



एनर्जी एफिशिएंसी सर्विसेज लिमिटेड  
विद्युत मंत्रालय के सार्वजनिक क्षेत्र के उपक्रमों की संयुक्त उद्यम कंपनी  
**ENERGY EFFICIENCY SERVICES LIMITED**  
A JV of PSUs under the Ministry of Power

## Notice of 14<sup>th</sup> Annual General Meeting

Notice is hereby given that 14<sup>th</sup> Annual General Meeting of the Members of Energy Efficiency Services Limited will be held on Friday, the 29<sup>th</sup> day of September, 2023 at 04:00 P.M. at NFL Building, 7<sup>th</sup> 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 the Audited Standalone & Consolidated Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March 2023 together with the reports of the Board of Directors and Auditors thereon; and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"Resolved that the audited Standalone & Consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. To appoint a Director in place of Shri Ajay Tewari (DIN: 09633300), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Ajay Tewari (DIN: 09633300), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

3. To appoint a Director in place of Shri Aditya Dar (DIN: 08079013), who retires by rotation and being eligible, offers himself for re-appointment and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Aditya Dar (DIN: 08079013), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

4. To fix the remuneration of the Statutory Auditors for the financial year 2023-24 and, in this regard and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board of Directors of the Company be and is hereby authorized to fix an appropriate remuneration of Statutory Auditors of the Company, appointed by the Comptroller and Auditor General of India for the financial year 2023-24."

पंजीकृत कार्यालय: एन. एफ. एल. बिल्डिंग, पाँचवा और छठा तल,  
कोर - 3, स्कोप कॉम्प्लेक्स, लोधी रोड, नई दिल्ली - 110003  
दूरभाष: +91 (011) 45801260, फ़ैक्स: +91 (011) 45801265  
वेबसाइट: www.eeslindia.org

REGISTERED OFFICE: NFL Building, 5<sup>th</sup> & 6<sup>th</sup> Floor,  
Core - III, SCOPE Complex, Lodhi Road, New Delhi - 110003  
Tel.: +91 (011) 45801260, Fax: +91 (011) 45801265  
Website: www.eeslindia.org

**Special Business: -**

5. To appoint Shri R.K. Tyagi (DIN: 09632316) as a Non-Executive Nominee Director (PGCIL) 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 thereof) and Articles of Association of the Company, Shri R. K. Tyagi (DIN: 09632316) who was appointed as an Additional Director of the Company with effect from 4<sup>th</sup> Dec 2022 and who holds office till the date of 14<sup>th</sup> 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.

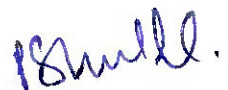
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to the foregoing resolution."

6. To appoint Shri D. K. Patel (DIN: 08695490) as a Non-Executive Nominee Director (NTPC) 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 thereof) and Articles of Association of the Company, Shri D. K. Patel (DIN: 08695490) who was appointed as an Additional Director of the Company with effect from 10<sup>th</sup> Feb 2023 and who holds office till the date of 14<sup>th</sup> 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 NTPC and he shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized 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 the Board of Directors  
For Energy Efficiency Services Limited



Company Secretary

Place: New Delhi

Date: 29/09/2023

Notes:

1. Pursuant to General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, December 20, 2022, and other circulars issued from time to time by the Ministry of Corporate Affairs ("collectively referred to as 'MCA Circulars'") from time to time and in compliance with the provisions of the Companies Act, 2013 ("the Act"), the 14<sup>th</sup> Annual General Meeting of the Company is being conducted through Video Conferencing (VC)/Other Audio- Visual Means (OAVM) facility, which does not require physical presence of members at the common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
2. 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: <https://eeslindiaus.webex.com/eeslindiaus/j.php?MTID=m494de3fcef0f9dc7f1c0988332c20c38>
    - Meeting ID: 2555 065 5374 & Password: AGM@2023
  - b. Members are requested to follow the procedure given below:
    - i. Launch the internet browser (chrome/edge/safari) by typing the URL Link given in Point (a). above.
    - ii. Enter the login credentials. Members are encouraged to join the Meeting through Laptops with Google Chrome for a better experience. Further Members will be required to allow a Camera, if any, and hence use the Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspots may experience Audio/Video loss due to fluctuations in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches. The 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.
  - c. 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 a physical copy of the same.
  - d. 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 the appointment of proxies by the members will not be available for this AGM. Hence, Proxy Form, Route Map and Attendance Slip are not annexed hereto. However, in terms of the provisions of Section 112 and Section 113 of the Act, representatives of the Members such as the body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
  - e. 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 Companies Act, 2013.

*Shubh*

- f. Body Corporates whose Authorised Representatives are intending to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting at [companysecretary@eesl.co.in](mailto:companysecretary@eesl.co.in).
- g. Pursuant to Section 139 of the 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 is to be fixed by the Company in Annual General Meeting or in such manner as the Company in AGM may determine. The Statutory Auditors of the Company for the year 2023-24 have been appointed by the C&AG vide letter no. No./CA.V/COY/CENTRAL GOVERNMENT, EESL (1)/53 dated 12<sup>th</sup> September, 2023. Accordingly, the Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the financial year 2023-24.
- h. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business in the notice is annexed thereto.
- i. Members who need assistance before or during the AGM, can contact us at [companysecretary@eesl.co.in](mailto: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.
- j. 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.
- k. 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 at [companysecretary@eesl.co.in](mailto:companysecretary@eesl.co.in).

*Shukla*

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

Item No. 5

**Appointment of Shri R. K. Tyagi (DIN: 09632316) as a Non-Executive Nominee Director (PGCIL)**

Pursuant to clause 7.3 of Supplementary Agreement No. 7 executed on 1<sup>st</sup> September 2021 to the Joint Venture Agreement of EESL and Article 109 of Articles of Association of the Company duly amended on 26<sup>th</sup> July, 2022 and pursuant to the provisions of the Companies Act, 2013, Board of Directors through Circular Resolution no-64 ratified in 124<sup>th</sup> Board Meeting held on 14<sup>th</sup> Feb 2022, appointed Shri R. K. Tyagi (DIN: 09632316) as Additional Directors w.e.f 4<sup>th</sup> Dec 2022, to hold office upto the date of 14<sup>th</sup> Annual General Meeting of the Company, on the recommendation of Nomination and Remuneration Committee of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 signifying his candidature for Directorship of the Company.

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 NRC, EESL vide circular resolution dated 12<sup>th</sup> September, 2023 and Board of Directors in their 133<sup>rd</sup> meeting held on 29/09/2023 have recommended the same for consideration and approval of Members of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company. The Board of Directors of Your Company recommends passing of the resolution as set out at Item No. 5 as **Ordinary Resolution**.

Item No. 6

**Appointment of Shri D. K. Patel (DIN: 08695490) as a Non-Executive Nominee Director (NTPC)**

Pursuant to clause 7.3 of Supplementary Agreement No. 7 executed on 1<sup>st</sup> September 2021 to the Joint Venture Agreement of EESL and Article 109 of Articles of Association of the Company duly amended on 26<sup>th</sup> July, 2022 and pursuant to the provisions of the Companies Act, 2013, Board of Directors through Circular Resolution no-71 ratified in 126<sup>th</sup> Board Meeting held on 31<sup>st</sup> March 2023, appointed Shri D. K. Patel (DIN: 08695490) as Additional Directors w.e.f 10<sup>th</sup> Feb 2023, to hold office upto the date of 14<sup>th</sup> Annual General Meeting of the Company, on the recommendation of Nomination and Remuneration Committee of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 signifying his candidature for Directorship of the Company.

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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 NRC, EESL vide circular resolution dated 12<sup>th</sup> September, 2023 and Board of Directors in their 133<sup>rd</sup> meeting held on 29/09/2023 have recommended the same for consideration and approval of Members of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.. The Board of Directors of Your Company recommends passing of the resolution as set out at Item No. 6 as Ordinary Resolution.

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

  
Company Secretary

Place: New Delhi  
Date: 29/09/2023

Brief Resume of the Directors seeking Appointment/Re - appointment:

Name	Shri R.K.Tyagi	Shri D.K.Patel
DOB / Age	2 <sup>nd</sup> March 1966 / 57 years	30 <sup>th</sup> April 1964/ 59 years
Date of appointment	4 <sup>th</sup> Dec 2022	10 <sup>th</sup> February 2023
Terms & Conditions of appointment	As per the Articles of Association of the Company	As per the Articles of Association of the Company
Remuneration	NA	NA
Qualification	<ul style="list-style-type: none"><li>• Electrical Engineer from Punjab Engineering College (P.E.C.), Chandigarh,</li><li>• M.(Tech) in Energy Studies from IIT Delhi.</li><li>• Fulbright Scholar from Carnegie Mellon University, Pennsylvania, USA</li></ul>	Graduated in Mechanical Engineering from NIT, Rourkela, and Post Graduate Diploma in Business Management (HR & Finance) from MDI, Gurgaon
Experience	<p>He is having a work experience of over 33 years in the Power Sector at various key positions in premier CPSUs in the power sector such as POWERGRID and NTPC. He has handled multi-disciplinary functions in various business segments like Asset Management, Project Execution &amp; Monitoring, Engineering, Business Development, Telecom, Load Despatch &amp; Communication, NTAMC, Finance, Commercial, HR Resource Management, Safety, DMS etc. He is representing India at various International technical committees for preparing Technical Standards. He is the Author of over 50 technical papers which have been presented at National and International conferences. He has also published Handbooks on High Voltage Circuit Breakers and Bamboo Nailing &amp; Sand Piling Technique in Power Transmission.</p>	<p>He has an illustrious career spanning more than three decades entailing both line and HR functions. After initial exposure to working in Operation &amp; Maintenance, he took a leap in his career and switched to the core HR function in 1997. He looked after various facets of HR and subsequently moved on to become the Head of HR of Koldam, the first hydro project of NTPC. He had been Head of HR at various projects of NTPC such as NSPCL-Bhilai, Sipat, and Tanda for about 13 years. He had a short stint as Regional Head of HR of Eastern Region-II before being appointed to the post of Director (HR) at NTPC.</p>

*Shankar*

Shareholding in the company	Nil	Nil
Memberships/ Chairmanship of committees across all public companies*	Audit Committee: Energy Efficiency Services Ltd.  Stakeholders Relationship Committee: Energy Efficiency Services Ltd.	Audit Committee: Energy Efficiency Services Ltd.  Stakeholders Relationship Committee: NIL
Number of Board Meetings held and attended during the year	4/21	1/21
Relationship with other Directors, Managers or KMP	NA	NA
Other Directorships	<ol style="list-style-type: none"> <li>1. Power Grid Corporation of India Limited</li> <li>2. POWERGRID Energy Services Limited</li> <li>3. Cross Border Power Transmission Company Limited</li> <li>4. Butwal-Gorakhpur Cross Border Power Transmission Limited</li> <li>5. Convergence Energy Services Limited</li> <li>6. POWERGRID Teleservices Limited</li> <li>7. Khavda RE Transmission Limited</li> <li>8. KPS3 Transmission Limited</li> <li>9. Bhadla Sikar Transmission Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. NTPC Limited</li> <li>2. NTPC -SAIL Power Company Limited</li> <li>3. Green Valley Renewable Energy Limited</li> <li>4. Aravali Power Company Private Limited</li> <li>5. NTPC Electric Supply Company Limited</li> <li>6. NTPC Vidyut Vyapar Nigam Limited</li> <li>7. Utility Powertech Limited</li> <li>8. Convergence Energy Services Limited</li> </ol>

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# **ENERGY EFFICIENCY SERVICES LIMITED**

(A JV of PSUs under the Ministry of Power)

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

CIN: -U40200DL2009PLC196789

## **DIRECTORS' REPORT**

To  
The Members,  
Energy Efficiency Services Limited  
New Delhi

Your Directors are pleased to present the 14<sup>th</sup> Directors' Report on the business and operations of the company along with the Audited Financial Statements for the financial year ended on 31<sup>st</sup> March 2023.

### **1. Financial Performance**

The highlights of the financial performance of the Company for the financial year 2022-23 together with the comparative position of the previous financial year are given as under:

(₹ in Lakhs)

Particulars	31st March, 2023	31st March 2022*
Paid-up Share capital	1,39,082.00	1,39,082.00
Total Revenue (including Other Income)	1,67,746.05	1,61,462.87
Profit Before Depreciation & Taxes	35,288.38	43,723.44
Less: Depreciation	71,387.04	65,441.85
Profit/(Loss) Before Tax	(36,098.66)	(21,718.41)
Less: Prior Period Adjustments (Net)	0	0
Less: Provision for Taxation		
-Current Year	199.66	207.93
-Earlier years	-	72.72
-Deferred Tax credit	(8,527.25)	(6,666.15)
Profit/(Loss) after Tax	(27,771.07)	(15,332.91)
Add : Other comprehensive income / (expense)	40.05	(91.12)
Total Comprehensive income for the year	(27,731.02)	(15,424.03)

\* Restated

Revenue from operations for the financial year 2022-23 is ₹1,61,748.21 lakhs and total revenue for the period is ₹1,67,746.05 lakhs which is approx. 3.89% higher than the previous year. Profit/(loss) after tax of the Company during the period is ₹(27,771.07) lakhs (81.12% Lower) against ₹(15,332.91) lakhs in the previous year.

### **Consolidated financial statements**

The Company has various subsidiaries and Joint Venture Companies. The Consolidated Turnover of the group is ₹2,38,549.73 lakhs for the financial year 2022-23 as against ₹2,24,496.31 lakhs of the previous financial year. The Consolidated Profit/ (Loss) after tax of the group is ₹(30,985.62) lakhs for the financial year 2022-23 as against ₹(17,316.43) lakhs of the previous financial year. The Company adopted Indian Accounting Standard (Ind-AS) w.e.f 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.

RF

EESL

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## **1.1 Reserves and Dividend**

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

## **1.2 Net Worth and Earnings per Share**

As on 31<sup>st</sup> March 2023, Your Company's net worth was ₹98,093.63 lakhs (including DRR) as against ₹1,25,824.65 lakhs in the previous year. Earnings per Share of the Company for the year ended 31<sup>st</sup> March 2023 stands at (₹2.00) in comparison to (₹1.26) for the financial year ended 31<sup>st</sup> March 2022.

## **1.3 Resource Mobilization**

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

During the financial year 2022-23, the company has raised foreign long-term loans amounting to ₹29,789.10 lakhs from the Asian Development Bank (ADB) & International Bank for Reconstruction and Development (IBRD) and domestic long-term loans amounting to ₹30,000.00 lakhs from various Domestic Banks. As on 31<sup>st</sup> March, 2023, the total amount outstanding in respect of Foreign Long Term Borrowings is ₹3,40,734.35 lakhs and in respect of Domestic Long Term Borrowings is ₹1,55,778.96 lakhs. Additionally, EESL issued Secured / Unsecured, Redeemable, Taxable, Non - Non-Cumulative, Non - Non-Convertible Bonds which are listed on BSE Limited. As on 31<sup>st</sup> March, 2023, the value of outstanding Bonds is ₹25,000 lakhs. Further, as on 31<sup>st</sup> March, 2023, the Company has outstanding Short Term Loans (fund based) amounting to ₹1,71,599.62 lakhs (fund based).

## **1.4 Credit Rating**

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

## **1.5 Change in Capital Structure & Board Structure: -**

a) During the Financial year 2022-23, the promoters of the Company executed Supplementary Agreement No. 8 to amend the provisions regarding the Board Structure of the company in the Joint Venture and supplementary agreement-7 of the company. Consequently, the Articles of Association of the company were also modified. 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 professional management team headed by the Chief Executive Officer (CEO). The CEO is responsible to the Board of Directors for ensuring the efficient functioning of the company, achieving corporate objectives, and meeting performance parameters of the company and its group companies.

b) As on 31<sup>st</sup> March 2023, the shareholding pattern of the company was as follows:

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

**EESL**

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- c) During the financial year 2022 - 23, The Board of Directors in their 127<sup>th</sup> Board Meeting held on 10<sup>th</sup> May 2023 issued and offered equity shares amounting to ₹49,700 lakhs to all existing shareholders on a rights basis in the proportion of their shareholding. PGCIL and NTPC subscribed to the offer, while Power Finance Corporation Limited and REC Limited declined their offers. Consequently, equity shares amounting to ₹33,133.572 lakhs were allotted to NTPC and PGCIL on 23<sup>rd</sup> May 2023 and unsubscribed equity shares amounting to ₹16,566.428 lakhs were further subscribed by NTPC and PGCIL in equal proportion on 23<sup>rd</sup> June 2023. As on the date of this report, the shareholding pattern of the company was as follows:

Name	Total Shares	% To Equity
NTPC LIMITED	71,21,09,832	37.721278
POWER GRID CORPORATION OF INDIA LIMITED	71,21,09,832	37.721278
POWER FINANCE CORPORATION LTD	24,54,99,832	13.004409
REC LIMITED	21,81,00,000	11.553008
ARUN KUMAR	168	0.000009
DILIP NAGESH ROZEKAR	168	0.000009
PRAVEEN KUMAR SINGH	168	0.000009
	1,88,78,20,000	100.00

## **2. OPERATIONAL HIGHLIGHTS**

Project wise status of EESL's programs as on 31.03.2023 is as follows:

### **2.1 Street Lighting National Program (SLNP):**

- Hon'ble Prime Minister, on 5<sup>th</sup> January, 2015 launched Street Lighting National Program (SLNP) to replace conventional street lights with smart and energy efficient LED street lights across India. EESL being the executing agency for SLNP is implementing LED Street lighting projects in Urban Local Bodies (ULB) and Gram Panchayats (GP) with the objective to promote the use of efficient lighting in public spaces of both urban and rural areas. EESL offers three business models to its client viz. Supply, Supply + Opex and ESCO model for implementation of Street Lighting Program. The business models are prepared considering operational requirements of clients as well as payment security mechanism to ensure timely payment of EESL dues.
- EESL has installed 4.12 lakh LED streetlights in the FY22-23. Cumulative achievement as on 31<sup>st</sup> March 2023 is 1.29 Crore which has resulted in energy savings of 8.68 billion kWh per year with avoided peak demand of 1446 MW and estimated emission reduction of 5.98 million tCO<sub>2</sub> per year.
- Frequent bulk procurement of LED Street Lights under SLNP program has led to substantial drop in their market prices leading to their enhanced adoption for public lighting and the same is evident from the cumulative sale of over 6.6\* Crore LED Street Lights by the lighting industry till 2023.

### **2.2 Unnat Jyoti by Affordable LEDs for ALL (UJALA):**

- Hon'ble Prime Minister, launched the Unnat Jyoti by Affordable LED for All (UJALA) program on 5<sup>th</sup> January 2015. 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.

*Handwritten signature*

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- EESL has distributed **7.38 Lakh LED bulbs** in FY22-23. Cumulative achievement as on 31<sup>st</sup> March 2023 is **36.86 Crore** which has resulted in energy savings of **47.9 billion kWh** per year with avoided peak demand of **9586 MW** and estimated emission reduction of **38.8 million tCO<sub>2</sub>** per year.
- EESL has distributed a total of **72.19 Lakh LED Tube Lights** till 31<sup>st</sup> March 2023, resulting in total energy savings of **316.2 million kWh** per year, avoided peak demand of **144 MW** and estimated emission reduction of **259.3 kilo tCO<sub>2</sub>** per year.
- EESL has distributed a total of **23.59 Lakh Energy Efficient Fans** till 31<sup>st</sup> March 2023, resulting in total energy savings of **219.4 million kWh** per year, avoided peak demand of **59 MW** and estimated emission reduction of **179.9 kilo tCO<sub>2</sub>** per year.
- Lowering of LED bulb price, enhancement in production capacity of suppliers, awareness among the consumers towards benefits of using LED bulbs due to UJALA program, has enabled market creation of approx. **70\* Crore LED Bulbs annually** leading to the sale of approx. **419\* Crore LED bulbs** by the Industry till March 2023.

\*As per ELCOMA (Electric Lamp and Component Manufacturers Association of India) data. Includes the numbers distributed/ installed by EESL.

### **2.3 GRAM UJALA:**

- EESL, through its wholly owned subsidiary Convergence Energy Services Limited (CESL), is aiming to increase penetration of LED bulbs in rural areas. The Gram UJALA scheme was launched by Hon'ble MoSP (IC) on 19.03.2021 in Bihar for sale of LED bulbs at Rs 10 to the rural consumers. The differential cost of bulbs shall be funded by Carbon financing. The program has been executed as a pilot for rural areas in the states of Bihar, Uttar Pradesh, Karnataka, Andhra Pradesh & Telangana and would pave the way for more carbon finance-based programs for EESL.
- CESL has distributed **18.44 Lakh LED bulbs** in FY22-23. As on date, **1 Crore LED bulbs** have been distributed under the Gram UJALA program. The program has resulted in energy saving of **1413.9 MU** of electricity per year, peak demand reduction of **388 MW** and **1.3 million tCO<sub>2</sub>** emission reduction per year.
- **9.7 Lakh Verified Carbon Units (VCU)** have been approved under Gram Ujala in the financial year 2022-23, and issuance around **1.5 million VCU's** are expected during 2023-24. These VCU's shall be liquidated in the market to get the associated revenue in CESL books.

### **2.4 National E-Mobility Program:**

- EESL, through its wholly owned subsidiary CESL is implementing e-Mobility Program for faster adoption of electric vehicle (EV), long-term growth of EV industry in India and to enable Indian EV manufacturers emerge as major global players. The objective of the program is to reduce the country's dependence on oil imports and reduce vehicular emission through enhanced EV adoption by State Transport Undertakings (STUs), Government Ministries/ departments fleet operators, transport service providers, etc. by driving down costs through demand aggregation, and bulk procurement. E-Mobility Program was launched on 7<sup>th</sup> March 2018 by Hon'ble Minister of Power, New and Renewable Energy.

## **ENERGY EFFICIENCY SERVICES LIMITED**

(A JV of PSUs under the Ministry of Power)

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

CIN: -U40200DL2009PLC196789

- Under the E-4 Wheeler (E4W) Program CESL has deployed 174 nos. E4W in FY 22-23. Cumulative deployment by EESL/CESL till 31<sup>st</sup> March 2023 is 1880 nos. of E4Ws.
- Under the E-Bus Program CESL, through Grand Challenge aggregated the demand for 5450 e-buses from 5 cities thus shifting its business model from capital intensive procurement of e-buses to 'Mobility as a Service' (MaaS). The price discovered through Grand Challenge tender was 31% lower than diesel buses and 18% lower than CNG buses of similar type.
- Based on the success of Grand Challenge, MoRTH and NITI Aayog entrusted CESL to scale up the "Grand Challenge (GC) for E-Bus Deployment" as the "National Electric Bus Program (NEBP)" for 50,000 buses in a phased manner. As part of NEBP, CESL has carried out two tenders as mentioned below:
- NEBP Tender-I  
Demand of 6465 e-buses was aggregated from 6 participating states and tender was issued on 21<sup>st</sup> Sep,2022. Tender was concluded in January 2023 and the price discovered was 24% lower than diesel bus and 19% lower than CNG bus.
- NEBP Tender-II  
Demand of 4675 e-buses was aggregated from 3 participating states and tender was issued in January, 2023 on Dry Lease Model.

### 2.5 Electric Vehicles Charging Infrastructure:

- EESL, through its wholly owned subsidiary CESL 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. India's first public charging plaza at Chelmsford Club, New Delhi was inaugurated on 20<sup>th</sup> July 2020. The charging plaza can charge 14 e-cars at the same time.
- In FY22-23, 4 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 31<sup>st</sup> March 2023, EESL/CESL has installed 441 nos. of EV chargers out of which 280 nos. are commissioned and the rest are in pre-commissioning stage.

### 2.6 Smart Meter National Program (SMNP):

- EESL with its JV IntelliSmart is carrying out Implementation of Smart Metering Program to significantly improve the billing and collection efficiencies of Distribution Companies (DISCOMs). Smart Meters will be the foundation for smart grid program which will be crucial to meet challenges of the newly evolving energy mix and the target of providing uninterrupted 24x7 power supply to every Indian.
- EESL has installed 9.01 Lakh smart meters in the FY 22-23. Cumulative achievement as on 31<sup>st</sup> March 2023 is 33.64 lakh Smart meters.

### 2.7 Decentralized Solar Power Plant Program:

- EESL has initiated a first of its kind large scale program wherein existing agricultural feeders are being solarized via implementation of decentralized solar power plants at vacant/un-used lands at DISCOM substations.
- EESL has installed 16.61 MW of Decentralized Solar Power Plant in FY 22-23. Cumulative achievement, as on 31<sup>st</sup> March 2023 is 177 MW/206 MWp. The green energy initiative has helped in reducing more than 500 Million Kg (approximately) of CO<sub>2</sub> emissions.

*[Handwritten signature]*

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CIN: -U40200DL2009PLC196789

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## **2.8 Agriculture Demand Side Management (AgDSM):**

- EESL is implementing the Energy Efficient Pump Program to distribute BEE 5-star energy efficient agricultural pumps and ensures a minimum of 30% reduction in energy consumption. The energy efficient pumps are aided with smart control panels which can be remotely operated to enhance the ease of operation by the farmers.
- EESL has installed 1,205 energy efficient agricultural pumps in the states of Andhra Pradesh and Uttar Pradesh in FY 2022-23. As on 31st March 2023, a total of 81,180 agricultural pumps have been installed.

## **2.9 Building Energy Efficiency Program (BEEP):**

- EESL is implementing the Buildings Energy Efficiency Program to retrofit commercial buildings in India into energy efficient complexes.
- EESL has retrofitted 1,120 buildings in FY22-23. Cumulative achievement as on 31<sup>st</sup> March 2023 is 12,701 nos. of buildings.

## **2.10 Motor Replacement Program:**

- Through a first of its kind effort at energy efficiency intervention in industries, EESL aims to accelerate adoption of higher efficiency motors, specifically IE3 efficiency class motors through innovative business model and awareness campaign. Under this program EESL offers 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. EESL has deployed a total of 5,280 IE3 motors in the industry till 31<sup>st</sup> March 2023.

## **2.11 Super-efficient AC program:**

- EESL launched Super-efficient AC program in 2019 with an objective to advance the penetration of high energy efficient and eco-friendly ACs at an affordable cost. Under this program, EESL sells 1.5 TR (5.4 ISEER) rated ACs which have Zero Ozone depleting factor (ODS) and GWP less than 700.
- EESL has supplied 3146 Nos. of SEAC (more than 5-star) to various Institutional and retail customers till date. The program was introduced to retail customers and orders can be placed on the website [www.eeslmart.in](http://www.eeslmart.in).
- Over 23,000 units of 5-star rated split air conditioners have also been supplied / installed at various clients under the Building Energy Efficiency program.

## **2.12 International Programs/operations:**

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

EESL is implementing the prestigious EESL-UNIDO-MoMSME GEF-5 project in association with Ministry of MSME, Bureau of Energy Efficiency (BEE) and Small Industries Development Bank of India (SIDBI). The program is being implemented in 12 MSME clusters across India. 21 technologies have been successfully demonstrated across the identified clusters out of 36 identified technologies. Additionally, EESL has conducted 800 surveys and 80 detailed energy audits in the MSME units. EESL has signed more than 63 energy performance agreements with the MSME units for the implementation of energy-efficient technologies.

# **ENERGY EFFICIENCY SERVICES LIMITED**

(A JV of PSUs under the Ministry of Power)

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

CIN: -U40200DL2009PLC196789

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## **Global Environment Facility-6 (GEF-6):**

GEF-6 aims to expand and sustain investments in existing market sectors, diversify markets, and scale up energy-efficient technologies. GEF supports EESL in the 'Creating and Sustaining Markets for Energy Efficiency' project, with UNEP and ADB as implementing agencies. The project's funding is USD 453.1 million, including a GEF grant of USD 18.85 million and co-financing of USD 434.2 million.

The project targets 60 million tons of CO<sub>2</sub> reduction by 2023 and 137.5 million GJ of energy savings by 2032. It consists of three components:

1. **Component-1: Expand and sustain investments in existing sectors:**

Supports installation of energy-efficient street lights, domestic lights, 5-star ceiling fans, and agricultural pumps.

Component-1 has achieved significant progress, surpassing GHG emission reduction targets by over 300%. Physical progress includes exceeding targets for domestic lighting and street lighting, while ceiling fans and agricultural DSM are at 50% and 34% progress, respectively.

2. **Component-2: Build market diversification:**

Implements new business models for technologies like super-efficient ACs, electric vehicles, public charging infrastructure, and energy-efficient motors.

Component-2 faced initial challenges but has identified technologies like super-efficient ACs, IE3 motors, electric vehicles, and smart meters. Recommendations for industrial and commercial energy efficiency improvements have been made.

3. **Component-3: Replication and scaling up:**

Develops a growth strategy based on lessons learned and aims for USD 300 million in investments through innovative financing methods.

Through partial support of the project, activities in respect of Growth Strategy, capacity building assessment and capacity building have been initiated and completed. Regular development and upgradation of EESL Mart website was carried out. Further, EESL organized a training on IPMVP protocol-based MRV aspects in the month of January 2023.

## **3. INSTITUTIONAL STRENGTHENING**

EESL is implementing the world's largest energy efficiency portfolio and thus institutional strengthening is a continuous process driven from the highest level. In this endeavor, EESL has been partnering with leading consulting organizations like McKinsey, E&Y, PwC, KPMG for Business Plan preparation, technical assistance, Organizational restructuring, Capacity building, Standardization of process, Project execution and monitoring, etc. To effectively deal with the foreseeable challenges associated with 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 improvements introduced / in-place for institutional strengthening are as follows:

- **Systemic improvement in the Procurement Process** involving gap identification, standardization of processes, improved evaluation, enhanced participation, leveraging technological measures for MIS and record retrieval, etc.
- **Online Bill Tracking System (BTS)** has been implemented to bring improved transparency and efficiency in the "Procure to Pay Cycle" for vendors. It enables seamless bill submission, processing and financial reporting with an interactive

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CIN: -U40200DL2009PLC196789

dashboard which is an integral part of the BTS. Validations built in at various stages of BTS ensure accurate and fast processing of vendor's invoices.

- **Risk Management committee** is in place for evaluation and mitigation of risks associated with the projects.
- **Integrated Risk Management (IRM) framework** has been established to develop risk mitigation strategies and establish appropriate controls to minimize potential risks a comprehensive, encompassing Operational, Project and Enterprise level risks. To facilitate the day-to-day monitoring and review of identified risks, an IRM tool has been developed which facilitates EESL's management in identifying risks and ensuring timely mitigation before they become critical.
- **Project Evaluation and Assessment Group (PE & A)** is in place to assess the project viability.
- **Corporate Monitoring Group (CMG)** monitors the targets and performance of the company at corporate level.
- Furthermore, EESL, by virtue of its association with various international financial institutions/Multilateral Development Banks (MDBs) World Bank, ADB, AfD, KfW, etc. for financing and scaling up its Energy Efficiency programs, complies with the stringent reporting requirements of these agencies.

## **4. OFFICIAL LANGUAGE IMPLEMENTATION**

Pursuant to Section 3(3) of the Official Language Act 1963, EESL offices follow the official language policy of the Union. In the fiscal year 2022-23, the company made notable efforts to promote the use of Hindi in day-to-day official tasks, aligning with the aforesaid policy. These initiatives resulted in an average 2% progress in official language adoption. The company also received a letter of appreciation from the Committee of Parliament on Official Language after inspecting EESL's regional office in Patna, acknowledging the company's compliance with the official language policy.

## **5. HUMAN RESOURCES MANAGEMENT**

The focus of Human Resource Management is to build an enabling culture and ensure a motivated workforce with required skill sets.

### **5.1.1 Manpower Strength**

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

Location	Number of employees			
	Regular	Fixed Tenure	Consultants	Third-Party
India	237	63	16	521
Foreign Posting	1	-	-	
Total	238	63	16	521

### **5.1.2 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.



# **ENERGY EFFICIENCY SERVICES LIMITED**

(A JV of PSUs under the Ministry of Power)

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

CIN: -U40200DL2009PLC196789

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## **5.1.3 Employee Welfare**

In the fiscal year 2022-23, the company undertaken various welfare measures in addition to Continuous welfare and employee engagement activities like Employee annual health checkups and OPD facilities, Cashless health care facilities to the employees and their dependent family members through empaneled hospitals PAN India, Group Insurance scheme and Group Personal Accident Insurance scheme. To ensure long term financial security, the company also has Superannuation Fund for the employees.

## **5.1.4 Disclosure under the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In line with provisions of the "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 2022-2023, the Company did not receive any complaints of sexual harassment. Our organization emphasizes on providing a safe working environment for women and in all the training programs, special stress is placed on gender sensitization.

## **5.1.5 Friendly policies for women's 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. The inclusion of women into its workforce has been one of the issues 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.

EESL has been working on the 'Scaling Up Demand Side Energy Efficiency Sector Project' with assistance from the Asian Development Bank. The project includes a Gender Action Plan (GAP) with affirmative actions for enhancing the participation of women in the energy efficiency sector as consumers and workforce. Besides, EESL is also a member of the ADB-World Bank-led South Asia WePOWER Network in Energy and Power Sector that supports women's participation in energy projects and institutions and promotes normative change regarding women in Science, Technology, Engineering, and Mathematics (STEM) education. As a part of its commitments, EESL has been undertaking activities to encourage the human capital development and economic empowerment of women and girls especially those from under privileged backgrounds.

## **6. INFORMATION TECHNOLOGY INITIATIVES**

IT department continuously explores emerging technologies, evaluates their potential for improving business processes, and recommends their adoption where applicable. By fulfilling these responsibilities, the IT department contributes to EESL's growth, competitiveness, and success in achieving its mission. During the financial year 2022-23, Following initiatives were taken by IT:

- 6.1 SAP System- EESL successfully implemented the SAP-on-HANA-based ERP solution in 2017 with the primary goal of improving productivity, enhancing inventory management, promoting quality, reducing material costs, optimizing human resources management, and boosting profits. In accordance with government guidelines, the system incorporated various provisions of taxation for GST, TCS, and TDS, ensuring compliance and providing complete

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(A JV of PSUs under the Ministry of Power)

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CIN: -U40200DL2009PLC196789

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visibility into financial information. Furthermore, the e-invoicing functionality was also integrated into SAP to align with government norms.

6.2 SAP is widely utilized across the organization for various activities, and it serves as a valuable source for business intelligence reports, including revenue, collection, outstanding, inventory, and project costs. The comprehensive utilization of SAP has significantly contributed to EESL's operational efficiency, financial management, and data-driven decision-making processes.

6.3 IT Applications- The Enterprise level application is developed wherein multiple got incorporated for various activities. Following are details of the new modules implemented for process automation:

1. E-Begin: Bill Tracking System Module: The BTS module has been implemented at EESL that facilitates a seamless process from bill submission to bill processing, providing enhanced financial reporting capabilities. An interactive dashboard was developed to display invoice statuses based on state, scheme, and department wise. To ensure accuracy and efficiency, validations have been implemented at various stages to prevent incorrect or invalid bill submissions, thereby accelerating the overall processing time. This integration and validation mechanism ensures a streamlined and controlled bill-processing workflow at EESL.
2. E-Begin: SCMIS -Contract Module: This module encompasses two significant activities within EESL. Firstly, it handles the internal tendering process, which includes nomination and management of committee members for project evaluation, as well as securing internal approvals based on project requirements. Secondly, it facilitates bidders' registration for ongoing tenders that are yet to be awarded through an open tendering process. The module effectively manages data related to tenders, covering the entire lifecycle from the initiation stage to the award stage. This comprehensive functionality ensures efficient and transparent management of processes within EESL. 52348/2023/IT 1
3. E-Begin: CCMS Module: In alignment with the CCMS Gujarat Dashboard developed for the SLNP Scheme, a similar CCMS Dashboard has been implemented for Uttar Pradesh. This dashboard seamlessly integrates with EESL's backend portal and directly captures electrical parameters from the vendor server in raw format. At EESL, the raw data is processed, and relevant information is extracted to prepare State Wise CCMS dashboards. The system also provides multiple report-generation capabilities for various stakeholders. Moreover, vendors have been granted access to review and verify the Light and CCMS Master State, as well as ULB-wise information, enhancing collaboration and data accuracy in the Streetlight implementation & maintenance.

## **7. RIGHT TO INFORMATION ACT, 2005 AND REDRESSAL OF PUBLIC GRIEVANCES**

During the financial year 2022-23, nearly 160 Right to Information (RTI) requests were received at EESL. The process of filing an RTI at EESL is easy and simple. Applicants can log on to <https://rtionline.gov.in/> to file their RTI requests directly with EESL. This RTI MIS portal is an efficient and responsive website for filing online applications. Also, the prescribed

## **ENERGY EFFICIENCY SERVICES LIMITED**

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

CIN: -U40200DL2009PLC196789

fee for filing can subsequently be paid on web portal electronic payment gateways. The average time to conclude one RTI application at EESL is nearly 25 days, five days earlier than the prescribed 30-day timeline.

Grievances are usually received through emails, regular posts, or the Department of Administrative Reforms and Public Grievances' highly responsive web portal operating under the Centralized Public Grievance Redress and Monitoring System (CPGRAMS) <https://pgportal.gov.in>. In FY 2022-23, EESL resolved about 175 grievances received on the CPGRAMS portal and through other channels.

### **8. 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 the subsidiary/associate companies of EESL is as under:

#### **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 31<sup>st</sup> March 2023, the paid - up share capital of EPAL was £41,182,100 (PY £41,182,100). During the financial year 2022 - 23, EPAL has made a profit of £0.08 million as against the loss of £0.52 million in the FY 2021-22 as the business improves at Edina level.

List of companies under EPAL and name of the officers holding the position of director as on 31<sup>st</sup> March 2023 in EPAL and its subsidiaries are as under: -

- a. EESL EnergyPro Assets Limited -> Vishal Kapoor, Shankar Gopal, Steven Fawkes, (Amit Kumar Kaushik - up to 30.04.2022, Arun Kumar Mishra- up to 02.11.2022).
- b. Anesco Energy Services South Ltd -> Amit Kumar Kaushik - upto 30.04.2022, Amit Kumar Bharadwaj (upto 29<sup>th</sup> August 2022), Nitin Wadhwa.
- c. Creighton Energy Limited -> Amit Kumar Kaushik - up to 30.04.2022, Amit Kumar Bharadwaj (up to 29<sup>th</sup> August 2022), Nitin Wadhwa
- d. EPAL Holdings Limited -> Vishal Kapoor, Steven Fawkes, Amit Kumar Kaushik - upto 30.04.2022, Arun Kumar Mishra- upto 02.11.2022
- e. Edina Acquisition Limited -> Vishal Kapoor, Steven Fawkes, Amit Kumar Kaushik - upto 30.04.2022, Arun Kumar Mishra- upto 02.11.2022.
- f. Edina Power Services Limited -> Vishal Kapoor, Shankar Gopal, Steven Fawkes, Hugh Kerr Richmond, Amit Kumar Kaushik - upto 30.04.2022, Arun Kumar Mishra- upto 02.11.2022.
- 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
- l. Edina Manufacturing Limited -> Hugh Kerr Richmond, Amit Kumar Kaushik - upto 30.04.2022

## **ENERGY EFFICIENCY SERVICES LIMITED**

(A JV of PSUs under the Ministry of Power)

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

CIN: -U40200DL2009PLC196789

- 
- m. Edina Power Limited → Hugh Kerr Richmond, Amit Kumar Kaushik - upto 30.04.2022, Nitin Wadhwa
- n. EPSL Trigenation Private Ltd. → Vishal Kapoor, Shankar Gopal, Venkatesh Dwivedi, Arun Kumar Mishra- upto 02.11.2022

**b. Convergence Energy Services Limited (CESL)**

CESL is a wholly owned subsidiary of EESL which was incorporated on 29<sup>th</sup> October, 2020 and converted its status from Private Limited Company to Public Limited Company on 9<sup>th</sup> February 2021. CESL is incorporated inter-alia to demonstrate convergence in EESL's businesses (such as Electric Vehicles, Electric Charging Infrastructure and others) as well as resource generation by monetization of carbon savings. As on 31<sup>st</sup> March 2023, the paid-up share capital of CESL was INR 5,92,10,1000. During the financial year 2022 - 23, CESL has made a profit of (₹15,90,18,717) as against the Profit of (₹10,17,09,926) in FY 2021-22.

**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.

**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 10<sup>th</sup> October 2019 to tap the potential market of Thailand. However, the plan couldn't be implemented primarily due to the pandemic-induced closure of international borders and change in JV partners' priorities in a post-pandemic business environment. EESL Board has approved 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. EESL Board has approved the closure process of the company.

**f. IntelliSmart Infrastructure Private Limited (IIPL)**

IntelliSmart Infrastructure Private Limited is a Joint Venture Company of the National Investment and Infrastructure Fund (NIIF) & EESL established to scale up the smart meter projects. As on 31<sup>st</sup> March 2023, EESL holds 49% stake in the company amounting to ₹ 6,762 lakhs. During the financial year 2022-23, IIPL generated revenue from operations of INR 8,495.78 lakhs, incurred a loss Before Tax of INR 222.03 Lakhs, and suffered a Loss after Tax of INR 206.26 Lakhs. The total comprehensive loss for the financial year is ₹ 201.14 lakhs.

**9. 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:

**10.1 RELATED PARTIES TRANSACTIONS**

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.

\*Edina Manufacturing Limited has been dissolved on 24 January 2023.

# **ENERGY EFFICIENCY SERVICES LIMITED**

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CIN: -U40200DL2009PLC196789

## **10.2 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Loans, 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 the 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 are 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](http://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](http://www.eeslindia.org)).

## **10.8 VIGILANCE/WHISTLEBLOWER POLICY**

The Company aims at bringing in transparency, objectivity and quality in the 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 the Corporate Centre to deal with the various facets of Vigilance Mechanism. During the financial year 2022 - 23, a total 17 nos. of complaints were received by the Vigilance Department. Out of which, 15 nos. of complaints were examined and necessary action taken

# **ENERGY EFFICIENCY SERVICES LIMITED**

(A JV of PSUs under the Ministry of Power)

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CIN: -U40200DL2009PLC196789

while the remaining 2 are under process. As a preventive vigilance measure, 2 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, 2 Preventive Vigilance Workshops were conducted at various places/CC in which 176 employees participated

## **10.9 CORPORATE SOCIAL RESPONSIBILITY**

EESL has a CSR Policy in line with the provisions of the Companies Act 2013 and is available at the link: <https://eeslindia.org/wp-content/uploads/2021/04/EESL-CSR-Policy.pdf>. However, during the financial year 2022-23, the average profit before Tax for the last three financial years was Rs. (6295.47) Lakhs hence it does not meet the criteria specified in Section 135 (1) of the Companies Act, 2013.

## **10.10 RISK MANAGEMENT POLICY**

The Integrated Risk Management Framework at EESL, provides an enterprise-wide view i.e., from entity to operational level with a top-down and bottom-up approach, leveraging data and technology, focusing on informed decision-making and culture of no surprise. The Board of Directors has constituted a Risk Management Committee (RMC) to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation, and mitigation of key internal and external business risks. The company is in compliance with Regulations 15-27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) which has become applicable to the Company w.e.f. 07.09.2021 and on a 'comply or explain' basis until March 31, 2024, and on a mandatory basis thereafter. The Risk Management Committee of the Board has been formulated as per the resolution approved by the Board of Directors dated 29.12.2021. A comprehensive Integrated Risk Management (IRM) Policy and a detailed risk assessment framework were presented to the 1st Risk Management Committee of the Board on 31.03.2023.

## **10.11 CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

### **A) CONSERVATION OF ENERGY:**

All EESL projects are focused either on the conservation of energy or on use of alternate & cleaner sources of energy. The company has also emphasized 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 the Board Room in EESL Corporate Office
- All ACs installed in office premises are BEE-5 star rated.
- Usage of energy-efficient electronic appliances.
- Support in the implementation of solar-based lights system by SCOPE.
- Awareness of the usage of electricity

### **B) TECHNOLOGY ABSORPTION AND BENEFITS:**

EESL is working with multiple organizations to develop new programs on energy-efficient technologies through pilot projects. With the support of the Global Environment Facility, EESL has identified 36 energy-efficient technologies under EESL UNIDO MoMSME GEF-5 project. A demonstration of 21 technologies has been completed under the project. These technologies are cross-sector and sector-specific technologies comprising utility-based

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technologies in MSME clusters suitable for energy-efficient compressed air systems, automation of existing processes and equipment, waste heat recovery etc. Additionally, EESL has identified 9 innovative energy-efficient technologies for PAT industries under BEE supported Demonstration of Energy Efficiency Project (DEEP). These technologies also include technologies related to utility, low-grade and high-grade waste heat recovery, industrial automation, etc.

### **10.12 FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

Particulars	Year ended 31.03.2023 (in ₹)	Year ended 31.03.2022 (in ₹)
Expenditure in Foreign currency	80,51,39,781	39,76,10,564.25
Earning in Foreign Exchange	75,51,570	2,10,54,577.62

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

During the year, the company has appointed Chief Executive Officer, and Chief Financial Officer 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 Ajay Tewari and Shri Aditya Dar shall retire by rotation at the ensuing Annual General Meeting of the company and being eligible, have offered themselves for re - 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 - IV 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 adopted NTPC's code of conduct for its Directors and Senior Management Personnel. This code is applicable to all the Board Members including Government Nominees, Promoter Nominee(s) and the Senior Management Personnel of the Company. A copy of the Code of Conduct is available at the website of the Company at the web link: <https://eeslindia.org/wp-content/uploads/2020/10/Code%20of%20Conduct%20-%20EESL.pdf>.

For the financial year ended 31<sup>st</sup> March 2023, the Directors and Senior Management Personnel have complied with the same with a view to enhancing ethical and transparent processes in managing the affairs of the Company.

# **ENERGY EFFICIENCY SERVICES LIMITED**

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CIN: -U40200DL2009PLC196789

## **Declaration as per para 18 of the Code of Conduct for its Directors and Senior Management Personnel of the Company.**

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board Members and Senior Management Personnel for the financial year ended on 31<sup>st</sup> March 2023.

Sd/-  
CEO, EESL

New Delhi: 26<sup>th</sup> September 2023

### **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 the Public Procurement Policy on Micro & Small Enterprises (MSEs) Order, 2012, and subsequent amendments to date. In terms of the said policy, the following are the required details:

<b>Summary of procurement in FY 2022-23</b>	
<b>Description</b>	<b>Amount (in INR)</b>
Total procurement data by EESL corporate office in FY 2022-23	46,93,88,637.33
Total procurement in clusters in FY 2022-23	255,85,09,241.44
Total procurement by EESL in FY 2022-23	302,78,97,878.77
Total procurement from MSE by EESL in FY 2022-23	63,74,21,717.37
Percentage of procurement by MSE	0.2105

# The value of amendments issued against already awarded LoAs has not been considered in the above procurement data.

### **10.19 ANNUAL RETURN:**

A copy of the 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 2022-23 will be available on our website [www.eeslindia.org](http://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 30<sup>th</sup> August 2022 appointed M/s S P Chopra & Co., Chartered Accountants (Firm Reg. No. 000346N), New Delhi as Statutory Auditor of the Company for the financial year 2022-23. The Statutory Auditor's Report for the financial year 2022-23 is annexed to the Financial Statements of the company provided in the Annual Report.



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### **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 2022 - 23. The Secretarial Audit Report is annexed at **Annexure - V** to this report. The observations of the Secretarial Auditor are as under:

- i. The Company did not have at least one-woman director on its Board as required under section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 from June 1, 2022, to March 31, 2023.
- ii. Non-compliance/delayed compliance with respect to the audited financial results of the Company for the period ended on 31<sup>st</sup> March 2022 under regulation 52(1) pertaining to non-submission of annual financial results, regulation 52(4) pertaining to non-disclosure of line items, regulation 54(2) pertaining to non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs, regulation 52(7)/(7A) of SEBI (LODR) Regulations, 2015 pertaining to delay in submission of a statement indicating the utilization of issue proceeds /material deviation in the use of proceeds.
- iii. Non-compliance with the requirements of Regulation 50(2) for the quarter ended on Sep 2022 and Regulation 53(2) of SEBI (LODR) Regulations, 2015 for the Financial year 2021-22, and Regulation 60(2) of SEBI (LODR) Regulations, 2015 for the quarter ended Jan 2021.

Regarding the observation related to the late submission of disclosures under Regulation 50(2), 60(2), and 54(2), we would like to inform you that based on the clarification submitted to the Bombay Stock Exchange (BSE), the fine contemplated by BSE for the late submission of these disclosures has been withdrawn or waived off. We have taken diligent steps to rectify the situation, and the Company is committed to ensuring timely compliance with all regulatory requirements in the future. Further, the power to appoint Directors in EESL is vested with the promoter Companies. We have initiated discussions and taken up the matter with the promoter Companies to ensure that the necessary steps are taken in accordance with the applicable regulations/ Acts.

### **10.22 INTERNAL AUDITORS**

M/s KPMG Assurance and Consulting Services LLP were appointed as Internal Auditors of the Company for the financial year 2022 - 23.

### **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 subsection (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 31<sup>st</sup> March 2023 are annexed at Annexure-VI.



# **ENERGY EFFICIENCY SERVICES LIMITED**

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CIN: -U40200DL2009PLC196789

## **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 applications to initiate the Corporate Insolvency Resolution Process (CIRP):

### **1. EESL Vs. A One Realtors Private Ltd.**

EESL had floated a tender for the 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 the distribution of LED bulbs was 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 an 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 an 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 Regulation 7 of the Insolvency and Bankruptcy Board of India Regulations 2016". Therefore, for the sake of clarity, EESL has not initiated the insolvency proceedings against Excel Technovatio Pvt Ltd however 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, Applications were filed by RP against EESL for the release of BG in excess of 3%. IA was also filed for declaring certain financial transactions entered between the Corporate Debtor and EESL as null and void and for direction for making contributions to such amount to the assets of the corporate debtor However, EESL has maintained the stand that transactions which have been alleged to be fraudulent are based on a written request made by the Corporate Debtor through its authorized signatory vide various letters. Accordingly, all the payments made cannot be said to be fraudulent and are a valid discharge of EESL's liability of the money payable under the applicable contract with the Corporate Debtor. All such applications are pending.

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CIN: -U40200DL2009PLC196789

## **10.26 STATUTORY & OTHER DISCLOSURES**

- a) There was no change in the nature of business of the Company during the financial year 2022 - 23.
- 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 2022 - 23, 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 review by the Regulators / Courts / Tribunals impacting the Going Concern Status and the Company's Operations in the future.
- i) Pursuant to provisions of 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) During the year, there was no one-time settlement with the Banks / Financial Institutions.
- k) The Consolidated Financial Statements are also being presented in addition to the Standalone Financial Statements of the company.
- l) Any other material event having an impact on the affairs of the company:  
There has been a significant increase in the attrition rate in the company. In FY 22-23, the attrition was 5.81% amongst regular employees whereas amongst fixed-term employees, it was 36.23%.

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

There are the following material commitments, affecting the financial position of the Company which has occurred during the Financial Year ended on March 31, 2023:

- IntelliSmart Infrastructure Private Limited is a Joint Venture Company of the National Investment and Infrastructure Fund (NIIF) & EESL established to scale up the smart meter projects. As on 31<sup>st</sup> March 2023, EESL holds 49% stake in the company amounting to ₹ 6,762 lakhs. I IPL secured a contract for the deployment of a total of 167 lakh smart meters. Towards this, EESL Board has given its approval for an equity investment of approximately INR 1,254 Crores. This planned investment is a crucial component of the company's annual capital expenditure plan and is sourced from the promoters on an annual basis.

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CIN: -U40200DL2009PLC196789

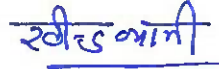
## **10. ACKNOWLEDGEMENT:**

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

The Directors thank 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 wholehearted co-operation and support at all times.

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

  
Director  
DIN: 08079013

  
Director  
DIN: 09632316

Date: 29/09/2023

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: Corporate Governance Report

Annexure - V: Secretarial Audit Report

Annexure - VI: CAG Audit Report

Energy Efficiency Services Limited  
CIN: U40200DL2009PLC196789  
Form AOC-1

ANNEXURE - I

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2023, pursuant to Section 129 (3) of the Companies Act 2013  
(All amounts in lakhs of ₹, except share data and as stated otherwise)

Part A - Subsidiaries

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
S. No	Name of subsidiary	EESL Energy Pro Assets Limited	Aacosa 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 LT.C (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	101.8728	101.8728	101.8728	101.8728	101.8728	89.5515	89.5515	101.8728	55.2084	89.5515	89.5515	-	101.8728	1.0000	22.3469	1.0000	
6	Share capital	41,953.36	5,022.49	2,937.45	32,133.60	-	13,071.73	7,649.05	10,187.28	0.06	0.00	179.11	-	0.10	10.00	67.04	5,921.01	
7	Reserves and surplus	12,877.97	1,029.46	(86.03)	(32.69)	(16,557.99)	1,061.32	(1,572.91)	7,264.66	(234.74)	857.17	5.26	-	(1,528.19)	9.52	(68.61)	(3,820.54)	
8	Total assets	1,00,997.44	6,122.47	2,014.82	84,481.35	67,948.52	19,527.44	9,485.78	35,517.16	692.90	1,527.38	1,342.30	-	1,292.69	365.39	313.96	21,029.53	
9	Total Liabilities	46,166.11	70.52	63.41	52,380.44	52,352.91	5,394.39	3,409.64	18,165.42	927.67	670.20	1,157.94	-	2,820.78	345.87	328.94	17,929.06	
10	Turnover	120.41	230.19	195.82	-	-	-	8,567.52	70,790.99	1,781.37	23.06	-	-	6,485.97	63.03	(2.11)	2,206.70	
11	Profit/loss before taxation	843.80	178.51	105.27	(9.23)	(2,967.77)	5.16	121.34	1,842.94	(172.21)	(29.74)	(31.86)	-	(1,060.92)	(116.81)	(24.98)	2,105.36	
12	Provision for taxation	-	-	(26.32)	-	-	-	(19.00)	264.61	52.08	(6.27)	-	-	11.22	36.55	-	(515.17)	
13	Profit/loss after taxation	843.80	178.51	78.95	(9.23)	(2,967.77)	5.16	102.34	2,107.55	(130.13)	(36.01)	(31.86)	-	(1,049.70)	(80.26)	(24.98)	1,590.19	
14	% 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%	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 include investments in subsidiaries.
- Share capital of Edina Power Services Limited includes preference share capital.
- Edina Manufacturing Limited has been dissolved on 24 January 2023.

Part B - Associates and Joint Ventures

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	Loss for the year ended March 31, 2023	
				Number of shares	Amount of Investment	Extent of holding			Considered in consolidation	Not considered in consolidation
1	Intellimart Infrastructure Pvt Ltd	13-Nov-19	31-Mar-23	6,76,20,049	6,513.26	46%	By virtue of shareholding	13,292.35	(101.07)	-

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 previous 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 Group does not have any investment in associate.

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## **ENERGY EFFICIENCY SERVICES LIMITED**

(A JOINT VENTURE COMPANY OF PSUs OF MINISTRY OF POWER, GOVT OF INDIA)  
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CIN: -U40200DL2009PLC196789

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 Laacs)	Qualification	Date of Commencement of Employment	Age (DOB)	Last Employment	Number of Equity Shares held in the Company	If a relative of any Director or Manager, name of such Director or Manager;
1.	BHAWANJEET SINGH, EXECUTIVE DIRECTOR	Permanent	56,77,329.11	Bachelor of Technology (B.Tech.) & Master Of Business Administration (MBA)	01.07.2019	(20.09.1963)	NTPC Limited	Nil	NA
2.	SHANKAR GOPAL (GROUP EXECUTIVE DIRECTOR COMMERCIAL)	Permanent	54,07,925.65	B.Com (Hons), C.W.A (ICWAI)	08.06.2016	(08.07.1967)	Power Grid Corporation of India Limited	Nil	NA
3.	ABHISHEK AGARWAL, CHIEF GENERAL MANAGER	Permanent	51,87,242.84	Bachelor Of Engineering (B.E.) & M.S (Software Systems)	12.03.2020	(28.01.1973)	Balmer Lawrie & Co. Ltd	Nil	NA
4.	KUMAR SAURABH, ADDL. GENERAL MANAGER	Permanent	48,53,651.94	BACHELORS OF TECHNOLOGY (ELECTRICAL ENGINEERING)	04.02.2011	28.08.1979	TATA CONSULTANCY SERVICES	Nil	NA
5.	SAMEER AGARWAL, GENERAL MANAGER	Permanent	46,05,238.76	CHARTERED ACCOUNTANT (CA)	09.01.2014	07.07.1968	RPG RAYCHEM LIMITED	Nil	NA
6.	SAVITRI SINGH, GENERAL MANAGER	Permanent	43,09,123.2	BACHELOR OF ENGINEERING (ELECTRICAL ENGINEERING)	30.12.2016	30.10.1969	ELECTRICITY DEPARTMENT, VIDYUT BHAWAN, ANDAMAN & NICOBAR	Nil	NA
7.	TARUN TAYAL, GENERAL MANAGER	Permanent	41,14,822.04	MASTER OF BUSINESS ADMINISTRATION (MBA)	07.11.2013	31.08.1978	AMERIPRISE FINANCIAL INDIA	Nil	NA

## **ENERGY EFFICIENCY SERVICES LIMITED**

(A JOINT VENTURE COMPANY OF PSUs OF MINISTRY OF POWER, GOVT OF INDIA)  
Registered Office: NFL Building, 5<sup>th</sup> & 6<sup>th</sup> Floor, Core - III, SCOPE Complex, Lodhi Road, New Delhi - 110003  
CIN: -U40200DL2009PLC196789

8.	PANKAJ MOHAN, GENERAL MANAGER	Permanent	40,69,441.2	MASTER OF BUSINESS ADMINISTRATION (MBA)	08.04.2015	26.12.1976	BTECON	Nil	NA
9.	ARUN MEHTA, GENERAL MANAGER	Permanent	40,34,143.56	BACHELOR OF ENGINEERING (ELECTRICAL ENGINEERING)	23.06.2022	21.06.1964	NTPC	Nil	NA
10	TATHAGAT CHATURVEDI, GENERAL MANAGER	Permanent	39,72,087.67	PGD IN BUSINESS MANAGEMENT (PGDBM)	19.12.2018	21.04.1976	TATA POWER DDL	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

  
Director  
DIN: 08079013

  
Director  
DIN: 09632316

Date: 29/09/2023  
Place: New Delhi

## Management Discussion and Analysis

### 1. Economic Overview and Industry Outlook

The global economy appears to be gradually recovering from the powerful blows of the COVID pandemic and of Russia-Ukraine war. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. In its latest forecast, IMF has projected that the global growth will bottom out at 2.8 percent this year before rising modestly to 3.0 percent in 2024. Notably, emerging market and developing economies, particularly China and India are the main drivers of the global growth.

In India, the economy has shown resilience and regained momentum after the disruptions caused by the COVID-19 pandemic. The growth in real GDP of the Indian economy is estimated at 7%\* during 2022–23. Going forward, the Indian economy is positioned to make speedy recovery across sectors and is poised to return to the pre-pandemic growth trajectory in FY24 with an estimated robust expansion of 6 – 6.8%\* in FY 2023-2024. The government's focus on economic recovery and infrastructure development with enhanced focus on sustainability initiatives provides a conducive environment for EESL's operations and expansion plans.

As governments worldwide commit to net-zero targets and implement policies to transition to clean energy, the energy efficiency sector is poised for substantial growth and transformation in the coming years. The World Energy Outlook (WEO) 2022 states that although policy and technology changes since the Paris Agreement in 2015 have reduced the projected temperature rise, but there's still a long way to go to cap global warming at 1.5°C, implying that emissions reduction from existing end-uses is as important as decarbonization of new infrastructure. Energy efficiency thus holds major potential for meeting the climate goals in reducing emissions from existing as well as upcoming energy infrastructure. Today's high energy prices are further underscoring the benefits of greater energy efficiency and are prompting behavioral and technology changes to reduce energy use.

Keeping pace with meeting its increasing energy demand, India also aims to deliver its low carbon ambitions and targets, including the net-zero emissions target by 2070. The country is making significant progress towards meeting its emissions reductions targets under the Paris Agreement and fulfilling its agenda of a low carbon development. As of May 2023, Renewable energy sources, including large hydropower and nuclear power, have a combined installed capacity of 179 GW\*\*. 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 2022-23 proving that the new energy economy, post the two Covid years, will be more electrified, efficient, interconnected, and clean. Clean energy technology has become a major new area for investment and employment – and a dynamic arena for international collaboration and competition.

\* Economic Survey 2022-23

\*\* Ministry of Power website

### 2. Key developments and Business Outlook

#### Key developments in the country:

With clarity on the strategy towards effective transformation of the country's energy future, the Government has taken several steps with potential to have far reaching consequences.

**Long-Term Low Emission Development Strategy (LT-LEDS):** In November 2022, India submitted its Long-Term Low Emission Development Strategy (LT-LEDS) to the United Nations Framework Convention on Climate Change (UNFCCC), during the 27th Conference of Parties (COP27). The seven core elements of India's LT-LEDS are:

1. Low carbon development of electricity systems consistent with development
2. Develop an integrated, efficient, inclusive low-carbon transport system



3. Promote adaptation in urban design, energy and material-efficiency in buildings, and sustainable urbanization
4. Promote economy-wide decoupling of growth from emissions and development of an efficient, innovative low-emission industrial system
5. CO2 removal and related engineering solutions
6. Enhancing Forest and vegetation cover consistent with socio-economic and ecological considerations
7. Economic and financial aspects of low-carbon development

**Establishment of Carbon Credit Trading Market in India:** Pursuant to the Energy Conservation (Amendment) Act, 2022 notified in December 2022, the Ministry of Power (MoP) has released the draft Carbon Credit Trading Scheme (CCTS), which aims to establish a framework for the Indian carbon market for both voluntary trading and compliance.

The introduction of a carbon credit market in the country will be a big step towards achieving the country's greenhouse gas reduction targets. As per industry estimates, the annual demand for voluntary carbon credits globally is expected to reach around 1.5 gigatonnes, with India contributing around 200 million tonnes by 2030 (Source: Powerline, May15, 2023). A carbon credit market will go a long way towards incentivising actions for emissions reduction, leading to increased investments in clean energy and energy efficiency. A robust and efficient market for carbon credits in the country would help EESL to further bring down the cost of energy efficient technologies and make them affordable for consumers.

**Sovereign Green Bond Framework:** To significantly reduce the carbon intensity of the economy, the Union Budget 2022-23 announced the issue of Sovereign Green Bonds (SGB) for mobilizing resources for green infrastructure. Proceeds of the SGB will be deployed in public sector projects which help in reducing the carbon intensity of the economy. Pursuant to the above, Sovereign Green Bond Framework was issued which sets for the obligation of the Government of India as a Green Bond issuer and lays down the terms for classification of 'Green Project' for which the proceeds of SGB can be utilized.

**Time of Day (ToD) Tariff, net metering and vehicle-to-grid (V2G) option:** Deploying smart energy meters with net metering and vehicle-to-grid (V2G) options in the country has the potential to revolutionize the energy sector, reduce carbon emissions, and promote sustainability by allowing electric vehicles to act as a storage device for renewable energy. The EVs can receive power from the grid and return power back to the grid depending upon ToD tariff structure thus bringing monetary benefits to the EV owner.

In this direction the Government has introduced two changes to the prevailing power tariff system, through an amendment to the Electricity (Rights of Consumers) Rules, 2020. The changes are: the introduction of the Time of Day (ToD) Tariff, and the rationalization of smart metering provisions. ToD tariff would be applicable for Commercial and Industrial consumers from 1st April 2024 while for domestic consumers except agricultural consumers, it will come into effect from 1st April 2025. Time of Day tariff shall be made effective for consumers after installation of smart meters.

**Energy Transitions Working Group (ETWG) meetings under India's G20 presidency:** As part of its various measures to encourage energy transition for industries at the global level, the Energy Transitions Working Group (ETWG) meetings are being held under India's G20 presidency to focus on accelerating efforts on adoption of super-efficient appliances and their future deployments through appropriate incentives. India has emphasised on the importance of carbon pricing in reducing greenhouse gas emissions and urged G-20 countries to explore options for implementing carbon pricing mechanisms. India is encouraging the member countries to increase their investments in clean energy technologies, including solar, wind, and energy storage. It has also highlighted the importance of improving access to finance for clean energy projects.

## Business Outlook and key initiatives

Energy efficiency is a key driver in achieving energy access at affordable prices, improved energy security, greater sustainability, and economic growth. 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.

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 portfolio.

Further, IEA in its World Energy Outlook-2022 has emphasized that demand for cooling needs to be the focus area for energy efficiency interventions, as it is poised to be the second-largest contributor to the overall rise in global electricity demand over the coming decades (after EVs) particularly in emerging and developing economies. EESL's expertise and offerings in the field of cooling solutions and air-conditioning align perfectly with the projected market requirements and enable it to leverage the growing market demand for expanding its portfolio and business.

Furthermore, the concept of Energy-as-a-Service (EaaS) is gaining traction globally. EaaS models offer end-to-end solutions, including energy efficiency upgrades, renewable energy installations, and demand response programs, thereby providing customers with comprehensive energy management services. EESL's expertise in implementing such models positions it as a leader in the emerging EaaS market, enabling the company to capture a significant share of this growing sector.

With proven track record in unlocking the energy saving potential coupled with the enabling environment being created by the various measures taken by the Government in the last few years has positioned EESL favorably to be the catalyst for India's Net-Zero transition. The impact-driven business models of EESL will directly contribute to decoupling of India's economic growth from greenhouse gas emissions.

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 and expand its existing programs like UJALA, BLDC Fans, Decentralized Solar Plants and Industrial Energy efficiency while at the same time foraying into new business areas like Induction Cook Stove, Dynamic Demand Response (DDR), Energy Portfolio Management, etc.

**Key initiatives taken by the company during the year** are mentioned below:

- **Expansion of Asset Light Business:** In order to avoid getting over-leveraged and to keep the company 'Asset-light', it was decided that EESL will curtail its capital investments-based projects and gradually shift towards trading, services or value-based operations. Keeping in line with above EESL has taken the following significant measures for diversifying its business portfolio:

New Verticals are being developed with focus on trading and consultancy business:

- Trading/PMC: Solar Induction Cook Stove, LED inverter bulb
- Consultancy: Energy Portfolio management, Energy Audit, Demand response

Diversification of product offerings and business models:

- Scaling up inventory-less Trading is being done for UJALA, Solar Induction Cook Stove, NMRP
- PMC/Service model for Cooling as a service, e-Mobility as a Service

Diversification of client base:

- CSCs, SDAs, SRLM, E-commerce, Department of Posts, GeM, Channel partners are the New clients being added for trading business

- **Financial prudence and Receivables Management:** To accelerate cash collection from the debtors in order to mitigate the pressure of large receivables EESL continued to remain focused on realizing its outstanding payment. Persistent engagement with the debtors along with active support of the Ministry of Power (MoP) was leveraged in conveying to the non-paying clients the criticality and the urgent need for liquidation of outstanding dues of EESL. The Company also took stringent actions against defaulting customers and initiated arbitration/adjudication action, wherever required, for expediting liquidation of receivables. Operational and commercial issues hindering the release of payment were addressed and closed on priority.

Owing to the above efforts, the highest ever cash collection of Rs. 1727 crores was achieved in the financial year 2022 – 23.

- **Carbon finance-based projects (Gram UJALA and Solar-based induction cooking):** In its endeavor 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 being actively leveraged by EESL and CESL (a wholly owned subsidiary of EESL) for more and more business models. CESL has already distributed more than 1 Crore LED bulbs under Gram UJALA program, wherein LED bulbs were sold at Rs. 10 to the rural consumers and the differential cost of bulbs is targeted to be funded through carbon financing. EESL is also exploring opportunities for solar-based induction cooking solutions in both rural and urban households with partial funding through the carbon credits. Initiative by the Government in creation of domestic market for trading of carbon credits will further boost the efforts in this direction.

- **Induction Cookstove program:** As per National Family Health Survey -5 (2019:21), 41% of households use solid fuel for cooking, predominantly in rural India. Several studies have indicated that biomass fuel burning for cooking accounts for up to 40% of India's air pollution and causes around 800,000 premature deaths annually in India. It also contributes to deforestation, and Greenhouse Gas (GHG) emissions, particularly Black Carbon, directly.

Access to clean cooking energy is vital to India's energy transition pathway. Access to cooking energy is also a gendered and inclusivity issue because women and girls, who often spend hours cooking and collecting fuels. Clean cooking solutions promote women's empowerment by increasing available time for education and economic empowerment and thus contribute towards achieving Sustainable Development Goals 5 (gender equality) and 7 (affordable and clean energy).

Recognising the benefits of clean cooking the Government of India seeks to promote cleaner cooking options. After achieving almost 100% household electrification under the Saubhagya scheme, and a significant augmentation of renewable energy capacity the next big leap in India's cooking transition story will be centred on electrification of cooking.

Induction cookstoves have the potential to change the paradigm and emerge as the ideal option for transition towards energy efficient and clean cooking in India. Recognising the importance of induction cookstoves in supporting the transition towards clean cooking, EESL has launched a scheme for clean cooking solution through enhancing the adoption of Induction cook stove at a mass scale. A target of 20,000 Induction cook stove has been kept for implementation in FY 2023-24 and riding on its strong track record of designing and implementing user-centric energy efficiency programs a demand aggregation program is being designed by EESL to ramp up the sale of affordable Induction cook stove in next few years.

- **BLDC Fan Program:** Fans are widely used appliance in both rural and urban spaces in the country, across all income categories. Ceiling fans are almost a default fixture in urban homes. Due to their high usage, the total annual energy consumed by fans is only marginally lower than that of room air conditioners in India. With a significant portion of the population unable to afford air-conditioning in the next two decades, natural ventilation and fan-assisted ventilation will continue to be relied upon for thermal comfort. Therefore, fans are crucial appliance from an energy efficiency point of view and with this consideration, Bureau of Energy Efficiency (BEE) brought Ceiling fans under the ambit of mandatory star labelling from January 1, 2023.

The ceiling fan market for 2020-21 was estimated at 44 million units, with a total stock of 410 million while the projected ceiling fan stock by 2037-38 is 700 million. Unfortunately, only a miniscule percentage of the ceiling fans are energy efficient 5-star models. It is estimated that adoption of these energy-efficient fans could support in reduction of energy consumption by almost 15%, making them a game changer for achieving the country's NDC targets.

Typically, ceiling fans contain single phase induction motors, consuming 70- 80 W and deliver air at 210-220 m<sup>3</sup>/minute while a Brush-Less DC (BLDC) fan with improved blade design consumes around 30-35 W for air delivery of 220-230 m<sup>3</sup>/minute. Considering the energy saving potential EESL has brought its focus back on energy efficient fans and has set a target of selling one crore Energy Efficient fans in the country.

- **Interventions for Carbon Neutral Ladakh:** Carbon neutrality for Ladakh is the best possible development vision that will protect and enable its fragile but unique landscape to flourish while ensuring that the amenities and benefits of modernity reach its population. The idea of a Carbon-Neutral Ladakh was envisioned by Prime Minister Narendra Modi and it aims at planning future developmental activities to minimise carbon emissions. EESL is contributing in a big way to the Governments effort in making the UT of Ladakh carbon neutral through one of its kind energy efficiency intervention projects mentioned below:

- Reliable Induction Cookstove (RCS-DC) 1 kW with battery
- Energy Efficient school package: 9 W LED bulbs and 20 W LED tube-light at 332 nos. of government schools in rural areas
- 10,000 Nos. of 20 W LED Streetlights in urban areas of Leh & Kargil
- Heat pump-based energy efficient space heating solutions in small/medium size public buildings - Office, Hospitals, etc.
- Supply and installation of Energy Management System (EMS) monitoring wall and Energy Audit in 10 public buildings

- **Preparation of 5-Year Strategic Business Plan:** In order to realign the company with the emerging market requirements, a long term business plan was needed for getting a clear picture of long-term goals for the company, so that a clear direction for the organization could be provided for enabling all stakeholders to align their efforts towards a common purpose. A comprehensive long-term business plan also demonstrates the company's commitment to its vision, strategies for growth, and potential returns on investment and thus is essential for instilling confidence in Promoters and investors in the long-term prospects of the company before equity commitment by them.

EESL has on-boarded M/s. PWC to help it develop a 5-year Business plan which will provide a roadmap for achieving the company's long term goals and will outline the strategies and actions required to reach those goals over a period of next 5 years.

The activity will be completed in a phased manner with the development of the Business plan in first eight months and the roll out support for next six months.

### 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 focused on the deployment of Electric Vehicle, EV Charging Infrastructure, Smart Meters, Decentralized Solar, Solar-based Induction cooking solutions and Energy Efficiency interventions in MSMEs (GEF-5) as well as in industries.

M/s IntelliSmart (JV of EESL and NIIF) 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 an entire consumer base of 250 million across the country.

M/s CESL (100% owned subsidiary of EESL) is presently focusing upon carbon finance projects (e.g., Gram UJALA) as well as clean transportation through demand aggregation including bulk tendering for Electric vehicles. Its 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 2023, EESL has completed the distribution of over 36.9 crore LED bulbs, 23.6 lakh Energy Efficient Fans and 72.2 lakh LED Tube lights.
- Under Street Light National Program, EESL has completed installation of 1.29 crore LED streetlights across India.
- EESL along with its JV, IntelliSmart has established itself as the leading smart meter player in India with implementation of more than 33.6 lakh meters under the Smart Metering Program. Further EESL is also providing value added services to its customers by enabling its smart meters to function in prepaid mode.
- Decentralised Solar: A first of its kind large scale program 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 ~206 MWp/177 MW as on 31<sup>st</sup> March 2023.
- In its EV program, EESL (through CESL) has aggregated demand of over 1.5 lac E3Ws, deployed 1880 e-cars and has successfully carried out tendering for more than 11,900 e-buses.

- Under Buildings Energy Efficiency Program (BEEP) to retrofit commercial buildings in India into energy efficient complexes, EESL has completed retrofitting work in 12,701 buildings.
- Under Agricultural Demand Side Management (AgDSM) program EESL distributes BEE 5-star energy efficient agricultural pumps with smart control panels. Under AgDSM, EESL has installed 81,180 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 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 thus making them affordable leading to their wider adoption.

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 program, etc. EESL has also forayed in the Carbon finance market through its programs like Gram UJALA (through its wholly owned subsidiary-CESL), solar-based induction cookstove, etc. and is endeavoring to leverage this innovative financing for further reduction in cost of its energy efficiency interventions.

#### 5. EESL's Weaknesses

Rapid growth of EESL's business few years back resulted in shifting of its entire focus towards scaling up its operations to meet increased demand, such as expanding its workforce, establishing new infrastructure, and optimizing supply chain management. The spurt in business growth has resulted in lack of mature processes and systems in the organization. EESL faces considerable challenges in alignment of internal capacity, processes, and procedures, which needs to be improved. Following are the key challenges currently being faced by the company:

**Human Resource:** EESL's line of business calls for continuously reinvention of its business every three to four years with new product and client line. Given the above, the expertise requirement of EESL changes over a period of time, which necessitates consistent training on latest energy efficient technologies, systems and processes pertaining to new business, etc. for upgrading the skills of manpower to handle them. Lack of a institutionalized training process has resulted in shortage of skilled and expert resources in the organization for catering to the ever-changing business demand. Further, in recent years 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 much needed for spearheading its new programs.

**Quality Control and Standardization:** Nature of EESL's business calls for ensuring consistent quality and standardization across operations. However, a quality assurance set-up conforming to the best practices followed in the industry is lacking and needs to be established for ensuring robust quality control processes for supplies, monitoring service delivery and maintaining standards across multiple projects and locations.

**Outstanding payments:** There have been large outstanding dues from various government departments i.e., Urban local Bodies (ULBs) and Distribution Companies (DISCOMs) which are hampering the growth opportunities and hindering EESL's foray into new business areas.

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.

## 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, Ministry of new and renewable energy, Ministry of Heavy Industries, NITI Aayog, etc. EESL is foraying into businesses like Demonstration of Energy Efficiency Projects in PAT industry, Solar-based induction cookstove, etc. 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.

Energy Efficiency Services Limited (EESL) has signed a Memorandum of Understanding (MoU) with Indonesia-Malaysia-Thailand Growth Triangle Joint Business Council (IMT-GT JBC) Malaysia at India Energy Week (IEW) to promote energy efficiency and sustainability in the region.

EESL has also partnered with Etihad Energy for technical support in street lighting and trigeneration (through EDINA).

M/s Edina is also 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.

## **8. Threats, Risks and Concerns**

Huge outstanding receivables are an inherent risk to EESL as it has been facing challenges on the financial front, mainly due to significant delays in realization of its outstanding dues primarily from Government Departments. Most of the clients are either Municipalities (70% by revenue) or DISCOMS (19% by revenue). These institutes reeling under financial stress themselves, pass on their financial stress contagion to all entities in their value chain. EESL faces this problem more acutely, as these clients form 89% of EESL's outstanding revenue. EESL's total outstanding dues stand at Rs 3779 Crore as on 31.03.2023.

Further, as EESL's ESCO services models are investment-led and constrained cash flows from the executed projects hampers its capacity for investment into new business opportunities. Also, the cost of debt always needs to be maintained at a sustainable level to ensure healthy returns for both EESL and their shareholders however, major delays in realization of its payments is directly affecting the profitability of the company.

## **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 areas of improvement have been noticed. Integrated Management System (IMS) is being implemented in the company to inculcate a culture of process driven outcomes.

To develop risk mitigation strategies and establish appropriate controls to minimize potential risks a comprehensive Integrated Risk Management (IRM) framework has been established, encompassing Operational, Project and Enterprise level risks. To facilitate the day-to-day monitoring and review of identified risks, an IRM tool has been developed which facilitates EESL's management in identifying risks and ensuring timely mitigation before they become critical.

Systemic improvement has been brought about in the Procurement Process through gap identification, standardization of processes, improved evaluation, enhanced participation, leveraging technological measures for MIS and record retrieval, etc.

Suitable delegations of power and guidelines for proper accountability have been evolved for uniform compliance. To ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive Internal Audit are conducted by experienced firms of Chartered Accountants.

Further, EESL has already implemented an ERP system to complement the internal controls.

## **10. Material Developments in Human Resources/Industrial Relations**

The Total manpower of the Company stands at 838 which includes 238 regular employees, 63 fixed term employees, 16 consultants, 521 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 2022-23, the Company registered an increase of about 4% YoY in total income which went up to Rs. 1677.5 crore from Rs. 1614.6 crore during the financial year 2021-22.

There was an increase in the loss before tax which was at Rs. 361 crore in 2022 – 23 in comparison to loss before tax of Rs. 217.2 crore in 2021 – 22. Net Loss (After Tax) of the Company in 2022 – 23 is Rs. 277.7 crore. Concerted action for resolution of legacy issues adversely affecting the financial performance of the company along with cost optimization measures and focus on building strong process-based systems have contributed to reduction in losses being incurred in the last two quarters. Combined loss in Q3 and Q4 is Rs. 104 crore which is a decrease of 40% as compared to the combined loss of Rs.174 crores incurred in Q1 and Q2.



Net worth of the Company as on March 31, 2023, stands at Rs. 980.93 Crore.

## 12. Environmental Protection and Conservation

The projects executed by EESL till the end of last financial year i.e., 2022 – 23 have saved about 58 billion kWh of energy per year, avoided peak demand of about 11.6 GW and resulted in reduction in CO2 emission of about 47 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

  
Director  
DIN: 08079013

  
Director  
DIN: 09632316

Date: 29/09/2023

Place: New Delhi

## Corporate Governance Report

(for the period ended on 31<sup>st</sup> March 2023)

(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 the 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). The Composition of the Board of Directors of the Company as on March 31, 2023 is as under:

S. No.	Name of the Director	Designation
1.	Shri K. Sreekant	Chairman & Non – Executive Nominee Director
2.	Shri Ajay Tewari	Government Nominee Director (Non – Executive)
3.	Shri R.K. Tyagi	Non – Executive Nominee Director
4.	Shri D.K. Patel	Non – Executive Nominee Director
5.	Shri Aditya Dar	Non – Executive Nominee Director

During the financial year 2022-23 and upto the date of this report, the following changes took place in the composition of Board of Directors of the Company:

1. Shri Ajay Tewari was appointed as Additional Director, designated as Government Nominee Director w.e.f. 29<sup>th</sup> July 2022 in place of Shri Vivek Kumar Dewangan.
2. Shri Vivek Kumar Dewangan was appointed as Additional Director, designated as Government Nominee Director (Ministry of Power) w.e.f. 23<sup>rd</sup> December 2021. However, he ceased to be Director in the Company w.e.f. 28<sup>th</sup> July 2022 due to a change in nomination.
3. Shri R.K. Tyagi was appointed as an Additional Director, designated as Nominee Director of PGCIL w.e.f. 4<sup>th</sup> Dec 2022 due to a change in nomination.
4. Shri Abhay Choudhary was appointed as Nominee Director of PGCIL w.e.f. 18<sup>th</sup> June 2022 (in place of Smt. Seema Gupta). However, he ceased to be Director in the company w.e.f. 1<sup>st</sup> Dec 2022 due to a change in nomination.
5. Smt. Seema Gupta was appointed as Nominee Director of PGCIL w.e.f. 6<sup>th</sup> September 2021 who ceased to be Director in the company w.e.f. 31<sup>st</sup> May 2022 due to a change in nomination.
6. Shri C. K. Mondol was appointed as Nominee Director (NTPC Limited) w.e.f. 6<sup>th</sup> September 2021. However, he ceased to be a Director in the company w.e.f. 31<sup>st</sup> Jan 2023 due to a change in nomination.
7. Shri D.K. Patel was appointed as Nominee Director (NTPC Limited) w.e.f. 10<sup>th</sup> Feb 2023.
8. Shri Arun Kumar Mishra was appointed Chief Executive Officer of EESL w.e.f. 5<sup>th</sup> October 2021 and Whole Time Director in the company w.e.f. 7<sup>th</sup> October 2021. However, due to a change in the structure of the Board of Directors of the company where the Chief Executive Officer was made a below Board – level position, he ceased to be the Whole Time Director w.e.f. 27<sup>th</sup> July 2022. Shri Arun Kumar Mishra ceased to be Chief Executive Officer of EESL w.e.f. 2<sup>nd</sup> Nov 2022. (BIN)
9. Shri Vishal Kapoor was appointed as Chief Executive Officer of the Company w.e.f. 2<sup>nd</sup> Nov 2022. (AIN)

#### 2.2. Board Meetings

The Board Meetings of the Company are held either at the Registered Office of the Company located at New Delhi or over video-conferencing in terms of the notifications issued by the Ministry of Corporate Affairs, from time to time.

Twenty-One (21) meetings of the Board of Directors were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on 25<sup>th</sup> April 2022, 18<sup>th</sup> June 2022, 26<sup>th</sup> June 2022, 28<sup>th</sup> June 2022 (adjourned to 4<sup>th</sup> July 2022), 8<sup>th</sup> July 2022, 17<sup>th</sup> July 2022, 30<sup>th</sup> July 2022, 12<sup>th</sup> August 2022, 6<sup>th</sup> Sep 2022, 19<sup>th</sup> Sep 2022, 29<sup>th</sup> Sep 2022, 8<sup>th</sup> Oct 2022, 12<sup>th</sup> Oct 2022, 2<sup>nd</sup> Nov 2022, 12<sup>th</sup> Nov 2022, 13<sup>th</sup> Dec 2022, 26<sup>th</sup> Dec 2022, 11<sup>th</sup> Jan 2023, 14<sup>th</sup> Feb 2023, 12<sup>th</sup> March 2023, 31<sup>st</sup> March 2023. 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 the attendance of Directors in Board Meetings held during the FY 2022-23, their attendance at the last Annual General Meeting and number of other Directorships / Committee Memberships / Chairmanships as on 31<sup>st</sup> March 2023:

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 the Last AGM (29.09.2022)
					As Chairman	As Member	
Shri K. Sreekant, Chairman & Non Executive Nominee Director	21	21	8	Power Grid Corporation of India Limited – Chairman & Managing Director	-	-	YES
Shri Arun Kumar Mishra, Chief Executive Officer & Whole Time Director	14	14	-	-	-	-	YES
Shri Vivek Kumar Dewangan, Government Nominee Director (Non – Executive)	6	1	-	-	-	-	-
Smt. Seema Gupta, Non – Executive Nominee Director	1	1	-	-	-	-	-
Shri Chandan Kumar Mondol, Non – Executive Nominee Director	19	17	-	-	-	-	YES
Shri Aditya Dar, Non – Executive Nominee Director	21	21	2	-	-	-	YES
Shri R. K. Tyagi Nominee Director (Non – Executive), PGCIL	6	5	9	Power Grid Corporation of India Limited – Director (Operations)	-	-	-

Shri D.K. Patel Nominee Director (Non – Executive), NTPC	3	2	8	NTPC - Director (HR)	-	-	-
Shri Ajay Tewari Govt Nominee Director (Non – Executive),	15	10	2	Power Finance Corporation Limited SJVN Limited			YES

\*includes only Audit Committee & Stakeholders Relationship Committee in all public limited companies excluding EESL and Membership includes Chairmanship.

1. NA indicates that the concerned person was not a Director in EESL on 31<sup>st</sup> March 2023.
2. None of the directors on the 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 qualified members with sectoral experience, various skills and competencies that contribute in guiding the management in the efficient functioning of the Company. A Brief profile of the directors of the company is as under:

- a. **Shri K. Sreekant** is the Chairman & Managing Director of 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 Ajay Tewari** is Additional Secretary, Ministry of Power, Government of India and Government Nominee Director on the Board of EESL. He is an Indian Administrative Service Officer of 1993 Batch of Assam Meghalaya Cadre and B. Tech (Electrical Engineer) from the Indian Institute of Technology – Kanpur also holds PG Diploma in Financial Management from Indira Gandhi National Open University (IGNOU), New Delhi. He is presently looking after Energy Conservation, Energy Transition, International Co-operation, Training & Research and Perspective Planning of the Ministry of Power. Before joining the Central deputation in the Ministry of Labour & Employment as Joint Secretary & Director General of Labour Welfare in the year 2018, he worked in different capacities in the State of Assam and Meghalaya. He has a wide range of experience working in Finance, Education, Housing & Urban Affairs, Sports, Youth Welfare, General Administration, Revenue Administration, Disaster Management & Labour Welfare sectors.
- c. **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.*etc.*
- d. **Shri D.K.Patel** is a Director (HR), NTPC and a Nominee Director in EESL. He graduated in Mechanical Engineering from NIT, Rourkela and did his Post Graduate Diploma in Business Management (HR & Finance) from MDI, Gurgaon. He has also received management and leadership training inputs from ESCP-EAP (Paris, Berlin & Turin), Harvard Business School (USA), ISB Hyderabad & XLRI Jamshedpur. He has an illustrious career spanning over more than three decades entailing both line and HR functions.
- e. **Mr. Ravindra Kumar Tyagi** is working as Director (Operations) at Power Grid Corporation of India Limited (POWERGRID). He is having a work experience of over 33 years in Power Systems at various key positions in premier CPSUs in power sector such as POWERGRID and NTPC. He has handled multi-disciplinary functions in various business segments of POWERGRID like Asset Management, Engineering, Business Development (domestic & international), Telecom, Load Despatch & Communication, NTAMC, Safety, DMS etc. He is an Electrical Engineer from Punjab Engineering College (P.E.C.), Chandigarh and has completed M.(Tech) in

Energy Studies from IIT Delhi. Mr. Tyagi is a Fulbright Scholar from Carnegie Mellon University, Pennsylvania, USA and has been representing India in many International technical committees for preparing various Technical Standards. He is Author of more than 50 technical papers which have been presented in National and International conferences. He has also published Handbooks on High Voltage Circuit Breakers and Bamboo Nailing & Sand Piling Technique in Power Transmission.

## 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 is not required to appoint Independent Directors on its Board. However, pursuant to SEBI (LODR) Regulations 2015, EESL is also a High-Value Debt Listed Entity and therefore, Regulations 15 - 27 of the said Regulations became applicable to the Company w.e.f. 7<sup>th</sup> September 2021 on a 'comply or explain' basis until March 31, 2024 and on a mandatory basis thereafter. .

## 3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company has 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 purposes. The details of such committees are as under:

### 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 31<sup>st</sup> March 2023 was as under:

S. No.	Name of the Member	Designation
1.	Shri R.K. Tyagi, Non – Executive Nominee Director	Chairman of the Committee
2.	Shri D.K. Patel, Non – Executive Nominee Director	Member
3.	Shri Aditya Dar, Non – Executive Nominee Director	Member

During the financial year 2022-23, the following changes took place in the composition of the Committee:

- Shri Abhay Choudhary and Shri C.K. Mondol ceased to be Members of the committee on 1<sup>st</sup> Dec 2022 and 31<sup>st</sup> Jan 2023 respectively whereas Shri R.K. Tyagi and Shri D.K. Patel have been appointed as Members of the committee w.e.f. 4<sup>th</sup> Dec 2022 and 10<sup>th</sup> Feb 2023, respectively.

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 the Audit Committee is as follows:-

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. 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:
  - a. 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.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Disclosure of any related party transactions.
5. Reviewing and monitoring, with the management, independence and performance of statutory auditors, and effectiveness of audit process.
6. 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.
7. Discussion with internal auditors on any significant findings and follow up there on.
8. Evaluation of internal financial controls and risk management systems.
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 2022-23, fifteen (15) 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
	23/04/2022	30/05/2022	08/07/2022	17/07/2022	30/07/2022	12/08/2022	06/09/2022	16/09/2022	28/09/2022	02/11/2022	11/11/2022	13/12/2022	14/02/2022	15/02/2022	31/03/2023			
Shri R. K. Tyagi	-	-	-	-	-	-	-	-	-	-	-	Y	Y	Y	Y	4	4	100%
Shri D.K. Patel	-	-	-	-	-	-	-	-	-	-	-	-	A	A	Y	3	1	33.33%
Shri Aditya Dar	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	15	15	100%
Shri Abhay Choudhary	-	-	A	Y	A	Y	Y	Y	Y	Y	Y	-	-	-	-	9	7	77%
Shri C. K. Mondol	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	-	-	12	12	100%
Ms. Seema Gupta	Y	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2	100%

Shri Chandan Kumar Mondol, Chairman of the Audit Committee was present in the Annual General Meeting held on 29<sup>th</sup> September 2022 to answer the queries of the Shareholders.

### b. NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

S. No.	Name of the Member	Designation
1.	Shri Ajay Tewari, Government Nominee Director	Chairman of the Committee
2.	Shri K. Sreekant, Non – Executive Nominee Director	Member
3.	Shri D.K.Patel, Non – Executive Nominee Director	Member

During the financial year 2022-23, the following changes took place in the composition of the Committee:

- Shri Vivek Kumar Dewangan ceased to be a member of the Committee and Shri Ajay Tewari and Shri D.K. Patel have been appointed as NRC Committee Members w.e.f. 27<sup>th</sup> July 2023 and 10<sup>th</sup> Feb 2023 respectively.

The Term of Reference of the Committee is as under:

1. To formulate a criterion 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 an 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 the level and composition of remuneration is reasonable and sufficient, the 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 2022-23, two (2) meeting of the Nomination and Remuneration 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
	30/07/2022	12/10/2022			
Shri Ajay Tewari	A	Y	2	1	50%
Shri K. Sreekant	Y	Y	2	2	100%
Shri C. K. Mondol	Y	Y	2	2	100%

During the financial year 2022-23, the following changes took place in the composition of the Committee:

- Shri Ajay Tewari and Shri D.K. Patel have been appointed as NRC Committee Members w.e.f. 27<sup>th</sup> July 2023 and 10<sup>th</sup> Feb 2023 respectively. Shri C. K. Mondol ceased to be a member of the NRC Committee on 31<sup>st</sup> Jan 2023.

#### 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, the 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 31<sup>st</sup> March 2023 was as under:

S. No.	Name of the Member	Designation
1.	Shri R.K. Tyagi, Non-Executive Nominee Director	Chairperson of the Committee
3.	Shri Aditya Dar, Non – Executive Nominee Director	Member

During the financial year 2022-23, the following changes took place in the composition of the Committee:

- Shri R.K. Tyagi was appointed as a Member of the committee w.e.f. 4<sup>th</sup> Dec 2022.

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 2022-23, No meeting of the Corporate Social Responsibility Committee was held.

#### d. RISK MANAGEMENT COMMITTEE

Pursuant to Regulation 21 of the SEBI (LODR) Regulations 2015, the 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:

- 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 31<sup>st</sup> March 2023 is as under:

S. No.	Name of the Member	Designation
1.	Shri Ajay Tewari, Government Nominee Director (appointed w.e.f. 29 <sup>th</sup> July 2022)	Chairman of the Committee
2.	Shri R.K. Tyagi, Non-Executive Nominee Director (appointed w.e.f. 4 <sup>th</sup> Dec 2022)	Member
3.	Shri Aditya Dar, Non – Executive Nominee Director	Member

The Chief Risk Officer of the Company is a permanent invitee to the meetings of the Committee. One meeting of the Committee was held on 31<sup>st</sup> March 2023.

**e. OTHER BOARD-LEVEL COMMITTEES**

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

Name of the Committee	Roles & Responsibility	Members as on 31 <sup>st</sup> March 2023
<b>Project Sub-Committee</b>	<ol style="list-style-type: none"> <li>1. To consider and accord approval for the investment in a project having project cost of more than Rs. 20 Crores but less than Rs. 100 Crores in each case.</li> <li>2. To recommend projects for investment to the Board of Directors having project cost of more than Rs. 100 Crores in each case.</li> <li>3. 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.</li> <li>4. To consider changes in means of finance, validity and terms and conditions of the project proposal within the scope of Project Sub Committee.</li> </ol>	<ol style="list-style-type: none"> <li>1. Shri K Sreekant, Chairman and Non – Executive Nominee Director</li> <li>2. Shri R.K. Tyagi- Non – Executive Nominee Director</li> <li>3. Shri D.K. Patel- Non – Executive Nominee Director</li> <li>4. Shri Aditya Dar- Non – Executive Nominee Director</li> </ol>
<b>Business Development Committee</b>	<ol style="list-style-type: none"> <li>a. To review and oversee the development and implementation of the Company's growth strategies, including: <ul style="list-style-type: none"> <li>• identification of growth horizons,</li> <li>• development of new business models,</li> <li>• Strategic equity or debt investments, and</li> <li>• Strategic alliances with other companies.</li> </ul> </li> <li>b. To review and make recommendations to the Board with respect to <ol style="list-style-type: none"> <li>(1) investments in growth strategies or</li> <li>(2) business acquisitions or divestitures,</li> </ol> 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.</li> <li>c. To review restructuring of the organization.</li> <li>d. To fulfil any other duties or responsibilities delegated to the Committee by the Board from time to time.</li> </ol>	<ol style="list-style-type: none"> <li>1. Shri K Sreekant, Chairman and Non – Executive Nominee Director</li> <li>2. Shri R.K. Tyagi- Non – Executive Nominee Director</li> <li>3. Shri D.K. Patel- Non – Executive Nominee Director</li> <li>4. Shri Aditya Dar- Non – Executive Nominee Director</li> </ol>



## 5. REMUNERATION OF DIRECTORS

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

Name of Director / Remuneration Details	Shri Arun Kumar Mishra, Chief Executive Officer & Whole – Time Director (up to 27 July 2022)
Salary*	Rs. 18,25,744
Benefits	Rs. 71,906.87
Bonuses	--
Stock Options	--
Pension	Rs. 1,09,285.37
Employer's contribution to Provident Fund	Rs. 1,45,714.84
Employer's contribution to Superannuation Fund	Rs. 2,42,856.36
Performance linked incentives	Rs. 8,07,739.35
Notice Period	3 months
<b>Total</b>	<b>Rs. 32,03,246.79</b>

\*includes perquisites

## 6. GENERAL BODY MEETINGS

### Annual General Meetings

Financial Year	2021-22	2020 – 21	2019 – 20
Date	29 <sup>th</sup> September 2022	30 <sup>th</sup> November 2021	30 <sup>th</sup> January 2021
Time	5.45 p.m.	01:30 p.m.	10:00 a.m.
Venue	Energy Efficiency Services Limited, NFL Building, 7 <sup>th</sup> Floor, Board Room, Core – III, SCOPE Complex, Lodhi Road, New Delhi – 110003	Energy Efficiency Services Limited, NFL Building, 7 <sup>th</sup> Floor, Board Room, Core – III, SCOPE Complex, Lodhi Road, New Delhi – 110003	EESL Registered Office, 5 <sup>th</sup> & 6 <sup>th</sup> Floor, SCOPE Complex, Lodhi Road, New Delhi – 110003
Special Resolution	<ul style="list-style-type: none"> <li>Appointment of Shri Abhay Choudhary (DIN: 07388432) as a Non – Executive Nominee Director (PGCIL) in the Company.</li> <li>Appointment of Shri Ajay Tewari (DIN: 09633300) as a Non – Executive Government Nominee Director (MoP) in the Company</li> </ul>	NIL	<ul style="list-style-type: none"> <li>Alteration of Articles of Association of the Company.</li> <li>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.</li> </ul>

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](http://www.eeslindia.org).

During the financial year 2022-23, Quarterly Results have been published as per details given below:

Quarter	Date of Publication	Newspaper(s)
Q1	17-08-2022	Financial Express

Q2	14.11.2022	Financial Express
Q3	16.02.2023	Business Standard
Q4	01.06.2023	Financial Express

## 8. GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting: 14<sup>th</sup>

**Date** – 29<sup>th</sup> September 2023

**Time** – 05:30 p.m.

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

**Financial Year** – 2022-23

### ii. Listing on the 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 31<sup>st</sup> March 2023 are as under:

Series	Particulars of Bonds	ISIN	Scrip Code	Amount (in Rs.)	Date of Issue	Date of Maturity
Series I (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 a Private Placement Basis	INE688V07033	954969	250,00,00,000	20.09.2016	20.09.2023

The Annual Listing Fee for the financial year 2023-24 has been paid to BSE. The above-mentioned NCDs were fully redeemed on 20<sup>th</sup> Sep 2023.

### iii. Debenture Trustee:

Axis Trustee Services Limited

Plot 25, 2<sup>nd</sup> Floor, Pusa Road,

Karol Bagh, New Delhi – 110005

Email ID: [rajat.gupta@axistrustee.in](mailto:rajat.gupta@axistrustee.in); [subhash.jha@axistrustee.in](mailto: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](mailto:einward.ris@kfintech.com)

Website: [www.kfintech.com](http://www.kfintech.com)

### v. Share Transfer System:

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

### vi. Distribution of Shareholding:

The Shareholding pattern of the Company as on 31<sup>st</sup> March 2023 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
	<b>Total</b>	<b>1,390,820,000</b>	<b>100</b>

\*As on the date of this report, the paid-up share capital of the Company is Rs. 1,88,78,20,000. The Shareholding pattern of the Company is as under:

Name	Total Shares	% To Equity
NTPC LIMITED	71,21,09,832	37.721278
POWER GRID CORPORATION OF INDIA LIMITED	71,21,09,832	37.721278
POWER FINANCE CORPORATION LTD	24,54,99,832	13.004409
REC LIMITED	21,81,00,000	11.553008
ARUN KUMAR	168	0.000009
DILIP NAGESH ROZEKAR	168	0.000009
PRAVEEN KUMAR SINGH	168	0.000009
	1,88,78,20,000	100.00

**vii. Dematerialization of Shares and Liquidity;**

The shares and debentures of the company are in the compulsory dematerialized 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 dematerialized mode as on 31<sup>st</sup> March 2023 are as under:

Security	Share %	Holder %
<b>Equity</b>		
CDSL	Nil	Nil
NSDL	100	100
<b>Debentures</b>		
CDSL	1.92	4
NSDL	98.08	22

**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 have been issued by the Company.

**ix. Credit Rating:**

	CRISIL	CARE	ICRA
<b>Facility</b>			
<b>NCDs</b>	CRISIL A/Negative	CARE A/ Negative	[ICRA] A Negative
<b>Long Term Loan</b>	CRISIL A/Negative	CARE A/ Negative	[ICRA] A Negative
<b>Short Term Loan</b>	CRISIL A2+	CARE A2+	[ICRA] A2+
<b>Date of Rating</b>	20.12.2022	15.11.2022 (Mid-term Surveillance) 22.03.2023 (Annual Surveillance)	25.10.2022
<b>Revision in the rating</b>			
<b>NCDs</b>	Downgraded from A+/Stable	Reaffirmed to A/Negative on 22.03.2023 during Annual Surveillance. (Downgraded from A+/Stable to A/Negative on 15.11.2022 during midterm surveillance)	Downgraded from A+/Stable
<b>Long Term Loan</b>	Downgraded from A+/Stable	Reaffirmed to A/Negative on 22.03.2023 during Annual Surveillance. (Downgraded from A+/Stable to A/Negative on 15.11.2022 during midterm surveillance)	Downgraded from A+/Stable

Short Term Loan	Downgraded from A1	Reaffirmed to A2+ on 22.03.2023 during Annual Surveillance. (Downgraded from A1 to A2+ on 15.11.2022 during mid-term surveillance)	Downgraded from A1
Reasons provided by the rating agency for a downward revision	<p>CRA's have downgraded their respective ratings due to the following reasons:</p> <ul style="list-style-type: none"> <li>• Weak counterparties and continued build-up in receivables position</li> <li>• Leveraged capital structure with deteriorating debt coverage indicators and susceptibility of margins to adverse fluctuations in the foreign currency rates</li> <li>• Net losses reported during FY22 and H1FY23 (UA)</li> </ul>		--

**x. Address for Correspondence:**

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

**9. DISCLOSURES**

**(a) Related Party Transaction:**

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) 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 web link: <https://eeslindia.org/wp-content/uploads/2021/04/EESL-Whistle-Blower-policy.pdf>

**(c) 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. 7<sup>th</sup> September 2021 on a 'comply or explain' basis until March 31, 2024 and on a mandatory basis thereafter. The outstanding NCDs were fully redeemed on 20<sup>th</sup> Sep 2023.

**(d) During the financial year 2022-23, there were no instances where the Board had not accepted any recommendation of any committee of the Board, which is mandatorily required.**

**(e) 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. 50,00,000/-

**(f) Web link for Policy for determining 'material' subsidiaries are 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. 7<sup>th</sup> September 2021 on a 'comply or explain' basis until March 31, 2024 and on a mandatory basis thereafter, pursuant to notification of SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021. The outstanding NCDs were fully redeemed on 20<sup>th</sup> Sep 2023.

**(g) Details of 'Loans and advances in the nature of loans to firms/companies in which directors are interested in name and amount':** Notes to Standalone Financial Statements for the period ended on 31<sup>st</sup> March 2023 may be referred.

**(h) 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.

**(i) 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 the end of the financial year – 0

(j) Certificate of Non – Non-Disqualification of Directors: Annexed as Annexure – A

(k) Declaration w.r.t Compliance of Code of Conduct: as stated in the Board Report.

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

  
Director  
DIN: 08079013

  
Director  
DIN: 09632316

Date: 29/09/2023  
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](mailto:kumarnareshsinha@gmail.com)

Form No. MR – 3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

*[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, 5<sup>th</sup> & 6<sup>th</sup> 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, 5<sup>th</sup> & 6<sup>th</sup> 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 **31<sup>st</sup> March, 2023** 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 **31<sup>st</sup> March, 2023** 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, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

1. ***Non-appointment of woman director for the period from June 1, 2022, to March 31, 2023.***
2. ***Non-compliance/delayed compliance with the requirements of Regulation 52(1) pertaining to non-submission of annual financial results, Regulation 52(4) pertaining to non-disclosure of line items along with half yearly/annual financial results and Regulation 54(2) pertaining to non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements, of SEBI (LODR) Regulations, 2015 for the period ended 31<sup>st</sup> March 2022.***
3. ***Non-compliance of Regulation 52(7)/(7A) of SEBI (LODR) Regulations, 2015 pertaining to delay in submission of a statement indicating the utilization of issue proceeds /material deviation in the use of proceeds for the period ended 31<sup>st</sup> March 2022.***
4. ***Non-compliance with the requirements of Regulation 50(2) and Regulation 53(2) of SEBI (LODR) Regulations, 2015 pertaining to Delay in furnishing intimation about the meeting of shareholders or holders of non-convertible securities and non-submission of the annual report within the period prescribed.***
5. ***Non-compliance with Regulation 60(2) of SEBI (LODR) Regulations, 2015 pertaining to delay in submission of the notice of Record Date.***

**We further report that:**

- The Board of Directors of the Company consists of Executive Directors, Non-Executive Directors except a woman Director for the period from June 1, 2022, to March 31, 2023. 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.
- The Company has received notices from BSE imposing penalties for non-compliance/delay with the requirements pertaining to Regulations 50(2), 52(1), 52(4), 52(7)/(7A), 53(2), 54(2) and 60(2) of SEBI (LODR) Regulations, 2015.
- However, based on the revised submissions/written representation made by the company, the fine imposed by BSE vide mail dated 25.05.2023 and 05.09.2023 for late / non-compliance of Regulation 54(2) regarding details of asset cover and Regulation 50(2) regarding intimation about meeting of shareholders or NCS holders respectively has been withdrawn.
- Further, based on the company's letter / mail requesting waiver for fine imposed for late / non-compliance under Regulation 60(2) regarding Notice of Record Date, BSE vide mail dated 24.04.2023 waived the fine.



- Generally, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on the 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.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period i.e., Financial Year 2022-23, the Company has;

- Altered its Articles of Association in its 13<sup>th</sup> Extra-Ordinary General Meeting of the Shareholders held on 26<sup>th</sup> July 2022.

- Redeemed Bonds as under:

Particulars	ISIN	Date of allotment	Date of redemption
7.80% p.a (Fixed Rate), Secured, Not guaranteed, Senior, Taxable, Non-Cumulative, Rated, Redeemable, Non-Convertible Bonds Series - STRPP A, Private Placement Bonds issued as Debentures	INE688V08015	18 <sup>th</sup> July 2017	18 <sup>th</sup> July 2022

Date: 15<sup>th</sup> September 2023  
Place: Noida

For Kumar Naresh Sinha & Associates  
Company Secretaries



*(Signature)*  
Naresh Kumar Sinha  
(Proprietor)

FCS No.: 1807; CP No.: 14984  
PR: 610/2019  
FRN: S2015UP440500  
UDIN: F001807E001015701

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.



Annexure-A

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

**Auditor's responsibility**

1. Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor comply with statutory and regulatory requirements and plans and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
2. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.
3. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
4. 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 a 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.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and for which we relied on the report of the statutory auditor.
6. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and the happening of events etc.
7. Compliance of the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedures on a random test basis.
8. 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: 15<sup>th</sup> September 2023

Place: Noida

For, Kumar Naresh Sinha & Associates  
Company Secretaries



*(Signature)*  
Naresh Kumar Sinha  
(Proprietor)

FCS No.: 1807; CP No.: 14984

PR: 610/2019

FRN: S2015UP440500

UDIN: F001807E001015701

DGA (E)/R/01-162/A/c-EESL/SPS/2023-24/232



भारतीय लेखापरीक्षा और लेखा विभाग  
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)  
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT  
Office of the Director General of Audit (Energy)  
New Delhi



Dated: 15/9/23.

सेवा में,

अध्यक्ष,

एनर्जी एफिशिएंसी सर्विसेज़ लिमिटेड,

नई दिल्ली ।

विषय: 31 मार्च 2023 को समाप्त वर्ष के लिए एनर्जी एफिशिएंसी सर्विसेज़ लिमिटेड, नई दिल्ली के 2022-23 के समेकित लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, एनर्जी एफिशिएंसी सर्विसेज़ लिमिटेड, नई दिल्ली के 31 मार्च 2023 को समाप्त वर्ष के समेकित लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

सैफुल कुमारी,  
(संजय कु. झा)  
महानिदेशक

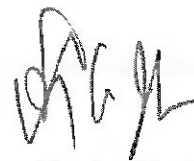
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF ENERGY EFFICIENCY SERVICES LIMITED FOR THE YEAR ENDED  
31 MARCH 2023**

The preparation of financial statements of Energy Efficiency Services Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2023.

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 2023 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**



**(Sanjay K. Jha)  
Director General of Audit (Energy)**

**Place: New Delhi  
Dated: 15/9/23**

DGA(E)/R/01(-)61/AC-EE&L-C&S/2023-24/230.



भारतीय लेखापरीक्षा और लेखा विभाग  
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)  
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT  
Office of the Director General of Audit (Energy)  
New Delhi



Dated: 15/9/23.

सेवा में,

अध्यक्ष,

एनर्जी एफिशिएंसी सर्विसेज लिमिटेड,  
नई दिल्ली।

विषय: 31 मार्च 2023 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।

महोदय,

में, एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नई दिल्ली के 31 मार्च 2023 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अद्योक्त कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

संजय कुमार झा  
(संजय कु. झा)  
महानिदेशक

**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 2023**

The preparation of Consolidated financial statements of Energy Efficiency Services Limited for the year ended 31 March 2023 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 30 May 2023.

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 2023 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 entities/ entities incorporated in foreign countries 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



(Sanjay K Jha)  
Director General of Audit (Energy)

Place: New Delhi  
Dated:15.09.2023

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. EPSL Trigenation Private Ltd
14. Edina Power Limited
15. EESL Energy Solutions LLC (Dubai)

Associates and Joint Venture

1. Intellismart Infrastructure Pvt. Ltd.

**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 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 2023, 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 2023 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 64 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) and 35(f) to the standalone financial statements.



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- c) Accumulation of trade receivables to ₹ 4,15,247.63 lakhs against which Expected Credit Loss (ECL) of ₹ 11,775.03 lakhs created during the year (cumulative ECL of ₹ 25,194.65 lakhs as at 31 March 2023), based on estimation by the management on the basis of the methodology earlier followed by an external agency, 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><b>Depreciation accounting</b></p> <p>The Company has charged the depreciation of ₹ 70,847.84 lakhs for the period 1 April 2022 to 31 March 2023 on property, plant and equipment 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 property, plant and equipment and calculation of depreciation was obtained and adopted the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Evaluated and tested the effectiveness of the company's design of internal controls relating to recognition and measurement of depreciation for various property, plant and equipment.</li> <li>• The calculations of depreciation on various class of property, plant and equipment were tested and verified.</li> <li>• Verified the accounting of depreciation based on applicable IndAS.</li> </ul> <p>Based on the above procedures performed and based on the explanations/ representation by the company, the recognition of depreciation on property, plant and equipment is considered to be adequate and reasonable.</p>
2	<p><b>Contingent Liabilities</b></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 matter because the estimates on which these amounts are based</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"> <li>• Understood and tested the design and operating effectiveness of controls as established by the management for obtaining the relevant information for pending litigation cases;</li> <li>• Discussed with the management any material developments thereto and latest status of legal matters;</li> <li>• Read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the</li> </ul>





<p>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) and 53(c) to the standalone financial statements, read with the significant accounting policy no. 2.9)</p>	<p>management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities;</p> <ul style="list-style-type: none"> <li>• Examined recent orders from competent authorities and/ or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>• Examined management's judgement and assessment for the requirement of provisions;</li> <li>• Reviewed the adequacy and completeness of disclosures;</li> </ul> <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.

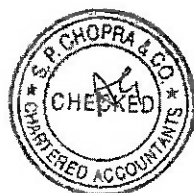
#### **Auditor's responsibilities for the audit of the standalone financial statements**

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.

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 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 ₹ 3,753.72 lakhs as at 31 March 2023 and total revenue of ₹ 30.43 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. However, this branch is not material to the Company as a whole.

Our opinion is not modified in respect of this matter.

**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, to the extent applicable, that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 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 ₹ 3,753.72 lakhs as at 31 March 2023 and total revenue of ₹ 30.43 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 as at 31 March 2023 and taken on record by the board of directors, none of the directors are disqualified as at 31 March 2023 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.



- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining the books of accounts using accounting software which has the feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April 2023, therefore, reporting under Rule 11(g) is not applicable for the financial year ended 31 March 2023.

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



Place: New Delhi  
Date: 30 May 2023

  
Ankur Goyal  
Partner  
Membership No. 099143  
UDIN 23099143BGPMWA2398

**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 2023)

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, intangible assets and Right to use assets;
- 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 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 during the year 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 properties 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 in the name of the Company. The details of said property are disclosed in note 3(f) on property, plant and equipment to the standalone financial statements and are 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 2023 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 was conducted during the year by the management and is under finalization/ reconciliation. In view of the management, the impact thereof will not be material. In our opinion, the system of physical verification should be strengthened and the same shall invariably be conducted periodically, 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 amount reported in quarterly statements filed by the company with such banks/ financial institutions during the year are generally in agreement with the books of account of the company and no material differences were observed therein.
- (iii) The company, during the year, made investments of ₹ 4,921 lakhs in Convergence Energy Services Limited and ₹ 3,993,50 lakhs in Intellismart Infrastructure Private Limited and granted unsecured loan of ₹ 2,390 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 ₹ 2,390 lakhs was given during the year (aggregate amount given is ₹ 5,390 lakhs) to Convergence Energy Services Limited, a subsidiary company. The amount of loan outstanding as at 31.03.2023 is ₹ 4,808.64 lakhs.
- Further, 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. The amount of corporate guarantees of GBP 14 million (equivalent to ₹ 14,262.19 lakhs) and Irrevocable standby letter of credit (SBLC) of GBP 20.21 million (equivalent to ₹ 20,588.49 lakhs) been given to subsidiary company namely EESL EnergyPro Assets Limited in past years, is outstanding as at 31 March 2023.
- (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. An installment of the aforesaid loan has fallen due and has been paid timely during the year.
- (d) The repayment of installment of loan has been done within the stipulated time period, hence no repayment has 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.

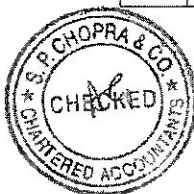


(vi) Pursuant to the rules made by the Central Government of India, the company is not required to maintain cost records as specified under sub-section (1) of section 148 of the Act, hence reporting under this clause is not applicable.

(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 goods and service tax, provident fund, employee state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable have generally been 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 2023 for a period of more than six months from the date they became payable.
- b. The statutory dues of ₹ 9,696.72 lakhs are disputed on account of matter pending in appeals before appropriate authority against which company has deposited ₹ 5,005.25 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 lakhs)	Deposit under protest (₹ in lakhs)
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		Dec-15 to Dec-16	1,291.68	645.84
3	AP Value Added Tax Act, 2005	Penalty		Oct-14 to Nov-15	925.89	462.94
4	AP Value Added Tax Act, 2005	Penalty		Dec-15 to Dec-16	322.92	40.36
5	AP Value Added Tax Act, 2005	Interest	Appellate Additional Commissioner, Commercial Tax, Vijayawada	Jan-17 to Jun-17	4.27	0.53
6	AP Value Added Tax Act, 2005	Penalty		Jan-17 to Jun-17	6.70	0.84
7	HP Value Added Tax Act, 2005	Tax	Asst. Comm State taxes - Shimla, HP	Apr-16 to Mar-17	22.49	-
8	Odisha Good and Services Tax Act, 2017	Tax	GST Appellate Authority, Odisha	Apr-18 to Mar-19	701.34	44.43
9	Odisha Good and Services Tax Act, 2017	Tax		Apr-19 to Mar-20	8.29	0.59
10	UP Value Added Tax, 2008	Tax	Dy. Comm, Commercial Tax Division, Noida, UP	Apr-15 to Mar-16	29.83	-
11	UP Value Added Tax, 2008	Tax		Apr-15 to Mar-16	35.03	-





12	UP Value Added Tax, 2008	Tax		Apr-15 to Mar-16	30.24	-
13	UP Value Added Tax, 2008	Tax		Apr-15 to Mar-16	686.20	-
14	UP Value Added Tax, 2008	Tax		Apr-15 to Mar-16	620.93	-
15	UP Value Added Tax, 2008	Tax		Apr-17 to Mar-18	360.21	-
16	UP Value Added Tax, 2008	Tax		Apr-17 to Mar-18	1.45	-
17	Central Goods and Services Tax -2017 (Delhi)	Tax	Office of Assistant commissioner of CGST Delhi	Apr-19 to Mar-20	47.33	47.33
18	Central Goods and Services Tax -2017 ((Delhi)	Tax		Apr-20 to Mar-21	47.20	47.20
19	Income Tax Act, 1961	Tax	Commissioner of Income Tax	Apr-17 to Mar-18	851.17	-
				<b>Total</b>	<b>9,696.72</b>	<b>5,005.25</b>

- (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 thereon 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.
- (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.
- (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, the 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 has an internal audit system commensurate with the size and the nature of its business.
- (b) The internal audit has been carried out by an independent firm of chartered accountants of which the report for the year 2022-23, issued to the company was considered by us while conducting our audit procedures.
- (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.

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



Place: New Delhi  
Dated: 30 May 2023

  
Ankur Goyal  
Partner  
Membership No. 099143  
UDIN 23099143BGPMWA2398

**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 2023)

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 2022-23.

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>B</b>	<b>Sub-Directions</b>			
	Nil			

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



Place: New Delhi  
Date: 30 May 2023

  
Ankur Goyal  
Partner  
Membership No. 099143  
UDIN 23099143BGPMTWA2398

**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 2023)*

**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 2023 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 2023, 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



Place: New Delhi  
Date: 30 May 2023

Ankur Goyal  
Partner  
Membership No. 099143  
UDIN 23099143BGPMWA2398

**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

**Compliance Certificate**

We have conducted the audit of accounts of Energy Efficiency Services Limited for the year ended 31 March 2023 in accordance with the directions/ sub-directions issued by the Comptroller and Auditor General (C&AG) of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/ sub-directions issued to us.

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



  
Ankur Goyal  
Partner  
Membership No.099143

Place: New Delhi

Dated: 30 May 2023



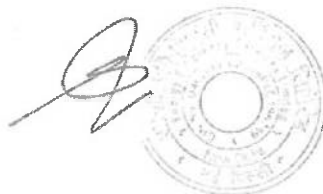
## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Standalone Balance Sheet as at 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

Particulars	Note	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	2,83,413.72	2,97,834.72	2,85,383.04
Capital work-in-progress	4	1,21,466.59	1,05,524.25	1,20,540.07
Right-of-use assets	5	844.08	1,125.72	1,214.88
Intangible assets	6	283.33	535.73	717.66
Investments in subsidiary and joint venture companies	7	45,964.48	37,068.31	28,109.87
<b>Financial assets</b>				
Other investments	8	0.26	0.26	-
Loans	9	4,376.46	2,911.06	284.18
Other financial assets	10	10,887.21	12,070.64	10,148.35
Deferred tax assets (net)	11	15,909.98	7,396.20	699.41
Other non-current assets	12	224.81	6,611.24	3,921.10
<b>Total non-current assets</b>		<b>4,83,370.92</b>	<b>4,71,078.13</b>	<b>4,51,018.56</b>
<b>Current assets</b>				
Inventories	13	13,484.63	15,771.27	20,387.15
<b>Financial assets</b>				
Trade receivables	14	3,77,860.23	3,50,061.12	3,09,859.07
Cash and cash equivalents	15	43,024.08	72,992.54	70,552.27
Bank balances other than cash and cash equivalents	16	21,027.79	29,394.51	51,136.46
Loans	17	922.71	538.17	132.92
Other financial assets	18	15,013.15	15,097.49	18,623.06
Current tax assets (net)	19	1,727.82	1,562.90	1,114.61
Other current assets	20	33,833.26	43,120.68	48,117.37
<b>Total current assets</b>		<b>5,06,893.67</b>	<b>5,28,538.68</b>	<b>5,19,922.91</b>
Assets held for sale	63	1,799.28	-	-
<b>TOTAL ASSETS</b>		<b>9,92,063.87</b>	<b>9,99,616.81</b>	<b>9,70,941.47</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	21	1,39,082.00	1,39,082.00	98,332.84
Other equity	22	(40,988.37)	(13,257.35)	2,166.67
<b>Total equity</b>		<b>98,093.63</b>	<b>1,25,824.65</b>	<b>1,00,499.51</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	23	4,20,295.09	4,46,213.53	4,91,695.04
Lease liabilities	24	-	168.66	369.10
Trade payables	25			
-total outstanding dues of micro and small enterprises		1,237.53	938.80	1,809.21
-total outstanding dues of creditors other than micro and small enterprises		6,950.78	10,130.39	13,314.02
Other financial liabilities	26	1,080.58	2,079.96	4,304.82
Provisions	27	1,132.16	1,383.17	1,112.03
Other non-current liabilities	28	3,866.58	3,680.33	1,786.59
<b>Total non-current liabilities</b>		<b>4,34,562.72</b>	<b>4,64,594.84</b>	<b>5,14,390.81</b>



**Current liabilities****Financial liabilities**

Borrowings	29	2,76,107.05	2,48,022.54	1,77,028.57
Lease liabilities	30	168.66	294.95	167.12
Trade payables	31			
-total outstanding dues of micro and small enterprises		10,339.57	8,689.33	8,030.59
-total outstanding dues of creditors other than micro and small enterprises		99,104.35	91,427.10	1,04,215.89
Other financial liabilities	32	55,278.31	49,923.36	56,227.69
Other current liabilities	33	18,147.38	10,563.11	10,128.92
Provisions	34	62.54	68.98	55.95
Current tax liabilities (net)		199.66	207.95	196.42
<b>Total current liabilities</b>		<b>4,59,407.52</b>	<b>4,09,197.32</b>	<b>3,56,051.15</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,92,063.87</b>	<b>9,99,616.81</b>	<b>9,70,941.47</b>

\* Restated (refer note 43)

Significant Accounting Policies 2

The accompanying notes form an integral part of standalone financial statements 3 to 65

This is the balance sheet referred to in our report of even date

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

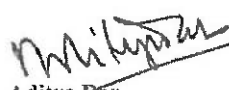
For and on behalf of the Board of Directors of Energy Efficiency Services Limited



Ankur Goyal  
Partner  
Membership No. 099143  
UDIN : 23099143BGPMWA2398



Sreekant Kandikuppa  
Chairman  
DIN : 06615674




Aditya Bar  
Director  
DIN : 08079013

Place : New Delhi  
Date : 30.05.2023



Vishal Kapoor  
Chief Executive Officer



Sandeep Kumar Jain  
Chief Financial Officer



Pooja Shukla  
Company Secretary



ENERGY EFFICIENCY SERVICES LIMITED  
CIN:U40200DL2009PLC196789

Standalone Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

Particulars	Note	For the year ended 31 March 2023	For the year ended * 31 March 2022
<b>Income</b>			
Revenue from operations	35	1,61,748.21	1,56,204.31
Other income	36	5,997.84	5,258.56
<b>Total income</b>		<b>1,67,746.05</b>	<b>1,61,462.87</b>
<b>Expenses</b>			
Purchase of stock-in-trade		5,165.27	11,842.22
Changes in inventory of stock-in-trade	37	2,286.64	4,615.88
Employee benefits expense	38	6,585.65	5,629.69
Finance costs	39	47,954.82	39,070.61
Depreciation and amortisation expense	40	71,387.04	65,441.85
Other expenses	41	70,465.29	56,581.03
<b>Total expenses</b>		<b>2,03,844.71</b>	<b>1,83,181.28</b>
<b>Loss before tax</b>		<b>(36,093.66)</b>	<b>(21,718.41)</b>
<b>Tax expense</b>			
Current tax	42		
-Current year		199.66	207.93
-Earlier years		-	72.72
Deferred tax		(8,527.25)	(6,666.15)
<b>Total tax (credit)/expense</b>		<b>(8,327.59)</b>	<b>(6,385.50)</b>
<b>Loss for the year</b>		<b>(27,771.07)</b>	<b>(15,332.91)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss (net of tax)			
- Remeasurement of the defined benefit plans		53.52	(121.76)
- Income tax relating to item that will not be reclassified to profit or loss		13.47	(30.64)
<b>Other comprehensive income for the year, net of income tax</b>		<b>40.05</b>	<b>(91.12)</b>
<b>Total comprehensive income for the year</b>		<b>(27,731.02)</b>	<b>(15,424.03)</b>
<b>Earnings per equity share (Nominal value of ₹ 10/- each)</b>			
Basic earnings per share (₹)	52	(2.00)	(1.26)
Diluted earnings per share (₹)		(2.00)	(1.26)

\* Restated (refer note 43)

Significant Accounting Policies

The accompanying notes form an integral part of standalone financial statements

2  
3 to 65

This is the statement of profit and loss referred to in our report of even date

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

UDIN : 23099143BGPMWA2398



Sreekant Kandikuppa

Chairman

DIN : 06615674



Aditya Dar

Director

DIN : 08079013



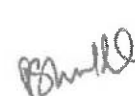
Vishal Kapoor

Chief Executive Officer



Sandeep Kumar Jain

Chief Financial Officer



Pooja Shukla

Company Secretary

Place : New Delhi

Date : 30.05.2023



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Standalone Statement of changes in equity for the year ended 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**(A) Equity share capital\***

For the year ended 31 March 2023

Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
1,39,082.00	-	1,39,082.00	-	1,39,082.00

For the year ended 31 March 2022

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

\* Refer note 21

**(B) Other equity\*\***

For the year ended 31 March 2023

Particulars	Reserves and surplus			Other comprehensive Income	Total
	Share application money pending allotment	Debenture redemption reserve	Retained earnings	Remeasurment of defined benefits plans	
Balance as at 1 April 2022	-	7,000.00	(20,095.11)	(138.06)	(13,233.17)
Prior period errors	-	-	(24.18)	-	(24.18)
Restated balance as at 1 April 2022	-	7,000.00	(20,119.29)	(138.06)	(13,257.35)
Loss for the year	-	-	(27,771.07)	-	(27,771.07)
Other comprehensive income for the year (net of taxes)	-	-	-	40.05	40.05
Transfer (to)/from retained earnings	-	(4,500.00)	4,500.00	-	-
Balance as at 31 March 2023	-	2,500.00	(43,390.36)	(98.01)	(40,988.37)

For the year ended 31 March 2022

Particulars	Reserves and surplus			Other comprehensive Income	Total
	Share application money pending allotment	Debenture redemption reserve	Retained earnings	Remeasurment of defined benefits plans	
Balance as at 1 April 2021	-	12,434.13	(10,435.17)	(46.94)	1,952.02
Prior period errors	-	-	214.66	-	214.66
Restated balance as at 1 April 2021	-	12,434.13	(10,220.51)	(46.94)	2,166.68
Loss for the year	-	-	(15,332.91)	-	(15,332.91)
Other comprehensive income for the year (net of taxes)	-	-	-	(91.12)	(91.12)
Share application money received	40,749.16	-	-	-	40,749.16
Shares allotted against share application money	(40,749.16)	-	-	-	(40,749.16)
Transfer (to)/from retained earnings	-	(5,434.13)	5,434.13	-	-
Balance as at 31 March 2022	-	7,000.00	(20,119.29)	(138.06)	(13,257.35)

\*\* Refer note 22

Significant Accounting Policies

The accompanying notes form an integral part of standalone financial statements

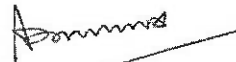
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This is the statement of changes in equity referred to in our report of even date

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

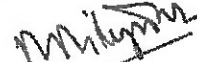
For and on behalf of the Board of Directors of Energy Efficiency Services Limited



Ankur Gayal  
Partner  
Membership No. 099143  
UDIN : 23099143BGPMWA2398



Sreekanth Kandikuppa  
Chairman  
DIN : 06615674



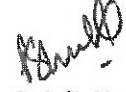
Aditya Dar  
Director  
DIN : 08079013



Vishal Kapoor  
Chief Executive Officer



Sandeep Kumar Jain  
Chief Financial Officer



Pooja Shukla  
Company Secretary

Place : New Delhi  
Date : 30.05.2023



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Standalone Statement of Cash Flows for the year ended 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended * 31 March 2022
<b>A Cash flow from operating activities</b>		
Loss before tax	(36,098.66)	(21,718.41)
<b>Adjustments for:-</b>		
Depreciation and amortization expense	71,387.04	65,441.85
Finance costs	37,990.73	34,493.50
Allowance for doubtful receivables	11,775.03	5,642.89
Provision for interest variance	1,385.86	4,145.96
Provision for doubtful advances	2,138.22	852.27
Provision for shortage in inventories	80.64	353.02
Loss on sale of property, plant and equipment (net)	9.63	13.61
Interest income	(2,420.30)	(1,872.89)
Loss on foreign currency transactions and translation (net)	22,810.90	5,824.11
Grant income	(1,244.31)	(807.74)
Liquidation damages recovered from vendors	(447.40)	(642.15)
Liabilities/excess provisions no longer required, written back	-	(8.23)
<b>Operating profit before working capital changes</b>	<b>1,07,367.38</b>	<b>91,717.79</b>
<b>Adjustments for:</b>		
Increase in Trade receivables	(40,660.71)	(49,701.58)
Decrease in Inventories	2,206.00	4,262.86
Decrease in loans, other financial assets and other assets	7,608.39	3,508.15
Increase/(Decrease) in trade payables, other financial liabilities and other	16,429.14	(11,732.40)
Increase/(Decrease) in provisions	(203.93)	162.41
<b>Cash generated from operations post working capital changes</b>	<b>92,746.27</b>	<b>38,217.23</b>
Less: Income tax paid/(refund)	(213.72)	717.41
<b>Net Cash generated from operating activities (A)</b>	<b>92,959.99</b>	<b>37,499.82</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advance)	(61,294.04)	(68,733.98)
Sale of property, plant and equipment	10.43	0.71
Assets held for sale	1,799.28	-
Interest received	2,104.96	1,560.84
Investment in subsidiaries and joint venture companies	(8,896.17)	(8,958.70)
Loan given to subsidiary (net)	(1,799.99)	(3,000.00)
Investment in deposits with banks	8,362.51	21,864.03
<b>Net Cash used in investing activities (B)</b>	<b>(59,713.02)</b>	<b>(57,267.10)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from share capital	-	40,749.16
Proceeds from non-current borrowings	55,597.70	52,899.58
Repayment of non-current borrowings	(1,10,921.65)	(72,235.97)
Proceeds / (repayments) of current borrowings (net)	32,335.76	38,189.47
Interest paid	(42,176.24)	(38,076.69)
Principal payment of lease liabilities	(294.96)	(258.81)
Interest payment of lease liabilities	(29.72)	(56.01)
<b>Net Cash (used)/generated from financing activities (C)</b>	<b>(65,489.11)</b>	<b>21,210.73</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(32,242.14)</b>	<b>1,443.44</b>
Cash and cash equivalents at the beginning of the year (Refer Note 15)	72,992.54	70,552.27
Exchange difference on translation of foreign currency cash and cash equivalents	2,273.68	996.83
<b>Cash and cash equivalents at the end of the year (Refer Note 15)</b>	<b>43,024.08</b>	<b>72,992.54</b>

\* Restated (refer note 43)



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

## Notes to the Standalone Statement of Cash Flows (continued)

(All amounts in lakhs of ₹, except share data and as stated otherwise)

a) Cash and cash equivalents consists of balances with banks.

b) Reconciliation of cash and cash equivalents:

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
Current accounts	25,837.11	47,820.94
Deposits with original maturity upto three months (including interest accrued)	17,186.97	25,171.60
<b>Cash and cash equivalents as per note-15</b>	<b>43,024.08</b>	<b>72,992.54</b>

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

Particulars	Non-current borrowings*	Current borrowings**	Lease liabilities	Interest accrued on borrowings***
<b>For the year ended 31 March 2023</b>				
Opening balance as at 1 April 2022	5,50,658.64	1,43,577.43	463.61	4,657.85
Cash flow during the year	(55,323.95)	32,335.76	(324.67)	(42,176.24)
Non-cash changes due to:				
- Variation in exchange rates	25,225.99	-	-	-
- Interest accrued	-	-	29.72	42,458.10
- Transaction cost on borrowings	(71.73)	-	-	132.15
<b>Closing balance as at 31 March 2023</b>	<b>5,20,488.95</b>	<b>1,75,913.19</b>	<b>168.66</b>	<b>5,071.86</b>
<b>For the year ended 31 March 2022</b>				
Opening balance as at 1 April 2021	5,63,335.64	1,05,387.97	536.22	6,334.91
Addition in lease liabilities	-	-	265.78	-
Cash flow during the year	(19,336.39)	38,189.46	(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
<b>Closing balance as at 31 March 2022</b>	<b>5,50,658.64</b>	<b>1,43,577.43</b>	<b>463.61</b>	<b>4,657.85</b>

\* includes current maturities of non-current borrowings, refer note 29.

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

\*\*\* includes commitment fees payable

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


e) The above statement of cash flows has been prepared under 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows'.


Significant Accounting Policies 2  
The accompanying notes form an integral 3 to 65  
part of standalone financial statements

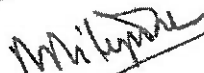
This is the statement referred to in our report of even date

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  
UDIN : 23099143BGPMWA2398

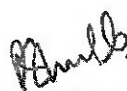
  
Sreekanth Kandikuppa  
Chairman  
DIN : 06615674

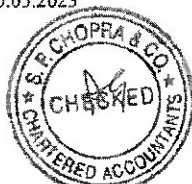
  
Aditya Dar  
Director  
DIN : 08079013

Place : New Delhi  
Date : 30.05.2023

  
Vishal Kapoor  
Chief Executive Officer

  
Sandeep Kumar Jain  
Chief Financial Officer

  
Pooja Shukla  
Company Secretary



## ENERGY EFFICIENCY SERVICES LIMITED

CIN: U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

### 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 2023 were approved for issue by Board of Directors on 30 May 2023.

### 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.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

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**(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 realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 recognized 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 recognized separately.

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

**(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 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 recognized 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized 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**

CIN: U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

**(iv) Derecognition**

Property, plant and equipment is derecognized 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 recognized in the statement of profit and loss.

**(v) Depreciation**

Depreciation is recognized 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 unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

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 unamortized 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.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN: U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

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### 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 amortization 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 derecognized 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 recognized in the statement of profit and loss.

#### (iv) Amortisation

Cost of software recognized 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:

- interest expense calculated using the effective interest method as described in Ind AS 109 – ‘Financial Instruments’;
- finance charges in respect of leases recognized in accordance with Ind AS 116 – ‘Leases’ and
- 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 capitalized 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 capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization 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 capitalization. Capitalization 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 recognized as an expense in the year in which they are incurred.

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



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

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**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. 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.

**2.7. 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.

**2.9. Provisions, contingent liabilities and contingent assets**

A provision is recognized 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 recognized as a finance cost.

The amount recognized 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 recognized 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.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN: U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

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### 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 recognized 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 recognized 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

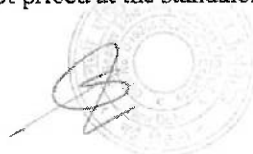
Revenue from rendering of services is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) the performance obligation is satisfied and after confirmation from clients/customers, 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 recognized over time as the customers simultaneously receive and consume the benefits provided by the Company.
- **Consultancy services:**  
Revenue from consultancy services rendered is recognized 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 recognized 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.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

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**(iii) Other income**

Interest income is recognized, 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 amortized 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 amortized 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 recognized 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 recognized 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 recognized as expense and are charged to the statement of profit and loss.

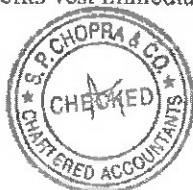
**(ii) Defined benefit plans**

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 recognized 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 recognized 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 recognized 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 recognized 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 recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized 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 recognized 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 recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity respectively.

A deferred tax asset is recognized 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 realized.

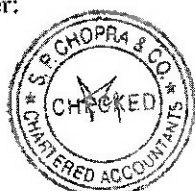
Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

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:



**ENERGY EFFICIENCY SERVICES LIMITED**

**CIN: U40200DL2009PLC196789**

**Notes to the standalone financial statements for the year 31 March 2023**

- 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 amortized 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.



**ENERGY EFFICIENCY SERVICES LIMITED**

**CIN: U40200DL2009PLC196789**

**Notes to the standalone financial statements for the year 31 March 2023**

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**(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 recognized 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 recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized 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 amortization, if no impairment loss had been recognized.

**2.16. Operating segments**

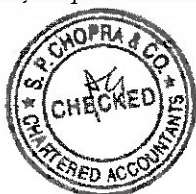
In accordance with Ind AS 108, Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the 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.





**ENERGY EFFICIENCY SERVICES LIMITED**

**CIN: U40200DL2009PLC196789**

**Notes to the standalone financial statements for the year 31 March 2023**

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 amortized 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 amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN: U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

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### 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 recognized 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 recognized 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 amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized 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 recognized 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.

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 derecognized (i.e. removed from the Company's balance sheet) when:

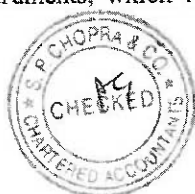
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (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 amortized 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 recognized from initial recognition of the receivables.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

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 recognized 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 amortized cost**

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization 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 recognized 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 recognized 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 recognized 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 derecognized 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 recognized in the statement of profit and loss.



**ENERGY EFFICIENCY SERVICES LIMITED**

**CIN: U40200DL2009PLC196789**

**Notes to the standalone financial statements for the year 31 March 2023**

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**(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 realize 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 recognized 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 recognized in the financial statements is as under:

**(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 recognized as a reduction from revenue based on management estimates.



**ENERGY EFFICIENCY SERVICES LIMITED**

**CIN: U40200DL2009PLC196789**

**Notes to the standalone financial statements for the year 31 March 2023**

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**(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.

**(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

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

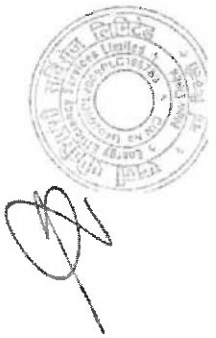
3 Property, plant and equipment

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2022	Additions	Deductions/ Adjustments*	As at 31 March 2023	As at 1 April 2022	For the year Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023
Buildings	847.65	-	-	847.65	59.98	26.82	86.80	760.85
Plant & Machinery								
ESCO projects	3,44,394.54	7,519.23	40,015.92	3,11,897.85	1,88,061.59	51,980.77	2,01,825.72	1,10,072.13
Solar plant	78,770.42	12,687.85	-	91,458.27	5,058.05	3,473.76	8,531.81	82,926.46
Smart meter	84,952.06	37,230.91	-	1,22,182.97	20,766.94	14,747.69	35,514.63	86,668.34
Public chargers	927.14	677.25	-	1,604.39	100.20	145.36	245.56	1,358.83
Vehicles	1,680.58	58.61	28.90	1,710.29	406.16	197.15	603.31	1,106.98
Office equipment	435.41	24.34	12.36	447.39	300.61	58.01	347.35	100.04
Computers	629.16	60.45	90.70	598.91	464.23	96.16	481.35	117.56
Furniture & Fixture	473.15	7.01	-	480.16	228.53	45.50	274.03	206.13
Leasehold improvements	438.20	2.12	-	440.32	267.30	76.62	343.92	96.40
<b>Total</b>	<b>5,13,548.31</b>	<b>58,267.77</b>	<b>40,147.88</b>	<b>5,31,668.20</b>	<b>2,15,713.59</b>	<b>70,847.84</b>	<b>2,48,254.48</b>	<b>2,83,413.72</b>

\* Deduction/adjustment includes reclassification of project equipment as held for sale (Refer note 63)

Particulars	Gross block			Accumulated depreciation			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
Buildings	512.56	335.09	-	847.65	33.10	26.88	59.98	787.67
Plant & Machinery								
ESCO projects	3,23,222.69	21,171.85	-	3,44,394.54	1,36,191.72	51,869.87	1,88,061.59	1,56,332.95
Solar plant	52,581.96	26,188.46	-	78,770.42	2,354.20	2,703.85	5,058.05	73,712.37
Smart meter	56,481.28	28,470.78	-	84,952.06	11,013.00	9,753.94	20,766.94	64,185.12
Public chargers	400.30	526.84	-	927.14	28.07	72.13	100.20	826.94
Vehicles	1,262.48	418.10	-	1,680.58	203.39	202.77	406.16	1,274.42
Office equipment	490.39	35.35	90.33	435.41	319.20	67.70	300.61	134.80
Computers	745.86	15.33	132.03	629.16	484.33	103.77	464.23	164.93
Furniture & Fixture	407.76	65.39	-	473.15	183.53	45.00	228.53	244.62
Leasehold improvements	247.70	190.50	-	438.20	163.38	103.92	267.30	170.90
<b>Total</b>	<b>4,36,352.98</b>	<b>77,417.69</b>	<b>222.36</b>	<b>5,13,548.31</b>	<b>1,50,973.92</b>	<b>64,949.83</b>	<b>2,15,713.59</b>	<b>2,97,834.72</b>

\* Restated (refer note 43)



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**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 'Capitalized/adjusted' column of CWIP. Asset-wise details of exchange variations and borrowing costs included in the cost of major heads of property, plant and equipment (PPE) and CWIP are given below:

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Exchange variations	Borrowing costs	Exchange variations	Borrowing costs
Plant & Machinery				
ESCO projects	548.72	1,971.42	735.95	1,639.59
Solar plant	497.46	3,610.21	361.53	558.36
Smart meter	1,200.94	494.21	850.18	1,702.07
<b>Total</b>	<b>2,247.12</b>	<b>6,075.84</b>	<b>1,947.66</b>	<b>3,900.02</b>

b) The borrowing cost capitalised during the year is net of income on idle funds amounting to ₹ 119.67 Lakh (31 March 2022: ₹ 220.03 Lakhs).

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

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

e) Refer note 43 for restatement item of earlier years.

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

Item category	Description of item of Property	Gross carrying value	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
Building	Office building in Kolkata	335.09	NBCC (India) Limited	No	31-Mar-21	Awaiting completion of legal formalities

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

b) The Company is in possession of 841.93 acres (31 March 2022: 727.06 acres) of lease land at 151 locations (31 March 2022: 142 locations) for development of solar plants.

d) 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

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

4 Capital work-in-progress

As at 31 March 2023

Particulars	As at 1 April 2022	Additions	Capitalised / adjusted	As at 31 March 2023
Buildings	-	9,740.59	-	9,740.59
Plant & Machinery				
ESCO projects	59,097.25	9,902.15	7,544.32	61,455.08
Solar plant	16,032.18	14,411.33	12,687.85	17,755.66
Smart Meter	27,821.72	39,787.44	37,230.90	30,378.26
Public chargers	2,573.10	241.15	677.25	2,137.00
<b>Total</b>	<b>1,05,524.25</b>	<b>74,082.66</b>	<b>58,140.32</b>	<b>1,21,466.59</b>

As at 31 March 2022

Particulars	As at 1 April 2021	Additions	Capitalised / adjusted	As at 31 March 2022
Plant & Machinery				
ESCO projects	60,425.23	20,341.72	21,669.70	59,097.25
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
<b>Total</b>	<b>1,20,540.07</b>	<b>61,342.09</b>	<b>76,357.91</b>	<b>1,05,524.25</b>

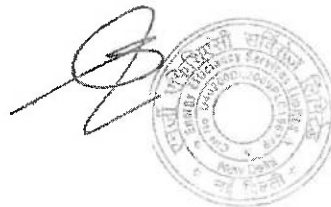
- a) The borrowing cost proportionate to the unutilised amount of borrowings for qualifying assets is carried forward for capitalization in the year of its utilization. However, income earned on temporary investment of the borrowings is deducted from the borrowing costs eligible for capitalisation. During the year, the Company has capitalised employee benefit expenses amounting to ₹ 832.52 Lakhs (31 March 2022: ₹ 1,910.79 Lakhs) and other expenses amounting to ₹ 1,291.01 Lakhs (31 March 2022: ₹ 1,227.97 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 the customers. Obtaining of pending completion certificates is under active follow-up with the customers and same will be capitalized on receipt thereof.
- c) The Capital work-in-progress includes inventory of capital items of ₹ 51,062.93 Lakhs held with the Company as at 31 March 2023 (31 March 2022: ₹ 46,227.83 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.
- e) Ageing schedule of capital work-in-progress

As at 31 March 2023

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	62,790.53	30,195.70	9,758.51	18,721.85	1,21,466.59
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>62,790.53</b>	<b>30,195.70</b>	<b>9,758.51</b>	<b>18,721.85</b>	<b>1,21,466.59</b>

As at 31 March 2022

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	-	-	-	-	-
<b>Total</b>	<b>51,474.73</b>	<b>20,909.26</b>	<b>12,784.51</b>	<b>20,355.75</b>	<b>1,05,524.25</b>





ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

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

As at 31 March 2023

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:	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

As at 31 March 2022

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:	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

As per the information available, there is no project of which the completion is overdue or has exceeded its cost compared to its original plan as at the date of the financial statements.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

*(All amounts in lakhs of ₹, except share data and as stated otherwise)*

## 5 Right-of-use assets (Refer Note 56)

Particulars	Gross block			Accumulated amortisation			Net block As at 31 March 2023	
	As at 1 April 2022	Additions	Deductions/ Adjustments	As at 31 March 2023	As at 1 April 2022	For the year		Deductions/ Adjustments
Office Buildings	1,776.27	2.10	-	1,778.37	650.55	283.74	-	934.29
<b>Total</b>	<b>1,776.27</b>	<b>2.10</b>	<b>-</b>	<b>1,778.37</b>	<b>650.55</b>	<b>283.74</b>	<b>-</b>	<b>934.29</b>

## As at 31 March 2022

Particulars	Gross block			Accumulated amortisation			Net block As at 31 March 2022	
	As at 1 April 2021	Additions	Deductions/ Adjustments	As at 31 March 2022	As at 1 April 2021	For the year		Deductions/ Adjustments
Office Buildings	1,579.64	275.06	78.43	1,776.27	364.77	285.78	-	650.55
<b>Total</b>	<b>1,579.64</b>	<b>275.06</b>	<b>78.43</b>	<b>1,776.27</b>	<b>364.77</b>	<b>285.78</b>	<b>-</b>	<b>650.55</b>

## 6 Intangible assets

Particulars	Gross block			Accumulated amortisation			Net block As at 31 March 2023	
	As at 1 April 2022	Additions	Deductions/ Adjustments	As at 31 March 2023	As at 1 April 2022	For the year		Deductions/ Adjustments
Software	2,586.73	3.06	-	2,589.79	2,051.00	255.46	-	2,306.46
<b>Total</b>	<b>2,586.73</b>	<b>3.06</b>	<b>-</b>	<b>2,589.79</b>	<b>2,051.00</b>	<b>255.46</b>	<b>-</b>	<b>2,306.46</b>

## As at 31 March 2022

Particulars	Gross block			Accumulated amortisation			Net block As at 31 March 2022	
	As at 1 April 2021	Additions	Deductions/ Adjustments	As at 31 March 2022	As at 1 April 2021	For the year		Deductions/ Adjustments
Software	2,562.42	24.31	-	2,586.73	1,844.76	206.24	-	2,051.00
<b>Total</b>	<b>2,562.42</b>	<b>24.31</b>	<b>-</b>	<b>2,586.73</b>	<b>1,844.76</b>	<b>206.24</b>	<b>-</b>	<b>2,051.00</b>



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 7 Investments in subsidiary and joint venture companies (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Equity instruments - Unquoted (fully paid up - unless otherwise stated, at cost)</b>		
<b>Subsidiaries</b>		
EESL EnergyPro Assets Limited 35,745,680 (31 March 2022: 35,745,680) equity shares of ₹1 each	33,281.47	33,281.47
EESL Energy Solutions LLC 87 (31 March 2022: 87) equity shares of AED 1,000 each	18.33	18.33
Convergence Energy Services Limited 59,210,100 (31 March 2022: 10,000,100) equity shares of ₹10/- each	5,921.01	1,000.01
<b>Joint venture company</b>		
Intellismart Infrastructure Private Limited 67,620,049 (31 March 2022: 27,685,049) equity shares of ₹10/- each	6,762.00	2,768.50
	<u>45,982.81</u>	<u>37,068.31</u>
Less: Impairment on investment EESL Energy Solutions LLC	(18.33)	-
<b>Total</b>	<u><u>45,964.48</u></u>	<u><u>37,068.31</u></u>
<b>Aggregate amount of unquoted investments</b>	45,964.48	37,068.31
<b>Aggregate amount of impairment in value of investments</b>	18.33	-

- a) Investments have been valued as per accounting policy no 2.21. Equity investment in subsidiaries 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) 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 partners in the meeting held on 27 March 2023 have agreed to liquidate the company after the approval by the Board of the respective JV partners and also the Board of the company which is under process.
- c) The Company during the year has further invested ₹ 4,921.00 Lakhs (31 March 2022- ₹ 1,000.00 Lakhs) in its wholly owned subsidiary namely Convergence Energy Services Limited by acquiring 4,92,10,000 equity shares at a par value of ₹ 10/- per share.
- d) The Company during the year has further invested ₹ 3,993.50 Lakhs (31 March 2022- ₹ 1,808.10 Lakhs) in its joint venture namely Intellismart Infrastructure Private Limited by acquiring 39,935,000 equity shares at a par value of ₹ 10/- per share against right issue.
- e) EESL Energy Pro Assets Limited has accumulated losses of ₹ 2,952.23 Lakhs (31 March 2022: ₹ 2,962.74 Lakhs), Convergence Energy Services Limited has accumulated losses of ₹ 2,820.54 Lakhs (31 March 2022: ₹ 1,230.35 Lakhs) and EESL Energy Solutions LLC has accumulated losses of ₹ 68.93 Lakhs (31 March 2022: ₹ 39.90 Lakhs) as at reporting date. However, being strategic investments and considering the long term nature of these investments, there is no permanent impairment in the value of shares as on date, except EESL Solution LLC where Company has recognised impairment loss amounting to ₹ 18.33 Lakhs.

## f) Details of investments:

Particulars	Proportion of ownership interest (%)	
	As at 31 March 2023	As at 31 March 2022
<b>Investment in subsidiary company:</b>		
EESL EnergyPro Assets Limited (incorporated in United Kingdom)	86.80%	86.80%
EESL Energy Solutions LLC (incorporated in United Arab Emirates)	29.00%	29.00%
Convergence Energy Services Limited (incorporated in India)	100.00%	100.00%
<b>Investment in joint venture company:</b>		
Intellismart Infrastructure Private Limited (incorporated in India)	49.00%	49.00%



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 8 Other investments (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Investment in fully paid up unquoted equity instruments</b> (measured at fair value through profit and loss)		
NEESL Private Limited	0.26	0.26
2,600 (31 March 2022: 2600) equity shares of ₹10/- each		
<b>Total</b>	<b>0.26</b>	<b>0.26</b>
Aggregate amount of unquoted investments	0.26	0.26
Aggregate amount of impairment in value of investments	-	-

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

b) During the previous 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. Further, the said investment is carried at cost considering the value of investment is nominal.

## 9 Loans (Non-current)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Loan to Subsidiary Company (refer note (a) below)</b>		
Unsecured, considered good	4,808.64	3,008.65
Less: Current maturities of loan (Refer note 17)	772.23	385.36
<b>Sub-total</b>	<b>4,036.41</b>	<b>2,623.29</b>
<b>Loan to employees (including interest accrued)</b>		
Secured, considered good (refer note (b) below)	275.38	214.22
Unsecured, considered good	64.67	73.55
<b>Total</b>	<b>4,376.46</b>	<b>2,911.06</b>

a) During the year ended March 31, 2023, the Company has given an unsecured loan of ₹ 2,390 Lakhs ( March 31, 2022 ₹ 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 instalments starting from 31 March 2023 as stipulated in the agreement.

b) House building loan and vehicle loan to employees are secured against the mortgage of house properties and hypothecation of vehicles respectively for which such loans have been given, as per policy of the Company.

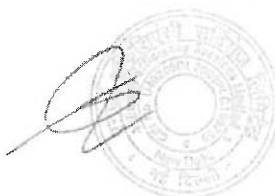
c) Refer note 48 for the related party disclosures.

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

e) Refer note 45 for details with respect to credit risk.

## 10 Other financial assets (Non-current)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Unsecured, considered good</b>		
Unbilled revenue (Refer Note 55(d) & 60(l))	31.00	192.48
Security deposits	-	135.24
Lease receivables	10,815.69	11,706.61
Deposits with banks (including interest accrued)	1.82	1.71
<b>Earmarked balances with banks (including interest accrued)</b>		
Deposits held as margin money for letter of credit and bank guarantees	35.61	32.54
Deposits held as security with government authorities	3.09	2.06
<b>Total</b>	<b>10,887.21</b>	<b>12,070.64</b>



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**11 Deferred tax assets (net)**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Tax effect of items constituting deferred tax assets</b>		
Unabsorbed losses/depreciation carried forward	13,121.84	7,496.58
Timing difference on account of expense allowable on payment basis	10,443.74	6,766.90
Others	8.05	16.71
	<u>23,573.63</u>	<u>14,280.19</u>
<b>Less: Tax effect of items constituting deferred tax liabilities</b>		
Difference between accounting base and tax base of property, plant and equipment	7,253.60	6,071.76
Financial assets and liabilities measured at amortised cost	410.05	812.23
	<u>7,663.65</u>	<u>6,883.99</u>
<b>Net deferred tax assets</b>	<u>15,909.98</u>	<u>7,396.20</u>

- a) Refer note 42 for disclosures as per Ind AS 12 Income Taxes.
- b) Deferred tax assets of ₹ 8,527.25 lakhs (31 March 2022: ₹ 6,666.15 Lakhs) has been recognised in the statement of Profit & loss and ₹ (13.47) Lakhs (31 March 2022: ₹ 30.64 Lakhs) Lakhs in other comprehensive income during the year, as the management based on their projection is confident that the taxable profit is achievable in near future.

**12 Other non-current assets**

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Capital Advances		
-Capital advances to related parties (Refer note 48 (d))	224.81	762.80
-Capital advances to others	-	5,834.77
Prepaid expenditure	-	13.67
<b>Total</b>	<u>224.81</u>	<u>6,611.24</u>

**13 Inventories**

Particulars	As at 31 March 2023	As at 31 March 2022
Stock in trade	13,918.29	16,124.29
Less: Provision for shortage in inventories	433.66	353.02
<b>Total</b>	<u>13,484.63</u>	<u>15,771.27</u>

- 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 2023 is ₹ 7,451.91 Lakhs (31 March 2022: ₹ 16,461.04 Lakhs (including ₹ 2.94 Lakhs as Business Promotion)).
- d) The write down of inventories to net realisable value amounting to ₹ 639.21 Lakhs (31 March 2022: ₹ 637.39 Lakhs) 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**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**14 Trade receivables**

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good – Unsecured	3,92,096.34	3,51,894.41
Trade receivables – credit impaired	23,151.29	22,393.22
<b>Sub-total</b>	<b>4,15,247.63</b>	<b>3,74,287.63</b>
Less: Allowance for expected credit losses	25,194.65	13,419.62
Less: Provision for interest variance	12,192.75	10,806.89
<b>Total</b>	<b>3,77,860.23</b>	<b>3,50,061.12</b>

- 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 ₹ 3,789.87 Lakhs (31 March 2022 : ₹ 7,924.73 Lakhs). 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 ₹ 4,15,247.63 Lakhs as at 31 March 2023 (₹ 3,74,287.63 lakhs as at 31 March 2022). The company has estimated the amount of ECL on the basis of the methodology earlier followed by an appointed external agency for assessment/ evaluation of credit risk based on factors such as ageing of dues, specific credit circumstances, nature and credit worthiness, historical payment behaviour etc. On the basis thereof, Expected Credit Loss (ECL) of ₹ 11,775.03 lakhs has been created during the year resulting in cumulative ECL of ₹ 25,194.65 lakhs as at 31 March 2023 (₹ 13,419.62 lakhs as at 31 March 2022).  
The company is actively pursuing/ following up for the recovery of dues under 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	As at 31 March 2023	As at 31 March 2022
Balances with banks		
Current accounts	25,837.11	47,820.94
Deposits with original maturity upto three months (including interest accrued)	17,186.97	25,171.60
<b>Total</b>	<b>43,024.08</b>	<b>72,992.54</b>

- 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	As at 31 March 2023	As at 31 March 2022
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	51.53	16,848.14
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	19,701.71	12,360.83
Deposits held as margin money for letter of credit and bank guarantees	1,273.79	183.94
Deposits held as security with government authorities	0.76	1.60
<b>Total</b>	<b>21,027.79</b>	<b>29,394.51</b>



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**17 Current loans**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Loan to Subsidiary Company (refer note 9)</b>		
Unsecured, considered good	772.23	385.36
<b>Loan to employees (including interest accrued)</b>		
Secured, considered good (refer a below)	42.97	34.55
Unsecured, considered good	107.51	118.26
<b>Total</b>	<b>922.71</b>	<b>538.17</b>

a) House building loan and vehicle loan to employees are secured against the mortgage of house properties and hypothecation of vehicles respectively for which such loans have been given, as per policy of the Company.

**18 Other financial assets (Current)**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Unsecured, considered good</b>		
Unbilled revenue (Refer Note 55(d) & 60(I))*	10,006.70	8,302.68
Lease receivables	3,583.93	3,100.80
Recoverable from related party (Refer Note 48)	775.45	3,206.48
Security deposits*	647.07	458.47
Other recoverables	-	29.06
Credit impaired	178.10	178.10
Less: Allowances for doubtful recoverables	(178.10)	(178.10)
<b>Total</b>	<b>15,013.15</b>	<b>15,097.49</b>

\*Refer note 44 for disclosures related to fair valuation.

**19 Current tax assets (net)**

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provision for tax)	1,727.82	1,562.90
<b>Total</b>	<b>1,727.82</b>	<b>1,562.90</b>

**20 Other current assets**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Balance with government authorities</b>		
Unsecured, considered good	18,624.52	23,043.16
Unsecured, considered doubtful	1.15	1.15
Less: Provision for doubtful receivables	(1.15)	(1.15)
	18,624.52	23,043.16
<b>Advances other than capital advance</b>		
-Advances to Related party (Refer Note 48)	1,955.48	2,360.60
-Advances to/ Recoverables from suppliers		
Unsecured, considered good	6,622.49	10,593.53
Unsecured, considered doubtful	2,806.55	674.35
Less: Provision for doubtful advances	(2,806.55)	(674.35)
-Advance to employees		
Unsecured, considered good	35.86	73.79
Unsecured, considered doubtful	7.64	1.61
Less: Provision for doubtful advances	(7.64)	(1.61)
Deposits paid under protest (Refer Note 53 (c)(i))	5,005.28	4,868.15
Prepaid expenditure	1,510.23	2,181.45
Prepaid assets-surplus of plan assets*	79.40	-
	15,208.74	20,077.52
<b>Total</b>	<b>33,833.26</b>	<b>43,120.68</b>

\* Refer note 49 for disclosure as per Ind AS 19 on 'Employee Benefits'.



21 Share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity shares of par value ₹10/- each	350,00,00,000	3,50,000.00	350,00,00,000	3,50,000.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of par value ₹10/- each	1,39,08,20,000	1,39,082.00	1,39,08,20,000	1,39,082.00

a) Movements in equity share capital:

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	1,39,08,20,000	1,39,082.00	98,33,28,350	98,332.84
Add: Shares issued during the year	-	-	40,74,91,650	40,749.16
<b>Balance at the end of the year</b>	<b>1,39,08,20,000</b>	<b>1,39,082.00</b>	<b>1,39,08,20,000</b>	<b>1,39,082.00</b>

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 of ₹ 10/- per share. The holders of 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 2022-23 (2021-22: Nil).

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

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	%age holding	No. of shares	%age holding
PowerGrid Corporation of India Limited	46,36,10,000	33.33%	46,36,10,000	33.33%
NTPC Limited	46,36,10,000	33.33%	46,36,10,000	33.33%
Power Finance Corporation Limited	24,55,00,000	17.65%	24,55,00,000	17.65%
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	15.68%	21,81,00,000	15.68%
<b>Total</b>	<b>1,39,08,20,000</b>	<b>100%</b>	<b>1,39,08,20,000</b>	<b>100%</b>

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 ended 31st March 2023:

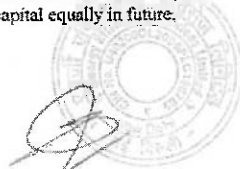
Name of the promoter	As at 31 March 2023		As at 31 March 2022		% Change during the year
	No. of shares	%age holding	No. of shares	%age holding	
PowerGrid Corporation of India Limited	46,36,10,000	33.33%	46,36,10,000	33.33%	-
NTPC Limited	46,36,10,000	33.33%	46,36,10,000	33.33%	-
Power Finance Corporation Limited	24,55,00,000	17.65%	24,55,00,000	17.65%	-
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	15.69%	21,81,00,000	15.69%	-
<b>Total</b>	<b>1,39,08,20,000</b>	<b>100%</b>	<b>1,39,08,20,000</b>	<b>100%</b>	

Details of changes in promoter shareholding during the year ended 31st March 2022:

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%)
<b>Total</b>	<b>1,39,08,20,000</b>	<b>100%</b>	<b>98,33,28,350</b>	<b>100%</b>	

f) 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%.

Further, the promoters in accordance with the recommendations of the Ministry of Power has approved the restructuring of the company on 1st September 2021 and 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.





**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**22 Other equity**

Particulars	As at	As at
	31 March 2023	31 March 2022
Debenture redemption reserve	2,500.00	7,000.00
Retained earnings	(43,390.36)	(20,119.29)
Remeasurement of defined benefits plan	(98.01)	(138.06)
<b>Total</b>	<b>(40,988.37)</b>	<b>(13,257.35)</b>

**a) 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	For the year ended	For the year ended
	31 March 2023	31 March 2022
Opening balance	7,000.00	12,434.13
Add: Transfer to retained earnings	(4,500.00)	(5,434.13)
<b>Closing balance</b>	<b>2,500.00</b>	<b>7,000.00</b>

**b) Retained earnings**

Retained earning represents the amount of accumulated earnings of the company. Movement in reserves is as follows:

Particulars	For the year ended	For the year ended
	31 March 2023	31 March 2022
Opening balance	(20,095.11)	(10,435.17)
Prior period errors	(24.18)	214.66
<b>Restated balance</b>	<b>(20,119.29)</b>	<b>(10,220.51)</b>
Loss for the year as per statement of profit and loss	(27,771.07)	(15,332.91)
Transfer from debenture redemption reserve	4,500.00	5,434.13
	<b>(43,390.36)</b>	<b>(20,119.29)</b>

**c) Remeasurement of defined benefit plans**

It represents actuarial gain/loss recognised on the bases of assumption used in actuarial valuation. Movement in reserves is as follows:

Particulars	For the year ended	For the year ended
	31 March 2023	31 March 2022
Opening Balance	(138.06)	(46.94)
Net actuarial gains/(losses) on defined benefit plans	40.05	(91.12)
<b>Closing balance</b>	<b>(98.01)</b>	<b>(138.06)</b>



## ENERGY EFFICIENCY SERVICES LIMITED

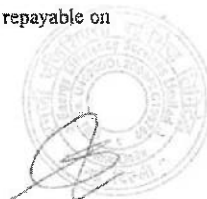
CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

*(All amounts in lakhs of ₹, except share data and as stated otherwise)*

## 23 Non-current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
<b>1) Debentures/Bonds</b>		
<b>a) Secured Debentures/Bonds</b>		
(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 of ₹ 25,000.00 Lakhs (STRIP 'C') redeemable at par on 20 September 2023 (First Issue - Private Placement))	26,066.79	26,072.32
<b>b) Unsecured Debentures/Bonds</b>		
(i) 7.80% Debentures (Domestic bonds) (7.80% p.a. unsecured non-cumulative non-convertible redeemable taxable bonds amounting ₹45,000.00 Lakhs (Second Issue - Private Placement) repaid on due date of 18th July 2022)	-	47,471.42
<b>2) Term loan from banks</b>		
<b>a) Secured rupee term loan</b>		
(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 of each tranche starting from December 2022 and ending in July 2027)	45,951.25	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)	35,000.00	45,000.00
(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)	24,989.55	34,979.95
(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 starting from September 2020 and ending in March 2025)	19,958.71	29,959.91
<b>b) Unsecured rupee term loan</b>		
(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)	29,821.38	39,838.32
<b>3) Term loan from other than banks</b>		
<b>a) Unsecured foreign currency loans</b>		
(i) ADB Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 5.609963% p.a., loan repayable on half yearly basis starting from 15 May 2025 in 30 equal instalments)	32,218.36	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 and 40 instalments of USD 920,000 each)	37,747.42	34,793.69
(iii) IBRD Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 5.31745317% 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 instalment of 3.61% of disbursed amount)	1,29,395.41	1,06,943.36
(iv) ADB Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 5.570135% p.a., loan repayable on half yearly basis starting from 15 March 2022 in 30 equal instalments)	99,438.87	1,04,179.94



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 23 Non-current borrowings (continued)

Particulars	As at 31 March 2023	As at 31 March 2022
(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)	26,253.20	28,110.77
(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)	18,541.62	22,522.20
	<b>5,25,382.56</b>	<b>5,55,035.66</b>
Less: Current maturities of long term borrowings (Refer note 29)		
Unsecured Debentures/Bonds	25,000.00	45,000.00
Secured rupee term loan from bank	40,000.00	34,000.00
Unsecured rupee term loan from bank	10,000.00	10,000.00
Unsecured foreign currency loans	25,193.86	15,445.11
Less: Interest accrued but not due on borrowings	4,893.61	4,377.02
<b>Total</b>	<b>4,20,295.09</b>	<b>4,46,213.53</b>

- a) The company has no cases of any charges or satisfaction yet to be registered with Registrar of Companies (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 ₹ 1,73,789 lakhs (31 March 2022: ₹4,43,494.51 lakhs) foreign currency borrowings which has been sanctioned but not availed as at 31 March 2023. These borrowings have been guaranteed by Government of India. Refer note 45(c)(i).

## 24 Non-current lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities	-	168.66
<b>Total</b>	<b>-</b>	<b>168.66</b>

- a) Refer note 45(c)(ii) for maturity analysis of undiscounted lease liabilities.

## 25 Non-current trade payable

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payable		
Total outstanding dues of micro enterprises and small enterprises	1,237.53	938.80
Total outstanding dues of creditors other than micro and small enterprises	6,950.78	10,130.39
<b>Total</b>	<b>8,188.31</b>	<b>11,069.19</b>

- 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.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 26 Other financial liabilities (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Retention money	1,080.58	2,079.96
<b>Total</b>	<b>1,080.58</b>	<b>2,079.96</b>

- a) Refer note 58 for disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006.  
b) Refer note 44 for disclosures related to fair valuation.

## 27 Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Provision for employee benefits</b>		
Gratuity	-	195.81
Leave encashment	1,132.16	1,187.36
<b>Total</b>	<b>1,132.16</b>	<b>1,383.17</b>

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

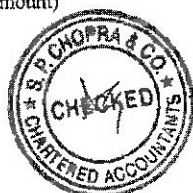
## 28 Other non-current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred income on account of government grants	3,866.58	3,680.33
<b>Total</b>	<b>3,866.58</b>	<b>3,680.33</b>

- a) Refer note 50 for disclosure as per Ind AS 20 on 'Government Grants'.

## 29 Borrowings (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a) Secured short-term loan from banks</b>		
(i) ICICI Bank - Secured by first pari passu charge on the current asset of the company 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)	18,200.00	18,100.00
(ii) Bank of Baroda - Secured by first pari passu charge on the stock and receivables of the company 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	15,900.00
(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
(iv) Union Bank of India- Secured by the current assets of the Company 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)	69,999.90	64,999.99
(v) Canara Bank- Secured by first pari passu charge on the stock and receivables of the company 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)	19,999.98	19,990.21



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

<b>29 Borrowings (Current) (Continued)</b>		
(vi) Indian Bank- Secured by first pari passu charge on the stock and receivables of the company 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)	28,499.74	-
(vii) Kotak Mahindra Bank Ltd:- Secured by first pari passu charge on current assets of the company both present and future (ROI-Linked to one month MCLR, repayable as Bullet payment within 3 months from the drawl of the loan amount)	4,000.00	-
<b>b) Secured short-term loans from others</b>		
(i) Bajaj Finance Limited- Secured by first pari passu charge on the current assets of the company (receivables and inventory) both present and future (ROI: Linked to repo rate with quarterly reset, repayable as bullet payment after 12 months from the drawl of the Loan amount)	15,000.00	7,500.00
<b>c) Unsecured short-term loan from banks</b>		
(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
(ii) Loan from KFW 2 (1.15% p.a. loan, repayable on 15 June 2023 (Euro 4,723,373.93))	4,239.67	-
<b>d) Bank Overdraft</b>		
<b>Secured</b>		
(i) Bank of Baroda - Secured by first pari passu charge on the stock and receivables of the company both present and future (ROI: Linked to one year MCLR based, repayable on demand within 1 year maximum from the drawl of the loan amount)	81.07	587.23
<b>Sub-total</b>	<b>1,75,920.36</b>	<b>1,43,577.43</b>
Less: Interest accrued on current borrowings	(7.17)	-
<b>Current maturities of non-current borrowings (refer note 23)</b>		
Unsecured Debentures/Bonds	25,000.00	45,000.00
Secured rupee term loan from bank	40,000.00	34,000.00
Unsecured rupee term loan from bank	10,000.00	10,000.00
Unsecured foreign currency loans	25,193.86	15,445.11
<b>Sub-total</b>	<b>1,00,193.86</b>	<b>1,04,445.11</b>
<b>Total</b>	<b>2,76,107.05</b>	<b>2,48,022.54</b>

**30 Lease liabilities (Current)**

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities	168.66	294.95
<b>Total</b>	<b>168.66</b>	<b>294.95</b>

a) Refer note 45(c)(ii) for maturity analysis of undiscounted lease liabilities.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

*(All amounts in lakhs of ₹, except share data and as stated otherwise)***31 Trade Payables**

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payable		
Total outstanding dues of micro enterprises and small enterprises	10,339.57	8,689.33
Total outstanding dues of creditors other than micro and small enterprises	99,104.35	91,427.10
<b>Total</b>	<b>1,09,443.92</b>	<b>1,00,116.43</b>

- 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 financial liabilities (Current)**

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued on borrowings	4,900.78	4,377.02
Unclaimed interest on debentures/bonds	-	1.61
Retention money*	45,002.08	42,334.21
Liabilities for expenses	4,726.27	2,179.65
Earnest money deposits	44.70	404.70
Commitment fee payable	171.08	230.83
Security deposits	383.80	108.10
Payable to employees	49.60	237.24
<b>Total</b>	<b>55,278.31</b>	<b>49,923.36</b>

\*Refer note 58 for disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006.

**33 Other current liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues (refer note a below)	1,083.92	8,593.65
Advance from customers	12,665.81	-
Revolving/project fund	3,018.98	800.86
Unearned income	409.83	411.91
Deferred income on account of government grants	968.84	756.69
<b>Total</b>	<b>18,147.38</b>	<b>10,563.11</b>

- 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	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity	-	19.93
Leave encashment	62.54	49.05
<b>Total</b>	<b>62.54</b>	<b>68.98</b>

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



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

*(All amounts in lakhs of ₹, except share data and as stated otherwise)***35 Revenue from operations**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of goods	8,916.39	15,788.12
Rendering of services	1,52,831.82	1,40,416.19
<b>Total</b>	<b>1,61,748.21</b>	<b>1,56,204.31</b>

- 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, temporary disconnection/permanent disconnection 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 Trigeration ESCO segment, the details of bill read/ gas consumption etc. could not be compiled due to non-receipt of relevant data from customers since October 2021. Consequently, the revenue from Trigeration projects could not be recognized for the period October 2021 to March 2023 and will be recognized in the subsequent period.

**36 Other income**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Interest income from financial assets measured at amortised cost</b>		
Bank deposits	1,749.99	1,540.69
Trade receivables	299.29	289.32
Loans to employees	23.36	19.17
Loans/Advances to related parties	331.61	9.62
Security deposit	16.05	14.09
<b>Interest on income tax refund</b>	<b>280.00</b>	<b>-</b>
<b>Other non-operating income</b>		
Gain on foreign exchange fluctuation (net)	-	700.66
Guarantee fee income	725.46	869.46
Management fee income	110.98	211.31
Grant income	1,244.31	807.74
Tender fees	10.39	29.95
Liquidation damages recovered from vendors	447.40	642.15
Liabilities / excess provisions no longer required, written back	-	8.23
Miscellaneous income (refer note b below)	759.00	116.17
<b>Total</b>	<b>5,997.84</b>	<b>5,258.56</b>

- 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**  
CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**37 Changes in inventory of stock-in-trade**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening stock	15,771.27	20,387.15
Closing stock	13,484.63	15,771.27
<b>Total</b>	<b>2,286.64</b>	<b>4,615.88</b>

**38 Employee benefits expense**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	6,734.37	6,835.54
Contribution to provident and other funds	615.40	599.39
Staff welfare expenses	68.40	105.55
	<b>7,418.17</b>	<b>7,540.48</b>
Less: Transferred to capital work-in-progress (Note 4)	832.52	1,910.79
<b>Total</b>	<b>6,585.65</b>	<b>5,629.69</b>

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

**39 Finance costs**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Finance charges on financial liabilities measured at amortised cost</b>		
Debentures/Bonds	3,050.55	6,180.94
Short term loans	11,393.11	8,427.51
Foreign currency term loans	10,315.18	2,889.59
Rupee term loans	13,469.12	13,246.17
Unwinding of discount on retention money	529.89	831.99
Unwinding of discount on trade payables	784.56	996.36
Lease liabilities	29.72	56.01
<b>Loss on foreign currency transactions and translation (net)</b>	<b>12,211.21</b>	<b>6,524.77</b>
<b>Other borrowing costs</b>		
Guarantee fees for foreign currency term loans	3,751.38	3,416.61
Commitment fees for foreign currency term loans	742.06	932.40
Processing fee	1.00	383.80
Other (refer note a below)	-	1,032.14
	<b>56,277.78</b>	<b>44,918.29</b>
Less: Transferred to capital work-in-progress (Note 4)	8,322.96	5,847.68
<b>Total</b>	<b>47,954.82</b>	<b>39,070.61</b>

a) Other Borrowing costs includes factoring cost of ₹ Nil (31 March 2022: ₹ 780.05 Lakhs) and loan cancellation fee of ₹ Nil (31 March 2022: ₹ 252.09 Lakhs).

b) Borrowing costs capitalised during the year includes interest cost of ₹ 6,075.84 Lakhs (31 March 2022: ₹ 3,900.02 Lakhs) and foreign exchange variation of ₹ 2,247.12 Lakhs (31 March 2022: ₹ 1,947.66 Lakhs).





## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 40 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	70847.84	64,949.83
Depreciation on right-of-use assets	283.74	285.78
Amortisation of intangible assets	255.46	206.24
<b>Total</b>	<b>71,387.04</b>	<b>65,441.85</b>

## 41 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Annual maintenance charges (projects)	33,984.84 ✓	33,153.21
Manpower cost	5,044.08 ✓	4,456.81
Rent	2,319.68	2,116.87
Legal fees & professional	968.79	1,843.51
Project cost	144.53	62.47
Insurance	449.97	479.52
Travel and conveyance	785.61	621.54
Communication	406.16	461.90
Bank charges	335.54	306.56
Repair and maintenance		
- Building	134.83	191.72
- Computer	3.48	2.21
Electricity	308.39	178.56
Rate and taxes	314.99	142.52
Printing and stationery	57.07	71.77
Corporate social responsibility (refer note 57)	-	67.80
Payment to auditors (refer note a below)	60.12	39.48
Internal audit fees	36.62	37.52
Advertisement and Business promotion	89.29	50.95
Meeting and hospitality	44.85	28.84
Loss on sale of property, plant and equipment (net)	9.63	13.61
Allowance for doubtful receivables	11,775.03 ✓	5,642.89
Provision for interest variance	1,385.86 ✓	4,145.96
Provision for doubtful advances	2,138.22 ✓	852.27
Loss on foreign currency transactions and translation (net)	10,599.69 ✓	-
Provision for shortage in inventories	80.64	353.02
Impairment for losses on investment	18.33	-
Miscellaneous expenses	260.06	2,487.49
	<b>71,756.30</b>	<b>57,809.00</b>
Less: Transferred to capital work-in-progress (Note 4)	1,291.01	1,227.97
<b>Total</b>	<b>70,465.29</b>	<b>56,581.03</b>

## a) Details in respect of payment to auditors:

Statutory audit fee	25.00	17.33
Tax audit fee	7.50	6.44
Certification	21.50	13.70
Reimbursement of expenses	1.44	2.01
Arrears	4.68	-
<b>Total</b>	<b>60.12</b>	<b>39.48</b>



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the stand-alone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**42 Income taxes**

a) Income tax recognised in statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Current tax expense</b>		
Current year	199.66	207.93
Earlier years	-	72.72
<b>Sub-total (A)</b>	<b>199.66</b>	<b>280.65</b>
<b>Deferred tax credit</b>		
Origination and reversal of temporary differences	(8,527.25)	(6,666.15)
<b>Sub-total (B)</b>	<b>(8,527.25)</b>	<b>(6,666.15)</b>
<b>Total income tax (credit) / expense (A+B)</b>	<b>(8,327.59)</b>	<b>(6,385.50)</b>

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net current income tax asset at the beginning	1,354.95	918.19
Adjustment pertaining to earlier years	159.15	-
Income tax paid (net of refunds)	213.72	717.41
Current income tax expense	(199.66)	(280.65)
<b>Net current income tax asset at the end</b>	<b>1,528.16</b>	<b>1,354.95</b>

b) Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Other comprehensive income</b>		
Net actuarial gains/(losses) on defined benefit plans	53.52	(121.76)
Less: Income tax relating to above items	13.47	(30.64)
<b>Other comprehensive income / (expense) for the year, net of income tax</b>	<b>40.05</b>	<b>(91.12)</b>

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	(36,098.66)	(21,718.41)
Tax using the Company's domestic tax rate of 25.168% (31 March 2022: 25.168 %)	(9,085.31)	(5,466.09)
Tax effect of:		
Unrecognised deferred tax of previous year on account of adjustment in PPE	1,170.83	(1,545.09)
Tax on foreign branch	199.66	207.93
Earlier year tax	-	72.72
Excess business loss of previous year	(679.46)	(80.14)
Non-deductible tax expenses	64.34	(13.14)
Others	2.35	438.30
<b>Income tax expense</b>	<b>(8,327.59)</b>	<b>(6,385.50)</b>



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 42 Income taxes (continued)

## d) Movement in deferred tax balances

## For the year ended 31 March 2023

Particulars	Balance 1 April 2022	Recognised in profit or loss	Recognised in OCI	Balance 31 March 2023
<b>Deferred tax assets</b>				
Unabsorbed losses/depreciation carried forward	7,496.58	5,625.26	-	13,121.84
Timing difference on account of expense allowable on payment basis	6,766.90	3,690.31	(13.47)	10,443.74
Others	16.71	(8.66)	-	8.05
	<u>14,280.19</u>	<u>9,306.91</u>	<u>(13.47)</u>	<u>23,573.63</u>
<b>Less: Deferred tax liabilities</b>				
Difference between accounting base and tax base of property, plant and equipment	6,071.76	1,181.84	-	7,253.60
Financial assets and liabilities measured at amortised cost	812.23	(402.18)	-	410.05
	<u>6,883.99</u>	<u>779.66</u>	<u>-</u>	<u>7,663.65</u>
<b>Deferred tax assets (net)</b>	<u><b>7,396.20</b></u>	<u><b>8,527.25</b></u>	<u><b>(13.47)</b></u>	<u><b>15,909.98</b></u>

## For the year ended 31 March 2022

Particulars	Balance 1 April 2021	Recognised in profit or loss	Recognised in OCI	Balance 31 March 2022
<b>Deferred tax assets</b>				
Unabsorbed losses/depreciation carried forward	2,933.13	4,563.44	-	7,496.58
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
	<u>6,878.02</u>	<u>7,371.52</u>	<u>30.64</u>	<u>14,280.19</u>
<b>Less: Deferred tax liabilities</b>				
Difference between accounting base and tax base of property, plant and equipment	4,609.83	1,461.93	-	6,071.76
Financial assets and liabilities measured at amortised cost	1,032.82	(220.60)	-	812.23
Others	535.96	(535.96)	-	-
	<u>6,178.61</u>	<u>705.37</u>	<u>-</u>	<u>6,883.99</u>
<b>Deferred tax assets (net)</b>	<u><b>699.41</b></u>	<u><b>6,666.15</b></u>	<u><b>30.64</b></u>	<u><b>7,396.20</b></u>

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.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 43 Restatement for the year ended 31 March 2022 and as at 1 April 2021

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 2022 and 1 April 2021 (beginning of the preceding period) and Statement of Profit and Loss for the year ended 31 March 2022 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 2022

Particulars	Note	As at 31 March 2022			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	(i)	2,99,889.88	-	(2,055.16)	2,97,834.72
Capital work-in-progress		1,05,524.25	-	-	1,05,524.25
Right-of-use assets	(i)	1,125.73	-	(0.01)	1,125.72
Intangible assets	(i)	532.77	-	2.96	535.73
Investments in subsidiary and joint venture companies		37,068.31	-	-	37,068.31
<b>Financial assets</b>					
Other investments		0.26	-	-	0.26
Loans		2,911.06	-	-	2,911.06
Other financial assets	(ix)	10,524.43	-	1,546.21	12,070.64
Deferred tax assets (net)	(iv)	7,813.88	-	(417.68)	7,396.20
Other non-current assets		6,611.24	-	-	6,611.24
<b>Total non-current assets</b>		<b>4,72,001.81</b>	<b>-</b>	<b>(923.68)</b>	<b>4,71,078.13</b>
<b>Current assets</b>					
Inventories		15,771.27	-	-	15,771.27
<b>Financial assets</b>					
Trade receivables	(ix)	3,48,223.51	-	1,837.61	3,50,061.12
Cash and cash equivalents	(vii)	72,405.31	587.23	-	72,992.54
Bank balances other than cash and cash equivalents		29,394.51	-	-	29,394.51
Loans		538.17	-	-	538.17
Other financial assets		15,097.49	-	-	15,097.49
Current tax assets (net)		1,562.90	-	-	1,562.90
Other current assets	(x)	43,133.33	-	(12.65)	43,120.68
<b>Total current assets</b>		<b>5,26,126.49</b>	<b>587.23</b>	<b>1,824.96</b>	<b>5,28,538.68</b>
<b>TOTAL ASSETS</b>		<b>9,98,128.30</b>	<b>587.23</b>	<b>901.28</b>	<b>9,99,616.81</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital		1,39,082.00	-	-	1,39,082.00
Other equity	(v)	(13,233.17)	-	(24.18)	(13,257.35)
<b>Total equity</b>		<b>1,25,848.83</b>	<b>-</b>	<b>(24.18)</b>	<b>1,25,824.65</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings		4,46,213.53	-	-	4,46,213.53
Lease liabilities		168.66	-	-	168.66
Trade payables					
-total outstanding dues of micro and small enterprises		938.80	-	-	938.80
-total outstanding dues of creditors other than micro and small enterprises		10,130.39	-	-	10,130.39
Other financial liabilities		2,079.96	-	-	2,079.96
Provisions		1,383.17	-	-	1,383.17
Other non-current liabilities	(ii)	3,771.09	-	(90.76)	3,680.33
<b>Total non-current liabilities</b>		<b>4,64,685.60</b>	<b>-</b>	<b>(90.76)</b>	<b>4,64,594.84</b>



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

Current liabilities					
Financial liabilities					
Borrowings	(vii)	2,47,435.31	587.23	-	2,48,022.54
Lease liabilities		294.95	-	-	294.95
Trade payables					
-total outstanding dues of micro and small enterprises		8,689.33	-	-	8,689.33
-total outstanding dues of creditors other than micro and small enterprises	(iii), (viii) & (x)	90,410.88	-	1,016.22	91,427.10
Other financial liabilities		49,923.36	-	-	49,923.36
Other current liabilities		10,563.11	-	-	10,563.11
Provisions		68.98	-	-	68.98
Current tax liabilities (net)		207.95	-	-	207.95
<b>Total current liabilities</b>		<b>4,07,593.87</b>	<b>587.23</b>	<b>1,016.22</b>	<b>4,09,197.32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,98,128.30</b>	<b>587.23</b>	<b>901.28</b>	<b>9,99,616.81</b>

## b) Reconciliation of restated items of Balance Sheet as at 1 April 2021

Particulars	Note	As at 1 April 2021			As restated
		As previously reported	Reclass adjustments	Remeasure adjustments	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	(i)	2,86,085.30	-	(702.26)	2,85,383.04
Capital work-in-progress		1,20,540.07	-	-	1,20,540.07
Right-of-use assets		1,214.88	-	-	1,214.88
Intangible assets	(i)	717.61	-	0.05	717.66
Investments in subsidiary and joint venture companies		28,109.87	-	-	28,109.87
<b>Financial assets</b>					
Loans		284.18	-	-	284.18
Other financial assets	(ix)	9,051.36	-	1,096.99	10,148.35
Deferred tax assets (net)	(iv)	801.44	-	(102.03)	699.41
Other non-current assets		3,921.10	-	-	3,921.10
<b>Total non-current assets</b>		<b>4,50,725.81</b>	<b>-</b>	<b>292.75</b>	<b>4,51,018.56</b>
<b>Current assets</b>					
Inventories		20,387.15	-	-	20,387.15
<b>Financial assets</b>					
Trade receivables		3,09,859.07	-	-	3,09,859.07
Cash and cash equivalents		70,552.27	-	-	70,552.27
Bank balances other than cash and cash equivalents		51,136.46	-	-	51,136.46
Loans		132.92	-	-	132.92
Other financial assets		18,623.06	-	-	18,623.06
Current tax assets (net)		1,114.61	-	-	1,114.61
Other current assets		48,117.37	-	-	48,117.37
<b>Total current assets</b>		<b>5,19,922.91</b>	<b>-</b>	<b>-</b>	<b>5,19,922.91</b>
<b>TOTAL ASSETS</b>		<b>9,70,648.72</b>	<b>-</b>	<b>292.75</b>	<b>9,70,941.47</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital		98,332.84	-	-	98,332.84
Other equity	(v)	1,952.02	-	214.65	2,166.67
<b>Total equity</b>		<b>1,00,284.86</b>	<b>-</b>	<b>214.65</b>	<b>1,00,499.51</b>



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

<b>Liabilities</b>					
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings		4,91,695.04	-	-	4,91,695.04
Lease liabilities		369.10	-	-	369.10
Trade payables					
-total outstanding dues of micro and small enterprises		1,809.21	-	-	1,809.21
-total outstanding dues of creditors other than micro and small enterprises	(viii)	13,225.32	-	88.70	13,314.02
Other financial liabilities		4,304.82	-	-	4,304.82
Provisions		1,112.03	-	-	1,112.03
Other non-current liabilities	(ii)	1,797.19	-	(10.60)	1,786.59
<b>Total non-current liabilities</b>		<b>5,14,312.71</b>	<b>-</b>	<b>78.10</b>	<b>5,14,390.81</b>
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings		1,77,028.57	-	-	1,77,028.57
Lease liabilities		167.12	-	-	167.12
Trade payables					
-total outstanding dues of micro and small enterprises		8,030.59	-	-	8,030.59
-total outstanding dues of creditors other than micro and small enterprises		1,04,215.89	-	-	1,04,215.89
Other financial liabilities		56,227.69	-	-	56,227.69
Other current liabilities		10,128.92	-	-	10,128.92
Provisions		55.95	-	-	55.95
Current tax liabilities (net)		196.42	-	-	196.42
<b>Total current liabilities</b>		<b>3,56,051.15</b>	<b>-</b>	<b>-</b>	<b>3,56,051.15</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,70,648.72</b>	<b>-</b>	<b>292.75</b>	<b>9,70,941.47</b>

## c) Reconciliation of restated items of Statement of Profit and Loss for the year ended 31 March 2022

Particulars	Note	For the year ended 31 March 2022			As restated
		As previously reported	Reclass adjustments	Remeasure adjustments	
<b>Income</b>					
Revenue from operations	(ix)	1,53,917.50	-	2,286.81	1,56,204.31
Other income	(ii)	5,178.41	-	80.15	5,258.56
<b>Total income</b>		<b>1,59,095.91</b>	<b>-</b>	<b>2,366.96</b>	<b>1,61,462.87</b>
<b>Expenses</b>					
Purchase of stock-in-trade	(vii) & (iii)	10,975.57	9.89	856.76	11,842.22
Change in inventories of Stock-In Trade		4,615.88	-	-	4,615.88
Employee benefits expense		5,629.69	-	-	5,629.69
Finance costs		39,070.61	-	-	39,070.61
Depreciation and amortisation expense	(i)	64,091.86	-	1,349.99	65,441.85
Other expenses	(vii), (viii) & (x)	56,507.52	(9.89)	83.40	56,581.03
<b>Total expenses</b>		<b>1,80,891.13</b>	<b>-</b>	<b>2,290.15</b>	<b>1,83,181.28</b>
<b>Loss before tax</b>		<b>(21,795.22)</b>	<b>-</b>	<b>76.81</b>	<b>(21,718.41)</b>



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

Tax expense				
Current tax				
Current year		207.93	-	-
Earlier years		72.72	-	-
Deferred tax credit	(iv)	(6,981.80)	-	315.65
Total tax (credit)/expense		(6,701.15)	-	315.65
Loss for the year		(15,094.07)	-	(238.84)
Other comprehensive income				
Items that will not be reclassified to profit or loss (net of taxes)				
- Remeasurement of the defined benefit plans		(121.76)	-	-
- Income tax relating to the items that will not be reclassified to profit or loss statement		30.64	-	-
Other comprehensive income for the year, net of income tax		(91.12)	-	-
Total comprehensive income for the year		(15,185.19)	-	(238.84)
Earnings per equity share (Par value ₹ 10/- each)				
Basic earnings per share (₹)		(1.24)	-	(0.02)
Diluted earnings per share (₹)		(1.24)	-	(0.02)

**d) Reconciliation of Statement of Cash Flows for the year ended 31 March 2022**

Particulars	For the year ended 31 March 2022		
	As previously reported	Adjustments	As restated
Net cash flow from operating activities	37,499.80	0.02	37,499.82
Net cash flow used in investing activities	(57,267.07)	(0.03)	(57,267.10)
Net cash flow from financing activities	20,623.48	587.24	21,210.72
Net increase in cash and cash equivalents during the year	856.21	587.23	1,443.44
Cash and cash equivalents at the beginning of the year	70,552.27	-	70,552.27
Exchange difference on translation of foreign currency cash and cash equivalents	996.83	-	996.83
Cash and cash equivalent at the end of the year	72,405.31	587.23	72,992.54

**e) Earnings per share**

Basic and diluted earnings per share for the year ended 31 March 2022 have changed as below:

Particulars	As previously reported	Adjustments	As restated
Basic earnings per equity share (₹)	(1.24)	(0.02)	(1.26)
Diluted earnings per equity share (₹)	(1.24)	(0.02)	(1.26)

**f) Notes on restatement**

- The Company has recalculated the depreciation and amortization on its property plant and equipment and intangible assets respectively as per its accounting policies and difference in depreciation and amortization in previous years has been restated. Accordingly, the Company has reduced its property, plant and equipment with corresponding impact in retained earnings by ₹ 702.26 Lakhs as at 1 April 2021. For the year ended 31 March 2022, the Company has recognised depreciation expense of ₹ 1,352.90 Lakhs on property, plant and equipment and reversed amortization on intangible assets by ₹ 2.92 Lakhs.
- The Company has reassessed the deferred grant income and grant income in previous years and difference in deferred grant income has been restated. Accordingly, the Company has reduced its deferred grant liability with corresponding impact in retained earnings by ₹ 10.60 Lakhs as at April 2021. For the year ended 31 March 2022, the Company has recognised grant income of ₹ 80.16 Lakhs on deferred grant liability.
- The Company has assessed prior period errors in purchases and difference has been restated. Accordingly, the Company has increased its trade payables with corresponding impact in purchases by ₹ 856.76 Lakhs for the year ended 31 March 2022.




**ENERGY EFFICIENCY SERVICES LIMITED**

**CIN:U40200DL2009PLC196789**

**Notes to the standalone financial statements for the year 31 March 2023**

*(All amounts in lakhs of ₹, except share data and as stated otherwise)*

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- (iv) The above mentioned adjustments had a consequential impact on deferred tax credit and deferred tax asset. The Company has recognised deferred tax credit of ₹ 102.03 Lakhs as at 1 April 2021 and further credit of ₹ 315.65 Lakhs during the year ended 31 March 2022.
- (v) The above mentioned adjustments have resulted in increase in other equity as at 1 April 2021 by ₹ 214.65 Lakhs and decline in profit for the year ended 31 March 2022 by ₹ 238.84 Lakhs.
- (vi) The restatement has not had a material impact on the statement of cash flows.
- (vii) Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.
- (viii) The Company has assessed prior period errors in annual maintenance charges and difference has been restated. Accordingly, the Company has increased its trade payables with corresponding impact in retained earning by ₹ 88.70 Lakhs as at April 2021 and with corresponding impact in annual maintenance charges by ₹ 320.56 Lakhs for the year ended 31 March 2022.
- (ix) The Company has assessed prior period errors in revenue from operation and difference has been restated. Accordingly, the Company has increased its lease receivable with corresponding impact in retained earning by ₹ 1,096.99 as at April 2021 and increased its trade receivables by ₹ 1,837.61 lakhs, lease receivable by ₹ 449.21 lakhs with corresponding impact in revenue by ₹ 2,286.81 Lakhs for the year ended 31 March 2022.
- (x) The Company has assessed prior period errors in other expenses and difference has been restated. Accordingly, the Company has decreased its trade payables by ₹ 249.81 Lakhs and decreased its other current assets by ₹ 12.65 Lakhs with corresponding reversal of other expenses by ₹ 237.16 Lakhs for the year ended 31 March 2022.





## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 44 Fair value measurements (Disclosure as per Ind AS 107)

## a) Financial instruments by category

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets:</b>						
Investments in equity instruments	0.26	-	-	0.26	-	-
Non-current loans	-	-	4,376.46	-	-	2,911.06
Other non-current financial assets	-	-	10,887.21	-	-	12,070.64
Trade receivables	-	-	3,77,860.23	-	-	3,50,061.12
Cash and cash equivalents	-	-	43,024.08	-	-	72,992.54
Bank balances other than cash and cash equivalents	-	-	21,027.79	-	-	29,394.51
Current loans	-	-	922.71	-	-	538.17
Other current financial assets	-	-	15,013.15	-	-	15,097.49
<b>Total</b>	<b>0.26</b>	<b>-</b>	<b>4,73,111.63</b>	<b>0.26</b>	<b>-</b>	<b>4,83,065.53</b>
<b>Financial liabilities:</b>						
Non-Current Borrowings	-	-	4,20,295.09	-	-	4,46,213.53
Non-current lease liabilities	-	-	-	-	-	168.66
Non-current trade payables	-	-	8,188.31	-	-	11,069.19
Other non-current financial liabilities	-	-	1,080.58	-	-	2,079.96
Current Borrowings	-	-	2,76,107.05	-	-	2,48,022.54
Current trade payables	-	-	1,09,443.92	-	-	1,00,116.43
Current lease liabilities	-	-	168.66	-	-	294.95
Other current financial liabilities	-	-	55,278.31	-	-	49,923.36
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,70,561.92</b>	<b>-</b>	<b>-</b>	<b>8,57,888.62</b>

## 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)

Particulars	Note	Level	As at 31 March 2023	As at 31 March 2022
<b>Financial assets:</b>				
Investments in equity instruments*	8	Level 3	0.26	0.26
<b>Total</b>			<b>0.26</b>	<b>0.26</b>

\*Equity shares of ₹ 0.26 Lakh of NEESL Private Limited are not tradable and amount of investment is immaterial, hence investment is recognised at cost and same is considered as its fair value.

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

Particulars	Note	Level	As at 31 March 2023	As at 31 March 2022
<b>Financial assets:</b>				
Loan to subsidiary	9 and 17	Level 2	4,668.66	2,764.21
Security deposits	10 and 18	Level 2	647.48	595.19
Unbilled revenue	10 and 18	Level 2	10,058.47	8,709.33
Loan to employees	9 and 17	Level 3	490.53	440.58
Lease receivables	10 and 18	Level 3	14,399.62	14,807.41
Non current bank deposits	10	Level 3	38.70	34.60
<b>Total</b>			<b>30,303.46</b>	<b>27,351.32</b>
<b>Financial liabilities:</b>				
Borrowings	23	Level 2	4,99,371.61	5,17,194.68
Retention money	26 and 32	Level 2	43,284.27	46,328.08
Trade payables	25 and 31	Level 2	1,18,086.04	1,18,682.53
<b>Total</b>			<b>6,60,741.92</b>	<b>6,82,205.29</b>



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 44 Fair value measurements (continued)

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.

## 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 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>				
Loan to subsidiary	4,808.64	4,668.66	3,008.65	2,764.21
Security deposits	647.07	647.48	593.71	595.19
Unbilled revenue	10,037.70	10,058.47	8,495.16	8,709.33
Loan to employees	490.53	490.53	440.58	440.58
Lease receivables	14,399.62	14,399.62	14,807.41	14,807.41
Non current bank deposits	38.70	38.70	34.60	34.60
<b>Total</b>	<b>30,422.26</b>	<b>30,303.46</b>	<b>27,380.11</b>	<b>27,351.32</b>
<b>Financial liabilities:</b>				
Non-current borrowings*	5,25,382.56	4,99,371.61	5,55,035.66	5,17,194.68
Retention money	46,082.66	43,284.27	44,414.17	46,328.08
Trade payables	1,17,632.23	1,18,086.04	1,11,185.62	1,18,682.53
<b>Total</b>	<b>6,89,097.45</b>	<b>6,60,741.92</b>	<b>7,10,635.45</b>	<b>6,82,205.29</b>

\* Includes current maturities of long term borrowings

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.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**45 Financial risk management**

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

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

- Credit risk
- 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.

**a) Credit risk**

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

**Trade receivables and unbilled revenue**

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.

**Loan to employees**

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.

**Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 43,024.08 Lakhs (31 March 2022: ₹ 72,992.54 Lakhs). The cash and cash equivalents are held with banks with high rating.

**Deposits with banks and financial institutions**

The Company held deposits with banks and financial institutions of ₹ 21,068.31 Lakhs (31 March 2022: ₹ 29,430.82 Lakhs). In order to manage the risk, Company places deposits with high rated banks/institutions as stipulated in Investment policy of company.

**(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	As at 31 March 2023	As at 31 March 2022
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses</b>		
Non-current loans	4,376.46	2,911.06
Other non-current financial assets*	10,856.21	11,878.16
Cash and cash equivalents	43,024.08	72,992.54
Deposits with banks	21,027.79	29,394.51
Current loans	922.71	538.17
Other current financial assets*	5,006.45	6,794.81
<b>Total</b>	<b>85,213.70</b>	<b>1,24,509.25</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses</b>		
Trade receivables	4,15,247.63	3,74,287.63
Unbilled revenue	10,037.70	8,495.16
<b>Total</b>	<b>4,25,285.33</b>	<b>3,82,782.79</b>

\* Excluding unbilled revenue

**(ii) Ageing analysis of trade receivables**

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 2023	18,339.96	82,251.36	71,811.26	74,894.07	1,67,950.98	4,15,247.63
Gross amount as at 31 March 2022	27,546.78	61,642.61	60,652.35	99,287.48	1,25,158.41	3,74,287.63



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 45 Financial risk management (continued)

## (iii) Provision for expected credit losses

**Financial assets for which loss allowance is measured using life time expected credit losses**

The Company has recognised an allowance for doubtful receivables of ₹ 11,775.03 Lakhs during the year ended 31 March 2023 (31 March 2022: ₹5,642.89 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 recoverable of Nil during the year ended 31 March 2023 (31 March 2022: ₹ 178.10 Lakhs).

## (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	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	13,419.62	7,776.73
Add: Allowance for doubtful debts recognised during the year	11,775.03	5,642.89
Closing balance	<u>25,194.65</u>	<u>13,419.62</u>

The movement in the allowance for doubtful receivables in respect of other financial assets during the year is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	178.10	-
Add: Allowance for doubtful debts recognised during the year	-	178.10
Closing balance	<u>178.10</u>	<u>178.10</u>

## b) Market risk

Market risk is the risk that arises due to changes in market prices, such as foreign exchange rates and interest rates which affects 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.

## (f) Interest rate risk

The Company is exposed to interest rate risk arising mainly from 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	As at 31 March 2023	As at 31 March 2022
<b>Financial assets</b>		
<b>Fixed-rate instruments</b>		
Loan to subsidiary	4,808.64	3,000.00
Employee Loans	257.54	203.55
Bank deposits	38,255.28	54,602.42
<b>Total</b>	<u>43,321.46</u>	<u>57,805.97</u>
<b>Financial liabilities</b>		
<b>Fixed-rate instruments</b>		
Foreign currency loans - Long term	82,228.38	85,082.77
Debentures	25,000.00	70,000.00
Short term loans	1,75,920.36	1,39,577.43
Lease obligations	168.66	463.61
<b>Sub-total [A]</b>	<u>2,83,317.41</u>	<u>2,95,123.81</u>
<b>Variable-rate instruments</b>		
Foreign currency loans - Long term	2,57,539.67	2,25,797.69
Rupee term loans	1,55,713.72	1,69,778.18
Short term loans	-	4,000.00
<b>Sub-total [B]</b>	<u>4,13,253.39</u>	<u>3,99,575.87</u>
<b>Total [A + B]</b>	<u>6,96,570.80</u>	<u>6,94,699.68</u>



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 45 Financial risk management (continued)

## 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/(loss) before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

Particulars	Profit/(Loss) before tax			
	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Foreign currency loans	(1,287.70)	1,287.70	(1,128.99)	1,128.99
Rupee term loans	(778.57)	778.57	(848.89)	848.89
Short term loans	-	-	(20.00)	20.00
<b>Total</b>	<b>(2,066.27)</b>	<b>2,066.27</b>	<b>(1,997.88)</b>	<b>1,997.88</b>

## (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 2023

Particulars	Foreign currency ( in absolute figures)			₹ in Lakhs		
	EURO	USD	GBP	EURO	USD	GBP
<b>Financial liabilities</b>						
Foreign currency borrowings	5,44,02,959	36,02,88,046	-	44,794.82	2,98,800.06	-
Commitment fee payable	7,997	1,84,365	-	19.50	151.58	-
Trade payables	-	-	36,626	-	-	37.31
<b>Total</b>	<b>5,44,10,956</b>	<b>36,04,72,411</b>	<b>36,626</b>	<b>44,814.32</b>	<b>2,98,951.64</b>	<b>37.31</b>
<b>Financial assets</b>						
Trade receivables	-	-	41,16,960	-	-	4,194.06
Unbilled revenue	-	-	86,214	-	-	87.83
Balance with bank-current account	-	2,39,05,768.37	11,201	-	19,654.59	11.41
<b>Total</b>	<b>-</b>	<b>2,39,05,768</b>	<b>42,14,375</b>	<b>-</b>	<b>19,654.59</b>	<b>4,293.30</b>
<b>Net Exposure</b>	<b>5,44,10,956</b>	<b>33,65,66,643</b>	<b>(41,77,750)</b>	<b>44,814.32</b>	<b>2,79,297.05</b>	<b>(4,255.99)</b>

## As at 31 March 2022

Particulars	Foreign currency ( in absolute figures)			₹ in Lakhs		
	EURO	USD	GBP	EURO	USD	GBP
<b>Financial liabilities</b>						
Foreign currency borrowings	5,98,07,505	34,36,10,309	-	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
<b>Total</b>	<b>5,99,51,665</b>	<b>34,58,19,752</b>	<b>38,426</b>	<b>50,755.02</b>	<b>2,61,223.33</b>	<b>38.25</b>
<b>Financial assets</b>						
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
<b>Total</b>	<b>-</b>	<b>4,30,70,158</b>	<b>34,02,777</b>	<b>-</b>	<b>32,650.24</b>	<b>3,387.55</b>
<b>Net Exposure</b>	<b>5,99,51,665</b>	<b>30,27,49,594</b>	<b>(33,64,351)</b>	<b>50,755.02</b>	<b>2,28,573.09</b>	<b>(3,349.30)</b>



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 45 Financial risk management (continued)

## Sensitivity analysis

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

Particulars	31 March 2023		31 March 2022	
	Strengthening	Weakening	Strengthening	Weakening
10% movement				
INR/EUR	(4,481.43)	4,481.43	(5,075.50)	5,075.50
INR/USD	(27,929.71)	27,929.71	(22,857.31)	22,857.31
INR/GBP	425.60	(425.60)	334.93	(334.93)
Total	(31,985.54)	31,985.54	(27,597.88)	27,597.88

## 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 in short-term, 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	As at 31 March 2023	As at 31 March 2022
<b>Fixed-rate borrowings</b>		
Foreign currency loans	-	1,65,797.60
Working capital loan	-	28,000.00
<b>Total</b>	-	1,93,797.60
<b>Floating-rate borrowings</b>		
Working capital loan	8,000.00	-
Foreign currency loans	1,73,789.00	2,77,696.91
<b>Total</b>	1,81,789.00	2,77,696.91
<b>Total</b>	1,81,789.00	4,71,494.51

## (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 2023						
Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings*	13,924.92	86,268.94	75,193.86	1,29,807.62	2,16,317.97	5,21,513.31
Current borrowings*	18,313.57	1,57,599.62	-	-	-	1,75,913.19
Trade payables	1,05,243.24	4,218.70	4,650.54	5,655.34	39.45	1,19,807.27
Retention money	43,797.68	814.40	849.72	124.42	0.25	45,586.47
Lease liabilities	77.90	94.84	-	-	-	172.74
Liability for expenses	4,726.27	-	-	-	-	4,726.27
Payable to employees	49.60	-	-	-	-	49.60
Others	410.61	188.97	-	-	-	599.58
<b>Total</b>	1,86,543.78	2,49,185.47	80,694.12	1,35,587.38	2,16,357.67	8,68,368.43



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

As at 31 March 2022						
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*	27,277.43	1,16,300.00	-	-	-	1,43,577.43
Trade payables	94,801.94	5,332.63	5,257.52	8,183.33	829.01	1,14,404.43
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
<b>Total</b>	<b>1,77,885.72</b>	<b>2,36,200.37</b>	<b>1,11,771.57</b>	<b>1,74,436.16</b>	<b>2,14,913.58</b>	<b>9,15,207.40</b>

\* Excludes interest accrued

## 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:

- Maintain a current ratio (current assets divided by current liabilities) of at least 1.0
- Maintain a minimum asset coverage of 1.00 times
- Maintain a Debt: Equity ratio (long-term debt divided by equity net of accumulated profits/losses) not exceeding 80:20
- Maintain an 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
- 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	As at
	31 March 2023	31 March 2022
Current ratio	1.10	1.29
Debt-equity ratio	4.28	3.55
Debt service coverage ratio	0.65	0.99
Asset coverage ratio	2.66	1.92

## 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 (STRIP 'C')	Secured*	25,000.00	₹ 20.00 Lakh	20-Sep-16	20-Sep-23	20-Sep-23

\* Series-I is secured by first pari-passu charge over moveable fixed assets of the Company with minimum asset coverage of 1.00 times



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in Lakhs of ₹, except share data and as stated otherwise)

**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:**

PowerGrid Corporation of India Limited  
NTPC Limited  
Power Finance Corporation Limited  
REC Limited

**(ii) Key Managerial Personnel (KMP):**

Sreekant Kandikuppa	Nominee Director and Chairman	w.e.f. 6 September 2021
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
Vishal Kapoor	Chief Executive Officer	w.e.f. 2 November 2022
Arun Kumar Mishra	Chief Executive Officer	w.e.f. 5 October, 2021-CEO upto 2 November 2022
	Whole-Time Director ( Additional charge)	w.e.f. 7 October, 2021-Director upto 27 July 2022
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
Aditya Dar	Non-Executive Nominee Director	w.e.f. 22 August 2020
Ravindra Kumar Tyagi	Non-Executive Nominee Director	w.e.f. 4 December 2022
Dilip Kumar Patel	Non-Executive Nominee Director	w.e.f. 10 February 2023
Chandan Kumar Mondol	Non-Executive Nominee Director	w.e.f. 6 September 2021 upto 31 January 2023
Abhay Choudhary	Non-Executive Nominee Director	w.e.f. 18 June 2022 upto 1 December 2022
Seema Gupta	Non-Executive Nominee Director	w.e.f. 6 September 2021 upto 31 May 2022
Ajay Tewari	Non-Executive Government Nominee Director	w.e.f. 29 July 2022
Vivek Kumar Dewangan	Non-Executive Government Nominee Director	w.e.f. 23 December, 2021 upto 28 July 2022
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
Sandeep Kumar Jain	Chief Financial Officer	w.e.f. 1 April 2022
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
Pooja Shukla	Company Secretary	w.e.f. 27 December 2012

**(iii) Subsidiary of the company:**

EESL EnergyPro Assets Limited  
EESL Energy Solutions LLC  
Convergence Energy Services Limited

**(iv) Subsidiaries of EESL EnergyPro Assets Limited**

EPAL Holding Limited  
Edina Acquisitions Limited  
Edina Power Services Limited  
Edina Limited  
Edina UK Limited  
Edina Manufacturing Limited\*  
Armoura Holdings Limited  
Stanbeck Limited  
Edina Power Limited  
Edina Australia Pty Limited  
EPSL Trigeneneration Private Limited  
Anesco Energy Services (South) Limited  
Creighton Energy Limited

\*Edina Manufacturing Limited has been dissolved on 24 January 2023.

**(v) Joint Ventures of the company:**

Intellismart Infrastructure Private Ltd  
NEESL Private Limited (upto 26 April 2021)

**(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 Power Grid Corporation of India Limited, NTPC Limited, Power Finance Corporation Limited and Rural Electrification Corporation Limited under the Ministry of Power, hence is 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.





**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**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:**

Powergrid Vemagiri Transmission Limited	Powerlinks Transmission Limited
Powergrid NM Transmission Limited	Torrent Power Grid Limited
Powergrid Unchahtar Transmission Limited	Parbati Koldam Transmission Company Limited
Powergrid Southern Interconnector Transmission System Limited	Teestavalley Power Transmission Limited
Powergrid Medinipur Jeerat Transmission Limited	North East Transmission Company Limited
Powergrid Mithilanchal Transmission Limited	National High Power Test Laboratory Private Limited
Powergrid Varanasi Transmission System Limited	Bihar Grid Company Limited
Powergrid Jawaharpur Firozabad Transmission Limited	Cross Border Power Transmission Company Limited
Powergrid Khetri Transmission System Limited	RINL Powergrid TLT Private Limited
Powergrid Bituj Transmission Limited	Butwal-Gorakhpur Cross Border Power Transmission Limited
Powergrid Bhiad Guna Transmission Limited	Power Transmission Company Nepal Limited
Powergrid Ajmer Phagi Transmission Limited	NTPC Vidyut Vyapar Nigam Ltd.
Powergrid Fatehgarh Transmission Limited	NTPC Electric Supply Company Ltd.
Powergrid Rampur Sambhal Transmission Limited	Bhartiya Rail Bijlee Company Ltd.
Powergrid Mearut Simbhavali Transmission Limited	Patratu Vidyut Utpadan Nigam Ltd.
Central Transmission Utility of India Limited	North Eastern Electric Power Corporation Ltd.
Powergrid Raigarh Transmission Limited	THDC India Ltd.
Powergrid Himachal Transmission Limited	NTPC Mining Ltd.
Powergrid Bikaner Transmission System Limited	NTPC EDMC Waste Solutions Private Ltd.
Powergrid Sikar Transmission Limited	Ratnagiri Gas & Power Private Ltd.
Powergrid Bhadla Transmission Limited	NTPC Green Energy Limited
Powergrid Aligarh Sikar Transmission Limited	Utility Powertech Ltd.
Powergrid Teleservices Limited	NTPC-GE Power Services Private Ltd.
Powergrid Energy Services Limited	NTPC-SAIL Power Company Ltd.
Powergrid Narela Transmission Limited	NTPC Tamil Nadu Energy Company Ltd.
Powergrid Gomti Yamuna Transmission Limited	Aravali Power Company Private Ltd.
Powergrid Neemuch Transmission System Limited	Meja Urja Nigam Private Ltd.
Powergrid ER NER Transmission Limited	NTPC BHEL Power Projects Private Ltd.
Powergrid ERWR Power Transmission Limited	National High Power Test Laboratory Private Ltd.
Khavda RE Transmission Limited	Transformers and Electricals Kerala Ltd.
Khavda II-B Transmission Limited	CIL NTPC Urja Private Ltd.
Khavda II-C Transmission Limited	Amushakti Vidyut Nigam Ltd.
Powergrid KPS2 Transmission System Limited	Hindustan Urvarak & Rasayan Ltd.
Powergrid KPS3 Transmission Limited	Jhabua Power Limited.
Rajpur Pool Dhamtari Transmission Limited	Trincomalee Power Company Ltd.
Dharamjaigarh Transmission Limited	Bangladesh-India Friendship Power Company Private Ltd.
Bhadla Sikar Transmission Limited	REC Power Development and Consultancy Ltd.
PFC Capital Advisory Services Ltd	PFC Green Energy Ltd.
PFC Consulting Ltd	

**b) Transactions carried out with the related parties in the ordinary course of business are as follows:**

**Transactions with shareholders**

Name of related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
NTPC Limited	Sale of goods and services (excluding GST)	772.98	1,616.36
	Rent/electricity/office maintenance expense	551.00	885.83
	Deputation of employees	229.44	72.82
Power Grid Corporation of India Limited	Sale of goods and services (excluding GST)	111.53	128.43
	Rent/internet expense	187.93	245.50
	Deputation of employees	305.38	89.48
	Equity contribution received	-	40,749.17
	Sale of goods and services (excluding GST)	0.10	0.42
Power Finance Corporation Limited	Sale of goods and services (excluding GST)	23.66	23.80

**Transactions with subsidiaries**

Name of related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
EESL EnergyPro Assets Limited	Guarantees provided/(released)	(10,804.03)	(641.36)
	Guarantee fees income	725.46	869.46
	Management fees income	44.98	106.86
	Equity investment	-	6,150.60
	Interest income	245.95	213.71
Convergence Energy Services Limited	Sale of goods and services	1597.27	977.69
	Purchase of goods and services	604.79	342.30
	Expenditure incurred on behalf of companies	73.52	2,366.65
	Investment in subsidiary	4921.00	1,000.00
	Loan given	2390.00	3,000.00
	Repayment of Loan	581.37	-
	Interest income	291.68	9.62
Edina UK Limited	Management fees income	66.00	104.45
	Sale of goods and services (excluding GST)	13.26	104.01
EPSL Trigenation Private Limited	Purchase of goods and services	63.03	618.06
	Expenditure incurred on behalf of companies	0.40	73.20
	Capital advances received back	538.00	30.01
	Deputation of employees	78.74	10.15
	Interest income	6.63	-



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 48 Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

## Transactions with joint ventures

Name of related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Intellismart Infrastructure Private Limited	Investment in Joint Venture	3993.50	1,808.10
	Project maintenance charges	3265.90	2,740.27
	Advances given/(received back)	(768.50)	1,478.99
	Sale of goods and services (excluding GST)	20.48	135.74

## Transactions with other related parties

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Transactions with post employment benefit plan</b>		
Contributions made during the year	292.93	284.66
<b>Compensation to Key management personnel</b>		
Short term benefits	39.89	140.47
Post employment benefits	7.56	24.58
Other long term benefits	1.25	11.79
Deputation employee benefits	153.49	29.59
<b>Total compensation</b>	<b>202.19</b>	<b>206.43</b>
<b>Transactions with related parties of entities having joint control over the company:</b>		
Sale of goods and services (excluding GST)	83.43	179.25
Purchase of goods and services	1992.33	2,446.90
Manpower services	1685.44	2,841.64

## c) Individually significant transactions

## Transactions with related parties of entities having joint control over the company:

Name of related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Utility Powertech Limited	Manpower services received by the Company	1685.44	2,841.64

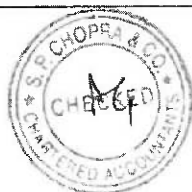
## d) Outstanding balances with related parties are as follows:

## Outstanding balances with shareholders

Name of related party	Nature of transaction	As at 31 March 2023	As at 31 March 2022
NTPC Limited	Amount recoverable for sale/purchase	1045.48	1,160.23
	Amount recoverable (other than loans)	49.16	44.91
	Amount payable (other than loans)	431.22	188.78
Power Grid Corporation of India Limited	Amount recoverable for sale/purchase	1249.70	1,398.64
	Amount recoverable (other than loans)	28.76	-
	Amount payable (other than loans)	150.09	123.06
REC Limited	Amount recoverable for sale/purchase	272.19	330.48
	Amount recoverable (other than loans)	16.49	16.49
Power Finance Corporation Limited	Amount recoverable for sale/purchase	62.04	65.84
	Amount recoverable (other than loans)	10.02	10.02

## Outstanding balance with subsidiaries

Name of related party	Nature of transaction	As at 31 March 2023	As at 31 March 2022
EESL Energy Pro Assets Limited	Amount recoverable for sale/purchase	4271.05	3,406.80
	Amount recoverable (other than loans)	216.49	216.49
	Guarantees provided/(released)	34850.68	45,654.73
Edina UK Limited	Amount recoverable for sale/purchase	210.58	205.78
	Amount recoverable for sale/purchase	30.28	38.40
EPSL Trigenation Private Limited	Capital advance	224.81	762.80
	Interest on advance	6.65	-
	Amount recoverable for sale/purchase	2678.38	977.69
Convergence Energy Services Limited	Amount payable for sale/purchase	982.01	335.82
	Loan given including interest	4808.63	3,008.65
	Amount recoverable (other than loans)	554.71	2,989.99



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 43 Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

## Outstanding balance with joint venture

Name of related party	Nature of transaction	As at	As at
		31 March 2023	31 March 2022
Intellismart Infrastructure Private Limited	Amount payable against purchase	2457.17	2,505.50
	Amount recoverable (other than loans)	1955.48	2,723.99

## Outstanding balances with other related parties

Particulars	As at	As at
	31 March 2023	31 March 2022
Subsidiaries/Joint ventures of entities having joint control over the company:		
Amount recoverable for sale/purchase of goods and services	2722.49	1,057.06
Amount payable (other than loans)	196.83	397.47

## e) Terms and conditions of transactions with the related parties

- (i) The contracts/arrangements/transactions entered with the related parties during the year ended 31 March 2023 were made on normal commercial terms and conditions, at market rates and at arm's length basis.
- (ii) The Company provides consultancy services and sell goods to companies having joint control on which it recovers cost plus service charges from such companies.
- (iii) 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.



ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

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 ₹ 458.15 Lakhs (31 March 2022: ₹ 445.51 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 ₹ 294.13 Lakhs (31 March 2022: ₹ 284.66 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 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 encashable 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 ₹ 335.73 Lakhs (31 March 2022: ₹ 378.74 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	As at 31 March 2023	As at 31 March 2022
Net defined benefit (asset)/liability:		
Non-current	-	195.81
Current	-	19.93
Surplus of plan asset	(79.40)	-
Gratuity	(79.40)	215.74

(i) Movement in net defined benefit (asset)/liability

Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance as at 1 April 2022	893.53	677.79	215.74
Included in profit or loss:			
Current service cost	138.84	-	138.84
Net Interest cost	64.16	48.67	15.49
Total amount recognised in profit or loss	203.00	48.67	154.33
Included in other comprehensive income (OCI):			
Remeasurement loss/(gain) arising from:			
Financial assumptions	(31.58)	-	(31.58)
Experience adjustment	(7.02)	-	(7.02)
Return on plan assets excluding interest income	-	14.92	(14.92)
Total amount recognised in OCI	(38.60)	14.92	(53.52)
Others			
Contributions paid by the employer	-	398.72	(398.72)
Acquisition adjustment	1.00	-	1.00
Benefits paid	(62.79)	(62.79)	-
Benefits received yet to be paid	-	(1.77)	1.77
Balance as at 31 March 2023	996.14	1,075.53	(79.40)



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 49 Disclosure as per Ind AS 19 'Employee Benefits' (continued)

Particulars	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)
<b>Total amount recognised in profit or loss</b>	<b>187.26</b>	<b>41.65</b>	<b>145.61</b>
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)
<b>Total amount recognised in OCI</b>	<b>123.02</b>	<b>1.26</b>	<b>121.76</b>
Others			
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
<b>Balance as at 31 March 2022</b>	<b>893.53</b>	<b>677.79</b>	<b>215.74</b>

## (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 2023 and 31 March 2022 has not been provided by Life Insurance Corporation of India. Actual return on plan assets is ₹ 63.59 Lakhs (31 March 2022: ₹ 42.91 Lakhs).

## (iii) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.40%	7.18%
Salary escalation rate	6.50%	6.50%
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	
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
<b>As at 31 March 2023</b>		
Discount rate (0.5% movement)	(66.97)	73.79
Salary escalation rate (0.5% movement)	42.38	(47.67)
<b>As at 31 March 2022</b>		
Discount rate (0.5% movement)	(63.55)	70.33
Salary escalation rate (0.5% movement)	52.23	(53.92)

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.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**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	As at	As at
	31 March 2023	31 March 2022
Less than 1 year	22.17	19.93
Between 1-2 years	32.64	16.71
Between 2-5 years	86.04	73.24
Over 5 years	855.29	783.65
<b>Total</b>	<b>996.14</b>	<b>893.53</b>

(vii) Expected contributions to post-employment benefit plans for the year ending 31 March 2024 are ₹ 141.64 Lakhs.

(viii) The weighted average duration of the defined benefit plan obligation as at 31 March 2023 is 17.64 years (31 March 2022: 17.58 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 this grant. The Company has recognised ₹ 999.71 Lakhs (31 March 2022: ₹ 807.74 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 this grant. The Company has recognised ₹ 244.60 Lakhs (31 March 2022: NIL) 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 ₹ 20,563.78 Lakhs (31 March 2022: ₹ 3,876.36 Lakhs).

**52 Disclosure as per Ind AS 33 'Earnings per Share'**

Particulars	(In ₹)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Basic earnings per share* [A/B]	(2.00)	(1.26)
Diluted earnings per share* [A/C]	(2.00)	(1.26)
Nominal value per share	10.00	10.00

\*rounded upto two decimal places

a) Loss attributable to equity shareholders [A] (27,771.07) (15,332.91)

b) Weighted average number of equity shares

Particulars	(In Nos.)	
	As at 31 March 2023	As at 31 March 2022
Opening balance of issued equity shares	1,39,08,20,000	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]	1,39,08,20,000	1,21,44,26,354
Effect of dilution	-	22,32,831
Weighted average number of equity shares for Diluted EPS [C]	1,39,08,20,000	1,21,66,59,185



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**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 ₹ 7,83,985.34 Lakhs (31 March 2022: ₹ 4,20,053.21 Lakhs).

(ii) Equity contribution in subsidiaries is NIL (31 March 2022: ₹ 3,577.59 lakhs)

**b) Contingent liabilities**

Particulars	As at	As at
	31 March 2023	31 March 2022
(i) Irrevocable standby letter of credit in favour of ICICI Bank, UK for ₹ 5 Millions in the favor of M/s EESL EnergyPro Assets Limited, UK valid upto 5th April 2023 against the Company's fund based (105% FD) bank guarantee limit.	5,603.00	5,475.38
(ii) Corporate guarantee of GBP 14 Millions given to Bank of Baroda, UK for availment of equity bridge loan of ₹ 12 Millions by M/s EESL EnergyPro Assets Limited, UK, valid up to 13 September, 2023.	14,262.19	13,937.34
(iii) Corporate guarantee of ₹ 4 Millions given to Bank of Baroda, UK for availment of equity bridge loan of ₹ 3 Millions by EESL EnergyPro Assets Limited, UK, valid upto 5 December 2022	-	3,982.10
(iv) Irrevocable standby letter of credit in favour of ICICI Bank, UK for ₹ 10.71 Millions in the favor of M/s EESL EnergyPro Assets Limited, UK valid upto 31st March 2023 against the Company's non-fund based bank guarantee limit	10,910.58	10,662.06
(v) Corporate guarantee in favour of ICICI Bank, UK for ₹ 7.65 Millions in the favor of M/s EESL EnergyPro Assets Limited, UK valid upto 31st December, 2022 with claim expiry upto 31st December, 2022 against the Company's non-fund based bank guarantee limit	-	7,615.76
(vi) Irrevocable standby letter of credit in favour of Bank of Baroda (UK) Limited, UK for ₹ 4.00 Millions in the favor of M/s EESL EnergyPro Assets Limited in London, UK valid upto 30th June 2023 against the Company's non-fund based bank guarantee limit	4,074.91	3,982.10
(vii) Bills discounted with banks against trade receivables (Refer Note 14(d))	3,789.87	7,924.73
(viii) Bank guarantees- lien against fixed deposits of ₹ 1,274.55 Lakhs (31 March 2022: ₹ 185.54 Lakhs)	1,232.08	175.09
	<b>39,872.63</b>	<b>53,754.56</b>

**c) Claims against the Company not acknowledged as debt**

Particulars	As at	As at
	31 March 2023	31 March 2022
(i) VAT demand [ paid under protest ₹ 5,005.25 Lakhs (31 March 2022: ₹ 4,868.15 Lakhs) ] ( refer note 20)	8,845.55	8,831.43
(ii) Income tax demand	851.17	22,563.01
(iii) Other claims	8,732.71	12,301.46
<b>Total</b>	<b>18,429.43</b>	<b>43,695.90</b>

d) 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.



ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

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.

b) Information about reportable segments and reconciliations to amounts reflected in the financial statements:

Particulars	Trading	Services	Total
<b>For the year ended 31 March 2023</b>			
Segment revenue	8,916.39	1,52,831.82	1,61,748.21
Segment expenses	7,451.91	1,40,863.41	1,48,315.32
Segment results	1,464.48	11,968.41	13,432.89
Add: Unallocated corporate interest and other income			5,997.84
Less: Unallocated corporate expenses, finance charges			55,529.39
Loss before tax			(36,098.66)
Income tax (net)			(8,327.59)
Loss after tax			(27,771.07)

Particulars	Trading	Services	Total
<b>For the year ended 31 March 2022</b>			
Segment revenue	15,788.12	1,40,416.19	1,56,204.31
Segment expenses	16,458.10	1,27,107.93	1,43,566.03
Segment results	(669.98)	13,308.24	12,638.26
Add: Unallocated corporate interest and other income			5,258.56
Less: Unallocated corporate expenses, finance charges			39,615.23
Loss before tax			(21,718.41)
Income tax (net)			(6,385.50)
Loss after tax			(15,332.91)

As at 31 March 2023

Particulars	Trading	Services	Total
Segment assets	64,567.76	7,62,083.56	8,26,651.32
Unallocated corporate and other assets			1,65,412.55
<b>Total assets</b>	<b>64,567.76</b>	<b>7,62,083.56</b>	<b>9,92,063.87</b>
Segment liabilities	13,274.13	6,38,221.90	6,51,496.03
Unallocated corporate and other liabilities			2,42,474.21
<b>Total liabilities</b>	<b>13,274.13</b>	<b>6,38,221.90</b>	<b>8,93,970.24</b>

As at 31 March 2022

Particulars	Trading	Services	Total
Segment assets	93,297.92	7,31,821.18	8,25,119.10
Unallocated corporate and other assets			1,74,497.71
<b>Total assets</b>	<b>93,297.92</b>	<b>7,31,821.18</b>	<b>9,99,616.81</b>
Segment liabilities	13,602.60	6,64,549.76	6,78,152.36
Unallocated corporate and other liabilities			1,95,639.80
<b>Total liabilities</b>	<b>13,602.60</b>	<b>6,64,549.76</b>	<b>8,73,792.16</b>

c) Other information about reportable segments:

Particulars	Trading	Services	Total
<b>For the year ended 31 March 2023</b>			
Depreciation and amortisation expense	-	70,347.58	70,347.58
Non-cash expenses other than depreciation	15,299.11	-	15,299.11
Capital expenditure	-	73,989.71	73,989.71
<b>For the year ended 31 March 2022</b>			
Depreciation and amortisation expense	-	64,399.79	64,399.79
Non-cash expenses other than depreciation	10,641.12	-	10,641.12
Capital expenditure	-	61,322.75	61,322.75

d) Information about major customers

No external customer individually accounted for more than 10% of the revenues during the year ended 31 March 2023 and 31 March 2022.



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## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 54 Disclosure as per In AS 108 'Operating Segments' (continued)

## e) Information about geographical areas:

The Company is domiciled in India and has a branch located in United Kingdom. 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	For the year ended 31 March 2023	For the year ended 31 March 2022
India	1,66,633.23	1,60,137.07
United Kingdom	1,112.82	1,325.80
<b>Total</b>	<b>1,67,746.05</b>	<b>1,61,462.87</b>

Non-current assets (other than financial instruments, investments and deferred tax assets) broken down by location is shown in the table below:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	4,05,358.52	4,10,452.70
United Kingdom	29.93	53.24
<b>Total</b>	<b>4,05,388.45</b>	<b>4,10,505.94</b>

## 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, smart meter, electric vehicle, public charges 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 of 30 days.

**Revenue from rendering of services**

The Company provides energy efficiency services on ESCO model, consultancy services and maintenance service 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 of 30 days.

## b) Disaggregation of revenue

Revenue is disaggregated by type and nature of goods and services and timing of revenue recognition.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>(i) Nature of goods and services</b>		
<b>Sale of goods</b>		
Ujala Scheme	1,224.75	1,269.97
Agricultural Demand Side Management	390.05	369.42
Street light	4,750.14	9,510.18
Solar street light	402.01	1,993.41
Building	126.05	360.29
E-Vehicle	169.79	234.39
Others	1,853.60	2,050.46
<b>Total [A]</b>	<b>8,916.39</b>	<b>15,788.12</b>



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 55 Disclosure as per Ind AS 115, 'Revenue from contracts with customers' (continued)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Rendering of services</b>		
Street light	1,05,901.25	1,03,498.21
Building	7,468.52	7,003.04
Smart Meter	27,861.62	17,996.91
Agricultural Demand Side Management	-	540.75
Solar street light	-	30.46
Solar power	6,737.48	6,170.52
E-Vehicle	4,611.80	3,899.43
Others	251.15	1,276.87
<b>Total [B]</b>	<b>1,52,831.82</b>	<b>1,40,416.19</b>
<b>Other income</b>		
Guarantee fee income	725.46	869.46
Management fees income	110.98	211.31
<b>Total [C]</b>	<b>836.44</b>	<b>1,080.77</b>
<b>Total [A + B + C]</b>	<b>1,62,584.65</b>	<b>1,57,285.08</b>
<b>(ii) Timing of revenue recognition</b>		
Products and services transferred at a point in time	8,916.39	15,788.12
Products and services transferred over time	1,53,668.26	1,41,496.96
<b>Total</b>	<b>1,62,584.65</b>	<b>1,57,285.08</b>

## c) Reconciliation of revenue recognised with contract price:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contract price	1,61,748.21	1,56,204.31
Adjustments	-	-
<b>Revenue from operations</b>	<b>1,61,748.21</b>	<b>1,56,204.31</b>

## 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	As at 31 March 2023	As at 31 March 2022
Trade receivables	3,77,860.23	3,50,061.12
Non-current unbilled revenue	31.00	192.48
Current unbilled revenue	10,006.70	8,302.68
Unearned revenue	409.83	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 etc. is ₹ 3,383.82 Lakhs (31 March 2022: ₹ 5,093.38 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, 2023, 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.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN: U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 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 office premises and warehouses having various lease terms. The Company also has certain leases 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	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Right of use assets</b>		
Opening balance	1,125.72	1,214.87
Additions during the year	2.10	275.06
Modification in leases	-	(78.43)
Depreciation for the year	(283.74)	(285.78)
<b>Closing balance</b>	<b>844.08</b>	<b>1,125.72</b>
<b>Lease liabilities</b>		
Opening balance	463.61	536.22
Additions during the year	-	265.78
Accretion of interest	29.72	56.01
Modification in leases	-	(79.57)
Payments	(324.67)	(314.83)
<b>Closing balance</b>	<b>168.66</b>	<b>463.61</b>
<b>Bifurcation of lease liabilities</b>		
Particulars	As at 31 March 2023	As at 31 March 2022
Current	168.66	294.95
Non-current	-	168.66
<b>Total</b>	<b>168.66</b>	<b>463.61</b>

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 ₹ 283.74 Lakhs and ₹ 29.72 Lakhs (31 March 2022: ₹ 285.78 Lakhs and ₹ 56.01 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 ₹ 324.67 Lakhs (31 March 2022: ₹ 314.83 Lakhs) in statement of cash flows. The Company has recognised an expense of ₹ 2,319.68 Lakhs (31 March 2022: ₹ 2,116.87 Lakhs) on account of short term leases.

The Company has recognised NIL (31 March 2022: ₹ 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.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 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 five 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	As at	
	31 March 2023	31 March 2022
Less than one year	5,844.94	4,602.54
One to two years	5,524.26	4,939.15
Two to three years	4,111.15	4,277.17
Three to four years	2,383.95	3,049.91
Four to five years	1,199.35	1,862.41
More than five years	1,499.77	1,418.73
<b>Total minimum lease payments</b>	<b>20,563.42</b>	<b>20,149.91</b>
Unearned finance income	(6,163.80)	(5,342.51)
<b>Present value of minimum lease payments</b>	<b>14,399.62</b>	<b>14,807.40</b>

Present value of future minimum lease payments due under non-cancellable finance leases are as follows:

Particulars	As at	
	31 March 2023	31 March 2022
Less than one year	3,536.72	3,085.85
One to two years	3,851.00	3,492.53
Two to three years	3,080.43	3,263.65
Three to four years	1,803.44	2,394.27
Four to five years	867.17	1,482.80
More than five years	1,260.86	1,088.31
<b>Present value of minimum lease payments</b>	<b>14,399.62</b>	<b>14,807.41</b>

The Company has recognised finance income on the net investment in the E-Vehicle lease amounting to ₹ 2,875.25 Lakhs (31 March 2022: ₹ 3,899.43 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	As at	
	31 March 2023	31 March 2022
<b>Amount required to be spent during the year</b>	-	72.57
Amount spent during the year on-		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	67.80
<b>Total</b>	<b>-</b>	<b>67.80</b>

## b) Amount spent on CSR activities

Particulars	In cash	Yet to be paid in cash	Total
<b>Amount spent during the year ended 31 March 2023</b>			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-
<b>Amount spent during the year ended 31 March 2022</b>			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	67.80	-	67.80

## c) Break-up of the CSR expenses under major heads is as under:

Particulars	As at	
	31 March 2023	31 March 2022
PM Care funds	-	67.80
<b>Total</b>	<b>-</b>	<b>67.80</b>



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 57 Corporate Social Responsibility Expenses (CSR) (continued)

## d) Reconciliation of CSR expense

Particulars	As at	
	31 March 2023	31 March 2022
Opening shortfall/(surplus)	-	(4.77)
Add: Amount required to be spent during the year	-	72.57
Less: Amount spent during the year	-	(67.80)
Closing shortfall/(surplus)	-	-

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 identified on the basis of information available with the Company.

Particulars	As at	
	31 March 2023	31 March 2022
a) Amount remaining unpaid to any supplier:		
Principal amount*	19,429.05	26,845.70
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 ₹ 11,577.10 Lakhs in trade payables and ₹ 7,851.95 Lakhs in retention money (31 March 2022: ₹ 9,628.13 Lakhs in trade payables and ₹ 17,217.57 Lakhs in retention money). The said amount, as per mutually specifically agreed terms, has not fallen due as at 31 March 2023.

59 The company is engaged in providing energy efficiency services and the capital expenditure incurred on assets under ESCO model upto date of commercial operation has been capitalized in the books of account and its revenue is considered as a rendering of services.

Accordingly, as on 31.03.2023, Property, Plant & Equipment (PPE) and Capital Work in Progress (CWIP) amounting to Rs. 5,27,143.48 lakhs and Rs. 1,11,726.00 lakh respectively were shown with corresponding accumulated depreciation of Rs. 2,46,117.72 lakhs (depreciation during the year Rs. 70,347.58 lakhs has been charged to P&L).

The company vide its letter dated 13th September 2022 has informed to the office of Comptroller and Auditor General of India (C&AG) in response to their audit observation that treatment of ESCO assets will be referred to Expert Advisory Committee (EAC) for their opinion and necessary compliances will be done accordingly.

Thereafter, the company has approached Expert Advisory Committee (EAC) (hereinafter referred as "Committee") of The Institute of Chartered Accountants of India (ICAI) for advising on accounting treatment of assets under ESCO model in line with IND AS 115 and IND AS 116. The response from the Committee is still awaited. Necessary adjustments, if required, would be carried out in the period in which advice is received from the Committee.

## 60 Additional regulatory information

- The company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs 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

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 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) 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 company.
- 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 2023	As at 31 March 2022	Variance	Reason (Where variance exceeds 25%)
<b>Liquidity ratio (times)</b>				
Current ratio (current assets divide by current liabilities)	1.10	1.29	(14.58%)	-
<b>Solvency ratios (times)</b>				
Debt-equity ratio (Long term debt divide by total equity)	4.28	3.55	20.82%	-
Debt service coverage ratio (Profit for the year + finance costs + depreciation and amortization expenses divide by principal repayments of long term borrowings + finance costs)	0.65	0.99	(34.76%)	Higher repayments of non-current borrowings due during F.Y. 2023-24
<b>Profitability ratios (%)</b>				
Net Profit Ratio (Profit for the year divide by revenue from operations)	(17.17%)	(9.82%)	(74.91%)	Increase in loss on account of foreign exchange fluctuation and increase in expected credit loss.
Return on Equity Ratio (Profit for the year divide by average shareholder's equity)	(19.97%)	(12.92%)	(54.59%)	Increase in loss on account of foreign exchange fluctuation and increase in expected credit loss.
Return on Capital employed (Earning before interest and taxes divide by capital employed)	2.36%	3.07%	(23.22%)	-
Return on Investment (Profit before tax + Finance Cost) * (1-tax rate) divide by total assets)	0.89%	1.29%	(31.15%)	Increase in loss on account of foreign exchange fluctuation and increase in expected credit loss.
<b>Utilization ratios (times)</b>				
Trade Receivables turnover ratio (Revenue from operations divide by average trade receivables)	0.44	0.47	(6.12%)	-
Inventory turnover ratio (Revenue from operations divide by average inventory)	11.06	8.64	27.98%	Higher consumption of inventory during the year.
Trade payables turnover ratio (Total purchases divide by average trade payables)	0.43	0.43	1.19%	-
Net capital turnover ratio (Revenue from operations divide by working Capital)	3.41	1.31	160.24%	Higher repayments of non-current borrowings due during F.Y. 2023-24

- j) The 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 quarterly returns / statement of current assets filed by the company during the year are generally in agreement with the books of account of the company, and there were no material differences therein.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 60 Additional regulatory information (continued)

## k) Trade Payables ageing schedule as at 31 March 2023

Particulars	Not Due	Unbilled Dues	Outstanding for following periods from due date of payment/ transaction <sup>#</sup>				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	5,720.80	792.45	697.60	4,366.25	11,577.10
(ii) Others	-	6,483.79	50,886.80	7,635.89	9,119.05	31,929.60	1,06,055.13
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>6,483.79</b>	<b>56,607.60</b>	<b>8,428.34</b>	<b>9,816.65</b>	<b>36,295.85</b>	<b>1,17,632.23</b>

## Trade Payables ageing schedule as at 31 March 2022

Particulars	Not Due	Unbilled Dues	Outstanding for following periods from due date of payment/ transaction <sup>#</sup>				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	35.07	4,253.73	941.68	1,171.47	3,226.18	9,628.13
(ii) Others	-	3,330.29	45,337.72	14,199.08	19,403.72	19,286.68	1,01,557.49
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>3,365.36</b>	<b>49,591.45</b>	<b>15,140.76</b>	<b>20,575.19</b>	<b>22,512.86</b>	<b>1,11,185.62</b>

\* The above ageing has been prepared by the Management based on date of transactions. The above amount has not fallen due for payment due to the reason that 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 etc.

## l) Trade Receivables and unbilled ageing schedule as at 31 March 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment/ transaction <sup>#</sup>					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	10,037.70	18,267.30	81,588.05	71,556.54	74,465.42	61,122.36	85,096.67	4,02,134.04
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	72.66	663.31	254.72	428.65	182.55	873.63	2,475.52
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	20,675.77	20,675.77
<b>Subtotal</b>	<b>10,037.70</b>	<b>18,339.96</b>	<b>82,251.36</b>	<b>71,811.26</b>	<b>74,894.07</b>	<b>61,304.91</b>	<b>1,06,646.07</b>	<b>4,25,285.33</b>
Less: Loss allowance	-	-	7,398.74	4,376.29	5,642.89	6,337.18	1,439.55	25,194.65
Less: Provision for interest variation	-	-	-	1,385.86	4,145.96	3,369.79	3,291.14	12,192.75
<b>Total</b>	<b>10,037.70</b>	<b>18,339.96</b>	<b>74,852.62</b>	<b>66,049.11</b>	<b>65,105.22</b>	<b>51,597.94</b>	<b>1,01,915.38</b>	<b>3,87,897.93</b>



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40209DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 60 Additional regulatory information (continued)

## Trade Receivables and unbilled ageing schedule as at 31 March 2022

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment/ transaction <sup>#</sup>					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	60,616.06	98,259.02	69,627.24	35,040.39	3,60,389.57
(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
<b>Subtotal</b>	<b>8,495.16</b>	<b>27,546.78</b>	<b>61,642.61</b>	<b>60,652.35</b>	<b>99,287.48</b>	<b>70,268.26</b>	<b>54,890.15</b>	<b>3,82,782.79</b>
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
<b>Total</b>	<b>8,495.16</b>	<b>26,366.40</b>	<b>59,739.86</b>	<b>57,804.83</b>	<b>94,347.33</b>	<b>67,931.84</b>	<b>43,870.86</b>	<b>3,58,556.28</b>

<sup>#</sup>The above ageing has been prepared by the Management based on date of transactions.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN:U40200DL2009PLC196789

Notes to the standalone financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

## 61 Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

## A. Loans and advances in the nature of loans:

To Subsidiary companies

Name of the Company	Outstanding balances		Maximum amount outstanding	
	As at 31 March 2023	As at 31 March 2022	During the year ended 31 March 2023	During the year ended 31 March 2022
Convergence Energy Services Limited	4,808.64	3,008.65	5,390.00	3,008.65

## B. Investment by the loanee (as detailed above) in the shares of EESL and its subsidiaries: NIL

## 62 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 March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- a) **Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.
- b) **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.
- c) **Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

## 63 Assets held for sale

The Company has classified the selected property, plant and equipment, as held for sale with carrying value amounting to ₹ 1,799.28 lakhs for the year ended March 31, 2023 (previous year March 31, 2022 Nil lakhs) and these property, plant and equipment includes following types of project equipments:-

Detail of project equipments	Carrying value	Facts
Project equipment with nominal carrying value*	-	The commercial project period is completed and Company has not handed over the project equipment due to outstanding balance and as per contract, handing over is to be done on final settlement. Company expects that handing over will be completed in due course.
Project equipment other than above*	1799.28	In these cases, commercial project period is not completed however, customer intimated the Company for not continuing in future and offered for final settlement. Company expects that handing over will be completed in due course.

\*No impairment loss was recognised on reclassification of property, plant and equipment as assets held for sale and the Company expects the fair value less cost to sell to be higher than carrying amount.

## 64 Confirmation of balances


The company's balances lying under trade receivable and trade payables are reconciled in a phased manner. Accordingly, the reconciliation of few parties has been carried out during the year. The necessary adjustments if any, which in the view of management may not be material, will be carried out on completion of the exercise.

## 65 Previous year figures have been regrouped / reclassified to make them comparable with the current year.

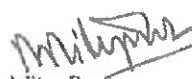
These are the Notes referred to in our report of even date

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  
UDIN : 23099143BGPMWA2398


  
Sreekant Kandikuppa  
Chairman  
DIN : 06615674

  
Aditya Das  
Director  
DIN : 08079013

Place : New Delhi  
Date : 30.05.2023

  
Vishal Kapoor  
Chief Executive Officer

  
Sandeep Kumar Jain  
Chief Financial Officer

  
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 comprises the consolidated Balance Sheet as at 31 March 2023, 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 subsidiaries 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 2023 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.

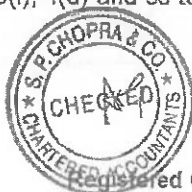
#### **Basis for opinion**

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 by the holding company. Refer note 3(i), 4(d) and 66 to the consolidated financial statements.



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

2	<p><b>Contingent Liabilities</b></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 holding company's assessment of contingent liabilities is supported by the facts of the matter, holding 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) and 58(c) to the consolidated financial statements, read with the significant accounting policy no. 2.10)</p>	<p>We obtained an understanding of the holding 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"> <li>• Understood and tested the design and operating effectiveness of controls as established by the management for obtaining the relevant information for pending litigation cases;</li> <li>• Discussed with the management any material developments thereto and latest status of legal matters;</li> <li>• 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;</li> <li>• Examined recent orders from competent authorities and/ or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>• Examined management's judgement and assessment for the requirement of provisions;</li> <li>• Reviewed the adequacy and completeness of disclosures;</li> </ul> <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 during the course of 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.



- 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

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.

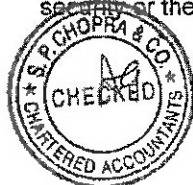
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law 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 ₹ 3,753.72 lakhs as at 31 March 2023 and total revenue of ₹ 30.43 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. However, this branch is not material to the group as a whole.



- 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 holding company that reflect total assets of ₹ 3,753.72 lakhs as at 31 March 2023 and total revenue of ₹ 30.43 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 by the holding company 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") 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 of the Holding Company and Subsidiary incorporated in India and taken on record by its respective board of directors, none of the directors of the Holding Company and Subsidiary incorporated in India are disqualified as at 31 March 2023 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 consolidated financial statements and the operating effectiveness of such controls, refer to our separate report in Annexure - 'A', which is based on the audit reports of the Holding Company issued by us, and audit report of the other auditor in respect of the Subsidiary incorporated in India, not audited by us;
- h. the remuneration paid by the holding company and subsidiary to its directors, wherever applicable, during the year is in accordance with the provisions of section 197 of the Companies Act, 2013 read with Schedule V to 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and Subsidiary. 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 has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and Subsidiary;
- 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 Holding Company and Subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



## Annexure-C

**S. P. CHOPRA & CO.**

Chartered Accountants

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Phone 0120 - 4516921  
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### 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 comprises the consolidated Balance Sheet as at 31 March 2023, 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 subsidiaries 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 2023 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.

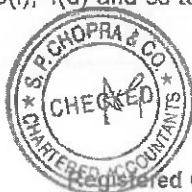
#### Basis for opinion

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 by the holding company. Refer note 3(i), 4(d) and 66 to the consolidated financial statements.



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

2	<p><b>Contingent Liabilities</b></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 holding company's assessment of contingent liabilities is supported by the facts of the matter, holding 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) and 58(c) to the consolidated financial statements, read with the significant accounting policy no. 2.10)</p>	<p>We obtained an understanding of the holding 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"> <li>• Understood and tested the design and operating effectiveness of controls as established by the management for obtaining the relevant information for pending litigation cases;</li> <li>• Discussed with the management any material developments thereto and latest status of legal matters;</li> <li>• 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;</li> <li>• Examined recent orders from competent authorities and/ or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>• Examined management's judgement and assessment for the requirement of provisions;</li> <li>• Reviewed the adequacy and completeness of disclosures;</li> </ul> <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 during the course of 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.



- 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

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.

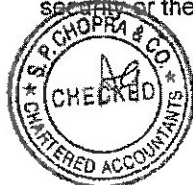
#### Other matters

- 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 ₹ 3,753.72 lakhs as at 31 March 2023 and total revenue of ₹ 30.43 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. However, this branch is not material to the group as a whole.





- 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 holding company that reflect total assets of ₹ 3,753.72 lakhs as at 31 March 2023 and total revenue of ₹ 30.43 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 by the holding company 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") 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 of the Holding Company and Subsidiary incorporated in India and taken on record by its respective board of directors, none of the directors of the Holding Company and Subsidiary incorporated in India are disqualified as at 31 March 2023 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 consolidated financial statements and the operating effectiveness of such controls, refer to our separate report in Annexure - 'A', which is based on the audit reports of the Holding Company issued by us, and audit report of the other auditor in respect of the Subsidiary incorporated in India, not audited by us;
- h. the remuneration paid by the holding company and subsidiary to its directors, wherever applicable, during the year is in accordance with the provisions of section 197 of the Companies Act, 2013 read with Schedule V to 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and Subsidiary. 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 has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and Subsidiary;
- 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 Holding Company and Subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



**Annexure - 'A' to the Independent Auditor's Report**

*(Referred to in paragraph 2(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 2023)*

**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 2023, 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 is 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.



**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**



**Place: New Delhi  
Date: 30 May 2023**

**Ankur Goyal  
Partner  
Membership No. 099143  
UDIN 23099143BGPMWB7728**

**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Consolidated Balance Sheet as at 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

Particulars	Note	As at 31 March 2023	As at 31 March 2022	As at 01 April 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	2,86,671.31	3,01,040.76	2,90,570.29
Capital work-in-progress	4	1,21,466.59	1,05,524.25	1,21,330.51
Right-of-use assets	5	1,985.80	1,410.84	1,615.64
Goodwill	6	48,699.23	47,601.52	48,263.10
Other intangible assets	6	7,518.13	7,278.79	730.71
Intangible assets under development	7	-	-	10.79
Investments in joint venture accounted for using equity method	8	6,513.26	2,618.32	832.62
Financial assets				
Other Investments	9	0.26	1,841.75	1,867.36
Loans	10	7,787.52	7,112.14	6,840.25
Other financial assets	11	14,150.36	15,736.25	14,206.91
Deferred tax assets (net)	12	17,418.78	8,283.35	1,301.64
Other non-current assets	13	-	5,848.44	3,128.29
<b>Total non-current assets</b>		<b>5,12,211.24</b>	<b>5,04,296.41</b>	<b>4,90,698.11</b>
<b>Current assets</b>				
Inventories	14	20,376.30	20,672.81	24,676.39
Financial assets				
Trade receivables	15	3,81,758.88	3,56,267.93	3,15,860.41
Cash and cash equivalents	16	50,059.73	76,501.36	73,787.87
Bank balances other than cash and cash equivalents	17	23,916.41	29,876.96	51,790.02
Loans	18	154.42	152.81	139.64
Other financial assets	19	23,322.91	19,586.59	23,117.19
Current tax assets (net)	20	1,752.33	1,579.89	1,251.67
Other current assets	21	36,217.36	45,401.72	49,349.84
<b>Total current assets</b>		<b>5,37,558.34</b>	<b>5,50,040.07</b>	<b>5,39,973.03</b>
Assets held for sale	65	1,799.28	-	-
<b>TOTAL ASSETS</b>		<b>10,51,568.86</b>	<b>10,54,336.48</b>	<b>10,30,671.14</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	22	1,39,082.00	1,39,082.00	98,332.84
Other equity	23	(47,248.09)	(17,127.85)	812.83
Equity attributable to owners		<b>91,833.91</b>	<b>1,21,954.15</b>	<b>99,145.67</b>
Non-controlling interests		4,503.07	4,628.17	4,719.08
<b>Total equity</b>		<b>96,336.98</b>	<b>1,26,582.32</b>	<b>1,03,864.75</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	24	4,20,418.96	4,46,583.72	5,16,030.71
Lease liabilities	25	715.67	308.06	524.14
Trade payables	26			
-total outstanding dues of micro enterprises and small enterprises		1,237.53	938.80	1,809.21
-total outstanding dues of creditors other than micro enterprises and small enterprises		6,950.78	10,130.39	13,314.02
Other financial liabilities	27	1,080.58	2,079.96	4,304.82
Provisions	28	1,139.71	1,383.17	1,112.03
Deferred tax liabilities (net)	29	311.35	240.53	178.58
Other non-current liabilities	30	3,866.58	3,680.33	1,786.60
<b>Total non-current liabilities</b>		<b>4,35,721.16</b>	<b>4,65,344.96</b>	<b>5,39,060.11</b>



*[Handwritten signature]*



<b>Current liabilities</b>				
Financial liabilities				
Borrowings	31	3,09,982.01	2,82,204.52	1,92,423.59
Lease liabilities	32	577.78	517.44	444.15
Trade payables	33			
-total outstanding dues of micro enterprises and small enterprises		10,477.50	9,197.45	8,030.59
-total outstanding dues of creditors other than micro enterprises and small enterprises		1,12,905.98	1,04,037.42	1,13,355.67
Other financial liabilities	34	58,630.49	51,217.78	56,617.27
Other current liabilities	35	26,662.80	15,010.13	16,590.92
Provisions	36	62.54	68.98	55.95
Current tax liabilities (net)		211.62	155.48	228.14
<b>Total current liabilities</b>		<b>5,19,510.72</b>	<b>4,62,409.20</b>	<b>3,87,746.28</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,51,568.86</b>	<b>10,54,336.48</b>	<b>10,30,671.14</b>

\* Restated (refer note 46)

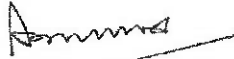
Significant Accounting Policies 2

The accompanying notes form an integral part of consolidated financial statements 3 to 67

This is the balance sheet referred to in our report of even date

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



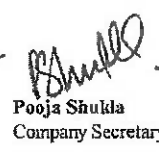
For and on behalf of the Board of Directors of Energy Efficiency Services Limited



Ankur Goyal  
Partner  
Membership No. 099143  
UDIN : 23099143BGPMWB7728

Sreekanth Kandikuppa Chairman  
DIN : 06615674  
Aditya Dar Director  
DIN : 08079013

Vishal Kapoor Chief Executive Officer  
Sandeep Kumar Jain Chief Financial Officer  
Pooja Shukla Company Secretary



**ENERGY EFFICIENCY SERVICES LIMITED**
**CIN: U40200DL2009PLC196789**
**Consolidated Statement of Profit and Loss for the year ended 31 March 2023**
*(All amounts in lakhs of ₹, except share data and as stated otherwise)*

Particulars	Note	For the year ended 31 March 2023	For the year ended * 31 March 2022
<b>Income</b>			
Revenue from operations	37	2,38,549.73	2,24,496.31
Other income	38	6,848.89	4,656.36
<b>Total income</b>		<b>2,45,398.62</b>	<b>2,29,152.67</b>
<b>Expenses</b>			
Purchase of stock-in-trade		62,055.80	62,516.87
Changes in inventory of stock-in-trade	39	3,097.23	3,548.30
Employee benefits expense	40	18,639.28	17,868.73
Finance costs	41	49,581.85	40,271.79
Depreciation and amortization expense	42	73,784.25	66,921.28
Other expenses	43	78,016.65	61,905.10
<b>Total expenses</b>		<b>2,85,175.06</b>	<b>2,53,032.07</b>
<b>Loss before share of net profits of investments accounted for using equity method and tax</b>		<b>(39,776.44)</b>	<b>(23,879.40)</b>
Add: Share of net losses of joint ventures accounted for using equity method		(101.07)	(10.84)
<b>Loss before tax</b>		<b>(39,877.51)</b>	<b>(23,890.24)</b>
<b>Tax expense</b>			
Current tax	44		
Current year		190.69	248.78
Earlier years		-	72.72
Deferred tax		(9,082.58)	(6,895.31)
<b>Total tax (credit)/expense</b>		<b>(8,891.89)</b>	<b>(6,573.81)</b>
<b>Loss for the year</b>		<b>(30,985.62)</b>	<b>(17,316.43)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss (net of tax)			
- Remeasurement of the defined benefit plans		53.52	(121.76)
- Remeasurement of the defined benefit plans of Joint Venture		3.35	-
- Less: Income tax relating to items that will not be reclassified to profit or loss		14.31	(30.64)
Items that will be reclassified to profit or loss [net of tax of ₹ 3.65 Lakhs (31 March 2022: ₹ (6.19) Lakhs)]			
- Exchange differences on translation of foreign operations		697.71	(624.05)
<b>Other comprehensive income for the year, net of income tax</b>		<b>740.27</b>	<b>(715.17)</b>
<b>Total comprehensive income for the year</b>		<b>(30,245.35)</b>	<b>(18,031.60)</b>
<b>Loss attributable to</b>			
- Owners		(30,768.00)	(17,172.28)
- Non-controlling interests		(217.62)	(144.15)
		<b>(30,985.62)</b>	<b>(17,316.43)</b>
<b>Other comprehensive income attributable to</b>			
- Owners		647.75	(634.40)
- Non-controlling interests		92.52	(80.77)
		<b>740.27</b>	<b>(715.17)</b>
<b>Total comprehensive income attributable to</b>			
- Owners		(30,120.25)	(17,806.68)
- Non-controlling interests		(125.10)	(224.92)
		<b>(30,245.35)</b>	<b>(18,031.60)</b>
<b>Earnings per equity share (Nominal value ₹ 10/- each)</b>			
Basic earnings per share (₹)	57	(2.21)	(1.41)
Diluted earnings per share (₹)		(2.21)	(1.41)



\* Restated (refer note 46)

Significant Accounting Policies

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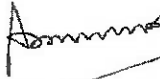
The accompanying notes form an integral part of consolidated financial statements


3 to 67


This is the statement of profit and loss referred to in our report of even date

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  
UDIN : 23099143BGFPMWB7728

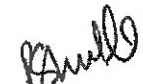
  
Sreekant Kandikuppa  
Chairman  
DIN : 06615674

  
Aditya Dar  
Director  
DIN : 08079013

Place : New Delhi  
Date : 30.05.2023

  
Vishal Kapoor  
Chief Executive Officer

  
Sandeep Kumar Jain  
Chief Financial Officer

  
Pooja Shukla  
Company Secretary



Energy Efficiency Services Limited  
 CIN: U40200DL2009PLC196789  
 Consolidated Statement of Changes in Equity for the year ended 31 March 2023  
 (All amounts in lakhs of ₹, except share data and as stated otherwise)

(A) Equity share capital\*

For the year ended 31 March 2023

Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
1,39,082.00	-	1,39,082.00	-	1,39,082.00

For the year ended 31 March 2022

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

\* Refer note 22

(B) Other equity\*\*

For the year ended 31 March 2023

Particulars	Reserves and surplus				OCI		Other equity attributable to owners	Non-controlling interests	Total
	Share application money pending allotment	Debenture redemption reserve	Statutory reserve	Retained earnings	Foreign Currency Translation Reserve	Remeasurement of defined benefits			
Balance as at 1 April 2022	-	7,000.00	0.15	(24,450.55)	484.79	(138.06)	(16,965.61)	4,628.17	(12,337.44)
Prior period errors	-	-	-	(24.18)	-	-	(24.18)	-	(24.18)
Restated balance as at 1 April 2022	-	7,000.00	0.15	(24,474.73)	484.79	(138.06)	(17,127.85)	4,628.17	(12,499.68)
Loss for the year	-	-	-	(30,768.00)	-	-	(30,768.00)	(217.62)	(30,985.62)
Other comprehensive income for the year (net of taxes)	-	-	-	-	605.19	42.56	647.75	92.52	740.27
Transfer (to)/from retained earnings	-	(4,500.00)	-	4,500.00	-	-	-	-	-
Balance as at 31 March 2023	-	2,500.00	0.15	(50,742.73)	1,089.98	(95.50)	(47,248.09)	4,503.07	(42,745.02)

For the year ended 31 March 2022

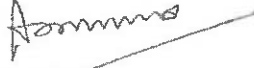
Particulars	Reserves and surplus				OCI		Other equity attributable to owners	Non-controlling interests	Total
	Share application money pending allotment	Debenture redemption reserve	Statutory reserve	Retained earnings	Foreign Currency Translation Reserve	Remeasurement of defined benefits			
Balance as at 1 April 2021	-	12,434.13	0.15	(12,817.23)	1,028.07	(46.94)	11,949.14	4,719.08	16,668.22
Prior period errors	-	-	-	214.66	-	-	214.66	-	214.66
Restated balance as at 1 April 2021	-	12,434.13	0.15	(12,602.57)	1,028.07	(46.94)	812.84	4,719.08	5,531.92
Loss for the year	-	-	-	(17,172.28)	-	-	(17,172.28)	(144.15)	(17,316.43)
Other comprehensive income for the year (net of taxes)	-	-	-	-	(543.28)	(91.12)	(634.40)	(80.77)	(715.17)
Share application money received	40,749.16	-	-	-	-	-	-	-	-
Shares allotted against share application money	(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	(24,474.73)	484.79	(138.06)	(17,127.85)	4,628.17	(12,499.68)


\*\* Refer note 23


This is the statement of changes in equity referred to in our report of even date

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  
 UDIN : 23099143BQPMVB7728


  
 Sreekanth Kandikuppa  
 Chairman  
 DIN : 06615674

  
 Aditya Das  
 Director  
 DIN : 08079013

Place : New Delhi  
 Date : 30.05.2023

  
 Vishal Kapoor  
 Chief Executive Officer

  
 Sandeep Kumar Jain  
 Chief Financial Officer

  
 Pooja Shukla  
 Company Secretary

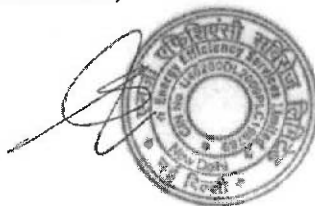




Energy Efficiency Services Limited  
CIN: U40200DL2009PLC196789  
Consolidated Statement of Cash Flows for the year ended 31 March 2023  
(All amounts in lakhs of ₹, except share data and as stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended * 31 March 2022
<b>A Cash flow from operating activities</b>		
Loss before tax	(39,877.51)	(23,890.24)
Adjustments for:-		
Depreciation and amortization expense	73,784.25	66,921.28
Finance costs	39,617.76	35,694.68
Bad debts	4.94	3.42
Allowance for doubtful receivables	11,775.03	5,642.89
Provision for interest variance	1,385.86	4,145.96
Provision for doubtful advances	2,138.22	852.27
Provision for shortage in inventories	80.64	353.02
Loss on sale of property, plant and equipment (net)	6.81	3.27
Interest income	(2,571.00)	(2,134.76)
Loss on foreign currency transactions and translation (net)	20,513.68	9,245.74
Grant income	(1,244.31)	(807.74)
Liquidation damages recovered from vendors	(447.40)	(642.15)
Liabilities/excess provisions no longer required, written back	(3.10)	(79.94)
Share of net profits of joint ventures	101.07	10.84
<b>Operating profit before working capital changes</b>	<b>1,05,264.94</b>	<b>95,318.54</b>
Adjustments for:		
(Increase) in Trade receivables	(38,169.70)	(50,038.96)
Decrease in inventories	430.22	3,581.10
(Increase)/Decrease in loans, other financial assets and other assets	9,144.05	(54.20)
Increase/(Decrease) in trade payables, other financial liabilities and other liabilities	27,188.10	(14,298.05)
Increase/(Decrease) in provisions	(196.38)	162.41
<b>Cash generated from operations post working capital changes</b>	<b>1,03,661.23</b>	<b>34,670.84</b>
Less: Income tax paid/(refund)	306.98	722.39
<b>Net cash generated from operating activities (A)</b>	<b>1,03,354.25</b>	<b>33,948.45</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advance)	(74,580.12)	(69,063.77)
Sale of property, plant and equipment	10.43	0.71
Assets held for sale	1,799.28	-
Investments	(2,204.93)	(1,796.78)
Interest received	2,299.02	1,814.62
Investment in bank balances other than cash and cash equivalents (net)	6,081.61	22,245.21
Loan given	(433.80)	(367.35)
<b>Net cash used in investing activities (B)</b>	<b>(67,028.51)</b>	<b>(47,167.36)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from share capital	-	40,749.16
Proceeds from non-current borrowings	55,597.69	52,899.57
Repayment of non-current borrowings	(1,12,253.02)	(77,073.05)
Proceeds / (repayments) of current borrowings (net)	32,335.76	38,189.46
Interest paid	(39,949.86)	(39,054.61)
Principal payment of lease liabilities	(819.23)	(725.81)
Interest payment of lease liabilities	(74.57)	(56.01)
<b>Net Cash (used)/generated from financing activities (C)</b>	<b>(65,163.23)</b>	<b>14,928.71</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(28,837.50)</b>	<b>1,709.79</b>
Cash and cash equivalents at the beginning of the year (Refer note 16)	76,501.36	73,787.87
Exchange differences on translation of foreign currency cash and cash equivalents	2,395.87	1,003.70
<b>Cash and cash equivalents at the end of the year (Refer note 16)</b>	<b>50,059.73</b>	<b>76,501.36</b>

\* Restated (refer note 46)



Energy Efficiency Services Limited

CIN: U40200DL2009PLC196789

Notes to the Consolidated Statement of Cash Flows (continued)

(All amounts in lakhs of ₹, except share data and as stated otherwise)

a) Cash and cash equivalents consists of balances with banks.

b) Reconciliation of cash and cash equivalents:

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
Current accounts	29,003.78	49,784.67
Deposits with original maturity upto three months (including interest accrued)	21,054.63	26,716.21
Cash on hand	1.32	0.48
<b>Cash and cash equivalents as per note-16</b>	<b>50,059.73</b>	<b>76,501.36</b>

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

Particulars	Non-current borrowings*	Current borrowings**	Lease liabilities	Interest on borrowings***
<b>For the year ended 31 March 2023</b>				
Opening balance as at 1 April 2022	5,74,757.80	1,54,030.44	825.50	4,837.70
Addition in lease liabilities	-	-	1,285.94	-
Deletion in lease liabilities	-	-	(11.29)	-
Cash flow during the year	(56,655.32)	32,335.76	(893.79)	(43,778.58)
Non-cash changes due to:				
- Variation in exchange rates	25,720.40	243.64	12.54	(0.04)
- Interest accrued	-	-	74.56	43,979.28
- Transaction cost on borrowings	(31.74)	-	-	132.15
<b>Closing balance as at 31 March 2023</b>	<b>5,43,791.14</b>	<b>1,86,609.84</b>	<b>1,293.45</b>	<b>5,170.51</b>
<b>For the year ended 31 March 2022</b>				
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)	38,189.45	(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
<b>Closing balance as at 31 March 2022</b>	<b>5,74,757.80</b>	<b>1,54,030.44</b>	<b>825.50</b>	<b>4,837.70</b>

\* includes current maturities of non-current borrowings, refer note 31.

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

\*\*\* includes commitment fees payable

d) Refer note 48 (c) (i) for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

e) The above statement of cash flows has been prepared under 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows'.

This is the statement referred to in our report of even date

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  
UDIN : 23099143BGPMWB7728

Sreekant Kandikuppa  
Chairman  
DIN : 06615674

Aditya Dar  
Director  
DIN : 08079013

Place : New Delhi  
Date : 30.05.2023

Vishal Kapoor  
Chief Executive Officer

Sandeep Kumar Jain  
Chief Financial Officer

Pooja Shukla  
Company Secretary



## ENERGY EFFICIENCY SERVICES LIMITED

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

### 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, containerization, 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 2023 were approved for issue by Board of Directors on 30 May 2023.

### 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**

**CIN: U40200DL2009PLC196789**

**Notes to the consolidated financial statements for the year 31 March 2023**

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**(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 realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 recognized 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. Unrealized 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.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

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.

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 recognized in profit or loss.

### (ii) Joint ventures

Interests in joint ventures are accounted for using the equity method after initially being recognized at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognized 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 recognized 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.

Unrealized gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealized 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 recognized in profit or loss. In addition, any amounts previously recognized 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 recognized 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 recognized 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 recognized separately.

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



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

**(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 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 recognized 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 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 recognized 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 recognized in the statement of profit and loss.

**(v) Depreciation**

Depreciation is recognized 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.



**ENERGY EFFICIENCY SERVICES LIMITED**

**CIN: U40200DL2009PLC196789**

**Notes to the consolidated financial statements for the year 31 March 2023**

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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/amortization.

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 amortization 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.

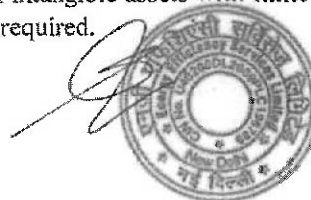
**(iii) Derecognition**

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 recognized in the statement of profit and loss.

**(iv) Amortisation**

Cost of software recognized 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.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

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**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 capitalized 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 Group borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization 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 capitalization. Capitalization 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 recognized as an expense in the year in which they are incurred.

The borrowing cost proportionate to the unutilized 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 recognized 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 recognized as a finance cost.





**ENERGY EFFICIENCY SERVICES LIMITED**

**CIN: U40200DL2009PLC196789**

**Notes to the consolidated financial statements for the year 31 March 2023**

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The amount recognized 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 recognized 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. 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 recognized 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 recognized 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**

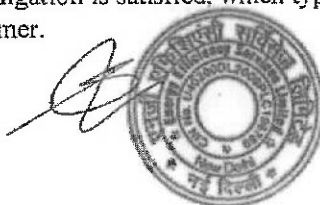
The assets and liabilities of foreign operations (i.e. subsidiary) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated 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.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

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**(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 and after confirmation from clients/customers, 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 recognized over time as the customers simultaneously receive and consume the benefits provided by the Group.
- **Consultancy services:**  
Revenue from consultancy services rendered is recognized 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 recognized 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. 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 recognized, 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 recognized 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 recognized as an asset to the extent that a cash refund or a reduction in future payments is available.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

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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 voluntary 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 recognized 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 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 recognized 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 recognized 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 recognized 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 recognized 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.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

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**2.14. Income tax**

Income tax expense comprises current and deferred tax. Current tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized 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 recognized 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 recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity respectively.

A deferred tax asset is recognized 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 realized.

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 realized the asset and settle the liability simultaneously.

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

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.

**2.15. 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.



**ENERGY EFFICIENCY SERVICES LIMITED**

**CIN: U40200DL2009PLC196789**

**Notes to the consolidated financial statements for the year 31 March 2023**

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**(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.

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.

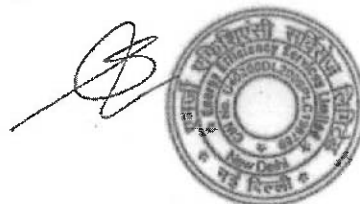
The Group presents right-of-use assets and lease liabilities as a separate line item on the face of the Balance Sheet. The Group has elected to use the recognition exemptions for short-term and low value leases as per Ind AS 116.

**(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 recognized 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.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

### 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 recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized 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 amortization, if no impairment loss had been recognized.

### 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, 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.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

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**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.

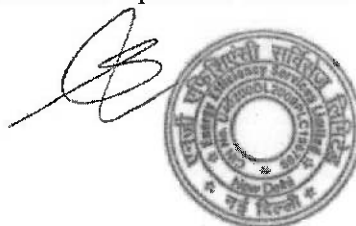
After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized 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 recognized 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 recognized 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.



## ENERGY EFFICIENCY SERVICES LIMITED

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

### 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 recognized 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 recognized 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, 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 recognizing 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.





**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

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**(ii) Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognized 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 recognized in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization 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 amortization 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 recognized 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 recognized 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 recognized 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 recognized 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.



**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

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**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 recognized 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 recognized 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**

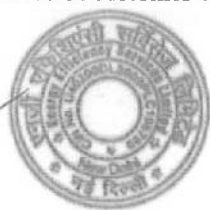
The recoverable amount of investment in joint venture companies is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee Group. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount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

**CIN: U40200DL2009PLC196789**

**Notes to the consolidated financial statements for the year 31 March 2023**

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**(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 recognizing 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  
CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023  
(All amounts in Lakhs of ₹, except share data and as stated otherwise)

3 Property, plant and equipment

Particulars	Gross block			Accumulated depreciation			Net block			
	As at 1 April 2022	Additions	Deductions/ adjustments*	Foreign exchange translation difference	As at 31 March 2023	For the year	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2023	As at 31 March 2023
Plant & Machinery										
ESCO projects	3,44,377.40	7,519.23	40,015.92	-	3,11,880.71	51,980.77	38,216.64	-	2,01,825.72	1,10,054.99
Solar plant	78,770.42	12,687.85	-	-	91,458.27	3,473.76	-	-	8,531.81	82,926.46
Smart meter	84,952.06	37,230.91	-	-	1,22,182.97	14,747.69	-	-	35,514.63	86,668.34
Public chargers	927.14	677.25	-	-	1,604.39	145.36	-	-	245.56	1,358.83
Plant and machinery	1,710.01	136.26	-	119.78	1,966.05	99.94	-	202.12	1,437.38	528.67
Vehicles	2,010.19	844.52	-	17.85	2,363.92	197.15	-	16.27	925.29	1,438.63
Buildings	5,434.95	-	508.64	379.69	5,814.64	426.61	-	173.20	3,493.51	2,321.13
Office equipment	464.57	24.33	12.36	0.95	477.49	64.66	11.28	0.29	359.75	117.74
Computers	654.15	61.15	91.93	-	623.37	103.22	79.66	-	490.41	132.96
Furniture & Fixture	3,196.07	138.05	-	154.15	3,488.27	236.07	-	98.53	2,461.11	1,027.16
Leasehold improvements	438.20	2.12	-	-	440.32	76.62	-	-	343.92	96.40
<b>Total</b>	<b>5,22,935.16</b>	<b>59,521.67</b>	<b>40,628.85</b>	<b>672.42</b>	<b>5,42,300.40</b>	<b>71,551.85</b>	<b>38,307.58</b>	<b>490.41</b>	<b>2,55,629.08</b>	<b>2,86,671.31</b>

\*Deduction/adjustment includes reclassification of project equipment as held for sale (Refer note 65)

As at 31 March 2022

Particulars	Gross block			Accumulated depreciation			Net block			
	As at 1 April 2021	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2022	For the year	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2022	As at 31 March 2022
Plant & Machinery										
ESCO projects	3,23,222.69	21,154.71	-	-	3,44,377.40	51,869.87	-	-	1,89,061.59	1,56,315.81
Solar plant	52,581.96	26,188.46	-	-	78,770.42	2,703.85	-	-	5,058.05	73,712.37
Smart meter	56,481.28	28,470.78	-	-	84,952.06	9,753.94	-	-	20,766.94	64,185.12
Public chargers	400.30	526.84	-	-	927.14	72.13	-	-	100.20	826.94
Plant and machinery	3,610.76	94.25	1,942.04	(52.96)	1,710.01	79.34	29.85	(26.47)	1,135.32	574.69
Vehicles	1,635.32	418.10	36.32	(6.91)	2,010.19	205.30	36.32	(6.35)	711.87	1,298.32
Buildings	5,303.78	335.09	740.06	(124.86)	5,434.95	434.39	75.10	(69.90)	2,893.70	2,541.25
Office equipment	492.97	61.87	30.61	0.24	464.57	72.90	86.29	0.05	306.08	158.49
Computers	745.86	40.32	1,056.80	-	654.15	106.39	123.88	-	466.84	187.31
Furniture & Fixture	2,623.20	624.54	-	(51.67)	3,196.07	215.37	-	(44.44)	2,126.51	1,069.56
Leasehold improvements	247.70	190.51	-	-	438.20	103.92	-	-	267.30	170.90
<b>Total</b>	<b>4,78,105.40</b>	<b>78,105.46</b>	<b>2,299.96</b>	<b>(736.16)</b>	<b>5,22,935.16</b>	<b>65,617.40</b>	<b>351.44</b>	<b>(147.11)</b>	<b>2,21,894.40</b>	<b>3,01,040.76</b>

\* Restated (refer note 46)



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 'Capitalized/adjusted' column of CWIP. Asset-wise details of exchange variations and borrowing costs included in the cost of major heads of property, plant and equipment (PPE) and CWIP are given below:

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Exchange variations	Borrowing costs	Exchange variations	Borrowing costs
Plant & Machinery				
ESCO projects	548.72	1,971.42	735.95	1,639.59
Solar plant	497.46	3,610.21	361.53	558.36
Smart meter	1,200.94	494.21	850.18	1,702.07
<b>Total</b>	<b>2,247.12</b>	<b>6,075.84</b>	<b>1,947.66</b>	<b>3,900.02</b>

b) The borrowing cost capitalised during the year is net of income on idle funds amounting to ₹ 119.67 Lakh (31 March 2022: ₹ 220.03 Lakhs).

c) Refer note 24 and 31 for information on property, plant and equipment pledged as security by the group.

d) Refer Note 58 (u) for disclosures of contractual commitments for the acquisition of property, plant and equipment.

e) Refer note 46 for restatement items of earlier years.

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

Item category	Description of item of Property	Gross carrying value	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of	Property held since which date	Reason for not being held in the name of the company
Building	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) The Parent company is in possession of 841.93 acres (31 March 2022: 727.06 acres) of lease land at 151 locations (31 March 2021: 142 locations) for development of solar plants.

i) The Parent 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. Parent 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

CIN: U40200DL2009PLC196739

Notes to the consolidated financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

4 Capital work-in-progress

As at 31 March 2023

Particulars	As at 1 April 2022	Additions	Capitalised / adjusted	As at 31 March 2023
Buildings	-	9,740.59	-	9,740.59
Plant & Machinery				
ESCO projects	59,097.25	9,902.15	7,544.32	61,455.08
Solar plant	16,032.18	14,411.33	12,687.85	17,755.66
Smart Meter	27,821.72	39,787.44	37,230.90	30,378.22
Public chargers	2,573.10	241.15	677.25	2,137.00
<b>Total</b>	<b>1,05,524.25</b>	<b>74,082.66</b>	<b>58,140.32</b>	<b>1,21,466.59</b>

As at 31 March 2022

Particulars	As at 1 April 2021	Additions	Capitalised / adjusted	As at 31 March 2022
Plant & Machinery				
ESCO projects	60,425.23	20,341.72	21,669.70	59,097.25
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
<b>Total</b>	<b>1,20,540.07</b>	<b>61,342.09</b>	<b>76,357.91</b>	<b>1,05,524.25</b>

- 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 Parent company has capitalised employee benefit expenses amounting to ₹ 832.52 Lakhs (31 March 2022: ₹ 1,910.79 Lakhs) and other expenses amounting to ₹ 1,291.01 Lakhs (31 March 2022: ₹ 1,227.97 Lakhs) which are directly attributable to assets.
- b) 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 the customers. Obtaining of pending completion certificates is under active follow-up with the customers and same will be capitalized on receipt thereof.
- c) The Capital work-in-progress includes inventory of capital items of ₹ 51,062.93 Lakhs held with the Parent company as at 31 March 2023 (31 March 2022: ₹ 46,227.83 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.
- e) Ageing schedule of capital work-in-progress

As at 31 March 2023

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	
Projects in Progress	62,790.53	30,195.70	9,758.51	18,721.85	1,21,466.59
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>62,790.53</b>	<b>30,195.70</b>	<b>9,758.51</b>	<b>18,721.85</b>	<b>1,21,466.59</b>

As at 31 March 2022

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	
Projects in Progress	51,474.73	20,909.26	12,784.51	20,355.75	1,05,524.25
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>51,474.73</b>	<b>20,909.26</b>	<b>12,784.51</b>	<b>20,355.75</b>	<b>1,05,524.25</b>



4 Capital work-in-progress (continued)

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

As at 31 March 2023

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	
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:	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31 March 2022

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	
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:	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As per the information available, there is no project of which the completion is overdue or has exceeded its cost compared to its original plan as at the date of the financial statements.



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5 Right-of-use assets

Particulars	Gross block				Accumulated amortisation			Net block As at 31 March 2023
	As at 1 April 2022	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2023	As at 1 April 2022	For the year	
Office Buildings	2,546.06	1,229.01	673.48	111.45	3,213.04	1,135.22	737.16	1,227.24
<b>Total</b>	<b>2,546.06</b>	<b>1,229.01</b>	<b>673.48</b>	<b>111.45</b>	<b>3,213.04</b>	<b>1,135.22</b>	<b>737.16</b>	<b>1,227.24</b>

As at 31 March 2022

Particulars	Gross block				Accumulated amortisation			Net block As at 31 March 2022
	As at 1 April 2021	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2022	As at 1 April 2021	For the year	
Office Buildings	2,519.77	619.12	595.22	2.39	2,546.06	904.13	760.52	1,135.22
<b>Total</b>	<b>2,519.77</b>	<b>619.12</b>	<b>595.22</b>	<b>2.39</b>	<b>2,546.06</b>	<b>904.13</b>	<b>760.52</b>	<b>1,135.22</b>

6 Intangible assets

As at 31 March 2023

Particulars	Gross block				Accumulated amortisation			Net block As at 31 March 2023
	As at 1 April 2022	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2023	As at 1 April 2022	For the year	
Software	2,695.62	39.91	-	4.46	2,739.99	2,151.84	263.79	2,418.41
Goodwill*	47,601.52	-	-	1,097.71	48,699.23	-	-	48,699.23
Right to Receive Carbon Credits (LED Bulbs Distributed)	7,066.45	1,692.99	-	-	8,759.44	331.44	1,231.45	1,562.89
<b>Total</b>	<b>57,363.59</b>	<b>1,732.90</b>	<b>-</b>	<b>1,102.17</b>	<b>60,198.66</b>	<b>2,483.28</b>	<b>1,495.24</b>	<b>3,981.30</b>

As at 31 March 2022

Particulars	Gross block				Accumulated amortisation			Net block As at 31 March 2022
	As at 1 April 2021	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2022	As at 1 April 2021	For the year	
Software	2,672.10	25.06	-	(1.54)	2,695.62	1,941.39	211.92	2,151.84
Goodwill*	48,263.10	-	-	(661.58)	47,601.52	-	-	47,601.52
Right to Receive Carbon Credits (LED Bulbs Distributed)	-	2,066.45	-	-	2,066.45	-	331.44	331.44
<b>Total</b>	<b>50,935.20</b>	<b>2,091.51</b>	<b>-</b>	<b>(663.12)</b>	<b>52,363.59</b>	<b>1,941.39</b>	<b>543.36</b>	<b>2,483.28</b>

\*The Goodwill valuation has been taken as per the audited consolidated financial statements of its subsidiary EESL EnergyPro Asset Limited.





7 Intangible assets under development

As at 31 March 2023																											
Particulars	As at 1 April 2022			Additions			Gross block Deductions/ adjustments			Foreign exchange translation difference			As at 31 March 2023			Accumulated amortisation For the year			Foreign exchange translation difference			As at 31 March 2023			Net block As at 31 March 2023		
	As at 1 April 2022	Additions	Deductions/ adjustments	Deductions/ adjustments	As at 31 March 2023	Foreign exchange translation difference	As at 31 March 2023	Foreign exchange translation difference	As at 1 April 2022	For the year	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2023	Foreign exchange translation difference	As at 31 March 2023	Net block As at 31 March 2023											
Right to Receive Carbon Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
As at 31 March 2022																											
Particulars	As at 1 April 2021			Additions			Gross block Deductions/ adjustments			Foreign exchange translation difference			As at 31 March 2022			Accumulated amortisation For the year			Foreign exchange translation difference			As at 31 March 2022			Net block As at 31 March 2022		
	As at 1 April 2021	Additions	Deductions/ adjustments	Deductions/ adjustments	As at 31 March 2022	Foreign exchange translation difference	As at 31 March 2022	Foreign exchange translation difference	As at 1 April 2021	For the year	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2022	Foreign exchange translation difference	As at 31 March 2022	Net block As at 31 March 2022											
Right to Receive Carbon Credits	10.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Total	10.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											



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8 Investment in joint venture accounted for using equity method (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Equity instruments - Unquoted (fully paid up - unless otherwise stated, at cost)</b>		
<b>Joint venture company</b>		
Intellismart Infrastructure Private Limited	6,513.26	2,618.32
67,620,049 (31 March 2022: 2,76,85,049) equity shares of ₹10/- each		
<b>Total</b>	<b>6,513.26</b>	<b>2,618.32</b>
<b>Aggregate amount of unquoted investments</b>	<b>6,513.26</b>	<b>2,618.32</b>
<b>Aggregate amount of impairment in value of investments</b>	-	-

- 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 Parent company during the year has further invested ₹ 3,933.50 Lakhs (31 March 2022- ₹ 1,808.10 Lakhs) in its joint venture namely Intellismart Infrastructure Private Limited by acquiring 3,99,35,000 equity shares at a par value of ₹ 10/- per share against right issue.  
d) The Parent 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 partners in the meeting held on 27 March 2023 have agreed to liquidate the company after the approval by the Board of the respective JV partners and also the Board of the company which is under process.

9 Other investments (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Investment in fully paid up unquoted equity instruments (measured at fair value through profit and loss)</b>		
Investment in Maple Leaf	1,884.41	1,841.49
NEESL Private Limited	0.26	0.26
2,600 (31 March 2022: 2,600) equity shares of ₹10/- each	1,884.67	1,841.75
Less: Impairment on investment	(1,884.41)	-
<b>Total</b>	<b>0.26</b>	<b>1,841.75</b>
<b>Aggregate amount of unquoted investments</b>	<b>0.26</b>	<b>1,841.75</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>1,884.41</b>	-

- a) Information about fair value measurement and group's exposure to market risks is disclosed in note 47 and note 48.  
b) During the previous year, the Parent 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 Parent company has lost joint control of NEESL Private Limited, which is yet to be ratified by EESL. Further, the said investment is carried at cost considering the value of investment is nominal.

10 Loans (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Loan to EnergyPro Asset Management Ltd (includes interest accrued)</b>		
Unsecured, considered good	7,439.84	6,824.37
	7,439.84	6,824.37
<b>Loans to employees (includes interest accrued)</b>		
Secured, considered good (refer a below)	275.38	214.22
Unsecured, considered good	72.30	73.55
	347.68	287.77
<b>Total</b>	<b>7,787.52</b>	<b>7,112.14</b>

- a) House building loan and vehicle loan to employees are secured against the mortgage of the house properties and hypothecation of vehicles respectively for which such loans have been given, as per the policy of the parent company.  
b) Refer note 51 for related party disclosures.  
c) Refer note 47 for disclosures related to fair valuation.  
d) Refer note 48 for details with respect to credit risk.



11 Other financial assets (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Unbilled revenue	147.45	418.34
Security deposits	-	135.24
Lease receivables	12,618.47	13,821.57
Deposits with banks (including interest accrued)	1.82	1.71
Earmarked balances with banks (including interest accrued)		
- Deposits held as security to cash collateralise the bonds	1,343.92	1,296.15
- Deposits held as margin money for letter of credit and bank guarantees	35.61	32.54
- Deposits held as security towards credit cards	-	28.64
- Deposits held as security with government authorities	3.09	2.06
<b>Total</b>	<b>14,150.36</b>	<b>15,736.25</b>

12 Deferred tax asset (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Tax effect of items constituting deferred tax assets		
Unabsorbed losses/depreciation carried forward	14,747.16	8,414.31
Timing difference on account of expense allowable on payment basis	10,770.85	7,086.55
Others	9.95	59.32
	<b>25,527.96</b>	<b>15,560.18</b>
Less: Tax effect of items constituting deferred tax liabilities		
Financial assets and liabilities measured at amortised cost	415.84	812.23
Difference between accounting base and tax base of property, plant and equipment	7,513.39	6,282.37
Others	179.95	182.23
	<b>8,109.18</b>	<b>7,276.83</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>17,418.78</b>	<b>8,283.35</b>

- 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 ₹ 9,082.58 Lakhs (31 March 2022: ₹ 6,895.31 Lakhs) has been recognized in the statement of Profit & loss and ₹ (17.96) Lakhs (31 March 2022: ₹ 24.45 Lakhs) in other comprehensive income during the year, as the management based on their projection is confident that the taxable profit is achievable in near future.

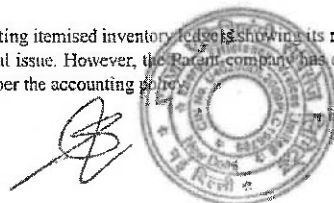
13 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Capital advances to others	-	5,834.77
Prepaid expenditure	-	13.67
<b>Total</b>	<b>-</b>	<b>5,848.44</b>

14 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Stock in trade	13,934.04	16,363.44
Less: Provision for shortage in inventories	433.66	353.02
Finished goods	-	2,708.69
Work in progress	6,875.92	1,953.70
<b>Total</b>	<b>20,376.30</b>	<b>20,672.81</b>

- 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 2023 is ₹ 65,153.03 Lakhs (31 March 2022: ₹ 66,346.36 Lakhs (including ₹ 2.94 Lakhs as Business Promotion)).
- d) The write down of inventories to net realisable value amounting to ₹ 639.21 Lakhs (31 March 2022: ₹ 637.39 Lakhs) 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 of the Parent company 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	As at 31 March 2023	As at 31 March 2022
Considered good – Unsecured	3,95,994.99	3,58,101.22
Trade receivables – credit impaired	23,151.29	22,393.22
	<u>4,19,146.28</u>	<u>3,80,494.44</u>
Less: Allowance for expected credit losses	25,194.65	13,419.62
Less: Provision for interest variance	12,192.75	10,806.89
<b>Total</b>	<u><u>3,81,758.88</u></u>	<u><u>3,56,267.93</u></u>

- 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 have been pledged as security for borrowings. for details, refer note 31.  
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 ₹ 3,789.87 Lakhs (31 March 2022 : ₹ 7,924.73 Lakhs). Refer note 58(b)(i).  
e) Refer note 63(i) for trade receivable ageing.  
f) Trade receivables, primarily consisting of dues recoverable from various government bodies/ ULBs, has accumulated to ₹ 4,19,146.28 lakhs as at 31 March 2023 (31 March 2022 : ₹ 3,80,494.44 Lakhs). The parent company has estimated the amount of ECL on the basis of the methodology earlier followed by an appointed 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. On the basis thereof, Expected Credit Loss (ECL) of ₹ 11,775.03 lakhs has been created during the year resulting in cumulative ECL of ₹ 25,194.65 lakhs as at 31 March, 2023 (₹ 13,419.62 lakhs as at 31 March 2022).  
The parent company is actively pursuing/ following up for the recovery of dues under 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.

16 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
Current accounts	29,003.78	49,784.67
Deposits with original maturity upto three months (including interest accrued)	21,054.63	26,716.21
Cash on hand	1.32	0.48
<b>Total</b>	<u><u>50,059.73</u></u>	<u><u>76,501.36</u></u>

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

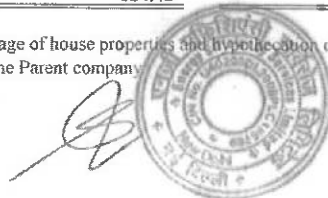
17 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	2,598.35	16,848.14
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	19,701.71	12,360.83
- Deposits held as margin money for letter of credit and bank guarantees	1,288.32	346.57
- Deposit in debt service reserve account mandatorily required under loan facility agreement	327.27	319.82
- Deposits held as security with government authorities	0.76	1.60
<b>Total</b>	<u><u>23,916.41</u></u>	<u><u>29,876.96</u></u>

18 Current loans

Particulars	As at 31 March 2023	As at 31 March 2022
Loan to employees (including interest accrued)		
Secured, considered good (refer a below)	42.97	34.55
Unsecured, considered good	111.45	118.26
<b>Total</b>	<u><u>154.42</u></u>	<u><u>152.81</u></u>

- a) House building loan and vehicle loan to employees are secured against the mortgage of house properties and hypothecation of vehicles respectively for which such loans have been given, as per the policy of the Parent company.



19 Other financial assets (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Unbilled revenue [Refer Note (59(d)) & 63(1)]	10,239.70	15,407.65
Interest receivable	7,941.72	3.54
Lease receivables	4,377.19	3,146.17
Recoverable from related party	4.25	-
Expenses recoverable	-	51.08
Security deposits*	747.23	556.96
Grant recoverable from ministries	12.81	-
Others recoverables	0.01	421.19
Credit impaired	178.10	178.10
Less: Allowances for doubtful recoverables	(178.10)	(178.10)
<b>Total</b>	<b>23,322.91</b>	<b>19,586.59</b>

\*Refer note 47 for disclosures related to fair valuation.

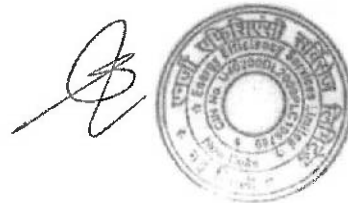
20 Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provision for tax)	1,752.33	1,579.89
<b>Total</b>	<b>1,752.33</b>	<b>1,579.89</b>

21 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with government authorities		
Unsecured, considered good	20,403.43	24,306.78
Unsecured, considered doubtful	1.15	1.15
Less: Provision for doubtful receivables	(1.15)	(1.15)
	20,403.43	24,306.78
Advances other than capital advance		
-Advances to Related party (Refer Note 51)	1,955.48	2,360.60
-Advances to/ Recoverables from suppliers		
Unsecured, considered good	6,628.01	10,602.39
Unsecured, considered doubtful	2,806.55	674.35
Less: Provision for doubtful advances	(2,806.55)	(674.35)
-Advance to employees		
Unsecured, considered good	36.96	74.54
Unsecured, considered doubtful	7.64	1.61
Less: Provision for doubtful advances	(7.64)	(1.61)
Deposits paid under protest [refer note 58(c)(i)]	5,005.28	4,868.15
Prepaid expenditure	2,058.12	2,299.12
Advance for expenses	44.68	35.51
Undistributed Energy Efficient Bulbs	6.00	854.63
Prepaid assets-surplus of plan assets*	79.40	-
	15,813.93	21,094.94
<b>Total</b>	<b>36,217.36</b>	<b>45,401.72</b>

\*Refer note 54 for disclosure as per Ind AS 19 on 'Employee Benefits'.



22 Share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity shares of par value ₹10/- each	350,00,00,000	3,50,00,000.00	350,00,00,000	3,50,000.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of par value ₹10/- each	1,39,08,20,000	1,39,082.00	1,39,08,20,000	1,39,082.00

a) Movements in equity share capital:

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	1,39,08,20,000	1,39,082.00	98,33,28,350	98,332.84
Add: Shares issued during the year	-	-	40,74,91,650	40,749.16
<b>Balance at the end of the year</b>	<b>1,39,08,20,000</b>	<b>1,39,082.00</b>	<b>1,39,08,20,000</b>	<b>1,39,082.00</b>

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 of ₹ 10/- per share. The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meetings of shareholders, share in the proceeds of winding up of the Parent 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 2022-23 (2021-22: Nil).

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

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	%age holding	No. of shares	%age holding
PowerGrid Corporation of India Limited	46,36,10,000	33.33%	46,36,10,000	33.33%
NTPC Limited	46,36,10,000	33.33%	46,36,10,000	33.33%
Power Finance Corporation Limited	24,55,00,000	17.65%	24,55,00,000	17.65%
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	15.69%	21,81,00,000	15.69%
<b>Total</b>	<b>1,39,08,20,000</b>	<b>100%</b>	<b>1,39,08,20,000</b>	<b>100%</b>

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 ended 31 March 2023:

Name of the promoter	As at 31 March 2023		As at 31 March 2022		% 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%	46,36,10,000	33.33%	-
NTPC Limited	46,36,10,000	33.33%	46,36,10,000	33.33%	-
Power Finance Corporation Limited	24,55,00,000	17.65%	24,55,00,000	17.65%	-
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	15.69%	21,81,00,000	15.69%	-
<b>Total</b>	<b>1,39,08,20,000</b>	<b>100%</b>	<b>1,39,08,20,000</b>	<b>100%</b>	

Details of changes in promoter shareholding during the year ended 31 March 2022:

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%)
<b>Total</b>	<b>1,39,08,20,000</b>	<b>100%</b>	<b>98,33,28,350</b>	<b>100%</b>	

f) 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%.

Further, the promoters in accordance with the recommendations of the Ministry of Power has approved the restructuring of the company on 1st September 2021 and 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	As at 31 March 2023	As at 31 March 2022
Debenture redemption reserve	2,500.00	7,000.00
Statutory reserve	0.15	0.15
Retained earnings	(50,742.72)	(24,474.73)
Foreign currency translation reserve	1,089.98	484.79
Remeasurement of defined benefits plans	(95.50)	(138.06)
<b>Total</b>	<b>(47,248.09)</b>	<b>(17,127.85)</b>

a) 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	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	7,000.00	12,434.13
Add: Transfer (to)/from retained earnings	(4,500.00)	(5,434.13)
<b>Closing balance</b>	<b>2,500.00</b>	<b>7,000.00</b>

b) 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 its subsidiary namely EESL Energy Solutions LLC until the reserve reaches 50% of the share capital of the said subsidiary. This reserve is not available for distribution except in the circumstances stipulated by the law.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	0.15	0.15
<b>Closing balance</b>	<b>0.15</b>	<b>0.15</b>

c) 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	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	(24,474.73)	(12,602.57)
Loss for the year as per statement of profit and loss	(30,768.00)	(17,172.28)
Impact of change in ownership interest in Subsidiary (refer note 53)	-	(134.01)
Transfer from debenture redemption reserve	4,500.00	5,434.13
<b>Closing balance</b>	<b>(50,742.73)</b>	<b>(24,474.73)</b>

d) Foreign currency translation reserve

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	484.79	1,028.07
Add: Currency translation adjustments	605.19	(543.28)
<b>Closing balance</b>	<b>1,089.98</b>	<b>484.79</b>

e) Remeasurement of defined benefit plans

It represents actuarial gain/loss recognised on the bases of assumption used in actuarial valuation. Movement in reserves is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Balance	(138.06)	(46.94)
Net actuarial gains/(losses) on defined benefit plans	42.56	(91.12)
<b>Closing balance</b>	<b>(95.50)</b>	<b>(138.06)</b>



Energy Efficiency Services Limited

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

24 Borrowings (Non-Current)

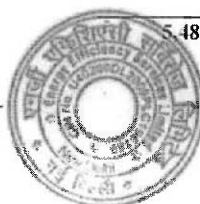
Particulars	As at 31 March 2023	As at 31 March 2022
<b>1) Debentures/Bonds</b>		
<b>a) Secured Debentures/Bonds</b>		
(i) 8.07% Debentures (Domestic bonds)- Secured by pari passu charge on the movable fixed assets both present and future (8.07% p.a. secured non-cumulative non-convertible redeemable taxable bonds of ₹ 25,000.00 Lakhs (STRIP 'C') redeemable at par on 20 September 2023 (First Issue - Private Placement))	26,066.79	26,072.32
<b>b) Unsecured Debentures/Bonds</b>		
(i) 7.80% Debentures (Domestic bonds) (7.80% p.a. unsecured non-cumulative non-convertible redeemable taxable bonds amounting ₹45,000.00 Lakhs (Second Issue - Private Placement) repaid on due date of 18th July 2022)	-	47,471.42
<b>2) Term loan from banks</b>		
<b>a) Secured rupee term loan</b>		
(i) Bank of Baroda- Secured by pari passu charge on the movable fixed assets both present & future (ROI linked to 1year MCLR, repayable in 10 equated half yearly instalments starting from January 2022 and ending in July 2026)	35,000.00	45,000.00
(ii) Bank of Baroda- Secured by pari passu charge on the movable fixed assets both present & future (ROI linked to 1year MCLR, repayable in 10 equated half yearly instalments starting from March 2021 and ending in September 2025)	24,989.55	34,979.95
(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 half yearly instalments starting from September 2020 and ending in March 2025)	19,958.71	29,959.91
(iv) 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 of each tranche starting from December 2022 and ending in July 2027)	45,951.25	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
(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 01.01.2022 on cessation of LIBOR benchmark, the company has opted for BOE Bank Rate)	383.07	621.08





## 24 Borrowings (Non-Current) (continued)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>b) Unsecured rupee term loans</b>		
(i) Bank of Baroda, UK- secured by way of corporate guarantee from Parent company (ROI: 3 months LIBOR plus 280 bps repayable as bullet payment of GBP 12 Millions on 30.06.2023). W.e.f 01.01.2022 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%.	12,298.08	11,982.68
(ii) ICICI Bank UK Plc - secured by way of Standby letter of credit issued by ICICI Bank, India on behalf of Parent company (ROI: 6 month LIBOR plus 170 bps repayable as bullet payment in the month of April 2024 amounting to GBP 10.50 Millions). W.e.f 01.01.2022 on cessation of LIBOR benchmark, the company has opted for BOE Bank Rate and the existing margin is 1.6793%.	10,696.64	10,543.35
(iii) 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)	29,821.38	39,838.32
(iv) Bank of Baroda, UK- secured by way of corporate guarantee from Parent company (ROI: 3 months LIBOR plus 280 bps repayable in 8 equal instalments of GBP 375,000 each starting from September 2020). W.e.f 01.01.2022 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
<b>3) Term loan from other than banks</b>		
<b>a) Unsecured foreign currency loans</b>		
(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 460,000 and 40 instalments of USD 920,000 each)	37,747.42	34,793.69
(ii) IBRD Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 5.31745317% 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 instalment of 3.61% of disbursed amount)	1,29,395.41	1,06,943.36
(iii) ADB Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 5.570135% p.a., loan repayable on half yearly basis starting from 15 March 2022 in 30 equal instalments)	99,438.87	1,04,179.94
(iv) ADB Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 5.609965% p.a., loan repayable on half yearly basis starting from 15 May 2025 in 30 equal instalments)	32,218.36	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)	26,253.20	28,110.77
(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)	18,541.62	22,522.20
	<b>5,48,760.35</b>	<b>5,79,305.78</b>



## 24 Borrowings (Non-Current) (continued)

Particulars	As at 31 March 2023	As at 31 March 2022
Less: Current maturities of long term borrowings		
Unsecured Debentures/Bonds	25,000.00	45,000.00
Secured rupee term loan from banks	40,256.94	34,994.64
Unsecured rupee term loan from banks	32,921.38	32,734.33
Unsecured foreign currency loans	25,193.86	15,445.11
Less: Interest accrued but not due on non-current borrowings	4,969.21	4,547.98
<b>Total</b>	<b>4,20,418.96</b>	<b>4,46,583.72</b>

- a) The Group has no cases of any charges or satisfaction yet to be registered with Registrar of Companies (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/ during 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 ₹ 173,789 Lakhs (31 March 2022: ₹ 4,43,494.51 lakhs) foreign currency borrowings which has been sanctioned but not availed as at 31 March 2023. These borrowings have been guaranteed by Government of India. Refer note 48(c)(i).

## 25 Lease liabilities (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities	715.67	308.06
<b>Total</b>	<b>715.67</b>	<b>308.06</b>

- a) Refer note 48(c)(ii) for maturity analysis of undiscounted lease liabilities.

## 26 Trade payables (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payable		
Total outstanding dues of micro enterprises and small enterprises	1,237.53	938.80
Total outstanding dues of creditors other than micro and small enterprises	6,950.78	10,130.39
<b>Total</b>	<b>8,188.31</b>	<b>11,069.19</b>

- a) Amounts payable to related parties are disclosed in note 51.
- b) Refer note 61 for disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006.
- c) Refer note 63(k) for trade payable ageing.

## 27 Other Financial liabilities (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Retention money	1,080.58	2,079.96
<b>Total</b>	<b>1,080.58</b>	<b>2,079.96</b>

- a) Refer note 61 for disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006.
- b) Refer note 47 for disclosures related to fair valuation.



28 Provisions (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Provision for employee benefits</b>		
Gratuity	-	195.81
Leave encashment	1,139.71	1,187.36
<b>Total</b>	<b>1,139.71</b>	<b>1,383.17</b>

a) Refer note 54 for disclosure as per Ind AS 19 on 'Employee Benefits'.

29 Deferred tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Tax effect of items constituting deferred tax liabilities</b>		
Difference between accounting base and tax base of property, plant and equipment	63.79	217.15
Expenses disallowed	375.41	130.38
<b>Sub-total</b>	<b>439.20</b>	<b>347.53</b>
<b>Less: Tax effect of items constituting deferred tax assets</b>		
Others	127.85	107.00
<b>Sub-total</b>	<b>127.85</b>	<b>107.00</b>
<b>Net deferred tax liabilities/(assets)</b>	<b>311.35</b>	<b>240.53</b>

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.

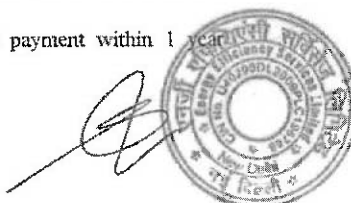
30 Other non-current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred income on account of government grants	3,866.58	3,680.33
<b>Total</b>	<b>3,866.58</b>	<b>3,680.33</b>

a) Refer note 55 for disclosure as per Ind AS 20 on 'Government Grants'.

31 Borrowings (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a) Secured short-term loan from banks</b>		
(i) ICICI Bank - Secured by first pari passu charge on the current assets of Parent company 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)	18,200.00	18,100.00
(ii) Bank of Baroda - Secured by first pari passu charge on the stock and receivables of the Parent company 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	15,900.00
(iii) IndusInd Bank - Secured by pari passu charge on stock and book debts of the Parent 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



Energy Efficiency Services Limited

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

31 Borrowings (Current) (continued)

Particulars	As at 31 March 2023	As at 31 March 2022
(iv) Union Bank of India- Secured by the current assets of the Parent company 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)	69,999.90	64,999.99
(v) Canara Bank- Secured by first pari passu charge on the stock and receivables of the Parent company 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)	19,999.98	19,990.21
(vi) Indian Bank- Secured by first pari passu charge on the stock and receivables of the Parent company 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)	28,499.74	-
(vii) 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 month LIBOR plus 275 bps repayable as bullet payment in the month of August 2020 amounting to GBP 1.00 Millions). W.e.f 01.01.2022 on cessation of LIBOR benchmark, the company has opted for BOE Bank Rate).	1,023.44	998.37
(viii) Kotak Mahindra Bank Ltd:- Secured by first pari passu charge on current assets of the company both present and future (ROI:-Linked to one month MCLR, repayable as Bullet payment within 3 months from the drawl of the loan amount)	4,000.00	-
<b>b) Secured short-term loans from others</b>		
(i) Bajaj Finance Limited- Secured by first pari passu charge on the current assets of the Parent company (receivables and inventory) both present and future (ROI: Linked to repo rate with quarterly reset, repayable as bullet payment after 12 months from the drawl of the Loan amount)	15,000.00	7,500.00
<b>e) Unsecured short-term loan from banks</b>		
(i) ICICI Bank UK Plc - secured by way of Standby letter of credit issued by ICICI Bank, India on behalf of Parent company (ROI: 3 month LIBOR plus 135 bps repayable as bullet payment in the month of March 2024 amounting to GBP 5.50 Millions). W.e.f 01.01.2022 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%)	5,621.34	5,481.43
(ii) Bank of Baroda, UK- secured by way of Standby letter of credit issued by Bank of Baroda, India on behalf of Parent company (ROI: 3 months LIBOR plus 280 bps bullet repayment in Jun 2023). W.e.f 01.01.2022 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%)	4,074.91	3,982.10
(iii) 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
(iv) Loan from KFW 2 (1.15% p.a. loan, repayable on 15 June 2023 (Euro 4,723,373.93))	4,239.67	-



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d) Bank Overdraft

Secured

(i) Bank of Baroda - Secured by first pari passu charge on the stock and receivables of the Parent company both present and future (ROI: Linked to one year MCLR based, repayable on demand within 1 year maximum from the drawl of the loan amount)	81.07	587.23
<b>Sub-total</b>	<u>1,86,640.05</u>	<u>1,54,039.33</u>

Current maturities of non-current borrowings (refer note 24)

Unsecured Debentures/Bonds	25,000.00	45,000.00
Secured rupee term loan from banks	40,256.94	57,728.97
Unsecured rupee term loan from banks	32,921.38	10,000.00
Unsecured foreign currency loans	25,193.86	15,445.11
<b>Sub-total</b>	<u>1,23,372.18</u>	<u>1,28,174.08</u>

Less: Interest accrued on current borrowings (30.22) (8.89)

**Total** 3,09,982.01 2,82,204.52

32 Lease liabilities (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities	577.78	517.44
<b>Total</b>	<u>577.78</u>	<u>517.44</u>

a) Refer note 48(c)(ii) for maturity analysis of undiscounted lease liabilities.

33 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payable		
Total outstanding dues of micro enterprises and small enterprises	10,477.50	9,197.45
Total outstanding dues of creditors other than micro and small enterprises	1,12,905.98	1,04,037.42
<b>Total</b>	<u>1,23,383.48</u>	<u>1,13,234.87</u>

a) Amounts payable to related parties are disclosed in note 51.

b) Refer note 61 for disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006.

c) Refer note 63(k) for trade payable ageing.

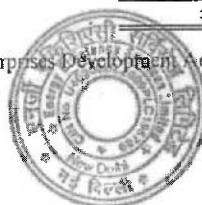
34 Other financial liabilities (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued on borrowings	4,999.43	4,556.87
Unclaimed interest on debentures/bonds	-	1.61
Liabilities for expenses	3,557.48	1,843.83
Retention money*	46,540.23	43,365.07
Security deposits	2,893.39	542.69
Payable to employees	441.73	538.54
Grant for KUSUM	-	88.34
Commitment fee payable	171.08	280.83
Security deposits EVCI	27.15	-
<b>Total</b>	<u>58,630.49</u>	<u>51,217.78</u>

\* Refer note 61 for disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006.



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Energy Efficiency Services Limited

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

35 Other liabilities (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues (refer note a below)	6,256.66	12,053.76
Revolving/project fund	3,018.98	800.86
Advance from customers	12,873.26	444.27
Unearned income	409.83	828.81
Accrued cost	(56.01)	116.31
Deferred revenue	5.29	6.61
Expenses payable	3.05	2.82
Deferred income on account of government grants (refer note 55)	4,151.74	756.69
<b>Total</b>	<b>26,662.80</b>	<b>15,010.13</b>

- 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 Provisions (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity	-	19.93
Leave encashment	62.54	49.05
<b>Total</b>	<b>62.54</b>	<b>68.98</b>

- a) Refer note 54 for disclosure as per Ind AS 19 on 'Employee Benefits'.



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Energy Efficiency Services Limited

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

37 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of goods	44,279.25	49,052.44
Rendering of services	1,94,229.92	1,75,400.23
Rent received	40.56	43.64
<b>Total</b>	<b>2,38,549.73</b>	<b>2,24,496.31</b>

- 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, Temporary disconnection/permanent disconnection 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 Trigeneneration ESCO segment, the details of bill read/ gas consumption etc. could not be compiled due to non-receipt of relevant data from customers since October 2021. Consequently, the revenue from Trigeneneration projects could not be recognized for the period October 2021 to March 2023 and will be recognized in the subsequent period.

38 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Interest income from financial assets measured at amortised cost</b>		
Bank deposits	1,883.47	1,547.87
Trade receivables	255.93	306.05
Loans to employees	23.36	19.17
Security deposit	16.05	14.09
Others	392.19	247.58
<b>Interest on income tax refund</b>	<b>280.00</b>	<b>-</b>
<b>Other non-operating income</b>		
Gain on foreign exchange fluctuation (net)	-	700.66
Grant income (refer note 55)	1,244.31	807.74
Tender fees	17.09	50.15
Termination payment	1,451.99	-
Liquidation damages recovered from vendors	447.40	642.15
Liabilities / excess provisions no longer required, written back	3.10	79.94
Miscellaneous income (refer note a below)	834.00	240.96
<b>Total</b>	<b>6,848.89</b>	<b>4,636.36</b>

- a) Refer note 51 for transactions with related parties.
- b) Miscellaneous income includes recovery against notice, recovery for health insurance, recruitment income etc.



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Energy Efficiency Services Limited

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

39 Changes in inventory of stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening stock	20,721.36	24,367.36
Closing stock	17,624.13	20,819.06
Total	<u>3,097.23</u>	<u>3,548.30</u>

40 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	18,158.27	18,450.17
Contribution to provident and other funds	1,128.81	1,111.03
Staff welfare expenses	184.72	218.32
	<u>19,471.80</u>	<u>19,779.52</u>
Less: Transferred to capital work-in-progress (Note 4)	832.52	1,910.79
Total	<u>18,639.28</u>	<u>17,868.73</u>

a) Refer Note 54 for disclosure as per Ind AS 19 'Employee Benefits'.

41 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Finance charges on financial liabilities measured at amortised cost</b>		
Debentures/Bonds	3,050.55	6,180.94
Loans	36,743.44	25,660.18
Unwinding of discount on retention money	529.89	831.99
Unwinding of discount on trade payables	784.56	996.36
Lease liabilities	74.56	93.63
Loss on foreign currency transactions and translation (net)	12,211.21	6,524.77
<b>Other borrowing costs</b>		
Guarantee fees for foreign currency term loans	3,751.38	3,416.61
Commitment fees for foreign currency term loans	742.06	932.40
Processing Fee	17.16	450.45
Other (refer note a below)	-	1,032.14
	<u>57,904.81</u>	<u>46,119.47</u>
Less: Transferred to capital work-in-progress (Note 4)	8,322.96	5,847.68
Total	<u>49,581.85</u>	<u>40,271.79</u>

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

b) Borrowing costs capitalised during the year includes interest cost of ₹ 6,075.84 Lakhs (31 March 2022: ₹ 3,900.02 Lakhs) and foreign exchange variation of ₹ 2,247.12 Lakhs (31 March 2022: ₹ 1,947.66 Lakhs).





Energy Efficiency Services Limited

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

42 Depreciation and amortization expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	71,551.85	65,617.40
Depreciation on right-of-use assets	737.16	760.52
Amortization of intangible assets	1,495.24	543.36
<b>Total</b>	<b>73,784.25</b>	<b>66,921.28</b>

43 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Annual maintenance charges (projects)	33,921.81	32,535.15
Legal fees & professional	1,403.27	2,474.81
Manpower cost	5,419.90	4,824.82
Rent	2,904.39	2,966.16
Travel and conveyance	2,281.20	2,066.99
Rate and taxes	320.60	261.77
Project cost	152.12	136.56
Communication	459.93	582.53
Insurance	1,605.86	1,501.25
Bank charges	441.73	393.51
Repair and maintenance		
- Building	184.11	244.15
- Computer	73.11	88.81
- Plant and machinery	55.88	59.20
Electricity	448.12	315.72
Payment to auditors	281.22	192.61
Subscription fees	241.12	234.59
Corporate social responsibility	-	67.80
Advertisement and Business promotion	196.57	131.70
Printing and stationery	106.92	148.65
Meeting and hospitality	46.34	30.86
Internal audit fees	36.62	37.52
Fair value change in investments	-	11.30
Allowance for doubtful receivables	11,775.03	5,642.89
Provision for interest variance	1,385.86	4,145.96
Loss on foreign currency transactions and translation (net)	10,631.49	91.26
Loss on sale of property, plant and equipment (net)	6.81	3.27
Bad debts	4.94	3.42
Provision for shortage in inventories	80.64	353.02
Provision for doubtful advances	2,138.22	852.27
Impairment for losses on investments	1,791.08	-
LED replacement charges	63.33	-
Car port & other services	261.80	-
PM - Kusum expenses	134.62	-
Miscellaneous expenses	453.02	2,734.52
	<b>79,307.66</b>	<b>63,133.07</b>
Less: Transferred to capital work-in-progress (Note 4)	1,291.01	1,227.97
<b>Total</b>	<b>78,016.65</b>	<b>61,905.10</b>



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44 Disclosure as per Ind AS 12 'Income taxes'

a) Income tax recognised in statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Current tax expense</b>		
Current year	190.69	248.78
Earlier years	-	72.72
Sub-total (A)	190.69	321.50
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(9,082.58)	(6,895.31)
Sub-total (B)	(9,082.58)	(6,895.31)
<b>Total income tax (credit) / expense (A+B)</b>	<b>(8,891.89)</b>	<b>(6,573.81)</b>

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net current income tax asset at the beginning	1,424.41	1,023.53
Income tax paid (net of refunds)	306.99	722.38
Current income tax expense	(190.69)	(321.50)
Net current income tax asset at the end	1,540.71	1,424.41

b) Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Other comprehensive income</b>		
Net actuarial gains/(losses) on defined benefit plans	56.87	(121.76)
Less: Income tax relating to above items	14.31	(30.64)
Add: Exchange differences on translation of foreign operations	697.71	(624.05)
Other comprehensive income / (expense) for the year, net of income tax	740.27	(715.17)

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/(Loss) before tax	(39,877.51)	(23,890.24)
Tax using the Company's domestic tax rate of 25.168% (31 March 2021: 25.168%)	(10,036.37)	(6,012.70)
Tax effect of:		
Unrecognised deferred tax of previous year on account of adjustment in PPE	1,170.83	(1,545.09)
Tax on foreign branch	199.66	207.93
Earlier year tax	-	72.72
Non-deductible tax expenses	64.34	(13.14)
Difference in tax rate of foreign subsidiaries	95.97	46.42
Excess business loss of previous year	(679.46)	(80.14)
Others	293.14	750.18
<b>Income tax expense</b>	<b>(8,891.89)</b>	<b>(6,573.81)</b>



44 Disclosure as per Ind AS 12 'Income taxes' (continued)

d) Movement in deferred tax balances

<b>Other comprehensive income</b>				
<b>Particulars</b>	<b>Balance 1 April 2022</b>	<b>Recognised in profit or loss</b>	<b>Recognised in OCI</b>	<b>Balance 31 March 2023</b>
<b>Deferred tax assets</b>				
Unabsorbed losses/depreciation carried forward	8,414.31	6,337.30	(4.45)	14,747.16
Timing difference on account of expense allowable on payment basis	7,086.55	3,703.10	(18.80)	10,770.85
Others	166.32	(29.34)	0.82	137.80
<b>Sub-total</b>	<b>15,667.18</b>	<b>10,011.06</b>	<b>(22.43)</b>	<b>25,655.81</b>
<b>Less: Deferred tax liabilities</b>				
Financial assets and liabilities measured at amortised cost	812.23	(396.39)	-	415.84
Difference between accounting base and tax base of property, plant and equipment	6,499.52	1,080.78	(3.12)	7,577.18
Expenses disallowed	130.38	237.78	7.25	375.41
Others	182.23	6.31	(8.60)	179.95
<b>Sub-total</b>	<b>7,624.36</b>	<b>928.48</b>	<b>(4.47)</b>	<b>8,548.38</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>8,042.82</b>	<b>9,082.58</b>	<b>(17.96)</b>	<b>17,107.43</b>

**For the year ended 31 March 2022**

<b>Particulars</b>	<b>Balance 1 April 2021</b>	<b>Recognised in profit or loss</b>	<b>Recognised in OCI</b>	<b>Balance 31 March 2022</b>
<b>Deferred tax assets</b>				
Unabsorbed losses/depreciation carried forward	3,453.27	4,964.08	(3.04)	8,414.31
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
<b>Sub-total</b>	<b>7,722.30</b>	<b>7,921.24</b>	<b>23.64</b>	<b>15,667.18</b>
<b>Less: Deferred tax liabilities</b>				
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	(56.39)	(1.00)	130.38
Others	569.94	(391.55)	3.85	182.23
<b>Sub-total</b>	<b>6,599.24</b>	<b>1,025.93</b>	<b>(0.81)</b>	<b>7,624.36</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>1,123.06</b>	<b>6,895.31</b>	<b>24.45</b>	<b>8,042.82</b>

45 Disclosure as per Ind AS 108 'Operating Segments'

a) General Information

The Group has three 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.

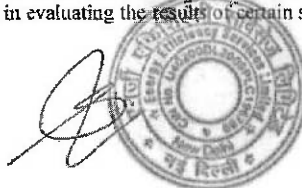
The following summary describes the operations in each of the Group's reportable segments:

**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.

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.



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 2023

Particulars	Trading	Services	Industrial engine & component	Total
Segment revenue				
Sale of products/ ESCO Project income/ Other consultancy	8,930.50	1,55,022.29	75,868.17	2,39,820.97
Segment expenses	7,703.51	1,42,189.78	76,981.97	2,26,875.25
Segment results	1,227.00	12,832.52	(1,113.80)	12,945.71
Less: Inter-segment revenue				1,271.24
Add: Unallocated corporate interest and other income				6,747.82
Less: Unallocated corporate expenses, finance charges				58,299.81
Loss before tax				(39,877.51)
Income tax (net)				(8,891.89)
Loss after tax				(30,985.62)

For the year ended 31 March 2022

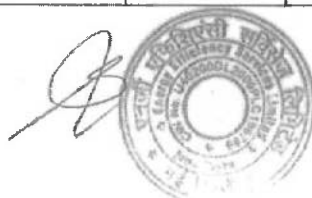
Particulars	Trading	Services	Industrial engine & component	Total
Segment revenue				
Sale of products/ ESCO Project income/ Other consultancy	15,924.31	1,41,564.08	68,314.44	2,25,802.83
Segment expenses	16,574.71	1,27,829.04	67,468.48	2,11,872.23
Segment results	(650.40)	13,735.04	845.96	13,930.60
Less: Inter-segment revenue				1,306.52
Add: Unallocated corporate interest and other income				4,645.52
Less: Unallocated corporate expenses, finance charges				41,159.84
Loss before tax				(23,890.24)
Income tax (net)				(6,573.81)
Loss after tax				(17,316.43)

As at 31 March 2023

Particulars	Trading	Services	Industrial engine & component	Total
Segment assets	64,567.76	7,75,331.33	94,763.55	9,34,662.64
Unallocated corporate and other assets				1,16,906.22
Total assets				10,51,568.86
Segment liabilities	13,274.13	6,52,801.78	60,696.04	7,26,771.95
Unallocated corporate and other liabilities				2,28,459.93
Total liabilities				9,55,231.88

As at 31 March 2022

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				1,42,032.22
Total assets				10,54,336.48
Segment liabilities	13,602.60	6,64,549.76	52,307.51	7,30,459.87
Unallocated corporate and other liabilities				1,97,294.29
Total liabilities				9,27,754.16



Energy Efficiency Services Limited

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

45 Disclosure as per Ind AS 108 'Operating Segments' (continued)

c) Other information about reportable segments

Particulars	Trading	Services	Industrial engine & component	Total
<b>For the year ended 31 March 2023</b>				
Depreciation and amortization expense	-	71,579.03	1,106.39	72,685.42
Non-cash expenses other than depreciation	15,299.11	-	4.94	15,304.05
Capital expenditure	-	75,682.70	1,533.26	77,215.96
<b>For the year ended 31 March 2022</b>				
Depreciation and amortization 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

d) Information about geographical areas

Particulars	Non-current assets*		Revenue from external customers	
	As at 31 March 2023	As at 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
India	4,20,980.26	4,21,271.75	1,62,743.76	1,55,886.45
United Kingdom	48,548.48	47,924.43	66,709.73	61,057.87
Ireland	3,288.44	2,069.42	8,491.99	6,529.91
Rest of the World	37.14	57.32	604.25	1,022.08
<b>Total</b>	<b>4,72,854.32</b>	<b>4,71,322.92</b>	<b>2,38,549.73</b>	<b>2,24,496.31</b>

\*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 2023 and 31 March 2022.



## 46 Restatement for the year ended 31 March 2022 and as at 1 April 2021

In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statements', the parent company has retrospectively restated its Balance Sheet as at 31 March 2022 and 1 April 2021 (beginning of the preceding period) and Statement of Profit and Loss for the year ended 31 March 2022 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 2022

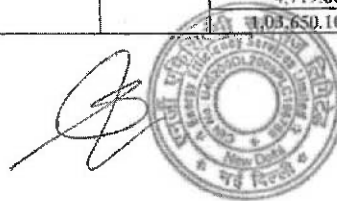
Particulars	Note	As at 31 March 2022			As restated
		As previously reported	Reclass adjustments	Remeasure adjustments	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	(i)	3,03,095.92	-	(2,055.16)	3,01,040.76
Capital work-in-progress		1,05,524.25	-	-	1,05,524.25
Right-of-use assets	(i)	1,410.85	-	(0.01)	1,410.84
Goodwill		47,601.52	-	-	47,601.52
Other intangible assets	(i)	7,275.83	-	2.96	7,278.79
Investments in joint venture accounted for using equity method		2,618.32	-	-	2,618.32
<b>Financial assets</b>					
Other investments		1,841.75	-	-	1,841.75
Loans		7,112.14	-	-	7,112.14
Other financial assets	(ix)	14,190.04	-	1,546.21	15,736.25
Deferred tax assets (net)	(iv)	8,701.03	-	(417.68)	8,283.35
Other non-current assets		5,848.44	-	-	5,848.44
<b>Total non-current assets</b>		<b>5,05,220.09</b>	<b>-</b>	<b>(923.68)</b>	<b>5,04,296.41</b>
<b>Current assets</b>					
Inventories		20,672.81	-	-	20,672.81
<b>Financial assets</b>					
Trade receivables	(ix)	3,54,430.32	-	1,837.61	3,56,267.93
Cash and cash equivalents	(vii)	75,914.13	587.23	-	76,501.36
Bank balances other than cash and cash equivalents		29,876.96	-	-	29,876.96
Loans		152.81	-	-	152.81
Other financial assets	(vii)	19,585.87	0.72	-	19,586.59
Current tax assets (net)		1,579.89	-	-	1,579.89
Other current assets	(x)	45,415.09	(0.72)	(12.65)	45,401.72
<b>Total current assets</b>		<b>5,47,627.88</b>	<b>587.23</b>	<b>1,824.96</b>	<b>5,50,040.07</b>
<b>TOTAL ASSETS</b>		<b>10,52,847.97</b>	<b>587.23</b>	<b>901.28</b>	<b>10,54,336.48</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital		1,39,082.00	-	-	1,39,082.00
Other equity	(v)	(17,103.67)	-	(24.18)	(17,127.85)
<b>Equity attributable to owners</b>		<b>1,21,978.33</b>	<b>-</b>	<b>(24.18)</b>	<b>1,21,954.15</b>
Non-controlling interests		4,628.17	-	-	4,628.17
<b>Total equity</b>		<b>1,26,606.50</b>	<b>-</b>	<b>(24.18)</b>	<b>1,26,582.32</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings		4,46,583.72	-	-	4,46,583.72
Lease liabilities		308.06	-	-	308.06
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		938.80	-	-	938.80
-total outstanding dues of creditors other than micro enterprises and small enterprises		10,130.39	-	-	10,130.39
Other financial liabilities		2,079.96	-	-	2,079.96
Provisions		1,383.17	-	-	1,383.17
Deferred tax liabilities (net)		240.53	-	-	240.53
Other non-current liabilities	(ii)	3,771.09	-	(90.76)	3,680.33
<b>Total non-current liabilities</b>		<b>4,65,435.72</b>	<b>-</b>	<b>(90.76)</b>	<b>4,65,344.96</b>



<b>Current liabilities</b>					
Financial liabilities					
Borrowings	(vii)	2,81,617.29	587.23	-	2,82,204.52
Lease liabilities		517.44	-	-	517.44
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		9,197.45	-	-	9,197.45
-total outstanding dues of creditors other than micro enterprises and small enterprises	(iii), (vii) & (x)	1,03,021.20	-	1,016.22	1,04,037.42
Other financial liabilities	(vii)	50,186.92	1,030.86	-	51,217.78
Other current liabilities	(vii)	16,040.99	(1,030.86)	-	15,010.13
Provisions		68.98	-	-	68.98
Current tax liabilities (net)		155.48	-	-	155.48
<b>Total current liabilities</b>		<b>4,60,805.75</b>	<b>587.23</b>	<b>1,016.22</b>	<b>4,62,409.20</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,52,847.97</b>	<b>587.23</b>	<b>901.28</b>	<b>10,54,336.48</b>

b) Reconciliation of restated items of Balance Sheet as at 1 April 2021

Particulars	Note	As at 1 April 2021			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	(i)	2,91,272.55	-	(702.26)	2,90,570.29
Capital work-in-progress		1,21,330.51	-	-	1,21,330.51
Right-of-use assets		1,615.64	-	-	1,615.64
Goodwill		48,263.10	-	-	48,263.10
Other intangible assets	(i)	730.66	-	0.05	730.71
Intangible assets under development		10.79	-	-	10.79
Investments in joint venture accounted for using equity method		832.62	-	-	832.62
Financial assets					
Other investments		1,867.36	-	-	1,867.36
Loans		6,840.25	-	-	6,840.25
Other financial assets	(ix)	13,109.92	-	1,096.99	14,206.91
Deferred tax assets (net)	(iv)	1,403.67	-	(102.03)	1,301.64
Other non-current assets		3,128.29	-	-	3,128.29
<b>Total non-current assets</b>		<b>4,90,405.36</b>	<b>-</b>	<b>292.75</b>	<b>4,90,698.11</b>
<b>Current assets</b>					
Inventories		24,676.39	-	-	24,676.39
Financial assets					
Trade receivables		3,15,860.41	-	-	3,15,860.41
Cash and cash equivalents		73,787.87	-	-	73,787.87
Bank balances other than cash and cash equivalents		51,790.02	-	-	51,790.02
Loans		139.64	-	-	139.64
Other financial assets		23,117.19	-	-	23,117.19
Current tax assets (net)		1,251.67	-	-	1,251.67
Other current assets		49,349.84	-	-	49,349.84
<b>Total current assets</b>		<b>5,39,973.03</b>	<b>-</b>	<b>-</b>	<b>5,39,973.03</b>
<b>TOTAL ASSETS</b>		<b>10,30,378.39</b>	<b>-</b>	<b>292.75</b>	<b>10,30,671.14</b>
<b>EQUITY AND LIABILITIES</b>					
Equity					
Equity share capital		98,332.84	-	-	98,332.84
Other equity	(v)	598.18	-	214.65	812.83
Equity attributable to owners		<b>98,931.02</b>	<b>-</b>	<b>214.65</b>	<b>99,145.67</b>
Non-controlling interests		4,719.08	-	-	4,719.08
<b>Total equity</b>		<b>1,03,650.10</b>	<b>-</b>	<b>214.65</b>	<b>1,03,864.75</b>



<b>Liabilities</b>					
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings		5,16,030.71	-	-	5,16,030.71
Lease liabilities		524.14	-	-	524.14
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		1,809.21	-	-	1,809.21
-total outstanding dues of creditors other than micro enterprises and small enterprises	(viii)	13,225.32	-	88.70	13,314.02
Other financial liabilities		4,304.82	-	-	4,304.82
Provisions		1,112.03	-	-	1,112.03
Deferred tax liabilities (net)		178.58	-	-	178.58
Other non-current liabilities	(ii)	1,797.19	-	(10.60)	1,786.60
<b>Total non-current liabilities</b>		<b>5,38,982.00</b>	<b>-</b>	<b>78.10</b>	<b>5,39,060.11</b>
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings		1,92,423.59	-	-	1,92,423.59
Lease liabilities		444.15	-	-	444.15
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		8,030.59	-	-	8,030.59
-total outstanding dues of creditors other than micro enterprises and small enterprises		1,13,355.67	-	-	1,13,355.67
Other financial liabilities		56,617.27	-	-	56,617.27
Other current liabilities		16,590.92	-	-	16,590.92
Provisions		55.95	-	-	55.95
Current tax liabilities (net)	(vii)	228.15	-	(0.01)	228.14
<b>Total current liabilities</b>		<b>3,87,746.29</b>	<b>-</b>	<b>(0.01)</b>	<b>3,87,746.28</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,30,378.39</b>	<b>-</b>	<b>292.74</b>	<b>10,30,671.14</b>

## c) Reconciliation of restated items of Statement of Profit and Loss for the year ended 31 March 2022

Particulars	Note	For the year ended 31 March 2022			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
<b>Income</b>					
Revenue from operations	(ix)	2,22,209.50	-	2,286.81	2,24,496.31
Other income	(ii)	4,576.21	-	80.15	4,656.36
<b>Total income</b>		<b>2,26,785.71</b>	<b>-</b>	<b>2,366.96</b>	<b>2,29,152.67</b>
<b>Expenses</b>					
Purchase of stock-in-trade	(vii) & (iii)	61,429.24	230.87	856.76	62,516.87
Changes in inventory of stock-in-trade	(vii)	3,769.27	(220.97)	-	3,548.30
Employee benefits expense	(vii)	17,929.24	(60.51)	-	17,868.73
Finance costs		40,271.79	-	-	40,271.79
Depreciation and amortization expense	(i)	65,571.29	-	1,349.99	66,921.28
Other expenses	(vii), (viii) & (x)	61,771.09	50.61	83.40	61,905.10
<b>Total expenses</b>		<b>2,50,741.92</b>	<b>-</b>	<b>2,290.15</b>	<b>2,53,032.07</b>





Loss before share of net profits of investments accounted for using equity method and tax		(23,956.21)	-	76.81	(23,879.40)
Add: Share of net losses of joint ventures accounted for using equity method		(10.84)	-	-	(10.84)
Loss before tax		(23,967.05)	-	76.81	(23,890.24)
<b>Tax expense</b>					
Current tax					
Current year		248.78	-	-	248.78
Earlier years		72.72	-	-	72.72
Deferred tax	(iv)	(7,210.96)	-	315.65	(6,895.31)
<b>Total tax (credit)/expense</b>		<b>(6,889.46)</b>	-	<b>315.65</b>	<b>(6,573.81)</b>
Loss for the year		(17,077.59)	-	(238.84)	(17,316.43)
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit or loss (net of tax)					
- Remeasurement of the defined benefit plans		(121.76)	-	-	(121.76)
- Income tax relating to the items that will not be reclassified to profit or loss statement		30.64	-	-	30.64
Exchange differences on translation of foreign operations		(624.05)	-	-	(624.05)
<b>Other comprehensive income for the year, net of income tax</b>		<b>(715.17)</b>	-	-	<b>(715.17)</b>
<b>Total comprehensive income for the year</b>		<b>(17,792.76)</b>	-	<b>(238.84)</b>	<b>(18,031.60)</b>
<b>Earnings per equity share (Par value ₹ 10/- each)</b>					
Basic earnings per share (₹)		(1.39)	-	(0.02)	(1.41)
Diluted earnings per share (₹)		(1.39)	-	(0.02)	(1.41)

## d) Reconciliation of Statement of Cash Flows for the year ended 31 March 2022

Particulars	For the year ended 31 March 2022		
	As previously reported	Adjustments	As restated
Net cash flow from operating activities	33,948.43	0.02	33,948.45
Net cash flow used in investing activities	(47,167.33)	(0.03)	(47,167.36)
Net cash flow from financing activities	14,341.46	587.25	14,928.71
<b>Net decrease in cash and cash equivalents during the year</b>	<b>1,122.56</b>	<b>587.24</b>	<b>1,709.79</b>
Cash and cash equivalents at the beginning of the year	73,787.87	-	73,787.87
Exchange difference on translation of foreign currency cash and cash equivalents	1,003.70	-	1,003.70
<b>Cash and cash equivalent at the end of the year</b>	<b>75,914.13</b>	<b>587.24</b>	<b>76,501.36</b>

## e) Earnings per share

Basic and diluted earnings per share for the year ended 31 March 2022 have changed as below:

Particulars	As previously reported	Adjustments	As restated
Basic earnings per equity share (₹)	(1.39)	(0.02)	(1.41)
Diluted earnings per equity share (₹)	(1.39)	(0.02)	(1.41)




f) Notes on restatement

- (i) The Parent company has recalculated the depreciation and amortization on its property plant and equipment and intangible assets respectively as per its accounting policies and difference in depreciation and amortization in previous years has been restated. Accordingly, the Parent company has reduced its property, plant and equipment with corresponding impact in retained earnings by ₹ 702.26 Lakhs as at 1 April 2021. For the year ended 31 March 2022, the Parent company has recognised depreciation expense of ₹ 1,352.90 Lakhs on property, plant and equipment and reversed amortization on intangible assets by ₹ 2.92 Lakhs.
- (ii) The Parent company has reassessed the deferred grant income and grant income in previous years and difference in deferred grant income has been restated. Accordingly, the Parent company has reduced its deferred grant liability with corresponding impact in retained earnings by ₹ 10.60 Lakhs as at April 2021. For the year ended 31 March 2022, the Parent company has recognised grant income of ₹ 80.16 Lakhs on deferred grant liability.
- (iii) The Parent company has assessed prior period errors in purchases and difference has been restated. Accordingly, the Parent company has increased its trade payables with corresponding impact in purchases by ₹ 856.76 Lakhs for the year ended 31 March 2022.
- (iv) The above mentioned adjustments had a consequential impact on deferred tax credit and deferred tax asset. The Parent company has recognised deferred tax credit of ₹ 102.03 Lakhs as at 1 April 2021 and further credit of ₹ 315.65 Lakhs during the year ended 31 March 2022.
- (v) The above mentioned adjustments have resulted in increase in other equity as at 1 April 2021 by ₹ 214.65 Lakhs and decline in profit for the year ended 31 March 2022 by ₹ 238.84 Lakhs.
- (vi) The restatement has not had a material impact on the statement of cash flows.
- (vii) Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.
- (viii) The Parent company has assessed prior period errors in annual maintenance charges and difference has been restated. Accordingly, the Parent company has increased its trade payables with corresponding impact in retained earning by ₹ 88.70 Lakhs as at April 2021 and with corresponding impact in annual maintenance charges by ₹ 320.56 Lakhs for the year ended 31 March 2022.
- (ix) The Parent company has assessed prior period errors in revenue from operation and difference has been restated. Accordingly, the Parent company has increased its lease receivable with corresponding impact in retained earning by ₹ 1,096.99 as at April 2021 and increased its trade receivables by ₹ 1,837.61 lakhs, lease receivable by ₹ 449.21 lakhs with corresponding impact in revenue by ₹ 2,286.81 Lakhs for the year ended 31 March 2022.
- (x) The Parent company has assessed prior period errors in other expenses and difference has been restated. Accordingly, the Parent company has decreased its trade payables by ₹ 249.81 Lakhs and decreased its other current assets by ₹ 12.65 Lakhs with corresponding reversal of other expenses by ₹ 237.16 Lakhs for the year ended 31 March 2022.



47 Fair value measurements (Disclosure as per Ind AS 107)

a) Financial instruments by category

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets:</b>						
Investments in equity instruments	0.26	-	-	1,841.75	-	-
Non-current loans	-	-	7,787.52	-	-	7,112.14
Other non-current financial assets	-	-	14,150.36	-	-	15,736.25
Trade receivables	-	-	3,81,758.88	-	-	3,56,267.93
Cash and cash equivalents	-	-	50,059.73	-	-	76,501.36
Bank balances other than cash and cash equivalents	-	-	23,916.41	-	-	29,876.96
Current loans	-	-	154.42	-	-	152.81
Other current financial assets	-	-	23,322.91	-	-	19,586.59
<b>Total</b>	<b>0.26</b>	<b>-</b>	<b>5,01,150.23</b>	<b>1,841.75</b>	<b>-</b>	<b>5,05,234.04</b>
<b>Financial liabilities:</b>						
Borrowings (Non-Current)	-	-	4,20,418.96	-	-	4,46,583.72
Non-current lease liabilities	-	-	715.67	-	-	308.06
Non-current trade payables	-	-	8,188.31	-	-	11,069.19
Other non-current financial liabilities	-	-	1,080.58	-	-	2,079.96
Borrowings (Current)	-	-	3,09,982.01	-	-	2,82,204.52
Current lease liabilities	-	-	577.78	-	-	517.44
Current trade payables	-	-	1,23,383.48	-	-	1,13,234.87
Other current financial liabilities	-	-	58,630.49	-	-	51,217.78
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,22,977.28</b>	<b>-</b>	<b>-</b>	<b>9,07,215.54</b>

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:

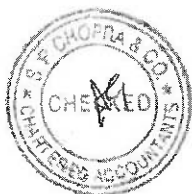
(i) Financial assets measured at fair value (recurring fair value measurement)

Particulars	Note	Level	As at 31 March 2023	As at 31 March 2022
<b>Financial assets:</b>				
Investments in equity instruments*	9	Level 3	0.26	1,841.75
<b>Total</b>			<b>0.26</b>	<b>1,841.75</b>

\*Equity shares of ₹ 0.26 Lakh of NEESL Private Limited are not tradable and amount of investment is immaterial, hence investment is recognised at cost and same is considered as its fair value.

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

Particulars	Note	Level	As at 31 March 2023	As at 31 March 2022
<b>Financial assets:</b>				
Loan to EnergyPro Asset Management Ltd	10	Level 2	7,439.84	6,824.37
Security deposits	11 and 19	Level 2	747.64	692.96
Unbilled revenue	11 and 19	Level 2	10,745.20	17,033.03
Loan to employees	10 and 18	Level 3	502.10	440.58
Lease receivables	11 and 19	Level 3	20,653.86	15,421.53
Non current bank deposits	17	Level 3	1,382.62	1,361.10
<b>Total</b>			<b>41,471.26</b>	<b>41,773.57</b>
<b>Financial liabilities:</b>				
Non-current borrowings	24	Level 2	5,26,881.05	5,41,551.65
Retention money	27 and 34	Level 2	44,822.42	46,328.08
Trade payables	26 and 33	Level 2	1,32,025.61	1,31,800.97
<b>Total</b>			<b>7,03,729.08</b>	<b>7,19,680.70</b>



47 Fair Value Measurements (continued)

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.

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Loan to EnergyPro Asset Management Ltd	7,439.84	7,439.84	6,824.37	6,824.37
Loan to employees	502.10	502.10	440.58	440.58
Security deposits	747.23	747.64	692.20	692.96
Unbilled revenue	10,387.15	10,745.20	15,825.99	17,033.03
Lease receivables	16,995.66	20,653.86	16,967.74	15,421.53
Non current bank deposits	1,384.44	1,382.62	1,361.10	1,361.10
<b>Total</b>	<b>37,456.42</b>	<b>41,471.26</b>	<b>42,111.98</b>	<b>41,773.57</b>
<b>Financial liabilities</b>				
Non-current borrowings*	5,48,760.35	5,26,881.05	5,79,303.78	5,41,551.65
Retention money	47,620.81	44,822.42	45,445.03	46,328.08
Trade payables	1,31,571.79	1,32,025.61	1,24,304.06	1,31,800.97
<b>Total</b>	<b>7,27,952.95</b>	<b>7,03,729.08</b>	<b>7,49,054.87</b>	<b>7,19,680.70</b>

\* Includes current maturities of long term borrowings

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.

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.

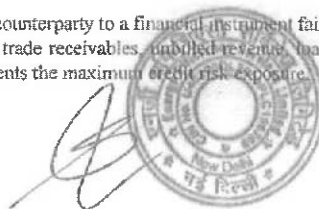
The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity 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.



48 Financial risk management (continued)

**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.

**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 ₹ 50,059.73 Lakhs (31 March 2022: ₹ 76,501.36 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 ₹ 25,300.85 Lakhs (31 March 2022: ₹ 31,238.06 Lakhs). In order to manage the risk, Group places deposits with high rated banks/institutions as stipulated in Investment policy.

**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.

(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	As at 31 March 2023	As at 31 March 2022
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-current investments	0.26	1,841.75
Non-current loans	7,787.52	7,112.14
Other non-current financial assets*	14,002.91	15,317.91
Cash and cash equivalents	50,059.73	76,501.36
Deposits with banks	23,916.41	29,876.96
Current loans	154.42	152.81
Other current financial assets*	13,083.21	4,178.94
<b>Total</b>	<b>1,09,004.46</b>	<b>1,34,981.87</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	4,19,146.28	3,80,494.44
Unbilled revenue	10,387.15	15,825.99
<b>Total</b>	<b>4,29,533.43</b>	<b>3,96,320.43</b>

\* Excluding unbilled revenue



## 48 Financial risk management (continued)

## (ii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

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 2023	24,547.41	86,387.11	65,153.55	75,014.15	1,68,044.06	4,19,146.28
Gross amount as at 31 March 2022	32,553.97	64,379.81	60,101.63	98,735.17	1,24,723.86	3,80,494.44

## (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 ₹ 11,775.03 Lakhs during the year ended 31 March 2023 (31 March 2022: ₹ 5,642.89 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 parent Company has recognised an allowance for doubtful recoverables of Nil during the year ended 31 March 2023 (31 March 2022: ₹ 178.10 Lakhs).

## (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	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	13,419.62	7,776.73
Add: Allowance for doubtful debts recognised during the year	11,775.03	5,642.89
Closing balance	25,194.65	13,419.62

The movement in the allowance for doubtful receivables in respect of other financial assets during the year is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	178.10	-
Add: Allowance for doubtful debts recognised during the year	-	178.10
Closing balance	178.10	178.10

## b) Market risk

Market risk is the risk that arises due to changes in market prices, such as foreign exchange rates and interest rates which affects 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 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	As at 31 March 2023	As at 31 March 2022
<b>Financial assets:</b>		
<b>Fixed-rate instruments</b>		
Employee Loans	257.54	203.55
Bank Deposits	46,355.48	57,954.27
Sub total	46,613.02	58,157.82
<b>Variable-rate instruments</b>		
Loan to EnergyPro Asset Management Ltd	7,439.84	6,824.37
Sub total	7,439.84	6,824.37
<b>Total</b>	<b>54,052.86</b>	<b>64,982.19</b>



48 Financial risk management (continued)

Particulars	As at	
	31 March 2023	31 March 2022
<b>Financial liabilities:</b>		
<b>Fixed-rate instruments</b>		
Foreign currency loans - Long term	82,228.38	85,082.77
Debentures	25,000.00	70,000.00
Short term loans	1,75,920.36	1,39,577.43
Lease obligations	1,293.45	825.50
<b>Sub-total [A]</b>	<b>2,84,442.20</b>	<b>2,95,485.70</b>
<b>Variable-rate instruments</b>		
Foreign currency loans - Long term	2,57,539.67	2,25,797.69
Rupee term loans	1,55,713.72	1,69,778.18
Short term loans	-	4,000.00
Term loan from banks	33,998.82	34,552.17
<b>Sub-total [B]</b>	<b>4,47,252.21</b>	<b>4,34,128.04</b>
<b>Total [A + B]</b>	<b>7,31,694.41</b>	<b>7,29,613.74</b>

**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 (increase/decrease) at the reporting date would have increased/decreased profit/(loss) before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year

Particulars	Profit/Loss (before tax)			
	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Loan to EnergyPro Asset Management Ltd	37.20	(37.20)	34.12	(34.12)
Foreign currency loans	(1,287.70)	1,287.70	(1,128.99)	1,128.99
Rupee term loans	(778.57)	778.57	(848.89)	848.89
Short term loans	-	-	(20.00)	20.00
Term loan from banks	(169.99)	169.99	(172.76)	172.76
<b>Total</b>	<b>(2,199.06)</b>	<b>2,199.06</b>	<b>(2,136.52)</b>	<b>2,136.52</b>

(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 instruments as at reporting date are as below:

**As at 31 March 2023**

Particulars	Foreign currency (in absolute figures)			₹ in Lakhs		
	EURO	USD	GBP	EURO	USD	GBP
<b>Financial liabilities</b>						
Foreign currency borrowings	5,44,02,959	36,02,88,046	-	44,794.82	2,98,800.06	-
Commitment fee payable	7,997	1,84,365	-	19.50	151.58	-
Trade payables	44,95,877	-	71,420	4,026.12	-	72.76
<b>Total</b>	<b>5,89,06,833</b>	<b>36,04,72,411</b>	<b>71,420</b>	<b>48,840.44</b>	<b>2,98,951.64</b>	<b>72.76</b>
<b>Financial assets</b>						
Trade receivables	10,29,896	-	41,17,150	922.29	-	4,194.25
Unbilled revenue	-	-	86,214	-	-	87.83
Balance with bank-current account	-	2,39,05,768.37	11,201	-	19,654.58	11.41
<b>Total</b>	<b>10,29,896</b>	<b>2,39,05,768</b>	<b>42,14,565</b>	<b>922.29</b>	<b>19,654.58</b>	<b>4,293.49</b>
<b>Net Exposure</b>	<b>5,78,76,937</b>	<b>33,65,66,643</b>	<b>(41,43,145)</b>	<b>47,918.15</b>	<b>2,79,297.06</b>	<b>(4,220.73)</b>



*[Handwritten Signature]*



48 Financial risk management (continued)

As at 31 March 2022

Particulars	Foreign currency ( in absolute figures)			₹ in Lakhs		
	EURO	USD	GBP	EURO	USD	GBP
<b>Financial liabilities</b>						
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
<b>Total</b>	<b>6,37,42,306</b>	<b>34,58,19,752</b>	<b>49,487</b>	<b>53,938.49</b>	<b>2,61,223.33</b>	<b>49.26</b>
<b>Financial assets</b>						
Trade receivables	79,462	-	33,37,988	66.73	-	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
Investments	-	20,00,000	-	-	1,841.49	-
<b>Total</b>	<b>79,462</b>	<b>4,50,70,158</b>	<b>34,02,777</b>	<b>66.73</b>	<b>34,491.73</b>	<b>3,387.55</b>
<b>Net Exposure</b>	<b>6,36,62,844</b>	<b>30,07,49,594</b>	<b>(33,53,290)</b>	<b>53,871.76</b>	<b>2,26,731.60</b>	<b>(3,338.29)</b>

Sensitivity analysis

A change in the value of the Indian Rupee (strengthening/weakening), as indicated below, against Euro, USD and GBP as at 31 March would have increased/decreased profit/(loss) 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	31 March 2023		31 March 2022	
	Strengthening	Weakening	Strengthening	Weakening
<b>10% movement</b>				
INR/EUR	(4,791.82)	4,791.82	(5,387.18)	5,387.18
INR/USD	(27,929.71)	27,929.71	(22,673.16)	22,673.16
INR/GBP	422.07	(422.07)	333.83	(333.83)
<b>Total</b>	<b>(32,299.45)</b>	<b>32,299.45</b>	<b>(27,726.51)</b>	<b>27,726.51</b>

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.

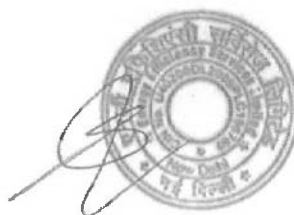
The Group has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously 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 in short-term, 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 Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Fixed-rate borrowings</b>		
Foreign currency loans	-	1,65,797.60
Working capital loan	-	28,000.00
<b>Total</b>	<b>-</b>	<b>1,93,797.60</b>
<b>Floating-rate borrowings</b>		
Foreign currency loans	1,73,789.00	2,77,696.91
Working capital loan	8,000.00	527.63
<b>Total</b>	<b>1,81,789.00</b>	<b>2,78,224.54</b>
<b>Total</b>	<b>1,81,789.00</b>	<b>4,72,022.14</b>





48 Financial risk management (continued)

(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 2023

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings*	26,149.66	97,220.27	75,321.20	1,29,807.62	2,16,317.97	5,44,816.72
Current borrowings*	22,452.15	1,64,157.68	-	-	-	1,86,609.83
Trade payables	1,19,182.80	4,218.70	4,650.54	5,655.34	39.45	1,33,746.83
Retention money	44,092.11	1,237.23	1,668.87	126.16	0.25	47,124.62
Lease liabilities	189.09	392.77	325.52	390.14	-	1,297.52
Liability for expenses	3,557.48	-	-	-	-	3,557.48
Payable to employees	441.73	-	-	-	-	441.73
Others	439.38	2,648.68	3.56	-	-	3,091.62
<b>Total</b>	<b>2,16,504.41</b>	<b>2,69,875.33</b>	<b>81,969.69</b>	<b>1,35,979.25</b>	<b>2,16,357.67</b>	<b>9,20,686.35</b>

As at 31 March 2022

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*	28,275.80	1,25,763.53	-	-	-	1,54,039.33
Trade payables	1,07,760.91	5,492.10	5,257.52	8,183.33	829.01	1,27,522.87
Retention money	41,573.14	1,653.04	1,045.21	1,179.11	3.49	45,453.99
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	522.94	390.53	-	-	-	913.47
Others	378.54	160.00	-	-	-	538.54
<b>Total</b>	<b>2,04,733.16</b>	<b>2,58,582.51</b>	<b>1,12,132.95</b>	<b>1,74,600.01</b>	<b>2,14,913.58</b>	<b>9,64,962.21</b>

\* Excludes 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:

- Maintain a current ratio (current assets divided by current liabilities) of at least 1.0
- Maintain a minimum asset coverage of 1.00 times
- Maintain a Debt: Equity ratio (long-term debt divided by equity net of accumulated profits/losses) not exceeding 80:20
- Maintain an 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
- 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:

- EESL EnergyPro Assets Limited- Maintain cash flow cover (cash flow to debt service including finance charges) of at least 1.4
- 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.

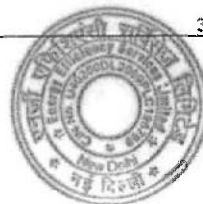
The Group monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Group is not subject to externally imposed capital requirements.

The financial covenant ratios (and their computation) which the Group uses to monitor its capital are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Current ratio	1.03	1.19
Debt-equity ratio	4.58	3.66
Debt service coverage ratio	0.65	0.94
Asset coverage ratio	2.66	1.14



*[Handwritten Signature]*



Energy Efficiency Services Limited

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

- 50 The Parent 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 Parent 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 (STRIP 'C')	Secured*	25,000.00	₹ 20.00 Lakh	20-Sep-16	20-Sep-23	20-Sep-23

\* Series-I is secured by first pari-passu charge over moveable fixed assets of the Parent company with minimum asset coverage of 1.00 times.



51 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:

PowerGrid Corporation of India Limited	NTPC Limited
Power Finance Corporation Limited	REC Limited

(ii) Key Managerial Personnel (KMP):

Parent company

Sreekant Kandikruppa	Nominee Director and Chairman	w.e.f. 6 September 2021
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
Vishal Kapoor	Chief Executive Officer	w.e.f. 2 November 2022
Arun Kumar Mishra	Chief Executive Officer	w.e.f. 5 October, 2021-CEO upto 2 November 2022
Rajat Kumar Sud	Whole-Time Director ( Additional charge)	w.e.f. 7 October, 2021-Director upto 27 July 2022
Venkatesh Dwivedi	Managing Director	w.e.f. 7 October 2020 upto 6 September 2021
Shankar Gopal	Director (P & BD)	w.e.f. 7 February 2019 upto 6 September 2021
Aditya Dar	Director (Commercial)	w.e.f. 7 February 2019 upto 6 September 2021
Ravindra Kumar Tyagi	Non-Executive Nominee Director	w.e.f. 22 August 2020
Dillip Kumar Patel	Non-Executive Nominee Director	w.e.f. 4 December 2022
Chandan Kumar Mondol	Non-Executive Nominee Director	w.e.f. 10 February 2023
Abhay Choudhary	Non-Executive Nominee Director	w.e.f. 6 September 2021 upto 31 January 2023
Seema Gupta	Non-Executive Nominee Director	w.e.f. 18 June 2022 upto 1 December 2022
Ajay Tewari	Non-Executive Nominee Director	w.e.f. 6 September 2021 upto 31 May, 2022
Vivek Kumar Dewangan	Non-Executive Government Nominee Director	w.e.f. 29 July 2022
Mritunjay Kumar Narayan	Non-Executive Government Nominee Director	w.e.f. 23 December, 2021 upto 28 July 2022
Abhay Bakre	Nominee Director	w.e.f. 30 June 2021 upto 21 December 2021
Parminder Chopra	Nominee Director	w.e.f. 8 May 2018 upto 5 October 2021
Sandeep Kumar Jain	Nominee Director	w.e.f. 23 December 2020 upto 6 September 2021
Lokesh Kumar Aggarwal	Chief Financial Officer	w.e.f. 1 April 2022
Mohit Khatri	Chief Financial Officer	w.e.f. 20 April 2021 upto 1 April, 2022
Pooja Shukla	Chief Financial Officer	w.e.f. 21 January 2021 upto 19 April 2021
	Company Secretary	w.e.f. 27 December 2012

Subsidiary Companies:

EESL EnergyPro Assets Limited

Vishal Kapoor	Director	w.e.f. 12 November 2022
Arun Kumar Mishra	Director	w.e.f. 14 November 2021 upto 02 November 2022
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Rajat Kumar Sud	Director	w.e.f. 17 December 2020 upto 22 September 2021
Shankar Gopal	Director	w.e.f. 20 March 2019
Saurabh Kumar	Director	w.e.f. 13 March 2018 upto 14 November 2021
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018

Anesco Energy Services South Limited

Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Amit Kumar Bharadwaj	Director	w.e.f. 20 March 2019 upto 29 August 2022
Nitin Wadhwa	Director	w.e.f. 20 March 2019
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

Creighton Energy Limited

Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Amit Kumar Bharadwaj	Director	w.e.f. 20 March 2019 upto 29 Aug 2022
Nitin Wadhwa	Director	w.e.f. 20 March 2019
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

EPAL Holdings Limited

Vishal Kapoor	Director	w.e.f. 12 Nov 2022
Arun Kumar Mishra	Director	w.e.f. 14 November 2021 upto 02 November 2022
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Saurabh Kumar	Director	w.e.f. 13 March 2018 upto 14 November 2021
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018



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51 Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

<b>Edina Acquisitions Limited</b>		
Vishal Kapoor	Director	w.e.f. 12 Nov 2022
Arun Kumar Mishra	Director	w.e.f. 14 November 2021 upto 02 November 2022
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Saurabh Kumar	Director	w.e.f. 13 March 2018 upto 14 November 2021
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018
<b>Edina Power Services Limited</b>		
Vishal Kapoor	Director	w.e.f. 12 Nov 2022
Arun Kumar Mishra	Director	w.e.f. 14 November 2021 upto 02 November 2022
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Rajat Kumar Sud	Director	w.e.f. 17 December 2020 upto 22 September 2021
Shankar Gopal	Director	w.e.f. 19 February 2019
Saurabh Kumar	Director	w.e.f. 13 March 2018 upto 14 November 2021
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
<b>Edina Limited</b>		
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Nitin Wadhwa	Director	w.e.f. 28 August 2019
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
<b>Edina UK Limited</b>		
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Saurabh Kumar	Director	w.e.f. 2 December 2019 upto 31 March 2021
Nitin Wadhwa	Director	w.e.f. 28 August 2019
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
<b>Edina Australia Pty Limited</b>		
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
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
<b>Armoura Holdings Limited</b>		
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Nitin Wadhwa	Director	w.e.f. 28 August 2019
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
<b>Stanbeck Limited</b>		
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Nitin Wadhwa	Director	w.e.f. 28 August 2019
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
<b>Edina Manufacturing Limited*</b>		
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Nitin Wadhwa	Director	w.e.f. 28 August 2019
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
*Edina Manufacturing Limited has been dissolved on 24 January 2023.		
<b>Edina Power Limited</b>		
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Nitin Wadhwa	Director	w.e.f. 28 August 2019
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
<b>EPSL Trigeneneration Private Limited</b>		
Vishal Kapoor	Director	w.e.f. 12 Nov 2022
Arun Kumar Mishra	Director	w.e.f. 16 March 2022 upto 2 November 2022
Venkatesh Dwivedi	Director	w.e.f. 31 March 2021
Amit Kumar Kaushik	Director	w.e.f. 5 March 2020 upto 31 March 2021
Shankar Gopal	Director	w.e.f. 8 June 2019
Saurabh Kumar	Director	w.e.f. 20 December 2018 upto 14 November 2021



51 Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

Convergence Energy Services Limited

Vishal Kapoor	Chief Executive Officer-cum-Managing Director	w.e.f. 18 January 2023
	Additional Director	w.e.f. 12 November 2022 upto 18 January 2023
Chandan Kumar Mondal	Director	w.e.f. 21 January 2022 upto 31 January 2023
Seema Gupta	Director	w.e.f. 4 January 2022 upto 1 June 2022
Arun Kumar Mishra	Director	w.e.f. 11 October 2021 upto 2 November 2022
Abhishek Srivastava	Company Secretary	w.e.f. 23 Aug 2021
Jagjeet Singh Daddala	Chief Financial Officer	w.e.f. 5 April 2021
Mahua Acharya	Chief Executive officer	w.e.f. 16 November 2020 upto 13 January 2023
	Managing Director	w.e.f. 20 November 2020 upto 13 January 2023
Shankar Gopal	Director	w.e.f. 29 October 2020
<b>EESL Energy Solutions L.L.C.</b>		
Arun Kumar Mishra	Director	w.e.f. 23 November 2021 upto 2 November 2022
Rajat Kumar Sud	Director	w.e.f. 20 January 2021 upto 21 September 2021
Mathew Purackal Kuncheria	Director	w.e.f. 13 September 2020
Saurabh Kumar	Director	w.e.f. 13 September 2020 upto 23 November 2021

(ii) Subsidiaries:

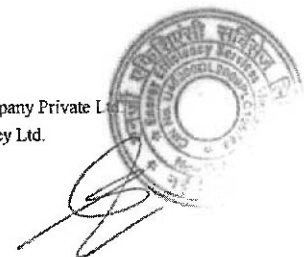
Interest in subsidiaries are set out in Note 53.

(iv) 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:

Powergrid Vetnagiri Transmission Limited	Powerlinks Transmission Limited
Powergrid NM Transmission Limited	Torrent Power Grid Limited
Powergrid Unchahar Transmission Limited	Parbati Koldam Transmission Company Limited
Powergrid Southern Interconnector Transmission System Limited	Teestavalley Power Transmission Limited
Powergrid Medinipur Jeerat Transmission Limited	North East Transmission Company Limited
Powergrid Mithilanchal Transmission Limited	National High Power Test Laboratory Private Limited
Powergrid Varanasi Transmission System Limited	Bihar Grid Company Limited
Powergrid Jawaharpur Firozabad Transmission Limited	Cross Border Power Transmission Company Limited
Powergrid Khetri Transmission System Limited	RINL Powergrid ILT Private Limited
Powergrid Bhuj Transmission Limited	Butwal-Gorakhpur Cross Border Power Transmission Limited
Powergrid Bhind Guna Transmission Limited	Power Transmission Company Nepal Limited
Powergrid Ajmer Phagi Transmission Limited	NTPC Vidyut Vyapar Nigam Ltd.
Powergrid Fatehgarh Transmission Limited	NTPC Electric Supply Company Ltd.
Powergrid Rampur Sambhal Transmission Limited	Bhartiya Rail Bijlee Company Ltd.
Powergrid Meerut Simbhavali Transmission Limited	Patratu Vidyut Utpadan Nigam Ltd.
Central Transmission Utility of India Limited	North Eastern Electric Power Corporation Ltd.
Powergrid Rangarh Transmission Limited	THDC India Ltd.
Powergrid Himachal Transmission Limited	NTPC Mining Ltd.
Powergrid Bikaner Transmission System Limited	NTPC EDMC Waste Solutions Private Ltd.
Powergrid Sikar Transmission Limited	Ratnagiri Gas & Power Private Ltd.
Powergrid Bhadla Transmission Limited	
Powergrid Aligarh Sikar Transmission Limited	NTPC Green Energy Limited
Powergrid Teleservices Limited	Utility Powertech Ltd.
Powergrid Energy Services Limited	NTPC-GE Power Services Private Ltd.
Powergrid Narela Transmission Limited	NTPC-SAIL Power Company Ltd.
Powergrid Gomti Yamuna Transmission Limited	NTPC Tamil Nadu Energy Company Ltd.
Powergrid Neemuch Transmission System Limited	Aravali Power Company Private Ltd.
Powergrid ER NER Transmission Limited	Meja Urja Nigam Private Ltd.
Powergrid ERWR Power Transmission Limited	NTPC BHEL Power Projects Private Ltd.
Khavda RE Transmission Limited	National High Power Test Laboratory Private Ltd.
Khavda II-B Transmission Limited	Transformers and Electricals Kerala Ltd.
Khavda II-C Transmission Limited	CIL NTPC Urja Private Ltd.
Powergrid KPS2 Transmission System Limited	Anushakti Vidyut Nigam Ltd.
Powergrid KPS3 Transmission Limited	Hindustan Urvarak & Rasayan Ltd.
Raipur Pool Dhamtari Transmission Limited	Jhabua Power Limited.
Dharanjanigarh Transmission Limited	Tincomalee Power Company Ltd.
Bhadla Sikar Transmission Limited	Bangladesh-India Friendship Power Company Private Ltd.
PFC Capital Advisory Services Ltd	REC Power Development and Consultancy Ltd.
PFC Consulting Ltd	PFC Green Energy 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  
 Hansa Energy Solutions LLC

Mr. Abdulrahman Ali Mohamed Ali

(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 Parent 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, hence is 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 carried out with the related parties in the ordinary course of business are as follows:

Transactions with shareholders

Name of related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
NTPC Limited	Sale of goods and services (excluding GST)	772.98	1,616.56
	Rent/electricity/office maintenance expenses	551.00	885.83
	Deputation of employees	229.44	72.82
Power Grid Corporation of India Limited	Sale of goods and services (excluding GST)	276.81	142.04
	Rent/internet expenses	187.93	245.50
	Deputation of employees	305.38	89.48
	Equity contribution received	-	40,749.17
REC Limited	Sale of goods and services (excluding GST)	0.10	0.42
Power Finance Corporation Limited	Sale of goods and services (excluding GST)	23.66	23.80

Transactions with joint ventures

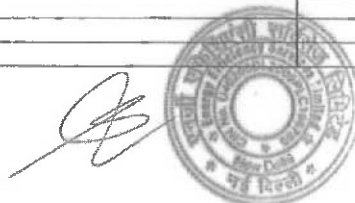
Name of related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Intellismart Infrastructure Private Limited	Investment in Joint Venture	3,993.50	1,808.10
	Project maintenance charges	3,265.90	2,740.27
	Advances given/(received back)	(768.50)	1,478.99
	Sale of goods and services (excluding GST)	20.48	133.74

Transactions with Non-controlling interest and their related parties

Name of related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
EnergyPro Asset Management Limited	Interest income	358.80	247.58
	Banking fee and guarantee fees recovered	75.00	119.77
	Loan given	615.47	268.30
Hansa Energy Solutions LLC	Expenses incurred on behalf of Group	315.59	267.66
	Sales of goods and services	-	200.61
	Advance payment received	-	517.23
Hansa Green Technology FZC	Expenses incurred by Group on behalf of Hansa	-	50.94
	Purchase of goods and services	-	18.28

Transactions with other related parties

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Transactions with post employment benefit plan		
Contributions made during the year	292.93	284.66
Compensation to Key management personnel		
Short term benefits	125.41	442.97
Post employment benefits	7.56	58.39
Other long term benefits	1.25	22.03
Deputation employee benefits	153.49	29.59
Total compensation	287.70	552.98
Transactions with related parties of entities having joint control over the company:		
Sale of goods and services	83.43	179.25
Purchase of goods and services	1,992.33	2,446.90
Manpower services	1,685.44	2,841.64



51 Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)

e) Individually significant transactions

Transactions with related parties of entities having joint control over the company:

Name of related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Utility Powertech Limited	Manpower services received by the Company	1,685.44	2,841.64

d) Outstanding balances with related parties are as follows:

Outstanding balances with shareholders

Name of related party	Nature of transaction	As at 31 March 2023	As at 31 March 2022
NTPC Limited	Amount recoverable for sale/purchase	1,045.48	1,160.23
	Amount recoverable (other than loans)	49.16	44.91
	Amount payable (other than loans)	431.22	188.78
Power Grid Corporation of India Limited	Amount recoverable for sale/purchase	1,394.55	1,402.57
	Amount recoverable (other than loans)	28.76	-
	Amount payable (other than loans)	150.09	123.06
REC Limited	Amount recoverable for sale/purchase	272.19	330.48
	Amount recoverable (other than loans)	16.49	16.49
Power Finance Corporation Limited	Amount recoverable for sale/purchase	62.04	65.84
	Amount recoverable (other than loans)	10.02	10.02

Outstanding balance with joint venture

Name of related party	Nature of transaction	As at 31 March 2023	As at 31 March 2022
Intellismart Infrastructure Private Limited	Amount payable against purchase	2,457.17	2,505.50
	Amount recoverable (other than loans)	1,955.48	2,723.99

Outstanding balance with non-controlling interest and their related parties

Name of related party	Nature of transaction	As at 31 March 2023	As at 31 March 2022
EnergyPro Asset Management Ltd.	Amount recoverable (loans)	7,439.84	6,824.37
Hansa Energy Solutions L.L.C	Amount payable (other than loans)	321.03	331.79
Hansa Green Technology FZC	Amount payable (other than loans)	-	7.22

Outstanding balances with other related parties

Particulars	As at 31 March 2023	As at 31 March 2022
Subsidiaries/Joint ventures of entities having joint control over the company:		
Amount recoverable for sale/purchase of goods and services	2,722.49	1,057.06
Amount payable (other than loans)	196.83	397.47

e) Terms and conditions of transactions with the related parties

- The contracts/arrangements/transactions entered with the related parties during the year ended 31 March 2023 were made on normal commercial terms and conditions at market rates and at arm's length basis.
- 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.



*[Handwritten signature]*

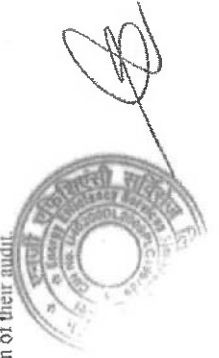


52 Disclosure as per Schedule III to the Companies Act, 2013

Name of the entity in the Group	As at 31 March 2023		For the year ended 31 March 2023					
	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	As % of total comprehensive income	Amount
Parent company								
Energy Efficiency Services Limited	101.82%	98,093.63	89.63%	(27,771.07)	5.30%	39.21	91.69%	(27,731.86)
Indian subsidiaries								
Convergence Energy Services Limited	3.22%	3,100.47	5.13%	(1,590.19)	0.00%	-	5.26%	(1,590.19)
Foreign subsidiaries								
EESL EnergyPro Assets Limited	56.92%	54,831.33	2.72%	(843.80)	0.00%	-	2.79%	(843.80)
Anesco Energy Services South Ltd	6.28%	6,051.95	(0.58%)	178.51	0.00%	-	(0.59%)	178.51
Creighton Energy Limited	2.03%	1,951.40	(0.25%)	78.95	0.00%	-	(0.26%)	78.95
EPAL Holdings Limited	33.32%	32,100.91	0.03%	(9.23)	0.00%	-	0.03%	(9.23)
Edina Acquisition Limited	16.19%	15,595.62	9.58%	(2,967.77)	0.00%	-	9.81%	(2,967.77)
Edina Power Services Limited	14.67%	14,133.05	(0.02%)	5.26	0.00%	-	(0.02%)	5.26
Edina Limited	6.31%	6,076.14	(0.34%)	104.26	0.00%	-	(0.34%)	104.26
Edina UK Limited	18.12%	17,451.94	(6.80%)	2,107.55	0.00%	-	(6.97%)	2,107.55
Edina Australia Pty Limited*	(0.24%)	(234.68)	0.13%	(40.89)	0.00%	-	0.14%	(40.89)
Armoura Holdings Limited	0.89%	857.17	0.12%	(36.68)	0.00%	-	0.12%	(36.68)
Stanbeck Limited	0.19%	184.36	0.10%	(32.46)	0.00%	-	0.11%	(32.46)
Edina Manufacturing Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Edina Power Limited	(1.59%)	(1,528.09)	3.39%	(1,049.70)	0.00%	-	3.47%	(1,049.70)
EPSL Trigenation Private Limited	0.02%	19.52	0.26%	(80.35)	0.00%	-	0.27%	(80.35)
EESL Energy Solutions LLC**	(0.02%)	(14.99)	0.12%	(38.18)	0.16%	1.15	0.12%	(37.03)
Non-controlling interest in all subsidiaries	4.67%	4,503.07	0.70%	(217.62)	12.50%	92.52	0.41%	(125.10)
Indian joint ventures								
Intellismart Infrastructure Pvt. Ltd	6.76%	6,513.26	0.33%	(101.07)	(0.34%)	(2.51)	0.34%	(103.58)
Consolidation adjustment	(169.56%)	(1,63,349.08)	(4.26%)	1,318.86	82.39%	609.90	(6.38%)	1,928.76
Total	100.00%	96,336.98	100.00%	(30,985.62)	100.00%	740.27	100.00%	(30,245.35)

\* Edina Australia Pty Limited has a deficiency in equity of ₹ 380.67 Lakhs (31 March 2022: ₹ 190.04 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.

\*\*The financial statements are un-audited and certified by the management of respective companies and have been considered for Consolidated Financial Statements of the Group. The figures appearing in their respective financial statements may change upon completion of their audit.





52 Disclosure as per Schedule III to the Companies Act, 2013 (continued)

Name of the entity in the Group	As at 31 March 2022		For the year ended 31 March 2022					
	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	As % of total comprehensive income	Amount
<b>Parent company</b>								
Energy Efficiency Services Limited	99.40%	1,25,848.83	88.54%	(15,319.51)	12.74%	(9.12)	85.53%	(15,410.63)
<b>Indian subsidiaries</b>								
Convergence Energy Services Limited	(0.18%)	(230.34)	5.88%	(1,017.08)	0.00%	-	5.64%	(1,017.08)
<b>Foreign subsidiaries</b>								
EESL EnergyPro Assets Limited	43.01%	54,449.96	(15.59%)	2,697.37	0.00%	-	(14.97%)	2,697.37
Amesco Energy Services South Ltd	4.53%	5,730.57	(6.29%)	1,088.64	0.00%	-	(6.04%)	1,088.64
Creighton Energy Limited	1.44%	1,825.78	(0.44%)	75.86	0.00%	-	(0.42%)	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	18.09%	(3,130.52)	0.00%	-	17.37%	(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	2.90%	(501.38)	0.00%	-	2.78%	(501.38)
Edina UK Limited	10.47%	13,254.11	(0.74%)	127.81	0.00%	-	(0.71%)	127.81
Edina Australia Pty Limited	(0.15%)	(190.04)	(0.18%)	31.42	0.00%	-	(0.17%)	31.42
Armoura Holdings Limited	0.23%	289.11	0.14%	(24.80)	0.00%	-	0.14%	(24.80)
Stanbeck Limited	(0.18%)	(231.08)	0.27%	(45.93)	0.00%	-	0.25%	(45.93)
Edina Manufacturing Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Edina Power Limited	(0.33%)	(414.94)	5.95%	(1,029.60)	0.00%	-	5.71%	(1,029.60)
EPSL Trigenation Private Limited	0.08%	100.15	(0.67%)	115.29	0.00%	-	(0.64%)	115.29
EESL Energy Solutions LLC	0.02%	22.04	0.24%	(42.14)	(0.18%)	1.30	0.23%	(40.84)
Non-controlling interest in all subsidiaries	3.66%	4,628.17	0.83%	(144.15)	11.29%	(80.77)	1.25%	(224.92)
<b>Indian joint ventures</b>								
NEESL Private Limited	0.00%	-	(0.01%)	0.95	0.00%	-	(0.01%)	0.95
Intellismat 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)	1.12%	(194.49)	76.15%	(544.58)	4.10%	(739.07)
<b>Total</b>	<b>100.00%</b>	<b>1,26,606.50</b>	<b>100.00%</b>	<b>(17,303.03)</b>	<b>100.00%</b>	<b>(715.17)</b>	<b>100.00%</b>	<b>(18,018.20)</b>



Energy Efficiency Services Limited  
CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023  
(All amounts in lakhs of ₹, except share data and as stated otherwise)

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-23	31-Mar-22	31-Mar-23	31-Mar-22	
EESL EnergyPro Assets Limited	United Kingdom	86.80	86.80	13.20	13.20	Holding company & business support
Anesco Energy Services (South) Limited	United Kingdom	86.80	86.80	13.20	13.20	Provision of energy saving services
Creighton Energy Limited	United Kingdom	86.80	86.80	13.20	13.20	
EPAL Holdings Limited	United Kingdom	86.80	86.80	13.20	13.20	
Edina Acquisition Limited	United Kingdom	86.80	86.80	13.20	13.20	Investment holding company
Edina Power Services Limited	Ireland	86.80	86.80	13.20	13.20	
Edina Limited	Ireland	86.80	86.80	13.20	13.20	
Edina UK Limited	United Kingdom	86.80	86.80	13.20	13.20	Manufacture, sale, installation, hire and service of diesel and gas powered generators and related spare parts
Edina Manufacturing Limited	United Kingdom	86.80	86.80	13.20	13.20	
Edina Power Limited	United Kingdom	86.80	86.80	13.20	13.20	Containerisation of diesel and gas powered generators and production of equipment for containerisation
Edina Australia Pty Limited	Australia	86.80	86.80	13.20	13.20	Equipment wholesale sales and maintenance activities
Armoura Holdings Limited	Ireland	86.80	86.80	13.20	13.20	Investment in and rental of property
Stanbeck Limited	Ireland	86.80	86.80	13.20	13.20	Property investment company
EPSSL Trigenation Private Ltd	India	86.80	86.80	13.20	13.20	Trigenation technology solutions
Convergence Energy Services Limited	India	100.00	100.00	-	-	Renewable energy, electric mobility, battery storage and climate change
EESL 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.

Summarised balance sheet	EESL EnergyPro Assets Limited		EESL Energy Solutions LLC	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Current assets	31,455.92	24,304.19	300.98	353.08
Current liabilities	59,534.67	51,541.53	328.95	348.12
Net current assets	(28,078.75)	(27,237.34)	(27.97)	4.96
Non-current assets	63,307.63	62,880.97	13.00	17.08
Non-current liabilities	1,161.37	765.98	-	-
Net non-current assets	62,146.26	62,114.99	13.00	17.08
Net assets	34,067.51	34,877.65	(14.97)	22.04
Accumulated NCI	4,497.23	4,604.18	5.84	23.99

Summarised statement of profit and loss	EESL EnergyPro Assets Limited		EESL Energy Solutions LLC	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue	77,966.27	68,984.37	(1.71)	295.42
Profit/(Loss) for the year	(1,506.75)	(902.79)	(38.18)	(42.14)
Other comprehensive income (OCI)	696.56	(625.35)	1.15	-
Total comprehensive income	(810.19)	(1,528.14)	(37.03)	(42.14)
Profit/(Loss) attributable to NCI	(198.91)	(123.50)	(18.71)	(20.65)
OCI attributable to NCI	91.96	(81.41)	0.56	0.64
Total comprehensive income attributable to NCI	(106.95)	(204.91)	(18.15)	(20.01)
Dividends paid to NCI	-	-	-	-

Summarised cash flows	EESL Energypro Assets Limited		EESL Energy Solutions LLC	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities	8,502.98	(1,273.66)	12.08	77.84
Cash flows from investing activities	(318.06)	(142.58)	161.53	(153.05)
Cash flows from financing activities	(4,157.72)	(773.74)	-	-
Exchange differences on translation of foreign currency cash and cash equivalents	(2,070.85)	5.41	0.97	1.46
Net increase/(decrease) in cash and cash equivalents	1,956.35	(2,184.57)	174.58	(73.75)

c) Change in parent's ownership interest in Subsidiary

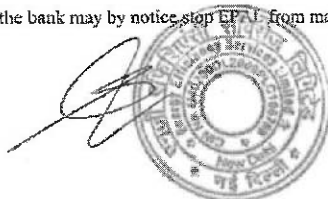
Particulars	Owners interest		Non-controlling interest	
	Share capital	Other equity	Share capital	Other equity
As at 1 April 2022	33,281.47	(3,088.01)	5,157.97	(553.79)
Equity investment during the year	-	-	-	-
Share in statement of profit and loss for the year	-	(1,307.84)	-	(198.91)
Share in other comprehensive income for the year	-	604.60	-	91.96
Impact of change in ownership interest adjusted in retained earnings	-	-	-	-
As at 31 March 2023	33,281.47	(3,711.25)	5,157.97	(660.74)

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	(3,088.01)	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.



53 Disclosure as per Ind AS 112 'Disclosure of interest in other entities' (continued)

e) Investment in joint venture company:

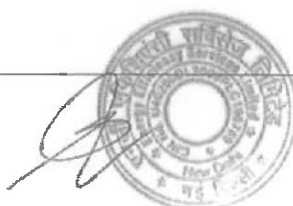
The group's joint ventures are listed below. They have share capital consisting solely of equity shares that are held directly by the group. The country of incorporation which is also their principal place of business is India. The proportion of ownership interest is the same as the proportion of voting 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 (I IPL)	
	As at 31 March 2023	As at 31 March 2022
Ownership interest held by group	49.00%	49.00%
Carrying Amount	6,513.26	2,618.32

Summarised balance sheet	I IPL	
	As at 31 March 2023	As at 31 March 2022
<b>Current assets</b>		
Cash and cash equivalents	3,349.83	1,853.69
Other assets	14,028.25	3,836.61
<b>Total current assets</b>	<b>17,378.08</b>	<b>5,690.30</b>
<b>Total non-current assets</b>	<b>6,971.49</b>	<b>920.43</b>
<b>Current liabilities</b>		
Financial liabilities (excluding trade payables)	1,147.96	271.07
Other liabilities	4,565.28	292.00
<b>Total current liabilities</b>	<b>5,713.24</b>	<b>563.07</b>
<b>Non-current liabilities</b>		
Financial liabilities (excluding trade payables)	5,248.04	668.53
Other liabilities	95.93	35.63
<b>Total non-current liabilities</b>	<b>5,343.97</b>	<b>704.16</b>
<b>Net assets</b>	<b>13,292.36</b>	<b>5,343.50</b>

Summarised statement of profit and loss	I IPL	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue	8,495.78	2,643.71
Finance income	184.28	-
Other income	297.40	85.68
Project Expenses	(4,663.55)	-
Employee benefit expense	(2,495.25)	(1,521.46)
Depreciation and amortization	(212.77)	(103.99)
Finance cost	(251.10)	(47.28)
Other expense	(1,576.82)	(1,055.91)
Income tax expense	15.77	(24.82)
<b>Profit/(Loss) from continuing operations</b>	<b>(206.26)</b>	<b>(24.07)</b>
Profit from discontinued operations	-	-
<b>Profit/(Loss) for the year</b>	<b>(206.26)</b>	<b>(24.07)</b>
Other comprehensive income	5.12	-
<b>Total comprehensive income</b>	<b>(201.14)</b>	<b>(24.07)</b>
Dividend received	-	-

Reconciliation of carrying amount	I IPL	
	As at 31 March 2023	As at 31 March 2022
Opening net assets	5,343.50	1,677.57
Shares issued during the year	8,150.00	3,690.00
Profit/(Loss) for the year	(206.26)	(24.07)
Capital expenditure annuity reserve	-	-
Other comprehensive income	5.12	-
<b>Closing net assets</b>	<b>13,292.36</b>	<b>5,343.50</b>
Group share in %	49.00%	49.00%
Group share in INR	6,513.26	2,618.32
Carrying amount	6,513.26	2,618.32



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 ₹ 458.15 Lakhs (31 March 2022: ₹ 445.51 Lakhs) pertaining to employers' contribution to provident fund is recognised as an expense and included in "Employee benefits expense" in note 40.

(ii) Superannuation fund

The Parent company pays fixed contribution to superannuation fund to a separate trust. Amount of ₹ 294.13 Lakhs (31 March 2022: ₹ 284.66 Lakhs) pertaining to employers' contribution to superannuation fund is recognised as an expense and included in "Employee benefits expense" in note 40.

(iii) Pension fund

The Group voluntary contributes 6% to an external pension fund for its employees of subsidiaries. Amount of ₹ 500.46 Lakhs (31 March 2022: ₹ 500.70 Lakhs) is recognised as an expense and included in "Employee benefits expense" in note 40.

b) Other long term employee benefit plans- Leave encashment

The Parent company provides for earned leave benefit 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 encashable 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 ₹ 335.73 Lakhs (31 March 2022: ₹ 378.74 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

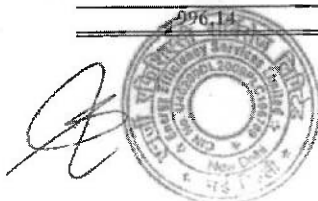
The Parent company operates a gratuity plan for its regular employees which provides lump sum benefits linked to the qualifying salary and completed years of service with the Parent company at the time of separation. Regular employee who has completed 5 years of continuous service is entitled to receive 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	As at 31 March 2023	As at 31 March 2022
Net defined benefit (asset)/liability:		
Non-current	-	195.81
Current	-	19.93
Surplus of plan asset	(79.40)	-
Gratuity	(79.40)	215.74

(i) Movement in net defined benefit (asset)/liability

Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance as at 1 April 2022	893.53	677.79	215.74
Included in profit or loss:			
Current service cost	138.84	-	138.84
Net Interest cost	64.16	48.67	15.49
Total amount recognised in profit or loss	203.00	48.67	154.33
Included in other comprehensive income (OCI):			
Remeasurement loss/(gain) arising from:			
Financial assumptions	(31.58)	-	(31.58)
Experience adjustment	(7.02)	-	(7.02)
Return on plan assets excluding interest income	-	14.92	(14.92)
Total amount recognised in OCI	(38.60)	14.92	(53.52)
Others			
Contributions paid by the employer	-	398.72	(398.72)
Acquisition adjustment	1.00	-	1.00
Benefits paid	(62.79)	(62.79)	-
Benefits received yet to be paid	-	(1.77)	1.77
Balance as at 31 March 2023	596.14	1,075.53	(79.40)



54 Disclosure as per Ind AS 19 'Employee Benefits' (continued)

Particulars	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
<b>Included in profit or loss:</b>			
Current service cost	146.57	-	146.57
Net Interest cost	40.69	41.65	(0.96)
<b>Total amount recognised in profit or loss</b>	<b>187.26</b>	<b>41.65</b>	<b>145.61</b>
<b>Included in other comprehensive income (OCI):</b>			
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)
<b>Total amount recognised in OCI</b>	<b>123.02</b>	<b>1.26</b>	<b>121.76</b>
<b>Others</b>			
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
<b>Balance as at 31 March 2022</b>	<b>893.53</b>	<b>677.79</b>	<b>215.74</b>

(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 2023 and 31 March 2022 has not been provided by Life Insurance Corporation of India. Actual return on plan assets is ₹ 63.59 Lakhs (31 March 2022: ₹ 42.91 Lakhs).

(iii) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.40%	7.18%
Salary escalation rate	6.50%	6.50%
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	
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
<b>As at 31 March 2023</b>		
Discount rate (0.5% movement)	(66.97)	73.79
Salary escalation rate (0.5% movement)	42.38	(47.67)
<b>As at 31 March 2022</b>		
Discount rate (0.5% movement)	(63.55)	70.33
Salary escalation rate (0.5% movement)	52.23	(53.92)

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.



54 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	As at 31 March 2023	As at 31 March 2022
Less than 1 year	22.17	19.93
Between 1-2 years	32.64	16.71
Between 2-5 years	86.04	73.24
Over 5 years	855.29	783.65
<b>Total</b>	<b>996.14</b>	<b>893.53</b>

(vii) Expected contributions to post-employment benefit plans for the year ending 31 March 2024 are ₹ 141.64 Lakhs.

(viii) The weighted average duration of the defined benefit plan obligation as at 31 March 2023 is 17.64 years (31 March 2022: 17.58 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 this grant. The Parent company has recognised ₹ 999.71 lakhs (31 March 2022: ₹ 807.74 Lakhs) as grant income (refer note 38).

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 this grant. The Parent company has recognised ₹ 244.60 lakhs (31 March 2022: Nil) as grant income (refer note 38).

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 ₹ 22,842.70 Lakhs (31 March 2022: ₹ 5,915.37 Lakhs).

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Basic earnings per share* [A/B]	(2.21)	(1.41)
Diluted earnings per share* [A/C]	(2.21)	(1.41)
Nominal value per share	10.00	10.00

\*rounded upto two decimal places

a) Loss attributable to equity shareholders of parent company {A} (30,768.00) (17,172.28)

b) Weighted average number of equity shares

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance of issued equity shares	1,39,08,20,000	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]	1,39,08,20,000	1,21,44,26,354
Effect of dilution	-	22,32,831
Weighted average number of equity shares for Diluted EPS [C]	1,39,08,20,000	1,21,66,59,185



*[Handwritten signature]*



58 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

a) Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	7,84,055.38	4,22,453.93
(ii) Equity contribution in subsidiaries	-	3,577.59
(iii) Investments in Maple Leaf amounting to USD 10 Millions	-	7,580.71
<b>Total</b>	<b>7,84,055.38</b>	<b>4,33,612.23</b>

b) Contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Bills discounted with banks against trade receivables	3,789.87	7,924.73
(ii) Bank guarantees- lien against fixed deposits of ₹ 1,274.55 Lakhs (31 March 2022: ₹ 185.54 Lakhs)	1,232.08	175.09
<b>Total</b>	<b>5,021.95</b>	<b>8,099.82</b>

c) Claims against the Group not acknowledged as debt

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Claims against the Group not acknowledged as debt (VAT paid under protest of ₹ 5,065.25 Lakhs (31st March 2022: ₹ 4,868.15 Lakhs), refer note 21)	8,845.55	8,831.43
(ii) Income tax demand	851.17	22,563.01
(iii) Other claims	8,732.71	12,301.46
	<b>18,429.43</b>	<b>43,695.90</b>

d) The Group 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 Group's financial position and results of operations. The Group 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.

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, smart meter, electric vehicle, public charges 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 of 30 days.

Revenue from rendering of services

The Group provides energy efficiency services on ESCO model, consultancy services and maintenance service 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 of 30 days.



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59 Disclosure as per Ind AS 115, 'Revenue from contracts with customers' (continued)

**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	For the year ended 31 March 2023	For the year ended 31 March 2022
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(i) Nature of goods and services

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Sale of goods</b>		
Ujala Scheme	1,145.01	960.10
Agricultural Demand Side Management	390.05	369.42
Street light	4,750.14	9,510.18
Solar street light	402.01	1,993.41
Building	126.05	360.29
E-Vehicle	169.79	234.39
Others	1,853.60	1,976.07
<b>Total [A]</b>	<b>8,836.65</b>	<b>15,403.86</b>

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
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<b>Rendering of services</b>		
Street light	1,05,901.25	1,03,498.21
Building	7,466.41	7,298.46
Smart Meter	27,861.62	17,996.91
Agricultural Demand Side Management	-	540.75
Solar street light	-	30.46
Solar power	6,737.48	6,170.52
E-Vehicle	4,611.80	3,899.43
Others	1,337.70	1,276.87
<b>Total [B]</b>	<b>1,53,916.26</b>	<b>1,41,564.08</b>

<b>Industrial engine and component</b>		
Sale of goods	35,442.60	33,648.58
Operation and maintenance services	40,313.66	33,836.15
<b>Total [C]</b>	<b>75,756.26</b>	<b>67,484.73</b>

<b>Total [A + B + C]</b>	<b>2,38,509.17</b>	<b>2,24,452.67</b>
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(ii) Timing of revenue recognition

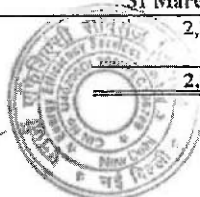
Products and services transferred at a point in time	44,279.25	49,052.44
Products and services transferred over time	1,94,229.92	1,75,400.23
<b>Total</b>	<b>2,38,509.17</b>	<b>2,24,452.67</b>

c) Reconciliation of revenue recognised with contract price:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contract price	2,38,509.17	2,24,452.67
Adjustments	-	-
<b>Revenue from operations</b>	<b>2,38,509.17</b>	<b>2,24,452.67</b>



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59 Disclosure as per Ind AS 115, 'Revenue from contracts with customers' (continued)

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	As at	As at
	31 March 2023	31 March 2022
Trade receivables	3,81,758.88	3,56,267.93
Non-current unbilled revenue	147.45	418.34
Current unbilled revenue	10,239.70	15,407.65
Advances from customers	12,873.26	444.27
Unearned revenue	409.83	828.81

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 etc. is ₹ 3,383.82 Lakhs (31 March 2022: ₹ 5,093.38 Lakhs).

The Group recognized revenue of ₹ 828.81 Lakhs arising from opening unearned revenue from customers as at 1 April 2022.

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 2023, 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

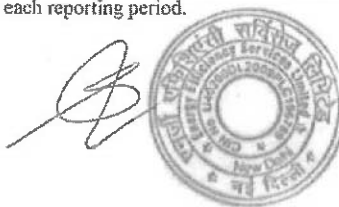
(i) Significant judgments in determining the timing of satisfaction of performance obligation

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 office premises, warehouses and vehicles having 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	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Right of use assets</b>		
Opening balance	1,410.84	1,615.64
Additions during the year	1,229.01	619.13
Deletion during the year	(17.40)	(88.26)
Depreciation for the year	(737.16)	(760.52)
Foreign exchange fluctuation	100.51	24.85
Closing balance	<u>1,985.80</u>	<u>1,410.84</u>
<b>Lease liabilities</b>		
Opening balance	825.50	968.29
Additions during the year	1,285.94	621.62
Deletion during the year	(11.29)	(79.57)
Accretion of interest	74.56	93.63
Payments	(893.79)	(781.83)
Foreign exchange fluctuation	12.54	3.36
Closing balance	<u>1,293.45</u>	<u>825.50</u>

**Bifurcation of lease liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Current	577.78	517.44
Non-current	715.67	308.06
Total	<u>1,293.45</u>	<u>825.50</u>

The maturity analysis of lease liabilities are disclosed in Note 48(e)(ii).

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 ₹ 737.16 Lakhs and ₹ 74.56 Lakhs (31 March 2022: ₹ 760.52 Lakhs and ₹ 93.63 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 ₹ 893.79 Lakhs (31 March 2022: ₹ 781.83 Lakhs Lakhs) in statement of cash flows. The parent company has recognised an expense of ₹ 2,904.39 Lakhs (31 March 2022: ₹ 2,966.16 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 ₹ 40.56 Lakhs (31 March 2022: ₹ 43.64 Lakhs).

b) As a lessor

(i) The Parent company provides electrical vehicles (E-vehicles) on finance lease for a period of five 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	As at 31 March 2023	As at 31 March 2022
Less than one year	6,023.50	4,571.58
One to two years	5,702.82	4,907.00
Two to three years	4,289.71	4,250.85
Three to four years	2,562.51	3,031.90
Four to five years	1,359.58	2,013.61
More than five years	1,528.12	1,354.61
Total minimum lease payments	21,466.24	20,129.55
Unearned finance income	(6,563.88)	(5,342.51)
Present value of minimum lease payments	<u>14,902.36</u>	<u>14,787.04</u>



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60 Disclosure as per Ind AS 116 on 'Leases' (continued)

Present value of future minimum lease payments due under non-cancellable finance leases are as follows:

Particulars	As at	As at
	31 March 2023	31 March 2022
Less than one year	4,169.13	3,335.40
One to two years	4,159.96	3,599.65
Two to three years	3,082.37	3,215.28
Three to four years	1,570.69	2,191.79
Four to five years	781.68	1,415.14
More than five years	1,138.53	1,029.78
<b>Present value of minimum lease payments</b>	<b>14,902.36</b>	<b>14,787.04</b>

(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	As at	As at
	31 March 2023	31 March 2022
Less than one year	351.07	328.61
One to two years	366.32	343.07
Two to three years	396.43	378.54
Three to four years	279.10	344.26
Four to five years	246.39	271.67
More than five years	1,527.88	1,757.51
<b>Total minimum lease payments</b>	<b>3,167.19</b>	<b>3,423.66</b>
Unearned finance income	1,073.89	1,242.96
<b>Present value of minimum lease payments</b>	<b>2,093.30</b>	<b>2,180.70</b>

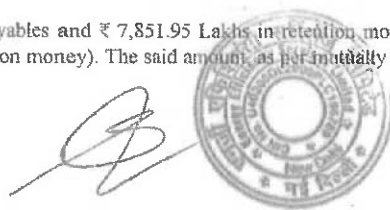
Present value of future minimum lease payments due under non-cancellable finance leases are as follows:

Particulars	As at	As at
	31 March 2023	31 March 2022
Less than one year	331.50	310.26
One to two year	313.94	293.94
Two to three year	307.56	293.27
Three to four year	200.06	244.17
Four to five year	163.96	179.87
More than five years	776.28	859.19
<b>Present value of minimum lease payments</b>	<b>2,093.30</b>	<b>2,180.70</b>

61 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 identified on the basis of information available with the Parent company.

Particulars	As at	As at
	31 March 2023	31 March 2022
a) Amount remaining unpaid to any supplier:		
Principal amount*	19,429.05	26,845.70
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 ₹ 11,577.10 Lakhs in trade payables and ₹ 7,851.95 Lakhs in retention money (31 March 2022: ₹ 9,628.13 Lakhs in trade payables and ₹ 17,217.57 Lakhs in retention money). The said amount, as per mutually specifically agreed terms, has not fallen due as at 31 March 2023.



Energy Efficiency Services Limited

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

*(All amounts in lakhs of ₹, except share data and as stated otherwise)*

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- 62 The company is engaged in providing energy efficiency services and the capital expenditure incurred on assets under ESCO model upto date of commercial operation has been capitalized in the books of account and its revenue is considered as a rendering of services.

Accordingly, as on 31.03.2023, Property, Plant & Equipment (PPE) and Capital Work in Progress (CWIP) amounting to Rs. 5,27,143.48 lakhs and Rs. 1,11,726.00 lakh respectively were shown with corresponding accumulated depreciation of Rs. 2,46,117.72 lakhs (depreciation during the year Rs. 70,347.58 lakhs has been charged to P&L).

The company vide its letter dated 13th September 2022 has informed to the office of Comptroller and Auditor General of India (C&AG) in response to their audit observation that treatment of ESCO assets will be referred to Expert Advisory Committee (EAC) for their opinion and necessary compliances will be done accordingly.

Thereafter, the company has approached Expert Advisory Committee (EAC) (hereinafter referred as "Committee") of The Institute of Chartered Accountants of India (ICAI) for advising on accounting treatment of assets under ESCO model in line with IND AS 115 and IND AS 116. The response from the Committee is still awaited. Necessary adjustments, if required, would be carried out in the period in which advice is received from the Committee.

**63 Additional regulatory information**

- a) 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 respective company of the Group 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, as applicable.
- 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.

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63 Additional regulatory information (continued)

i) Ratios

Particulars	As at 31 March 2023	As at 31 March 2022	Variance (%)	Reason (Where variance exceeds 25%)
<b>Liquidity ratio (times)</b>				
Current ratio (current assets divide by current liabilities)	1.03	1.19	(13.01%)	-
<b>Solvency ratios (times)</b>				
Debt-equity ratio (Long term debt divide by total equity)	4.58	3.66	25.02%	Decrease in net worth due to heavy forex losses during the year.
Debt service coverage ratio (Profit for the year + finance costs + depreciation and amortization expenses divide by principal repayments of long term borrowings + finance costs)	0.65	0.94	(30.73%)	Higher repayments of non-current borrowings due during F.Y. 2023-24
<b>Profitability ratios (%)</b>				
Net Profit Ratio (Profit for the year divide by revenue from operations)	(12.99%)	(7.71%)	68.40%	Increase in loss on account of foreign exchange fluctuation and increase in expected credit loss
Return on Equity Ratio (Profit for the year divide by average shareholder's equity)	(22.28%)	(14.59%)	52.72%	Increase in loss on account of foreign exchange fluctuation and increase in expected credit loss.
Return on Capital employed (Earning before interest and taxes divide by capital employed)	1.96%	2.92%	(32.94%)	Increase in loss on account of foreign exchange fluctuation and increase in expected credit loss
Return on Investment (Profit before tax + Finance Cost) * (1-tax rate) divide by total assets)	0.69%	1.15%	(40.60%)	Increase in loss on account of foreign exchange fluctuation and increase in expected credit loss
<b>Utilization ratios (times)</b>				
Trade Receivables turnover ratio (Revenue from operations divide by average trade receivables)	0.65	0.67	(3.23%)	-
Inventory turnover ratio (Revenue from operations divide by average inventory)	11.62	9.90	17.39%	-
Trade payables turnover ratio (Total purchases divide by average trade payables)	0.83	0.78	6.65%	-
Net capital turnover ratio (Revenue from operations divide by working Capital)	13.22	2.56	415.95%	Higher repayments of non-current borrowings due during F.Y. 2023-24

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 Parent company including book debts / receivables, inventories and all other movables. The quarterly returns / statement of current assets filed by the Parent company during the year are generally in agreement with the books of account of the Parent company, and there were no material differences therein.



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63 Additional regulatory information (continued)

k) Trade Payables ageing schedule as at 31 March 2023

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	-	-	5,826.79	824.40	697.60	4,366.25	11,715.03
(ii) Others	-	17,000.89	53,636.69	8,170.45	9,119.13	31,929.60	1,19,856.76
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>17,000.89</b>	<b>59,463.47</b>	<b>8,994.84</b>	<b>9,816.73</b>	<b>36,295.85</b>	<b>1,31,571.79</b>

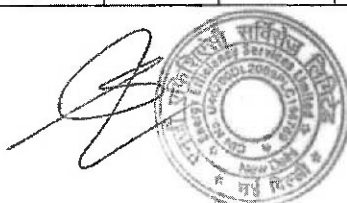
Trade Payables ageing schedule as at 31 March 2022

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	4,761.85	941.68	1,171.47	3,226.18	10,136.25
(ii) Others	-	3,267.34	58,756.23	13,773.95	19,077.93	19,292.35	1,14,167.81
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>3,302.41</b>	<b>63,518.09</b>	<b>14,715.63</b>	<b>20,249.40</b>	<b>22,518.53</b>	<b>1,24,304.06</b>

\* The above ageing has been prepared by the Management based on date of transactions. The above amount has not fallen due for payment due to the reason that 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 etc.

l) Trade Receivables and unbilled ageing schedule as at 31 March 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment/ transaction*					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	10,387.15	24,474.75	85,723.80	64,898.83	74,585.50	61,122.36	85,189.75	4,06,382.14
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	72.66	663.31	254.72	428.65	182.55	873.63	2,475.52
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	20,675.77	20,675.77
<b>Subtotal</b>	<b>10,387.15</b>	<b>24,547.41</b>	<b>86,387.11</b>	<b>65,153.55</b>	<b>75,014.15</b>	<b>61,304.91</b>	<b>1,06,739.15</b>	<b>4,29,533.43</b>
Less: Loss allowance	-	-	7,398.74	4,376.29	5,642.89	6,337.18	1,439.55	25,194.65
Less: Provision for interest variation	-	-	-	1,385.86	4,145.96	3,369.79	3,291.14	12,192.75
<b>Total</b>	<b>10,387.15</b>	<b>24,547.41</b>	<b>78,988.37</b>	<b>59,391.40</b>	<b>65,225.30</b>	<b>51,597.94</b>	<b>1,02,008.46</b>	<b>3,92,146.03</b>



63 Additional regulatory information (continued)

Trade Receivables and unbilled ageing schedule as at 31 March 2022

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment/ transaction <sup>f</sup>					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	59,930.26	97,491.72	69,541.52	34,519.92	3,73,153.88
(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
<b>Subtotal</b>	<b>15,825.99</b>	<b>32,553.97</b>	<b>64,379.81</b>	<b>60,101.63</b>	<b>98,735.17</b>	<b>70,354.18</b>	<b>54,369.68</b>	<b>3,96,320.43</b>
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
<b>Total</b>	<b>15,825.99</b>	<b>31,373.59</b>	<b>62,477.06</b>	<b>57,254.11</b>	<b>93,795.02</b>	<b>68,017.76</b>	<b>43,350.39</b>	<b>3,72,093.92</b>

<sup>f</sup>The above ageing has been prepared by the Management based on date of transactions.



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**ENERGY EFFICIENCY SERVICES LIMITED**

CIN: U40200DL2009PLC196789

Notes to the consolidated financial statements for the year 31 March 2023

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**64 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 March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- a) **Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The parent company has evaluated the amendment and the impact of the amendment is insignificant in its consolidated financial statements.
- b) **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The parent company has evaluated the amendment and there is no impact on its consolidated financial statements.
- c) **Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The parent company has evaluated the amendment and there is no impact on its consolidated financial statement.

**65 Assets held for sale**

The parent company has classified the selected property, plant and equipment, as held for sale with carrying value amounting to ₹ 1,799.28 Lakhs for the year ended March 31, 2023 (previous year March 31, 2022 Nil) and these property, plant and equipment includes following types of project equipments:-

Detail of project equipments	Carrying value	Facts
Project equipment with nominal carrying value*	-	The commercial project period is completed and Group has not handed over the project equipment due to outstanding balance and as per contract, handing over is to be done on final settlement. Group expects that handing over will be completed in due course.
Project equipment other than above*	1,799.28	In these cases, commercial project period is not completed however, customer intimated the parent Company for not continuing in future and offered for final settlement. Group expects that handing over will be completed in due course.

\*No impairment loss was recognised on reclassification of property, plant and equipment as assets held for sale and the Group expects the fair value less cost to sell to be higher than carrying amount.

**66 Confirmation of balances**

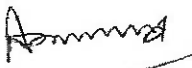
The parent company's balances lying under trade receivable and trade payables are reconciled in a phased manner. Accordingly, the reconciliation of few parties has been carried out during the year. The necessary adjustments if any, which in the view of management may not be material, will be carried out on completion of the exercise.


**67 Previous year figures have been regrouped / reclassified to make them comparable with the current year.**


These are the Notes referred to in our report of even date

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  
UDIN : 23099143BGPMWB7728

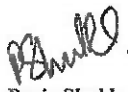
  
Sreekant Kandikuppa  
Chairman  
DIN : 06615674

  
Aditya Dar  
Director  
DIN : 08079013

Place : New Delhi  
Date : 30.05.2023

  
Vishal Kapoor  
Chief Executive Officer

  
Sandeep Kumar Vain  
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, 2023, pursuant to Section 129 (3) of the Companies Act 2013  
 (All amounts in lakhs of ₹, except share data and as stated otherwise)

Part A - Subsidiaries

1	S. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
2	Name of subsidiary	EEESL 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	Armourra Holdings Limited	Stambeck Limited	Edina Manufacturing Limited	Edina Power Limited	EEPSL Trigenation Private Ltd	EEESL 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 rates on the last date of the relevant Financial year in the case of foreign subsidiaries	101.8728	101.8728	101.8728	101.8728	101.8728	89.5515	89.5515	101.8728	55.2084	89.5515	89.5515	-	101.8728	1.0000	22.3469	1.0000
6	Share capital	41,953.36	5,022.49	2,037.46	32,153.60	-	13,071.73	7,649.05	10,187.28	0.06	0.00	179.11	-	0.10	10.00	67.04	5,921.01
7	Reserves and surplus	12,877.97	1,029.46	(86.05)	(52.69)	(16,357.99)	1,061.32	(1,372.91)	7,264.66	(234.74)	857.17	5.26	-	(1,328.19)	9.52	(68.61)	(2,820.54)
8	Total assets	1,00,997.44	6,122.47	2,014.82	84,481.35	67,948.52	19,527.44	9,485.78	35,617.36	692.99	1,527.38	1,342.30	-	1,293.69	365.39	313.96	21,029.53
9	Total Liabilities	46,166.11	70.52	63.41	52,380.44	53,352.91	5,394.39	3,409.64	18,165.42	927.67	670.20	1,157.94	-	2,820.78	345.87	328.94	17,929.06
10	Turnover	120.41	230.19	195.82	-	-	-	8,367.52	70,790.59	1,781.37	25.06	-	-	6,485.97	63.03	(3.11)	2,266.70
11	Profit/Loss before taxation	843.80	178.51	105.27	(9.23)	(2,967.77)	5.16	121.34	1,842.94	(172.21)	(29.74)	(31.86)	-	(1,060.92)	(116.81)	(24.98)	2,105.36
12	Provision for taxation	-	-	(26.32)	-	-	-	(19.00)	284.61	52.08	(6.27)	-	-	11.22	36.55	-	(515.17)
13	Profit/Loss after taxation	843.80	178.51	78.95	(9.23)	(2,967.77)	5.16	102.34	2,107.55	(120.13)	(36.01)	(31.86)	-	(1,049.70)	(80.26)	(24.98)	1,590.19
14	% 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.
- Edina Manufacturing Limited has been dissolved on 24 January 2023.

Part B - Associates and Joint Ventures

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	Loss for the year ended March 31, 2023	
				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-23	6,76,20,049	6,513.26	49%	By virtue of shareholding	13,292.35	(101.07)	-

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 previous 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 Group does not have any investment in associates.

*[Handwritten signatures and initials]*

Re: Revised note for treatment of ESCO assets

Ankur Goyal <ankurgoyal@spchopra.in>

Fri 9/15/2023 12:15 PM

To: Mohit Khatri <mkhatri@eesl.co.in>

Cc: Sandeep Kumar Jain <skjain@eesl.co.in>; Gaurav Malik <gaurav.malik@eesl.co.in>; Iqbal Singh <isingh@eesl.co.in>; Arvind Rawat <u\_arawat@eesl.co.in>

Dear Sir,

We agree with the suggested note. You may proceed with its submission to C&AG.

On Fri, Sep 15, 2023 at 12:12 PM Mohit Khatri <mkhatri@eesl.co.in> wrote:

Dear Sir,

Please find revised Note No 59 of Standalone Financial Statements and Note No 62 of Consolidated Financial Statements of EESL for the F.Y.2022-23, for your kind review.

The company is engaged in providing energy efficiency services and the capital expenditure incurred on assets under ESCO model upto date of commercial operation has been capitalized in the books of account and its revenue is considered as a rendering of services.

Accordingly, as on 31.03.2023, Property, Plant & Equipment (PPE) and Capital Work in Progress (CWIP) amounting to Rs. 5,27,143.48 lakhs and Rs. 1,11,726.00 lakh respectively were shown with corresponding accumulated depreciation of Rs. 2,46,117.72 lakhs (depreciation during the year Rs. 70,347.58 lakhs has been charged to P&I).

The company vide its letter dated 13<sup>th</sup> September 2022 has informed to the office of Comptroller and Auditor General of India (C&AG) in response to their audit observation that treatment of ESCO assets will be referred to Expert Advisory Committee (EAC) for their opinion and necessary compliances will be done accordingly.

Thereafter, the company has approached Expert Advisory Committee (EAC) (hereinafter referred as "Committee") of The Institute of Chartered Accountants of India (ICAI) for advising on accounting treatment of assets under ESCO model in line with IND AS 115 and IND AS 116. The response from the Committee is still awaited. Necessary adjustments, if required, would be carried out in the period in which advice is received from the Committee.

Thanks and regards,

Mohit Khatri

--  
Warm regards,

Ankur Goyal | Partner

S. P. Chopra & Co.

Assurance | Tax | Advisory

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