.51, 1.44% p.a. for Euro 5,932,983.01 and 1.42% for Euro 77,14,307.54 loan repayable in half yearly basis starting from 31 October 2020 in 1 instalment of Euro 15,33,289.51 and 19 instalments of Euro 19,39,305.70 each)	28,110.77	31,934.95
(vi) KFW Loan -Guaranteed by Government of India (1.96% p.a. loan repayable on half yearly basis starting from 30 June 2018 in 14 instalments of Euro 2,941,000 each and 3 instalments of Euro 2,942,000 each)	22,522.20	27,994.48
	5,79,305.78	5,97,566.60



24 Non-current borrowings (continued)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Less : Current Maturities of non-current borrowings		
Secured Debentures/Bonds	-	15,000.00
Unsecured Debentures/Bonds	45,000.00	20,000.00
Secured term loan from bank	34,994.64	18,280.91
Unsecured term loan from bank	32,734.33	11,514.26
Unsecured foreign currency loans	15,445.11	11,640.60
Less: Interest accrued on non-current borrowings	4,547.98	5,100.12
Total	4,46,583.72	5,16,030.71

- a) The group has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.
b) The group has used its specific borrowings for the specific purpose for which they were taken.
c) There has been no default in repayment of the loans/ interest thereon as at the end of the year.
d) The group has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
e) The Parent Company has access to ₹ 4,43,494.51 Lakhs foreign currency borrowings which has been sanctioned but not availed as at 31 March 2022. These borrowings have been guaranteed by Government of India. Refer note 48.

25 Non-current lease liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note 60)	308.06	524.14
Total	308.06	524.14

26 Non current trade payables

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Trade payable		
Total outstanding dues of micro enterprises and small enterprises	938.80	1,809.21
Total outstanding dues of creditors other than micro and small enterprises	10,130.39	13,225.32
Total	11,069.19	15,034.53

- a) Amounts payable to related parties are disclosed in note 51.
b) Refer note 62(k) for trade payable ageing.

27 Other non current financial liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Retention money	2,079.96	4,304.82
Total	2,079.96	4,304.82



28 Non current provisions

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity	195.81	99.97
Leave encashment	1,187.36	1,012.06
Total	1,383.17	1,112.03

a) Refer note 54 for disclosure as per Ind AS 19 on 'Employee Benefits'.

29 Deferred tax liabilities (net)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Tax effect of items constituting deferred tax liabilities		
Difference between accounting base and tax base of property, plant and equipment	217.15	138.39
Expenses disallowed	130.38	187.76
Others	-	11.86
Sub-total	347.53	338.01
Less: Tax effect of items constituting deferred tax assets		
Unabsorbed losses/depreciation carried forward	-	159.43
Others	107.00	-
Sub-total	107.00	159.43
Net deferred tax liabilities/(assets)	240.53	178.58

a) 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.

b) Refer note 44 for disclosure required as per Ind AS 12 Income Taxes.

30 Other non-current liabilities

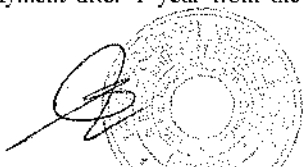
Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Deferred income on account of government grants (refer note 55)	3,771.09	1,797.19
Total	3,771.09	1,797.19

31 Current borrowings

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021

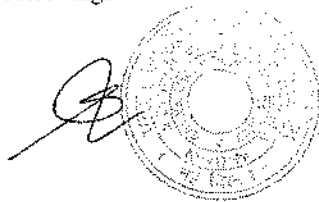
Secured short-term loan from banks

- | | | |
|---|-----------|-----------|
| (i) ICICI Bank - Secured by first pari passu charge on the stock and receivables both present and future
(ROI linked to MCLR repayable as Bullet payment after tenor of the loan (within 1 year) from the date of drawl of the respective tranche) | 18,100.00 | 10,400.00 |
| (ii) Bank of Baroda - Secured by first pari passu charge on the stock and receivables both present and future
(ROI linked to 1 year MCLR repayable as bullet payment after 1 year from the drawl of the Loan amount) | 15,900.00 | 16,000.00 |
| (iii) IndusInd Bank - Secured by pari passu charge on stock and book debts of the Company
(ROI: fixed repayable as Bullet payment after 1 year from the drawl of the loan amount) | 12,500.00 | 15,000.00 |



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
31 Current borrowings (continued)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
(iv) Union Bank of India- Secured by the current assets of the Company present & future (ROI linked to 1 year MCLR repayable as bullet payment after 1 year from the drawl of the Loan amount)	64,999.99	29,987.97
(v) Canara Bank- Secured by first pari passu charge on the stock and receivables both present and future (ROI linked to 1 year MCLR repayable as bullet payment after 1 year from the drawl of the Loan amount)	19,990.21	30,000.00
(iv) ICICI Bank UK Plc - secured by way of a charge over shares of Edina Power Services Limited, Edina UK Limited, Edina Limited, Edina Power Limited, Stanbeck Limited and Armoura Holdings Limited; a debenture over Edina Power Services Limited, Edina Limited, Edina UK Limited, Edina Power Limited, Stanbeck Limited and Armoura Holdings Limited; and a mortgage over properties of Edina UK Limited, Stanbeck Limited and Armoura Holdings Limited (ROE: 3 month LIBOR plus 275 bps repayable as bullet payment in the month of August 2020 amounting to GBP 1,00 Millions). W.e.f 1 January 2022 on cessation of LIBOR benchmark, the company has opted for BOE Bank Rate.	998.37	1,012.08
Secured short-term loans from others		
(i) Bajaj Finance Limited- Secured by first pari passu charge on the current assets both present and future (ROI is 6.75% p.a. repayable as bullet payment after 12 from the drawl of the Loan amount)	7,500.00	-
Unsecured short-term loan from banks		
(i) ICICI Bank UK Plc - secured by way of Stand by letter of credit issued by ICICI Bank, India on behalf of Energy Efficiency Services Limited (ROI: 3 month LIBOR plus 135 bps repayable as bullet payment in the month of May 2022 amounting to GBP 5.50 Millions). W.e.f. 1 January 2022 on cessation of LIBOR benchmark, the company has opted for BOE Bank Rate and thus margin has been increased from 1.35% to 1.4293%.	5,481.43	5,552.30
(ii) Bank of Baroda, UK- secured by way of Standby letter of credit issued by Bank of Baroda, India on behalf of Energy Efficiency Services Limited (ROI: 3 months LIBOR plus 280 bps bullet repayment in Jan 2023). W.e.f. 1 January 2022, on cessation of LIBOR benchmark, the company has opted for BOE Bank Rate and thus margin has been increased from 2.80% to 2.85%	3,982.10	4,038.04
(iii) CTBC Bank (ROI linked to MIBOR repayable as bullet payment after 6 months from the drawl of the Loan amount)	4,000.00	4,000.00
Sub-total	1,53,452.10	1,15,990.39
Current maturities of non-current borrowings (refer note 23)		
Secured Debentures/Bonds	-	15,000.00
Unsecured Debentures/Bonds	45,000.00	20,000.00
Secured term loan from bank	57,728.97	18,280.91
Unsecured term loan from bank	10,000.00	11,514.26
Unsecured foreign currency loans	15,445.11	11,640.60
Sub-total	1,28,174.08	76,435.77
Less: Interest accrued on current borrowings	8.89	2.57
Total	2,81,617.29	1,92,423.59



32 Current lease liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note 60)	517.44	444.15
Total	517.44	444.15

33 Trade payables

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Trade payable		
Total outstanding dues of micro enterprises and small enterprises	9,197.45	8,030.59
Total outstanding dues of creditors other than micro and small enterprises	1,03,021.20	1,13,355.67
Total	1,12,218.65	1,21,386.26

a) Amounts payable to related parties are disclosed in note 51.

Some trade payables had reserved title to goods supplied to the Group. Since the extent to which such trade payables are effectively secured depends on a number of factors and conditions, some of which are not readily determinable, it is not possible to indicate how much of the above amount is secured under reservation of title.

c) Refer note 62(k) for trade payable ageing.

34 Other current financial liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Interest accrued on borrowings	4,556.87	5,102.69
Unclaimed interest on bonds (refer note a below)	1.61	1.61
Liabilities for expenses	1,843.83	2,436.90
Retention money	42,334.21	44,854.69
Earnest money deposit	431.16	494.28
Guarantee fee payable	-	2,907.64
Security Deposit	111.53	118.06
Payable to employees	538.54	409.85
Grant for KUSUM	88.34	-
Commitment fee payable	280.83	291.55
Total	50,186.92	56,617.27

a) Unclaimed interest of ₹ 1.61 Lakhs on debentures (₹ 0.81 Lakhs each pertaining to year 2016-17 and 2017-18) is not due for transfer to "Investor's Education and Protection Fund. The said amount of unclaimed interest has been kept in separate bank account and the holding company is in process of opening an escrow account for the same.



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
35 Other current liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Statutory dues (refer note a below)	12,053.76	13,712.05
Liquidated damages	-	93.25
Revolving/project fund	800.86	838.49
Advance from Customers	444.27	-
Unearned income	828.81	1,610.24
Accrued Cost	116.31	-
Deferred Revenue	6.61	-
Expenses Payable	2.82	-
Retention Amount	1,030.86	-
Deferred income on account of government grants (refer note 55)	756.69	336.89
Total	16,040.99	16,590.92

- a) The sales and its corresponding output tax liability, purchases and its corresponding input tax credit reported in GST returns, the net input tax credit receivable/ net output tax liability payable are subject to reconciliation with the books of accounts and the impact, if any, subsequent to the reconciliation will be taken in annual GST statements/ revised returns to be filed in due course, which in view of management will not be material.

36 Current provisions

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity	19.93	7.41
Leave encashment	49.05	48.54
Total	68.98	55.95

- a) Refer note 54 for disclosure as per Ind AS 19 on 'Employee Benefits'.



37 Revenue from operations

	₹ in Lakhs	
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of goods	49,052.44	53,574.61
Rendering of services	1,73,113.42	1,58,180.35
Rent received	43.64	41.51
Total	2,22,209.50	2,11,796.47

- a) Refer note 59 for disclosure in respect of Ind AS 115, 'Revenue from contracts with customers'.
- b) Refer note 51 for transactions with related parties.
- c) The Parent Company as per practise, recognises revenue under street light agreements with ULB's whereby the start date of project period is taken as the date of first completion certificate received from ULB. For subsequent completion certificates, revenue is recognised co-terminus to the project period based on the initial completion certificate.
- d) The Parent company is in the process to seek clarifications/ amendments in certain agreements for smart meter projects, for extension of period, change in rates etc., the effect of which shall be considered in the year in which such amendments are finalized. Further, as per terms of agreement, revenue from smart meters to be booked for which reading is captured from various Discoms however where the reading could not be captured due to tele communication issue, TD/PD cases etc, the Parent Company is taking steps to devise a suitable mechanism to bill for such installed meters.
- e) The details of streetlights installed and completed till date against quantity ordered by Urban Local Bodies (ULB) is under compilation and thereafter adjustment towards capitalization and revenue recognition, if any, will be undertaken. No material differences are envisaged at this stage and the same will be accounted in the year of completion of compilation/ reconciliation.
- f) Under Trigenation ESCO segment, the details of bill read/ gas consumption etc. could not be compiled due to non-receipt of relevant data from customers. Consequently, the revenue could not be recognized for the period October 2021 to March 2022 and will be recognised in the subsequent period.
- g) The billing towards PMC and repair and maintenance (R&M) for the year in respect of Energy Efficient Pumps under AgDSM project in the state of Andhra Pradesh has been raised to the extent details received from DISCOM and balance bill could not be raised due to splitting of DISCOMS i.e. APSPDCL and APCPDCL. The revenue will be recognised as and when the revised agreement is signed with DISCOMS for the pumps in their relevant jurisdiction.

38 Other income

	₹ in Lakhs	
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income from financial assets measured at amortised cost		
Bank deposits	1,547.87	1,798.04
Trade receivables/unbilled revenue	306.05	559.06
Loans to employees	19.17	18.39
Security deposit	14.09	8.36
Others	247.58	662.95
Interest on income tax refund	-	245.63
Other non-operating income		
Gain on foreign exchange fluctuation (net)	700.66	4,572.78
Penal interest charged from vendors	-	807.02
Grant income (refer note 55)	727.59	845.13
Tender document fees	36.75	27.37
Event Execution Charges	5.02	-
E- Tendering registration fee	13.40	10.64
Liquidation damages recovered from vendors	642.15	2,332.65
Liabilities / excess provisions no longer required written back	79.94	1,523.56
Miscellaneous income (refer note b below)	235.94	842.89
Total	4,576.21	14,254.47

- a) Miscellaneous income includes recovery against notice, recovery for health insurance, recruitment income etc.



39 Changes in inventory of stock-in-trade

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening stock	24,367.36	26,323.56
Closing stock	20,598.09	24,366.58
Total	3,769.27	1,956.98

40 Employee benefits expense

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	18,285.81	17,535.20
Leave encashment	378.74	308.89
Contribution to provident and other funds	957.15	919.47
Staff welfare expenses	218.33	166.44
	19,840.03	18,930.00
Less: Transferred to capital work-in-progress (Note 4)	1,910.79	2,627.39
Total	17,929.24	16,302.61

a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 54.

41 Finance costs

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance charges on financial liabilities measured at amortised cost		
Debentures/Bonds	6,180.94	8,966.66
Loans	25,660.18	24,852.80
Unwinding of discount on retention money	831.99	988.20
Unwinding of discount on trade payable	996.36	123.30
Lease liabilities	93.63	78.61
Net loss on foreign currency transactions and translation	6,524.77	1,929.11
Other borrowing costs		
Guarantee fees for foreign currency term loans	3,416.61	2,633.67
Commitment fees for foreign currency term loans	932.40	1,438.28
Processing Fee	450.45	618.73
Other (refer note a below)	1,032.14	3.69
	46,119.47	41,633.05
Less: Transferred to capital work-in-progress (Note 4)	5,847.68	3,657
Total	40,271.79	37,975.95

a) Other Borrowing costs includes factoring cost of ₹ 780.05 Lakhs (31 March 2021: ₹ 3.69 Lakhs) and loan cancellation fee of ₹ 252.09 Lakhs (31 March 2021: ₹ Nil).

b) Borrowing costs capitalised during the year includes interest cost of ₹ 3,900.02 Lakhs (31 March 2021: ₹ 3,492.44 Lakhs) and foreign exchange variation of ₹ 1,947.66 Lakhs (31 March 2021: ₹ 164.66 Lakhs).

42 Depreciation and amortisation expense

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	64,264.50	56,383.60
Depreciation on right-of-use assets	760.52	587.07
Amortisation of intangible assets	546.27	600.38
Total	65,571.29	57,571.05



43 Other expenses

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Annual maintenance charges (projects)	32,214.59	22,337.16
Legal fees & professional	2,464.31	1,969.35
Manpower cost	4,478.33	3,755.03
Rent	2,966.16	2,262.33
Tour and traveling	1,223.12	1,579.08
Rate and taxes	249.12	1,296.00
Project expenses	435.84	1,245.83
Communication	582.53	563.72
Recruitment	285.99	480.79
Insurance	1,475.37	467.05
Bank charges	393.51	392.17
Repair and maintenance		
- Building	244.15	218.13
- Computer	88.81	139.17
- Plant and machinery	59.20	55.10
Electricity	315.72	269.01
Business promotion	12.35	191.07
Payment to auditors	192.61	189.05
Subscription fees	234.59	175.07
Corporate social responsibility	67.80	153.53
Advertisement and publicity	107.60	143.02
Printing and stationery	148.65	120.70
Meeting and hospitality	30.86	29.21
Sponsorship	9.75	18.80
Internal audit fees	37.52	6.60
Conveyance	843.87	4.47
Fair value change in trade receivable	-	1,742.06
Fair value change in investments	11.30	-
Allowance for doubtful receivables	5,642.89	6,337.18
Provision for interest variance	4,145.96	3,369.79
Net loss on foreign currency transactions and translation	91.26	259.94
Net loss on sale of property plant and equipment	3.27	9.33
Bad debts	3.42	2.95
Provision for shortage in inventories	353.02	-
Provision for doubtful advances	852.27	-
Assets written off	-	-
Miscellaneous expenses	2,733.32	1,466.82
	62,999.06	51,249.51
Less: Transferred to capital work-in-progress (Note 4)	1,227.97	1,513.09
Total	61,771.09	49,736.42



44 Disclosure as per Ind AS 12 'Income taxes'

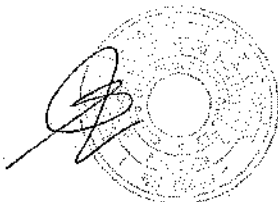
a) Income tax recognised in statement of profit and loss			₹ in Lakhs
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	
Current tax expense			
Current year	248.78	196.42	
Earlier years	72.72	(89.00)	
	321.50	107.42	
Deferred tax expense			
Origination and reversal of temporary differences	(7,210.96)	1,104.67	
	(7,210.96)	1,104.67	
Total income tax expense	(6,889.46)	1,212.09	

The gross movement in the net current income tax asset is as follows:

			₹ in Lakhs
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	
Net current income tax asset at the beginning	1,023.52	2,302.58	
Income tax paid (net of refunds)	722.39	(1,171.64)	
Current income tax expense	(321.50)	(107.42)	
Net current income tax asset at the end	1,424.41	1,023.52	

b) Income tax recognised in other comprehensive income				₹ in Lakhs
Particulars	Before tax	Tax expense/ (benefit)	Net of tax	
For the year ended 31 March 2022				
Net actuarial losses on defined benefit plans	(121.76)	(30.64)	(91.12)	
Exchange differences on translation of foreign operations	(624.05)	-	(624.05)	
Total	(745.81)	(30.64)	(715.17)	
For the year ended 31 March 2021				
Net actuarial losses on defined benefit plans	(27.22)	(6.85)	(20.37)	
Exchange differences on translation of foreign operations	2,235.81	-	2,235.81	
Total	2,208.59	(6.85)	2,215.44	

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:			₹ in Lakhs
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	
Profit before tax	(23,967.05)	(1,777.89)	
Tax using the Company's domestic tax rate of 25.168% (31 March 2021: 25.168%)	(6,032.03)	(447.46)	
Tax effect of:			
Unrecognised deferred tax of previous year on account of adjustment in PPE	(1,545.09)	-	
Tax on foreign branch	207.93	196.42	
Previous year tax liability	72.72	(89.00)	
Non-deductible tax expenses	(13.14)	12.49	
Unused tax losses not considered for deferred tax	-	330.54	
Difference in tax rate of foreign subsidiaries	46.42	176.76	
Excess business loss of previous year	(80.14)	-	
Others	453.86	1,032.34	
Income tax expense	(6,889.46)	1,212.09	



44 Disclosure as per Ind AS 12 'Income taxes' (continued)

d) Movement in deferred tax balances

For the year ended 31 March 2022				₹ in Lakhs
Particulars	Balance 1 April 2021	Recognised in profit or loss	Recognised in OCI	Balance 31 March 2022
Deferred tax assets				
Unabsorbed losses/depreciation carried forward	3,555.30	5,279.73	(3.04)	8,831.99
Timing difference on account of expense allowable on payment basis	4,251.77	2,808.63	26.15	7,086.55
Others	17.26	148.53	-0.53	166.32
Sub-total	7,824.33	8,236.89	23.64	16,084.86
Less: Deferred tax liabilities				
Financial assets and liabilities measured at amortised cost	1,041.20	(228.97)	-	812.23
Difference between accounting base and tax base of property, plant and equipment	4,760.35	1,742.83	(3.66)	6,499.52
Revenue measured at fair value	39.99	(39.99)	-	-
Expenses disallowed	187.76	(56.38)	(1.00)	130.38
Others	569.94	(391.56)	3.85	182.23
Sub-total	6,599.24	1,025.93	(0.81)	7,624.36
Net deferred tax assets/(liabilities)	1,225.09	7,210.96	24.45	8,460.50

For the year ended 31 March 2021				₹ in Lakhs
Particulars	Balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Balance 31 March 2021
Deferred tax assets				
Unabsorbed losses/depreciation carried forward	2,897.55	471.50	186.25	3,555.30
Timing difference on account of expense allowable on payment basis	1,430.01	2,814.91	6.85	4,251.77
Expenses disallowed	271.93	(271.93)	-	-
Others	22.67	(5.41)	-	17.26
Sub-total	4,622.16	3,009.07	193.10	7,824.33
Less: Deferred tax liabilities				
Financial assets and liabilities measured at amortised cost	1,971.97	(1,034.48)	103.71	1,041.20
Difference in book depreciation and tax depreciation	212.55	4,462.35	85.45	4,760.35
Revenue measured at fair value	191.22	(151.23)	-	39.99
Expenses disallowed	-	339.76	(152.00)	187.76
Others	58.72	497.34	13.88	569.94
Sub-total	2,434.46	4,113.74	51.04	6,599.24
Net deferred tax assets/(liabilities)	2,187.70	(1,104.67)	142.06	1,225.09

45 Disclosure as per Ind AS 108 'Operating Segments'

a) General Information

The Group has four reportable segments, as described below, which are the Group'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 Group's reportable segments:

Trading: Sale of energy efficient appliances to the different customers

Services: Providing the energy efficient technology services on ESCO mode and consultancy services.

Industrial engine and component: Manufacture, sale, installation, hire and service of diesel and gas powered generators and related spare parts.

Energy saving services (UK): Providing the energy efficient technology services on ESCO mode in United Kingdom (UK).

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 Group'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.

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45 Disclosure as per Ind AS 108 'Operating Segments' (continued)

b) Information about reportable segments and reconciliations to amounts reflected in the financial statements:

For the year ended 31 March 2022				₹ in Lakhs
Particulars	Trading	Services	Industrial engine & component	Total
Segment revenue				
Sale of products/ ESCO Project income/	15,924.31	1,39,277.27	68,314.44	2,23,516.02
Other consultancy	-	-	-	1,306.52
Inter-segment revenue	-	-	-	1,306.52
Segment expenses	15,708.06	1,26,165.40	67,468.48	2,09,341.94
Segment results	216.25	13,111.87	845.96	12,867.56
Unallocated corporate interest and other income				4,565.37
Unallocated corporate expenses, finance charges				41,399.98
Profit before tax				(23,967.05)
Income tax (net)				(6,889.46)
Profit after tax				(17,077.59)

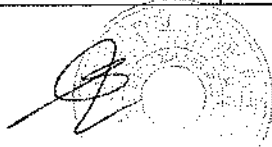
For the year ended 31 March 2021				₹ in Lakhs
Particulars	Trading	Services	Industrial engine & component	Total
Segment revenue				
Sale of products/ ESCO Project income/	23,280.47	1,29,588.66	60,059.61	2,12,928.74
Other consultancy	-	-	-	1,132.27
Inter-segment revenue	-	-	-	1,132.27
Segment expenses	22,957.92	1,11,470.28	61,166.87	1,95,595.07
Segment results	322.55	18,118.38	(1,107.26)	16,201.40
Unallocated corporate interest and other income				14,120.10
Unallocated corporate expenses, finance charges				32,099.39
Profit before tax				(1,777.89)
Income tax (net)				1,212.09
Profit after tax				(2,989.98)

As at 31 March 2022				₹ in Lakhs
Particulars	Trading	Services	Industrial engine & component	Total
Segment assets	93,297.92	7,31,821.18	87,185.16	9,12,304.26
Unallocated corporate and other assets				1,40,543.71
Total assets	93,297.92	7,31,821.18	87,185.16	10,52,847.97
Segment liabilities	13,602.60	6,64,549.76	52,307.51	7,30,459.87
Unallocated corporate and other liabilities				1,95,781.60
Total liabilities	13,602.60	6,64,549.76	52,307.51	9,26,241.47

As at 31 March 2021				₹ in Lakhs
Particulars	Trading	Services	Industrial engine & component	Total
Segment assets	1,02,020.83	6,73,657.09	89,970.07	8,65,647.99
Unallocated corporate and other assets				1,64,730.40
Total assets	1,02,020.83	6,73,657.09	89,970.07	10,30,378.39
Segment liabilities	26,033.92	7,02,430.71	59,714.90	7,88,179.53
Unallocated corporate and other liabilities				1,38,548.76
Total liabilities	26,033.92	7,02,430.71	59,714.90	9,26,728.29

c) Information about reportable segments

				₹ in Lakhs
Particulars	Trading	Services	Industrial engine & component	Total
For the year ended 31 March 2022				
Depreciation and amortisation expense	-	63,388.15	1,095.60	64,483.75
Non-cash expenses other than depreciation	10,641.12	-	3.42	10,644.54
Capital expenditure	-	68,378.41	495.18	68,873.59
For the year ended 31 March 2021				
Depreciation and amortisation expense	-	55,303.41	1,041.33	56,344.74
Non-cash expenses other than depreciation	9,706.97	-	2.95	9,709.92
Capital expenditure	-	73,728.19	435.31	74,163.50



45 Disclosure as per Ind AS 108 'Operating Segments' (continued)

d) Information about geographical areas

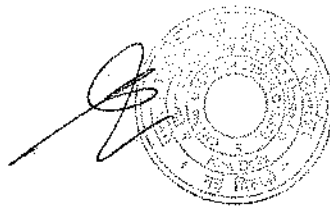
₹ in Lakhs

Particulars	Non-current assets*		Revenue from external customers	
	As at 31 March 2022	As at 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
India	4,23,323.94	4,13,922.37	1,53,599.64	1,52,572.22
United Kingdom	47,924.43	50,960.07	61,057.87	5,149.63
Ireland	2,069.42	2,253.22	6,529.91	52,894.57
Rest of the World	57.34	48.50	1,022.08	1,180.05
Total	4,73,375.13	4,67,184.16	2,22,209.50	2,11,796.47

*other than financial instruments and deferred tax assets

e) Information about major customers

No external customer individually accounted for more than 10% of the revenues during the year ended 31 March 2022 and 31 March 2021.



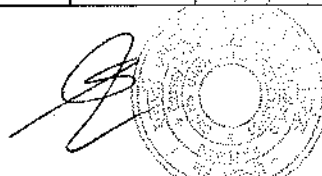
46 Restatement for the year ended 31 March 2021 and as at 1 April 2020

In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statements', the Company has retrospectively restated its Balance Sheet as at 31 March 2021 and 1 April 2020 (beginning of the preceding period) and Statement of Profit and Loss for the year ended 31 March 2021 for the reasons as stated in the notes below. Reconciliation of items which are retrospectively restated in the Balance Sheet and Statement of Profit and Loss are as under:

a) Reconciliation of restated items of Balance Sheet as at 31 March 2021 and 1 April 2020

₹ in Lakhs

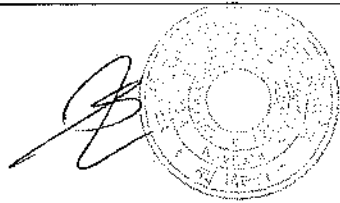
Particulars	Note	As at 31 March 2021			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
ASSETS					
Non-current assets					
Property, plant and equipment	(i)	2,95,070.12	(1,614.71)	(2,182.86)	2,91,272.55
Capital work-in-progress	(ii)	1,22,013.50	-	(682.99)	1,21,330.51
Right-of-use assets		-	1,614.71	0.93	1,615.64
Goodwill		48,263.10	-	-	48,263.10
Other intangible assets	(i)	735.07	-	(4.41)	730.66
Intangible assets under development		10.79	-	-	10.79
Investments in joint venture accounted for using equity method		832.62	-	-	832.62
Financial assets					
Investments		1,867.36	-	-	1,867.36
Loans		6,936.90	(96.65)	-	6,840.25
Other financial assets		13,016.22	93.70	-	13,109.92
Deferred tax assets (net)	(xiii)	602.23	(889.28)	1,690.72	1,403.67
Other non-current assets	(iii)	4,061.91	(785.62)	(148.00)	3,128.29
Total non-current assets		4,93,409.82	(1,677.85)	(1,326.61)	4,90,405.36
Current assets					
Inventories		24,676.39	-	-	24,676.39
Financial assets					
Trade receivables	(iv)	3,22,521.33	-	(6,660.92)	3,15,860.41
Cash and cash equivalents		73,952.34	(164.47)	-	73,787.87
Bank balances other than cash and cash equivalents		51,625.55	164.47	-	51,790.02
Loans		811.74	(672.10)	-	139.64
Other financial assets	(v)	21,318.48	976.40	822.31	23,117.19
Current tax assets (net)		4,960.91	(3,709.24)	-	1,251.67
Other current assets	(vi), (vii), (viii)	48,561.33	(94.58)	883.09	49,349.84
Total current assets		5,48,428.07	(3,499.52)	(4,955.52)	5,39,973.03
TOTAL ASSETS		10,41,837.89	(5,177.37)	(6,282.13)	10,30,378.39
EQUITY AND LIABILITIES					
Equity					
Equity share capital		98,332.84	-	-	98,332.84
Other equity	(xiv)	11,949.13	-	(11,350.95)	598.18
Equity attributable to owners		1,10,281.97	-	(11,350.95)	98,931.02
Non-controlling interests		4,719.08	-	-	4,719.08
Total equity		1,15,001.05	-	(11,350.95)	1,03,650.10
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	(vii)	5,16,643.59	-	(612.88)	5,16,030.71
Lease liabilities		524.14	-	-	524.14
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		2,102.98	(293.77)	-	1,809.21
-total outstanding dues of creditors other than micro enterprises and small enterprises		12,931.55	293.77	-	13,225.32
Other financial liabilities		4,304.82	-	-	4,304.82
Provisions		1,112.03	-	-	1,112.03
Deferred tax liabilities (net)	(xiii)	1,067.86	(889.28)	-	178.58
Other non-current liabilities	(xii)	-	-	1,797.19	1,797.19
Total non-current liabilities		5,38,686.97	(889.28)	1,184.31	5,38,982.00
Current liabilities					
Financial liabilities					
Borrowings		1,15,987.82	76,435.77	-	1,92,423.59
Lease liabilities		444.15	-	-	444.15
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		8,073.46	(42.87)	-	8,030.59
-total outstanding dues of creditors other than micro enterprises and small enterprises	(ix), (x), (xi)	1,18,043.54	(8,130.04)	3,442.17	1,13,355.67
Other financial liabilities	(vii)	1,29,873.12	(76,163.49)	2,907.64	56,617.27
Other current liabilities	(xii)	15,443.68	3,612.54	(2,465.30)	16,590.92
Provisions		55.95	-	-	55.95
Current tax liabilities (net)		228.15	-	-	228.15
Total current liabilities		3,88,149.87	(4,288.09)	3,884.51	3,87,746.29
TOTAL EQUITY AND LIABILITIES		10,41,837.89	(5,177.37)	(6,282.13)	10,30,378.39



46 Restatement for the year ended 31 March 2021 and as at 1 April 2020 (continued)

₹ in Lakhs

Particulars	Note	As at 1 April 2020			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
ASSETS					
Non-current assets					
Property, plant and equipment	(i)	2,63,433.77	(1,895.94)	(1,139.02)	2,60,398.81
Capital work-in-progress	(ii)	1,31,284.85	-	(682.99)	1,30,601.86
Right-of-use assets	(i)	-	1,895.92	0.70	1,896.62
Goodwill		44,537.73	-	-	44,537.73
Other intangible assets		679.20	-	-	679.20
Investments in joint venture accounted for using equity method		6.59	-	-	6.59
Financial assets					
Investments		1,721.69	-	-	1,721.69
Loans		5,984.69	(75.57)	-	5,909.12
Other financial assets		15,345.43	75.10	-	15,420.53
Deferred tax assets (net)	(xiii)	1,106.22	-	1,081.48	2,187.70
Other non-current assets	(iii)	1,625.93	4.55	(148.00)	1,482.48
Total non-current assets		4,65,726.10	4.06	(887.83)	4,64,842.33
Current assets					
Inventories		26,295.91	-	-	26,295.91
Financial assets					
Trade receivables	(iv)	2,85,544.09	(1,327.68)	(3,291.14)	2,80,925.27
Cash and cash equivalents		34,881.79	-	-	34,881.79
Bank balances other than cash and cash equivalents		30,493.31	-	-	30,493.31
Loans		781.65	(640.33)	-	141.32
Other financial assets		13,177.25	890.78	-	14,068.03
Current tax assets (net)		5,216.95	(2,785.32)	-	2,431.63
Other current assets	(vii)	51,404.75	1,774.33	882.11	54,061.19
Total current assets		4,47,795.70	(2,088.22)	(2,409.03)	4,43,298.45
TOTAL ASSETS		9,13,521.80	(2,084.16)	(3,296.86)	9,08,140.78
EQUITY AND LIABILITIES					
Equity					
Equity share capital		98,332.84	-	-	98,332.84
Other equity	(xiv)	9,432.73	-	(8,148.97)	1,283.76
Equity attributable to owners		1,07,765.57	-	(8,148.97)	99,616.60
Non-controlling interests		4,765.46	-	-	4,765.46
Total equity		1,12,531.03	-	(8,148.97)	1,04,382.06
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	(vii)	4,49,706.21	-	(528.40)	4,49,177.81
Lease liabilities		667.61	-	-	667.61
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		1,593.02	-	-	1,593.02
-total outstanding dues of creditors other than micro enterprises and small enterprises		5,960.39	-	-	5,960.39
Other financial liabilities		5,439.85	-	-	5,439.85
Provisions		921.70	-	-	921.70
Other non-current liabilities	(xii)	-	-	2.74	2.74
Total non-current liabilities		4,64,288.78	-	(525.66)	4,63,763.12
Current liabilities					
Financial liabilities					
Borrowings		85,049.93	41,158.37	-	1,26,208.30
Lease liabilities		496.36	-	-	496.36
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		5,868.63	-	-	5,868.63
-total outstanding dues of creditors other than micro enterprises and small enterprises	(ix), (xi)	1,26,854.43	(2,653.88)	3,573.28	1,27,773.83
Other financial liabilities	(vii)	86,947.80	(40,849.79)	1,939.66	48,037.67
Other current liabilities	(xii)	31,326.31	261.14	(135.17)	31,452.28
Provisions		29.48	-	-	29.48
Current tax liabilities (net)		129.05	-	-	129.05
Total current liabilities		3,36,701.99	(2,084.16)	5,377.77	3,39,995.60
TOTAL EQUITY AND LIABILITIES		9,13,521.80	(2,084.16)	(3,296.86)	9,08,140.78



46 Restatement for the year ended 31 March 2021 and as at 1 April 2020 (continued)

b) Reconciliation of restated items of Statement of Profit and Loss for the year ended 31 March 2021

₹ in Lakhs

Particulars	Note	For the year ended 31 March 2021			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
Revenue					
Revenue from operations		2,11,796.47	-	-	2,11,796.47
Other income	(v), (vi), (ix), (x), (xii)	12,543.05	-	1,711.42	14,254.47
Total revenue		2,24,339.52	-	1,711.42	2,26,050.94
Expenses					
Purchase of stock-in-trade		64,147.44	4.01	-	64,151.45
Distribution expenses (Ujala)		417.17	(417.17)	-	-
Media expenses (Ujala)		88.90	(88.90)	-	-
Decrease in inventories		1,956.98	-	-	1,956.98
Employee benefits expense		16,302.61	-	-	16,302.61
Finance costs	(vii)	36,948.41	-	1,027.54	37,975.95
Depreciation and amortisation expense	(i)	56,523.03	-	1,048.02	57,571.05
Other expenses	(iv), (viii), (xi)	45,787.25	502.09	3,447.08	49,736.42
Total expenses		2,22,171.79	0.03	5,522.64	2,27,694.46
Profit before share of net profits of investments accounted for using equity method and tax		2,167.73	(0.03)	(3,811.22)	(1,643.52)
Add: Share of net profits of joint ventures accounted for using equity method		(134.37)	-	-	(134.37)
Profit before tax		2,033.36	(0.03)	(3,811.22)	(1,777.89)
Tax expense					
Current tax					
Current year		196.42	-	-	196.42
Earlier years		(89.00)	-	-	(89.00)
Deferred tax credit	(xiii)	1,713.92	(0.01)	(609.24)	1,104.67
Total tax (credit)/expense		1,821.34	(0.01)	(609.24)	1,212.09
Profit for the year		212.02	(0.02)	(3,201.98)	(2,989.98)
Other comprehensive income/(expense)					
Items that will not be reclassified to profit or loss (net of tax)					
Net actuarial losses on defined benefit plans		(20.37)	(6.85)	-	(27.22)
Items that will be reclassified to profit or loss (net of tax)					
Exchange differences on translation of foreign operations		2,235.81	-	-	2,235.81
Other comprehensive income/ (expense) for the year, net of income tax		2,215.44	(6.85)	-	2,208.59
Total comprehensive income for the year		2,427.46	(6.87)	(3,201.98)	(781.39)
Earnings per equity share (Par value ₹ 10/- each)					
Basic earnings per share (₹)		0.10	-	(0.36)	(0.26)
Diluted earnings per share (₹)		0.10	-	(0.36)	(0.26)

c) Reconciliation of Statement of Cash Flows for the year ended 31 March 2021

₹ in Lakhs

Particulars	For the year ended 31 March 2021		
	As previously reported	Adjustments	As restated
Net cash flow from operating activities	32,459.98	(1,082.64)	33,542.62
Net cash flow used in investing activities	(82,580.31)	227.09	(82,807.40)
Net cash flow from financing activities	88,993.28	587.74	88,405.54
Net decrease in cash and cash equivalents during the year	38,872.95	(267.81)	39,140.76
Cash and cash equivalents at the beginning of the year	34,881.79	-	34,881.79
Exchange difference on translation of foreign currency cash and cash equivalents	197.60	432.28	(234.68)
Cash and cash equivalent at the end of the year	73,952.34	164.47	73,787.87

d) Earnings per share:

Basic and diluted earnings per share for the year ended 31 March 2021 have changed as below:

Particulars	As previously reported	Adjustments	As restated
Basic earnings per equity share (₹)	0.10	(0.36)	(0.26)
Diluted earnings per equity share (₹)	0.10	(0.36)	(0.26)



46 Reconciliation of restated items of Statement of Profit and Loss for the year ended 31 March 2021

e) Notes on restatement

- (i) The Company has recalculated the depreciation expense on its property plant and equipment and intangible assets as per its accounting policies and difference in depreciation in previous years has been restated. Accordingly, the Company has reduced its property, plant and equipment with corresponding impact in retained earnings by ₹ 1,139.02 Lakhs as at 1 April 2020. For the year ended 31 March 2021, the Company has recognised depreciation expense of ₹ 1,043.61 Lakhs and ₹ 4.41 Lakhs on property, plant and equipment and intangible assets respectively.
- (ii) The Company has reduced its capital work-in-progress with corresponding impact in retained earnings by ₹ 682.99 Lakhs on account of excess recognition of revenue expenses as CWP in earlier years.
- (iii) The Company had recognised ₹ 148.00 Lakhs as capital advance in earlier year. These advances were related to repair and maintenance expenses pertaining to periods prior to 1 April 2020. Accordingly, capital advance has been written off with corresponding adjustment in retained earnings as at 1 April 2020.
- (iv) Revenue recognition towards ESCO services to various urban local bodies (ULB's), which could not be accounted for fully/ correctly earlier due to pending clarification/clarity on account of interest portion of the project cost, taxes etc., the company has since received such clarifications and accordingly made a provision of ₹ 4,145.96 Lakhs for the financial year 2021-22 by debiting it to statement of profit and loss. ₹ 6,660.93 Lakhs pertaining to the previous period from financial year 2014-15 to 2020-21 has been restated in the respective years. This has resulted in reduction of retained earnings as at 1 April 2020 by ₹ 3,291.14 lakhs and increase in provisions on trade receivables for the year ended 31 March 2021 by ₹ 3,369.79 lakhs.
- (v) The Company has recognised subsidy income of ₹ 537.00 Lakhs and income on account of penalty charged from vendors of ₹ 285.31 Lakhs pertaining to previous year in other income for the year ended 31 March 2021.
- (vi) The Company has recognised penal income on account of delay in submission of CPG by ₹ 201.66 Lakhs pertaining to previous year in other income for the year ended 31 March 2021.
- (vii) During the current period, the Company has paid guarantee fees pertaining to previous years to Government of India on account of guarantee provided to the Company on some of its foreign currency loans resulting in reduction in retained earnings as at 1st April 2020 by ₹ 529.15 lakhs and increase in finance cost for the year ended 31 March 2021 by ₹ 1,027.54 lakhs.
- (viii) The Company has recognised expense of ₹ 56.64 Lakhs pertaining to previous year in other expenses on account of discounting of trade receivables.
- (ix) Interest earned on advance received under "Atal Jyoti Yojana Scheme", recorded as other income in previous years, has now been credited to scheme, resulting in decline in retained earnings as at 1 April 2020 by ₹ 3,546.08 Lakhs and other income for the year ended 31 March 2021 by ₹ 285.69 Lakhs.
- (x) The Company has recognised excess provision written back during the year ended 31 March 2021 of ₹ 437.47 Lakhs since it was not required.
- (xi) The Company has restated its retained earnings as at 1 April 2020 by ₹ 27.20 Lakhs and other expenses for the year ended 31 March 2021 by ₹ 20.65 Lakhs on account of prior period expenses.
- (xii) The Company has recognised grant received as advance from customers in previous years. The company has now recognised grant income in line with its accounting policy resulting in increase in retained earnings as at 1 April 2020 by ₹ 132.43 Lakhs and other income for the year ended 31 March 2021 by ₹ 535.67 Lakhs.
- (xiii) The above mentioned adjustments had a consequential impact on deferred tax credit and deferred tax asset. The Company has recognised deferred tax credit of ₹ 1,081.48 Lakhs as at 1 April 2020 and further credit of ₹ 609.24 Lakhs during the year ended 31 March 2021.
- (xiv) The above mentioned adjustments have resulted in decline in other equity as at 1 April 2020 by ₹ 8,148.97 Lakhs and decline in profit for the year ended 31 March 2021 by ₹ 3,201.98 Lakhs.
- (v) The restatement has not had a material impact on the statement of cash flows.
- (xvi) Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.



47 Fair Value Measurements

a) Financial instruments by category

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Investments in equity instruments	1,841.75	-	-	1,867.36	-	-
Non-current loans	-	-	7,112.14	-	-	6,840.25
Other non-current financial assets	-	-	14,190.04	-	-	13,109.92
Trade receivables	-	-	3,54,430.32	-	-	1,403.67
Cash and cash equivalents	-	-	75,914.13	-	-	3,128.29
Bank balances other than cash and cash equivalents	-	-	29,876.96	-	-	4,90,405.36
Current loans	-	-	152.81	-	-	-
Other current financial assets	-	-	19,585.87	-	-	-
Total	1,841.75	-	5,01,262.27	1,867.36	-	5,14,887.49
Financial liabilities:						
Borrowings	-	-	4,46,583.72	-	-	5,16,030.71
Non-current lease liabilities	-	-	308.06	-	-	524.14
Non-current trade payables	-	-	11,069.19	-	-	15,034.53
Other non-current financial liabilities	-	-	2,079.96	-	-	4,304.82
Borrowings	-	-	2,81,617.29	-	-	1,92,423.59
Current lease liabilities	-	-	517.44	-	-	444.15
Current trade payables	-	-	1,12,218.65	-	-	1,21,386.26
Other current financial liabilities	-	-	50,186.92	-	-	56,617.27
Total	-	-	9,04,581.23	-	-	9,06,765.47

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at fair value or measured at amortised cost for which fair value is being disclosed, the group has classified these into levels prescribed under the Ind AS 113, 'Fair value measurement' details of which are as under:

(i) Financial assets measured at fair value (recurring fair value measurement)

Particulars	Note	Level	₹ in Lakhs	
			As at 31 March 2022	As at 31 March 2021
Financial assets:				
Investments in equity instruments	9	Level 3	1,841.75	1,867.36
Total			1,841.75	1,867.36

(ii) Financial assets measured at fair value (non-recurring fair value measurement)

Particulars	Note	Level	₹ in Lakhs	
			As at 31 March 2022	As at 31 March 2021
Financial assets:				
Loan to EnergyPro Asset Management Ltd	10	Level 2	6,906.34	6,767.59
Security deposits	11 and 19	Level 2	692.96	765.97
Unbilled revenue	11 and 19	Level 2	17,033.03	18,343.96
Loan to employees	10 and 18	Level 3	440.58	423.81
Lease receivables	11 and 19	Level 3	15,421.53	13,890.45
Non current bank deposits	17	Level 3	1,361.10	1,693.27
Total			41,855.54	41,885.05
Financial liabilities:				
Non-current borrowings	24	Level 2	5,41,551.65	5,59,593.38
Retention money	27 and 34	Level 2	46,328.08	49,175.93
Trade payables	26 and 33	Level 2	1,31,800.97	1,42,063.57
Total			7,19,680.70	7,50,832.88

Financial assets and financial liabilities at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs in the measurement as follows:

Level 1: The fair value of financial instruments traded in an active market is based on the quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

There are no transfers between level 1 and 2 during the year.



47 Fair Value Measurements (continued)

c) Valuation technique used to determine fair value:

- (i) For investment in equity instruments - Valuation through a SEBI registered merchant banker using net asset value method.
(ii) For financial assets (security deposits, employee loans, unbilled revenue) - Discounted future cash flow; appropriate market rate as of each balance sheet date used for discounting.
(iii) For financial liabilities (retention money liabilities, debentures, foreign currency loans): Discounted cash flow; appropriate market borrowing rate of the entity as of each balance sheet date used for discounting.

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

₹ in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loan to EnergyPro Asset Management Ltd	6,824.37	6,906.34	6,556.07	6,767.59
Loan to employees	440.58	440.58	423.82	423.81
Security deposits	691.48	692.96	839.38	765.97
Unbilled revenue	15,825.99	17,033.03	19,141.77	18,343.96
Finance lease receivables	15,421.53	15,421.53	13,890.45	13,890.45
Non current bank deposits	1,361.10	1,361.10	1,693.27	1,693.27
Total	40,565.05	41,855.54	42,544.76	41,885.05
Financial liabilities				
Non-current borrowings	5,79,305.78	5,41,551.65	5,97,566.60	5,59,593.38
Retention money	44,414.17	46,328.08	49,159.51	49,175.93
Trade payables	1,23,287.84	1,31,800.97	1,36,420.79	1,42,063.57
Total	7,47,007.79	7,19,680.70	7,83,146.90	7,50,832.88

The carrying amounts of current trade receivables, cash and cash equivalents, other current financial assets, current borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

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

For financial asset measured at fair value, the carrying amounts are equal to the fair values.

48. Financial risk management

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

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

- Credit risk
- Liquidity risk
- Market risk

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

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, unbilled revenue, loans & advances, cash & cash equivalents and deposits with banks. The carrying amounts of financial assets represents the maximum credit risk exposure.

Trade receivables and unbilled revenue

The Group earns its revenue mainly from government controlled entities (both central and state government). As these entities are government controlled, the counter party risk attached to such receivables are considered to be insignificant.

For rest of the customers, Group evaluates and manages its credit risk by taking into consideration the ageing of the dues, specific credit circumstances, nature of the customers and credit worthiness of the customers.

The impairment loss allowance is assessed by the Group using life time ECL approach which is based on the business environment in which the Group operates.

The trade receivables are considered in default (credit impaired) when the possibility of recovery of receivables based on the assessment/ evaluation on the parameters stated above are deteriorating and are required to be provided as allowance for doubtful receivables in a systematic manner.

Since the Group has its customers within different states of India and different countries outside India, geographically there is no concentration of credit risk.

Loan to employees

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

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 73,914.13 Lakhs (31 March 2021: ₹ 73,787.87 Lakhs). The cash and cash equivalents are held with banks with high rating.

Deposits with banks and financial institutions

The Group held deposits with banks and financial institutions of ₹ 31,238.06 Lakhs (31 March 2021: ₹ 53,483.29 Lakhs). In order to manage the risk, Group places deposits with only high rated banks/institutions.



48 Financial risk management (continued)

Loan to EnergyPro Asset Management Ltd (EPAM)

As per joint venture agreement between the parent company and EPAM, in case, EPAM defaults in payment of any amount due under loan given by EPAL by its due date, a deemed transfer notice will be deemed to be served on the Company which will impact EPAM as below:

- EPAM shall be deprived of all its voting rights at any meetings of Shareholders;
- the Director(s) appointed by EPAM shall be deprived of all voting rights (and such Director(s) will lose its rights to attend Board meetings);
- the Defaulting Shareholder shall not be entitled to receive any dividend or other distribution payable by the Company.
- EPAL will have the right to purchase all of EPAM's shares at 90% of the Fair Value per equity share.

As per the loan agreement, in case of any default, interest on the unpaid amount shall accrue daily, from the date of non-payment to the date of actual payment, at 2% above the rate specified under the agreement. Also, EnergyPro Asset Management Ltd along with its nominee director shall be deprived of all of its voting rights as shareholder in EPAL, and it shall not be entitled to any dividend or other distribution payable by the EPAL.

In view of above-mentioned clauses of the joint venture agreement and loan agreement, management is of the view that risk of default is low.

Investment

EESL EnergyPro Asset Limited (EPAL) has made a strategic investment in a partnership firm Maple Leaf Storage LPL. As per the terms of subscription agreement, if conditions laid down in the agreement are not achieved by the LP within one year of the closing date, the cash flow allocation to EPAL in relation to its investment shall be established, at that time, in a manner to provide EPAL a projected IRR of at least 10.0% (based on the 15-year financial model).

(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:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments	1,841.75	1,867.36
Non-current loans	7,112.14	6,840.25
Other non-current financial assets*	13,771.70	12,466.84
Cash and cash equivalents	75,914.13	73,787.87
Deposits with banks	29,876.96	51,790.02
Current loans	152.81	139.64
Other current financial assets*	4,178.22	4,618.50
Total	1,32,847.71	1,51,510.48

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	3,78,656.83	3,30,298.06
Unbilled revenue	15,825.99	19,141.77
Total	3,94,482.82	3,49,439.83

* Excluding unbilled revenue

(ii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Particulars	₹ in Lakhs					Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	More than 2 years	
Gross amount as at 31 March 2022	32,553.97	64,379.81	58,264.02	98,735.17	1,24,723.86	3,78,656.83
Gross amount as at 31 March 2021	24,775.83	46,934.18	84,093.10	1,48,540.12	25,954.83	3,30,298.06

(iii) Provision for expected credit losses

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

The Group has recognised an allowance for doubtful receivables of ₹ 5,642.89 Lakhs during the year ended 31 March 2022 (31 March 2021: ₹ 6,337.18 Lakhs).

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

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is negligible. The Company has recognised an allowance for doubtful recoverables of ₹ 178.10 Lakhs during the year ended 31 March 2022 (31 March 2021: ₹ Nil).

(iv) Reconciliation of allowance for doubtful receivables

The movement in the allowance for doubtful receivables in respect of trade receivables during the year is as follows:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	7,776.73	1,439.55
Add: Allowance for doubtful debts recognised during the year	5,642.89	6,337.18
Closing balance	13,419.62	7,776.73



48 Financial risk management (continued)

The movement in the allowance for doubtful receivables in respect of other financial assets during the year is as follows:			₹ in Lakhs
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	
Opening balance	-	-	
Add: Allowance for doubtful debts recognised during the year	178.10	-	
Closing balance	178.10	-	

b) Market risk

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

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Group. All such transactions are carried out within the guidelines set by the risk management committee.

(i) Interest rate risk

The Group is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group manages the interest rate risks by entering into different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, rupee term loans, foreign currency loans, etc.).

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

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Financial assets:		
Fixed-rate instruments		
Employee Loans	203.55	216.18
Bank Deposits	57,954.27	54,440.34
Sub total	58,157.82	54,656.52
Variable-rate instruments		
Loan to EnergyPro Asset Management Ltd	6,824.37	6,556.07
Sub total	6,824.37	6,556.07
Total	64,982.19	61,212.59

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Financial liabilities:		
Fixed-rate instruments		
Foreign currency loans	85,082.77	93,348.44
Debentures	70,000.00	95,000.00
Short term loans	1,38,990.20	1,01,387.97
Lease obligations	825.50	968.29
Sub-total [A]	2,94,898.47	2,90,704.70
Variable-rate instruments		
Foreign currency loans	2,25,797.69	1,90,116.44
Other term loans	1,69,778.18	1,84,870.76
Short term loans	4,000.00	4,000.00
Term loan from banks	34,552.17	39,730.69
Sub-total [B]	4,34,128.04	4,18,717.89
Total [A + B]	7,29,026.51	7,09,422.59

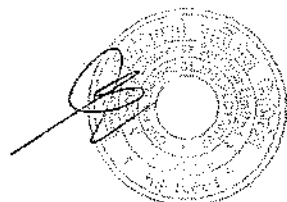
Fair value sensitivity analysis for fixed-rate instruments

The Group'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 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.

Particulars	₹ in Lakhs			
	Profit or loss (before tax)			
	31 March 2022	31 March 2021		
	Increase	Decrease	Increase	Decrease
Loan to EnergyPro Asset Management Ltd	34.12	(34.12)	32.78	(32.78)
Foreign currency loans	(1,128.99)	1,128.99	(950.58)	950.58
Rupee term loans	(848.89)	848.89	(924.35)	924.35
Short term	(20.00)	20.00	(20.00)	20.00
Term loan from banks	(172.76)	172.76	(198.65)	198.65
Total	(2,136.52)	2,136.52	(2,060.81)	2,060.81



48 Financial risk management (continued)

(ii) Currency risk

The Group is exposed to foreign currency risk on certain transactions that are denominated in a currency other than respective 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 31 March 2022 and 31 March 2021 are as below:

As at 31 March 2022

Particulars	Foreign currency			₹ in Lakhs		
	EURO	USD	GBP	EURO	USD	GBP
Financial liabilities						
Foreign currency borrowings	5,98,07,505	34,56,10,309	-	50,632.97	2,61,064.55	-
Commitment fee payable	1,44,160	2,09,443	-	122.05	158.78	-
Trade payables	37,90,641	-	49,487	3,183.47	-	49.26
Total	6,37,42,306	34,58,19,752	49,487	53,938.49	2,61,223.33	49.26
Financial assets						
Trade receivables	79,462	-	33,41,378	66.73	-	3,326.42
Unbilled revenue	-	-	54,864	-	-	54.62
Balance with bank-current account	-	4,30,70,158	9,925	-	32,650.24	9.88
Investment	-	20,00,000	-	-	1,841.49	-
Total	79,462	4,50,70,158	34,06,166	66.73	34,491.73	3,390.92
Net Exposure	6,36,62,844	30,07,49,594	(33,56,679)	53,871.76	2,26,731.60	(3,341.66)

As at 31 March 2021

Particulars	Foreign currency			₹ in Lakhs		
	EURO	USD	GBP	EURO	USD	GBP
Financial liabilities						
Foreign currency borrowings	6,96,05,262	30,62,32,500	-	59,929.43	2,24,902.99	-
Commitment fee payable	1,44,160	2,27,781	-	124.12	167.43	-
Trade payables	25,56,938	-	44,914	2,198.04	-	45.34
Total	7,23,06,360	30,64,60,281	44,914	62,251.59	2,25,070.42	45.34
Financial assets						
Trade receivables	41,238	-	84,653	35.45	-	85.46
Unbilled revenue	-	-	23,513	-	-	23.74
Balance with bank-current account	-	6,30,32,132	16,082	-	46,331.58	16.23
Investment	-	20,00,000	-	-	1,867.36	-
Total	41,238	6,50,32,132	1,24,248	35.45	48,198.94	125.43
Net Exposure	7,22,65,122	24,14,28,149	(79,334)	62,216.14	1,76,871.48	(80.09)

Sensitivity analysis

A change in the value of the Indian Rupee (strengthening/weakening), as indicated below, against Euro, USD and GBP at 31 March would have increased/decreased profit before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group 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.

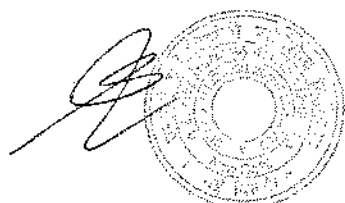
Particulars	₹ in Lakhs			
	31 March 2022		31 March 2021	
	Strengthening	Weakening	Strengthening	Weakening
10% movement				
INR/EUR	(5,387.18)	5,387.18	(6,221.61)	6,221.61
INR/USD	(22,673.16)	22,673.16	(17,687.15)	17,687.15
INR/GBP	334.17	(334.17)	8.01	(8.01)
Total	(27,726.17)	27,726.17	(23,900.75)	23,900.75

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically the Group 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.



48 Financial risk management (continued)

(i) Financing arrangements

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

Particulars	As at 31 March 2022	As at 31 March 2021
Fixed-rate borrowings		
Foreign currency loans	1,65,797.60	1,68,615.93
Working capital loan	28,000.00	38,600.00
Total	1,93,797.60	2,07,215.93
Floating-rate borrowings		
Foreign currency loans	2,77,696.91	3,01,604.81
Working capital loan	527.63	-
Total	2,78,224.54	3,01,604.81
Total	4,72,022.14	5,08,820.74

(ii) Maturities of financial liabilities

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

As at 31 March 2022						₹ in Lakhs
Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings*	25,253.06	1,23,700.57	1,05,556.41	1,65,199.76	2,14,081.08	6,33,790.88
Current borrowings*	27,688.57	1,25,763.53	-	-	-	1,53,452.10
Trade payables	1,07,760.92	4,475.87	5,257.52	8,183.33	829.01	1,26,506.65
Retention money	40,710.21	1,486.84	1,043.48	1,179.11	3.49	44,423.13
Lease liabilities	157.29	390.39	273.81	37.81	-	859.30
Liability for expenses	811.48	1,032.35	-	-	-	1,843.83
Payable to employees	378.54	160.00	-	-	-	538.54
Others	522.94	390.53	-	-	-	913.47
Total	2,03,283.01	2,57,400.08	1,12,131.22	1,74,600.01	2,14,913.58	9,62,327.90

As at 31 March 2021						₹ in Lakhs
Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings*	28,751.79	71,982.29	1,42,902.84	2,16,330.23	2,07,044.87	6,67,012.02
Current borrowings*	11,525.65	1,10,178.03	-	-	-	1,21,703.68
Trade payables	1,24,888.98	4,174.53	879.90	8,969.00	954.48	1,39,866.89
Retention money	43,489.88	2,022.70	1,804.52	2,671.51	7.39	49,996.00
Lease liabilities	136.33	331.99	360.98	189.37	43.28	1,061.95
Liability for expenses	2,436.90	-	-	-	-	2,436.90
Guarantee fee payable	2,907.64	-	-	-	-	2,907.64
Payable to employees	409.85	-	-	-	-	409.85
Others	905.50	-	-	-	-	905.50
Total	2,15,452.52	1,88,689.54	1,45,948.24	2,28,160.11	2,08,050.02	9,86,300.43

* includes interest accrued



49 Capital Management

The Group'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 also monitors the level of dividends to equity shareholders.

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

a) Borrowings of parent company:

- (i) Maintain a current ratio (current assets divided by current liabilities) of at least 1.0
- (ii) Maintain a minimum asset coverage of 1.00 times
- (iii) Maintain a Debt: Equity ratio (long-term debt divided by equity net of accumulated profits/losses) not exceeding 80:20
- (iv) Maintain a asset debt service coverage ratio (net cash flow from operations divided by debt service obligations, including all principal payments and tax-shielded interest and lease payments following due within the year) of at least 1.2
- (v) 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.

b) Borrowings of subsidiary companies:

- (i) EESL EnergyPro Assets Limited- Maintain cash flow cover (cash flow to debt service including finance charges) of at least 1.4:1.0.
- (ii) Edina Power Services Limited- Maintain debt servicing coverage ratio of at least 1.4, leverage of at least 3.0 and aggregate value of the tangible assets of at least 1.75 times the aggregate amount of the total commitments and maximum loan to value of 70 per cent.

The Group 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 Group is not subject to externally imposed capital requirements.

The financial covenant ratios (and their computation) which the Group uses to monitor its capital are as follows:

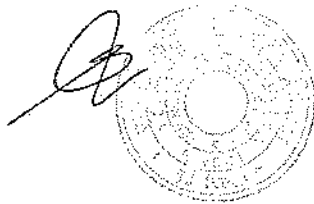
Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Current ratio	1.19	1.39
Debt-equity ratio	3.66	5.22
Debt service coverage ratio	0.86	1.22
Asset coverage ratio	1.14	1.08

- 50 The Company raises funds through various sources including series of Non-Convertible Bond issue. The details of redeemable, taxable, non-cumulative, non-convertible bonds in the nature of debentures issued by the Company are as follows:

Series	Secured/ Unsecured	Total issue Size	Face value of each Bond	Allotment Date	₹ in Lakhs	
					First Due Date of principal repayment	Next Due Date of Annual Interest
Series-I	Secured*	37,500.00	₹ 30.00 Lakh**	20-Sep-16	20-Sep-23	20-Sep-23
Series-II	Unsecured	45,000.00	₹ 10.00 Lakh	18-Jul-17	18-Jul-22	18-Jul-22

* Series-I is secured by first pari-passu charge over moveable fixed assets of the Company with minimum asset coverage of 1.00 times.

** Each bond of Series-I comprises of 1 STRPP of the value of ₹ 10.00 Lakh and 1 STRPP of the value of ₹ 20.00 Lakh.



51 Disclosure as per Ind AS 24 'Related Party Disclosures'

a) List of Related parties:

(i) Entities having joint control over the company:

NTPC Limited	Powergrid Corporation of India Limited
Power Finance Corporation Limited	RFC Limited

(ii) Key Managerial Personnel (KMP):

Parent company

Sreekant Kandikuppa	Nominee Director and Chairman	w.e.f. 6 September 2021
Arun Kumar Mishra	Chief Executive Officer	w.e.f. 5 October 2021
	Director	w.e.f. 7 October 2021
Vivek Kumar Dewangan	Nominee Director	w.e.f. 23 December 2021
Chandan Kumar Mondol	Nominee Director	w.e.f. 6 September 2021
Aditya Dar	Nominee Director	w.e.f. 22 August 2020
Abhay Choudhary	Nominee Director	w.e.f. 18 June 2022
Sandeep Kumar Jain	Chief Financial Officer	w.e.f. 1 April 2022
Pooja Shukla	Company Secretary	w.e.f. 27 December 2012
Seema Gupta	Nominee Director	w.e.f. 6 September 2021 upto 31 May 2022
Rajeev Sharma	Nominee Director and Chairman	w.e.f. 5 February 2018 upto 6 September 2021
Saurabh Kumar	Executive Vice-Chairman	w.e.f. 1 April 2021 upto 6 September 2021
Saurabh Kumar	Executive Vice-Chairman (Additional Charge)	w.e.f. 1st August 2020 upto 31 March 2021
Saurabh Kumar	Managing Director (Additional Charge)	w.e.f. 1 December 2019 upto 31 July 2020
Shankar Gopal	Managing Director (Additional Charge)	w.e.f. 1 August 2020 upto 7 October 2020
Rajat Kumar Sud	Managing Director	w.e.f. 7 October 2020 upto 6 September 2021
Venkatesh Dwivedi	Director (P & BD)	w.e.f. 7 February 2019 upto 6 September 2021
Shankar Gopal	Director (Commercial)	w.e.f. 7 February 2019 upto 6 September 2021
Mritunjay Kumar Narayan	Nominee Director	w.e.f. 30 June 2021 upto 21 December 2021
Abhay Bakre	Nominee Director	w.e.f. 8 May 2018 upto 5 October 2021
Parminder Chopra	Nominee Director	w.e.f. 23 December 2020 upto 6 September 2021
Raj Pal	Nominee Director	w.e.f. 14 July 2016 upto 15 February 2021
Raju Lakshmanan	Nominee Director	w.e.f. 1 May 2020 upto 9 November 2020
Chandan Kumar Mondol	Nominee Director	w.e.f. 30 May 2020 upto 13 August 2020
Mohit Bhargava	Nominee Director	w.e.f. 5 February 2018 upto 30 May 2020
Seethapathy Chander	Independent Director	w.e.f. 5 February 2018 upto 3 August 2020
Gauri Surendra Trivedi	Independent Director	w.e.f. 5 February 2018 upto 4 August 2020
Lokesh Kumar Aggarwal	Chief Financial Officer	w.e.f. 20 April 2021 upto 1 April 2022
Mohit Khatri	Chief Financial Officer	w.e.f. 21 January 2021 upto 19 April 2021
Lokesh Kumar Aggarwal	Chief Financial Officer	w.e.f. 11 December 2020 upto 21 January 2021
Shankar Gopal	Chief Financial Officer	w.e.f. 7 February 2019 upto 11 December 2020

Subsidiary Companies:

EESL EnergyPro Assets Limited

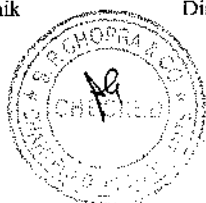
Arun Kumar Mishra	Director	w.e.f. 14 November 2021
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018
Shankar Gopal	Director	w.e.f. 20 March 2019
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Saurabh Kumar	Director	w.e.f. 13 March 2018 upto 14 November 2021
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020
Rajat Kumar Sud	Director	w.e.f. 17 December 2020 upto 22 September 2021

Anesco Energy Services South Limited

Amit Kumar Bharadwaj	Director	w.e.f. 20 March 2019
Nitin Wadhwa	Director	w.e.f. 20 March 2019
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Matthew William Pumfrey	Director	w.e.f. 13 March 2018 upto 1 May 2020
Michael Anthony Tivey	Director	w.e.f. 13 March 2018 upto 1 May 2020
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020

Creighton Energy Limited

Matthew William Pumfrey	Director	w.e.f. 13 March 2018 upto 1 May 2020
Michael Anthony Tivey	Director	w.e.f. 13 March 2018 upto 1 May 2020
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020
Amit Kumar Bharadwaj	Director	w.e.f. 20 March 2019
Nitin Wadhwa	Director	w.e.f. 20 March 2019
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020



51 Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

EPAL Holdings Limited

Arun Kumar Mishra	Director	w.e.f. 14 November 2021
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Saurabh Kumar	Director	w.e.f. 13 March 2018 upto 14 November 2021
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020

Edina Acquisitions Limited

Arun Kumar Mishra	Director	w.e.f. 14 November 2021
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Saurabh Kumar	Director	w.e.f. 13 March 2018 upto 14 November 2021
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020

Edina Power Services Limited

Arun Kumar Mishra	Director	w.e.f. 14 November 2021
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
Shankar Gopal	Director	w.e.f. 19 February 2019
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Rajat Kumar Sud	Director	w.e.f. 17 December 2020
Saurabh Kumar	Director	w.e.f. 13 March 2018 upto 14 November 2021
Rajat Kumar Sud	Director	w.e.f. 17 December 2020 upto 22 September 2021
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020

Edina Limited

Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Nitin Wadhwa	Director	w.e.f. 28 August 2019

Edina UK Limited

Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Nitin Wadhwa	Director	w.e.f. 28 August 2019
Saurabh Kumar	Director	w.e.f. 2 December 2019 upto 31 March 2021
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020

Edina Australia Pty Limited

Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Julian Gyngell	Director	w.e.f. 11 December 2021
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
Katharine Margaret Gyngell	Director	w.e.f. 18 October 2013 upto 11 December 2021
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020

Armoura Holdings Limited

Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
Nitin Wadhwa	Director	w.e.f. 28 August 2019
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020

Stanbeck Limited

Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
Nitin Wadhwa	Director	w.e.f. 28 August 2019
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020

Edina Manufacturing Limited

Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
Nitin Wadhwa	Director	w.e.f. 28 August 2019
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020

Edina Power Limited

Amit Kumar Kaushik	Director	w.e.f. 3 March 2020
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
Nitin Wadhwa	Director	w.e.f. 28 August 2019
Neelima Jain	Director	w.e.f. 13 March 2018 upto 3 February 2020



51 Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

EPSL Trigenation Private Limited

Arun Kumar Mishra	Director	w.e.f. 16 March 2022
Shankar Gopal	Director	w.e.f. 8 June 2019
Venkatesh Dwivedi	Director	w.e.f. 31 March 2021
Saurabh Kumar	Director	w.e.f. 20 December 2018 upto 14 November 2021
Amit Kumar Kaushik	Director	w.e.f. 5 March 2020 upto 31 March 2021
Neelima Jain	Director	w.e.f. 20 December 2018 upto 3 February 2020

Convergence Energy Services Limited

Mahua Acharya	Chief Executive Officer	w.e.f. 20 November 2020
Mahua Acharya	Managing Director	w.e.f. 20 November 2020
Arun Kumar Mishra	Director	w.e.f. 11 October 2021
Shankar Gopal	Director	w.e.f. 29 October 2021
Seema Gupta	Director	w.e.f. 4 January 2022
Chandan Kumar Mondal	Director	w.e.f. 21 January 2022
Saurabh Kumar	Director	w.e.f. 29 October 2020 upto 28 October 2021
Rajat Kumar Sud	Director	w.e.f. 12 November 2020 upto 24 September 2021
Jagjeet Singh Dadiala	Chief Financial Officer	w.e.f. 5 April 2021
Abhishek Srivastava	Company Secretary	w.e.f. 23 August 2021

EESL Energy Solutions I.L.C.

Arun Kumar Mishra	Director	w.e.f. 23 November 2021
Mathew Purackal Kuncheria	Director	w.e.f. 13 September 2020
Saurabh Kumar	Director	w.e.f. 13 September 2020 upto 23 November 2021
Rajat Kumar Sud	Director	w.e.f. 20 January 2021 upto 21 September 2021

(iii) Subsidiaries:

Interest in subsidiaries are set out in Note 53.

(vi) Joint Venture:

Intellismart Infrastructure Private Limited
NEESL Private Limited (upto 26 April 2021)

(v) Subsidiaries, joint ventures and associates of entities having joint control over the Group:

Anushakti Vidyut Nigam Ltd	Bangladesh India Friendship Power Company Private Ltd
Aravali Power Company Private Ltd	Central Transmission Utility of India Ltd
Bhartiya Rail Bijlee Company Ltd	Cross Border Power Transmission Company Ltd
Bihar Grid Company Ltd	Nabinagar Power Generating Company Ltd
CIL NTPC Urja Private Ltd	National High Power Test Laboratory Private Ltd
Hindustan Urvarak & Rasayan Ltd	North East Transmission Company Ltd
Kanti Bijlee Utpadan Nigam Ltd	North Eastern Electric Power Corporation Ltd
Konkan LNG Private Ltd	NTPC EDMC Waste Solutions Private Ltd
Meja Urja Nigam Private Ltd	NTPC Tamil Nadu Energy Company Ltd
NTPC Electric Supply Company Ltd	NTPC-BHEL Power Project Private Ltd
NTPC Mining Ltd	NTPC-GE Power Service Private Ltd
NTPC Renewable Energy Ltd	Parbati Koldam Transmission Company Ltd
NTPC Vidyut Vyapar Nigam Ltd	Power Transmission Company Nepal Ltd
NTPC-SAIL Power Company Ltd	Powergrid Ajmer Phagi Transmission Ltd
Patratu Vidyut Utpadan Nigam Ltd	Powergrid Aligarh Sikar Transmission Ltd
PFC Capital Advisory Services Ltd	Powergrid Bhind Gunia Transmission Ltd
PFC Consulting Ltd	Powergrid Bikaner Transmission System Ltd
PFC Green Energy Ltd	Powergrid Fatchgarh Transmission Ltd
Powergrid Bhadla Transmission Ltd	Powergrid Himachal Transmission Ltd
Powergrid Bhuj Transmission Ltd	Powergrid Jabalpur Transmission Ltd
Powergrid NM Transmission Ltd	Powergrid Jawaharpur Firozabad Transmission Ltd
Powergrid Parli Transmission Ltd	Powergrid Kala Amb Transmission Ltd
Powergrid Sikar Transmission Ltd	Powergrid Khotri Transmission System Ltd
Powergrid Teleservices Ltd	Powergrid Medinipur Jeeral Transmission Ltd
Powergrid Vizag Transmission Ltd	Powergrid Meerut Simbhavali Transmission Ltd
Powergrid Warora Transmission Ltd	Powergrid Mithilanchal Transmission Ltd
Powerlinks Transmission Ltd	Powergrid Ramgarh Transmission Ltd
Ratnagiri Gas & Power Private Ltd	Powergrid Rampur Sambhal Transmission Ltd
RINL Powergrid TLT Private Ltd	Powergrid Southern Interconnector Transmission System Ltd
Teestavalley Power Transmission Ltd	Powergrid Unchahar Transmission Ltd
THDC India Ltd	Powergrid Varanasi Transmission System Ltd
Torrent Power Grid Ltd	Powergrid Vemagiri Transmission Ltd
Trincomalee Power Company Ltd	REC Power Development and Consultancy Ltd
Utility Powertech Ltd	Transformers and Electricals Kerala Ltd



51 Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

(vi) Post Employment Benefit Plans:

Energy Efficiency Services Limited Employees Group Superannuation Defined Contribution Scheme Trust (EESL- Superannuation Trust)

(vii) Non-controlling interest:

EnergyPro Asset Management Limited Mr. Abdulrahman Ali Mohamed Ali
Hansa Energy Solutions LLC

(viii) Related party of non-controlling interest:

Hansa Electrical Cont. Co., U.A.E.
Hansa Green Technology FZC, U.A.E.

(ix) Entities under the control of the same government:

The Company is a joint venture of NTPC Limited, Power Finance Corporation Limited, Rural Electrification Corporation Limited and Power Grid Corporation of India Limited under the Ministry of Power and hence controlled by Government of India (GOI) through these controlled entities (refer Note 22). The Company has transactions with other entities controlled by GOI for sale and purchase of goods and services through a transparent price discovery process against open tenders, except in a few cases of single tender due to urgency, compatibility or other reasons. Transactions with these entities are in the course of normal day-to-day business operations, carried out at market terms on arms length basis.

b) Transactions with the related parties are as follows:*

Transactions with shareholders

₹ in Lakhs

Name of related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
NTPC Limited	Sale of goods and services (including GST)	1,616.56	1,848.08
	Rent expense	885.83	317.01
	Deputation of employees	72.82	74.05
Power Grid Corporation of India Limited	Sale of goods and services (including GST)	142.04	247.11
	Rent expense	245.50	224.45
	Deputation of employees	89.48	-
	Equity contribution received	40,749.17	-
REC Limited	Sale of goods and services (including GST)	0.42	-
Power Finance Corporation Limited	Sale of goods and services (including GST)	23.80	21.04

Transactions with joint ventures

₹ in Lakhs

Name of related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Intellisart Infrastructure Private Limited	Investment in Joint Venture	1,808.10	960.40
	Purchase of goods and services	2,740.27	809.56
	Advances given	1,478.99	1,245.00
	Sale of goods and services (including GST)	135.74	8.21

Transactions with Non-controlling interest and their related parties

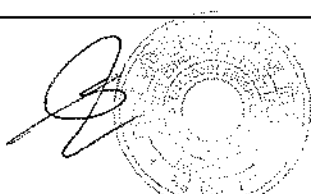
₹ in Lakhs

Name of related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
EnergyPro Asset Management Limited	Interest income	247.58	240.36
	Banking fee and guarantee fees recovered	119.77	114.14
	Loan given	268.30	863.77
Hansa Energy Solutions LLC	Expenses incurred on behalf of Group	267.66	30.26
	Sales of goods and services	200.61	263.61
	Advance payment received	517.23	-
	Expenses incurred by Group on behalf of Hansa	50.94	-
Hansa Electrical Cont. Co.	Expenses incurred on behalf of Group	-	6.60
	Advance payment received	-	35.38
Hansa Green Technology FZC	Purchase of goods and services	18.28	-

Transactions with other related parties

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions with post employment benefit plan		
Contributions made during the year	284.66	263.90
Compensation to Key management personnel		
Short term benefits	442.97	659.18
Post employment benefits	58.39	139.09
Other long term benefits	22.03	15.08
Total compensation	523.39	813.35
Transactions with related parties of entities having joint control over the company:		
Sale of goods and services (including GST)	179.25	463.87
Purchase of goods and services	2,446.90	1,447.73
Manpower services	2,841.64	2,410.12



51. Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

c) Individually significant transactions

		₹ in Lakhs	
Name of related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions with related parties of entities having joint control over the company:			
Utility Powertech Limited	Manpower services received by the Company	2,841.64	2,410.12

d) Outstanding balances with related parties are as follows:

Outstanding balances with shareholders

		₹ in Lakhs	
Name of related party	Nature of transaction	As at 31 March 2022	As at 31 March 2021
NTPC Limited	Amount recoverable for sale/purchase	1,160.23	1,733.00
	Amount recoverable (other than loans)	44.91	105.52
	Amount payable (other than loans)	188.78	-
Power Grid Corporation of India Limited	Amount recoverable for sale/purchase	1,402.57	1,386.50
	Amount payable (other than loans)	123.06	40.65
REC Limited	Amount recoverable for sale/purchase	330.48	153.11
	Amount recoverable (other than loans)	16.49	16.49
Power Finance Corporation Limited	Amount recoverable for sale/purchase	65.84	78.20
	Amount recoverable (other than loans)	10.02	10.02

Outstanding balance with joint venture

		₹ in Lakhs	
Name of related party	Nature of transaction	As at 31 March 2022	As at 31 March 2021
Intellismart Infrastructure Private Limited	Amount payable against purchase	2,505.50	727.35
	Amount recoverable (other than loans)	2,723.99	1,245.00

Outstanding balance with non-controlling interest and their related parties

		₹ in Lakhs	
Name of related party	Nature of transaction	As at 31 March 2022	As at 31 March 2021
EnergyPro Asset Management Ltd.	Amount recoverable (loans)	6,824.37	6,556.07
Hansa Energy Solutions LLC	Amount recoverable (other than loans)	-	204.33
Hansa Energy Solutions L.L.C.	Amount payable (other than loans)	331.79	-
Hansa Green Technology FZC	Amount payable (other than loans)	7.22	-
Hansa Electrical Cont. Co.	Amount payable (other than loans)	-	28.80

Outstanding balances with other related parties

		₹ in Lakhs	
Particulars		As at 31 March 2022	As at 31 March 2021
Subsidiaries/Joint ventures of entities having joint control over the company:			
Amount recoverable for sale/purchase of goods and services		1,057.06	483.36
Amount payable (other than loans)		397.47	834.13

d) Terms and conditions of transactions with the related parties

- Transactions with the related parties are made on normal commercial terms and conditions and at market rates.
- The contracts or arrangements or transactions entered into during the year ended 31 March 2022 which were at arm's length basis.
- The Group is receiving manpower services from M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between NTPC Limited and Reliance Infrastructure Ltd.
- The Group provides consultancy services and sell goods to companies having joint control on which it recovers cost plus services charges from such companies.
- Loan is given to EnergyPro Asset Management Limited (EPAM) at interest rate of LIBOR plus margin (2.80%). Banking fee and guarantee fees are recovered on cost to cost basis. As per the loan agreement, in case of any default, EnergyPro Asset Management Ltd along with its nominee director shall be deprived of all of its voting rights as shareholder in EESL EnergyPro Asset Limited (EPAL), and it shall not be entitled to any dividend or other distribution payable by the EPAL.
- Outstanding balances of related parties at the year-end are unsecured and interest free except for loan to EPAM and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

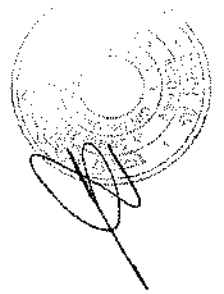


Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

52 Disclosure as per Schedule III to the Companies Act, 2013

Name of the entity in the Group	As at 31 March 2022		For the year ended 31 March 2022			Share in total comprehensive income		
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss			Share in OCI		
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of total comprehensive income	Amount
Parent company								
Energy Efficiency Services Limited	99.40%	1,25,848.83	88.39%	(15,094.07)	12.74%	(91.12)	85.34%	(15,185.19)
Indian subsidiaries								
Convergence Energy Services Limited	(0.18%)	(230.34)	5.96%	(1,017.08)	0.00%	-	5.72%	(1,017.08)
Foreign subsidiaries								
EESL EnergyPro Assets Limited	43.01%	54,449.96	(15.79%)	2,697.37	0.00%	-	(15.16%)	2,697.37
Anesco Energy Services South Ltd	4.53%	5,730.57	(6.37%)	1,088.64	0.00%	-	(6.12%)	1,088.64
Creighton Energy Limited	1.44%	1,825.78	(0.44%)	75.86	0.00%	-	(0.43%)	75.86
EPAL Holdings Limited	24.78%	31,379.23	0.11%	(18.28)	0.00%	-	0.10%	(18.28)
Edina Acquisition Limited	14.45%	18,291.69	18.33%	(3,130.52)	0.00%	-	17.59%	(3,130.52)
Edina Power Services Limited	10.46%	13,248.95	(0.23%)	39.30	0.00%	-	(0.22%)	39.30
Edina Limited	4.42%	5,595.40	2.94%	(501.38)	0.00%	-	2.82%	(501.38)
Edina UK Limited	10.47%	13,254.11	(0.75%)	127.81	0.00%	-	(0.72%)	127.81
Edina Australia Pty Limited*	(0.15%)	(190.04)	(0.18%)	31.42	0.00%	-	(0.18%)	31.42
Armoura Holdings Limited	0.23%	289.11	0.15%	(24.80)	0.00%	-	0.14%	(24.80)
Starbeck Limited	(0.18%)	(231.08)	0.27%	(45.93)	0.00%	-	0.26%	(45.93)
Edina Manufacturing Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Edina Power Limited	(0.33%)	(414.04)	6.03%	(1,029.60)	0.00%	-	5.79%	(1,029.60)
EPSL Trigenation Private Limited	0.08%	100.15	(0.68%)	115.29	0.00%	-	(0.65%)	115.29
EPESL Energy Solutions LLC	0.02%	22.04	0.25%	(42.14)	(0.18%)	1.30	0.23%	(40.84)
Non-controlling interest in all subsidiaries	3.66%	4,628.17	0.84%	(144.15)	11.29%	(80.77)	1.26%	(224.92)
Indian joint ventures								
NEESL Private Limited	0.00%	-	(0.01%)	0.95	0.00%	-	(0.01%)	0.95
Intellismart Infrastructure Pvt. Ltd	2.07%	2,618.32	0.07%	(11.79)	0.00%	-	0.07%	(11.79)
Consolidation adjustment	(118.17%)	(1,49,610.31)	1.14%	(194.49)	76.15%	(544.58)	4.15%	(739.07)
Total	100.00%	1,26,606.50	100.00%	(17,077.59)	100.00%	(715.17)	100.00%	(17,792.76)

* Edina Australia Pty Limited has a deficiency in equity of ₹ 190.04 Lakhs (31 March 2021: ₹ 216.65 Lakhs) and a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. Edina Australia Pty Limited has received a guarantee of continuing financial support from group companies and its financial statements has been prepared and consolidated on going concern basis.



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

52 Disclosure as per Schedule III to the Companies Act, 2013 (continued)

Name of the entity in the Group	As at 31 March 2021		For the year ended 31 March 2021						Share in total comprehensive income ₹ in Lakhs
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in OCI		Share in total comprehensive income		
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount			
Parent company									
Energy Efficiency Services Limited	96.75%	1,00,284.86	(3.97%)	118.64	(0.92%)	(20.37)	(12.69%)	98.27	
Indian subsidiaries									
Convergence Energy Services Limited	(0.21%)	(213.24)	7.13%	(213.25)	0.00%	-	27.53%	(213.25)	
Foreign subsidiaries									
EESL EnergyPro Assets Limited	44.85%	46,483.73	(200.41%)	5,992.21	0.00%	-	(773.65%)	5,992.21	
Anesco Energy Services South Ltd	4.57%	4,731.83	(3.47%)	103.89	0.00%	-	(13.41%)	103.89	
Creighton Energy Limited	1.71%	1,776.22	(1.70%)	50.97	0.00%	-	(6.58%)	50.97	
EPAL Holdings Limited	24.87%	25,781.11	0.21%	(6.20)	0.00%	-	0.80%	(6.20)	
Edina Acquisition Limited	15.05%	15,595.08	90.87%	(2,716.99)	0.00%	-	350.79%	(2,716.99)	
Edina Power Services Limited	7.18%	7,441.45	1.13%	(33.91)	0.00%	-	4.38%	(33.91)	
Edina Limited	6.01%	6,224.97	26.47%	(791.47)	0.00%	-	102.19%	(791.47)	
Edina UK Limited	7.00%	7,236.54	158.85%	(4,749.60)	0.00%	-	613.22%	(4,749.60)	
Edina Australia Pty Limited	(0.21%)	(216.65)	(0.34%)	10.02	0.00%	-	(1.29%)	10.02	
Armoura Holdings Limited	0.31%	320.54	1.07%	(31.85)	0.00%	-	4.11%	(31.85)	
Stanbeck Limited	(0.18%)	(190.95)	2.10%	(62.79)	0.00%	-	8.11%	(62.79)	
Edina Manufacturing Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
Edina Power Limited	0.58%	600.86	19.60%	(585.96)	0.00%	-	75.65%	(585.96)	
EPSL Trigeneration Private Limited	0.01%	10.59	(1.60%)	47.71	0.00%	-	(6.16%)	47.71	
EESL Energy Solutions LLC	0.06%	62.88	(0.10%)	2.91	0.00%	-	(0.38%)	2.91	
Non-controlling interest in all subsidiaries	4.55%	4,719.08	14.53%	(434.44)	15.59%	345.48	11.49%	(88.96)	
Indian joint ventures									
NEESL Private Limited	0.01%	10.61	-0.13%	4.02	0.00%	-	(0.52%)	4.02	
Intellismart Infrastructure Pvt. Ltd	0.79%	822.01	4.63%	(138.39)	0.00%	-	17.87%	(138.39)	
Consolidation adjustment	(113.70%)	(1,17,851.42)	-14.87%	444.50	85.33%	1,890.33	(301.45%)	2,334.83	
Total	100.00%	1,03,650.10	100.00%	(2,989.98)	100.00%	2,215.44	100.00%	(774.54)	

₹ in Lakhs



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

53 Disclosure as per Ind AS 112 'Disclosure of interest in other entities'

a) Investment in subsidiary company:

The group's subsidiaries are listed below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership interest held by the group (%)		Ownership interest held by non-controlling interests (%)		Principal Activities
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	
BESL EnergyPro Assets Limited	United Kingdom	86.80	84.55	13.20	15.45	Holding company & business support
Anesco Energy Services (South) Limited	United Kingdom	86.80	84.55	13.20	15.45	Provision of energy saving services
Creighton Energy Limited	United Kingdom	86.80	84.55	13.20	15.45	
EPAL Holdings Limited	United Kingdom	86.80	84.55	13.20	15.45	Investment holding company
Edina Acquisition Limited	United Kingdom	86.80	84.55	13.20	15.45	
Edina Power Services Limited	Ireland	86.80	84.55	13.20	15.45	
Edina Limited	Ireland	86.80	84.55	13.20	15.45	
Edina UK Limited	United Kingdom	86.80	84.55	13.20	15.45	Manufacture, sale, installation, hire and service of diesel and gas powered generators and related spare parts
Edina Manufacturing Limited	United Kingdom	86.80	84.55	13.20	15.45	
Edina Power Limited	United Kingdom	86.80	84.55	13.20	15.45	Containerisation of diesel and gas powered generators and production of equipment for containerisation
Edina Australia Pty Limited	Australia	86.80	84.55	13.20	15.45	Equipment wholesale sales and maintenance activities
Armoura Holdings Limited	Ireland	86.80	84.55	13.20	15.45	Investment in and rental of property
Stanbeck Limited	Ireland	86.80	84.55	13.20	15.45	Property investment company
EPSL Trigenation Private Ltd	India	86.80	84.55	13.20	15.45	Trigenation technology solutions
Convergence Energy Services Limited	India	100.00	100.00	-	-	Renewable energy, electric mobility, battery storage and climate change
BESL Energy Solutions LLC	United Arab Emirates	29.00	29.00	71.00	71.00	Solar energy systems installation and electrical fitting contracting



53 Disclosure as per Ind AS 112 'Disclosure of interest in other entities' (continued)

b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for subsidiary are before inter-company eliminations.

₹ in Lakhs

Summarised balance sheet	EESL Energypro Assets Limited		EESL Energy Solutions LLC	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Current assets	24,304.19	23,594.21	353.08	339.54
Current liabilities	51,541.53	35,025.43	348.12	289.34
Net current assets	(27,237.34)	(11,431.22)	4.96	50.20
Non-current assets	62,880.97	66,375.86	17.08	12.68
Non-current liabilities	765.98	24,689.47	-	-
Net non-current assets	62,114.99	41,686.39	17.08	12.68
Net assets	34,877.65	30,255.17	22.04	62.88
Accumulated NCI	4,604.18	4,675.08	23.99	44.00

₹ in Lakhs

Summarised statement of profit and loss	EESL Energypro Assets Limited		EESL Energy Solutions LLC	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue	68,984.37	60,059.61	295.42	295.03
Profit for the year	(902.79)	(2,820.70)	(42.14)	2.91
Other comprehensive income (OCI)	(625.35)	2,235.81	-	-
Total comprehensive income	(1,528.14)	(584.89)	(42.14)	2.91
Profits attributable to NCI	(123.50)	(435.86)	(20.65)	1.42
OCI attributable to NCI	(81.41)	345.48	0.64	-
Total comprehensive income attributable to NCI	(204.91)	(90.38)	(20.01)	1.42
Dividends paid to NCI	-	-	-	-

₹ in Lakhs

Summarised cash flows	EESL Energypro Assets Limited		EESL Energy Solutions LLC	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	(1,273.66)	4,104.24	77.84	51.65
Cash flows from investing activities	(142.58)	(183.69)	(153.05)	(26.21)
Cash flows from financing activities	(773.74)	(2,743.03)	-	59.97
Exchange differences on translation of foreign currency cash and cash equivalents	5.41	197.60	1.46	0.02
Net increase/(decrease) in cash and cash equivalents	(2,184.57)	1,375.12	(73.75)	85.43

c) Change in parent's ownership interest in Subsidiary

Particulars	Owners interest		Non-controlling interest	
	Share capital	Other equity	Share capital	Other equity
As at 1 April 2021	27,130.87	(1,550.77)	5,157.97	(482.89)
Equity investment during the year	6,150.60	-	-	-
Share in statement of profit and loss for the year	-	(779.29)	-	(123.50)
Share in other comprehensive income for the year	-	(543.94)	-	(81.41)
Impact of change in ownership interest adjusted in retained earnings	-	(134.01)	-	134.01
As at 31 March 2022	33,281.47	(3,008.01)	5,157.97	(553.79)

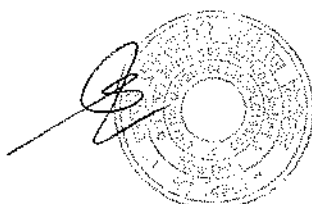
d) Details of significant restrictions

EESL EnergyPro Assets Limited (EPAL):

In the event of default of loan repayments of ICICI Bank, the bank may by notice stop EPAL from making dividend payments to its shareholders including EESL.

NEESL Private Limited:

There is a restriction on disposal of investments in NEESL Private Limited until the expiry date or earlier termination of the last subsisting Supply, Installation, Operation and Maintenance Agreement entered into by NEESL Private Limited for implementation of developing an energy efficient public lighting system in the cities of Bhubaneswar, Cuttack, Berhampur, Rourkela and Sambalpur comprising of their respective municipal area as determined in accordance with the Orissa Municipal Corporation Act, 2003 in relation to the Project Public Street Lighting Points, on a public private partnership basis.



53. Disclosure as per Ind AS 112 'Disclosure of interest in other entities' (continued)

e) Investment in joint venture company:

The group's joint ventures are listed below. They have share capital consisting solely of equity shares that are held directly by the group. The country of incorporation which is also their principal place of business is India. The proportion of ownership interest is the same as the proportion of voting rights held. The investment in joint ventures is accounted as per equity method. The joint ventures are unlisted and hence the quoted price are not available.

Particulars	Intellismart Infrastructure Pvt. Ltd (IIPL)		NEESL Private Limited	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Ownership interest held by group	49.00%	49.00%	-	26.00%
Carrying Amount	2,618.32	822.01	-	10.61

₹ in Lakhs

Summarised balance sheet	IIPL		NEESL Private Limited	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Current assets				
Cash and cash equivalents	1,853.69	1,938.90	-	19.06
Other assets	3,836.61	492.11	-	2,266.82
Total current assets	5,690.30	2,431.01	-	2,285.88
Total non-current assets	920.43	245.88	-	-
Current liabilities				
Financial liabilities (excluding trade payables)	271.07	246.04	-	2,245.09
Other liabilities	292.00	649.40	-	-
Total current liabilities	563.07	895.44	-	2,245.09
Non-current liabilities				
Financial liabilities (excluding trade payables)	668.53	81.11	-	-
Other liabilities	35.63	22.77	-	-
Total non-current liabilities	704.16	103.88	-	-
Net assets	5,343.50	1,677.57	-	40.79

₹ in Lakhs

Summarised statement of profit and loss	IIPL		NEESL Private Limited	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue	2,643.71	1,055.14	-	1,077.93
Interest income	-	-	-	-
Other income	85.68	28.49	-	19.37
Cost of material consumed	-	-	-	(899.96)
Employee benefit expense	(1,521.46)	(691.41)	-	-
Depreciation and amortisation	(103.99)	(22.69)	-	-
Finance cost	(47.28)	(8.22)	-	-
Other expense	(1,055.91)	(703.23)	-	(176.46)
Income tax expense	(24.82)	68.16	-	(5.43)
Profit from continuing operations	(24.07)	(273.76)	-	15.45
Profit from discontinued operations	-	-	-	-
Profit for the year	(24.07)	(273.76)	-	15.45
Other comprehensive income	-	-	-	-
Total comprehensive income	(24.07)	(273.76)	-	15.45
Dividend received	-	-	-	-

₹ in Lakhs

Reconciliation of carrying amount	IIPL		NEESL Private Limited	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Opening net assets	1,677.57	(8.67)	-	25.34
Shares issued during the year	3,690.00	1,960.00	-	-
Profit for the year	(24.07)	(273.76)	-	15.45
Capital expenditure annuity reserve	-	-	-	-
Other comprehensive income	-	-	-	-
Closing net assets	5,343.50	1,677.57	-	40.79
Group share in %	49.00%	49.00%	-	26.00%
Group share in INR	2,618.32	822.01	-	10.61
Goodwill	-	-	-	-
Carrying amount	2,618.32	822.01	-	10.61



54 Disclosure as per Ind AS 19 'Employee Benefits'

a) Defined contribution plans:

(i) Provident fund

The parent 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 ₹ 444.60 Lakhs (31 March 2021: ₹ 284.30 Lakhs) pertaining to employers' contribution to provident fund is recognised as an expense and included in "Employee benefits expense" in note 37.

(ii) Superannuation fund

The parent company pays fixed contribution to superannuation fund to a separate trust. Amount of ₹ 284.66 Lakhs (31 March 2021: ₹ 263.90 Lakhs) pertaining to employers' contribution to superannuation fund is recognised as an expense and included in "Employee benefits expense" in note 37.

(iii) Pension fund

The Group voluntarily contributes 6% to an external pension fund for its employees of subsidiaries. Amount of ₹ 500.70 Lakhs (31 March 2021: ₹ 497.32 Lakhs) is recognised as an expense and included in "Employee benefits expense" in note 37.

b) Other long term employee benefit plans- Leave encashment

The parent company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the parent company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is encashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation.

During the year, provision amounting to ₹ 378.74 Lakhs (31 March 2021: ₹ 308.89 Lakhs) has been recognised on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

c) Defined benefit plan (gratuity).

The parent company operates a gratuity plan for its regular employees which provides lump sum benefits linked to the qualifying salary and completed years of service with the parent company at the time of separation. Regular 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".

The parent company has set up a fund with Life Insurance Corporation (LIC) of India and contribution is made to the gratuity policy issued by LIC of India. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the parent company's financial statements as at balance sheet date:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Net defined benefit (asset)/liability:		
Non-current	195.81	99.97
Current	19.93	7.41
Gratuity	215.74	107.38

(i) Movement in net defined benefit (asset)/liability

Particulars	₹ in Lakhs		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance as at 1 April 2021	598.35	490.97	107.38
Included in profit or loss:			
Current service cost	146.57	-	146.57
Net interest cost	40.69	41.65	(0.96)
Total amount recognised in profit or loss	187.26	41.65	145.61
Included in other comprehensive income (OCI):			
Remeasurement loss/(gain) arising from:			
Financial assumptions	(52.79)	-	(52.79)
Experience adjustment	175.81	-	175.81
Return on plan assets excluding interest income	-	1.26	(1.26)
Total amount recognised in OCI	123.02	1.26	121.76
Other			
Contributions paid by the employer	-	164.59	(164.59)
Benefits paid	(15.10)	(15.10)	-
Benefit amount received from LIC	-	(4.43)	4.43
Benefits received yet to be paid	-	(1.15)	1.15
Balance as at 31 March 2022	893.53	677.79	215.74



54 Disclosure as per Ind AS 19 'Employee Benefits' (continued)

Particulars	₹ in Lakhs		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance as at 1 April 2020	408.11	291.21	116.90
Included in profit or loss:			
Current service cost	132.21	-	132.21
Past service cost	-	-	-
Net interest cost	27.55	27.00	0.55
Total amount recognised in profit or loss	159.76	27.00	132.76
Included in other comprehensive income (OCI):			
Remeasurement loss/(gain) arising from:			
Financial assumptions	(4.65)	-	(4.65)
Experience adjustment	32.44	-	32.44
Return on plan assets excluding interest income	-	0.57	(0.57)
Total amount recognised in OCI	27.79	0.57	27.22
Other			
Contributions paid by the employer	-	172.19	(172.19)
Acquisition adjustment	2.69	-	2.69
Benefits paid	-	-	-
Balance as at 31 March 2021	598.35	490.97	107.38

(ii) Plan assets

The plan assets of the parent company are managed by Life Insurance Corporation of India through a trust managed by the parent company in terms of an insurance policy taken to fund obligations of the parent company. Information on categories of plan assets as at 31 March 2021 and 31 March 2020 has not been provided by Life Insurance Corporation of India. Actual return on plan assets is ₹ 42.91 Lakhs (31 March 2021: ₹ 27.57 Lakhs).

(iii) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	7.18%	6.80%
Salary escalation rate	6.50%	6.50%
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	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.

(iv) 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.

Particulars	₹ in Lakhs	
	Increase	Decrease
As at 31 March 2022		
Discount rate (0.5% movement)	(63.55)	70.33
Salary escalation rate (0.5% movement)	52.23	(53.92)
As at 31 March 2021		
Discount rate (0.5% movement)	(44.01)	48.79
Salary escalation rate (0.5% movement)	42.64	(39.49)

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.

(v) Risk exposure

Changes in discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

Salary increases: Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Life expectancy: The plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Investment risk: Assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.



54 Disclosure as per Ind AS 19 'Employee Benefits' (continued)

(vi) Expected maturity analysis of the defined benefit plans in future years

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Less than 1 year	19.93	7.41
Between 1-2 years	16.71	10.69
Between 2-5 years	73.24	43.03
Over 5 years	783.65	537.22
Total	893.53	598.35

(vii) Expected contributions to post-employment benefit plans for the year ending 31 March 2023 are ₹ 175.73 Lakhs.

(viii) The weighted average duration of the defined benefit plan obligation as at 31 March 2022 is 17.58 years (31 March 2021: 18.23 years).

55 Disclosure as per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance'

Government grants have been accounted in line with Accounting policy no. 2.9.

Asian Development Bank ("ADB") acting as an implementation agency of the Global Environment Facility ("GEF") had sanctioned a grant of USD 13,000,000 for specific energy efficiency projects. There are no unfulfilled conditions or other contingencies attached to above grant. The Company has recognised ₹ 727.59 (31 March 2021: ₹ 535.68 Lakhs) as grant income (refer note 35).

International Bank for Reconstruction and Development ("World Bank") acting as an implementation agency of the Global Environment Facility ("GEF") had sanctioned a grant of USD 1,500,000 for implementation of SAP and USD 500,000 for other consultancy. There are no unfulfilled conditions or other contingencies attached to above grant. The Company has recognised ₹ Nil (31 March 2021: ₹ 309.45 Lakhs) as grant income (refer note 35).

56 Disclosure as per Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'

The amount of exchange differences (net) debited to the statement of profit and loss is ₹ 5,915.37 Lakhs (31 March 2021: credited to Statement of profit and loss ₹ 2,548.39 Lakhs).

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

Particulars	(In ₹)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Basic earnings per share* [A/B]	(1.39)	(0.26)
Diluted earnings per share* [A/C]	(1.39)	(0.26)
Nominal value per share	10.00	10.00

*rounded upto two decimal places

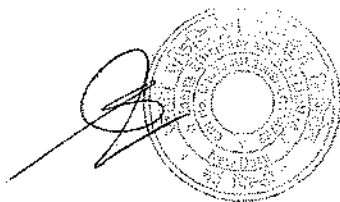
a) Profit attributable to equity shareholders of parent company [A] (₹ in Lakhs) (16,933.44) (2,555.54)

b) Weighted average number of equity shares

Particulars	For the year ended	
	31 March 2022	31 March 2021
Opening balance of issued equity shares	98,33,28,350	98,33,28,350
Effect of shares issued during the year, if any	23,10,98,004	-
Weighted average number of equity shares for Basic EPS [B]	1,21,44,26,354	98,33,28,350
Effect of dilution	22,32,831	-
Weighted average number of equity shares for Diluted EPS [C]	1,21,66,59,185	98,33,28,350

58 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Contingent liabilities		
Bills discounted with banks against trade receivables	7,924.73	32,025.96
Claims against the Company not acknowledged as debt (VAT paid under protest of ₹ 4,868.15 Lakhs (31 March 2021: ₹ 4,879.39 Lakhs), refer note 18)	8,831.43	8,168.68
Claims against the Company not acknowledged as debt (income tax demand)	22,563.01	-
Other claims against the Company not acknowledged as debt	12,301.46	5,684.07
Bank guarantees- lien against fixed deposits	175.09	536.08
Total	51,795.72	46,414.79
Commitments		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	4,22,453.93	18,29,889.45
Equity contribution in subsidiaries	3,577.59	-
Investments in Maple Leaf amounting to USD 10 Millions	7,580.71	7,350.47
Total	4,33,612.23	18,37,239.92



59 Disclosure as per Ind AS 115, 'Revenue from contracts with customers'

a) Nature of goods and services

The revenue of the Group comprises of revenue from sale of goods, rendering of services and sale/servicing of industrial engine and components. The following is a description of the principal activities:

Revenue from sale of goods

The Group sells energy efficient appliances such as LEDs, streetlights, solar lamps, agricultural pumps, energy efficient fans/tubes etc. (including standard warranties) to various customers. Majority of the revenue is derived from government customers. Sale of goods is made as per the terms and conditions mentioned in agreement entered into between the Group and the customer.

Nature, timing of satisfaction of performance obligation and significant payment terms

The Group recognises revenue from sale of goods at a point in time when control of the goods is transferred to the customers. The amount of revenue recognised as per the terms of the contracts and is adjusted for components of variable consideration, wherever applicable, which are estimated based on the historical data available with the Group. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period which varies from 30 to 60 days.

Revenue from rendering of services

The Group provides energy efficiency services on ESCO model and consultancy services to various customers. Majority of the revenue is derived from government customers. Services are provided as per the terms and conditions mentioned in agreement entered into between the Group and the customer.

Nature, timing of satisfaction of performance obligation and significant payment terms

The Group recognises revenue from rendering of services over time as the customers simultaneously receive and consume the benefits provided by the Group. The amount of revenue recognised as per the terms of the contracts and is adjusted for components of variable consideration, wherever applicable, which are estimated based on the historical data available with the Group. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period which varies from 30 to 60 days.

Revenue from industrial engine and component

The group is a distributor of MWM engines technology. The in-house production facility manufactures bespoke control panel systems and containerized MWM engines that are designed to expedite site installation, provide low maintenance cost and ensure maximum plant availability. The Group sells MWM engines, provides engine containerisation and installation service to customers. The Group further provides after sales services through long term service contracts and sells MWM engine parts.

Nature, timing of satisfaction of performance obligation and significant payment terms

In respect to MWM engines and its installation at client site, the company recognizes revenue from sale of goods over a period of time based on measurement of performance obligations. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period which varies between 7 days to 30 days. In respect to MWM engines parts, the company recognizes revenue from sale of goods at a point of time. The company recognizes revenue from sale of services over a period of time. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period of up to 30 days.

b) Disaggregation of revenue

Revenue is disaggregated by type and nature of goods and services and timing of revenue recognition.

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Nature of goods and services		
Sale of goods		
Ujala Scheme	960.10	3,405.34
Agricultural Demand Side Management	369.42	1,634.52
Street light projects	9,510.18	10,448.61
Solar street light projects	1,993.41	5,550.30
Building projects	360.29	260.38
E-Vehicle	234.39	14.73
Others	1,976.07	1,966.59
Total [A]	15,403.86	23,280.47
₹ in Lakhs		
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rendering of services		
Street light projects	1,02,850.72	98,887.57
Building projects	7,296.77	6,456.31
Smart Meter	17,622.23	13,497.56
Agricultural Demand Side Management	540.75	1,068.87
Solar street light projects	30.46	1,769.05
Solar power	6,170.52	4,202.35
E-Vehicle	3,450.22	2,434.36
Others	1,315.60	1,271.01
Total [B]	1,39,277.27	1,29,587.08
Industrial engine and component		
Sale of goods	33,648.58	30,294.14
Operation and maintenance services	33,836.15	28,593.27
Total [C]	67,484.73	58,887.41
Total [A + B + C]	2,22,165.86	2,11,754.96
(ii) Timing of revenue recognition		
Products and services transferred at a point in time	49,052.44	53,574.61
Products and services transferred over time	1,73,113.42	1,58,180.35
Total	2,22,165.86	2,11,754.96



59 Disclosure as per Ind AS 115, 'Revenue from contracts with customers' (continued)

c) Reconciliation of revenue recognised with contract price:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract price	2,22,165.86	2,11,754.96
Adjustments	-	-
Revenue from operations	<u>2,22,165.86</u>	<u>2,11,754.96</u>

d) Contract balances

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are transferred to unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The contract liabilities primarily relate to the advance consideration received from the customers which are referred to as 'advances from customers' and advance billings referred to as 'unearned revenue'.

The following table provides information about trade receivables, unbilled revenue, advances from customers and unearned revenue from contracts with customers:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Trade receivables	3,54,430.32	3,15,860.41
Non-current unbilled revenue	418.34	643.08
Current unbilled revenue	15,407.65	18,498.69
Advances from customers	444.27	-
Unearned revenue	828.81	1,610.24

The amount of revenue recognised in current year from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to delay in issuance of completion certificate by competent authorities is ₹ 5,093.38 Lakhs (31 March 2021: ₹ 796.99 Lakhs).

The Group recognized revenue of ₹ 1,610.24 Lakhs arising from opening unearned revenue from customers as at 1 April 2021.

Advances from customers is on account of cash received, excluding amounts recognised as revenue or adjusted against expenses.

e) Practical expedients applied as per Ind AS 115:

- The Group has applied the practical expedient as per para 121 of Ind AS 115 and not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date. There are no performance obligations that are completely or partially unsatisfied as of 31 March, 2022, other than those meeting this exclusion criteria.
- The Group does not expect to have any contracts for which revenue is recognised during the year where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group has not adjusted the transaction prices for the time value of money.

f) Incremental costs of obtaining contracts

The Group has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such costs.

g) Significant judgments

(i) Significant judgments in determining the timing of satisfaction of performance obligation.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and transfer of significant risks and rewards to the customer etc.

For performance obligations that are satisfied over time, the Group uses judgement to determine the method used for revenue recognition. The Group uses input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue is recorded proportionally based on measure of progress. The Group uses output method where direct measurements of value to the customer is based on survey's of performance completed to date.

(ii) Significant judgment in determining the transaction price and allocation of transaction price

Judgement is also required to determine the transaction price for the contract. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.



60 Disclosure as per Ind AS 116 on 'Leases'

a) As a lessee

The Group lease asset primarily consist of leases for land and buildings for residential/office premises, warehouses and vehicles having the various lease terms. The Group also has certain leases of with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

The following are the carrying value of right to use asset and lease liabilities and movement thereof:

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Right of use assets		
Opening balance	1,615.64	1,896.62
Additions during the year	619.13	343.03
Deletion during the year	(88.25)	(72.96)
Depreciation for the year	(905.13)	(587.07)
Foreign exchange fluctuation	24.85	36.02
Closing balance	<u>1,266.24</u>	<u>1,615.64</u>
Lease liabilities		
Opening balance	968.29	1,163.97
Additions during the year	621.62	365.28
Deletion during the year	(79.57)	(60.99)
Accretion of interest	93.63	78.61
Payments	(781.83)	(672.33)
Foreign exchange fluctuation	3.36	93.75
Closing balance	<u>825.50</u>	<u>968.29</u>

Bifurcation of lease liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Current	517.44	444.15
Non-current	308.06	524.14
Total	<u>825.50</u>	<u>968.29</u>

The maturity analysis of lease liabilities are disclosed in Note 48.

The weighted average incremental borrowing rate applied to lease liabilities ranges from 3.50% to 10.05%. The Group has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

The Group has recognised ₹ 760.52 Lakhs and ₹ 93.63 Lakhs (31 March 2021: ₹ 587.07 Lakhs and ₹ 78.61 Lakhs) as depreciation of right-of-use assets and interest expense on lease liabilities respectively in the statement of profit and loss and cash outflow for leases of ₹ 781.83 Lakhs (31 March 2021: ₹ 672.33 Lakhs) in statement of cash flows. The Company has recognised an expense of ₹ 2,966.16 Lakhs (31 March 2021: ₹ 2,262.33 Lakhs) on account of short term leases.

The Group has provided certain office buildings and warehouses on operating lease for a period of 1 to 5 years, which can be further extended at mutually agreed terms but are not non-cancellable. The lease rental income recognised in the statement of profit and loss for the year in respect of leases is ₹ 43.64 Lakhs (31 March 2021: ₹ 41.51 Lakhs).

b) As a lessor

(i) The parent company provides electrical vehicles (E-vehicles) on finance lease for a period of six years. Lease rentals are subject to escalation of 0% to 10% per annum. Total future minimum lease payments due under non-cancellable finance leases are as follows:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Less than one year	4,318.37	3,265.32
One to two year	4,316.57	3,265.32
Two to three year	3,912.50	3,257.51
Three to four year	2,524.27	2,840.73
Four to five year	1,438.28	1,488.53
More than five years	661.59	413.98
Total minimum lease payments	<u>17,171.58</u>	<u>14,531.39</u>
Unearned finance income	3,725.17	2,962.46
Present value of minimum lease payments	<u>13,446.41</u>	<u>11,568.93</u>

Present value of future minimum lease payments due under non-cancellable finance leases are as follows:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Less than one year	3,278.04	3,101.35
One to two year	3,413.40	2,802.01
Two to three year	3,160.09	2,532.33
Three to four year	1,986.26	1,990.86
Four to five year	966.73	924.69
More than five years	436.31	217.69
Present value of minimum lease payments	<u>13,240.83</u>	<u>11,568.93</u>



60 Disclosure as per Ind AS 116 on 'Leases' (continued)

- (ii) The group also leases out energy saving equipment to customers for a period upto 19 years. Lease rentals are subject to escalation of 2.5% to 6% per annum. Total future minimum lease payments due under non-cancellable finance leases are as follows:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Less than one year	328.61	319.02
One to two year	343.07	333.23
Two to three year	378.54	347.89
Three to four year	344.26	363.00
Four to five year	271.67	348.10
More than five years	1,757.51	2,079.53
Total minimum lease payments	3,423.66	3,790.77
Unearned finance income	1,242.96	1,469.25
Present value of minimum lease payments	2,180.70	2,321.52

Present value of future minimum lease payments due under non-cancellable finance leases are as follows:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Less than one year	310.26	306.73
One to two year	293.94	285.43
Two to three year	293.27	270.56
Three to four year	244.17	256.50
Four to five year	179.87	226.09
More than five years	859.19	976.21
Present value of minimum lease payments	2,180.70	2,321.52

61 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

a) Ind AS 16 – Property, Plant and equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Group has evaluated the amendment and there is no impact on its financial statements.

b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

c) Ind AS 109 – Annual Improvements to Ind AS (2021):

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group has evaluated the amendment and there is no impact on its financial statements.

There are certain other amendments which are not expected to have any impact on the financial statements of the Group.

62 Additional regulatory information

- The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.

b) No proceedings have been initiated or pending against the Group for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988.

c) The Group has neither provided nor taken any loan or advance to/from any other person or entity with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.

d) The Company has complied with the provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

e) No scheme of arrangements has been approved by competent authority in terms of sections 230 to 237 of the Companies Act, 2013 in respect of Group.

f) The Group has neither traded nor invested in crypto currency or virtual currency during the financial year.

g) The Group does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961

h) The Group did not have transactions with any Company struck off under section 248 of the Companies Act, 2013.



62 Additional regulatory information (continued)

i) Ratios

Particulars	As at 31 March 2022	As at 31 March 2021	Variance (%)	Reason (Where variance exceeds 25%)
Liquidity ratio (times)				
Current ratio (current assets divide by current liabilities)	1.19	1.39	(14.66%)	-
Solvency ratios (times)				
Debt-equity ratio (Long term debt divide by total equity)	3.66	5.22	(29.89%)	Equity infusion and reduction in non-current borrowings
Debt service coverage ratio (Profit for the year + finance costs + depreciation and amortisation expenses divide by principal repayments of long term borrowings + finance costs)	0.86	1.22	(29.83%)	Higher repayments of non- current borrowings during due F.Y. 2022-23
Profitability ratios (%)				
Net Profit Ratio (Profit for the year divide by revenue from operations)	(7.69%)	(1.41%)	444.40%	Increase in annual maintenance cost and loss on account of foreign exchange
Return on Equity Ratio (Profit for the year divide by average shareholder's equity)	(15.42%)	(3.01%)	412.29%	Increase in annual maintenance cost and loss on account of foreign exchange
Return on Capital employed (Earning before interest and taxes divide by capital employed)	2.35%	5.24%	(55.15%)	Increase in annual maintenance cost and loss on account of foreign exchange
Return on Investment ((Profit before tax + Finance Cost) * (1-tax rate) divide by total assets)	1.16%	2.63%	(55.77%)	Increase in annual maintenance cost and loss on account of foreign exchange
Utilization ratios (times)				
Trade Receivables turnover ratio (Revenue from operations divide by average trade receivables)	0.66	0.71	(6.59%)	-
Inventory turnover ratio (Revenue from operations divide by average inventory)	9.80	8.31	17.93%	-
Trade payables turnover ratio (Total purchases divide by average trade payables)	0.85	0.92	(7.68%)	-
Net capital turnover ratio (Revenue from operations divide by working Capital)	2.56	1.39	83.95%	Higher repayments of non- current borrowings during due F.Y. 2022-23

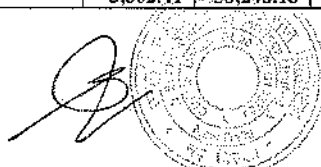
j) The parent company has taken long term loans and short term loans which are secured by all present and future movable and current assets of the Company including book debts / receivables, inventories and all other movables. The differences in quarterly returns / statement of current assets filed by the company and amount as per books of account of the company are given below:

Name of Bank	Quarter	As per books of account	As reported in quarterly statement	Difference	Reason for material difference
Trade receivables					
Bank of Baroda, ICICI Bank, Canara Bank, IndusInd Bank and Bajaj Finance Limited	Quarter 1	3,396.74	3,396.74	-	-
	Quarter 2	3,494.27	3,375.08	119.19	Due to adjustments accounted at the end of each quarter
	Quarter 3	3,832.40	3,682.84	149.56	
	Quarter 4	3,724.50	3,869.47	(144.97)	
Inventories					
Bank of Baroda, IndusInd Bank and Bajaj Finance Limited	Quarter 1	181.70	181.70	-	-
	Quarter 2	219.15	189.97	29.18	Due to adjustments accounted at the end of each quarter
	Quarter 3	209.02	177.20	31.82	
	Quarter 4	157.71	164.12	(6.41)	

k) Trade Payables ageing schedule as at 31 March 2022

₹ Lakhs

Particulars	Not Due	Unbilled Dues	Outstanding for following periods from due date of payment/ transaction*				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	35.07	216.53	-	-	-	251.60
(ii) Others	-	3,267.34	58,031.59	13,773.95	19,077.93	19,292.36	1,13,443.18
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	-	3,302.41	58,248.13	13,773.95	19,077.93	19,292.36	1,13,694.78



62. Additional regulatory information (continued)

Trade Payables ageing schedule as at 31 March 2021

₹ Lakhs

Particulars	Not Due	Unbilled Dues	Outstanding for following periods from due date of payment/ transaction*				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	3,701.37	1,439.49	1,244.22	3,454.72	9,839.80
(ii) Others	-	261.71	50,880.14	22,373.58	29,096.37	23,969.18	1,26,580.99
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	-	261.71	54,581.51	23,813.07	30,340.59	27,423.90	1,36,420.79

* The above ageing has been prepared by the Management based on date of transactions. However, the amount has not fallen due for payment since the milestone of payment has not been achieved, certification for completion of work has not been received or the amount has been retained due to non submission of security towards deferred liability period.

1) Trade Receivables and unbilled ageing schedule as at 31 March 2022

₹ Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment/					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	15,825.99	32,331.50	63,512.96	58,092.65	97,491.72	69,541.52	34,519.92	3,71,316.27
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	119.24	447.93	14.49	9.22	69.90	1,901.27	2,562.05
(iv) Disputed Trade Receivables – considered good	-	103.23	148.40	135.08	214.99	171.64	-	773.33
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	270.52	21.80	1,019.24	571.12	17,948.49	19,831.17
Subtotal	15,825.99	32,553.97	64,379.81	58,264.02	98,735.17	70,354.18	54,369.68	3,94,482.82
Less: Loss allowance	-	-	914.22	870.46	1,570.36	1,052.66	9,011.92	13,419.62
Less: Provision for interest variation	-	1,180.38	988.53	1,977.06	3,369.79	1,283.76	2,007.37	10,806.89
Total	15,825.99	31,373.59	62,477.06	55,416.50	93,795.02	68,017.76	43,350.39	3,70,256.31

Trade Receivables and unbilled ageing schedule as at 31 March 2021

₹ Lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment/					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	19,141.77	24,735.24	46,520.43	82,705.04	1,47,558.72	2,253.35	5,092.06	3,28,006.61
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	43.46	19.17	9.22	69.90	2,000.20	2,141.95
(iv) Disputed Trade Receivables – considered good	-	40.59	212.19	348.82	401.06	136.00	-	1,138.65
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	158.10	1,020.08	571.12	704.59	15,698.73	18,152.62
Subtotal	19,141.77	24,775.83	46,934.18	84,093.10	1,48,540.12	3,163.84	22,790.99	3,49,439.83
Less: Loss Allowance	-	-	5,641.52	695.67	1,242.91	196.63	-	7,776.73
Less: Provision for interest variation	-	-	1,684.90	1,684.90	1,283.76	1,201.23	806.14	6,660.92
Total	19,141.77	24,775.83	39,607.77	81,712.54	1,46,013.45	1,765.98	21,984.85	3,35,002.18

* The above ageing has been prepared by the Management based on date of transactions.



63 Confirmation of balances

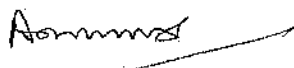
The Parent Company during the year under audit has reconciled a major portion of various balances lying under trade receivable and trade payables. The necessary adjustments if any, which in the view of management may not be material, will be carried out on completion of the exercise.


64 The Group has considered the possible effects that may result from the Covid 19 pandemic on the carrying amounts of property, plant and equipment, inventory, receivables and other current assets. The Management, based on the current indicators of future economic condition, expects that the carrying amount of the assets will be recovered, liabilities will be settled and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainties of the pandemic, the Group will continue to closely monitor any material changes to future economic conditions.


65 Previous year figures have been regrouped / reclassified to make them comparable with the current year.

As per our report of even date attached
For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N

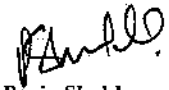
For and on behalf of the Board of Directors of Energy Efficiency Services
Limited


Ankur Goyal
Partner
Membership No.- 099143
Place : New Delhi
Date : 8 July 2022


Arun K Mishra
CEO and Director
DIN : 09349810


Aditya Dar
Director
DIN : 08079013


Sandeep Kumar Jain
Chief Financial Officer


Pooja Shukla
Company Secretary



Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2022, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

₹ in Lakhs

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16		
2	Name of subsidiary	EESL EnergyPro Assets Limited	Antesco Energy Services (South) Ltd	Creighton Energy Limited	EPAL Holdings Limited	Edina Acquisition Limited	Edina Power Services Limited	Edina Limited	Edina UK Limited	Edina Australia Pty Limited	Armoura Holdings Limited	Stanbeck Limited	Edina Manufacturing Limited	Edina Power Limited	EPSL Trigeneneration Private Ltd	EESL Energy Solutions LLC (Dubai)	Covergence Energy Services Limited
3	The date since when subsidiary was acquired	13-Mar-18	13-Mar-18	13-Mar-18	13-Mar-18	13-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	20-Dec-18	13-Sep-20	29-Oct-20
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period..	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Reporting currency of foreign subsidiaries	GBP	GBP	GBP	GBP	GBP	EURO	EURO	GBP	AUD\$	EURO	EURO	GBP	GBP	INR	AED	INR
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	99.5524	99.5524	99.5524	99.5524	99.5524	83.9845	83.9845	99.5524	56.7497	83.9845	83.9845	99.5524	99.5524	1.0000	20.6425	1.0000
6	Share capital	40,997.77	4,908.09	1,991.05	31,421.23		12,259.12	7,173.54	9,955.24	0.06	0.00	167.97	0.10	0.10	10.00	61.93	1,000.01
7	Reserves and surplus	13,452.20	822.48	(165.27)	(42.00)	(13,129.54)	990.15	(1,578.01)	3,298.87	(197.07)	289.11	(399.06)	(0.10)	(414.14)	89.90	(39.90)	(1,230.35)
8	Total assets	97,052.95	6,057.53	1,892.03	79,511.57	66,400.83	18,313.52	8,174.49	26,756.46	782.54	997.43	963.17	-	2,357.01	957.42	370.15	15,868.53
9	Total Liabilities	42,602.98	326.96	66.25	48,132.34	48,109.14	5,064.25	2,578.95	13,502.35	979.55	708.31	1,194.26	-	2,771.05	857.52	348.13	16,098.87
10	Investments	1,841.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Turnover	1,661.73	270.27	274.23	-	-	-	6,427.61	58,235.09	704.10	25.99	-	-	8,460.27	618.06	295.42	988.66
12	Profit before taxation	2,697.46	1,249.50	79.78	(18.28)	(3,130.61)	39.30	(560.06)	213.69	34.70	(24.80)	(45.93)	-	(1,035.00)	162.26	(42.15)	(1,355.62)
13	Provision for taxation	-	(160.83)	(3.91)	-	-	-	58.66	(85.88)	(10.41)	-	-	-	5.37	(50.76)	-	338.52
14	Profit after taxation	2,697.46	1,088.68	75.86	(18.28)	(3,130.61)	39.30	(501.39)	127.82	24.29	(24.80)	(45.93)	-	(1,029.63)	111.50	(42.15)	(1,017.10)
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	% of shareholding	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	86.80%	29.00%	100.00%

Note:

- The above financial information is based on audited financial information considered for the purpose of consolidated audited Ind AS financial statements.
- Financial information has been extracted from the submission considered for the purpose of consolidated audited Ind AS financial statements.
- Investments exclude investments in subsidiaries.
- Share capital of Edina Power Services Limited includes preference share capital.

Part B - Associates and Joint Ventures

₹ in Lakhs

S. No	Name of Joint venture	Date on which Joint Venture was associated or acquired	Latest audited balance sheet date	Shares of Joint Venture held by the company on the year end			Description of how there is joint control	Net Worth attributable to shareholders as per latest audited Balance Sheet	Profit / (loss) for the year ended March 31, 2022	
				Number of shares	Amount of Investment	Extent of holding			Considered in consolidation	Not considered in consolidation
1	Intellisart Infrastructure Pvt Ltd	13-Nov-19	31-Mar-22	2,76,85,049	2768.50	49%	By virtue of shareholding	5,343.50	(11.79)	-

Note:

- Amount of investment in joint venture is based on the carrying value of investments in the consolidated financial statements of Energy Efficiency Services Limited.
- During the year, the Company's shareholding in its erstwhile joint venture namely NEESL Private Limited has reduced from 26% to 2.21% as the joint venture partner has introduced fresh equity in the joint venture company. It resulted into reduction in shareholding and in terms of the joint venture agreement, the Company has lost joint control of NEESL Private Limited.
- The Group does not have any investment in associate.

Santh *Gup* *Shubho* *M. K. Gupta* *AS*