ENERGY EFFICIENCY SERVICES LIMITED

Notice of 15th Annual General Meeting

Notice is hereby given that 15th Annual General Meeting of the Members of Energy Efficiency Services Limited will be held on Thursday, the 12th day of December, 2024 at 10:30 A.M. at its Corporate Office at 4th Floor, Ikon Tower, FC-24C, Sector 16A, Film City, Noida – 201301 (Uttar-Pradesh) 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 31st March 2024 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 31st March 2024 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 fix the remuneration of the Statutory Auditors for the financial year 2024-25 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 2024-25."

Special Business: -

3. **To appoint Shri K. S. Sundaram (DIN: 10347322) 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 for the time being in force) and Articles of Association of the Company, **Shri K. S. Sundaram (DIN: 10347322)** who was appointed as an Additional Director of the Company with effect from 20th May, 2024 and who holds office till the date of 15th 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 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."

4. **To appoint Shri Dhiraj Kumar Srivastava (DIN: 10681037) as a Non-Executive, Govt. Nominee Director, Ministry of Power 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 for the time being in force) and Articles of Association of the Company, **Shri Dhiraj Kumar Srivastava (DIN: 10681037)** who was appointed as an Additional Director of the Company with effect from 26th June, 2024 and who holds office till the date of 15th 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 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 Govt. Nominee 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."

5. **To appoint Shri Masood Akhtar Ansari (DIN: 10429528) 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 for the time being in force) and Articles of Association of the Company, **Shri Masood Akhtar Ansari (DIN: 10429528)** who was appointed as an Additional Director of the Company with effect from 20th May, 2024 and who holds office till the date of 15th 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 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."

6. **To appoint Shri Rajiv Kumar Rohilla (DIN: 10371161) as a Non–Executive Nominee Director (POWERGRID) 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 for the time being in force) and Articles of Association of the Company, **Shri Rajiv Kumar Rohilla (DIN: 10371161)** who was appointed as an Additional Director of the Company with effect from 15th January, 2024 and who holds office till the date of 15th 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 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 POWERGRID 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."

7. **To appoint Smt. Valli Natarajan (DIN: 01258415) as a Non–Executive Nominee Director (REC) 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 for the time being in force) and Articles of Association of the Company, **Smt. Valli Natarajan (DIN: 01258415)** who was appointed as an Additional Director of the Company with effect from 23rd September, 2024 and who holds office till the date of 15th 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 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 REC Limited and she 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."

8. **To appoint Shri Sandeep Kumar Jain (DIN: 09128784) as a Non–Executive Nominee Director (POWERGRID) 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 for the time being in force) and Articles of Association of the Company, **Shri Sandeep Kumar Jain (DIN: 09128784)** who was appointed as an Additional Director of the Company with effect from 06th December, 2024 and who holds office till the date of 15th 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 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 POWERGRID 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."

9. **To alter the Clause No. 103A and 107 of Articles of Association of the Company and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and subject to receipt of the necessary approvals from the Registrar of Companies in this regard and as recommended by Board of Directors of the Company in its meeting held on 1st October, 2024, the consent of the Members of the Company, be and is hereby accorded to alter the Articles of Association of the Efficiency Services Limited ("the Company"), by substituting the existing Article numbers 103A and 107 with the following Articles:

Article no. 103A

"Subject to the provisions of the Act, the number of directors of the Company shall not be less than four (4) and not more than Seven (7). Currently, the Board of the Company shall comprise seven (7) Directors that include four (4) Directors nominated by NTPC & POWERGRID, two (2) Directors nominated by PFC & REC and one Government Nominee Director."

Article No. 107

"NTPC and POWERGRID shall be entitled to nominate two directors each on the Board of the Company.

PFC and REC shall be entitled to nominate one director each on the Board of Company.

Ministry of Power shall nominate One Government Nominee Director not below the rank of Joint Secretary.

All the Directors shall be non-executive. The Board shall have power to appoint the directors pursuant to the provisions of Companies Act, 2013."

RESOLVED FURTHER THAT CEO and Company Secretary of the Company, be and are hereby authorized severally to make an application with the Registrar of NCT of Delhi in respect of the alteration of the Articles of Association of the Company and to file necessary forms and provide further clarification(s) to the Registrar of Companies, if required, on behalf of the Company and to do all acts, deeds, matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filling of necessary e-forms with the Registrar of Companies."

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

ENERGY EFFICIENCY SERVICES LIMITED CIN-U40200DL2009PLC196789

Laxman Aggarwal
(Company Secretary)

Date: 09th December 2024
Place: Noida

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 15th 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: Join the meeting now
- Meeting ID: 477 063 646 076 & Passcode: DL3BA6JK

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.

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.

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 cs@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 Members in AGM may determine. The Statutory Auditors of the Company for the year 2024-25 have been appointed by the C&AG vide letter no. No./CA.V/COY/CENTRAL GOVERNMENT, EESL (1)/110 dated 19th September, 2024. 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 2024-25.

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 cs@eesl.co.in or call on 0120 - 6541656. 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 cs@eesl.co.in.

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

Item No. 3

Appointment of Shri K. S. Sundaram (DIN: 10347322) as a Non-Executive Nominee Director (NTPC)

Pursuant to clause 7.3 of Supplementary Agreement No. 7 executed on 1st September 2021 to the Joint Venture Agreement of EESL and Article 109 of Articles of Association of the Company (as amended) and pursuant to the provisions of the Companies Act, 2013, Board of Directors in its 143rd Board Meeting held on 1st June 2024, appointed **Shri K. S. Sundaram (DIN: 10347322)** as an Additional Director w.e.f 20th May, 2024, to hold office upto the date of 15th 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. Board of Directors in its 143rd Board Meeting held on 01st June, 2024 has 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. 03 as an **Ordinary Resolution.**

Item No. 4

Appointment of Shri Dhiraj Kumar Srivastava (DIN: 10681037) as a Non-Executive Govt. Nominee Director.

Pursuant to clause 7.3 of Supplementary Agreement No. 7 executed on 1st September 2021 to the Joint Venture Agreement of EESL and Article 109 of Articles of Association of the Company (as amended) and pursuant to the provisions of the Companies Act, 2013, Board of Directors in its 146th Board Meeting held on 26th June, 2024, appointed **Shri Dhiraj Kumar Srivastava (DIN: 10681037)** as an Additional Director w.e.f 26th June, 2024, to hold office upto the date of 15th 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 no.89 dated 24/06/2024 and Board of Directors in its 146th Board Meeting held on 26th June 2024 has 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. 04 as **Ordinary Resolution.**

Item No. 5

Appointment of Shri Masood Akhtar Ansari (DIN: 10429528) as a Non-Executive Nominee Director (NTPC).

Pursuant to clause 7.3 of Supplementary Agreement No. 7 executed on 1st September 2021 to the Joint Venture Agreement of EESL and Article 109 of Articles of Association of the Company (as amended) and pursuant to the provisions of the Companies Act, 2013, Board of Directors in its 143rd Board Meeting held on 1st June 2024, appointed **Shri Masood Akhtar Ansari (DIN: 10429528)** as an Additional Director w.e.f 20th May, 2024, to hold office upto the date of 15th 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. Board of Directors in its 143rd Board Meeting held on 01st June, 2024 has 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. 06 as **Ordinary Resolution.**

Item No. 6

Appointment of Shri Rajiv Kumar Rohilla (DIN: 10371161) as a Non-Executive Nominee Director (POWERGRID)

Pursuant to clause 7.3 of Supplementary Agreement No. 7 executed on 1st September 2021 to the Joint Venture Agreement of EESL and Article 109 of Articles of Association of the Company (as amended) and pursuant to the provisions of the Companies Act, 2013, Board of Directors in its 138th Board Meeting held on 15th January 2024, appointed **Shri Rajiv Kumar Rohilla (DIN: 10371161)** as an Additional Director w.e.f 15/01/2024, to hold office upto the date of 15th 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. Board of Directors in its 138th Board Meeting held on 15th January 2024 has 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. 07 as **Ordinary Resolution.**

Item No. 7

Appointment of Smt. Valli Natarajan (DIN: 01258415) as a Non-Executive Nominee Director (REC)

Pursuant to clause 7.3 of Supplementary Agreement No. 7 executed on 1st September 2021 to the Joint Venture Agreement of EESL and Article 109 of Articles of Association of the Company (as amended) and pursuant to the provisions of the Companies Act, 2013, Board of Directors vide its Circular Resolution dated 23rd September, 2024, approved unanimously, appointed **Smt. Valli Natarajan (DIN: 01258415)** as an Additional Director w.e.f 23rd September 2024, to hold office upto the date of 15th 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 her candidature for Directorship of the Company.

Her 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. Board of Directors in its Circular Resolution dated 23rd September, 2024 has 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. 08 as **Ordinary Resolution.**

Item No. 8

Appointment of Shri Sandeep Kumar Jain (DIN: 09128784) as a Non-Executive Nominee Director (POWERGRID)

Pursuant to clause 7.3 of Supplementary Agreement No. 7 executed on 1st September 2021 to the Joint Venture Agreement of EESL and Article 109 of Articles of Association of the Company (as amended) and pursuant to the provisions of the Companies Act, 2013, Board of Directors in its 154th Board Meeting held on 06th December 2024, appointed **Shri Sandeep Kumar Jain (DIN: 09128784)** as an Additional Director w.e.f 06th December, 2024, to hold office upto the date of 15th 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. Board of Directors in its 154th Board Meeting held on 06th December, 2024 has 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. 05 as **Ordinary Resolution.**

Item No. 9

The purpose of clause 103A and 107 of the Articles of Association of the Company can be explained as below:-

The Board of Directors of Company in its 150th Meeting held on 01st October, 2024, has approved the alteration of Articles 103A and 107 of existing Articles of Associations of the Company subject to approval of Members of Company and Registrar of Companies.

The detailed information in respect of alteration of Clause 103A and 107 of the Articles of Association of the Company has been mentioned below:

Article No	Present Clause	Proposed Clause	Reason of amendment
103A	Subject to the provisions of the Act, the number of directors of the Company shall not be less than four (4) and not more than six (6). Currently the Board of the Company shall comprise maximum five (5) Directors that include four (4) Directors nominated by NTPC & POWERGRID, and one Government Nominee director.	Subject to the provisions of the Act, the number of directors of the Company shall not be less than four (4) and not more than Seven (7). Currently, the Board of the Company shall comprise seven (7) Directors that include four (4) Directors nominated by NTPC & POWERGRID, two (2) Directors nominated by PFC & REC and one Government Nominee Director.	EESL have presently 06 Nominee Directors from NTPC, PGCIL, REC and Ministry of Power on Board. Whereas, PFC has intended to nominate its one Director on Board, for accommodating the appointment of said Director, it is required to increase the present maximum limits of Directors from Six to Seven.
107	NTPC and POWERGRID shall be entitled to nominate two directors each on the Board of the Company. If within three years from the date of signing of Supplementary Agreement No. 7 dated 1st September, 2021, the shareholding of PFC or REC does not fall below	NTPC and POWERGRID shall be entitled to nominate two directors each on the Board of the Company. PFC and REC shall be entitled to nominate one director each on the Board of Company. Ministry of Power shall nominate One	Since, PFC and REC have got the right of their representation on the Board of EESL in terms of Clause 7.3 of the Supplementary JV Agreement No. 7 dated 1st September, 2021, and REC has already nominated its one Nominee Director on EESL Board. PFC has also intended to

	10% each, the representation of the parties on the board shall be revisited to provide representation to PFC and/or REC, as the case may be, keeping in view the shareholding at that point of time. Ministry of Power shall nominate One Government Nominee Director not below the rank of Joint Secretary. All the directors shall be non - executive. The Board shall have power to appoint the directors pursuant to the provisions of the Companies Act, 2013.	Government Nominee Director not below the rank of Joint Secretary. All the directors shall be non - executive. The Board shall have power to appoint the directors pursuant to the provisions of the Companies Act, 2013.	nominate its director on EESL Board subject to necessary alteration in existing Articles of the Company is done by EESL to that effect.

Copy of altered Articles of Association of the Company and other documents accompanying in the notice shall remain open for inspection by the members at the registered office of the Company during normal business hours on all working days, except Saturdays, Sundays and public holidays between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.

In view of the applicable provisions of the Companies Act, 2013 the Board of Directors of Company recommends passing of the Special Resolution as set out at Item no. 09 of the accompanying Notice for the approval of the Members.

None of the Board of Directors of your Company and their relatives is concerned or interested, financially or otherwise, in the above Resolution.

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

(Laxman Aggarwal)
Company Secretary

Date: 09th December 2024
Place: Noida

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

Name	Shri K. Shanmugha Sundaram	Shri Dhiraj Kumar Srivastava
DOB / Age	21st May, 1967/57 yrs.	10th May, 1972/52 yrs.
Date of appointment	20th May 2024	26th June, 2024
Terms & Conditions of appointment	NTPC Nominee Director	Ministry of Power, Govt. Nominee Director
Remuneration	NIL	NIL
Qualification	• Electronics and Communication Engineering • PGDM	B.E. Electrical Engineering
Experience	35 Years	21 Years
Shareholding in the company	NIL	NIL
Memberships/ Chairmanship of committees across all public companies*	NIL	NIL
Number of Board Meetings held and attended during the year	NA	NA
Relationship with other Directors, Managers or KMP	NIL	NIL
Other Directorships	1.Aravali Power Company Private Limited 2.Meja Urja Nigam Private Limited 3.NTPC Renewable Energy Limited 4. NTPC Green Energy Limited 5. Patratu Vidyut Utpadan Nigam Limited 6. Hindustan Urvarak & Rasayan Limited 7. NTPC Limited	NIL

* *excluding membership / Chairmanship in EESL.*

Name	Shri Masood Akhtar Ansari	Shri Rajiv Kumar Rohilla
DOB / Age	6th March, 1969/55 yrs.	24th March, 1968/56-yrs
Date of appointment	20th May 2024	15th January, 2024
Terms & Conditions of appointment	NTPC Nominee Director	PGCIL Nominee Director
Remuneration	NIL	NIL
Qualification	• Science Graduate	• Engineering Graduate from National Institute of Technology, Kurukshetra • Master's in Business Administration from prestigious Faculty of Management Studies, Delhi University
Experience	30 Years	30 Years
Shareholding in the company	NIL	NIL
Memberships/ Chairmanship of committees across all public companies*	1. NTPC Tamil Nadu Energy Company Limited Chairman- Audit Committee 2. Hindustan Urvarak & Rasayan Limited Chairman- Audit Committee 3. NTPC Tamil Nadu Energy Company Limited Member-NRC Committee 4. NTPC Tamil Nadu Energy Company Limited Member-CSR Committee 5. Hindustan Urvarak & Rasavan Limited Member-CSR Committee	1. PTC India Limited Member-Audit Committee
Number of Board Meetings held and attended during the year	NA	5/5

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Relationship with other Directors, Managers or KMP	NIL	NIL
Other Directorships	1. Intellismart Infrastructure Pvt. Ltd. 2. Hindustan Urvarak & Rasayan Limited. 3. Green Valley Renewable Energy Ltd. 4. NTPC Tamil Nadu Energy Company Ltd.	1. POWERGRID Corporation India Limited; 2. POWERGRID Gomti Yamuna Transmission Limited; 3. POWER GRID Khavda IV-E2 Power Transmission Limited; 4. POWERGRID Sikar Khetri Transmission Limited; 5. POWERGRID Koppal Gadag Transmission Limited; 6. POWERGRID Neemrana Bareilly Transmission Limited; 7. PTC India Limited; 8. POWERGRID Ramgarh II Transmission Limited.

* *excluding membership / Chairmanship in EESL.*

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Name	Smt. Valli Natrajan	Shri Sandeep Kumar Jain
DOB / Age	06th April, 1968/ 56 yrs	01st August 1965/59 yrs.
Date of appointment	23rd September 2024	06th December 2024
Terms & Conditions of appointment	RECL Nominee Director	PGCIL Nominee Director
Remuneration	NIL	NIL
Qualification	• B.E. (Technical) • MBA (Finance)	• Commerce Graduate from University of Delhi • Cost Accountant from The Institute of Cost Accountants of India
Experience	34 Years	36 Years
Shareholding in the company	NIL	NIL
Memberships/ Chairmanship of committees across all public companies*	1.REC Power Development and Consultancy Limited Member-CSR Committee	NIL
Number of Board Meetings held and attended during the year	NA	NA
Relationship with other Directors, Managers or KMP	NIL	NIL
Other Directorships	1. REC Power Development and Consultancy Limited; 2. Meil Anpara Energy Limited; 3. Andhra Pradesh Central Power Distribution Corporation Limited; 4. Andhra Pradesh Central Power Distribution Corporation Limited; 5. Dinchang Transmission Limited; 6. Baira Siul Sarna Transmission Limited.	1. POWERGRID Parli Transmission Ltd.; 2. POWERGRID KPS2 Transmission System Ltd.; 3. POWERGRID Khavda II-C Transmission Ltd.; 4. POWERGRID Warora Transmission Ltd.; 5. POWERGRID Khetri Transmission System Ltd.; 6. POWERGRID Khavda II- B Transmission Ltd.; 7. POWERGRID Energy Services Ltd.; 8. POWERGRID Bikaner Transmission System Ltd.; 9. RINL POWERGRID TLT Private Ltd.

**excluding membership / Chairmanship in EESL.*

DIRECTORS' REPORT

To,
The Members,
Energy Efficiency Services Limited,
New Delhi.

Your Directors are pleased to present the 15th Directors' Report on the business and operations of the company along with the Audited Financial Statements for the financial year ended on 31st March 2024.

1. Financial Performance

The highlights of the financial performance of the Company for the financial year 2023-24 together with the comparative position of the previous financial year are given as under:

(₹ in Lakhs)

Particulars	31st March, 2024	31st March, 2023*
Paid-up Share capital	2,15,682.00	1,39,082.00
Total Revenue (including Other Income)	1,17,679.15	1,31,572.03
Profit Before Depreciation & Taxes	44,281,24	64,283.62
Less: Depreciation	1,307.29	1,498.60
Profit/(Loss) Before Tax	(45,588.53)	(65,782.22)
Less: Prior Period Adjustments (Net)	-	-
Less: Provision for Taxation		
-Current Year	317.56	199.66
-Deferred Tax credit	(3.78)	(8,555.79)
Profit/(Loss) after Tax	(45,902.31)	(57,426.09)
Add : Other comprehensive income / (expense)	(18.95)	40.05
Total Comprehensive income for the year	(45,921.26)	(57,386.04)

** Restated*

Revenue from operations for the financial year 2023-24 is ₹67,154.49 lakhs and total revenue for the period is ₹1,17,679.15 lakhs which is approx. 10.56% Lower than the previous year. Profit/(loss) after tax of the Company during the period is ₹(45,902.31) lakhs (20.07% Lower) against ₹(57,426.09) lakhs in the previous year.

Consolidated financial statements

The Company has various subsidiaries and Joint Venture Companies. The Consolidated Turnover of the group is ₹1,42,302.65 lakhs for the financial year 2023-24 as against ₹1,62,095.35 lakhs of the previous financial year. The Consolidated Profit/ (Loss) after tax of the group is ₹(47,246.78) lakhs for the financial year 2023-24 as against ₹(60,640.64) 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

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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.

2. **Reserves and Dividend**

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

3. **Net Worth and Earnings per Share**

As on 31st March 2024, Your Company's net worth was ₹1,49,663.49 lakhs (including DRR) as against ₹1,18,984.74 lakhs in the previous year. Earnings per Share of the Company for the year ended 31st March 2024 stands at (₹2.52) in comparison to (₹4.13) for the financial year ended 31st March 2023.

4. **Delisting of Bonds from BSE Limited**

During the financial year 2023-24, the company fully redeemed its 8.07% Secured Redeemable Taxable Non-Convertible Bonds in the nature of Debentures - Series I STRPP C amounting to ₹500 Crore and the same were delisted from BSE Limited w.e.f. 20th September, 2023. Accordingly, as on 31st March, 2024, the value of outstanding Bonds was NIL.

5. **Resource Mobilization**

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

During the financial year 2023-24, the company has raised foreign long-term loans amounting to ₹37,032.42 lakhs from the Asian Development Bank (ADB) & International Bank for Reconstruction and Development (IBRD) and domestic long-term loans amounting to ₹55,000.00 lakhs from various Domestic Banks. As on 31st March, 2024, the total amount outstanding in respect of Foreign Long Term Borrowings is ₹3,56,847.23 lakhs and in respect of Domestic Long Term Borrowings is ₹1,60,722.50 lakhs. Further, as on 31st March, 2024, the Company has outstanding Short Term Loans (fund based) amounting to ₹1,89,399.09 lakhs (fund based).

5.1 Credit Rating

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

5.2 Change in Board Structure & Capital Structure: -

a) During the Financial year 2023-24 and as on the date of this report, there are six (6) directors on the Board, duly nominated by NTPC and POWERGRID (two each); nominated by REC (one) 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

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functioning of the company, achieving corporate objectives, and meeting performance parameters of the company and its group companies.

b) During the FY 2023-24 changes held in the shareholding pattern of the company are as follows:

Name of Shareholders	Total Shares as on 31.03.2024	% To Equity	Total Shares as on 31.03.2023	% To Equity
NTPC LIMITED	84,66,09,832	39.252688	46,36,09,832	37.721278
POWER GRID CORPORATION OF INDIA LIMITED	84,66,09,832	39.252688	46,36,09,832	37.721278
POWER FINANCE CORPORATION LIMITED	24,54,99,832	11.382491	24,54,99,832	13.004409
REC LIMITED	21,81,00,000	10.112109	21,81,00,000	11.553008
ARUN KUMAR	168	0.000008	168	0.000009
DILIP NAGESH ROZEKAR	168	0.000008	168	0.000009
PRAVEEN KUMAR SINGH	168	0.000008	168	0.000009
Total	**2,15,68,20,000**	**100.00**	**1,39,08,20,000**	**100.00**

During the FY 2023-24 the Company in terms of provisions of Section 62 of Companies Act, 2013, has issued and allotted equity share capital as follows:

Paid-up equity share capital as on 01.04.2023	**1,39,08,20,000**
Addition during the FY 2023-24	**76,60,00,000**
Paid-up equity Share capital as on 31.03.2024	**2,15,68,20,000**
The additional equity shares were equally allotted to following: a) NTPC Limited: 38,30,00,000 shares b) Power Grid Corporation of India Limited: 38,30,00,000 shares	

6. OPERATIONAL HIGHLIGHTS

Project wise status of EESL's programs as on 31.03.2024 is as follows:

6.1 Street Lighting National Program (SLNP):

- Hon'ble Prime Minister, on 5th 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.

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- EESL had installed 4.12 lakh LED streetlights in the FY22-23. Cumulative achievement as on 31st March 2024 is **1.29 Crore** lights installed 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_2 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.

(Pic: Launching of National Efficient Cooking Programme (NECP) by the then Union Power Minister, Shri R.K Singh, New Delhi on 2nd November 2023)

6.2 Unnat Jyoti by Affordable LEDs for ALL (UJALA):

- Hon'ble Prime Minister, launched the Unnat Jyoti by Affordable LED for All (UJALA) program on 5th 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. This is the largest non-subsidy based LED lighting programme in the world.

(Pic: Launching of Energy Efficient Fan Programme (EEFP) by the then Union Power Minister, Shri R.K Singh, New Delhi on 2nd November 2023)

- EESL cumulative achievement as on 31st March 2024 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** tCO2 per year.
- EESL has distributed a total of **72.19 Lakh** LED Tube Lights till 31st March 2024, 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** tCO2 per year.
- EESL has distributed a total of 23.59 Lakh Energy Efficient Fans till 31st March 2024, resulting in total energy savings of 219.4 million kWh per year, avoided peak demand of59MW and estimated emission reduction of 179.9 kilo tCO2 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. **407* Crore** LED bulbs by the Industry till March 2024.
- *As per ELCOMA (Electric Lamp and Component Manufacturers Association of India) data. Includes the numbers distributed/ installed by EESL.

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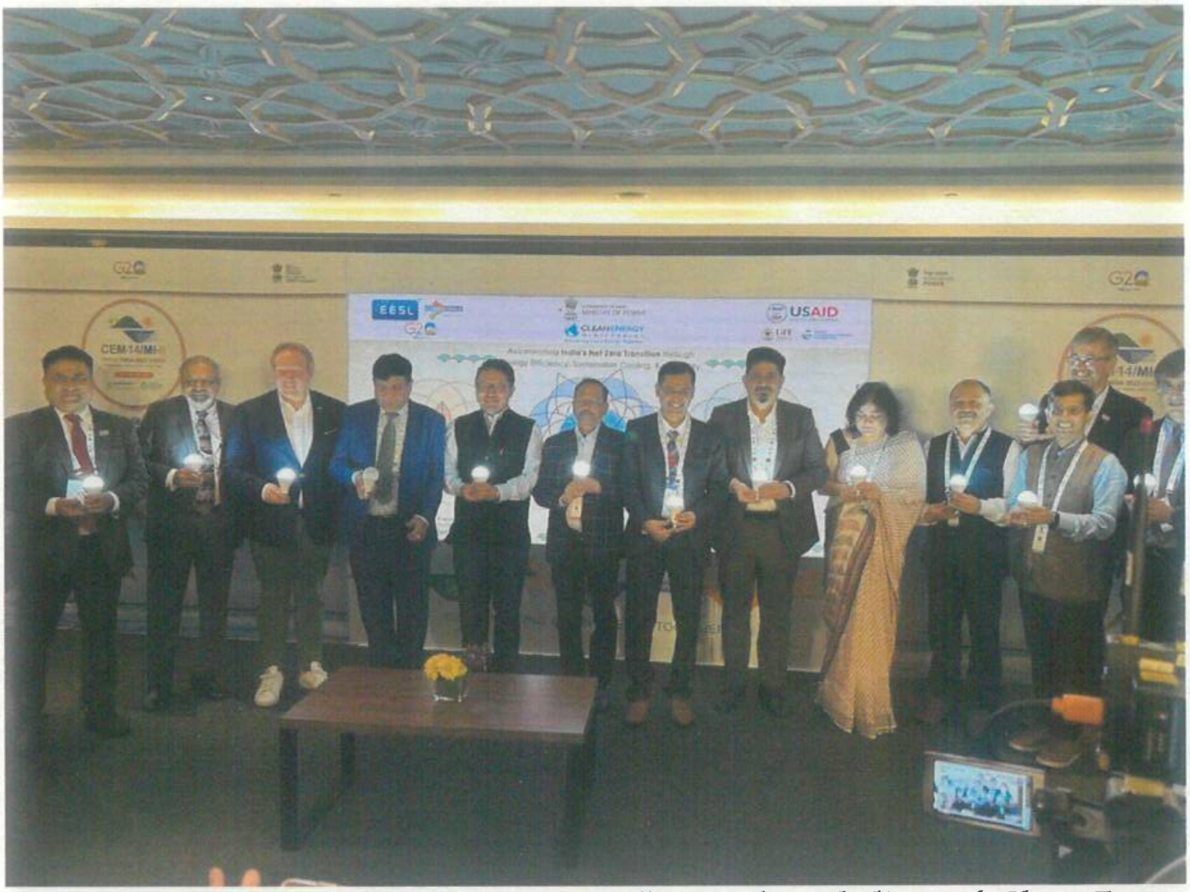

(Pic: Demonstration of EESL's Inverter Bulbs on the side-lines of Clean Energy Ministerial (CEM) and Mission Innovation (MI) meetings held in Goa during G20 event in July 2023)

6.3 The following programmes are undertaken by the Company through Convergence Energy Services Limited (CESL), its wholly owned subsidiary:

A) GRAM UJALA:

- Gram UJALA is a carbon finance-based program offered to households in rural India, at Rs. 10 each for 12W and 7W Bulbs are of the highest quality, energy efficient LEDs bulbs that consumes 88% percent less electricity as compared to the incandescent bulbs they replace. The scheme has been a huge success and has helped in reducing energy consumption and promoting the use of sustainable energy sources in rural areas.

- As on date, CESL has distributed 1 Crore LED bulbs in rural areas of 5 states (Bihar, Uttar Pradesh, Andhra Pradesh, Karnataka, Telangana). CESL has received 727,581 Verified Credit Units from the US-based VERRA Registry upon completing the first verification cycle for the LED bulb distribution in Bihar, Uttar Pradesh, and Andhra Pradesh. CESL is in the process to sell these 727,582 VCUs. The details are available at https://convergence.co.in/finance_and_investors.

(Pic: EESL wins CII National award for UJALA Programme as a high impact programme for Energy Efficiency on 12th September, 2024 in Hyderabad)

B) National E-Mobility Program:

CESL has progressively expanded into all areas of E-Mobility - including (1) electric two wheelers, (2) electric four wheelers (3) electric Buses, (4) electric vehicles charging stations. The details are available at https://convergence.co.in/finance_and_investors.

(Pic: Demonstration of EESL's E-Bicycles during National Energy Conservation Day Award Ceremony held in Vigyan Bhawan, New Delhi on 14th December, 2023)

(Pic: Demonstration of EESL's Electric Vehicle Charging Infrastructure for to Malaysian Delegates at Rafi Marg, New Delhi)

6.4 Smart Meter National Program (SMNP):

- EESL through IntelliSmart Infrastructure Private Limited, its JV Company, 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 **5.39** Lakh smart meters in the FY 2023-24. Cumulative achievement as on 31st March 2024 is **39.03 lakh** Smart meters.

6.5 Decentralized Solar Power Plant Program:

- EESL has initiated a first of its kind large scale program wherein existing agricultu ral feeders are being solarized via implementation of decentralized solar power plants at vacant/un-used DISCOM/GENCO lands.
- EESL has installed a cumulative capacity of **18.16 MW** of Decentralized Solar Power Plant in FY 2023-24. Cumulative achievement, as on 31st March 2024 is **~195 MW/231 MWp**. This green energy initiative has helped in reducing more than 0.66 Million Tonnes (approximately) of CO_2 emissions till date.

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6.6 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.
- The programme was conceptualised in 2016. As on 31st March 2024, a total of 81168, agricultural pumps have been installed.

6.7 Building Energy Efficiency Program (BEEP):

- EESL has implemented the Buildings Energy Efficiency Program to retrofit commercial buildings in India into energy efficient complexes.
- Cumulative achievement as on 31st March 2024 is 12,701 nos. of buildings.

6.8 Motor Replacement Program:

EESL's has been taking initiatives in enhancing energy efficiency in the industrial sector through the promotion of high-efficiency motors as motor consumes up to 70% of total energy in an industry.

1. **Deployment of IE-3 Motors**: EESL has deployed 5,280 IE-3 motors in the industry as of March, 2024, and is in the process of procuring an additional 10,000 IE-3 motors.
2. **Pilot for IE-4 Motors**: EESL is conducting pilots with IE-4 motors in various working environments to evaluate their technical and commercial viability. The plan is to promote IE-4 motors in India through a suitable business model.

6.9 Super-efficient AC program:

EESL has taken the lead in promoting energy efficiency in air conditioning space since launch of Super- efficient AC program with ISEER rating of 5.40 with features of zero ozone-depleting substances (ODS) and global warming potential (GWP) of less than 700 in the year 2019. EESL has supplied 3,146 super-efficient ACs (more than 5-star rating) to institutional and retail customers till March 2024. Additionally, under Building Energy Efficiency Program, EESL has supplied and installed over 23,000 units of 5-star air conditioners.

- To further enhance the availability of higher efficiency AC in the market, EESL is now offering ACs of 1 TR and 1.5 TR capacities having ISEER rating of 6.2 and 5.8 respectively through procurement of 20,000 ACs.

6.10 International Programs/operations:

Global Environment Facility-5 (GEF-5):

Under the 5th cycle of Global Environment Facility (GEF) funded PMTEE project namely "Promoting Market Transformation for Energy Efficiency in Micro, Small & Medium Enterprises (MSME)", EESL is executing 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. 22 technologies have been successfully demonstrated across the identified clusters out

ENERGY EFFICIENCY SERVICES LIMITED CIN: U40200DL2009PLC196789 of 36 identified technologies. Additionally, EESL has conducted 800 surveys and 80 detailed energy audits in the MSME units. EESL has signed more than 65 energy performance agreements with the MSME units for the implementation of energy-efficient technologies.

Global Environment Facility-6 (GEF-6):

A) CONSERVATION OF ENERGY:

Under the 6th cycle of Global Environment Facility (GEF) funded GEF-6 projects namely "Creating and Sustaining Markets for Energy Efficiency" project in association with UNEP and ADB. The project aims to expand and sustain investments in existing sectors, diversify markets, and scale up energy-efficient technologies. GEF support available in the project was 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_2 reduction by 2022 and 137.5 million GJ of energy savings by 2032. It consists of three components:

B) TECHNOLOGY ~~ABSORPTION~~ DEVELOPMENT AND BENEFITS:

1. **Component-1: Expand and sustain investments in existing sectors:**
   Supports installation of energy-efficient streetlights, domestic lights, 5-star ceiling fans, and agricultural pumps. Component-1 has achieved significant progress, surpassing GHG emission reduction targets by over 500.8% for street lighting and 226.9 for domestic lighting, while ceiling fans and agricultural DSM are at 50% and 34% progress, respectively.
2. **Component-2: Building Market Diversification:** Development & implementation of business models through new technologies such as super-efficient ACs, Energy efficient motors, Electric vehicles, Public Charging Infrastructure for EVs, tri-generation technologies in the first phase. Additionally new areas of interventions and market diversification have been identified covering utility based technologies, waste heat recovery systems, industrial automation, cooling as a service, district cooling system, etc.
3. **Component-3: Replication and scaling up:** Developing a long-term growth strategy based on collected lessons, experiences etc. from the above-mentioned components and achieving a target of a USD 300 million investments across all technology areas through innovative ways of financing like an Energy Efficiency Revolving Fund (EERF).

7. 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

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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 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.

· **Drawing-up of Condition Precedents (CPs) for effective utilization of Equity:** EESL has drawn up detailed Condition Precedents (CPs) for ensuring compliance of the following:

- All Capex investment have well-defined revenue model capable of servicing the financing thereof.
- Only revenue yielding Capex are taken up for implementation.
- Equity investments in JV & Subsidiaries have minimum specified ROE.
- Programmes under ESCO / Capex model have secured payment mechanism.
- All major investment decision in the Board meetings of EESL's JV&S is taken in the presence of EESL's Promoters' nominees on their Board.
- 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.

8. OFFICIAL LANGUAGE IMPLEMENTATION

Pursuant to Section 3(3) of the Official Language Act 1963, The EESL office follows the Official Language Policy of the Union. All documents are published bilingually under Section 3(3) for official language works. The Parliamentary Official Language Committee conducted official language inspection of the regional offices of EESL, which includes Patna, Kolkata, Lucknow and Jaipur. The Committee awarded certificates of appreciation on the progress of official language works of these offices. All the regional offices are members of *Nagar Rajbhasha Implementation Committee (NARAKAS)* and actively participate in its meetings, conferences and competitions. The website of the EESL office is also operated bilingually. Hindi Pakhwada is also celebrated every year, in which the employees of the office participate wholeheartedly. Official Language Meetings are also

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held every quarter. Apart from this, EESL has also organized a two official language festival in Feb'24, in collaboration with four other offices including Delhi Metro, Food Corporation of India, NEEPCO, ITPOs and Agriculture Insurance Company. The Official Language Department of EESL is committed to fully comply with the official language policies of India.

9. HUMAN RESOURCES MANAGEMENT

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

9.1 Manpower Strength

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

Location	Number of employees			
	Regular	Fixed Tenure	Consultants	Third-Party
India	231 (Incl. 3 employees on Deputation/Lien to other organizations)	34	19	475
Foreign Posting	2	-	-	-
Total	233	34	19	475

9.2 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.

9.3 Employee Welfare

In the fiscal year 2023-24, 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.

9.4 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 2023-24, 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.

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9.5 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. We have women leaders at top managerial posts and various women-friendly policies are in place such as Maternity leave policy and Child Care leave policy etc.

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.

10. 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 2023-24, Following initiatives were taken by IT:

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

10.2 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.

10.3 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:

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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.

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

During the financial year 2023-24, EESL received nearly 117 Right to Information (RTI) requests. The process for filing an RTI at EESL is straightforward. Applicants can visit *https://rtionline.gov.in/* to file their requests directly with EESL. The RTI MIS portal is an efficient and user-friendly platform for submitting online applications. Additionally, the prescribed fee can be conveniently paid through the portal's electronic payment gateway. On average, EESL concludes RTI applications within 25 days, five days earlier than the prescribed 30-day timeline.

Grievances are typically received via email, regular mail, or through the highly responsive Centralized Public Grievance Redress and Monitoring System (CPGRAMS) web portal, which is managed by the Department of Administrative Reforms and Public Grievances and available at *https://pgportal.gov.in*. In FY 2023-24, EESL successfully resolved over 150 grievances received through the CPGRAMS portal and other channels.

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12. 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 86.80%) Equity Shares. As on 31st March 2024, the paid – up share capital of EPAL was £41,182,100 (PY £41,182,100). During the financial year 2023 – 24, EPAL has made a loss of £3.48 million as against a profit of £0.08 million in the FY 2022-23.

List of companies under EPAL and name of the officers holding the position of director as on 31st March 2024 in EPAL and its subsidiaries are as under:

a. **EESL EnergyPro Assets Limited:** Steven Derrick Fawkes - Director w.e.f. 17.01.2017; Shankar Gopal - Director w.e.f. 20.03.2019; Vishal Kapoor - Director w.e.f 12.11.2022.
b. **Anesco Energy Services South Limited:** Nitin Wadhwa - Director w.e.f. 20.03.2019.
c. **Creighton Energy Limited:** Nitin Wadhwa - Director w.e.f. 20.03.2019.
d. **Edina Power Services Limited:** Hugh Kerr Richmond - Director upto 01.04.2024; Steven Derrick Fawkes - Director w.e.f. 16.03.2018; Shankar Gopal - Director w.e.f. 19.02.2019; Vishal Kapoor - Director w.e.f 12.11.2022; Adam Max Bloom - Director w.e.f. 01.04.2024.
e. **Edina Limited:** Hugh Kerr Richmond - Director upto 01.04.2024; Ricardo Luis De Sousa Alves - Director w.e.f. 03.04.2023; Nitin Wadhwa - Director w.e.f. 28.08.2019; Adam Max Bloom Director w.e.f. 01.04.2024; Stephen Nullis - Director w.e.f. 01.04.2024; Shankar Gopal - Director w.e.f. 01.04.2024; Abhishek Gupta - Director w.e.f. 01.04.2024.
f. **Edina UK Limited:** Hugh Kerr Richmond - Director upto 01.04.2024; Ricardo Luis De Sousa Alves - Director w.e.f. 03.04.2023; Nitin Wadhwa - Director w.e.f. 28.08.2019; Adam Max Bloom - Director w.e.f. 01.04.2024; Stephen Nullis - Director w.e.f. 01.04.2024; Shankar Gopal - Director w.e.f. 01.04.2024; Abhishek Gupta - Director w.e.f. 01.04.2024.
g. **Edina Australia Pty Limited:** Hugh Kerr Richmond - Director upto 01.04.2024; Julian Gyngell - Director w.e.f.11.12.2021; Ricardo Luis De Sousa Alves - Director w.e.f. 03.04.2023; Nitin Wadhwa - Director w.e.f. 01.04.2024; Adam Max Bloom - Director w.e.f. 01.04.2024; Stephen Nullis - Director w.e.f. 01.04.2024; Shankar Gopal - Director w.e.f. 01.04.2024; Abhishek Gupta - Director w.e.f. 01.04.2024.
h. **Armoura Holdings Limited:** Hugh Kerr Richmond - Director upto 01.04.2024; Nitin Wadhwa - Director w.e.f. 28.08.2019; Ricardo Luis De Sousa Alves - Director w.e.f. 03.04.2023; Adam Max Bloom - Director w.e.f. 01.04.2024; Stephen Nullis - Director w.e.f. 01.04.2024; Shankar Gopal - Director w.e.f. 01.04.2024; Abhishek Gupta Director w.e.f. 01.04.2024.
i. **Stanbeck Limited:** Hugh Kerr Richmond - Director upto 01.04.2024; Nitin Wadhwa - Director w.e.f. 28.08.2019; Ricardo Luis De Sousa Alves - Director w.e.f. 03.04.2023;

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Adam Max Bloom - Director w.e.f. 01.04.2024; Stephen Nullis - Director w.e.f. 01.04.2024; Shankar Gopal Director w.e.f. 01.04.2024; Abhishek Gupta - Director w.e.f. 01.04.2024.

j. **Edina Power Limited:** Hugh Kerr Richmond - Director upto 01.04.2024; Nitin Wadhwa - Director w.e.f. 28.08.2019; Ricardo Luis De Sousa Alves - Director w.e.f. 03.04.2023; Adam Max Bloom - Director w.e.f. 01.04.2024; Stephen Nullis - Director w.e.f. 01.04.2024; Shankar Gopal - Director w.e.f. 01.04.2024; Abhishek Gupta - Director w.e.f. 01.04.2024.

k. **EPSL Trigeneration Private Limited:** Shankar Gopal - Director 08.06.2019; Venkatesh Dwivedi - Director w.e.f. 31.03.2021; Vishal Kapoor - Director w.e.f 12.11.2022.

b. Convergence Energy Services Limited (CESL):

CESL is the Wholly owned subsidiary of EESL in India. EESL has not made further investment in Equity Shares of the company during FY 2023-24. Thus, Investment in Equity Share Capital as on 31.03.2024 is ₹ 59.21 Cr. EESL has provided a Loan of Rs. 11.19 Cr during the FY 2023-24, taking the total loan outstanding to Rs 59.28 Crore CESL focuses on delivering clean, affordable and reliable energy and energy solutions that lie at the confluence of renewable energy, electric mobility, battery storage and climate change.

c. NEESL Private Limited

NEESL (P) Limited is a Joint Venture company with Neev International APS as JV partner, wherein EESL holds 2,600 shares of Rs. 10/- each for the period ended 31.03.2024 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 10th 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 seed capital during incorporation. EESL Board has approved the closure process of the company. The company closure is under process and the same shall be completed within next 03 months.

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 31st March 2024, EESL holds 49% stake in the company amounting to ₹33,222 lakhs. During the financial year 2023-24, IIPL generated revenue from operations of INR 24,352 lakhs, incurred a Profit Before Tax of INR 3,441 Lakhs, and

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incurred a Profit after Tax of INR 2,705 Lakhs. The total comprehensive Income for the financial year is INR 2,712 lakhs.

13. INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS

Information required to be furnished as per the Companies Act, 2013 and its related Rules framed and any amendments thereto are as under:

13.1 RELATED PARTIES TRANSACTIONS

During the year under review, there were no materially significant related party transactions made by the Company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large. 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.

13.2 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.

13.3 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.**

13.4 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

13.5 NOMINATION AND REMUNERATION POLICY

The Nomination and 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).

13.6 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).

13.7 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 the Chief Vigilance Officer, consisting of GM-Vigilance and Vigilance executives in the Corporate Centre to deal with the various facets of Vigilance.

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During the financial year 2023-24 (i.e. from 01.04.2023 to 31.03.2024), a total of 14 nos. of complaints were received by the Vigilance Department, out of which 11 nos. of complaints were brought to logical conclusions while 03 are under process.

As a preventive vigilance measure, one surprise check was conducted. Besides, Vigilance Awareness Week was observed for raising awareness of the employees on vigilance matters. During the period, one Preventive Vigilance Workshop was conducted.

13.8 CORPORATE SOCIAL RESPONSIBILITY

EESL has formulated a CSR Policy in accordance with the provisions of the Companies Act 2013 and the same is available at the link: https://eeslindia.org/wp-content/uploads/2021/04/EESL-CSR-Policy.pdf. However, during the financial year 2023-24, the average profit before Tax (PBT) for the last three financial years was Rs. (6295.47) Lakhs. Hence, no CSR related activity was undertaken in FY 2023-24 in view of lack of CSR Funds. Further, EESL does not meet the criteria specified in Section 135 (1) of the Companies Act, 2013.

13.9 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. During the FY 2023-24, the company was in compliance with Regulations 15-27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The Risk Management Committee of the Board has been formulated as per the approval of the Board of Directors dated 29.12.2021. The Company in aid of abiding to the principles of good corporate governance shall continue with its commitment on following outcomes of its implemented Integrated Risk Management Framework, although not required mandatorily in view of delisting of Bonds from BSE Limited w.e.f. 20th September 2023 and the non applicability of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the end of the reporting period.

13.10 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
- 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.

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- Awareness of the usage of electricity
- Installed semi-transparent screen inflector sheet in windows of air-conditioned rooms

B) TECHNOLOGYABSORPTIONAND 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 PMTEE project.
- A demonstration of 22 technologies has been completed under the project. These technologies are cross-sector and sector-specific technologies comprising utility-based technologies in MSME clusters suitable for energy-efficient compressed air systems, automation of existing processes and equipment, waste heat recovery etc. With the support of MoMSME, EESL, SIDBI the project will be creating an Energy Management Revolving Fund (EMRF) of 150 crore for upscaling energy efficiency projects on the demonstrated technologies.
- 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. EESL has identified 26 energy efficiency projects and signed agreements with 16 beneficiaries for Demo projects.
- Further, EESL with support of Health and Medical Education Department, Administration of Union Territory Ladakh, is being executed a geo-thermal heat pump based space heating project at PHC Thiksey.

13.11 FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Particulars	Year ended 31.03.2024 (in ₹)	Year ended 31.03.2023 (in ₹)
Expenditure in Foreign currency	1,67,15,56,693	80,51,39,781
Earning in Foreign Exchange	2,03,09,131	75,51,570

13.12 DIRECTORS, KEY MANAGERIAL PERSONNEL, BOARD OF DIRECTORS & BOARD LEVEL COMMITTEES AND DETAILS OF THE MEETINGS THEREOF:

The details of Directors and KMPs during the period under the review and up to the date of this report, and Board Level Committees and the details of the meetings have been provided in Corporate Governance Report which forms part of this report as ANNEXURE- IV.

Re - appointment of Directors: -

In terms of Section 152 of the Act, no Director shall retire by rotation at the ensuing Annual General Meeting of the company since all directors were appointed as Additional Directors after the date of last Annual General Meeting and who are proposed to be re-appointed in the ensuing Annual General Meeting in terms of Section 161 of Companies Act, 2013.

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13.13 CORPORATE GOVERNANCE

A detailed report on Corporate Governance is placed at **ANNEXURE - IV** and forms part of the Directors' Report.

13.14 DECLARATION OF INDEPENDENCE

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

13.15 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 31st March 2024, the Directors and Senior Management Personnel have declared that they have duly complied with the Code of Conduct of the Company with a view to enhancing ethical and transparent processes in managing the affairs of the Company.

13.16 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.

13.17 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:

Summary of procurement in FY 2023-24	
Description	**Amount (in INR)**
Total procurement data by EESL corporate office in FY 2023-24	5,93,76,26,880.50
Total procurement in clusters in FY 2023-24	54,59,03,287.16
Total procurement by EESL in FY 2023-24	6,48,35,30,167.66
Total procurement from MSE by EESL in FY 2023-24	1,43,20,83,914.07
Percentage of procurement by MSE	22.09%

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

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13.18 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 2023-24 will be available on our website www.eeslindia.org.

13.19 STATUTORY AUDITORS

The Comptroller and Auditor General of India (C&AG), in exercise of powers conferred under Section 139 of the Act had vide letter 12th September 2023 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 2023-24. The Statutory Auditor's Report for the financial year 2023-24 is annexed to the Financial Statements of the company provided in the Annual Report. The Statutory Auditors have not made any qualifications/adverse remarks in the Audit Report for the financial year 2023-2024.

13.20 SECRETARIAL AUDITORS

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 2023-24. The Secretarial Audit Report in Form MR-3 (annexed as **Annexure-V** to this report) for the financial year 2023-24 does not contain any adverse remarks/qualifications or reservation except one observation as given below:

- Non-appointment of woman director during the period under review.

Management reply in response to the above observation: The power to appoint Directors in EESL is vested with the Promoter Companies and Ministry of Power and the same is fulfilled in accordance with the provisions of JV Agreement (as amended) read with Articles of Association of the Company (as amended). During the FY 2023-24, the discussions were held and the matter was taken up with promoter companies to ensure that the necessary steps are taken in accordance with the applicable regulations of Companies Act, 2013.

Subsequent to the close of FY 2023-24 and as on the date of this report, the Company has appointed Smt. Valli Natarajan, Additional Nominee Director, REC Limited as Woman Director on the Board of EESL w.e.f. 23rd September, 2024.

13.21 INTERNAL AUDITORS

M/s KPMG Assurance and Consulting Services LLP were appointed as Internal Auditors of the Company for the financial year 2023-24.

13.22 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.

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

The comments of C&AG for both the standalone and consolidated financial statements of your Company for the financial year ended 31st March 2024 are annexed at **Annexure-VI.**

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

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. Vide order dated 22.03.2024 the Ld. Tribunal was pleased to dismiss the petition inter alia on the ground of pre-existence of "dispute" between the parties. 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 per 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. Arbitration petition is at the stage of final arguments.

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 Technovation Pvt Ltd however has filed its claim to the learned "Resolution Professional" Mr. Prashant Agarwal as appointed by Hon'ble NCLT Jaipur.

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3. **Signify Innovations India Ltd Vs Eon Electric Ltd And In the matter of Ritu Rastogi, RP for EON Vs. EESL**

On account of ongoing insolvency proceedings of M/s Eon electricals ltd, 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. There are various reliefs being claimed from EESL

1. Application for reduction of Bank guarantee from 10% to 3%

This was filed in 2021, wherein EON sought a reduction in bank guarantees from 10% to 3% in light of the government circular issued during Covid. We resisted this application on several grounds, more specifically to highlight that the transactions with M/s EON were subject to dispute on account of their failure to provide services in various municipalities. Subsequently, their Bank Guarantees have been encashed, and this application is infructuous.

2. Application for stay of invocations of Bank guarantees

These were filed when BGs were duly encashed. However, the court had not issued any interim stay. These applications were withdrawn as infructuous.

3. Application for refund of amounts encashed against Bank guarantees and pending dues IA 70/2023.

Our reply to the same has been taken on record. We have contested the same on the ground of ongoing disputes with M/s EON

4. Application for declaring certain financial transactions invalid.

Certain amounts were transferred to accounts provided by M/s EON. These have been sought to be declared as wrongful transactions. 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.

13.25 STATUTORY & OTHER DISCLOSURES

a) There was no change in the nature of business of the Company during the financial year 2023–24.

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.

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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 Institute of Company Secretaries of India (ICSI).
f) During the financial year 2023–24, there was no failure to implement any Corporate Action.
g) Till date, the company has not accepted any public 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) During the year, no application was made nor is any proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016.
l) The Consolidated Financial Statements are also being presented in addition to the Standalone Financial Statements of the company.
m) Any other material event having an impact on the affairs of the company:
In FY 2023-24, the attrition was 4.29% amongst regular employees whereas amongst fixed-term employees, it was 62.5%. There has been an increase in attrition among the fixed-term employees mainly due to completion of their tenure.

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

There are following material commitments, affecting the financial position of the Company which has occurred during the Financial Year ended on March 31, 2024:

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. The company has further invested Rs. 26,460 Lakhs in this joint venture during FY 2023-24, taking the total investment to Rs. 33,222 Lakhs as at 31st March 2024. EESL holds 49% stake in the company.

14. 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

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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.

15. 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

Masood Akhtar Ansari	**Rajiv Kumar Rohilla**
(Director)	**(Director)**
DIN: 10429528	**DIN:10371161**

Date: 09th December 2024
Place: Noida

Encl.: - as below.

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

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Energy Efficiency Services Limited
CIN: U40200DL2009PLC196789
Form AOC-1

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2024, 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	13	14	15	16
2	Name of subsidiary	EESL EnergyPro Assets Limited	Anesco Energy Services (South) Ltd	Creighton Energy Limited	EPAL Holdings Limited	Edina Acquisition Limited	Edina Power Services Limited	Edina Limited	Edina UK Limited	Edina Australia Pty Limited	Armoura Holdings Limited	Stanbeck Limited	Edina Power Limited	EPSL Trigeneration Private Ltd	EESL Energy Solutions LLC (Dubai)	Covergence Energy Services Limited
3	The date since when subsidiary was acquired	13-Mar-18	13-Mar-18	13-Mar-18	13-Mar-18	13-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	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
5	Reporting currency of foreign subsidiaries.	GBP	GBP	GBP	GBP	GBP	EURO	EURO	GBP	AUD$	EURO	EURO	GBP	INR	AED	INR
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	105.2935	105.2935	105.2935	105.2935	105.2935	90.1598	90.1598	105.2935	54.4014	90.1598	90.1598	105.2935	1.0000	22.7077	1.0000
6	Share capital	43,362.07	5,191.13	2,105.87	-	-	13,160.53	7,701.01	10,529.35	0.05	0.00	180.32	0.11	10.00	68.12	5,921.01
7	Reserves and surplus	(6,853.09)	1,361.30	(21.16)	-	-	1,039.55	(1,035.20)	6,947.70	(208.44)	790.20	(96.20)	(2,554.34)	32.97	(82.92)	(2,110.16)
8	Total assets	87,701.25	6,621.99	2,145.78	-	-	19,660.09	9,341.18	35,043.17	812.60	1,459.77	1,282.45	2,355.28	364.01	319.45	21,544.22
9	Total Liabilities	51,192.26	69.55	61.07	-	-	5,460.01	2,675.38	17,566.12	1,020.99	669.57	1,198.33	4,909.52	321.04	334.25	17,733.37
10	Turnover	80.83	174.99	168.64	-	-	-	10,268.12	62,200.84	3,137.78	31.65	-	9,590.30	325.27	(2.16)	4,425.55
11	Profit /loss before taxation	(19,929.68)	293.83	86.59	-	-	(28.86)	629.78	(455.28)	72.05	(68.37)	(101.09)	(963.53)	11.20	(13.11)	917.56
12	Provision for taxation	-	-	(19.60)	-	-	-	(83.60)	(99.10)	(2.42)	(4.13)	-	-	9.32	-	201.27
13	Profit /loss after taxation	(19,929.68)	293.83	67.00	-	-	(28.86)	546.18	(554.38)	69.63	(72.51)	(101.09)	(963.53)	1.87	(13.11)	716.29
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%	29.00%	100.00%

Note:

1 Financial information has been extracted from the submission considered for the purpose of consolidated audited Ind AS financial statements

2 Investments exclude investments in subsidiaries

3 Share capital of Edina Power Services Limited includes preference share capital.

4 EPAL Holdings Limited has been dissolved on 26 September 2023

5 Edina Acquisition Limited has been dissolved on 26 September 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	Profit for the year ended March 31, 2024	
				Number of shares	Amount of Investment	Extent of holding			Considered in consolidation	Not considered in consolidation
1	Intellismart Infrastructure Pvt Ltd	13-Nov-19	Unaudited	33,22,20,049	34,303.86	49%	By virtue of shareholding	70,008.01	1,325.70	-

Note:

1 Amount of investment in joint venture is based on the carrying value of investments in the consolidated financial statements of Energy Efficiency Services Limited

2 During the year ended F.Y 21-22, 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.

3 The Group does not have any investment in associate

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

K. Shanmugha Sundaram
Chairman
DIN : 10347322

Rajiv Kumar Rohilla
Director
DIN : 10371161

Vishal Kapoor
Chief Executive Officer

Arvind Kumar Talan
Chief Financial Officer

Laxman Aggarwal
Company Secretary

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Annexure - II

List of Top 10 highest paid salary officials for FY 2023-24 (Excluding deputation employees)

S.N.	Name & Designation	Nature of Employment (whether contractual or otherwise)	Remuneration Received (₹ In Lacs)	Qualification	Date of Commencement of Employment	Age (DOB)	Last Employment	Number of Equity Shares held in the Company	If a relative of any Director or Manager, name of such Director or Manager
1	SHANKAR GOPAL	REGULAR	58,12,675.57	B.Com (Hons), C.W.A (ICWAI)	08.06.2016	08.07.1967	Power Grid Corporation of India Limited	Nil	Nil
2	ARUN MEHTA	REGULAR	55,17,333.91	BACHELOR OF ENGINEERING (ELECTRICAL ENGINEERING)	23.06.2022	21.06.1964	NTPC	Nil	Nil
3	ABHISHEK AGARWAL	REGULAR	49,91,746.82	Bachelor Of Engineering (B.E.) & M.S (Software Systems)	12.03.2020	28.01.1973	Balmer Lawrie & Co. Ltd	Nil	Nil
4	MOHIT KHATRI	REGULAR	47,67,364.60	CHARTERED ACCOUNTANT (CA) & BACHELOR OF COMMERCE (B.COM.) GENERAL/HO	02.12.2013	28.12.1970	BIRLA SOFT LTD	Nil	Nil
5	PANKAJ MOHAN	REGULAR	44,20,673.13	MASTER OF BUSINESS ADMINISTRATION (MBA) & ENERGY MANAGER	08.04.2015	26.12.1976	BTECON	Nil	Nil
6	DEEPAK GARG	REGULAR	44,10,282.87	CHARTERED ACCOUNTANT (CA) & C.W.A (ICWAI)	27.12.2013	13.09.1973	INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY	Nil	Nil
7	PRABHAT KUMAR	REGULAR	43,53,382.18	BACHELOR OF ENGINEERING (B.E.) & MASTER OF BUSINESS ADMINISTRATION (MBA)	21.12.2016	11.11.1974	TUV NORD CERT GMBH	Nil	Nil
8	PRAN SAURABH	REGULAR	42,40,464.18	BACHELOR OF ENGINEERING (B.E.) & MASTER OF BUSINESS ADMINISTRATION (MBA)	01.07.2016	11.01.1972	JINDAL POWER LIMITED	Nil	Nil
9	RAJ KUMAR RAKHRA	REGULAR	41,41,523.77	BACHELOR OF ENGINEERING (B.E.) & ENERGY AUDITOR	05.09.2016	21.03.1975	BHEL	Nil	Nil
10	SAMEER AGARWAL	REGULAR	41,39,461.58	CHARTERED ACCOUNTANT (CA) & C.W.A (ICWAI) / BACHELOR OF COMMERCE (B.COM.) GENERAL/HO	09.01.2014	07.07.1968	RPG RAYCHEM LIMITED	Nil	Nil

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

Masood Akhtar Ansari
(Director)
DIN: 10429528

Rajiv Kumar Rohilla
(Director)
DIN:10371161

Date: 09th December 2024
Place: Noida

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ANNEXURE-III

Management Discussion and Analysis

1. Economic Overview

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.

India is the fastest-growing large economy in the world, and the economy is currently on a robust and stable trajectory, showcasing resilience amid geopolitical challenges. As per Economic survey 2023-24, India's GDP grew by an impressive 8.2% in the fiscal year 2024, continuing the momentum of high growth rates of 9.7% and 7.0% in the previous two fiscal years. Looking ahead, Economic Growth in India is projected to remain strong at 6.5 percent in 2025*, with the robustness reflecting continuing strength in domestic demand and a rising working-age population. The government's continued focus on decoupling economic growth from emissions growth will require scaling up sustainability initiatives thus providing a supportive backdrop for EESL's operational strategies and expansion plans.

Industry Outlook - Energy Efficiency Sector:

Governments worldwide are intensifying their commitments to net-zero targets and accelerating the transition to clean energy. This commitment is expected to drive significant growth and transformation in the energy efficiency sector over the coming years. The World Energy Outlook (WEO) 2022 underscores the critical role of energy efficiency in achieving climate goals. Despite progress since the Paris Agreement, substantial efforts are still required to limit global warming to 1.5°C, emphasizing the importance of reducing emissions from existing energy infrastructure.

India's Energy Transition:

India continues to make strides towards its low-carbon objectives, including the target of achieving net-zero emissions by 2070. Significant progress has been made in meeting emissions reduction targets under the Paris Agreement. India has been ranked 63rd (67th in 2023) on a global Energy Transition Index released by the World Economic Forum, which said the country has shown significant improvement across energy equity, security and sustainability.

However, there is still a need to decouple growth from energy demand calling for significant investment in energy efficiency, particularly during the development of new infrastructure and manufacturing capacity. G20 leaders, as well as energy ministers at the G20's 4th Meeting of the Energy Transitions Working Group, officially took note of the Voluntary Action Plan on Doubling the Global Rate of Energy Efficiency Improvement by 2030. The action plan, which the IEA supported India's Bureau of Energy Efficiency (BEE) to develop, outlines measures along five pillars: buildings, industry and transport sectors, energy efficiency financing and sustainable consumption, reflecting India's shift towards a more electrified, efficient, interconnected, and clean energy economy.

The evolution towards clean energy technologies has emerged as a focal point for investment and employment opportunities globally. EESL is well-positioned to capitalize on these expanding opportunities within the energy efficiency sector, leveraging its expertise and capabilities to contribute to India's sustainable development goals.

* IMF – World Economic Outlook – April 2024

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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.

Payment security mechanism (PSM) for e-Buses: The scheme is part of the new government's first 100-day agenda, and is meant to promote the adoption of e-buses by state transport undertakings (STUs).The minimum outlay for the proposed PSM scheme has been pegged at Rs 3,500 crore.

The PSM scheme will be implemented by Convergence Energy Services (CESL).

The PM Surya Ghar - Muft Bijli Yojana: An innovative scheme to increase the share of solar rooftop capacity and empower residential households to generate their own electricity was launched by the Prime Minister on 13th February, 2024. The scheme, to be implemented till FY 2026-27 has an outlay of Rs 75,021 crore for installing rooftop solar and providing free electricity up to 300 units every month for One Crore households.

The scheme provides a CFA (Central Financial Assistance) of 60% of system cost for 2 kW systems and 40% of additional system cost for systems between 2 to 3 kW capacity.*

This initiative is part of the government's broader strategy to enhance the adoption of renewable energy across the nation and is scheduled to commence operation in March 2024.

Severe Heatwave and increased demand of Fans and ACs: The harmful effects of global warming have started making their presence felt worldwide. This year so far, as temperatures broke all records in India — at least eight states recorded their highest number of heatwave days since 2010 and two states, Himachal Pradesh and Kerala, recorded heatwaves for the first time this year.

The intense heat has led to a substantial increase in the use of air conditioning and other cooling appliances like fans, air coolers, etc. significantly boosting electricity consumption. The soaring temperatures have put immense pressure on power generation and distribution systems. According to data from the Central Electricity Authority (CEA), India's peak power demand reached an all-time high of 234 GW in mid-May, testing the resilience of the national power grid.

This unprecedented surge in power demand underscores the criticality of widespread adoption of energy efficient appliances. Efficiency standards are a key measure to reduce peak demand and emissions. While highly efficient air-conditioning units are available on the market, most efficiency standards – and consequently the units purchased by consumers – have lower efficiencies than the top-of-the class models mainly owing to their higher upfront cost. Also, only 3% of Indian households use energy efficient ceiling fans, which currently often entail a higher upfront cost but consume 50% less energy than conventional models (IEA – Energy Efficiency Report 2023).

Such increasing frequency and length of extreme heat events has presented EESL with the opportunity to enhance the adoption of energy efficient cooling appliances like BLDC fans and super efficient ACs by thus fulfilling dual objective of providing affordable cooling comfort to all strata of population along with conservation of energy.

*PIB press release 29 FEB 2024

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Energy efficient Cold Chain:

A cold chain is a temperature-controlled supply chain that operates from farm to table and ensures that proper low temperature is maintained for the entire duration. Setting up extensive and reliable cold chains plays a major role in reducing post-harvest losses worldwide, especially in Africa and Asia Pacific.

India is the second largest producer of fruits and vegetables in the world. According to data from Food and Agriculture Organization, about 33% of agricultural and allied productions are wasted in India, presenting a massive opportunity for increasing the cold chain network.

The Pradhan Mantri Krishi Sampada Yojana envisages the creation of integrated cold chain and preservation infrastructure facilities, without any break, from the farm gate to the consumer, while the National Logistics Policy (NLP) launched by the Prime Minister in September 2022, seeks to boost and expand the network of cold chains with better connectivity to transportation hubs and airports. Furthermore, granting of infrastructure status to cold chains has facilitated easier access to credit, aiding the development of cold chain infrastructure.

Electricity expense is a significant component of any cold storage business' running cost. According to estimates, cold storage facilities consume an average of 25 kWh of power per square foot annually, with refrigeration accounting for over 70% of overall energy usage. In order to reduce the impact on the environment, it is vital to improve the energy efficiency of the refrigeration systems. This minimizes any negative environmental damage while ensuring that food production is operating efficiently with minimal food losses. Considering the huge potential of reducing the energy consumption in cold storage, EESL has taken up the Cold Chain Energy Efficiency program to ensure energy-efficient cold storage infrastructure in India.

Battery Energy Storage System (BESS):

Considering the substantial integration of variable renewable energy (RE) generation into the grid in the future, energy storage technology is essential for maintaining grid stability and reliability through storage of excess RE generated and meeting peak demand when RE generation is insufficient. Further, BESS can aid in balancing rapid load changes, ensuring grid stability, and facilitating energy arbitrage by storing energy when prices are low and releasing it during peak demand periods.

The CEA report on Optimal Generation Capacity Mix for 2029-30 estimates that by 2029-30 the energy storage capacity through BESS is likely to be 41.65 GW / 208.25 GWh, in addition to the Pump storage systems, to help balance the variable input from renewable energy sources. The above presents a significant opportunity to EESL for setting up BESS projects in the country leveraging its group company M/s Edina's rich experience in providing turnkey EPC solution to BESS project design, engineering, project delivery and installation, commissioning, and ongoing asset care from a single point of delivery.

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Business opportunities and key initiatives by EESL:

Energy efficiency is a key driver in achieving energy access at affordable prices, improved energy security, greater sustainability, and economic growth. As the increasing frequency and length of extreme heat events is pushing more and more people into opting for energy intensive active cooling measures of air conditioners, fans and air coolers, leaving the existing grid strained during summer months, the role of Demand Side Management (DSM) through energy efficiency interventions is gaining more and more urgency.

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, 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.

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.

EESL is also shifting its focus to other DSM interventions, such as Energy Portfolio Management System (EPMS) and demand response (DR). These DSM measures include shifting load from peak to off-peak hours and influencing the load curve through technologies like distributed generation, energy storage and electric vehicles which have not been implemented at scale in India so far.

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, Super Efficient ACs (SEAC)

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and Industrial Energy efficiency while at the same time foraying into new business areas like Induction Cook Stove, Rooftop Solar, 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 innovative business models have been developed with focus on trading and consultancy business:

- **Trading/PMC:** Induction Cook Stove, LED inverter bulb, 5-star LED Bulbs, BLDC Fans, Super Efficient Acs, LED Tube lights
- **Consultancy:** Energy Portfolio management, Energy Audit, Demand response

Diversification of business models:

- Service model for Cooling as a service, e-Mobility as a Service, EV Charging as a Service

Diversification in Trading Business approach:

- **Online:** Affiliate Marketing and Direct sale to consumer through newly developed portal EESL Mart
- **Offline:** Through Retail shops, Retail Walls, Direct sale, Channel Partners, Managed Sales

• **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, Hon'ble Minister for Power and NRE launched the National Efficient Cooking Program (NECP) on 2nd November 2023 to promote India's cooking transition through electrification of cooking. Under NECP EESL has set a target of selling 2 lac Induction cook stove in FY 2024-25.

• **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.

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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.

In order to promote widespread adoption of energy efficient Brush-Less DC (BLDC) fans, Hon'ble Minister for Power and NRE launched the Energy Efficient Fans Program (EEFP) on 2nd November, 2023.

Typical ceiling fan consumes 70- 80 W and deliver air at 210-220 m3 /minute while a BLDC fan with improved blade design consumes around 28-33 W for air delivery of 220-230 m3/minute. Considering the energy saving potential EESL has brought its focus back on energy efficient fans and has set a target of selling 20 lac Energy Efficient fans in the country.

• **Preparation of 5-Year Strategic Business Plan:** A comprehensive long-term business plan 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. A long term business plan is also needed for getting a clear picture of long-term goals for the company, enabling it to realign its business with the emerging market requirements.

With the above objective in view, EESL had on-boarded M/s. PWC for supporting it in preparation of 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 Business Plan preparation has been completed and shall be adopted by the company post approval by the EESL Board.

• **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, cash collection of Rs. 1580 crores was achieved in FY 2023 – 24.

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 with a focus on deployment of 5-star LED bulbs, BLDC Fans, Super-Efficient ACs (SEAC), Induction cook stoves along with 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

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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 on clean transportation through demand aggregation and bulk tendering for Electric Buses under various Government Programs as well as on promoting EV as a service and EV charging as a service. CESL is currently assisting the Ministry of Housing and Urban Affairs on the bidding against the PM e-bus sewa scheme as well as readying itself to host the joint India-US Payment security mechanism (PSM) through the Ministry of Heavy Industries.

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 2024, EESL has completed the distribution of over 36. 87 crore LED bulbs, 23.59 lakh Energy Efficient Fans and 72.19 lakh LED Tube lights.

• Under Street Light National Program, EESL has completed installation of 1.31 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 40.02 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 ~195 MWp/195 MW as on 31st March 2024.

• In its EV program, EESL (through CESL) has aggregated demand of over 1.5 lac E3Ws, deployed 1964 e-cars and has successfully carried out tendering for more than 17,400 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 83,107 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 energy efficient appliances and has developed expertise over time in the areas of Smart meter, EV, solar, Induction cook stove and Industrial energy efficiency interventions. Backed with technical and financial support from its strong institutional promoters, EESL has a proven track record of delivering impactful outcomes, building a strong brand and developing domain expertise.

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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' approach for driving down the prices of energy efficient appliances/equipment in Lighting and cooling, Smart Meter as well as EV segments thus making them affordable enabling their wider adoption.

EESL has access to economical financing options from multi and bilateral funding agencies which enables it to deliver value and better returns to its customers.

EESL is one the very few organizations which has successfully executed large scale energy efficiency programs in the country, e.g., UJALA, SLNP, Smart meters program, EV program, etc. EESL has also forayed in the Carbon finance market through its programs like Gram UJALA (through its wholly owned subsidiary-CESL), and clean cooking initiative through promoting adoption of Induction cookstove, etc. EESL is best placed to leverage its innovative business models for further bringing down the price barrier associated with energy efficient products and thus aiding India's shift towards an energy efficient economy.

5. **EESL's Weaknesses**

Rapid growth of EESL's business in last few years has 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 a 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 an 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 have severely strained the cash flows and hampered the growth opportunities by hindering EESL's foray into new business areas. In order to finance the ongoing operation and maintenance activities as well as to take care of administration expenses EESL has to raise short term working capital loans, which is adversely affecting the profitability of the company.

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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 relationships 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 MSME, NITI Aayog, etc. EESL is foraying into businesses like Demonstration of Energy Efficiency Projects in PAT industry, promotion of induction cookstove adoption, 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.

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 the realization of its outstanding dues primarily from Government Departments. Most of the clients are either Municipalities or DISCOMS. 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 about 89% of EESL's outstanding payments. EESL's total outstanding dues stand at Rs 4315 Crore as on 31.03.2024.

Further, EESL's ESCO services models are investment-led and constrained cash flows from the executed projects hamper 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 have been regular reviews and some areas of improvement have been noticed.

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

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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 Resource/Industrial Relations

Major HR Developments/Initiatives: -

- EESL successfully completed the recruitment process for senior level functionaries (i.e. CFO, Head HR, CS). Consequently, officials for CFO and CS position have joined the organisation.
- In order to further strengthen the robust and transparent procurement process in the organization a comprehensive residential training of one week duration on Public Procurement (Basic) Course has been provided to a total of 32 employees in different batches, at Arun Jaitley National Institute of Financial Management (AJNIFM).
- As part of capacity building initiative, a training program on Financial Modelling was organised in coordination with CRISIL. 22 employees at Junior-Mid level from different departments participated in this training.

Manpower Strength:

Total manpower of the company stands at 761 employees as on March 2024 which includes 233 Regular, 34 Fixed Term, 19 Consultants and 475 no. of Third Party employees.

Category	No. of employees as on March 2024
Regular Employees	233
Fixed Term employees	34
Consultants	19
Third Party employees	475
Total	**761**

11. **Financial Performance and business analysis**

During the financial year 2023-24, the Company registered a decrease of about 11% YoY in total income which went down from Rs. 1315.72 crore during the financial year 2022-23 to Rs. 1176.79 crore in FY 2023-24. The decrease in income is mainly due closure of street light projects.

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The Company during the year has, as per opinion from Expert Advisory Committee (EAC) of the Institute of Chartered Accountant of India (ICAI) regarding the accounting related to ESCO Projects related to Street Light Projects, Smart Meter Projects and Solar Power Projects, accounted for such projects in accordance with Ind AS 115 Service Concession Arrangements. The Company has applied the change in accounting retrospectively and the comparative financial information for prior periods has been restated to reflect the change.

There was a decrease in net loss (after tax) of the Company in 2023-24 which went down from Rs. 574.26 crore during the financial year 2022-23 to Rs. 459.02 crore in FY 2023-24, mainly due to reduction in exchange rate variation and increase in provision on account of expected credit loss, inventory etc. as compared to previous year.

Further, major reasons for the loss during the current year are as follows:

1. Provision for bad and doubtful debts on old aged outstanding debtors made for bad and doubtful debts (as per ECL)
2. Interest on Short-Term Borrowings
3. Provision of Non-moving inventory
4. Impairment of assets
5. Foreign Exchange Loss (Net)
6. Increase in rate of interest on foreign loan

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 helped in containing the losses.

Net worth of the Company stands at Rs. 1496.63 crores as on March 31, 2024.

12. **Environmental Protection and Conservation**

The projects executed by EESL till the end of last financial year i.e. 2023 – 24 have saved about 58.63 billion kWh of energy per year, avoided peak demand of about 11.64 GW and resulted in reduction in CO_2 emission of about 47 million tons 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

Masood Akhtar Ansari
(Director)
DIN: 10429528

Rajiv Kumar Rohilla
(Director)
DIN:10371161

Date: 09th December 2024
Place: Noida

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Corporate Governance Report
(for the financial year ended 31st March 2024)

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, 2024 is as under:

S. No.	Name of the Director	Designation
1.	Shri Dillip Kumar Patel	Chairman & Non – Executive Nominee Director
2.	Shri Ajay Tewari	Non – Executive Nominee Director
3.	Shri G. Ravisankar	Non – Executive Nominee Director
4.	Shri Aditya Dar	Non – Executive Nominee Director
5.	Shri Rajiv Kumar Rohilla	Non – Executive Nominee Director

During the financial year 2023-24 and upto the date of this report, the following changes took place in the composition of Board of Directors of the Company:

1. Shri D. K. Patel was appointed as Chairman of EESL w.e.f. 01.01.2024 in place of Shri K. Sreekant who superannuated w.e.f. 31.12.2023;
2. Shri G. Ravisankar, Director (Finance) & CFO, Powergrid, was appointed as an Additional Director, designated as Nominee Director of Powergrid w.e.f. 15th January 2024 due to a change in nomination in place of Shri K. Sreekant;
3. Shri Rajiv Kumar Rohilla, ED (CS), Powergrid was appointed as Nominee Director of Powergrid w.e.f. 15th January 2024 in place of Shri R.K. Tyagi who ceased to be Director in the company w.e.f. 1st January 2024 due to a change in nomination;
4. Shri K.S. Sundaram, Director (Projects), NTPC was appointed as part-time Chairman - Nominee Director (NTPC Limited) w.e.f. 20th May 2024 in place of Shri D. K. Patel who superannuated w.e.f. 30th April, 2024.
5. Shri Masood Akhtar Ansari, ED (Finance) was appointed as Nominee Director (NTPC Limited) w.e.f. 20th May 2024 in place of Shri Aditya Dar who ceased to be a Director in the company w.e.f. 20th May 2024 due to a change in nomination.
6. Shri Dhiraj Kumar Srivastava was appointed as an Additional Director, designated as Government Nominee Director w.e.f. 26th June 2024 in place of Shri Ajay Tewari who ceased to be Director w.e.f. 31st May, 2024;
7. Smt. Valli Natarajan, ED (Technical), REC Limited, was appointed as an Additional Nominee Director of REC Limited w.e.f. 23rd September, 2024.
8. Shri Sandeep Kumar Jain, ED (Finance), Powergrid, was appointed as an Additional Director, designated as Nominee Director of Powergrid w.e.f.6th December 2024 due to a change in nomination in place of Shri G. Ravisankar.

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Board Meetings

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

Sixteen (16) 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 10th May, 2023; 23rd May, 2023; 30th May, 2023; 29th June, 2023; 12th August, 2023; 25th August, 2023; 29th September, 2023; 1st November, 2023; 14th November, 2023; 5th December, 2023; 28th December, 2023; 15th January, 2024; 17th February, 2024; 1st March, 2024; 4th March, 2024; 12th March, 2024. The necessary quorum was present in all the said meetings.

2.2. 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 2023-24, their attendance at the last Annual General Meeting and number of other Directorships / Committee Memberships / Chairmanships as on 31st March 2024:

Name and Designation of the Director	No. of Board Meetings held during the tenure	No. of Board Meetings attended during the tenure	Whether attended the Last AGM (29.09.2023)
Shri D.K. Patel Nominee Director (Non – Executive), NTPC	16	13	YES
Shri K. Sreekant, Chairman & Non – Executive Nominee Director, PGCIL	11	11	YES
Shri Ajay Tewari Govt Nominee Director (Non – Executive), MoP	16	6	-
Shri R. K. Tyagi Nominee Director (Non – Executive), PGCIL	11	10	-
Shri G. Ravisankar, Nominee Director (Non – Executive), PGCIL	4	3	-
Shri Aditya Dar, Non – Executive Nominee Director, NTPC	16	12	YES
Shri Rajiv Kumar Rohilla, Non – Executive Nominee Director, PGCIL	5	5	-

2.3. 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 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.

(Pic: EESL wins award in the categories of CSR Commitment (Overall) and Environment & Sustainability at 10th Governance Now PSU Awards ceremony held in Aerocity, New Delhi on 22nd March, 2024)

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:

3.1. 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 the date of this report was as under:

S. No.	Name of the Member	Designation
1.	Shri G. Ravisankar, Non – Executive Nominee Director	Chairman w.e.f. 15.01.2024
2.	Shri Masood Akhtar Ansari, Non – Executive Nominee Director	Member w.e.f. 25.06.2024
3.	Shri Rajiv Kumar Rohilla, Non – Executive Nominee Director	Member w.e.f. 15.01.2024
4.	*Shri R. K. Tyagi, Non – Executive Nominee Director*	*Member till 01.01.2024*
5.	*Shri DK Patel, Non – Executive Nominee Director*	*Member till 30.04.2024*

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The members of the Audit 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 Auditors and the Internal Auditors also make their presentation at the Committee Meetings, as and when required.

The term of reference of the Audit Committee is available at https://eeslindia.org/wp-content/uploads/2020/10/TOR%20-%20AC.pdf

Meetings and Attendance

During the financial year 2023-24, Eight (08) 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										
	16/05/2023	30/05/2023	11/05/2023	25/08/2023	27/09/2023	14/11/2023	01/03/2024	26/03/2024	Total Meetings held during the tenure	No. of meetings attended	% of Attendance
Shri R.K. Tyagi	Y	Y	Y	Y	Y	Y	-	-	6	6	100
Shri D.K. Patel	Y	Y	Y	Y	Y	L	-	-	6	5	85
Shri Aditya Dar	Y	Y	Y	Y	Y	Y	Y	Y	8	8	100
Shri G. Ravisankar	-	-	-	-	-	-	Y	Y	2	2	100
Shri R.K. Rohilla	-	-	-	-	-	-	Y	Y	2	2	100

3.2. 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 the date of this report was as under:

S. No.	**Name of the Member**	**Designation**
1.	Shri Dhiraj Kumar Srivastava, Government Nominee Director	Chairman of the Committee w.e.f. 26.06.2024
2.	Shri K.S. Sundaram, Non – Executive Nominee Director	Member w.e.f. 01.06.2024
3.	Shri Rajiv Kumar Rohilla, Non – Executive Nominee Director	Member w.e.f. 15.01.2024
4.	*Shri Ajay Tewari, Government Nominee Director*	*Member till 31.05.2024*

The Term of Reference of the Committee is available at https://eeslindia.org/wp-content/uploads/2020/10/TOR_NRC.pdf

Meetings and Attendance

During the financial year 2023-24, one (01) 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 10/05/2023	Total Meetings held during the tenure	No. of meetings attended	% of Attendance
Shri Ajay Tewari	Y	1	1	100%
Shri K. Sreekant	Y	1	1	100%
Shri D.K.Patel	Y	1	1	100%

3.3. 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 the date of this report are as under:

S. No.	**Name of the Member**	**Designation**
1.	Shri G. Ravisankar, Non-Executive Nominee Director	Chairperson of the Committee w.e.f. 15.01.2024
2.	Shri Masood Akhtar Ansari, Non – Executive Nominee Director	Member w.e.f. 01.06.2024
3.	*Shri Aditya Dar, Non – Executive Nominee Director*	*Member till 20.05.2024*

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 2023-24, No meeting of the Corporate Social Responsibility Committee was held.

3.4. RISK MANAGEMENT COMMITTEE

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:

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

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

S. No.	Name of the Member	Designation
1.	Shri Dhiraj Kumar Srivastava, Government Nominee Director (appointed w.e.f. 26th June 2024)	Chairman of the Committee
2.	Shri R.K. Rohilla, Non-Executive Nominee Director (appointed w.e.f. 15th January 2024)	Member
3.	Shri Masood Akhtar Ansari, Non - Executive Nominee Director (appointed w.e.f. 20th May 2024)	Member

The Chief Risk Officer of the Company is a permanent invitee to the meetings of the Committee. No meeting held during the FY 2023-24.

3.5. OTHER BOARD-LEVEL COMMITTEES

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

1) Name of the Committee: Project Sub-Committee.

Members as on the date of this report were as under:

1. Shri K.S. Sundaram, Chairman and Non – Executive Nominee Director
2. Shri G. Ravisankar- Non – Executive Nominee Director
3. Shri Masood Akhtar Ansari- Non – Executive Nominee Director
4. Shri Rajiv Kumar Rohilla- Non – Executive Nominee Director

Terms of reference of the Committee is available on https://eeslindia.org/wp-content/uploads/2023/10/TOR-PSC.pdf

2) Name of the Committee: Business Development Committee

Members as on the date of this report were as under:

1. Shri K.S. Sundaram, Chairman and Non – Executive Nominee Director
2. Shri G. Ravisankar- Non – Executive Nominee Director
3. Shri Masood Akhtar Ansari- Non – Executive Nominee Director
4. Shri Rajiv Kumar Rohilla- Non – Executive Nominee Director

Terms of reference of the Committee is available on https://eeslindia.org/wp-content/uploads/2020/10/TOR%20_%20BDC.pdf

3) Name of the Committee: Stakeholders' Relationship Committee

Members as on the date of this report were as under:

1. Shri K.S. Sundaram, Chairman and Non – Executive Nominee Director;
2. Shri Masood Akhtar Ansari- Non – Executive Nominee Director;
3. Shri Rajiv Kumar Rohilla- Non – Executive Nominee Director.

Terms of reference of the Committee is available on https://eeslindia.org/wp-content/uploads/2022/11/TOR-SRC.pdf

4. REMUNERATION OF DIRECTORS

No remuneration was paid to any Directors of the Company during the FY 2023-24.

5. GENERAL BODY MEETINGS

Annual General Meetings

Financial Year	**2022-23**	**2021 – 22**	**2020-21**
Date	29th September 2023	29th September 2022	30th November 2021
Time	04:00 P.M.	05:45 P.M.	01:30 P.M.
Venue	Energy Efficiency Services Limited, NFL Building, 7th Floor, Board Room, Core – III, SCOPE Complex, Lodhi Road, New Delhi – 110003	Energy Efficiency Services Limited, NFL Building, 7th Floor, Board Room, Core – III, SCOPE Complex, Lodhi Road, New Delhi – 110003	EESL Registered Office, 5th & 6th Floor, SCOPE Complex, Lodhi Road, New Delhi – 110003
Special Resolution	NIL	NIL	NIL

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

6. MEANS OF COMMUNICATION

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

During the financial year 2023-24, Quarterly Results have been published as per details given below:

Quarter	Date of Publication	Newspaper(s)
Q1	01.06.2023	Financial Express

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W.e.f. 20/09/2024, the Company got delisted from BSE Limited since the NCD's were redeemed on the said date.

7. GENERAL SHAREHOLDER INFORMATION

i. **Annual General Meeting: 15th**
Date – 12th December 2024
Time – 10:30 A.M.
Venue – Energy Efficiency Services Limited, 4th Floor, Ikon Tower, FC-24C, Sector 16A, Film City, Noida – 201301 (Uttar-Pradesh).
Financial Year – 2023-24

ii. **Listing on the Stock Exchange:**
During FY 2023-24, the Non – Convertible Debentures (NCDs) issued by EESL were listed on BSE Limited, Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. The same were redeemed in full and got delisted from the said Stock exchange w.e.f. 20th September 2023, as mentioned earlier.

The relevant details of NCDs as on 31st March 2024 are as under:

Series	Particulars of Bonds	ISIN	Scrip Code	Amount (in Rs.)	Date of Issue	Date of Maturity
Series 1 (2016 – 17) (STRPP C)	1250 no.s of 8.07% Secured Redeemable Taxable Non - Cumulative Non-Convertible Bonds of face value @ Rs. 20,00,000 each issued on 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 was paid to BSE.

iii. **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
Website: www.kfintech.com

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iv. 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.

v. Distribution of Shareholding:

The Shareholding pattern of the Company as on 31st March 2024 was as under:

Name of Shareholders	Total Shares as on 31.03.2024	% To Equity	Total Shares as on 31.03.2023	% To Equity
NTPC LIMITED	84,66,09,832	39.252688	46,36,09,832	37.721278
POWER GRID CORPORATION OF INDIA LIMITED	84,66,09,832	39.252688	46,36,09,832	37.721278
POWER FINANCE CORPORATION LTD	24,54,99,832	11.382491	24,54,99,832	13.004409
REC LIMITED	21,81,00,000	10.112109	21,81,00,000	11.553008
ARUN KUMAR	168	0.000008	168	0.000009
DILIP NAGESH ROZEKAR	168	0.000008	168	0.000009
PRAVEEN KUMAR SINGH	168	0.000008	168	0.000009
Total	**2,15,68,20,000**	**100.00**	**1,39,08,20,000**	**100.00**

vi. Dematerialization of Shares and Liquidity;

The shares 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 31st March 2024 are as under:

Security	Share %	Holder %
Equity		
CDSL	Nil	Nil
NSDL	100	100

vii. 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.

viii. Credit Rating:

(a) Credit rating obtained in respect of various securities by CRAs

Facility/CRA	CRISIL	CARE	ICRA
Long Term Loan	CRISIL A-/Stable on 20.12.2023	CRISIL A/Negative on 10.11.2023 CRISIL A-/Stable on 08.05.2024	--

ENERGY EFFICIENCY SERVICES LIMITED CIN: U40200DL2009PLC196789

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Short Term Loan	CRISIL A2 on 20.12.2023	CRISIL A2+ 10.11.2023 CRISIL A+ 08.05.2024	CRISIL A2+ on 23.10.2023

From April 2024, we have discontinued rating assignment with CRISIL and ICRA ratings and continue with CARE ratings for initial and Annual Surveillance.

(b) revision in the credit rating;			
Facility/CRA	**CRISIL**	**CARE**	**ICRA**
Long Term Loan	Downgraded from A/Negative to A-/Stable on 20.12.2023	• Reaffirmed to A/Negative on 10.11.2023 during Annual Surveillance. • Downgraded from A/Negative to A-/stable on 08.05.2024.	-
Short Term Loan	Downgraded from A2+ to A2 on 20.12.2023	• Reaffirmed to A2+on 10.11.2023 during Annual Surveillance. • Downgraded from A2+ to A2 on 08.05.2024.	Downgraded from A1 to A2+ on 23.10.2023

CRAs have downgraded its respective ratings due to the following reasons:

- Weak counterparties and continued build-up in receivables position
- Leveraged capital structure with deteriorating debt coverage indicators and susceptibility of margins to adverse fluctuations in the foreign currency rates
- Widening of losses and susceptibility of margins to adverse fluctuations in the foreign currency rates.

ix. Shifting of Corporate Office:

Post closure of financial year and during November 2024, the Company shifted its Corporate Office from "NFL Building, 5th & 6th Floor, Core – III, SCOPE Complex, Lodhi Road, New Delhi – 110003" to "1st to 4th Floor, Ikon Tower, FC-24C, Sector 16A, Film City, Noida – 201301 (Uttar-Pradesh)".

x. Address for Correspondence:

1st to 4th Floor, Ikon Tower, FC-24C, Sector 16A, Film City, Noida – 201301 (Uttar-Pradesh).

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

ENERGY EFFICIENCY SERVICES LIMITED CIN-U40200DL2009PLC196789

Masood Akhtar Ansari
(Director)
DIN: 10429528

Rajiv Kumar Rohilla
(Director)
DIN:10371161

Date: 09th December 2024
Place: Noida

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

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

Form No. MR – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2024** complied with the statutory provisions prescribed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2024** 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)**

ENERGY EFFICIENCY SERVICES LIMITED CIN-U40200DL2009PLC196789

Kumar Naresh Sinha & Associates Company Secretaries FCS-1807 C.P.-14984 NOIDA

(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 (NCDs) of the company were listed on BSE till 20th September 2023 and the same were redeemed on the said date.**

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 during the period under review.***

We further report that:

- The Board of Directors of the Company consists of Executive Directors, Non-Executive Directors except a woman Director during the period under review. 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.
- 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 2023-24, the Company has;

i. Redeemed Non-Convertible Debentures as under:

Particulars	**Year of allotment**	**Date of redemption**	**Amount (Rs. in Crore)**	**Remarks**
8.07% p.a., Secured Redeemable Taxable Non-Convertible Bonds in the nature of Debentures. Series I STRPP C.	2016-2017	20th September 2023	5,00,00,00,000	Fully redeemed with principal and interest payment

ii. BSE vide its email dated 18.10.2023 accepted the grounds of delays u/r 50(1) and 50(2) and waived off three out of seven penalties levied on company. Remaining four penalties amounting to Rs. 3,96,480/- (inclusive

FCS-7207 C.P.-14984 NOIDA Kumar Naresh Sinha & Associates Company Secretaries

ENERGY EFFICIENCY SERVICES LIMITED CIN-U40200DL2009PLC196789

of GST) were paid by the company on 09.11.2023.

iii. During the FY 2023-24 the Board of the Company accorded its approval to issue and offer a total of 76,60,00,000 (Seventy-Six Crore Sixty Lakh Only) equity shares of the Company of Rs. 10/- (Ten) each aggregating to Rs. 766,00,00,000/- (Seven Hundred Sixty –Six Crore Only) for cash to existing shareholders in proportion to their shareholding on the date of the offer.

iv. Allotted 76,60,00,000 equity shares of Rs. 10/- each to two existing shareholders of the company i.e., NTPC (383,00,00,000) and POWERGRID (383,00,00,000) under right issue (in two tranches consisting of 497 Crore & 269 Crore) aggregating of 76,60,00,000 equity shares of Rs. 10/- each in accordance with Section 62 of the Companies Act, 2013.

Date: 26th September 2024
Place: Noida

For Kumar Naresh Sinha & Associates
Company Secretaries

Kumar Naresh Sinha & Associates FCS-1807 C.P.-14984 NOIDA Company Secretaries

Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807F001332171

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.*

ENERGY EFFICIENCY SERVICES LIMITED CIN-U40200DL2009PLC196789

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

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

Annexure-A

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

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: 26th September 2024
Place: Noida

For, Kumar Naresh Sinha & Associates
Company Secretaries

Kumar Naresh Sinha & Associates
FCS-1807
C.P.-14984
NOIDA
Company Secretaries

Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807F001332171

ENERGY EFFICIENCY SERVICES LIMITED
CIN-U40200DL2009PLC196789

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

सत्यमेव जयते

आज़ादी का अमृत महोत्सव

Annexure - VI

Dated: 23.10.2024

सेवा में,

अध्यक्ष,
एनर्जी एफिशिएंसी सर्विसेज लिमिटेड,
नई दिल्ली ।

विषय:- 31 मार्च 2024 को समाप्त वर्ष के लिए एनर्जी एफिशिएंसी सर्विसेज़ लिमिटेड, नई दिल्ली के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, एनर्जी एफिशिएंसी सर्विसेज़ लिमिटेड, नई दिल्ली के 31 मार्च 2024 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

(गुलजारी लाल)
महानिदेशक

पांचवा, छठा, सातवाँ, एवं दसवां तल, सी.ए.जी. बिल्डिंग, एनैक्सी, 10, बहादुर शाह ज़फर मार्ग, नई दिल्ली-110002
5th, 6th, 7th & 10th Floor, C.A.G. Building Annexe, 10, Bahadur Shah Zafar Marg, New Delhi - 110002
Tel. 011-23239213, 23239235, Fax: 011-23239211, Email: pdaenergydl@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ENERGY EFFICIENCY SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2024

The preparation of financial statements of Energy Efficiency Services Limited for the year ended 31 March 2024 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 10 August 2024.

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 2024 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

Place: New Delhi
Date: 23.10.2024

(Guljari Lal)
Director General of Audit (Energy)

ENERGY EFFICIENCY SERVICES LIMITED
CIN-U40200DL2009PLC196789

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

आज़ादी का अमृत महोत्सव

Dated: 23.10.2024

सेवा में,

अध्यक्ष,
एनर्जी एफिशिएंसी सर्विसेज लिमिटेड,
नई दिल्ली ।

विषय:- 31 मार्च 2024 को समाप्त वर्ष के लिए एनर्जी एफिशिएंसी सर्विसेज़ लिमिटेड, नई दिल्ली के Consolidated Financial Statements पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, एनर्जी एफिशिएंसी सर्विसेज़ लिमिटेड, नई दिल्ली के 31 मार्च 2024 को समाप्त वर्ष के Consolidated Financial Statements पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

(गुलजारी लाल)
महानिदेशक

ENERGY EFFICIENCY SERVICES LIMITED
CIN-U40200DL2009PLC196789

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 2024

The preparation of consolidated financial statements of Energy Efficiency Services Limited for the year ended 31 March 2024 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 10 August 2024.

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 2024 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 and Convergence Energy Services Private Limited for the year ended on that date. Further, Section 139(5) and Section 143(6)(a) of the Act are not applicable to the entities listed in Annexure I being private entity(ies)/entities incorporated in foreign country(ies) under the respective laws, for appointment of their Statutory Auditors and for conduct of supplementary audit. Accordingly, Comptroller & Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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

(Guljari Lal)
Director General of Audit (Energy)

Place: New Delhi
Date: 23.10.2024

ENERGY EFFICIENCY SERVICES LIMITED CIN-U40200DL2009PLC196789

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 Power Limited
13. EPSL Trigeneration Private Limited
14. EESL Energy Solutions LLC (Dubai)

Associates and Joint Venture

15. Intellismart Infrastructure Pvt. Ltd.

ENERGY EFFICIENCY SERVICES LIMITED CIN-U40200DL2009PLC196789

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 of the standalone Balance Sheet as at 31 March 2024, 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 material 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and accounting principles generally accepted in India, of the state of affairs of the company as at 31 March 2024 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 matter

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

Accumulation of trade receivables to ₹ 4,54,015.65 lakhs against which Expected Credit Loss (ECL) of ₹ 18,476.61 lakhs created during the year (cumulative ECL of ₹ 55,864.01 lakhs as at 31 March 2024), based on estimation by the management on the basis of the methodology followed by an external agency, as stated in note 15(b) to the standalone financial statements.

Our opinion is not modified in respect of the above matter.

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.

Contd..p/2

S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

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	**Service Concession Arrangements (SCA)** The accounting of ESCO projects related to Street Light, Smart Meter and Solar Power is done as per Appendix D to Ind AS 115 - Service Concession Arrangements under the financial assets model. We identified this as a key audit matter because revenue recognization involves estimation of timing of revenue based on performance obligations, complexity in amortization of financial assets over the concession period, identification of distinct performance obligation in SCA, determination of transaction price and impairment testing of assets under service concession arrangement, specifically if there is change in expected cash flows due to non-maintenance/ short closure of the agreement. Refer note 7, 33 and statement of profit and loss to the standalone financial statements read with material accounting policy no. 2.11(ii) for disclosures/ recognization of financial assets, revenue and expenses respectively.	We obtained an understanding on the financial model prepared by the company for accounting of transactions qualifying the criteria for service concession arrangements and adopted the following audit procedures: • Assessed the company's accounting policy and the disclosures in standalone financial statements in respect of revenue, cost, financial assets under SCA are in line with Appendix D to Ind AS 115 - Service Concession Arrangements. • Evaluated the management's assessment process for determination of Appendix D of Ind AS 115 and the extent of grantor's involvement in the assets and grantor's intention not to control the significant residual interest through ownership, beneficial entitlement or otherwise. • Evaluated the integrity of general information and technology control environment and tested the operating effectiveness of key IT application controls over recognition of such transactions. • Evaluated the design, implementation and operating effectiveness of company's controls in respect of recognition of revenue, cost and financial assets under SCA. • On a sample basis, tested supporting documentation for transactions recorded during the year which included agreements entered with the customers for ESCO projects qualifying the criteria for SCA, shipping documents, completion certificates, sales invoices etc. and also tested the arithmetical accuracy of the models. • Ensured that the contractual liability to perform the services/ performance obligation was against the signed completion certificates received from customers. • Evaluated the entity's identification of performance obligation ensuring that each obligation is distinct, for which entity correctly allocates the price to performance obligation. • Examined the reasonableness of estimates for variable consideration and ensured that the amount was calculated as prescribed in the agreement.

S. P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

		• Examined that the entity has performed the impairment testing of financial assets, considering the expected cash flow. Based on above procedures performed, the accounting of ESCO projects related to Street Light, Smart Meter and Solar Power done as per Appendix D to IndAS 115 - Service Concession Arrangements under the financial assets model is considered to be adequate and reasonable.
2	**Contingent Liabilities** 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. 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. Refer note 50(b) and 50(c) to the standalone financial statements, read with the material accounting policy no. 2.9.	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: • Understood and tested the design and operating effectiveness of controls as established by the management for obtaining the relevant information for pending litigation cases. • Discussed with the management any material developments thereto and latest status of legal matters. • Read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities. • Examined recent orders from competent authorities and/ or communication received from various authorities, judicial forums and follow-up action thereon. • Examined management's judgement and assessment for the requirement of provisions. • Reviewed the adequacy and completeness of disclosures. Based on above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.

Information other than the standalone financial statements and auditor's report thereon

The company's board of directors is responsible for the preparation of 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.

S. P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

Contd..p/4

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 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.

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- 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 standalone 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 ₹ 5,454.29 lakhs as at 31 March 2024 and total revenue of ₹ nil 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 the above 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.

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

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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 a foreign branch of the company that reflect total assets of ₹ 5,454.29 lakhs as at 31 March 2024 and total revenue of ₹ nil 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 2024 and taken on record by the board of directors, none of the directors are disqualified as at 31 March 2024 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. no remuneration, during the year, was paid by the company to its directors, being the nominee directors, thus the reporting of remuneration paid to the directors in accordance with provisions of section 197 of the Companies Act, 2013 read with Schedule V to the Act are not applicable to the company to that extent; 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 50 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;

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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. Based on our examination, which included test checks, the Company has used the accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on the preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

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

Ankur Goyal
Partner
Membership No. 099143
UDIN 24099143BKEULA5599

Place: New Delhi
Date: 10 August 2024

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 2024)

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(d) 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 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended.

(ii) (a) As explained to us, the physical verification of inventory has not been carried out during the year by the management. 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 the nature of its business.

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(b) According to the information and explanations given to us and on the basis of our examination of the records of 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 ₹ 26,460 lakhs in Intellismart Infrastructure Private Limited, joint venture and granted an unsecured loan of ₹ 2,325 lakhs to Convergence Energy Services Limited, subsidiary. The disclosures under clause 3(iii)(a) to 3(iii)(f) in this respect are as under:

(a) (A) Loan of ₹ 2,325 lakhs was given during the year (aggregate amount given is ₹ 7,715 lakhs) to Convergence Energy Services Limited, a subsidiary company. The amount of loan outstanding as at 31.03.2024 is ₹ 5,928.21 lakhs.

Further, Irrevocable corporate guarantee, cash margin and irrevocable standby letter of credit (SBLC) has been given during the year in respect of its foreign subsidiary. The amount of irrevocable corporate guarantee of £ 16.00 million (₹ 16,846.96 lakhs) (valid upto 31st March 2032) against the charge created on current assets of the Company and interest-bearing deposits of £ 16.00 million (₹ 16,846.96 lakhs) in favour of Export Import Bank of India and Irrevocable standby letter of credit (SBLC) of GBP 1.2375 million (₹ 1,303.01 lakhs) for loan of £ 32.00 million (maturity upto 31st March 2030) to EESL EnergyPro Assets Limited in London, UK is outstanding as at 31 March 2024.

(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 instalment of the aforesaid loan has fallen due and has been paid timely during the year.

(d) The repayment of instalment 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 the 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 Sections 185 and 186 of the Act. In respect of investments, the 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.

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(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 2024 for a period of more than six months from the date they became payable.

b. The statutory dues of ₹ 12,165.98 lakhs are disputed on account of matters pending in appeals before the appropriate authority against which the company has deposited ₹ 5,128.99 lakhs under protest, the details of which are as under:

Name of statue	Nature of dues	Forum where dispute is pending	Period to which amount/ disputes relates	Amount (₹ in lakhs)	Deposit under protest (₹ in lakhs)
AP Value Added Tax Act, 2005	Tax	AP VAT Appellate Tribunal, Visakhapatnam	Oct-14 to Nov-15	3,703.55	3,715.19
	Tax		Dec-15 to Dec-16	1,291.68	645.84
	Penalty		Oct-14 to Nov-15	925.89	462.94
	Penalty		Dec-15 to Dec-16	322.92	40.36
	Penalty	Appellate Additional Commissioner, Commercial Tax, Vijayawada	Jan-17 to Jun-17	6.70	0.85
HP Value Added Tax Act, 2005	Tax	Asst. Comm State taxes - Shimla, HP	Apr-16 to Mar-17	22.49	-
UP Value Added Tax, 2008	Tax	Dy. Comm, Commercial Tax Division, Noida, UP	Apr-15 to Mar-16	29.83	-
	Tax		Apr-15 to Mar-16	35.03	-
	Tax		Apr-15 to Mar-16	30.24	-
	Tax		Apr-15 to Mar-16	686.20	-
	Tax		Apr-15 to Mar-16	620.93	-
	Tax		Apr-17 to Mar-18	360.21	-
	Tax		Apr-17 to Mar-18	1.45	-
CGST, 2017 - Delhi	Tax	Office of Assistant Commissioner of CGST Delhi	Apr-19 to Mar-20	47.33	47.33
	Tax		Apr-20 to Mar-21	47.20	47.20
CGST, 2017 - Jharkhand	Tax	Appellant Authority – Commissioner GST	Apr -17 to Mar-18	26.70	2.43
CGST, 2017 – Rajasthan	Tax		Apr -17 to Mar-18	322.10	14.01
CGST, 2017- Tamil Nadu	Tax		Apr -17 to Mar-18	107.09	3.55
CGST, 2017 – Chattisgarh	Tax		Apr -17 to Mar-18	27.23	1.28
CGST, 2017 Uttar Pradesh	Tax		Apr -17 to Mar-18	702.47	26.56
CGST, 2017 - Assam	Tax		Apr -17 to Mar-18	21.40	1.01
CGST, 2017 – Maharashtra	Tax		Apr -17 to Mar-18	156.51	7.08
CGST, 2017 – Maharashtra	Tax		Apr -18 to Mar-19	290.34	14.71

CGST, 2017 – Maharashtra	Tax		Apr -19 to Mar-20	764.73	38.74
CGST, 2017 - Uttar Pradesh	Tax	Joint Commissioner State Tax – U.P.	Apr -18 to Mar-19	636.08	53.86
CGST, 2017 – Karnataka	Tax	Assistant Commissioner of Commercial Taxes	Apr -18 to Mar-19	115.03	6.05
CGST, 2017 - Jammu & Kashmir	Tax	State Tax Officer	Apr -18 to Mar-19	13.48	-
Income Tax Act, 1961	Tax	Commissioner of Income Tax	Apr-17 to Mar-18	851.17	-
			Total	**12,165.98**	**5,128.99**

(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 an initial public offer nor further public offer (including debt instruments) during the year hence reporting under this clause is not applicable.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, hence reporting under this clause is not applicable. However, the company, during the year, had made an offer for right issue of its 76,60,00,000 equity shares at par value of ₹ 10/- per share to its existing shareholders, which was fully subscribed equally by Power Grid Corporation of India Limited and NTPC Limited (including the offer renounced by Power Finance Corporation and REC Limited).

(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.

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(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 reports for the year 2023-24, issued to the company were 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 incurred cash losses during the financial year covered under our audit and in the immediately preceding financial year as per the restated figures.

(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 56(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.

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(xx) (a) There are no unspent amounts towards, 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

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

Ankur Goyal
Partner
Membership No. 099143
UDIN 24099143BKEULA5599

Place: New Delhi
Dated: 10 August 2024

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 2024)

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 2023-24.

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

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

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

S. P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

Ankur Goyal
Partner
Membership No. 099143
UDIN 24099143BKEULA5599

Place: New Delhi
Date: 10 August 2024

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 2024)

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 2024 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 financial reporting criteria established by the company considering the essential components of internal control stated in the "Guidance note on audit of internal financial controls over financial reporting" (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 over financial reporting 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.

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S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

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 2024, 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

S. P. CHOPRA & CO. CHARTERED ACCOUNTANTS

Ankur Goyal
Partner
Membership No. 099143
UDIN 24099143BKEULA5599

Place: New Delhi
Date: 10 August 2024

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 2024 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: 10 August 2024

ENERGY EFFICIENCY SERVICES LIMITED
CIN:U40200DL2009PLC196789
Standalone Balance Sheet as at 31 March 2024
(All amounts in lakhs of ₹,except share data and as stated otherwise)

Particulars	Note	As at 31 March 2024	As at 31 March 2023*	As at 1 April 2022*
ASSETS				
Non-current assets				
Property, plant and equipment	3	3,837.55	5,302.93	4,721.05
Capital work-in-progress	4	18,743.06	19,591.79	10,760.86
Right-of-use assets	5	690.56	841.79	1,125.72
Intangible assets	6	-	210.07	535.73
Financial assets				
Service concession arrangement assets	7	2,10,294.08	2,56,537.47	2,79,299.02
Investments in subsidiary and joint venture companies	8	72,424.48	45,964.48	37,068.31
Other investments	9	0.26	0.26	0.26
Loans	10	5,214.92	4,376.46	2,911.06
Other financial assets	11	25,482.88	13,694.77	24,463.23
Deferred tax assets (net)	12	15,942.26	15,938.52	7,396.20
Other non-current assets	13	422.29	375.68	6,611.24
Total non-current assets		**3,53,052.34**	**3,62,834.22**	**3,74,892.68**
Current assets				
Inventories	14	46,216.01	64,536.45	61,987.60
Financial assets				
Trade receivables	15	3,98,151.64	3,84,832.97	3,50,061.12
Service concession arrangement assets	7	82,329.93	92,733.55	1,01,803.30
Cash and cash equivalents	16	61,566.72	43,024.08	72,992.54
Bank balances other than cash and cash equivalents	17	16,604.72	21,027.79	29,394.51
Loans	18	1,278.09	922.71	538.17
Other financial assets	19	6,263.50	9,119.25	15,097.49
Current tax assets (net)	20	1,952.10	1,727.82	1,562.90
Other current assets	21	30,101.61	37,730.51	43,120.68
Total current assets		6,44,464.32	6,55,655.13	6,76,558.31
TOTAL ASSETS		9,97,516.66	10,18,489.35	10,51,450.99
EQUITY AND LIABILITIES				
Equity				
Equity share capital	22	2,15,682.00	1,39,082.00	1,39,082.00
Other equity	23	(66,018.51)	(20,097.26)	37,288.78
Total equity		1,49,663.49	1,18,984.74	1,76,370.78
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	24	4,29,223.03	4,20,295.09	4,46,213.53
Lease liabilities		-	-	168.66
Other financial liabilities	25	5,276.24	9,268.89	14,578.12
Provisions	26	1,352.65	1,132.16	1,383.17
Other non-current liabilities	27	3,457.95	3,866.58	3,680.33
Total non-current liabilities		**4,39,309.87**	**4,34,562.72**	**4,66,023.81**
Current liabilities				
Financial liabilities				
Borrowings	28	2,76,925.72	2,76,107.05	2,48,022.54
Lease liabilities	29	-	168.66	294.95
Other financial liabilities	30	1,18,338.84	1,70,256.60	1,48,610.82
Other current liabilities	31	12,901.30	18,147.38	11,851.16
Provisions	32	59.88	62.54	68.98
Current tax liabilities (net)		317.56	199.66	207.95
Total current liabilities		4,08,543.30	4,64,941.89	4,09,056.40
TOTAL EQUITY AND LIABILITIES		**9,97,516.66**	**10,18,489.35**	**10,51,450.99**

* Restated (refer note 41)

The accompanying notes form an integral part of standalone financial statements — 1 to 58

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

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

Ankur Goyal
Partner
Membership No. 099143
UDIN : 24099143BKEULA5599

Place : New Delhi
Date : 10 August 2024

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

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

K. Shanmugha Sundaram
Chairman
DIN : 10347322

Rajiv Kumar Rohilla
Director
DIN : 10371161

Vishal Kapoor
Chief Executive Officer

Arvind Kumar Talan
Chief Financial Officer

Laxman Aggarwal
Company Secretary

ENERGY EFFICIENCY SERVICES LIMITED
CIN:U40200DL2009PLC196789
Standalone Statement of Profit and Loss for the year ended 31 March 2024
(All amounts in lakhs of ₹,except share data and as stated otherwise)

Particulars	Note	For the year ended 31 March 2024	For the year ended * 31 March 2023
Income			
Revenue from operations	33	67,154.49	85,334.39
Other income	34	50,524.66	46,237.64
Total income		**1,17,679.15**	**1,31,572.03**
Expenses			
Purchase of stock-in-trade		242.51	5,431.66
Service concession arrangement expenses		26,351.14	48,206.46
Changes in inventory of stock-in-trade	35	5,463.67	2,162.89
Employee benefits expense	36	7,198.90	7,517.08
Finance costs	37	57,275.10	56,404.46
Depreciation and amortisation expense	38	1,307.29	1,498.60
Other expenses	39	65,429.07	76,133.10
Total expenses		**1,63,267.68**	**1,97,354.25**
Loss before tax		**(45,588.53)**	**(65,782.22)**
Tax expense	40		
Current tax		317.56	199.66
Deferred tax		(3.78)	(8,555.79)
Total tax (credit)/expense		313.78	(8,356.13)
Loss for the year		**(45,902.31)**	**(57,426.09)**
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax)			
- Remeasurement of the defined benefit plans		(18.95)	53.52
- Income tax relating to item that will not be reclassified to profit or loss		-	(13.47)
Other comprehensive income for the period, net of income tax		**(18.95)**	**40.05**
Total comprehensive income for the year		**(45,921.26)**	**(57,386.04)**
Earnings per equity share (Nominal value of ₹ 10/- each)	49		
Basic earnings per share (₹)		(2.52)	(4.13)
Diluted earnings per share (₹)		(2.52)	(4.13)

* Restated (refer note 41)

The accompanying notes form an integral part of standalone financial statements — 1 to 58

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 : 24099143BKEULA5599

K. Shanmugha Sundaram
Chairman
DIN : 10347322

Rajiv Kumar Rohilla
Director
DIN : 10371161

Place : New Delhi
Date : 10 August 2024

Vishal Kapoor
Chief Executive Officer

Arvind Kumar Talan
Chief Financial Officer

Laxman Aggarwal
Company Secretary

S.P. CHOPRA & CO. * CHARTERED ACCOUNTANTS * CHECKED

Standalone Statement of changes in equity for the year ended 31 March 2024

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

(A) Equity share capital*

For the year ended 31 March 2024

Balance as at 1 April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
1,39,082.00	-	1,39,082.00	76,600.00	2,15,682.00

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

* Refer note 22

(B) Other equity**

For the year ended 31 March 2024

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 2023	-	2,500.00	(43,390.36)	(98.01)	(40,988.36)
Prior period errors	-	-	20,891.11	-	20,891.11
Restated balance as at 1 April 2023	-	2,500.00	(22,499.25)	(98.01)	(20,097.25)
Loss for the year	-	-	(45,902.31)	-	(45,902.31)
Other comprehensive expense for the year (net of taxes)	-	-	-	(18.95)	(18.95)
Transfer (to)/from retained earnings	-	(2,500.00)	2,500.00	-	-
Balance as at 31 March 2024	-	-	(65,901.56)	(116.96)	(66,018.51)

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	(20,119.29)	(138.06)	(13,257.35)
Prior period errors	-	-	50,546.13	-	50,546.13
Restated balance as at 1 April 2022	-	7,000.00	30,426.84	(138.06)	37,288.78
Loss for the year	-	-	(57,426.09)	-	(57,426.09)
Other comprehensive expense 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	(22,499.25)	(98.01)	(20,097.26)

** Refer note 23

The accompanying notes form an integral part of standalone financial statements 1 to 58

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

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

Ankur Goyal
Partner
Membership No. 099143
UDIN : 24099143BKEULA5599

Place : New Delhi
Date : 10 August 2024

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

K. Shanmugha Sundaram
Chairman
DIN : 10347322

Rajiv Kumar Rohilla
Director
DIN : 10371161

Vishal Kapoor
Chief Executive Officer

Arvind Kumar Talan
Chief Financial Officer

Laxman Aggarwal
Company Secretary

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

ENERGY EFFICIENCY SERVICES LIMITED
CIN:U40200DL2009PLC196789
Standalone Statement of Cash Flows for the year ended 31 March 2024
(All amounts in lakhs of ₹ except share data and as stated otherwise)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023 *
A Cash flow from operating activities		
Loss before tax	**(45,588.53)**	**(65,782.22)**
Adjustments for:-		
Depreciation and amortization expense	1,307.29	1,498.60
Finance costs	53,606.31	44,066.57
Allowance for doubtful receivables	18,476.61	13,160.89
Provision for doubtful advances	588.95	2,138.22
Provision for inventories	4,632.49	80.64
Loss on sale of property, plant and equipment (net)	17.79	9.63
Interest income	(39,361.15)	(42,660.10)
Loss on foreign currency transactions and translation (net)	4,032.56	22,810.90
Grant income	(1,153.09)	(1,244.31)
Liquidation damages recovered from vendors	(4,399.00)	(447.40)
Impairment for losses on investment	-	18.33
Impairment for Financial Assets	2,147.28	3,451.71
Provisions	71.27	-
Impairment for Property, plant and equipment	1,336.91	-
Liabilities/ excess provisions no longer required, written back	(4,173.51)	-
Operating profit before working capital changes	**(8,457.82)**	**(22,898.54)**
Decrease in Trade receivables/Service concession arrangements assets	58,037.90	20,985.38
(Increase)/Decrease in Inventories	13,687.95	(2,629.49)
Decrease in loans, other financial assets and other assets	15,110.80	19,039.76
Increase/(Decrease) in other financial liabilities and other liabilities	(53,556.91)	20,875.20
Increase/(Decrease) in provisions	198.88	(203.93)
Cash generated from operations post working capital changes	**25,020.80**	**35,168.38**
Less: Income tax paid/(refund)	423.90	(213.72)
Net Cash generated from operating activities (A)	**24,596.90**	**35,382.10**
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advance)	(4.38)	(3,945.12)
Sale of property, plant and equipment	17.79	9.63
Interest received	4,019.11	2,104.96
Investment in subsidiaries and joint venture company	(26,460.00)	(8,914.50)
Loan given to subsidiary (net)	(1,119.57)	(1,799.99)
Investment in deposits with banks	(12,831.70)	8,362.51
Grant received	33.61	2,047.38
Net Cash used in investing activities (B)	**(36,345.14)**	**(2,135.13)**
C Cash flow from financing activities		
Proceeds from share capital	76,600.00	-
Proceeds from non-current borrowings	92,032.39	55,597.70
Repayment of non-current borrowings	(1,00,361.75)	(1,10,921.65)
Proceeds/ (repayments) of current borrowings (net)	13,485.90	32,335.76
Interest paid	(51,513.32)	(42,176.24)
Principal payment of lease liabilities	(168.66)	(294.95)
Interest payment of lease liabilities	(4.08)	(29.72)
Net Cash (used)/generated from financing activities (C)	**30,070.48**	**(65,489.10)**
Net increase in cash and cash equivalents (A+B+C)	18,322.25	(32,242.14)
Cash and cash equivalents at the beginning of the year (Refer note 16)	43,024.08	72,992.54
Exchange difference on translation of foreign currency cash and cash equivalents	220.38	2,273.68
Cash and cash equivalents at the end of the year (Refer note 16)	**61,566.72**	**43,024.08**

* Restated (refer note 41)

(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 2024	As at 31 March 2023
Balances with banks		
Current accounts	42,306.28	25,837.11
Deposits with original maturity upto three months (including interest accrued)	19,260.44	17,186.97
Cash and cash equivalents as per note-16	**61,566.72**	**43,024.08**

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 ***
For the period ended 31 March 2024				
Opening balance as at 1 April 2023	5,20,488.95	1,75,913.19	168.66	5,071.86
Cash flow during the year	(8,329.36)	13,485.90	(172.74)	(51,513.32)
Non-cash changes due to:				
- Variation in exchange rates	4,434.54	-	-	-
- Interest accrued	-	-	4.08	51,140.45
- Transaction cost on borrowings	155.53	-	-	223.53
Closing balance as at 31 March 2024	**5,16,749.66**	**1,89,399.09**	-	**4,922.52**
For the year ended 31 March 2023				
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
Closing balance as at 31 March 2023	**5,20,488.95**	**1,75,913.19**	**168.66**	**5,071.86**

* includes current maturities of non-current borrowings, refer note 24.
** Inflows/outflows from current borrowings have been presented on net basis.
*** includes commitment fees payable

d) Refer note 43 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 IND AS 7, 'Statement of Cash Flows'.

The accompanying notes form an integral part of standalone financial statements 1 to 58

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

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

Ankur Goyal
Partner
Membership No. 099143
UDIN : 24099143BKEULA5599

Place : New Delhi
Date : 10 August 2024

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

K. Shanmugha Sundaram
Chairman
DIN : 10347322

Rajiv Kumar Rohilla
Director
DIN : 10371161

Vishal Kapoor
Chief Executive Officer

Arvind Kumar Talan
Chief Financial Officer

Laxman Aggarwal
Company Secretary

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

1. Company information

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

The Company is a Joint Venture of NTPC Limited, Power Grid Corporation of India Limited, Power Finance Corporation Limited and Rural Electrification Corporation Limited under the Ministry of Power, Government of India. 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 2024 were approved for issue by Board of Directors on 10 August 2024.

2. Material accounting policy information

A summary of the material accounting policy information 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 standalone financial statements have been prepared on going concern basis, following accrual system of accounting.

2.1. Basis of preparation

(i) Compliance with Ind AS

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act, 2013.

(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 disclosed separately in notes to the financial statements.

(iii) Functional and presentation currency

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

(iv) Current and non-current classification

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

An asset is classified as 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.

Operating cycle:
The operating cycle is the time period between acquisition of assets for processing and their realization in cash and cash equivalent. The company recognizes twelve months period as its operating cycle.

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.

Property, plant and equipment is initially recognized at cost of acquisition/ construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. After initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Property, plant and equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

Parts of an item of property, plant and equipment having different useful lives, 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 costs are added to the carrying amount of the asset or recognized as a separate asset as appropriately 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 and the carrying amount of the replaced part is derecognized. The cost of day-to-day servicing of property, plant and equipment are recognized in the statement of 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 derecognized when no future economic benefits are expected from their use or upon their disposal. The gains and losses arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment, and is recognized in the statement of profit and loss on the date of disposal or retirement.

(v) Depreciation

Depreciation is recognized in the statement of profit and loss on pro rata basis from the date on which assets is available for use/ disposal on Straight Line Method over the 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, which are different in certain cases from those prescribed in Schedule-II to the Act are as follows:

Nature of assets	Useful Life as assessed/ estimated by Company
ESCO Projects	3-10 years
Public chargers	10 years
Vehicles	5-8 years
Building	30 years
Cell phones	2 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 of items of property plant and equipment are reviewed at each financial year-end and adjusted prospectively, wherever required. 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/upto the date on which the PPE is available for use/disposal.
Where the cost of depreciable PPE 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. The residual values of other property, plant and equipment is considered as 5% of the original cost of the asset.

2.3. Capital work-in-progress

Cost of material, erection charges and other expenses incurred for the construction of property, plant and equipment are shown as capital work-in-progress based on progress of erection work till the date of capitalization.
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.
Interest during construction and expenditure (net) allocated to construction as per policy above are apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

2.4. Intangible assets and Intangible assets under development

(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, are recognized if any 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.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Expenditure incurred, eligible for capitalization under the head intangible assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

(ii) Subsequent costs

Subsequent expenditure on already capitalized intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

(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, when the intangible assets are derecognized.

(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 with NIL residual value.

Amortisation on additions to/ deductions from intangible assets during the year is charged on pro-rata basis from/ up to the date on which the asset is available for use/ disposed.

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

2.5. Borrowing costs

Borrowing costs consist of:

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

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are 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.

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2.6. Inventories

Inventories are valued at the lower of cost, determined on weighted average basis 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 and are net of 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, wherever required.

2.7. Cash and cash equivalents

Cash and cash equivalents comprise of balance with banks in current accounts, cash on hand and short-term deposits with an original maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and 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 receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement.

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

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

2.10. Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded at the prevailing exchange rates at the date the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated by applying the exchange 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. Exchange differences arising from foreign currency borrowing drawn on or after 1st April 2016 to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

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.

Foreign exchange gains and losses (other than related to foreign currency loans outstanding) are presented in the statement of profit and loss on a net basis within other gains/ (losses).

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) Service Concession Arrangement (SCA)

The service concession arrangements have been accounted for under the financial assets model. Revenue and costs are allocated between 'construction services' and 'operation and maintenance services', and are accounted for separately. The Company recognizes financial assets arising from service concession arrangements to the extent it has an unconditional contractual right to receive payments. Financial assets are initially recognized at their fair value. Contract cost is recognized as the total cost incurred towards the financial assets. Contract revenue represents revenue from contracts wherein the performance obligation is satisfied over a period of time and revenue is recognized by applying a specified margin, if any, on the total cost incurred towards the financial assets. Subsequent to initial recognition, financial assets are recognized as amortized cost.

(ii) Revenue from rendering of services other than SCA

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. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. contract assets/ unbilled revenue.

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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.

(iv) 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

Dividend income is recognized when right to receive payment is established. Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization. Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

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.

The Company has a defined contribution pension scheme which is administered through a separate trust managed by Life Insurance Corporation of India Ltd. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

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 contributions to above schemes 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 with respect to its gratuity obligation contributes to a fund maintained by Life Insurance Corporation of India ltd.

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 unrecognized 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 and subsequently not reclassified to profit and loss.

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 in the period in which 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 when 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:

(i) the contract involves use of an identified assets,
(ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and
(iii) the customer has the right to direct the use of the asset.

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) Company as 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 measured at cost less accumulated depreciation and accumulated impairment losses, if any and adjusted for any remeasurement of lease liability. The right-of-use asset is amortised 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.

Right of Use- leasehold land is amortised over the period of lease and improvements thereon are depreciated on straight line basis over shorter of asset's useful life and their initial agreement period unless the entity expects to use the asset beyond the lease term.

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 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, 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 Company has elected to use the recognition exemptions for short-term and low value leases as per Ind AS 116.

(ii) Company as 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.

Amounts due from lessees under finance leases are recorded as '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.

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.

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.

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

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(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.

Debt instrument at Fair Value through other comprehensive income (FVTOCI)

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 Solely Payments of Principal and Interest (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 Fair Value through Profit and Loss (FVTPL)

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.

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.

(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. Investment in Subsidiaries, Joint Ventures and Associates

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Investments in subsidiaries are carried at cost less impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The investment in joint ventures and associates are carried at cost less impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost

2.23. 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.

(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

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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 are 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 the estimation of potential loss.

(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.

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

3 Property, plant and equipment

As at 31 March 2024

Particulars	Gross block				Accumulated depreciation				Net block
	As at 1 April 2023	Additions	Deductions/ Adjustments	As at 31 March 2024	As at 1 April 2023	For the year	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024
Buildings	847.65	-	-	847.65	86.80	26.90	-	113.69	733.96
Plant & Machinery									
ESCO projects	3,508.85	-	1,456.83	2,052.02	1,914.83	303.35	1,503.06	715.12	1,336.91
Public chargers	1,604.39	692.02	(195.28)	2,491.69	340.55	231.67	-	572.22	1,919.47
Vehicles	1,710.29	21.11	189.24	1,542.16	583.46	196.45	18.23	761.68	780.47
Office equipment	447.39	10.47	71.55	386.31	296.12	38.05	13.14	321.03	65.28
Computers	598.91	92.21	118.69	572.43	495.55	68.56	108.00	456.11	116.32
Furniture & Fixture	480.16	0.32	-	480.48	273.98	45.73	-	319.71	160.77
Leasehold improvements	440.32	-	-	440.32	343.75	35.23	-	378.98	61.34
Total	**9,637.96**	**816.13**	**1,641.03**	**8,813.06**	**4,335.04**	**946.00**	**1,642.43**	**3,638.60**	**5,174.46**
Less: Impairment			2,052.02	(2,052.02)	-	-	715.12	(715.12)	(1,336.91)
Grand Total	**9,637.96**	**816.13**	**3,693.06**	**6,761.03**	**4,335.04**	**946.00**	**927.31**	**4,353.72**	**3,837.55**

As at 31 March 2023

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	2,831.25	677.60	-	3,508.85	1,714.49	200.34	-	1,914.83	1,594.03
Public chargers	927.14	677.25	-	1,604.39	100.20	240.35	-	340.55	1,263.84
Vehicles	1,680.58	58.61	28.90	1,710.29	406.16	177.30	-	583.46	1,126.83
Office equipment	435.41	24.34	12.36	447.39	300.61	6.78	11.27	296.12	151.27
Computers	629.16	60.45	90.70	598.91	464.23	110.36	79.04	495.55	103.36
Furniture & Fixture	473.15	7.01	-	480.16	228.53	45.45	-	273.98	206.18
Leasehold improvements	438.20	2.12	-	440.32	267.30	76.45	-	343.75	96.57
Total	**8,262.55**	**1,507.38**	**131.96**	**9,637.96**	**3,541.50**	**883.85**	**90.31**	**4,335.04**	**5,302.93**

a) Refer note 24 for information on property, plant and equipment pledged as security by the company.
b) Refer note 50(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
c) Refer note 41 for restatement item of earlier years.
d) Details of title deeds of immovable properties not held in name of the Company:

Item category	Description of item	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.
f) The company is in the process of shifting its office during FY 2024-25 hence it envisages to conduct the physical verification of property plant and equipment thereafter.

4 Capital work-in-progress

As at 31 March 2024

Particulars	As at 1 April 2023	Additions	Capitalised/Transferred to Lease receivable	As at 31 March 2024
Buildings	9,740.59	3,622.45	-	13,363.04
Plant & Machinery				
ESCO projects	7,714.20	565.61	4,378.27	3,901.54
Public chargers	2,137.00	33.50	692.02	1,478.48
Total	**19,591.79**	**4,221.56**	**5,070.29**	**18,743.06**

As at 31 March 2023

Particulars	As at 1 April 2022	Additions	Capitalised/Transferred to Lease receivable	As at 31 March 2023
Buildings	-	9,740.59	-	9,740.59
Plant & Machinery				
ESCO projects	8,187.76	997.26	1,470.82	7,714.20
Public chargers	2,573.10	241.15	677.25	2,137.00
Total	10,760.86	10,979.00	2,148.07	19,591.79

a) The Capital work-in-progress includes inventory of capital items of ₹ 75.10 Lakhs held with the Company as at 31 March 2024 (31 March 2023: ₹ 195.54 Lakhs).

b) Ageing schedule of capital work-in-progress

As at 31 March 2024

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	4,223.71	3,273.59	5,881.84	5,363.92	18,743.06
Projects temporarily suspended	-	-	-	-	-
Total	4,223.71	3,273.59	5,881.84	5,363.92	18,743.06

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	9,936.20	3,725.17	2,746.98	3,183.44	19,591.79
Projects temporarily suspended	-	-	-	-	-
Total	9,936.20	3,725.17	2,746.98	3,183.44	19,591.79

c) The company, during the year, has paid the final instalment of ₹ 694.90 lakhs to NBCC towards the office building at Nauroji Nagar, as agreed in agreement of sale. However, the possession of the office building has not been offered to the company due to non-payment of interest of ₹ 712.29 lakhs towards delay in payment of various instalments made by the company. The company has filed the counter-claim for interest of ₹ 3,253.81 lakhs towards delay in execution of work of building by NBCC from the agreed date. The matter is under negotiation with NBCC and the capitalization of the office building will be done after taking its possession.

d) Completion schedule whose completion is overdue as under:

As at 31 March 2024

Particulars	To be completed in *				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Buildings	13,363.04	-	-	-	13,363.04
Plant & Machinery					
ESCO projects	3,901.54	-	-	-	3,901.54
Public chargers	1,478.48	-	-	-	1,478.48
Total	**18,743.06**	-	-	-	**18,743.06**

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

4 Capital work-in-progress (Continued)

As at 31 March 2023

Particulars	To be completed in *				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Buildings	-	9,740.59	-	-	9,740.59
Plant & Machinery					
ESCO projects	-	7,714.20	-	-	7,714.20
Public chargers	692.02	1,444.98	-	-	2,137.00
Total	692.02	18,899.77	-	-	19,591.79

* No cost overrun is envisaged at this stage as compared to original plan in respect of above projects.

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

5 Right-of-use assets (Refer note 52)

As at 31 March 2024

Particulars	Gross block				Accumulated amortisation				Net block
	As at 1 April 2023	Additions	Deductions/ Adjustments	As at 31 March 2024	As at 1 April 2023	For the year	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024
Office Buildings	1,034.73	-	1,034.73	-	891.03	143.70	1,034.73	-	-
Leasehold Land	743.64	-	-	743.64	45.55	7.52	-	53.07	690.56
Total	**1,778.37**	**-**	**1,034.73**	**743.64**	**936.58**	**151.22**	**1,034.73**	**53.07**	**690.56**

As at 31 March 2023

Particulars	Gross block				Accumulated amortisation				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
Office Buildings	1,032.63	2.10	-	1,034.73	614.41	276.62	-	891.03	143.70
Leasehold Land	743.64	-	-	743.64	36.14	9.41		45.55	698.08
Total	**1,776.27**	**2.10**	**-**	**1,778.37**	**650.55**	**286.03**	**-**	**936.58**	**841.79**

6 Intangible assets

As at 31 March 2024

Particulars	Gross block				Accumulated amortisation				Net block
	As at 1 April 2023	Additions	Deductions/ Adjustments	As at 31 March 2024	As at 1 April 2023	For the year	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024
Software	2,589.79	-	-	2,589.79	2,379.72	210.07	-	2,589.79	-
Total	**2,589.79**	**-**	**-**	**2,589.79**	**2,379.72**	**210.07**	**-**	**2,589.79**	**-**

As at 31 March 2023

Particulars	Gross block				Accumulated amortisation				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
Software	2,586.73	3.06	-	2,589.79	2,051.00	328.72	-	2,379.72	210.07
Total	**2,586.73**	**3.06**	**-**	**2,589.79**	**2,051.00**	**328.72**	**-**	**2,379.72**	**210.07**

7 Service concession arrangement assets

Particulars	As at 31 March 2024	As at 31 March 2023
Non current		
Service concession arrangement assets	2,10,294.08	2,56,537.47
	2,10,294.08	**2,56,537.47**
Current		
Service concession arrangement assets	82,329.93	92,733.55
	82,329.93	**92,733.55**

a) Refer note no 51 and note no 55(b)
b) Service concession arrangement assets have been valued as per accounting policy no. 2.11(ii).

8 Investments in subsidiary and joint venture company (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Equity instruments - Unquoted (fully paid up - unless otherwise stated, at cost)		
Subsidiaries		
EESL EnergyPro Assets Limited	33,281.47	33,281.47
35,745,680 (31 March 2023: 35,745,680) equity shares of £1 each		
EESL Energy Solutions LLC	18.33	18.33
87 (31 March 2023: 87) equity shares of AED of 1000 each		
Convergence Energy Services Limited	5,921.01	5,921.01
59,210,100 (31 March 2023: 59,210,100) equity shares of ₹10/- each		
Joint venture company		
Intellismart Infrastructure Private Limited	33,222.00	6,762.00
332,220,049 (31 March 2023: 67,620,049) equity shares of ₹10/- each		
	72,442.81	45,982.81
Less: Impairment on investment in EESL Energy Solutions LLC	(18.33)	(18.33)
Total	**72,424.48**	**45,964.48**
Aggregate amount of unquoted investments	72,442.81	45,982.81
Aggregate amount of impairment in value of investments	18.33	18.33

a) Investments have been valued as per accounting policy no 2.22. 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 EESL Energy Solutions LLC with management control. The JV partners in their respective board meeting have approved to liquidate the company. The company has accumulated losses of ₹ 82.92 Lakhs (31 March 2023: ₹ 68.93 Lakhs) and the liquidation of the company is under process, hence the impairment of ₹ 18.33 lakhs was recognized to the extent of company's investment, during the FY 2022-23.

c) The Company during the year has further invested ₹ 26,460.00 Lakhs (31 March 2023- ₹ 3,993.50 Lakhs) in its joint venture namely Intellismart Infrastructure Private Limited by acquiring 26,46,00,000 equity shares at a par value of ₹ 10/- per share against right issue.

d) EESL Energy Pro Assets Limited has accumulated losses of ₹ 6,722.66 Lakhs (31 March 2023: ₹ 2,952.23 Lakhs) and Convergence Energy Services Limited has accumulated losses of ₹ 2,110.16 Lakhs (31 March 2023: ₹ 2,820.54 Lakhs) as at the reporting date. However, being strategic investments, considering the long term nature of these investments and future business plan of these subsidiaries, there is no permanent impairment in the value of shares as at the reporting date.

e) The Company after reporting period has engaged a consultant for conducting Feasibility Study regarding dilution of EESL's stake in its Joint Venture namely Intellismart Infrastructure Private Limited (IIPL) through Equity sale. As the company is still evaluating the feasibility of stake sale ,the same is not classified as "disposal group held for sale".

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8 Investments in subsidiary and joint venture company (Non-current) (continued)

f) Details of investments:

Particulars	Proportion of ownership interest (%)	
	As at 31 March 2024	As at 31 March 2023
Investment in subsidiary company:		
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%
Investment in joint venture company:		
Intellismart Infrastructure Private Limited (incorporated in India)	49.00%	49.00%

9 Other investments (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in fully paid up unquoted equity instruments (measured at fair value through profit and loss)		
NEESL Private Limited 2,600 (31 March 2023: 2,600) equity shares of ₹10/- each	0.26	0.26
Total	**0.26**	**0.26**
Aggregate amount of unquoted investments	0.26	0.26
Aggregate amount of impairment in value of investments	-	-

a) Refer note 42 for disclosures related to fair valuation.

b) The Company's shareholding in its joint venture namely NEESL Private Limited has reduced from 26% to 2.21% during the year 2021-22 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.

10 Loans (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Loan to Subsidiary Company (refer note (a) below)		
Unsecured, considered good	5,928.21	4,808.64
Less: Current maturities of loan (Refer note 18)	1,119.41	772.23
Sub-total	**4,808.80**	**4,036.41**
Loan to employees (including interest accrued)		
Secured, considered good (refer note (b) below)	320.44	275.38
Unsecured, considered good	85.68	64.67
Total	**5,214.92**	**4,376.46**

a) During the year ended March 31, 2024, the Company has given an unsecured loan of ₹ 2,325.00 (31 March 2023 ₹ 2,390.00 Lakhs) to Convergence Energy Services Limited, a subsidiary company accumulated (net of repayments) to ₹ 5,928.21 lakhs (31 March 2023 ₹ 4,808.64 lakhs). The loan carries interest rate of 7.80% p.a. payable on half yearly basis and is repayable in seven annual instalments, due on 31 March 2029.

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

c) Refer note 42 for disclosures related to fair valuation, note 43 for details with respect to credit risk and note 48 for the related party disclosures.

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11 Other financial assets (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Unbilled revenue	-	31.00
Security deposits	42.72	95.44
Lease receivables	8,144.87	13,527.81
Deposits with banks (including interest accrued)	-	1.82
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	17,286.03	-
Deposits held as margin money for letter of credit and bank guarantees	4.06	35.61
Deposits held as security with government authorities	5.20	3.09
Total	**25,482.88**	**13,694.77**

12 Deferred tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Tax effect of items constituting deferred tax assets		
Unabsorbed losses/depreciation carried forward	13,121.84	13,121.84
Timing difference on account of expense allowable on payment basis	10,443.74	10,443.74
	23,565.58	23,565.58
Less: Tax effect of items constituting deferred tax liabilities		
Difference between accounting base and tax base of property, plant and equipment	7,218.78	7,218.78
Financial assets and liabilities measured at amortised cost	404.54	408.28
	7,623.32	7,627.06
Net deferred tax assets	**15,942.26**	**15,938.52**

a) Refer note 40(d) for disclosures as per Ind AS 12 Income Taxes.

b) Deferred tax assets of ₹ 3.78 lakhs (31 March 2023: ₹ 8,555.79 Lakhs) has been recognised by the parent company in the statement of Profit & loss and ₹ nil (31 March 2023: ₹ (13.47) Lakhs) in other comprehensive income during the year, as the management based on the business projections is confident that the taxable profit is achievable in near future.

13 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Capital Advances (Refer note 48)	224.81	224.81
Security deposits	197.48	150.87
Total	**422.29**	**375.68**

14 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
Stock in trade	51,282.16	64,970.11
Less: Provision for inventories	(5,066.15)	(433.66)
Total	**46,216.01**	**64,536.45**

a) Inventories 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 current borrowings, for details refer note 28.

c) The cost of inventories recognised as expense for the year ended 31 March 2024 is ₹ 36,761.16 Lakhs (31 March 2023: ₹ 56,520.86 Lakhs).

d) The write down of inventories to net realisable value amounting to ₹ (151.19) Lakhs (31 March 2023: ₹ 639.21 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) 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.

15 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good	3,98,151.64	3,84,832.97
Unsecured, considered credit impaired	55,864.01	37,387.40
Sub-total	**4,54,015.65**	**4,22,220.37**
Less: Allowance for expected credit losses	(55,864.01)	(37,387.40)
Total	**3,98,151.64**	**3,84,832.97**

a) Refer note 28 for details of trade receivable pledged as security for current borrowings, note 43 for details with respect to credit risk, note 48 for amount receivables from related parties and note 56 (k) for trade receivable ageing.

b) Trade receivables, including unbilled receivables of ₹ 16,097.65 lakhs (31 March 2023: ₹ 2482.56 lakhs), primarily consisting of dues recoverable from various government bodies/ ULBs, etc. has accumulated to ₹ 4,54,015.65 lakhs as at 31 March 2024 (₹ 4,22,220.37 lakhs as at 31 March 2023). The company has estimated the amount of ECL on the basis of the methodology 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 ₹ 18,476.61 lakhs has been created during the year resulting in cumulative ECL of ₹ 55,864.01 lakhs as at 31 March 2024 (₹ 37,387.40 lakhs as at 31 March 2023).

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.

16 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
Current accounts	42,306.28	25,837.11
Deposits with original maturity upto three months (including interest accrued)	19,260.44	17,186.97
Total	**61,566.72**	**43,024.08**

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

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

17 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	1,330.25	51.53
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	15,212.37	19,701.71
Deposits held as margin money for letter of credit and bank guarantees	59.65	1,273.79
Deposits held as security with government authorities	2.45	0.76
Total	**16,604.72**	**21,027.79**

18 Loans (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Loan to Subsidiary Company (refer note 10)		
Unsecured, considered good	1,119.41	772.23
Loan to employees (including interest accrued)		
Secured, considered good (refer a below)	37.70	42.97
Unsecured, considered good	120.98	107.51
Total	**1,278.09**	**922.71**

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

19 Other financial assets (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Unbilled revenue	91.05	214.83
Lease receivables	5,592.03	7,730.62
Recoverable from related party (Refer note 48)	303.37	775.45
Security deposits*	277.05	398.35
Other recoverable - credit impaired	178.10	178.10
Less: Allowances for doubtful recoverable	(178.10)	(178.10)
Total	**6,263.50**	**9,119.25**

*Refer note 42 for disclosures related to fair valuation.

20 Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax (net of provision for tax)	1,952.10	1,727.82
Total	**1,952.10**	**1,727.82**

S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

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

21 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with government authorities		
Unsecured, considered good	14,416.98	18,624.52
Unsecured, considered doubtful	179.95	1.15
Less: Provision for doubtful receivables	(179.95)	(1.15)
	14,416.98	**18,624.52**
Advances other than capital advance		
-Advances to Related party (Refer note 48)	6,475.95	1,955.48
-Advances to/ Recoverable from suppliers		
Unsecured, considered good	2,536.55	10,519.74
Unsecured, considered doubtful	3,215.34	2,806.55
Less: Provision for doubtful advances	(3,215.34)	(2,806.55)
-Advance to employees		
Unsecured, considered good	35.83	35.86
Unsecured, considered doubtful	9.00	7.64
Less: Provision for doubtful advances	(9.00)	(7.64)
Deposits paid under protest (Refer note 50(c)(i))	5,128.99	5,005.28
Prepaid expenditure	1,496.58	1,510.23
Prepaid assets-surplus of plan assets*	10.73	79.40
	15,684.63	**19,105.99**
Total	**30,101.61**	**37,730.51**

* Refer note 46 for disclosure as per Ind AS 19 on 'Employee Benefits'.

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

22 Share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of par value ₹ 10/- each	**350,00,00,000**	**3,50,000.00**	**350,00,00,000**	**3,50,000.00**
Issued, subscribed and fully paid up				
Equity shares of par value ₹ 10/- each	**2,15,68,20,000**	**2,15,682.00**	**1,39,08,20,000**	**1,39,082.00**

a) Movements in equity share capital:

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	1,39,08,20,000	1,39,082.00	1,39,08,20,000	1,39,082.00
Add: Shares issued during the year	76,60,00,000	76,600.00	-	-
Balance at the end of the year	**2,15,68,20,000**	**2,15,682.00**	**1,39,08,20,000**	**1,39,082.00**

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

c) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹ 10/- per share. The holders of 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 2023-24 (2022-23: Nil)

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

Name of the shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares	%age holding	No. of shares	%age holding
Power Grid Corporation of India Limited	84,66,10,000	39.25%	46,36,10,000	33.33%
NTPC Limited	84,66,10,000	39.25%	46,36,10,000	33.33%
Power Finance Corporation Limited	24,55,00,000	11.38%	24,55,00,000	17.65%
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	10.12%	21,81,00,000	15.68%
Total	**2,15,68,20,000** *	**100%**	**1,39,08,20,000** *	**100%**

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

e) Details of changes in promoter shareholding during the year ended 31 March 2024:

Name of the promoter	As at 31 March 2024		As at 31 March 2023		% Change during the year
	No. of shares	%age holding	No. of shares	%age holding	
Power Grid Corporation of India Limited	84,66,10,000	39.25%	46,36,10,000	33.33%	5.92%
NTPC Limited	84,66,10,000	39.25%	46,36,10,000	33.33%	5.92%
Power Finance Corporation Limited	24,55,00,000	11.38%	24,55,00,000	17.65%	(6.27%)
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	10.12%	21,81,00,000	15.69%	(5.57%)
Total	**2,15,68,20,000** *	**100%**	**1,39,08,20,000** *	**100%**	-

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

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

22 Share capital (Continued)

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	
Power Grid 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%	-
Total	**1,39,08,20,000** *	**100%**	**1,39,08,20,000** *	**100%**	-

* 168 shares held by individuals as a nominee of respective shareholders.

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 Power Grid 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 Power Grid Corporation of India Limited shall infuse the capital equally in future.

23 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Debenture redemption reserve	-	2,500.00
Retained earnings	(65,901.55)	(22,499.25)
Remeasurement of defined benefits plan	(116.96)	(98.01)
Total	**(66,018.51)**	**(20,097.26)**

a) **Debenture redemption reserve**
The company is required to create a debenture redemption reserve out of profits which is available for payment of dividend for the purpose of redemption of debentures. The reserve has been transferred to retained earnings since the debentures have been redeemed during the year. Movement in reserves is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	2,500.00	7,000.00
Add: Transfer to retained earnings	(2,500.00)	(4,500.00)
Closing balance	-	**2,500.00**

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

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	(43,390.36)	(20,119.29)
Prior period errors	20,891.11	50,546.13
Restated balance	**(22,499.25)**	**30,426.84**
Loss for the year as per statement of profit and loss	(45,902.31)	(57,426.09)
Transfer from debenture redemption reserve	2,500.00	4,500.00
	(65,901.56)	**(22,499.25)**

c) **Remeasurement of defined benefit plans (other comprehensive income)**
It represents actuarial gain/loss recognised on the basis of assumption used in actuarial valuation. Movement in reserves is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	(98.01)	(138.06)
Net actuarial gains/(losses) on defined benefit plans	(18.95)	40.05
Closing balance	**(116.96)**	**(98.01)**

24 Borrowings (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
1) Debentures/Bonds		
a) Secured Debentures/Bonds		
(i) 8.07% Debentures (Domestic bonds)- Secured by pari passu charge on the movable fixed assets both present and future (8.07% p.a. secured non-cumulative non-convertible redeemable taxable bonds of ₹ 25,000.00 Lakhs (STRPP C) redeemed at par on due date of 20 September 2023)	-	26,066.79
2) Term loan from banks		
a) Secured rupee term loan		
(i) Canara Bank- Secured by pari passu charge on the movable fixed assets both present and future (ROI linked to 1 year MCLR, repayable in 5 equated yearly instalments of each tranche starting from December 2022 and ending in July 2027)	35,966.53	45,951.25
(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)	25,000.00	35,000.00
(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)	14,996.63	24,989.55
(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)	9,956.40	19,958.71
(v) Canara Bank- Secured by pari passu charge on the movable fixed assets both present and future (ROI linked to 1 year MCLR, repayable in 5 equated yearly instalments for each tranche, 1st tranche starting from June 2024 and ending in Sep 2028)	49,999.66	-
(vi) IDBI Bank- Secured by pari passu charge on the movable fixed assets both present and future (ROI linked to 1 year MCLR, repayable in 6 equated yearly instalments with moratorium of 1 year from the date of first disbursement starting from March 2026 and ending in March 2031)	4,985.09	-
b) Unsecured rupee term loan		
(i) Punjab National Bank (ROI linked to 6 months MCLR, repayable in 10 equated half yearly instalments starting from June 2021 and ending in December 2025)	19,818.19	29,821.38
3) Term loan from other than banks		
a) Unsecured foreign currency loans		
(i) ADB Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 6.2467% p.a., loan repayable in 30 equal half yearly instalments starting from 15 May 2025 and ending on 15 November, 2029)	43,139.01	32,218.36
(ii) CTF Loan (ADB)-Guaranteed by Government of India (0.25% p.a. loan repayable on half yearly basis in 20 instalments of USD 460,000 and 40 instalments of USD 920,000 each starting from 15 May 2030 and ending on 15 November 2059)	38,285.58	37,747.42
(iii) IBRD Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 6.4799% p.a., loan repayable on half yearly basis in 27 equal instalments of 3.57% of disbursed amount and last instalment of 3.61% of disbursed amount starting from 15 May 2023 and ending on 15 November 2036)	1,49,812.34	1,29,395.41
(iv) ADB Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 6.1502% p.a., loan repayable on half yearly basis starting from 15 March 2022 in 30 equal instalments and ending on 15 September 2036)	93,374.95	99,438.87

24 Borrowings (Non-current) (continued)

Particulars	As at 31 March 2024	As at 31 March 2023
(v) AFD Loan -Guaranteed by Government of India (1.7078% p.a. loan repayable on half yearly basis in 20 instalments of Euro 19,39,305.70 each starting from 31 October 2020 and ending on 30 April 2030)	22,908.79	26,253.20
(vi) KFW Loan -Guaranteed by Government of India (1.96% p.a. loan repayable on half yearly basis in 14 instalments of Euro 2,941,000 each and 3 instalments of Euro 2,942,000 each starting from 30 June 2018 and ending on 30 June 2026)	13,335.69	18,541.62
	5,21,578.86	**5,25,382.56**
Less: Current maturities of long term borrowings (Refer note 28)		
Secured Debentures/Bonds	-	25,000.00
Secured rupee term loan from bank	49,956.40	40,000.00
Unsecured rupee term loan from bank	10,000.00	10,000.00
Unsecured foreign currency loans	27,570.23	25,193.86
Less: Interest accrued but not due on borrowings	4,829.20	4,893.61
Total	**4,29,223.03**	**4,20,295.09**

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) 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 are in agreement with books.

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

e) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

f) The Company has access to ₹ 82,856.79 lakhs (31 March 2023: ₹1,73,789 lakhs) foreign currency borrowings which has been sanctioned but not availed as at 31 March 2024. These borrowings have been guaranteed by Government of India.

25 Other financial liabilities (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Retentions	5,276.24	9,268.89
Total	**5,276.24**	**9,268.89**

Refer note 42 for disclosure related to fair valuation.

26 Provisions (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Leave encashment	1,352.65	1,132.16
Total	**1,352.65**	**1,132.16**

27 Other non-current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred income on account of government grants	3,457.95	3,866.58
Total	**3,457.95**	**3,866.58**

Refer note 47 for disclosure as per Ind AS 20 on 'Government Grants'.

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

28 Borrowings (Current)

	Particulars	As at 31 March 2024	As at 31 March 2023
a)	**Secured short-term loan from banks**		
(i)	ICICI 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 on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	29,400.00	18,200.00
(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 on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	20,000.00	15,900.00
(iii)	Union Bank of India- Secured by the current assets of the Company both present and future (ROI: Linked to tenor based MCLR repayable on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	69,999.54	69,999.90
(iv)	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 on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	20,000.00	19,999.98
(v)	IDBI 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 on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	5,000.00	-
(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 on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	29,999.55	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 on demand or as Bullet payment within 3 months from the drawl of the loan amount)	-	4,000.00
b)	**Secured short-term loans from others**		
(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 on demand or as bullet payment after 12 from the drawl of the Loan amount)	15,000.00	15,000.00
c)	**Unsecured short-term loan from banks**		
(i)	Loan from KFW 2 (Loan repaid on due date of 15 June 2023)	-	4,239.67
d)	**Bank Overdraft**		
	Secured		
(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
	Sub-total	**1,89,399.09**	**1,75,920.36**
	Less: Interest accrued but not due on borrowings	-	7.17
	Current maturities of non-current borrowings (refer note 24)		
	Secured Debentures/Bonds	-	25,000.00
	Secured rupee term loan from bank	49,956.40	40,000.00
	Unsecured rupee term loan from bank	10,000.00	10,000.00
	Unsecured foreign currency loans	27,570.23	25,193.86
	Sub-total	**87,526.63**	**1,00,193.86**
	Total	2,76,925.72	2,76,107.05

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

29 Lease liabilities (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities	-	168.66
Total	**-**	**168.66**

30 Other financial liabilities (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued on borrowings	4,829.19	4,900.78
Retentions	83,497.50	1,22,915.49
Liabilities for expenses	29,567.66	41,791.15
Commitment fee payable	93.33	171.08
Security deposits	289.83	428.50
Payable to employees	61.33	49.60
Total	**1,18,338.84**	**1,70,256.60**

31 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues	995.88	1,083.92
Advance from customers	10,890.97	15,684.79
Unearned income	-	409.83
Deferred income on account of government grants	1,014.45	968.84
Total	**12,901.30**	**18,147.38**

32 Provisions (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Leave encashment	59.88	62.54
Total	59.88	62.54

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS

ऊर्जा दक्षता सेवाएं लिमिटेड Energy Efficiency Services Limited New Delhi नई दिल्ली

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

33 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of goods	4,284.58	8,916.39
Rendering of services		
- Service concession arrangements	59,086.49	71,806.20
- Others	3,783.42	4,611.80
Total	**67,154.49**	**85,334.39**

a) Refer note 48 for transactions with related parties, note 51 for disclosures in respect of Ind AS 115, 'Revenue from contracts with customers' and note 55(b) for Change due to application of Service Concession Arrangement (SCA).

b) 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.

34 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from financial assets measured at amortised cost		
Bank deposits	3,527.09	1,749.99
Unwinding of financial assets	35,333.45	40,538.53
Loans to employees	25.32	23.36
Loans/ advances to related parties	466.70	331.61
Unwinding of security deposit	8.59	16.61
Interest on income tax refund	131.40	280.00
Other non-operating income		
Guarantee fee income	1,070.78	725.46
Management fee income	-	110.98
Grant income	1,153.09	1,244.31
Liquidation damages recovered from vendors	4,399.00	447.40
Liabilities / excess provisions no longer required written back	4,173.51	-
Miscellaneous income	235.73	769.39
Total	**50,524.66**	**46,237.64**

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

35 Changes in inventory of stock-in-trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening stock	64,536.45	61,987.60
Less: Closing stock	(46,216.01)	(64,536.45)
Add: Transfer to service concession expenses	(12,856.77)	4,711.74
Total	**5,463.67**	**2,162.89**

S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

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

36 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	6,576.32	6,833.28
Contribution to provident and other funds	577.16	615.40
Staff welfare expenses	45.42	68.40
Total	**7,198.90**	**7,517.08**

Refer note 46 for disclosure as per Ind AS 19 on 'Employee Benefits'.

37 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Finance charges on financial liabilities measured at amortised cost		
Debentures/Bonds	950.71	3,050.55
Short term loans	14,242.10	11,393.11
Foreign currency term loans	17,380.28	10,439.59
Rupee term loans	14,452.63	13,469.12
Unwinding of discount on retentions	2,014.72	1,314.45
Lease liabilities	4.08	29.72
Loss on foreign currency transactions and translation (net)	3,668.79	12,211.21
Other borrowing costs		
Guarantee fees for foreign currency term loans	4,184.91	3,751.38
Commitment fees for foreign currency term loans	339.62	742.06
Processing fee	20.40	1.00
Others	16.86	2.27
Total	**57,275.10**	**56,404.46**

38 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	946.00	883.85
Amortisation of right-of-use assets	151.22	286.03
Amortisation of intangible assets	210.07	328.72
Total	**1,307.29**	**1,498.60**

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

39 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Annual maintenance charges (projects)	26,196.40	34,592.18
Manpower cost	4,956.98	5,228.35
Rent	2,553.25	2,319.68
Legal fees & professional	1,097.94	1,037.12
Project cost	144.10	141.87
Insurance	440.32	449.97
Travel and conveyance	604.80	810.20
Communication	328.03	406.16
Bank charges	544.89	335.54
Repair and maintenance		
- Building	141.86	134.83
- Computer	3.90	6.14
Electricity	225.25	308.39
Rate and taxes	17.47	43.37
Printing and stationery	52.96	57.07
Payment to auditors		
- Statutory audit fees	25.00	25.00
- Tax audit fees	7.50	7.50
- Certification	15.00	21.50
- Reimbursement	2.38	1.44
- Arrears	-	4.68
Internal audit fees	36.62	36.62
Advertisement and publicity	20.94	36.31
Meeting and hospitality	30.21	44.85
Sponsorship	0.31	6.50
Loss on sale of property, plant and equipment (net)	17.79	9.63
Business promotion	53.64	87.04
Allowance for doubtful receivables	18,476.61	13,160.89
Provision for doubtful advances	588.95	2,138.22
Loss on foreign currency transactions and translation (net)	363.77	10,599.69
Provision for inventories	4,632.49	80.64
Impairment for losses on investment	-	18.33
Impairment for Financial Assets	2,147.28	3,451.71
Impairment for Property, plant and equipment	1,336.91	-
Provisions	71.27	-
Miscellaneous expenses	294.25	531.68
	65,429.07	76,133.10

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

40 Income taxes

a) Income tax recognised in statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax		
Current year	317.56	199.66
Sub-total (A)	**317.56**	**199.66**
Deferred tax		
Origination and reversal of temporary differences	(3.78)	(8,555.79)
Sub-total (B)	**(3.78)**	**(8,555.79)**
Total income tax (credit) / expense (A+B)	**313.78**	**(8,356.13)**

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net current income tax asset at the beginning	1,528.16	1,354.95
Adjustment pertaining to earlier years	-	159.15
Income tax paid (net of refunds)	423.90	213.72
Current income tax expense	(317.56)	(199.66)
Net current income tax asset at the end	**1,634.54**	**1,528.16**

b) Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Other comprehensive income		
Net actuarial gains/(losses) on defined benefit plans	(18.95)	53.52
Less: Income tax relating to above items	-	(13.47)
Other comprehensive income / (expense) for the period, net of income tax	**(18.95)**	**40.05**

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	**(45,588.53)**	**(65,782.22)**
Tax using the Company's domestic tax rate of 25.168% (31 March 2024: 25.168 %)	(11,473.72)	(16,556.07)
Tax effect of:		
DTA not recognized during the year	11,473.72	-
Unrecognised deferred tax of previous year on account of adjustment in PPE	-	1,170.83
Tax on foreign branch	317.56	199.66
Excess business loss of previous year	-	(679.46)
Non-deductible tax expenses	-	64.34
Others	(3.78)	7,444.57
Income tax expense	**313.78**	**(8,356.13)**

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

40 Income taxes (continued)

d) Movement in deferred tax balances

For the year ended 31 March 2024

Particulars	Balance 1 April 2023	Recognised in profit and loss	Recognised in OCI	Balance 31 March 2024
Deferred tax assets				
Unabsorbed losses/depreciation carried forward	13,121.84	-	-	13,121.84
Timing difference on account of expense allowable on payment basis	10,443.74	-	-	10,443.74
	23,565.58	-	-	**23,565.58**
Less: Deferred tax liabilities				
Financial assets and liabilities measured at amortised cost	7,218.78	-	-	7,218.78
Difference between accounting base and tax base of property, plant and equipment	408.28	(3.78)	-	404.54
	7,627.06	(3.78)	-	**7,623.32**
Deferred tax assets (net)	**15,938.52**	3.78	-	**15,942.26**

For the year ended 31 March 2023

Particulars	Balance 1 April 2022	Recognised in profit and loss	Recognised in OCI	Balance 31 March 2023
Deferred tax assets				
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	(16.71)	-	-
	14,280.19	9,298.86	(13.47)	23,565.58
Less: Deferred tax liabilities				
Financial assets and liabilities measured at amortised cost	812.23	6,406.55	-	7,218.78
Difference between accounting base and tax base of property, plant and equipment	6,071.76	(5,663.48)	-	408.28
	6,883.99	743.07	-	7,627.06
Deferred tax assets (net)	7,396.20	8,555.79	(13.47)	15,938.52

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.

41 Restatement for the year ended 31 March 2023 and as at 1 April 2022

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 2023 and 1 April 2022 (beginning of the preceding period) and Statement of Profit and Loss for the year ended 31 March 2023 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) The company approached the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) for obtaining the opinion on the accounting treatment of assets under the ESCO model, specifically for Street Lighting, Smart Meters, Solar Projects, and Electric Vehicle Charging Infrastructure (EVCI). According to the EAC's opinion, the current practice of capitalizing expenditures related to the supply, installation, and commissioning of ESCO project assets (Street Lighting, Smart Meters, and Solar Projects) as property, plant, and equipment is inappropriate. Instead, these projects should be accounted for under Appendix D of Ind AS 115, "Service Concession Arrangements." The accounting treatment for EVCI has been deemed correct by the EAC. Following this guidance, the company has reassessed other ESCO projects and revised their accounting accordingly. The impact of the change has been disclosed at note 55(b) 'Impact of Change in Accounting Policy'.

b) During the year, company has changed the method of valuing its inventories from First-In, First-Out (FIFO) method to the Weighted Average Cost method to provide a more accurate reflection of inventory costs and to align the Company's financial reporting with industry practices. This change in accounting policy has been accounted for by restating the comparative information for the preceding period. The impact of the change has been disclosed at note 55(a) 'Impact of Change in Accounting policy'.

c) Retention amounts withheld from vendors against milestones have been reclassified from 'Trade Payables' (Current/Non-Current) to 'Other Current/Non-Current Financial Liabilities' to accurately reflect their nature since the vendors have upfront raised the invoice for LOA value instead of raising the invoice for milestone achieved, hence these amounts have not fallen due for payment as at the end of the reporting period. As of the end of the previous year, Non-Current Trade Payables and Current Trade Payables were reclassified as Other Non-Current Financial Liabilities and Other Current Financial Liabilities, amounting to ₹ 8188.31 lakhs and ₹ 77,913.41lakhs, respectively. Similarly, as at the beginning of the previous year, these amounts were reclassified as ₹ 12,498.16 lakhs and ₹ 98,687.46 lakhs, respectively.

d) **Reconciliation of restated items of Balance Sheet as at 31 March 2023 and 1 April 2022**

Particulars	Note	As at 31 March 2023			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
ASSETS					
Non-current assets					
Property, plant and equipment	(i)	2,83,413.72	-	(2,78,110.79)	5,302.93
Capital work-in-progress		1,21,466.59	(50,867.40)	(51,007.40)	19,591.79
Right-of-use assets	(i)	844.08	-	(2.29)	841.79
Intangible assets	(i)	283.33	-	(73.26)	210.07
Financial assets					
Service concession arrangement assets		-	-	2,56,537.47	2,56,537.47
Investments in subsidiary and joint venture companies		45,964.48	-	-	45,964.48
Other investments		0.26	-	-	0.26
Loans		4,376.46	-	-	4,376.46
Other financial assets	(iv)	10,887.21	(4,048.85)	6,856.40	13,694.77
Deferred tax assets (net)	(v)	15,909.98	-	28.54	15,938.52
Other non-current assets		224.81	150.87	-	375.68
Total non-current assets		**4,83,370.92**	**(54,765.38)**	**(65,771.33)**	**3,62,834.22**
Current assets					
Inventories		13,484.63	50,867.40	184.42	64,536.45
Financial assets					
Trade receivables	(iii)	3,77,860.23	5,894.62	1,078.12	3,84,832.97
Service concession arrangement assets		-	-	92,733.55	92,733.55
Cash and cash equivalents		43,024.08	-	-	43,024.08
Bank balances other than cash and cash equivalents		21,027.79	-	-	21,027.79
Loans		922.71	-	-	922.71
Other financial assets	(vii)	15,013.15	(5,893.90)	-	9,119.25
Current tax assets (net)		1,727.82	-	-	1,727.82
Other current assets	(vii)	33,833.26	3,897.25	-	37,730.51
Total current assets		**5,06,893.67**	**54,765.38**	**93,996.09**	**6,55,655.13**
Assets held for sale		1,799.28	-	(1,799.28)	-
TOTAL ASSETS		**9,92,063.87**	-	**26,425.48**	**10,18,489.35**

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

41 **Reconciliation of restated items of Balance Sheet as at 31 March 2023 and 1 April 2022 (Continued)**

EQUITY AND LIABILITIES					
Equity					
Equity share capital		1,39,082.00	-	-	1,39,082.00
Other equity	(iv)	(40,988.37)	-	20,891.11	(20,097.26)
Total equity		**98,093.63**	-	**20,891.11**	**1,18,984.74**
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings		4,20,295.09	-	-	4,20,295.09
Trade payables					
-total outstanding dues of micro and small enterprises	(vii)	1,237.53	(1,237.53)	-	-
-total outstanding dues of creditors other than micro and small enterprises	(vii)	6,950.78	(6,950.78)	-	-
Other financial liabilities	(vii)	1,080.58	8,188.31	-	9,268.89
Provisions		1,132.16	-	-	1,132.16
Other non-current liabilities		3,866.58	-	-	3,866.58
Total non-current liabilities		**4,34,562.72**	-	-	**4,34,562.72**
Current liabilities					
Financial liabilities					
Borrowings		2,76,107.05	-	-	2,76,107.05
Lease liabilities		168.66	-	-	168.66
Trade payables					
-total outstanding dues of micro and small enterprises	(vii)	10,339.57	(10,339.57)	-	-
-total outstanding dues of creditors other than micro and small enterprises	(vii)	99,104.35	(99,104.35)	-	-
Other financial liabilities		55,278.31	1,09,443.92	5,534.37	1,70,256.60
Other current liabilities		18,147.38	-	-	18,147.38
Provisions		62.54	-	-	62.54
Current tax liabilities (net)		199.66	-	-	199.66
Total current liabilities		**4,59,407.52**	-	**5,534.37**	**4,64,941.89**
TOTAL EQUITY AND LIABILITIES		**9,92,063.87**	-	**26,425.48**	**10,18,489.35**

Particulars	Note	As at 1 April 2022			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
ASSETS					
Non-current assets					
Property, plant and equipment	(i)	2,97,834.72	-	(2,93,113.67)	4,721.05
Capital work-in-progress		1,05,524.25	(46,155.65)	(48,607.74)	10,760.86
Right-of-use assets		1,125.72	-	-	1,125.72
Intangible assets	(i)	535.73	-	-	535.73
Financial assets					
Service concession arrangement assets		-	-	2,79,299.02	2,79,299.02
Investments in subsidiary and joint venture companies		37,068.31	-	-	37,068.31
Other investments		0.26	-	-	0.26
Loans		2,911.06	-	-	2,911.06
Other financial assets	(iv)	12,070.64	-	12,392.59	24,463.23
Deferred tax assets (net)		7,396.20	-	-	7,396.20
Other non-current assets		6,611.24	-	-	6,611.24
Total non-current assets		**4,71,078.13**	**(46,155.65)**	**(50,029.80)**	**3,74,892.68**
Current assets					
Inventories		15,771.27	46,155.65	60.68	61,987.60
Financial assets					
Trade receivables		3,50,061.12	-	-	3,50,061.12
Service concession arrangement assets		-	-	1,01,803.30	1,01,803.30
Cash and cash equivalents		72,992.54	-	-	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		43,120.68	-	-	43,120.68
Total current assets		**5,28,538.68**	**46,155.65**	**1,01,863.98**	**6,76,558.31**
TOTAL ASSETS		**9,99,616.81**	-	**51,834.18**	**10,51,450.99**

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

41 Restatement for the year ended 31 March 2023 and as at 1 April 2022 (continued)

EQUITY AND LIABILITIES					
Equity					
Equity share capital		1,39,082.00	-	-	1,39,082.00
Other equity	(iv)	(13,257.35)	-	50,546.13	37,288.78
Total equity		**1,25,824.65**	-	**50,546.13**	**1,76,370.78**
Liabilities					
Non-current liabilities					
Financial liabilities					
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	(vii)	938.80	(938.80)	-	-
-total outstanding dues of creditors other than micro and small enterprises	(vii)	10,130.39	(10,130.39)	-	-
Other financial liabilities	(vii)	2,079.96	12,498.16	-	14,578.12
Provisions		1,383.17	-	-	1,383.17
Other non-current liabilities		3,680.33	-	-	3,680.33
Total non-current liabilities		**4,64,594.84**	**1,428.97**	-	**4,66,023.81**
Current liabilities					
Financial liabilities					
Borrowings		2,48,022.54	-	-	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		91,427.10	(91,427.10)	-	-
Other financial liabilities		49,923.36	98,687.46	-	1,48,610.82
Other current liabilities	(ii)	10,563.11	-	1,288.05	11,851.16
Provisions		68.98	-	-	68.98
Current tax liabilities (net)		207.95	-	-	207.95
Total current liabilities		**4,09,197.32**	**(1,428.97)**	**1,288.05**	**4,09,056.40**
TOTAL EQUITY AND LIABILITIES		**9,99,616.81**	-	**51,834.18**	**10,51,450.99**

e) Reconciliation of restated items of Statement of Profit and Loss for the year ended 31 March 2023

Particulars	Note	For the year ended 31 March 2023			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
Income					
Revenue from operations	(iii)	1,61,748.21	-	(76,413.82)	85,334.39
Other income	(iii)	5,997.84	-	40,239.80	46,237.64
Total income		**1,67,746.05**	-	**(36,174.02)**	**1,31,572.03**
Expenses					
Purchase of stock-in-trade	(ii)	5,165.27	-	266.39	5,431.66
Service concession arrangement expenses		-	-	48,206.46	48,206.46
Change in inventories of Stock-in trade	(ii)	2,286.64	-	(123.75)	2,162.89
Employee benefits expense	(ii)	6,585.65	-	931.43	7,517.08
Finance costs	(ii)	47,954.82	-	8,449.64	56,404.46
Depreciation and amortisation expense	(i)	71,387.04	-	(69,888.44)	1,498.60
Other expenses	(ii)	70,465.29	-	5,667.81	76,133.10
Total expenses		**2,03,844.71**	-	**(6,490.46)**	**1,97,354.25**
Loss before tax		**(36,098.66)**	-	**(29,683.56)**	**(65,782.22)**
Tax expense					
Current tax		199.66	-	-	199.66
Earlier years		-	-	-	-
Deferred tax	(v)	(8,527.25)	-	(28.54)	(8,555.79)
Total tax (credit)/expense		**(8,327.59)**	-	**(28.54)**	**(8,356.13)**
Loss for the year		**(27,771.07)**	-	**(29,655.02)**	**(57,426.09)**
Other comprehensive income					
Items that will not be reclassified to profit or loss (net of taxes)					
- Remeasurement of the defined benefit plans		53.52	-	-	53.52
-Income tax relating to the items that will not be reclassified to profit or loss statement		(13.47)	-	-	(13.47)
Other comprehensive income for the year, net of income tax		**40.05**	-	-	**40.05**
Total comprehensive income for the year		**(27,731.02)**	-	**(29,655.02)**	**(57,386.04)**
Earnings per equity share (Par value ₹ 10/- each)					
Basic earnings per share (₹)		(2.00)	-	(2.13)	(4.13)
Diluted earnings per share (₹)		(2.00)	-	(2.13)	(4.13)

41 Restatement for the year ended 31 March 2023 and as at 1 April 2022 (continued)

f) Reconciliation of Statement of Cash Flows for the year ended 31 March 2023

Particulars	For the year ended 31 March 2023		
	As previously reported	Adjustments	As restated
Net cash flow from operating activities	92,959.99	(57,577.89)	35,382.10
Net cash flow used in investing activities	(59,713.02)	57,577.89	(2,135.13)
Net cash flow from financing activities	(65,489.11)	0.01	(65,489.10)
Net increase in cash and cash equivalents during the year	**(32,242.14)**	**(0.01)**	**(32,242.13)**
Cash and cash equivalents at the beginning of the year	72,992.54	-	72,992.54
Exchange difference on translation of foreign currency cash and cash equivalents	2,273.68	-	2,273.68
Cash and cash equivalent at the end of the year	**43,024.08**	-	**43,024.09**

g) Earnings per share

Basic and diluted earnings per share for the year ended 31 March 2023 have changed as below:

Particulars	As previously reported	Adjustments	As restated
Basic earnings per equity share (₹)	(2.00)	(2.13)	(4.13)
Diluted earnings per equity share (₹)	(2.00)	(2.13)	(4.13)

h) Notes on restatement

(i) The Company has recalculated the depreciation and amortization expense 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. For the year ended 31 March 2023, the Company has recognized depreciation expense of ₹ 37.89 Lakhs on property, plant and equipment and amortization on intangible assets by ₹ 75.53 lakhs.

(ii) The Company has assessed prior period errors in Manpower Expenses, Finance cost, other expenses, employee benefit expenses and difference has been restated. Accordingly, the Company has increase its liabilities for expenses with corresponding impact in retained earning by ₹ 1,288.05 Lakhs as at 1 April 2022 and with corresponding impact in Manpower expenses, Finance cost, Cost of good sold and other expenses by 1479.93 for the year ended 31 March 2023.

(iii) The Company has assessed prior period errors in revenue from operation and difference has been restated. Accordingly, the Company has increase its trade receivables with corresponding impact in revenue by ₹ 1,078.12 Lakhs for the year ended 31 March 2023.

(iv) The above mentioned adjustments have resulted in increase in other equity as at 1 April 2022 by ₹ 50,546.13 Lakhs and decrease in loss for the year ended 31 March 2023 by ₹ 20891.12 Lakhs.

(v) The above mentioned adjustments had a consequential impact on deferred tax credit and deferred tax asset. The Company has recognised expense of ₹ 28.54 Lakhs during the year ended 31 March 2023.

(vi) The restatement does 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.

42 Fair value measurements (Disclosure as per Ind AS 107)

a) Financial instruments by category

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Investments in equity instruments	0.26	-	-	0.26	-	-
Non-current loans	-	-	5,214.92	-	-	4,376.46
Other non-current financial assets	-	-		-	-	13,694.77
Trade receivables	-	-	3,98,151.64	-	-	3,84,832.97
Service concession arrangement assets	-	-	2,92,624.01	-	-	3,49,271.02
Cash and cash equivalents	-	-	61,566.72	-	-	43,024.08
Bank balances other than cash and cash equivalents	-	-	16,604.72	-	-	21,027.79
Current loans	-	-	1,278.09	-	-	922.71
Other current financial assets	-	-	6,263.50	-	-	9,119.25
Total	**0.26**	-	**7,81,703.60**	**0.26**	-	**8,26,269.05**
Financial liabilities:						
Non-current borrowings	-	-	4,29,223.03	-	-	4,20,295.09
Other non-current financial liabilities	-	-	5,276.24	-	-	9,268.89
Current borrowings	-	-	2,76,925.72	-	-	2,76,107.05
Current lease liabilities	-	-	-	-	-	168.66
Other current financial liabilities	-	-	1,18,338.84	-	-	1,70,256.60
Total	-	-	**8,29,763.83**	-	-	**8,76,096.29**

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 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 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 2024	As at 31 March 2023
Financial assets:				
Investments in equity instruments*	9	Level 3	0.26	0.26
Total			**0.26**	**0.26**

*Equity shares of ₹ 0.26 Lakhs of NEESL 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 2024	As at 31 March 2023
Financial assets:				
Loan to subsidiary	10 and 18	Level 2	5,536.84	4,668.66
Security deposits	11 and 19	Level 2	518.74	647.48
Unbilled revenue	11 and 19	Level 2	91.05	10,058.47
Loan to employees	10 and 18	Level 3	564.80	490.53
Lease receivables	11 and 19	Level 3	13,736.90	14,399.62
Non current bank deposits	11	Level 3	17,295.29	38.70
Total			**37,743.62**	**30,303.46**
Financial liabilities:				
Borrowings	24	Level 2	5,18,984.63	4,99,371.61
Retentions	25 and 30	Level 2	87,847.63	1,61,370.31
Total			**6,06,832.26**	**6,60,741.92**

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Energy Efficiency Services Limited New Delhi

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

42 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 and retentions): 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 2024		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loan to subsidiary	5,928.21	5,536.84	4,808.64	4,668.66
Security deposits	517.25	518.74	493.79	647.48
Unbilled revenue	91.05	91.05	245.83	10,058.47
Loan to employees	564.80	564.80	490.53	490.53
Lease receivables	13,736.90	13,736.90	21,258.43	14,399.62
Non current bank deposits	17,295.29	17,295.29	38.70	38.70
Total	**38,133.50**	**37,743.62**	**27,335.92**	**30,303.46**
Financial liabilities:				
Non-current borrowings*	5,21,578.86	5,18,984.63	5,25,382.56	4,99,371.61
Retentions	88,773.74	87,847.63	1,32,184.38	1,61,370.31
Total	**6,10,352.60**	**6,06,832.26**	**6,57,566.94**	**6,60,741.92**

* Includes current maturities of long term borrowings

The carrying amounts of current trade receivables, 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 retentions 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.

43 Financial risk management

The Company's principal financial liabilities comprise of loans, borrowings in foreign as well as domestic currency 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, 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 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 dues, nature of 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 in different states of India, geographically there is no concentration of credit risk.

Loans

The Company has given loans to employees and subsidiaries. House building loans and Vehicle loans to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the company and these are adjustable against full and final payment due of the employees. The risk of default in respect of these loans is considered negligible.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 61,566.72 Lakhs (31 March 2023: ₹ 43,024.08Lakhs). 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 ₹ 33,900.01 Lakhs (31 March 2023: ₹ 21,068.31 Lakhs). In order to manage the risk, Company places deposits with only high rated banks/institutions.

(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 2024	As at 31 March 2023
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses		
Non-current loans	5,214.92	4,376.46
Other non-current financial assets*	8,187.59	13,623.25
Cash and cash equivalents	61,566.72	43,024.08
Deposits with banks	33,900.01	21,068.31
Current loans	1,278.09	922.71
Other current financial assets*	6,172.45	8,904.42
Total	**1,16,319.78**	**91,919.23**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses		
Trade receivables	4,54,015.65	4,22,220.37
Unbilled revenue	91.05	245.83
Total	**4,54,106.70**	**4,22,466.20**

* Excluding unbilled revenue

(ii) Ageing analysis of trade receivables

Particulars	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	More than 2 years	Total
Gross amount as at 31 March 2024	16,097.65	12,702.08	83,351.82	61,222.27	1,06,225.74	1,74,416.09	4,54,015.65
Gross amount as at 31 March 2023	2,482.56	18,339.96	82,251.36	72,507.14	74,894.07	1,71,745.28	4,22,220.37

43 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 ₹ 18,476.61 Lakhs during the year ended 31 March 2024 (31 March 2023: ₹13,160.89 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 very low. At initial recognition, financial assets (excluding trade receivables and contract assets) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, no loss allowance for impairment has been recognised except as specified in this note.

(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 2024	For the year ended 31 March 2023
Opening balance	37,387.40	24,226.51
Add: Allowance for doubtful debts recognised during the year	18,476.61	13,160.89
Closing balance	**55,864.01**	**37,387.40**

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 2024	For the year ended 31 March 2023
Opening balance	178.10	178.10
Add: Allowance for doubtful debts recognised during the year	-	-
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 will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of the policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the risk management committee.

(i) Interest rate risk

The Company is exposed to interest rate risk arising mainly from 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 2024	As at 31 March 2023
Financial assets		
Fixed-rate instruments		
Loan to subsidiary	5,928.21	4,808.64
Employee Loans	275.52	257.54
Bank deposits	53,160.45	38,255.28
Total	**59,364.18**	**43,321.46**
Financial liabilities		
Fixed-rate instruments		
Foreign currency loans	74,263.37	82,228.38
Debentures	-	25,000.00
Short term loans	1,89,399.09	1,75,920.36
Lease obligations	-	168.66
Sub-total [A]	**2,63,662.46**	**2,83,317.40**
Variable-rate instruments		
Foreign currency loans	2,81,763.78	2,57,539.67
Rupee term loans	1,60,722.50	1,55,713.72
Sub-total [B]	**4,42,486.28**	**4,13,253.39**
Total [A + B]	**7,06,148.74**	**6,96,570.79**

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43 **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 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Foreign currency loans	(1,408.82)	1,408.82	(1,287.70)	1,287.70
Rupee term loans	(803.61)	803.61	(778.57)	778.57
Total	**(2,212.43)**	**2,212.43**	**(2,066.27)**	**2,066.27**

(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 2024

Particulars	Foreign currency (in absolute figures)			₹ in Lakhs		
	EURO	USD	GBP	EURO	USD	GBP
Financial liabilities						
Foreign currency borrowings	4,01,74,429	39,03,28,351	-	36,244.49	3,25,431.97	-
Commitment fee payable	-	1,11,847	-	-	93.33	-
Liabilities for expenses	-	-	47,726	-	-	50.25
Total	**4,01,74,429**	**39,04,40,198**	**47,726**	**36,244.49**	**3,25,525.30**	**50.25**
Financial assets						
Advances to related party	-	-	49,48,779	-	-	5,210.74
Trade receivable	-	-	2,73,536	-	-	288.02
Unbilled revenue	-	-	5,839	-	-	6.15
Balance with bank-current account	-	4,06,37,577	6,787	-	33,881.10	7.15
Total	-	**4,06,37,577**	**52,34,941**	-	**33,881.10**	**5,512.06**
Net Exposure	**4,01,74,429**	**34,98,02,621**	**(51,87,215)**	**36,244.49**	**2,91,644.20**	**(5,461.81)**

As at 31 March 2023

Particulars	Foreign currency			₹ in Lakhs		
	EURO	USD	GBP	EURO	USD	GBP
Financial liabilities						
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	-
Liabilities for expenses	-	-	36,626	-	-	37.31
Total	**5,44,10,956**	**36,04,72,411**	**36,626**	**44,814.32**	**2,98,951.64**	**37.31**
Financial assets						
Trade receivables	-	-	41,16,960	-	-	4,194.06
Unbilled revenue	-	-	86,214	-	-	87.83
Balance with bank-current account	-	2,39,05,768	11,201	-	19,654.59	11.41
Total	-	**2,39,05,768**	**42,14,375**	-	**19,654.59**	**4,293.30**
Net Exposure	**5,44,10,956**	**33,65,66,643**	**(41,77,749)**	**44,814.32**	**2,79,297.05**	**(4,255.99)**

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

43 Financial risk management (continued)

Sensitivity analysis

A change in the value of 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 2024		31 March 2023	
	Strengthening	Weakening	Strengthening	Weakening
10% movement				
INR/EUR	(3,624.45)	3,624.45	(4,481.43)	4,481.43
INR/USD	(29,164.42)	29,164.42	(27,929.71)	27,929.71
INR/GBP	546.18	(546.18)	425.60	(425.60)
Total	**(32,242.69)**	**32,242.69**	**(31,985.54)**	**31,985.54**

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 2024	As at 31 March 2023
Fixed-rate borrowings		
Working capital loan		
Fund based	20,600.00	7,800.00
Non fund based	4,800.00	200.00
Sub-Total	**25,400.00**	**8,000.00**
Floating-rate borrowings		
Foreign currency loans	82,856.79	1,73,789.00
Sub-Total	**82,856.79**	**1,73,789.00**
Total	**1,08,256.79**	**1,81,789.00**

(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 2024

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings*	17,061.43	70,508.80	76,036.64	1,31,385.87	2,22,625.80	**5,17,618.54**
Current borrowings*	52,700.00	1,36,699.09	-	-	-	**1,89,399.09**
Retentions	80,606.97	2,308.41	2,951.19	3,533.86	147.98	**89,548.41**
Liability for expenses	29,567.66	-	-	-	-	**29,567.66**
Payable to employees	61.33	-	-	-	-	**61.33**
Others	383.16	-				**383.16**
Total	**1,80,380.55**	**2,09,516.30**	**78,987.83**	**1,34,919.73**	**2,22,773.78**	**8,26,578.19**

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**
Retentions	1,49,040.92	5,033.10	5,500.26	5,779.76	39.70	**1,65,393.74**
Lease liabilities	77.90	94.84	-	-	-	**172.74**
Liability for expenses	41,791.15	-	-	-	-	**41,791.15**
Payable to employees	49.60	-	-	-	-	**49.60**
Others	410.61	188.97				**599.58**
Total	**2,23,608.66**	**2,49,185.47**	**80,694.12**	**1,35,587.38**	**2,16,357.67**	**9,05,433.31**

* Excludes interest accrued

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

44 Capital management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and

- maintain an appropriate capital structure of debt and equity.

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

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

(i) Maintain a current ratio (current assets divided by current liabilities) of at least 1.0
(ii) Maintain a minimum asset coverage of 1.00 times
(iii) Maintain a Debt:Equity ratio (long-term debt divided by equity net of accumulated profits/losses) not exceeding 80:20
(iv) Maintain a debt service coverage ratio (net cash flow from operations divided by debt service obligations, including all principal payments and tax-shielded interest and lease payments following due within the year) of at least 1.2
(v) Borrower shall inform the Bank if substantial effect on their profit or business means an adverse variance of 20% or more.

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

The financial covenant ratios which the Company uses to monitor its capital are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Current ratio	1.58	1.41
Debt-equity ratio	2.87	3.53
Debt service coverage ratio	0.09	0.003
Asset coverage ratio	2.15	2.39

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

45 Disclosure as per Ind AS 108 'Operating Segments'

a) General Information

The Company has four 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 operating segment 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:

Street Light National Program (SLNP): SLNP is streetlight replacement Govt. programme, wherein the conventional streetlights are replaced with energy-efficient LED streetlights. Such energy-efficient intervention by EESL has not only reduced energy consumption but has also enhanced mobility, safety and security of the citizens across various States/UTs in India.

Smart Meter National Program (SMNP): Company is currently implementing the "Smart Meter National Programme" ("SMNP") in the State/UTs of Uttar Pradesh, Haryana, Bihar, Rajasthan and Andaman & Nicobar Islands, wherein under "Advance Metering Infrastructure (AMI)" framework. SMNP had significantly improved the billing and collection efficiencies of DISCOMs.

Decentralized Solar Power Plant Programme" ("DSPPP"): Under "Decentralized Solar Power Plant Programme" ("DSPPP"), which is first of its kind large scale ground based Solar PV programme in India, wherein, existing agricultural feeders are being solarized via implementation of decentralized solar power plants at vacant/un-used lands at DISCOM substations.

Others: Others includes Building Energy Efficiency Program (BEEP), Municipality Energy Efficiency Program (MEEP), National Motor Replacement Program (NMTP), Evehicle, E Vehicle Charging Infrastructure EVCI etc.

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:

i) Segment revenue and segment expenses:

Particulars	Street light	Smart meter	Solar	Others	Total
For the year ended 31 March 2024					
Segment revenue	47,060.21	30,764.87	17,685.69	6,624.83	1,02,135.60
Segment expenses	21,760.67	25,064.69	11,080.30	2,048.23	59,953.89
Segment results	25,299.54	5,700.18	6,605.39	4,576.60	42,181.71
Unallocated corporate interest and other income					15,543.55
Unallocated corporate expenses, finance charges					1,03,313.79
Loss before tax					(45,588.53)
Income tax (net)					313.78
Loss after tax					(45,902.31)

Particulars	Street light	Smart meter	Solar	Others	Total
For the year ended 31 March 2023					
Segment revenue	45,811.24	48,653.39	21,012.65	10,096.35	1,25,573.63
Segment expenses	35,440.82	39,466.34	14,466.58	4,269.27	93,643.01
Segment results	10,370.42	9,187.05	6,546.07	5,827.08	31,930.62
Unallocated corporate interest and other income					5,998.40
Unallocated corporate expenses, finance charges					1,03,711.24
Loss before tax					(65,782.22)
Income tax (net)					(8,356.13)
Loss after tax					(57,426.09)

ii) Segment assets and segment liabilities:

As at 31 March 2024

Particulars	Street light	Smart meter	Solar	Others	Total
Segment assets	3,29,743.07	35,578.77	11,050.67	1,06,175.75	4,82,548.27
Unallocated corporate and other assets					5,14,968.40
Total assets	3,29,743.07	35,578.77	11,050.67	1,06,175.75	9,97,516.66
Segment liabilities	33,486.82	23,034.37	18,954.60	27,805.01	1,03,280.80
Unallocated corporate and other liabilities					7,44,572.37
Total liabilities	33,486.82	23,034.37	18,954.60	27,805.01	8,47,853.17

As at 31 March 2023

Particulars	Street light	Smart meter	Solar	Others	Total
Segment assets	3,08,332.50	32,850.69	18,124.11	1,13,711.15	4,73,018.45
Unallocated corporate and other assets					5,45,470.90
Total assets	3,08,332.50	32,850.69	18,124.11	1,13,711.15	10,18,489.35
Segment liabilities	45,408.00	35,118.38	27,945.96	42,743.32	1,51,215.65
Unallocated corporate and other liabilities					7,48,288.96
Total liabilities	45,408.00	35,118.38	27,945.96	42,743.32	8,99,504.61

(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	Street light	Smart meter	Solar	Others	Total
For the year ended 31 March 2024					
Depreciation and amortisation expense	-	-	-	535.02	**535.02**
Non-cash expenses other than depreciation	-	-	-	18476.61	**18,476.61**
Capital expenditure	-	-	-	599.11	**599.11**
For the year ended 31 March 2023					
Depreciation and amortisation expense	-	-	-	440.69	**440.69**
Non-cash expenses other than depreciation	-	-	-	15,299.11	**15,299.11**
Capital expenditure	-	-	-	1,238.41	**1,238.41**

d) Information about major customers

No external customer individually accounted for more than 10% of the revenues during the year ended 31 March 2024 and 31 March 2023.

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 2024	For the year ended 31 March 2023
India	1,16,375.78	1,30,459.21
United Kingdom	1,303.37	1,112.82
Total	**1,17,679.15**	**1,31,572.03**

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 2024	For the year ended 31 March 2023
India	22,991.48	25,450.54
United Kingdom	11.42	29.93
Total	23,002.90	25,480.47

46 Disclosure as per Ind AS 19 'Employee Benefits'

a) Defined contribution plans:

(i) Provident fund

The Company pays fixed contribution of provident fund at predetermined rates to regional provident fund organization (RPFO) on which government notified interest is earned. Amount of ₹ 451.73 Lakhs (31 March 2023: ₹ 458.15 Lakhs) pertaining to employers' contribution to provident fund is recognised as an expense in "Employee benefits expense".

(ii) Superannuation fund

The Company pays fixed contribution to superannuation fund to a separate trust. Amount of ₹ 298.75 Lakhs (31 March 2023: ₹ 294.13 Lakhs) pertaining to employers' contribution to superannuation fund is recognised as an expense in "Employee benefits expense".

b) Other long term employee benefit plans- Leave encashment

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is encashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation.

During the year, provision amounting to ₹ 407.78 Lakhs (31 March 2023: ₹ 335.73 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 2024	As at 31 March 2023
Net defined benefit (asset)/liability:		
Surplus of plan asset	(10.73)	(79.40)
Gratuity	**(10.73)**	**(79.40)**

(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 2023	996.14	1,075.53	(79.40)
Included in profit and loss:			
Current service cost	141.48	-	141.48
Net Interest cost	73.71	79.59	(5.88)
Total amount recognised in profit and loss	**215.21**	**79.59**	**135.61**
Included in other comprehensive income (OCI):			
Remeasurement loss/(gain) arising from:			
Financial assumptions	44.95	-	44.95
Experience adjustment	(34.26)	-	(34.26)
Return on plan assets excluding interest income	-	(8.26)	8.26
Total amount recognised in OCI	**10.69**	**(8.26)**	**18.95**
Others			
Contributions paid by the employer	-	88.20	(88.20)
Acquisition adjustment	2.32	-	2.32
Benefits paid	(74.98)	(74.98)	-
Balance as at 31 March 2024	**1,149.38**	**1,160.09**	**(10.73)**

46 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 2022	**893.53**	**677.79**	**215.74**
Included in profit and loss:			
Current service cost	138.85	-	138.84
Net Interest cost	64.16	48.67	15.49
Total amount recognised in profit and 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)**
Other			
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)**

(ii) Plan assets

The plan assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund the obligations of the Company. The information on categories of plan assets as at 31 March 2024 and 31 March 2023 has not been provided by Life Insurance Corporation of India. However, the actual return on plan assets is ₹ 71.33 Lakhs (31 March 2023: ₹ 63.59 Lakhs).

(iii) Actuarial assumptions

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

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	7.10%	7.40%
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
As at 31 March 2024		
Discount rate (0.5% movement)	(73.57)	80.76
Salary escalation rate (0.5% movement)	34.40	(38.52)
As at 31 March 2023		
Discount rate (0.5% movement)	(66.97)	73.79
Salary escalation rate (0.5% movement)	42.38	(47.67)

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.

46 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 2024	As at 31 March 2023
Less than 1 year	35.07	22.17
Between 1-2 years	21.50	32.64
Between 2-5 years	123.30	86.04
Over 5 years	969.48	855.29
Total	**1,149.35**	**996.14**

(vii) Expected contributions to post-employment benefit plans for the year ended 31 March 2025 are ₹ 146.57 Lakhs.

(viii) The weighted average duration of the defined benefit plan obligation as at 31 March 2024 is 16.74 years (31 March 2023: 17.64 years).

47 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.

a) 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 during the year has recognised ₹ 972.05 Lakhs (31 March 2023: ₹ 999.71 Lakhs) as grant income.

b) 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 during the year has recognised ₹ 33.61 Lakhs (31 March 2023: 244.60 Lakhs) as grant income.

c) Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry (DHI) had sanctioned a grant of ₹ 6,469.86 lakhs for deployment of EV charging stations within cities. There are no unfulfilled conditions or other contingency attached to this grant. The Company has recognised ₹ 147.43 Lakhs (31 March 2023: NIL) as grant income.

(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:

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

(ii) Key Managerial Personnel (KMP):

K. Shanmugha Sundaram	Nominee Director and Chairman	w.e.f. 20 May 2024
Dillip Kumar Patel	Nominee Director and Chairman	w.e.f. 1 January 2024 upto 30 April 2024
Sreekant Kandikuppa	Nominee Director and Chairman	w.e.f. 6 September 2021 upto 31 December 2023
Vishal Kapoor	Chief Executive Officer	w.e.f. 2 November 2022
Arun Kumar Mishra	Chief Executive Officer Whole-Time Director (Additional charge)	w.e.f. 5 October 2021-CEO upto 2 November 2022 w.e.f. 7 October 2021-Director upto 27 July 2022
Masood Akhtar Ansari	Nominee Director	w.e.f. 20 May 2024
Dhiraj Kumar Srivastava	Nominee Director	w.e.f. 26 June 2024
Ravisankar Ganesan	Nominee Director	w.e.f. 15 January 2024
Rajiv Kumar Rohilla	Nominee Director	w.e.f. 15 January 2024
Aditya Dar	Nominee Director	w.e.f. 22 August 2020 upto 20 May 2024
Ravindra Kumar Tyagi	Nominee Director	w.e.f. 4 December 2022 upto 15 January 2024
Dillip Kumar Patel	Nominee Director	w.e.f. 10 February 2023 upto 1 January 2024
Chandan Kumar Mondol	Nominee Director	w.e.f. 6 September 2021 upto 31 January 2023
Abhay Choudhary	Nominee Director	w.e.f. 18 June 2022 upto 1 December 2022
Seema Gupta	Nominee Director	w.e.f. 6 September 2021 upto 31 May 2022
Ajay Tewari	Government Nominee Director	w.e.f. 29 July 2022 upto 31 May 2024
Vivek Kumar Dewangan	Government Nominee Director	w.e.f. 23 December 2021 upto 28 July 2022
Arvind Kumar Talan	Chief Financial Officer	w.e.f. 1 June 2024
Sandeep Kumar Jain	Chief Financial Officer	w.e.f. 1 April 2022 upto 31 May 2024
Laxman Aggarwal	Company Secretary	w.e.f. 1 June 2024
Shubham Kumar	Company Secretary	w.e.f. 1 December 2023 upto 31 May 2024
Pooja Shukla	Company Secretary	w.e.f. 27 December 2012 upto 15 November 2023

(iii) Subsidiary of the company:

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

(iv) Subsidiaries of EESL EnergyPro Assets Limited

EPAL Holding Limited*
Edina Acquitions Limited*
Edina Power Services Limited
Edina Limited
Edina UK Limited
Armoura Holdings Limited
Stanbeck Limited
Edina Power Limited
Edina Australia Pty Limited
EPSL Trigeneration Private Limited
Anesco Energy Services (South) Limited
Creighton Energy Limited

*EPAL Holding Limited and Edina Acquitions Limited dissolved on 26 September 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)

48 **Disclosure as per Ind AS 24 'Related Party Disclosures (Continued)**

(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 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.

(viii) **Subsidiaries, joint ventures and associates of entities having joint control over the company:**

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

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

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

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 2024	For the year ended 31 March 2023
NTPC Limited	Sale of goods and services (excluding GST)	192.96	772.98
	Rent/electricity/office maintenance expense	597.84	551.00
	Deputation of employees	203.59	229.44
	Equity contribution received	38,300.00	-
Power Grid Corporation of India Limited	Sale of goods and services (excluding GST)	82.23	111.53
	Rent/internet expense	116.49	187.93
	Deputation of employees	302.94	305.38
	Equity contribution received	38,300.00	-
REC Limited	Sale of goods and services (excluding GST)	0.51	0.10
Power Finance Corporation Limited	Sale of goods and services (excluding GST)	26.03	23.66

Transactions with subsidiaries

Name of related party	Nature of transaction	For the year ended 31 March 2024	For the year ended 31 March 2023
EESL EnergyPro Assets Limited	Guarantees provided/(released)	146.24	(10,804.05)
	Guarantee fees income	1,070.78	725.46
	Management fees income	-	44.98
	Interest income	321.61	245.95
Convergence Energy Services Limited	Sale of goods and services	2,245.11	1,597.27
	Purchase of goods and services	651.43	604.79
	Expenditure incurred on behalf of companies	78.38	73.52
	Investment in subsidiary	-	4,921.00
	Loan given	2,325.00	2,390.00
	Loan repayments	1,205.42	581.37
	Interest income	466.70	291.68
Edina UK Limited	Management fees income	-	66.00
EPSL Trigeneration Private Limited	Sale of goods and services (excluding GST)	29.63	13.26
	Purchase of goods and services	64.92	63.03
	Expenditure incurred on behalf of companies	-	0.40
	Capital advances given	-	538.00
	Deputation of employees	21.62	78.74
	Interest income	-	6.65

Transactions with joint ventures

Name of related party	Nature of transaction	For the year ended 31 March 2024	For the year ended 31 March 2023
Intellismart Infrastructure Private Limited	Investment in Joint Venture	26,460.00	3,993.50
	Purchase of goods and services	2,770.71	3,265.90
	Advances given	-	(768.50)
	Sale of goods and services (excluding GST)	20.47	20.48

Transactions with other related parties

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Transactions with post employment benefit plan		
Contributions made during the year	298.75	292.93
Compensation to Key management personnel		
Short term benefits	64.20	39.89
Post employment benefits	5.03	7.56
Other long term benefits	5.51	1.25
Deputation employee benefits	518.53	153.49
Total compensation	**593.27**	**202.19**
Transactions with related parties of entities having joint control over the company:		
Sale of goods and services (excluding GST)	29.14	83.43
Purchase of goods and services	667.45	1,992.33
Manpower services	1,793.35	1,685.44

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 2024	For the year ended 31 March 2023
Utility Powertech Limited	Manpower services received by the Company	1,793.35	1,685.44

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

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

d) Outstanding balances with related parties are as follows:

Outstanding balances with shareholders

Name of related party	Nature of transaction	As at 31 March 2024	As at 31 March 2023
NTPC Limited	Amount recoverable for sale/purchase	754.46	1,045.48
	Amount recoverable (other than loans)	53.18	49.16
	Amount payable (other than loans)	33.17	431.22
Power Grid Corporation of India Limited	Amount recoverable for sale/purchase	1,214.95	1,249.70
	Amount recoverable (other than loans)	23.17	28.76
	Amount payable (other than loans)	260.09	150.09
REC Limited	Amount recoverable for sale/purchase	54.62	272.19
	Amount recoverable (other than loans)	16.49	16.49
Power Finance Corporation Limited	Amount recoverable for sale/purchase	35.53	62.04
	Amount recoverable (other than loans)	10.02	10.02

Outstanding balance with subsidiaries

Name of related party	Nature of transaction	As at 31 March 2024	As at 31 March 2023
EESL Energy Pro Assets Limited	Amount recoverable for sale/purchase	5,584.54	4,271.05
	Amount recoverable (other than loans)	216.49	216.49
	Guarantees provided/(released)	34,996.93	34,850.68
Edina UK Limited	Amount recoverable for sale/purchase	198.89	210.58
EPSL Trigeneration Private Limited	Amount recoverable for sale/purchase	(17.99)	30.28
	Capital advance	224.81	224.81
	Interest on advance	-	6.65
Convergence Energy Services Limited	Amount recoverable for sale/purchase	2,994.28	2,678.38
	Amount recoverable for sale/purchase (excluding GST)	61.15	-
	Amount payable for sale/purchase	124.76	982.01
	Loan given including interest	5,928.21	4,808.63
	Amount recoverable (other than loans)	103.96	554.71

Outstanding balance with joint venture

Name of related party	Nature of transaction	As at 31 March 2024	As at 31 March 2023
Intellismart Infrastructure Private Limited	Amount payable against purchase	2,409.56	2,457.17
	Amount recoverable (other than loans)	1,265.21	1,955.48

Outstanding balances with other related parties

Particulars	As at 31 March 2024	As at 31 March 2023
Subsidiaries/Joint ventures of entities having joint control over the company:		
Amount recoverable for sale/purchase of goods and services	2,592.84	2,722.49
Amount payable (other than loans)	72.28	196.83

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 2024 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.

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Basic earnings per share* [A/B]	(2.52)	(4.13)
Diluted earnings per share* [A/C]	(2.52)	(4.13)
Nominal value per share	10.00	10.00

**rounded upto two decimal places*

a) **Loss attributable to equity shareholders [A]**	**(45,902.31)**	**(57,426.09)**

b) **Weighted average number of equity shares** (In Nos.)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance of issued equity shares	1,39,08,20,000	1,39,08,20,000
Effect of shares issued during the year, if any	43,42,07,103	-
Weighted average number of equity shares for Basic EPS [B]	**1,82,50,27,103**	**1,39,08,20,000**
Effect of dilution	-	-
Weighted average number of equity shares for Diluted EPS [C]	**1,82,50,27,103**	**1,39,08,20,000**

50 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 ₹ 6,17,600.86 Lakhs (31 March 2023: ₹ 7,83,985.34 Lakhs).

(ii) Equity contribution in subsidiaries/ JV's is ₹ 1,12,778 Lakhs (31 March 2023: ₹ 1,39,238 Lakhs)

(iii) Companies commitment towards further loan in subsidiary companies is ₹ 249 Lakhs (31 March 2023: ₹ 2,574 Lakhs)

b) **Contingent liabilities**

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Irrevocable corporate guarantee of £ 16.00 millions (valid upto 31st March 2032) against the charge created on current assets of the Company (EESL) and interest bearing deposits of £ 16.00 millions (rupee equivalent) in favour of Export Import Bank of India (Exim India) for loan of £ 32.00 millions (maturity upto 31st March 2030) to EESL EnergyPro Assets Limited in London, UK. (Previous year: Irrevocable standby letter of credit of £ 16.71 millions in favour of ICICI Bank, UK and Corporate guarantee of £ 14 millions and Irrevocable standby letter of credit of £ 4 millions in favour of Bank of Baroda, UK for loan of £ 32.00 millions to EESL EnergyPro Assets Limited in London, UK)	33,693.92	34,850.68
(ii) Irrevocable standby letter of credit in favour of ICICI Bank, UK for £1.2375 millions in the favor of EESL EnergyPro Assets Limited in London, UK valid upto 31st August 2024 against the Company's fund based (110% FD) bank guarantee limit.	1,303.01	-
(iii) Bills discounted with banks against trade receivables	-	3,789.87
(iv) Bank guarantees- lien against fixed deposits of ₹ 71.35 Lakhs (31 March 2023: ₹ 1,274.55 Lakhs)	65.61	1,232.08
	35,062.54	**39,872.63**

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50 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' (continued)

c) Claims against the Company not acknowledged as debt

Particulars	As at 31 March 2024	As at 31 March 2023
(i) VAT demand [paid under protest ₹ 5,128.99 Lakhs (31 March 2023: ₹ 5,005.28 Lakhs)] (refer note 21)	11,314.81	8,845.55
(ii) Income tax demand	851.17	851.17
(iii) Other claims	23,080.13	8,732.71
Total	**35,246.11**	**18,429.43**

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.

51 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 from ESCO projects and service concession arrangements. The following is a description of the principal activities:

i) Revenue from sale of goods

The Company sells energy efficient appliances such as LEDs, streetlights, solar lamps, agricultural pumps, energy efficient fans/tubes, 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.

ii) Revenue from rendering of services

The Company provides energy efficiency services on ESCO model, Service concession arrangements (SCA), 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 2024	For the year ended 31 March 2023
(i) Nature of goods and services		
Sale of goods		
Ujala Scheme	1,756.45	1,224.75
Agricultural Demand Side Management	-	390.05
Street light	2,067.18	4,750.14
Solar street light	-	402.01
Building	85.64	126.05
E-Vehicle	77.02	169.79
Others	298.29	1,853.60
Total [A]	**4,284.58**	**8,916.39**

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

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

(ii) Rendering of services		
Service concession arrangements		
Street light	29,191.18	18,803.46
Smart meter	19,123.80	38,100.79
Solar	10,771.51	14,901.95
Others		
E- Vehicle/ EVCI	3,783.42	4,611.80
Total [B]	**62,869.91**	**76,418.00**
Total [A + B]	**67,154.49**	**85,334.39**

(iii) Timing of revenue recognition		
Products and services transferred at a point in time	4,284.58	8,916.39
Products and services transferred over time	3,783.42	4,611.80
Products and services transferred at a point in time (SCA)	59,086.49	71,806.20
Total	**67,154.49**	**85,334.39**

c) Reconciliation of revenue recognised with contract price:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract price	67,154.49	85,334.39
Revenue from operations	67,154.49	85,334.39

d) Contract balances

Contract assets (including Service concession arrangement 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 2024	As at 31 March 2023
Trade receivables	3,98,151.64	3,84,832.97
Non current service concession arrangement assets	2,10,294.08	2,56,537.47
Current service concession arrangement assets	82,329.93	92,733.55
Non-current unbilled revenue	-	31.00
Current unbilled revenue	91.05	214.83
Unearned revenue	-	409.83

Movement in service concession arrangement assets during the year:

The receivables against SCA includes estimated fair value of construction revenue and revenue against operating and maintenance services based on costs plus margin if any, that is not realised. The cash flow from financial asset is accounted using fair value of effective interest rate method.

The intrinsic interest element in each collection from Service Concession Arrangements (SCA) is accounted for as finance income. The remaining balance of the collection is applied towards recovery of dues from the receivables related to SCA.

Particulars	For the period ended 31 March 2024	For the year ended 31 March 2023
Opening balance	3,49,271.02	3,81,102.32
Add: Contract revenue	93,443.59	1,26,011.62
Less:- invoice during the year	1,47,943.32	1,54,391.21
Less:- impairment of Financial asset	2,147.28	3,451.71
Closing balance	**2,92,624.01**	**3,49,271.02**

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

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

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, 2024, 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.

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.

52 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 2024	For the year ended 31 March 2023
Right of use assets		
Opening balance	841.79	1,125.72
Additions during the year	-	2.10
Depreciation for the year	(151.22)	(286.03)
Closing balance	**690.56**	**841.79**
Lease liabilities		
Opening balance	168.66	463.61
Accretion of interest	4.08	29.72
Payments	(172.74)	(324.67)
Closing balance	**-**	**168.66**

Bifurcation of lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Current	-	168.66
Total	**-**	**168.66**

52 Disclosure as per Ind AS 116 on 'Leases' (continued)

The Company has recognised ₹ 151.22 Lakhs and ₹ 4.08 Lakhs (31 March 2023: ₹ 286.03 Lakhs and ₹ 29.72 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 ₹ 172.74 Lakhs (31 March 2023: ₹ 324.67 Lakhs) in statement of cash flows. The Company has recognised an expense of ₹ 2,553.25 Lakhs (31 March 2023: ₹ 2,319.68 Lakhs) on account of short term leases.

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.

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 2024	As at 31 March 2023
Less than one year	7,555.31	10,616.28
One to two years	4,877.75	7,578.30
Two to three years	2,685.33	4,846.04
Three to four years	1,431.33	2,557.69
Four to five years	1,005.15	1,264.20
More than five years	596.47	1,522.23
Total minimum lease payments	**18,151.35**	**28,384.75**
Unearned finance income	(4,414.45)	(7,126.32)
Present value of minimum lease payments	**13,736.90**	**21,258.43**

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

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	5,592.07	7,683.41
One to two years	3,707.82	5,669.42
Two to three years	2,024.62	3,742.14
Three to four years	1,060.65	1,957.15
Four to five years	815.52	924.97
More than five years	536.22	1,281.33
Present value of minimum lease payments	**13,736.90**	**21,258.43**

53 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 of the Company made during three immediately preceding financial years in accordance with its CSR Policy. During three immediately proceeding financial years, the company has reported losses thus no amount is payable towards CSR.

54 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 2024	As at 31 March 2023
a) Amount remaining unpaid to any supplier:		
Principal amount	-	-
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	-	-

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

55 Change in Accounting policies

a) Change in method of valuation of inventories

During the year, company has changed the method of valuation of inventories from First-In, First-Out (FIFO) method to Weighted Average Cost method to provide a more accurate reflection of inventory costs and to align the Company's financial reporting with industry practices. This change in accounting policy has been accounted for by restating the comparative information for the preceding period.

Impact on financial statements:

The change in accounting policy has been applied retrospectively in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The comparative financial information for prior periods has been restated to reflect the change from FIFO to Weighted Average Cost. The impact of this change on the financial statements is as follows:

Financial Statement Line Item	As previously reported (FIFO)	As restated (Weighted average cost)	Impact of change
As at 1st April 2022			
Inventories	61,999.10	61,987.60	11.49
Retained earnings	(45.41)	-	(45.41)
Cost of goods sold	60.68	-	60.68
As at 31st March 2023			
Inventories	64,352.03	64,536.45	(184.42)
Retained earnings	(92.59)	-	92.59
Cost of goods sold	123.74	-	(123.74)
Profit after tax	(92.59)	-	92.59
As at 31st March 2024			
Inventories	46,102.94	46,216.01	(113.07)
Retained earnings	53.39	-	(53.39)
Cost of goods sold	(71.35)	-	71.35
Profit after tax	53.39	-	(53.39)

b) Change due to application of Service Concession Arrangement (SCA)

The Company during the year received an opinion from Expert Advisory Committee (EAC) of the Institute of Chartered Accountant of India (ICAI) regarding the accounting treatment related to ESCO Projects in respect of Street Light Projects, Smart Meter Projects and Solar Power Projects. As per the opinion of EAC of ICAI, accounting of revenue for the projects is to be done as per Appendix D to Ind AS 115 Service Concession Arrangements. The company has applied the change in accounting retrospectively and the comparative financial information for prior periods has been restated to reflect the change.

The change in accounting policy has been applied retrospectively in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The comparative financial information for prior periods has been restated to reflect the change. A reconciliation of equity, revenue, total income, expenses and profit after tax and the impact of the change on the financial statements is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Reduction in Property Plant & Equipment	(54,624.77)	(56,760.38)	(5,05,285.75)
Reduction in Accumulated depreciation	82,796.90	70,001.87	2,12,172.08
Reduction in CWIP	25,386.03	(2,399.66)	(48,607.74)
Increase/decrease in Service Concession Asset	(56,647.01)	(31,831.30)	3,81,102.32
Increase/decrease in Lease Assets	(4,146.70)	(5,534.48)	12,392.59
Increase in Retained Earnings	-	-	51,773.50
Decrease in Revenue from Operation	(93,637.44)	(74,670.59)	-
Revenue from lease assets	9.91	517.28	-
Increase in Financial Income	34,981.11	40,239.24	-
Reduction in Depreciation	82,796.90	70,001.87	-
Increase in impairment of assets	(2,147.28)	(3,451.71)	-
Lease expense	-	(3,338.61)	-
Service Concession Expenses	(26,351.14)	(48,206.46)	-
Increase in employee cost/Finance cost/Other expenses	-	(10,383.06)	-
Profit After Tax	(4,347.94)	(29,292.05)	-

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

56 **Additional regulatory information**

a) The company has not granted any loans or advances in the nature of loans to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.

b) No proceedings have been initiated or pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act,1988.

c) 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.

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 2024	As at 31 March 2023	Variance	Reason (Where variance exceeds 25%)
Liquidity ratio (times)				
Current ratio (current assets divide by current liabilities)	1.58	1.41	11.86%	-
Solvency ratios (times)				
Debt-equity ratio (Long term debt divide by total equity)	2.87	3.53	(18.81%)	-
Debt service coverage ratio (Profit for the year + finance costs + depreciation and amortisation expenses divide by principal repayments of long term borrowings + finance costs)	0.09	0.003	2528.39%	Increased earning for debt services
Profitability ratios (%)				
Net Profit Ratio (Profit for the year divide by revenue from operations)	(68.35%)	(67.30%)	(1.57%)	-
Return on Equity Ratio (Profit for the year divide by average shareholder's equity)	(25.88%)	(41.29%)	37.33%	Infusion of equity share capital
Return on Capital employed (Earning before interest and taxes divide by capital employed)	2.08%	(1.79%)	(215.85%)	Improvement in EBIT and increase in capital employed
Return on Investment [(Profit before tax + Finance Cost) * (1-tax rate) divide by total assets)]	0.88%	(0.69%)	(227.24%)	Improvement in EBIT
Utilization ratios (times)				
Trade Receivables turnover ratio (Revenue from operations divide by average trade receivables)	0.15	0.21	(28.46%)	Decrease in revenue and increase in average trade receivables
Inventory turnover ratio (Revenue from operations divide by average inventory)	1.16	1.34	(13.82%)	-
Net capital turnover ratio (Revenue from operations divide by working capital)	0.28	0.45	(36.38%)	Decrease in revenue and increase in working capital

j) Trade payable turnover ratio is not applicable since there are no trade payables as at the end of reporting period.

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

56 **Additional regulatory information**

k) **Trade Receivables and unbilled ageing schedule as at 31 March 2024**

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	16,097.65	12,702.08	82,298.88	60,905.55	1,04,739.63	60,843.43	79,644.58	**4,17,231.79**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	1,025.98	15.27	1,363.86	574.63	12,647.75	**15,627.48**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	26.96	301.45	122.26	505.20	20,200.50	**21,156.38**
Subtotal	**16,097.65**	**12,702.08**	**83,351.82**	**61,222.27**	**1,06,225.74**	**61,923.25**	**1,12,492.83**	**4,54,015.65**
Less: Loss allowance	-	-	2,357.46	684.83	2,500.12	5,136.05	45,185.55	55,864.01
Total	**16,097.65**	**12,702.08**	**80,994.36**	**60,537.44**	**1,03,725.62**	**56,787.20**	**67,307.28**	**3,98,151.64**

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	2,482.56	18,267.30	81,588.05	72,252.42	74,465.42	61,122.36	88,890.97	**3,99,069.08**
(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**
Subtotal	**2,482.56**	**18,339.96**	**82,251.36**	**72,507.14**	**74,894.07**	**61,304.91**	**1,10,440.37**	**4,22,220.37**
Less: Loss allowance	-	-	7,398.74	5,762.15	9,788.85	9,706.97	4,730.69	**37,387.40**
Total	**2,482.56**	**18,339.96**	**74,852.62**	**66,744.99**	**65,105.22**	**51,597.94**	**1,05,709.68**	**3,84,832.97**

#The ageing has been prepared by the management based on date of transactions.

57 The company's balances under receivables, payable etc. are reconciled in a phased manner. Accordingly, the reconciliation of few balances 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.

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58 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

Ankur Goyal
Partner
Membership No. 099143
UDIN : 24099143BKEULA5599

Place : New Delhi
Date : 10 August 2024

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS

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

K. Shanmugha Sundaram
Chairman
DIN : 10347322

Rajiv Kumar Rohilla
Director
DIN : 10371161

Vishal Kapoor
Chief Executive Officer

Arvind Kumar Talan
Chief Financial Officer

Laxman Aggarwal
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 2024, 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 material 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015, as amended and accounting principles generally accepted in India, of the consolidated state of affairs of the group and its joint venture as at 31 March 2024 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 matter pertaining to the holding company, in the notes to the consolidated financial statements:

Accumulation of trade receivables of the holding company to ₹ 4,54,015.65 lakhs against which Expected Credit Loss (ECL) of ₹ 18,476.61lakhs created during the year and cumulative ECL of ₹ 55,864.01 lakhs as at 31 March 2024, based on estimation by the management on the basis of the methodology followed by an external agency, as stated in note 15(b) to the consolidated financial statements.

Our opinion is not modified in respect of the above matter.

Contd..p/2

S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

Key audit matters

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

Considering the requirement of Standard on Auditing (SA 600) on 'Using the Work of Another Auditor' including materiality, below Key Audit Matters have been reproduced from the Independent Auditor's Report on the audit of standalone financial statements of the holding company.

Sr. No.	Key audit matter	How our audit addressed the key audit matter
1	**Service Concession Arrangements (SCA)** The accounting of ESCO projects related to Street Light, Smart Meter and Solar Power is done as per Appendix D to Ind AS 115 - Service Concession Arrangements under the financial assets model. We identified this as a key audit matter because revenue recognization involves estimation of timing of revenue based on performance obligations, complexity in amortization of financial assets over the concession period, identification of distinct performance obligation in SCA, determination of transaction price and impairment testing of assets under service concession arrangement, specifically if there is change in expected cash flows due to non-maintenance/ short closure of the agreement. Refer note 7, 33 and statement of profit and loss to the standalone financial statements read with material accounting policy no. 2.11(ii) for disclosures/ recognization of financial assets, revenue and expenses respectively.	We obtained an understanding on the financial model prepared by the company for accounting of transactions qualifying the criteria for service concession arrangements and adopted the following audit procedures: • Assessed the company's accounting policy and the disclosures in standalone financial statements in respect of revenue, cost, financial assets under SCA are in line with Appendix D to Ind AS 115 - Service Concession Arrangements. • Evaluated the management's assessment process for determination of Appendix D of Ind AS 115 and the extent of grantor's involvement in the assets and grantor's intention not to control the significant residual interest through ownership, beneficial entitlement or otherwise. • Evaluated the integrity of general information and technology control environment and tested the operating effectiveness of key IT application controls over recognition of such transactions. • Evaluated the design, implementation and operating effectiveness of company's controls in respect of recognition of revenue, cost and financial assets under SCA. • On a sample basis, tested supporting documentation for transactions recorded during the year which included agreements entered with the customers for ESCO projects qualifying the criteria for SCA, shipping documents, completion certificates, sales invoices etc. and also tested the arithmetical accuracy of the models. • Ensured that the contractual liability to perform the services/ performance obligation was against the signed completion certificates received from customers.

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

		• Evaluated the entity's identification of performance obligation ensuring that each obligation is distinct, for which entity correctly allocates the price to performance obligation. • Examined the reasonableness of estimates for variable consideration and ensured that the amount was calculated as prescribed in the agreement. • Examined that the entity has performed the impairment testing of financial assets, considering the expected cash flow. Based on above procedures performed, the accounting of ESCO projects related to Street Light, Smart Meter and Solar Power done as per Appendix D to IndAS 115 - Service Concession Arrangements under the financial assets model is considered to be adequate and reasonable.
2	**Contingent Liabilities** 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. 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. Refer note 50(b) and 50(c) to the standalone financial statements, read with the material accounting policy no. 2.9.	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: • Understood and tested the design and operating effectiveness of controls as established by the management for obtaining the relevant information for pending litigation cases; • Discussed with the management any material developments thereto and latest status of legal matters; • Read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; • Examined recent orders from competent authorities and/ or communication received from various authorities, judicial forums and follow-up action thereon. • Examined management's judgement and assessment for the requirement of provisions; • Reviewed the adequacy and completeness of disclosures; Based on the above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.

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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.

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

The holding company's board of directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the group and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") 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 group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding company, as aforesaid.

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

The board of directors is responsible for overseeing the group and its joint venture's financial reporting process.

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S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company and its subsidiaries 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 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.

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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 ₹ 5,454.29 lakhs as at 31 March 2024 and total revenue of ₹ nil 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) The consolidated financial statements include the audited financial statements of a subsidiary, whose financial statements reflect Group's share of total assets of ₹ 21,544.22 lakhs as at 31 March 2024, Group's share of total revenue of ₹ 4,425.55 lakhs and Group's share of total net profit after tax (including other comprehensive income) of ₹ 716.29 lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, which have been audited by its independent auditors. The independent auditors' report on financial statements of the entity has been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the entity, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

c) The consolidated financial statements include the unaudited financial statements of subsidiaries, whose financial statements/ financial information reflect Group's share of total assets of ₹ 92,512.69 lakhs as at 31 March 2024, Group's share of total revenue of ₹ 72,179.95 lakhs and Group's share of total net loss after tax of ₹ 2,629.51 lakhs for the year ended 31 March 2024 and a joint venture whose financial statements reflect Group's share of total net profit after tax (including other comprehensive income) of ₹ 1,325.70 lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements.

S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

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The unaudited financial statements/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and joint venture is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements/ financial informations are not material to the group.

Our opinion on the consolidated financial statements, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the management.

Report on other legal and regulatory requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and the CARO reports issued by other auditor of a Subsidary incorporated in India as stated in 'Other Matters' above which are included in the consolidated financial statements of the Group, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports, except to the extent stated hereinbelow:

Sr. No.	Name of the Company	CIN	Holding Company/ Subsidiary/ Step-down Subsidiary	Clause number of the CARO having qualification or adverse remarks
1.	Energy Efficiency Services Limited	U40200DL2009PLC196789	Holding Company	3(i)(a), 3(i)(b), 3(i)(c), 3(ii)(a) and 3(xvii)
2.	Convergence Energy Services Limited	U40300DL2020PLC372412	Subsidiary	3(xiv) and 3(xvii)

2. 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 of the consolidated financial statements;

   b. in our opinion, proper books of account, as required by law, relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   c. the accounts of a foreign branch of the holding company that reflect total assets of ₹ 5,454.29 lakhs as at 31 March 2024 and total revenue of ₹ nil lakhs for the year ended on that date are unaudited and certified by the management;

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S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

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 2024 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 subsidiary to its directors during the year is in accordance with the provisions of section 197 of the Companies Act, 2013 read with Schedule V to the Act. Further, no remuneration, during the year, was paid by the holding company to its directors, being the nominee directors, thus the reporting of remuneration paid to the directors in accordance with provisions of section 197 of the Companies Act, 2013 read with Schedule V to the Act are not applicable to the holding company to that extent; 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 55 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;

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S.P. CHOPRA & CO. CHECKED CHARTERED ACC

(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and Subsidiary 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 by the group during the year; hence, the said clause is not applicable.

vi) Based on our examination, which included test checks performed by us for holding company and based on the consideration of the audit report of its subsidiary incorporated in India, the respective company have used the accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01 April 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on the preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

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

Ankur Goyal
Partner
Membership No. 099143
UDIN 24099143BKEULB3171

Place: New Delhi
Date: 10 August 2024

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 2024)

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 its subsidiaries (the holding company and its subsidiaries together referred to as "the Group") and its joint venture for the year ended 31 March 2024, in conjunction with our audit of the consolidated financial statements of the holding company (excluding its two foreign direct subsidiaries which are incorporated outside India and its joint venture, which is incorporated in India and are unaudited) and have relied on the auditor's report of the Indian Subsidiary for the year ended on that date.

Management's responsibility for internal financial controls

The respective board of directors of the group and its joint venture are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements reporting criteria established by the respective company, considering the essential components of internal control stated in the "Guidance Note on audit of internal financial controls over financial reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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's internal financial controls over financial reporting 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 includes 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.

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S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the group and its joint venture's internal financial controls system with reference to consolidated financial statements.

Meaning of internal financial controls with reference consolidated financial statements

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the holding company and its Indian subsidiary, have maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2024, based on the internal control with reference to consolidated financial statements criteria established by the holding company and its subsidiaries considering the essential components of internal control stated in the Guidance note on 'Audit of internal financial controls over financial reporting' issued by the Institute of Chartered Accountants of India.

Other matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements in so far as it relates to a subsidiary incorporated in India, is based on the corresponding report of the auditor of such company and our opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial reporting in financial statements with reference to consolidated financial statements of the group is not affected as the group's share of loss (including other comprehensive loss).

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S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

Our opinion is not modified in respect of above matter.

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

S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

Ankur Goyal
Partner
Membership No. 099143
UDIN 24099143BKEULB3171

Place: New Delhi
Date: 10 August 2024

ENERGY EFFICIENCY SERVICES LIMITED
CIN: U40200DL2009PLC196789
Consolidated Balance Sheet as at 31 March 2024
(All amounts in lakhs of ₹, except share data and as stated otherwise)

Particulars	Note	As at 31 March 2024	As at * 31 March 2023	As at * 01 April 2022
ASSETS				
Non-current assets				
Property, plant and equipment	3	6,663.21	8,577.61	7,944.13
Capital work-in-progress	4	18,743.06	19,591.79	10,760.86
Right-of-use assets	5	2,258.12	1,983.51	1,410.84
Goodwill (on consolidation)		50,317.35	48,699.23	47,601.52
Other intangible assets	6	6,161.10	7,444.87	7,278.79
Financial assets				
Service concession arrangement assets	7	2,10,294.10	2,56,537.47	2,79,299.02
Investments in joint venture accounted for using equity method	8	34,303.86	6,513.26	2,618.32
Other Investments	9	0.26	0.26	1,841.75
Loans	10	410.33	347.68	7,112.14
Other financial assets	11	29,539.56	16,957.92	28,128.84
Deferred tax assets (net)	12	17,597.36	17,447.32	8,283.35
Other non-current assets	13	197.48	150.87	5,848.44
Total non-current assets		3,76,485.81	3,84,251.79	4,08,128.00
Current assets				
Inventories	14	53,554.64	71,428.12	66,889.14
Financial assets				
Trade receivables	15	4,00,453.31	3,88,731.62	3,56,267.93
Service concession arrangement assets	7	82,329.93	92,733.53	1,01,803.30
Cash and cash equivalents	16	69,077.98	50,059.73	76,501.36
Bank balances other than cash and cash equivalents	17	16,619.48	23,916.41	29,876.96
Loans	18	8,554.02	7,594.26	152.81
Other financial assets	19	13,880.06	17,429.01	19,586.59
Current tax assets (net)	20	1,954.02	1,752.33	1,579.89
Other current assets	21	32,821.93	40,114.61	45,401.72
Total current assets		6,79,245.37	6,93,759.62	6,98,059.70
TOTAL ASSETS		10,55,731.18	10,78,011.41	11,06,187.70
EQUITY AND LIABILITIES				
Equity				
Equity share capital	22	2,15,682.00	1,39,082.00	1,39,082.00
Other equity	23	(72,256.00)	(26,339.94)	33,435.32
Equity attributable to owners		1,43,426.00	1,12,742.06	1,72,517.32
Non-controlling interests		4,151.23	4,503.07	4,628.17
Total equity		1,47,577.23	1,17,245.13	1,77,145.49
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	24	4,61,948.78	4,20,418.96	4,46,583.72
Lease liabilities	25	938.73	715.67	308.06
Other financial liabilities	26	5,276.24	9,268.89	14,578.12
Provisions	27	1,363.06	1,139.71	1,383.17
Deferred tax liabilities (net)	28	1,136.81	311.35	240.53
Other non-current liabilities	29	3,457.95	3,866.58	3,680.34
Total non-current liabilities		4,74,121.57	4,35,721.16	4,66,773.94
Current liabilities				
Financial liabilities				
Borrowings	30	2,80,027.01	3,09,982.01	2,82,204.52
Lease liabilities	31	569.87	577.78	517.44
Trade payables	32			
-total outstanding dues of micro enterprises and small enterprises		304.24	137.93	508.12
-total outstanding dues of creditors other than micro enterprises and small enterprises		9,647.87	13,801.67	12,610.32
Other financial liabilities	33	1,21,335.11	1,73,608.77	1,49,905.24
Other current liabilities	34	21,720.41	26,662.80	16,298.18
Provisions	35	78.18	62.54	68.98
Current tax liabilities (net)		349.69	211.62	155.47
Total current liabilities		4,34,032.38	5,25,045.12	4,62,268.28
TOTAL EQUITY AND LIABILITIES		10,55,731.18	10,78,011.41	11,06,187.70

* Restated (refer note 45)

The accompanying notes form an integral part of consolidated financial statements — 1 to 62

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

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

Ankur Goyal
Partner
Membership No. 099143
UDIN : 24099143BKEULB3171

Place : New Delhi
Date : 10 August 2024

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

K. Shanmugha Sundaram
Chairman
DIN : 10347322

Rajiv Kumar Rohilla
Director
DIN : 10371161

Vishal Kapoor
Chief Executive Officer

Arvind Kumar Talan
Chief Financial Officer

Laxman Aggarwal
Company Secretary

ENERGY EFFICIENCY SERVICES LIMITED
CIN: U40200DL2009PLC196789

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

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

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023 *
Income			
Revenue from operations	36	1,42,302.65	1,62,095.35
Other income	37	50,505.32	47,129.25
Total income		**1,92,807.97**	**2,09,224.60**
Expenses			
Purchase of stock-in-trade		52,276.16	62,322.18
Service concession arrangement expenses		26,351.14	48,206.46
Changes in inventory of stock-in-trade	38	4,987.94	2,973.49
Employee benefits expense	39	22,047.22	19,570.71
Finance costs	40	59,754.49	58,031.49
Depreciation and amortization expense	41	4,022.72	3,895.81
Other expenses	42	71,261.69	83,684.46
Total expenses		**2,40,701.36**	**2,78,684.60**
Loss before share of net profits of investments accounted for using equity method and tax		**(47,893.39)**	**(69,460.00)**
Add: Share of net profit/(losses) of joint ventures accounted for using equity method		1,325.70	(101.07)
Loss before tax		**(46,567.69)**	**(69,561.07)**
Tax expense	43		
Current tax		482.64	190.69
Deferred tax		196.45	(9,111.12)
Total tax (credit)/expense		**679.09**	**(8,920.43)**
Loss for the year		**(47,246.78)**	**(60,640.64)**
Other comprehensive income			
Items that will not be reclassified to profit and loss (net of tax)			
- Remeasurement of the defined benefit plans		(18.95)	53.52
- Remeasurement of the defined benefit plans of joint venture		(2.15)	3.35
- Less: Income tax relating to items that will not be reclassified to profit and loss		1.14	(14.31)
Items that will be reclassified to profit and loss (net of tax)			
- Exchange differences on translation of foreign operations		998.84	697.71
Other comprehensive income for the year, net of income tax		**978.88**	**740.27**
Total comprehensive income for the year		**(46,267.90)**	**(59,900.37)**
Loss attributable to			
- Owners		(46,763.13)	(60,423.02)
- Non-controlling interests		(483.65)	(217.62)
		(47,246.78)	**(60,640.64)**
Other comprehensive income attributable to			
- Owners		847.08	647.75
- Non-controlling interests		131.80	92.52
		978.88	**740.27**
Total comprehensive income attributable to			
- Owners		(45,916.05)	(59,775.27)
- Non-controlling interests		(351.84)	(125.10)
		(46,267.90)	**(59,900.37)**
Earnings per equity share (Nominal value ₹ 10/- each)	54		
Basic earnings per share (₹)		(2.56)	(4.34)
Diluted earnings per share (₹)		(2.56)	(4.34)

* Restated (refer note 45)

The accompanying notes form an integral part of consolidated financial statements — 1 to 62

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 : 24099143BKEULB3171

K. Shanmugha Sundaram
Chairman
DIN : 10347322

Rajiv Kumar Rohilla
Director
DIN : 10371161

Place : New Delhi
Date : 10 August 2024

Vishal Kapoor
Chief Executive Officer

Arvind Kumar Talan
Chief Financial Officer

Laxman Aggarwal
Company Secretary

S.P. CHOPRA & CO. * CHARTERED ACCOUNTANTS * CHECKED

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

(A) Equity share capital*

For the year ended 31 March 2024

Balance as at 1 April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
1,39,082.00	-	1,39,082.00	76,600.00	2,15,682.00

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

* Refer note 22

(B) Other equity**

For the year ended 31 March 2024

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 2023	-	2,500.00	0.15	(50,742.73)	1,089.98	(95.50)	(47,248.09)	4,503.07	(42,745.02)
Prior period errors	-	-	-	20,429.22	-	-	20,429.22	-	20,429.22
Restated balance as at 1 April 2023	-	2,500.00	0.15	(29,834.49)	1,089.98	(95.50)	(26,339.86)	4,503.07	(21,836.87)
Loss for the year	-	-	-	(46,763.13)	-		(46,763.13)	(483.65)	(47,246.78)
Other comprehensive income for the year (net of taxes)	-	-	-	-	867.04	(19.96)	847.08	131.80	978.88
Transfer (to)/from retained earnings	-	(2,500.00)	-	2,500.00	-	-	-	-	-
Balance as at 31 March 2024	-	-	0.15	(74,097.62)	1,957.02	(115.46)	(72,255.90)	4,151.23	(68,104.77)

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	(24,457.60)	484.79	(138.06)	(17,127.85)	4,628.17	(12,499.68)
Prior period errors	-	-	-	50,546.13	-	-	50,546.13	-	50,546.13
Restated balance as at 1 April 2022	-	7,000.00	0.15	26,088.53	484.79	(138.06)	33,435.41	4,628.17	38,063.50
Loss for the year	-	-	-	(60,423.02)	-		(60,423.02)	(217.62)	(60,640.64)
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	(29,834.49)	1,089.98	(95.50)	(26,339.86)	4,503.07	(21,836.87)

**** Refer note 23**

The accompanying notes form an integral part of consolidated financial statements 1 to 62

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 : 24099143BKEULB3171

K. Shanmugha Sunda
Chairman
DIN : 10347322

Rajiv Kumar Rohilla
Director
DIN : 10371161

Vishal Kapoor
Chief Executive Office

Arvind Kumar Talan
Chief Financial Officer

Laxman Aggarwal
Company Secretary

Place : New Delhi
Date : 10 August 2024

S.P. CHOPRA & CO. * CHARTERED ACCOUNTANTS * CHECKED

Energy Efficiency Services Limited
CIN: U40200DL2009PLC196789
Consolidated Statement of Cash Flows for the year ended 31 March 2024
(All amounts in lakhs of ₹, except share data and as stated otherwise)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023 *
A Cash flow from operating activities		
Loss before tax	(46,567.69)	(69,561.07)
Adjustments for:-		
Depreciation and amortization expense	4,022.72	3,895.81
Finance costs	56,085.70	45,693.60
Bad debts	-	4.94
Allowance for doubtful receivables	18,476.61	13,160.89
Provision for doubtful advances	588.95	2,138.22
Provision for inventories	4,632.49	80.64
Loss on sale of property, plant and equipment (net)	10.72	6.81
Interest income	(39,549.05)	(42,810.80)
Loss on foreign currency transactions and translation (net)	3,925.58	20,513.68
Grant income	(1,153.09)	(1,244.31)
Liquidation damages recovered from vendors	(4,399.00)	(447.40)
Liabilities/excess provisions no longer required, written back	(4,268.90)	(3.10)
Share of net profits of joint ventures	(1,325.70)	101.07
Impairment of losses on investment	-	1,791.08
Provisions	71.27	-
Impairment for Financial Assets	2,147.28	3,451.71
Impairment for Property, plant and equipment	1,336.91	-
Operating profit before working capital changes	**(5,965.20)**	**(23,228.23)**
Adjustments for:		
Decrease in Trade receivables/Service concession arrangements assets	59,684.37	23,476.39
(Increase)/Decrease in Inventories	13,472.81	(4,405.27)
Decrease in loans, other financial assets and other assets	14,597.20	18,784.34
Increase/(Decrease) in trade payables, other financial liabilities and other liabilities	(12,181.02)	31,634.16
Increase/(Decrease) in provisions	214.54	(196.38)
Cash generated from operations post working capital changes	**69,822.70**	**46,065.02**
Less: Income tax paid/(refund)	59.90	306.98
Net cash generated from operating activities (A)	**69,762.80**	**45,758.04**
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advance)	(46,020.72)	(17,231.21)
Sale of property, plant and equipment	10.43	9.63
Investments	(26,464.90)	(2,204.93)
Interest received	4,476.76	2,299.02
Investment in bank balances other than cash and cash equivalents (net)	(9,930.58)	6,081.61
Loan given	0.89	(433.80)
Grant received	33.61	2,047.38
Net cash used in investing activities (B)	**(77,894.51)**	**(9,432.30)**
C Cash flow from financing activities		
Proceeds from share capital	76,600.00	-
Proceeds from non-current borrowings	1,02,735.26	55,597.69
Repayment of non-current borrowings	(1,00,098.52)	(1,12,253.02)
Proceeds/ (repayments) of current borrowings (net)	3,078.68	32,335.76
Interest paid	(54,189.42)	(39,949.87)
Principal payment of lease liabilities	(1,005.21)	(819.23)
Interest payment of lease liabilities	(50.58)	(74.57)
Net Cash (used in)/generated from financing activities (C)	**27,070.21**	**(65,163.24)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**18,938.50**	**(28,837.50)**
Cash and cash equivalents at the beginning of the year (Refer note 16)	50,059.73	76,501.36
Exchange differences on translation of foreign currency cash and cash equivalents	79.75	2,395.87
Cash and cash equivalents at the end of the year (Refer note 16)	**69,077.98**	**50,059.73**

* Restated (refer note 45)

S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

(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 2024	As at 31 March 2023
Balances with banks		
Current accounts	44,158.56	29,003.78
Deposits with original maturity upto three months (including interest accrued)	24,917.95	21,054.63
Cash on hand	1.47	1.32
Cash and cash equivalents as per note-16	**69,077.98**	**50,059.73**

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 ***
For the year ended 31 March 2024				
Opening balance as at 1 April 2023	5,43,791.14	1,86,609.84	1,293.46	5,170.51
Addition in lease liabilities	-	-	1,098.11	-
Cash flow during the year	2,636.75	3,078.68	(903.14)	(54,189.42)
Non-cash changes due to:				-
- Variation in exchange rates	5,325.42	763.51	(30.55)	2.55
- Interest accrued	-	-	50.74	53,751.96
- Transaction cost on borrowings	(229.55)	-	-	223.53
Closing balance as at 31 March 2024	**5,51,523.76**	**1,90,452.03**	**1,508.61**	**4,959.13**
For the year ended 31 March 2023				
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
Closing balance as at 31 March 2023	**5,43,791.14**	**1,86,609.84**	**1,293.46**	**5,170.51**

* includes current maturities of non-current borrowings, refer note 24.
** 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'.

The accompanying notes form an integral part of consolidated financial statements 1 to 62

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 : 24099143BKEULB3171

K. Shanmugha Sundaram
Chairman
DIN : 10347322

Rajiv Kumar Rohilla
Director
DIN : 10371161

Place : New Delhi
Date : 10 August 2024

Vishal Kapoor
Chief Executive Officer

Arvind Kumar Talan
Chief Financial Officer

Laxman Aggarwal
Company Secretary

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

1. Group information

Energy Efficiency Services Limited (the "Group") is a Company domiciled and incorporated in India (CIN: U40200DL2009PLC196789). The Group's registered office is located at NFL Building, 5th & 6th Floor, Core – III, SCOPE Complex, Lodhi Road, New Delhi- 110003.

The Company is a Joint Venture of NTPC Limited, Power Grid Corporation of India Limited, Power Finance Corporation Limited and Rural Electrification Corporation Limited under the Ministry of Power, Government of India. The Group is engaged in implementation of energy efficiency projects as an Energy Saving Group (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.

The Consolidated Financial Statements for the year ended 31 March 2024 were approved for issue by Board of Directors on 10 August 2024.

2. Material accounting policy information

A summary of the material accounting policy information 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 Consolidated financial statements have been prepared on going concern basis, following accrual system of accounting.

2.1. Basis of preparation

(i) Compliance with Ind AS

The Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act, 2013.

(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 disclosed separately in notes to the financial statements.

(iii) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Group's functional and presentation 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 classified as 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.

Operating cycle:
The operating cycle is the time period between acquisition of assets for processing and their realization in cash and cash equivalent. The Group recognizes twelve months period as its operating cycle.

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.

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.

Property, plant and equipment is initially recognized at cost of acquisition/ construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. After initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Property, plant and equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

Parts of an item of property, plant and equipment having different useful lives, 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 costs are added to the carrying amount of the asset or recognized as a separate asset as appropriately 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 and the carrying amount of the replaced part is derecognized. The cost of day-to-day servicing of property, plant and equipment are recognized in the statement of 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 derecognized when no future economic benefits are expected from their use or upon their disposal. The gains and losses arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment, and is recognized in the statement of profit and loss on the date of disposal or retirement.

(v) Depreciation

Depreciation is recognized in the statement of profit and loss on pro rata basis from the date on which assets is available for use/ disposal on Straight Line Method over the 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, which are different in certain cases from those prescribed in Schedule-II to the Act are as follows:

Nature of assets	Useful Life as assessed/ estimated by Group
ESCO Projects	3-10 years
Public chargers	10 years
Vehicles	5-8 years
Building	30 years
Cell phones	2 years

Estimated useful lives of the assets of foreign subsidiaries are as follows:

Nature of assets	Life of property, plant and equipment
Buildings	50 years
ESCO Projects	Project period
Motor vehicles	5/6 years
Fixtures and fittings	6/8/10 years
Plant and machinery	6/8 years
Computer equipment	6/8 years

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

Depreciation method, useful lives and residual values of items of property plant and equipment are reviewed at each financial year-end and adjusted prospectively, wherever required. 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/upto the date on which the PPE is available for use/disposal.
Where the cost of depreciable PPE 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. The residual values of other property, plant and equipment is considered as 5% of the original cost of the asset.

2.4. Capital work-in-progress

Cost of material, erection charges and other expenses incurred for the construction of property, plant and equipment are shown as capital work-in-progress based on progress of erection work till the date of capitalization.
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.
Interest during construction and expenditure (net) allocated to construction as per policy above are apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

2.5. Intangible assets and Intangible assets under development

(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, are recognized if any 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.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

As a part of various operations involving delivery of clean energy, the CESL had launched a project "GRAM UJALA" with the intent of generating revenue by obtaining Carbon Credits through replacement of the incandescent bulbs with Energy effective LED Bulbs in villages, and charging a fee for appropriate and environmentally safe disposal such acquired bulbs. As part of preliminary requirement, the Company has registered the scheme with UNFCCC for the same. After distribution energy efficient bulbs but before the CERs entitlement document is issued, the scheme inter-alia involves the periodic maintenance and audit of use of the bulbs and consumption.

Now it is worthwhile to note that guidance note issued by ICAI GN (A) 31 (Issued 2012), Guidance note on Accounting for Self-generated Certified Emission Reductions (CERs) deals with the recognition and treatment of CERs generated by the generating unit. But our issue pertains to the stage prior to generation of those CERs. Hence this guidance note also does not provide clarity on this issue.

In this regard the cost of purchase of Energy efficient bulbs distributed and cost for distribution of the same have been capitalized as Right to receive Carbon Credit, depicted under relevant nomenclature and recognized as Intangible Asset contemplating the various aspects of the scheme and application of practical expedients with respect to various standards, guidelines and generally accepted accounting principles. From Such bulbs distributed, the company is expected to have future economic benefits in the form of generation of CERs which are merchantable in international market. The same are being measured at cost comprising the purchase price and directly attributable costs to obtain such Carbon Credits. Future Economic Benefits are expected to be flowing towards the company for a period of 7 years. Accordingly, SLM Method is followed considering the Life as 7 years for amortisation of the same.

Expenditure incurred, eligible for capitalization under the head intangible assets, are carried as “Intangible Assets under Development” till such assets are ready for their intended use.

(ii) Subsequent costs

Subsequent expenditure on already capitalized intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

(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, when the intangible assets are derecognized.

(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 with NIL residual value.
Amortisation on additions to/ deductions from intangible assets during the year is charged on pro-rata basis from/ up to the date on which the asset is available for use/ disposed.

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

2.6. Borrowing costs

Borrowing costs consist of:

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

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are 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, determined on weighted average basis 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 and are net of 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, wherever required.

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2.8. Cash and cash equivalents

Cash and cash equivalents comprise of balance with banks in current accounts, cash on hand and short-term deposits with an original maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and 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.

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 receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of 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 financial statements when inflow of economic benefits is probable based on judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

2.11. Foreign currency transactions and translations

(a) Foreign currency transactions

Transactions in foreign currencies are initially recorded at the prevailing exchange rates at the date the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated by applying the exchange 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. Exchange differences arising from foreign currency borrowing drawn

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on or after 1st April 2016 to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

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.

Foreign exchange gains and losses (other than related to foreign currency loans outstanding) are presented in the statement of profit and loss on a net basis within other gains/ (losses).

(b) 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

The Group'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 Group recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

(ii) Service Concession Arrangement (SCA)

The service concession arrangements have been accounted for under the financial assets model. Revenue and costs are allocated between 'construction services' and 'operation and maintenance services', and are accounted for separately. The Group recognizes financial assets arising from service concession arrangements to the extent it has an unconditional contractual right to receive payments. Financial assets are initially recognized at their fair value. Contract cost is recognized as the total cost incurred towards the financial assets. Contract revenue represents revenue from contracts wherein the performance obligation is satisfied over a period of time and revenue is recognized by applying a specified margin, if any, on the total cost incurred towards the financial assets. Subsequent to initial recognition, financial assets are recognized as amortized cost.

(iii) Revenue from rendering of services other than SCA

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. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. contract assets/ unbilled revenue.

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.

(iv) 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 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

Dividend income is recognized when right to receive payment is established. Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization. Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

(v) Revenue from Carbon Credit

In the financial year 2020-21 one project named "GRAM UJALA" has been launched by CESL with the primary objective of generating revenue from obtaining CERs being generated as the final yield of the activity through replacement of the incandescent bulbs with Energy efficient LED Bulbs in villages, and charging a nominal fee for appropriate and environmentally safe disposal such acquired bulbs. The fee recognised as revenue from services at the same time which correspond to the invoices raised for distribution of energy efficient LED bulbs against receipt of old incandescent bulbs.

In this regard as part of preliminary requirement, the company has registered the scheme with UNFCCC for the same. After distribution, before the CERs entitlement document is issued, the scheme inter-alia involves the periodic maintenance and audit of use of the bulbs and consumption thereof. The units and value of the CERs shall be recognised in due course as per scheme depending on activities, milestones and other procedural audit and compliances.

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 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.

The Group has a defined contribution pension scheme which is administered through a separate trust managed by Life Insurance Corporation of India Ltd. The obligation of the Group is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

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 Group pays fixed contribution at the predetermined rates in the provident fund scheme.

The contributions to above schemes 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 Group's liability towards gratuity is in the nature of a defined benefit plan. The Group with respect to its gratuity obligation contributes to a fund maintained by Life Insurance Corporation of India ltd.

The Group'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 unrecognized 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 Group'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 Group, 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 Group 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 and subsequently not reclassified to profit and loss.

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 Group's leave encashment constitute other long-term employee benefit.

The Group'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 Group'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 in the period in which 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.

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 realize the asset and settle the liability simultaneously.

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

When there is uncertainty regarding income tax treatments, the Group 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 Group 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:

(i) the contract involves use of an identified assets,
(ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and
(iii) the customer has the right to direct the use of the asset.

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

(i) Group as a lessee

The Group 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 Group 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 measured at cost less accumulated depreciation and accumulated impairment losses, if any and adjusted for any remeasurement of lease liability. The right-of-use asset is amortised 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.

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Right of Use- leasehold land is amortised over the period of lease and improvements thereon are depreciated on straight line basis over shorter of asset's useful life and their initial agreement period unless the entity expects to use the asset beyond the lease term.

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 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, 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) Group as 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.

Amounts due from lessees under finance leases are recorded as '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.

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.

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.

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 Group 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 Group 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 a 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 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.

Debt instrument at Fair Value through other comprehensive income (FVTOCI)

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 Solely Payments of Principal and Interest (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.

Debt instrument at Fair Value through Profit and Loss (FVTPL)

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 Group 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 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 derecognized (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 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 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 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 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 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 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 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.

(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.

2.23. 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 Group 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 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.

(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.

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(vii) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies are 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 the estimation of potential loss.

(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.

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

3 Property, plant and equipment

As at 31 March 2024

Particulars	Gross block					Accumulated depreciation					Net block
	As at 1 April 2023	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2024	As at 1 April 2023	For the year	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2024	As at 31 March 2024
Buildings	5,814.64	-	-	330.65	6,145.29	3,493.52	495.62	-	139.08	4,128.22	2,017.07
Plant & Machinery											
ESCO projects	3,508.85	-	1,456.83	-	2,052.02	1,914.83	303.35	1,503.06	-	715.12	1,336.91
Public chargers	1,604.39	692.02	(195.28)	-	2,491.69	340.55	231.67	-	-	572.22	1,919.47
Plant and machinery	1,966.05	-	145.03	6.63	1,827.65	1,437.38	98.22	80.53	107.37	1,562.44	265.21
Vehicles	2,363.92	55.61	572.15	4.41	1,851.79	905.44	217.91	160.51	-	962.84	888.95
Office equipment	477.49	11.51	71.90	0.20	417.30	308.52	47.84	13.50	0.14	342.99	74.31
Computers	623.37	96.99	135.96	-	584.40	504.61	70.96	115.54	-	460.03	124.37
Furniture & Fixture	3,488.27	533.59	-	23.38	4,045.24	2,461.10	274.39	2.74	-	2,732.76	1,312.48
Leasehold improvements	440.32	-	-	-	440.32	343.75	35.23	-	-	378.98	61.34
Total	20,287.30	1,389.73	2,186.59	365.27	19,855.70	11,709.69	1,775.19	1,875.88	246.59	11,855.60	8,000.12
Less: impairment	-	-	2,052.02	-	(2,052.02)	-	-	715.12	-	(715.12)	(1,336.91)
	20,287.30	1,389.73	4,238.62	365.27	17,803.68	11,709.69	1,775.19	1,160.76	246.59	12,570.72	6,663.21

As at 31 March 2023

Particulars	Gross block					Accumulated depreciation					Net block
	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	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2023	As at 31 March 2023
Buildings	5,434.95	-	-	379.69	5,814.64	2,893.70	426.62	-	173.20	3,493.52	2,321.12
Plant & Machinery											
ESCO projects	2,831.25	677.60	-	-	3,508.85	1,714.49	200.34	-	-	1,914.83	1,594.03
Public chargers	927.14	677.25	-	-	1,604.39	100.20	240.35	-	-	340.55	1,263.84
Plant and machinery	1,710.01	136.26	-	119.78	1,966.05	1,135.32	99.94	-	202.12	1,437.38	528.67
Vehicles	2,010.19	844.52	508.64	17.85	2,363.92	711.87	177.30	-	16.27	905.44	1,458.48
Office equipment	464.57	24.33	12.36	0.95	477.49	306.08	13.43	11.28	0.29	308.52	168.97
Computers	654.15	61.15	91.93	-	623.37	466.84	117.42	79.66	-	504.61	118.76
Furniture & Fixture	3,196.07	138.05	-	154.15	3,488.27	2,126.51	236.06	-	98.53	2,461.10	1,027.17
Leasehold improvements	438.20	2.12	-	-	440.32	267.30	76.45	-	-	343.75	96.57
Total	17,666.53	2,561.28	612.93	672.42	20,287.30	9,722.31	1,587.91	90.94	490.41	11,709.70	8,577.61

a) Refer note 24 for information on property, plant and equipment pledged as security by the group.
b) Refer Note 55(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
c) Refer note 45 for restatement items of earlier years.
d) Details of title deeds of immovable properties not held in name of the Group:

Item category	Description of item	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 group has not revalued any of its property, plant and equipment or intangible assets.
f) The parent company is in the process of shifting its office during FY 2024-25 hence it envisages to conduct the physical verification of property plant and equipment thereafter.

4 Capital work-in-progress

As at 31 March 2024

Particulars	As at 1 April 2023	Additions	Capitalised/Transferred to Lease receivable	As at 31 March 2024
Buildings	9,740.59	3,622.45	-	13,363.04
Plant & Machinery				
ESCO projects	7,714.20	565.61	4,378.27	3,901.54
Public chargers	2,137.00	33.50	692.02	1,478.48
Total	19,591.79	4,221.56	5,070.29	18,743.06

As at 31 March 2023

Particulars	As at 1 April 2022	Additions	Capitalised/Transferred to Lease receivable	As at 31 March 2023
Buildings	-	9,740.59	-	9,740.59
Plant & Machinery				
ESCO projects	8,187.76	997.26	1,470.82	7,714.20
Public chargers	2,573.10	241.15	677.25	2,137.00
Total	10,760.86	10,979.00	2,148.07	19,591.79

a) The Capital work-in-progress includes inventory of capital items of ₹ 75.10 Lakhs held with the Parent company as at 31 March 2024 (31 March 2023: ₹ 195.54 Lakhs).

b) Ageing schedule of capital work-in-progress

As at 31 March 2024

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	4223.71	3273.59	5881.84	5363.92	18,743.06
Projects temporarily suspended	-	-	-	-	-
Total	4,223.71	3,273.59	5,881.84	5,363.92	18,743.06

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	9,936.20	3,725.17	2,746.98	3,183.44	19,591.79
Projects temporarily suspended	-	-	-	-	-
Total	9,936.20	3,725.17	2,746.98	3,183.44	19,591.79

c) The company, during the year, has paid the final instalment of ₹ 694.90 lakhs to NBCC towards the office building at Nauroji Nagar, as agreed in agreement of sale. However, the possession of the office building has not been offered to the company due to non-payment of interest of ₹ 712.29 lakhs towards delay in payment of various instalments made by the company. The company has filed the counter-claim for interest of ₹ 3,253.80 lakhs towards delay in execution of work of building by NBCC from the agreed date. The matter is under negotiation with NBCC and the capitalization of the office building will be done after taking its possession.

d) Completion schedule whose completion is overdue as under:

As at 31 March 2024

Particulars	To be completed in *				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Buildings	13,363.04	-	-	-	13,363.04
Plant & Machinery					
ESCO projects	3,901.54	-	-	-	3,901.54
Public chargers	1,478.48	-	-	-	1,478.48
Total	18,743.06	-	-	-	18,743.06

As at 31 March 2023

Particulars	To be completed in *				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Buildings	-	9,740.59	-	-	9,740.59
Plant & Machinery					
ESCO projects	-	7,714.20	-	-	7,714.20
Public chargers	692.02	1,444.98	-	-	2,137.00
Total	692.02	18,899.77	-	-	19,591.79

* No cost overrun is envisaged at this stage as compared to original plan in respect of above projects.

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

5 Right-of-use assets

As at 31 March 2024

Particulars	Gross block					Accumulated amortisation					Net block
	As at 1 April 2023	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2024	As at 1 April 2023	For the year	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2024	As at 31 March 2024
Office Buildings	2,469.40	934.48	1,734.98	(6.35)	1,662.55	1,183.98	732.35	1,734.98	(86.36)	94.99	1,567.56
Leasehold land	743.64	-	-	-	743.64	45.55	7.52	-	-	53.07	690.56
Total	3,213.04	934.48	1,734.98	(6.35)	2,406.19	1,229.53	739.87	1,734.98	(86.36)	148.06	2,258.12

As at 31 March 2023

Particulars	Gross block					Accumulated amortisation					Net block
	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	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2023	As at 31 March 2023
Office Buildings	1,802.42	1,229.01	673.47	111.45	2,469.40	1,099.08	730.04	656.08	10.94	1,183.98	1,285.42
Leasehold land	743.64	-	-	-	743.64	36.14	9.41	-	-	45.55	698.08
Total	2,546.06	1,229.01	673.47	111.45	3,213.04	1,135.22	739.45	656.08	10.94	1,229.53	1,983.51

6 Intangible assets

As at 31 March 2024

Particulars	Gross block					Accumulated amortisation					Net block
	As at 1 April 2023	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2024	As at 1 April 2023	For the year	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2024	As at 31 March 2024
Software	2,739.99	226.40	-	7.70	2,974.09	2,491.67	262.15	-	4.37	2,758.19	215.90
Right to receive carbon credits *	8,759.44	-	-	-	8,759.44	1,562.89	1,251.35	-	-	2,814.24	5,945.20
Total	11,499.43	226.40	-	7.70	11,733.53	4,054.56	1,513.50	-	4.37	5,572.43	6,161.10

As at 31 March 2023

Particulars	Gross block					Accumulated amortisation					Net block
	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	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2023	As at 31 March 2023
Software	2,695.62	39.91	-	4.46	2,739.99	2,151.84	337.05	-	2.78	2,491.67	248.32
Right to receive carbon credits *	7,066.45	1,692.99	-	-	8,759.44	331.44	1,231.45	-	-	1,562.89	7,196.55
Total	9,762.07	1,732.90	-	4.46	11,499.43	2,483.28	1,568.50	-	2.78	4,054.56	7,444.87

* Carbon credits have been accounted as per accounting policy no. 2.5.

7 **Service concession arrangement assets**

Particulars	As at 31 March 2024	As at 31 March 2023
Non current		
Service concession arrangement assets	2,10,294.10	2,56,537.47
	2,10,294.10	**2,56,537.47**
Current		
Service concession arrangement assets	82,329.93	92,733.55
	82,329.93	**92,733.55**

a) Refer note 56 and note 59(b)

b) Service concession arrangement assets have been valued as per accounting policy no. 2.12(ii).

8 **Investment in joint venture accounted for using equity method (Non-current)**

Particulars	As at 31 March 2024	As at 31 March 2023
Joint venture company		
Intellismart Infrastructure Private Limited 332,220,049 (31 March 2023: 67,620,049) equity shares of ₹10/- each	34,303.86	6,513.26
Total	**34,303.86**	**6,513.26**
Aggregate amount of unquoted investments	34,303.86	6,513.26
Aggregate amount of impairment in value of investments	-	-

a) Investments have been valued as per accounting policy no. 2.22.

b) Refer note 51 for disclosure required as per Ind AS 112 'Disclosure of interest in other entities'.

c) The parent company during the year has further invested ₹ 26,460.00 Lakhs (31 March 2023 ₹ 3,933.50 Lakhs) in its joint venture namely Intellismart Infrastructure Private Limited by acquiring 26,46,00,000 equity shares at a par value of ₹ 10/- per share against right issue.

d) The parent company after reporting period has engaged a consultant for conducting Feasibility Study regarding dilution of EESL's stake in its Joint Venture namely Intellismart Infrastructure Private Limited (IIPL) through Equity sale. As the parent company is still evaluating the feasibility of stake sale, the same is not classified as "disposal group held for sale".

9 **Other investments (Non-current)**

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in fully paid up unquoted equity instruments (measured at fair value through profit and loss)		
Investment in Maple Leaf	1,884.41	1,884.41
NEESL Private Limited 2,600 (31 March 2023: 2,600) equity shares of ₹10/- each	0.26	0.26
	1,884.67	1,884.67
Less: Impairment on investment	(1,884.41)	(1,884.41)
Total	**0.26**	**0.26**
Aggregate amount of unquoted investments	0.26	0.26
Aggregate amount of impairment in value of investments	1,884.41	1,884.41

a) Information about fair value measurement and group's exposure to market risks is disclosed in note 47 and note 48.

b) The parent company's shareholding in its joint venture namely NEESL Private Limited has reduced from 26% to 2.21% during the year 2021-22 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.

10 **Loans (Non-current)**

Particulars	As at 31 March 2024	As at 31 March 2023
Loans to employees (includes interest accrued)		
Secured, considered good (refer a below)	320.44	275.38
Unsecured, considered good	89.89	72.30
	410.33	**347.68**
Total	**410.33**	**347.68**

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 46 for related party disclosures, note 47 for disclosures related to fair valuation and note 48 for details with respect to credit risk.

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11 Other financial assets (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Unbilled revenue	-	147.45
Security deposits	42.72	95.44
Lease receivables	10,824.42	15,330.59
Deposits with banks (including interest accrued)	-	1.82
Earmarked balances with banks (including interest accrued)		
- Deposits held as security to cash collateralise the bonds	1,377.13	1,343.92
- Deposit against standby letter of credit issued with respect to term loan facility availed by EESL EnergyPro Assets Limited	17,286.03	-
- Deposits held as margin money for letter of credit and bank guarantees	4.06	35.61
- Deposits held as security with government authorities	5.20	3.09
Total	**29,539.56**	**16,957.92**

12 Deferred tax asset (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Tax effect of items constituting deferred tax assets		
Unabsorbed losses/depreciation carried forward	14,581.12	14,747.16
Timing difference on account of expense allowable on payment basis	10,781.83	10,770.85
Others	4.74	1.90
	25,367.69	**25,519.91**
Less: Tax effect of items constituting deferred tax liabilities		
Financial assets and liabilities measured at amortised cost	404.54	414.07
Difference between accounting base and tax base of property, plant and equipment	7,740.98	7,478.57
Others	(375.20)	179.95
	7,770.32	**8,072.59**
Net deferred tax assets/(liabilities)	**17,597.36**	**17,447.32**

a) Refer note 43 for disclosure required as per Ind AS 12 Income Taxes.

b) Deferred tax assets of ₹ 3.78 lakhs (31 March 2023: ₹ 8,555.79 Lakhs) has been recognised in the statement of Profit & loss and ₹ nil (31 March 2023: ₹ (13.47) Lakhs) in other comprehensive income during the year, as the management based on the business projections is confident that the taxable profit is achievable in near future.

13 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Security deposits	197.48	150.87
Total	**197.48**	**150.87**

14 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
Stock in trade	51,399.41	64,985.86
Less: Provision for inventories	(5,066.15)	(433.66)
Work in progress	7,221.38	6,875.92
Total	**53,554.64**	**71,428.12**

a) Inventories 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 current borrowings, for details refer note 30.

c) The cost of inventories recognised as expense for the year ended 31 March 2024 is ₹ 83,615.24 Lakhs (31 March 2023: ₹ 1,13,783.32 Lakhs).

d) The write down of inventories to net realisable value amounting to ₹ (151.19) Lakhs (31 March 2023: ₹ 639.21 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) 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 2024	As at 31 March 2023
Unsecured, considered good	4,00,453.31	3,88,731.62
Unsecured, considered credit impaired	55,864.01	37,387.40
Sub-total	**4,56,317.32**	**4,26,119.02**
Less: Allowance for expected credit losses	(55,864.01)	(37,387.40)
Total	**4,00,453.31**	**3,88,731.62**

a) Refer note 30 for details of trade receivable pledged as security for current borrowings, note 48 for details with respect to credit risk, note 46 for amount receivables from related parties and note 60 (j) for trade receivable ageing.

b) Trade receivables, including unbilled receivables of ₹ 16,097.65 lakhs (31 March 2023 : ₹ 2,482.56 lakhs), primarily consisting of dues recoverable from various government bodies/ ULBs, etc. has accumulated to ₹ 4,56,317.32 lakhs as at 31 March 2024 (₹ 4,26,119.02 lakhs as at 31 March 2023). The parent company has estimated the amount of ECL on the basis of the methodology 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 ₹ 18,476.61 lakhs has been created during the year resulting in cumulative ECL of ₹ 55,864.01 lakhs as at 31 March, 2024 (₹ 37,387 lakhs as at 31 March 2023).
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 2024	As at 31 March 2023
Balances with banks		
Current accounts	44,158.56	29,003.78
Deposits with original maturity upto three months (including interest accrued)	24,917.95	21,054.63
Cash on hand	1.47	1.32
Total	69,077.98	50,059.73

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 2024	As at 31 March 2023
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	1,330.25	2,598.35
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	15,212.37	19,701.71
- Deposits held as margin money for letter of credit and bank guarantees	74.41	1,288.32
- Deposit in debt service reserve account	-	327.27
- Deposits held as security with government authorities	2.45	0.76
Total	**16,619.48**	**23,916.41**

18 Loans (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Loan to EnergyPro Asset Management Ltd (includes interest accrued)		
Unsecured, considered good	8,391.25	7,439.84
Loan to employees (including interest accrued)		
Secured, considered good	37.70	42.97
Unsecured, considered good	125.07	111.45
Total	**8,554.02**	**7,594.26**

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.

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

19 Other financial assets (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Unbilled revenue	97.03	447.83
Interest receivable	6,701.62	7,941.72
Lease receivables	6,652.21	8,523.88
Recoverable from related party (Refer note 46)	10.07	4.25
Security deposits*	406.31	498.51
Grant recoverable from ministries	12.81	12.81
Other recoverable -credit impaired	178.10	178.10
Less: Allowances for doubtful recoverables	(178.10)	(178.10)
Total	**13,880.06**	**17,429.01**

*Refer note 47 for disclosures related to fair valuation.

20 Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax (net of provision for tax)	1,954.02	1,752.33
Total	**1,954.02**	**1,752.33**

21 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with government authorities		
Unsecured, considered good	16,289.75	20,403.43
Unsecured, considered doubtful	179.95	1.15
Less: Provision for doubtful receivables	(179.95)	(1.15)
	16,289.75	20,403.43
Advances other than capital advance		
-Advances to Related party (Refer note 46)	6,475.95	1,955.48
-Advances to/ Recoverables from suppliers		
Unsecured, considered good	2,550.44	10525.26
Unsecured, considered doubtful	3,215.34	2806.55
Less: Provision for doubtful advances	(3,215.34)	(2806.55)
-Advance to employees		
Unsecured, considered good	38.04	36.96
Unsecured, considered doubtful	9.00	7.64
Less: Provision for doubtful advances	(9.00)	(7.64)
Deposits paid under protest [refer note 55(c)(i)]	5,128.99	5,005.28
Prepaid expenditure	2,208.16	2,058.12
Advance for expenses	106.61	44.68
Undistributed Energy Efficient Bulbs	5.58	6.00
Prepaid assets-surplus of plan assets*	18.41	79.40
	16,532.18	**19,711.18**
Total	**32,821.93**	**40,114.61**

*Refer note 52 for disclosure as per Ind AS 19 on 'Employee Benefits'.

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

22 **Share capital**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of par value ₹ 10/- each	350,00,00,000	3,50,00,000.00	350,00,00,000	3,50,000.00
Issued, subscribed and fully paid up				
Equity shares of par value ₹ 10/- each	2,15,68,20,000	2,15,682.00	1,39,08,20,000	1,39,082.00

a) **Movements in equity share capital:**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	1,39,08,20,000	1,39,082.00	1,39,08,20,000	1,39,082.00
Add: Shares issued during the year	76,60,00,000	76,600.00	-	-
Balance at the end of the year	2,15,68,20,000	2,15,682.00	1,39,08,20,000	1,39,082.00

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 2023-24 (2022-23: Nil).

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

Name of the shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares	%age holding	No. of shares	%age holding
Power Grid Corporation of India Limited	84,66,10,000	39.25%	46,36,10,000	33.33%
NTPC Limited	84,66,10,000	39.25%	46,36,10,000	33.33%
Power Finance Corporation Limited	24,55,00,000	11.38%	24,55,00,000	17.65%
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	10.12%	21,81,00,000	15.69%
Total	2,15,68,20,000	100%	1,39,08,20,000	100%

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 2024:**

Name of the promoter	As at 31 March 2024		As at 31 March 2023		% Change during the year
	No. of shares	%age holding	No. of shares	%age holding	
Power Grid Corporation of India Limited	84,66,10,000	39.25%	46,36,10,000	33.33%	5.92%
NTPC Limited	84,66,10,000	39.25%	46,36,10,000	33.33%	5.92%
Power Finance Corporation Limited	24,55,00,000	11.38%	24,55,00,000	17.65%	(6.27%)
REC Limited (subsidiary of Power Finance Corporation Limited)	21,81,00,000	10.12%	21,81,00,000	15.69%	(5.57%)
Total	2,15,68,20,000 *	100%	1,39,08,20,000 *	100%	-

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	
Power Grid Corporation of India Limited	46,36,10,000	33.33%	46,36,10,000	33.32%	-
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%	-
Total	1,39,08,20,000 *	100%	1,39,08,20,000 *	100%	-

* 168 shares held by individuals as a nominee of respective shareholders.

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

Further, the promoters in accordance with the recommendations of the Ministry of Power has approved the restructuring of the parent company on 1st September 2021 and it was decided that shareholding of NTPC Limited and Power Grid 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 Power Grid Corporation of India Limited shall infuse the capital equally in future.

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

23 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Debenture redemption reserve	-	2,500.00
Statutory reserve	0.15	0.15
Retained earnings	(74,097.94)	(29,834.57)
Foreign currency translation reserve	1,957.25	1,089.98
Remeasurement of defined benefits plans	(115.46)	(95.50)
Total	**(72,256.00)**	**(26,339.94)**

a) Debenture redemption reserve

The group is required to create a debenture redemption reserve out of profits which is available for payment of dividend for the purpose of redemption of debentures. The reserve has been transferred to retained earnings since the debentures have been redeemed during the year. Movement in reserves is as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	2,500.00	7,000.00
Add: Transfer to retained earnings	(2,500.00)	(4,500.00)
Closing balance	-	**2,500.00**

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 2024	For the year ended 31 March 2023
Opening balance	0.15	0.15
Closing balance	**0.15**	**0.15**

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 2024	For the year ended 31 March 2023
Opening balance	(29,834.49)	26,088.53
Loss for the year as per statement of profit and loss	(46,763.13)	(60,423.02)
Transfer from debenture redemption reserve	2,500.00	4,500.00
	(74,097.62)	**(29,834.49)**

d) Foreign currency translation reserve

It represents exchange differences on translation of foreign operations. Movement in reserves is as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	1,089.98	484.79
Add: Currency translation adjustments	867.04	605.19
Closing balance	**1,957.02**	**1,089.98**

e) Remeasurement of defined benefit plans

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening Balance	(95.50)	(138.06)
Net actuarial gains/(losses) on defined benefit plans	(22.24)	42.56
Closing balance	**(117.74)**	**(95.50)**

S.P. CHOPRA & CO. ★ CHARTERED ACCOUNTANTS ★ CHECKED

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

24 Borrowings (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
1) Debentures/Bonds		
a) Secured Debentures/Bonds		
(i) 8.07% Debentures (Domestic bonds)- Secured by pari passu charge on the movable fixed assets both present and future (8.07% p.a. secured non-cumulative non-convertible redeemable taxable bonds of ₹	-	26,066.79
2) Term loan from banks		
a) Secured rupee term loan		
(i) Bank of Baroda- Secured by pari passu charge on the movable fixed assets both (ROI linked to 1 year MCLR, repayable in 10 equated half yearly instalments starting from January 2022 and ending in July 2026)	25,000.00	35,000.00
(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 March 2021 and ending in September 2025)	14,996.63	24,989.55
(iii) 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)	9,956.40	19,958.71
(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 5 equated yearly instalments of each tranche starting from December 2022 and ending in July 2027)	35,966.53	45,951.25
(v) Canara Bank- Secured by pari passu charge on the movable fixed assets both present and future (ROI linked to 1 year MCLR, repayable in 5 equated yearly instalments for each tranche, 1st tranche starting from June 2024 and ending in Sep 2028)	49,999.66	-
(vi) IDBI Bank- Secured by pari passu charge on the movable fixed assets both present and future (ROI linked to 1 year MCLR, repayable in 6 equated yearly instalments with moratorium of 1 year from the date of first disbursement starting from March 2026 and ending in March 2031)	4,985.09	-
(vii) EXIM Bank- secured by way of corporate guarantee from Parent company (ROI linked to 3M SONIA + spread 2.90% p.a, repayable in 6 year starting from June 2024 to March 2030)	16,688.15	-
(viii) EXIM Bank- Secured against lien over £16mn cash margin in the form of Fixed Deposit kept with EXIM Bank (ROI linked to 3M SONIA +spread 3.10% per annum, repayable in Bullet repayment in March 2030)	16,651.54	-
(ix) 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)	131.62	383.07
(x) State Bank of India - Secured against first charge on vehicles financed and second charge on current assets of the Company	1,339.39	-

S. P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

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

24 Borrowings (Non-current) (continued)

Particulars	As at 31 March 2024	As at 31 March 2023
b) Unsecured rupee term loans		
(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 thus margin has been increased from 2.80% to 2.85%.	-	12,298.08
(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
(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)	19,818.19	29,821.38
3) Term loan from other than banks		
a) Unsecured foreign currency loans		
(i) CTF Loan (ADB)-Guaranteed by Government of India (0.25% p.a. loan repayable on half yearly basis in 20 instalments of USD 460,000 and 40 instalments of USD 920,000 each starting from 15 May 2030 and ending on 15 November 2059)	38,285.58	37,747.42
(ii) IBRD Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 6.4799% p.a., loan repayable on half yearly basis in 27 equal instalments of 3.57% of disbursed amount and last instalment of 3.61% of disbursed amount starting from 15 May 2023 and ending on 15 November 2036)	1,49,812.34	1,29,395.41
(iii) ADB Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 6.1502% p.a., loan repayable on half yearly basis starting from 15 March 2022 in 30 equal instalments and ending on 15 September 2036)	93,374.95	99,438.87
(iv) ADB Loan -Guaranteed by Government of India (SOFR+ spread +/- rebate/surcharge, if any, currently 6.2467% p.a., loan repayable in 30 equal half yearly instalments starting from 15 May 2025 and ending on 15	43,139.01	32,218.36
(v) AFD Loan -Guaranteed by Government of India (1.7078% p.a. loan repayable in half yearly basis 20 instalments of Euro 19,39,305.70 each starting from 31 October 2020 and ending on 30 April 2030)	22,908.79	26,253.20
(vi) KFW Loan -Guaranteed by Government of India (1.96% p.a. loan repayable on half yearly basis in 14 instalments of Euro 2,941,000 each and 3 instalments of Euro 2,942,000 each starting from 30 June 2018 and ending on 30 June 2026)	13,335.69	18,541.62
	5,56,389.57	**5,48,760.35**

24 Borrowings (Non-current) (continued)

Particulars	As at 31 March 2024	As at 31 March 2023
Less : Current maturities of long term borrowings (Refer note 30)		
Secured Debentures/Bonds	-	25,000.00
Secured rupee term loan from banks	52,004.75	40,256.94
Unsecured rupee term loan from banks	10,000.00	32,921.38
Unsecured foreign currency loans	27,570.23	25,193.86
Less : Interest accrued but not due on non-current borrowings	4,865.81	4,969.21
Total	**4,61,948.78**	**4,20,418.96**

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 loans and 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 ₹ 82,856.79 Lakhs (31 March 2023: ₹ 173.789 lakhs) foreign currency borrowings which has been sanctioned but not availed as at 31 March 2024. These borrowings have been guaranteed by Government of India.

25 Lease liabilities (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities	938.73	715.67
Total	**938.73**	**715.67**

a) Refer note 48(c)(ii) for maturity analysis of undiscounted lease liabilities.

26 Other Financial liabilities (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Retentions	5,276.24	9,268.89
Total	**5,276.24**	**9,268.89**

Refer note 47 for disclosures related to fair valuation.

27 Provisions (Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Leave encashment	1,363.06	1,139.71
Total	**1,363.06**	**1,139.71**

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

28 Deferred tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Tax effect of items constituting deferred tax liabilities		
Difference between accounting base and tax base of property, plant and equipment	362.96	63.79
Expenses disallowed	371.22	375.41
Sub-total	734.18	439.20
Less: Tax effect of items constituting deferred tax assets		
Others	(402.63)	127.85
Sub-total	(402.63)	127.85
Net deferred tax liabilities/(assets)	1,136.81	311.35

Refer note 43 for disclosure required as per Ind AS 12 Income Taxes.

29 Other non-current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred income on account of government grants	3,457.95	3,866.58
Total	3,457.95	3,866.58

Refer note 53 for disclosure as per Ind AS 20 on 'Government Grants'.

30 Borrowings (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
a) Secured short-term loan from banks		
(i) ICICI 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 on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	29,400.00	18,200.00
(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 on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	20,000.00	15,900.00

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

30 Borrowings (Current) (continued)

Particulars	As at 31 March 2024	As at 31 March 2023
(iii) Union Bank of India- Secured by the current assets of the Company both present and future (ROI: Linked to tenor based MCLR repayable on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	69,999.54	69,999.90
(iv) 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 on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	20,000.00	19,999.98
(v) 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 on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	29,999.55	28,499.74
(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 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).	1,052.94	1,023.44
(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 on demand or as Bullet payment within 3 months from the drawl of the loan amount)	-	4,000.00
(viii) IDBI 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 on demand or as Bullet payment within 1 year maximum from the drawl of the loan amount)	5,000.00	-
b) Secured short-term loans from others		
(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 from the drawl of the Loan amount)	15,000.00	15,000.00
c) Unsecured short-term loan from banks		
(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
(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
(iii) Loan from KFW 2 (Loan repaid on due date of 15 June 2023)	-	4,239.67

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

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
Sub-total	**1,90,452.03**	**1,86,640.05**
Current maturities of non-current borrowings (refer note 24)		
Secured Debentures/Bonds	-	25,000.00
Secured rupee term loan from banks	52,004.75	40,256.94
Unsecured rupee term loan from banks	10,000.00	32,921.38
Unsecured foreign currency loans	27,570.23	25,193.86
Sub-total	**89,574.98**	**1,23,372.18**
Less: Interest accrued on current borrowings	-	(30.22)
Total	**2,80,027.01**	**3,09,982.01**

31 Lease liabilities (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities	569.87	577.78
Total	**569.87**	**577.78**

32 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payable		
Total outstanding dues of micro enterprises and small enterprises	304.24	137.93
Total outstanding dues of creditors other than micro and small enterprises	9,647.87	13,801.67
Total	**9,952.11**	**13,939.60**

Amounts payable to related parties are disclosed in note 46, note 58 for disclosure under Micro, Small and Medium Enterprises Development Act, 2006 and note 60(i) for trade payable ageing.

33 Other financial liabilities (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued on borrowings	4,865.80	4,999.43
Liabilities for expenses	29,665.94	40,622.36
Retentions	84,904.79	1,24,453.64
Security deposits	1,496.47	2,920.53
Payable to employees	308.78	441.73
Commitment fee payable	93.33	171.08
Total	**1,21,335.11**	**1,73,608.77**

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

34 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues	7,025.22	6,256.66
Advance from customers	11,402.10	15,892.24
Unearned income	-	409.83
Accrued cost	938.46	(56.01)
Deferred revenue	22.48	5.29
Expenses payable	5.53	3.05
Deferred income on account of government grants	2,326.62	4,151.74
Total	**21,720.41**	**26,662.80**

35 Provisions (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Leave encashment	60.39	62.54
Superannuation	17.79	-
Total	**78.18**	**62.54**

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

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

36 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of goods	35,709.33	44,279.25
Rendering of services		
- Service concession arrangements	59,086.49	71,806.20
- Others	47,506.83	46,009.90
Total	**1,42,302.65**	**1,62,095.35**

a) Refer note 46 for transactions with related parties, note 56 for disclosures in respect of Ind AS 115, 'Revenue from contracts with customers' and note 59(b) for Change due to application of Service Concession Arrangement (SCA).

b) 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.

37 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from financial assets measured at amortised cost		
Bank deposits	3,837.50	1,883.47
Unwinding of financial assets	35,063.70	40,495.17
Loans to employees	25.32	23.36
Unwinding of security deposit	8.59	16.61
Others	613.94	392.19
Interest on income tax refund	131.40	280.00
Other non-operating income		
Grant income	1,153.09	1,244.31
Tender fees	18.35	6.70
Termination payment	265.73	1,451.99
Liquidation damages recovered from vendors	4,399.00	447.40
Liabilities / excess provisions no longer required, written back	4,268.90	3.10
Miscellaneous income	719.80	884.95
Total	**50,505.32**	**47,129.25**

a) Refer note 46 for transactions with related parties.
b) Miscellaneous income includes recovery against notice, recovery for health insurance, office rent income etc.

38 Changes in inventory of stock-in-trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening stock	69,050.19	66,937.70
Closing stock	(51,205.48)	(68,675.95)
Less:- Transfer to service concession expenses	(12,856.77)	4,711.74
Total	**4,987.94**	**2,973.49**

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

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

39 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	20,668.69	18,257.18
Contribution to provident and other funds	1,147.83	1,128.81
Staff welfare expenses	230.70	184.72
Total	**22,047.22**	**19,570.71**

Refer Note 52 for disclosure as per Ind AS 19 'Employee Benefits'.

40 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Finance charges on financial liabilities measured at amortised cost		
Debentures/Bonds	950.71	3,050.55
Loans	48,495.62	36,867.85
Unwinding of discount on retentions	2,014.72	1,314.45
Lease liabilities	50.58	74.56
Loss on foreign currency transactions and translation (net)	3,668.79	12,211.21
Other borrowing costs		
Guarantee fees for foreign currency term loans	4,184.91	3,751.38
Commitment fees for foreign currency term loans	339.62	742.06
Processing Fee	21.63	17.16
Others	27.91	2.27
Total	**59,754.49**	**58,031.49**

41 Depreciation and amortization expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	1,769.35	1,587.86
Amortisation of right-of-use assets	739.87	739.45
Amortization of intangible assets	1,513.50	1,568.50
Total	**4,022.72**	**3,895.81**

S. P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

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

42 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Annual maintenance charges (projects)	26,131.48	34,529.15
Legal fees & professional	1,458.12	1,471.60
Manpower cost	5,138.62	5,344.48
Rent	3,235.43	2,904.39
Travel and conveyance	2,222.25	2,305.79
Rate and taxes	36.89	48.98
Project cost	124.72	149.46
Communication	468.99	459.93
Recruitment	374.35	259.69
Insurance	1,570.73	1,605.86
Bank charges	609.77	441.73
Repair and maintenance		
- Building	174.62	184.11
- Computer	83.37	75.77
- Plant and machinery	115.18	55.88
Electricity	452.01	448.12
Business promotion	53.64	92.00
Payment to auditors	274.42	281.22
Subscription fees	360.24	241.12
Advertisement and publicity	90.64	138.63
Printing and stationery	102.49	106.92
Meeting and hospitality	34.39	46.34
Sponsorship	0.31	6.50
Internal audit fees	36.62	36.62
Allowance for doubtful receivables	18,476.61	13,160.89
Loss on foreign currency transactions and translation (net)	358.16	10,631.49
Loss on sale of property, plant and equipment (net)	10.72	6.81
Bad debts	-	4.94
Provision for inventories	4,632.49	80.64
Provision for doubtful advances	588.95	2,138.22
Impairment for losses on investments	-	1,791.08
PM - kusum expenses	-	134.62
Impairment for Financial Assets	2,147.28	3,451.71
Impairment for Property, plant and equipment	1,336.91	-
Provisions	71.27	-
Miscellaneous expenses	490.02	1,049.77
Total	**71,261.69**	**83,684.46**

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

43 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 2024	For the year ended 31 March 2023
Current tax		
Current year	482.64	190.69
Sub-total (A)	**482.64**	**190.69**
Deferred tax		
Origination and reversal of temporary differences	196.45	(9,111.12)
Sub-total (B)	**196.45**	**(9,111.12)**
Total income tax (credit) / expense (A+B)	**679.09**	**(8,920.43)**

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net current income tax asset at the beginning	1,540.71	1,424.41
Income tax paid (net of refunds)	59.90	-
Earlier year taxes	486.36	306.99
Current income tax expense	(482.64)	(190.69)
Net current income tax asset at the end	**1,604.33**	**1,540.71**

b) Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Other comprehensive income		
Net actuarial gains/(losses) on defined benefit plans	(21.10)	56.87
Less: Income tax relating to above items	1.14	(14.31)
Add: Exchange differences on translation of foreign operations	998.84	697.71
Other comprehensive income / (expense) for the year, net of income tax	**978.88**	**740.27**

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit/(Loss) before tax	(46,567.69)	(69,561.07)
Tax using the Company's domestic tax rate of 25.168% (31 March 2023: 25.168%)	(11,720.16)	(17,507.13)
Tax effect of:		
DTA not recognized during the year	11,720.16	-
Unrecognised deferred tax of previous year on account of adjustment in property, plant and equipment	-	1,170.83
Tax on foreign branch	-	199.66
Non-deductible tax expenses	-	64.34
Difference in tax rate of foreign subsidiaries	212.88	95.97
Excess business loss of previous year	-	(679.46)
Others	466.21	7,735.36
Income tax expense	**679.09**	**(8,920.43)**

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

43 Disclosure as per Ind AS 12 'Income taxes' (continued)

d) Movement in deferred tax balances

For the year ended 31 March 2024

Particulars	Balance 1 April 2023	Recognised in profit and loss	Recognised in OCI	Balance 31 March 2024
Deferred tax assets				
Unabsorbed losses/depreciation carried forward	14,747.16	(166.04)	-	14,581.12
Timing difference on account of expense allowable on payment basis	10,770.85	10.98	-	10,781.83
Others	129.75	(527.64)	-	(397.89)
Sub-total	**25,647.76**	**(682.70)**	-	**24,965.06**
Less: Deferred tax liabilities				
Financial assets and liabilities measured at amortised cost	414.07	(9.53)	-	404.54
Difference between accounting base and tax base of property, plant and equipment	7,542.36	561.58	-	8,103.94
Expenses disallowed	375.41	(4.19)	-	371.22
Others	179.95	(1,034.11)	478.95	(375.20)
Sub-total	**8,511.79**	**(486.25)**	**478.95**	**8,504.50**
Net deferred tax assets/(liabilities)	**17,135.97**	**(196.45)**	**(478.95)**	**16,460.56**

For the year ended 31 March 2023

Particulars	Balance 1 April 2022	Recognised in profit and loss	Recognised in OCI	Balance 31 March 2023
Deferred tax assets				
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	(37.39)	0.82	129.75
Sub-total	**15,667.18**	**10,003.01**	**(22.43)**	**25,647.76**
Less: Deferred tax liabilities				
Financial assets and liabilities measured at amortised cost	812.23	(398.16)	-	414.07
Difference between accounting base and tax base of property, plant and equipment	6,499.52	1,045.96	(3.12)	7,542.36
Expenses disallowed	130.38	237.77	7.25	375.41
Others	182.23	6.33	(8.60)	179.95
Sub-total	**7,624.36**	**891.90**	**(4.47)**	**8,511.79**
Net deferred tax assets/(liabilities)	**8,042.82**	**9,111.11**	**(17.96)**	**17,135.97**

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

44 Disclosure as per Ind AS 108 'Operating Segments'

a) General Information

The Group has five 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 operating segment 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:

Street Light National Program (SLNP): SLNP is streetlight replacement Govt. programme, wherein the conventional streetlights are replaced with energy-efficient LED streetlights. Such energy-efficient intervention by EESL has not only reduced energy consumption but has also enhanced mobility, safety and security of the citizens across various States/UTs in India.

Smart Meter National Program (SMNP): Company is currently implementing the "Smart Meter National Programme" ("SMNP") in the State/UTs of Uttar Pradesh, Haryana, Bihar, Rajasthan and Andaman & Nicobar Islands, wherein under "Advance Metering Infrastructure (AMI)" framework. SMNP had significantly improved the billing and collection efficiencies of DISCOMs.

Decentralized Solar Power Plant Programme" ("DSPPP"): Under "Decentralized Solar Power Plant Programme" ("DSPPP"), which is first of its kind large scale ground based Solar PV programme in India, wherein, existing agricultural feeders are being solarized via implementation of decentralized solar power plants at vacant/un-used lands at DISCOM substations.

Others: Others includes Building Energy Efficiency Program (BEEP), Municipality Energy Efficiency Program (MEEP), National Motor Replacement Program (NMRP), Evehicle, E Vehicle Charging Infrastructure EVCI and providing the energy efficient technology services on ESCO mode in United Kingdom (UK), etc.

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.

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

i) Segment revenue and segment expenses:

For the year ended 31 March 2024

Particulars	Street light	Smart meter	Solar	Industrial engine & component	others	Total
Segment revenue						
Sale of products/ ESCO Project income/ Other consultancy/Service concession arrangement	47,060.21	30,764.87	17,685.69	72,179.95	11,050.38	1,78,741.10
Segment expenses	21,760.67	25,064.69	11,080.30	73,072.17	5,086.49	1,36,064.32
Segment results	25,299.54	5,700.18	6,605.39	(892.22)	5,963.89	42,676.78
Less: Inter-segment revenue						1,457.34
Add: Unallocated corporate interest and other income						16,849.91
Less: Unallocated corporate expenses, finance charges						1,04,637.04
Loss before tax						(46,567.69)
Income tax (net)						679.09
Loss after tax						(47,246.78)

For the year ended 31 March 2023

Particulars	Street light	Smart meter	Solar	Industrial engine & component	others	Total
Segment revenue						
Sale of products/ ESCO Project income/ Other consultancy/Service concession arrangement	45,811.24	48,653.39	21,012.65	75,827.62	12,300.94	2,03,605.84
Segment expenses	35,440.82	39,466.34	14,466.58	76,981.97	7,826.00	1,74,181.71
Segment results	10,370.42	9,187.05	6,546.07	(1,154.35)	4,474.94	29,424.13
Less: Inter-segment revenue						1,271.24
Add: Unallocated corporate interest and other income						6,788.94
Less: Unallocated corporate expenses, finance charges						1,04,502.89
Loss before tax						(69,561.07)
Income tax (net)						(8,920.43)
Loss after tax						(60,640.64)

ii) Segment assets and segment liabilities:

As at 31 March 2024

Particulars	Street light	Smart meter	Solar	Industrial engine & component	others	Total
Segment assets	3,29,743.07	35,578.77	11,050.67	92,193.23	1,06,175.75	5,74,741.50
Unallocated corporate and other assets						4,80,989.68
Total assets						10,55,731.18
Segment liabilities	33,486.82	23,034.37	18,954.60	60,742.17	27,805.01	1,64,022.97
Unallocated corporate and other liabilities						7,44,130.98
Total liabilities						9,08,153.95

As at 31 March 2023

Particulars	Street light	Smart meter	Solar	Industrial engine & component	others	Total
Segment assets	3,08,332.50	32,850.69	18,124.11	94,763.55	1,13,711.15	5,67,782.00
Unallocated corporate and other assets						5,10,229.41
Total assets						10,78,011.41
Segment liabilities	45,408.00	35,118.38	27,945.96	60,696.04	42,743.32	2,11,911.69
Unallocated corporate and other liabilities						7,48,854.59
Total liabilities						9,60,766.28

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

44 Disclosure as per Ind AS 108 'Operating Segments' (continued)

c) Other information about reportable segments

Particulars	Street light	Smart meter	Solar	Industrial engine & component	others	Total
For the year ended 31 March 2024						
Depreciation and amortization expense	-	-	-	1,407.70	1,786.37	3,194.07
Non-cash expenses other than depreciation	-	-	-	-	18,476.61	18,476.61
Capital expenditure	-	-	-	1,664.11	599.11	2,263.22
For the year ended 31 March 2023						
Depreciation and amortization expense	-	-	-	1,106.39	1,672.14	2,778.53
Non-cash expenses other than depreciation	-	-	-	4.94	15,299.11	15,304.05
Capital expenditure	-	-	-	1,533.26	1,238.41	2,771.67

d) Information about geographical areas

Particulars	Non-current assets*				Revenue from external customers	
	As at 31 March 2024	As at 31 March 2023			For the year ended 31 March 2024	For the year ended 31 March 2023
India	30,105.85	34,422.95			70,397.45	86,289.38
United Kingdom	50,635.68	48,548.48			60,652.25	66,709.73
Republic of Ireland	3,357.56	3,288.44			10,234.70	8,491.99
Rest of the World	43.76	37.14			1,018.25	604.25
Total	84,142.85	86,297.01			1,42,302.65	1,62,095.35

*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 2024 and 31 March 2023.

45 Restatement for the year ended 31 March 2023 and as at 1 April 2022

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 2023 and 1 April 2022 (beginning of the preceding period) and Statement of Profit and Loss for the year ended 31 March 2023 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) The company approached the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) for obtaining the opinion on the accounting treatment of assets under the ESCO model, specifically for Street Lighting, Smart Meters, Solar Projects, and Electric Vehicle Charging Infrastructure (EVCI). According to the EAC's opinion, the current practice of capitalizing expenditures related to the supply, installation, and commissioning of ESCO project assets (Street Lighting, Smart Meters, and Solar Projects) as property, plant, and equipment is inappropriate. Instead, these projects should be accounted for under Appendix D of Ind AS 115, "Service Concession Arrangements." The accounting treatment for EVCI has been deemed correct by the EAC. Following this guidance, the company has reassessed other ESCO projects and revised their accounting accordingly. The impact of the change has been disclosed at note 59(a) 'Impact of Change in Accounting Policy'.

b) During the year, company has changed the method of valuing its inventories from First-In, First-Out (FIFO) method to the Weighted Average Cost method to provide a more accurate reflection of inventory costs and to align the Company's financial reporting with industry practices. This change in accounting policy has been accounted for by restating the comparative information for the preceding period. The impact of the change has been disclosed at note 55 (a) 'Impact of Change in Accounting policy'.

c) Retention amounts withheld from vendors against milestones have been reclassified from 'Trade Payables' (Current/Non-Current) to 'Other Current/Non-Current Financial Liabilities' to accurately reflect their nature since the vendors have upfront raised the invoice for LOA value instead of raising the invoice for milestone achieved, hence these amounts have not fallen due for payment as at the end of the reporting period. As of the end of the previous year, Non-Current Trade Payables and Current Trade Payables were reclassified as Other Non-Current Financial Liabilities and Other Current Financial Liabilities, amounting to ₹ 8188.31 lakhs and ₹ 77,913.41lakhs, respectively. Similarly, as at the beginning of the previous year, these amounts were reclassified as ₹ 12,498.16 lakhs and ₹ 98,687.46 lakhs, respectively.

d) **Reconciliation of restated items of Balance Sheet as at 31 March 2023**

Particulars	Note	As at 31 March 2023			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
ASSETS					
Non-current assets					
Property, plant and equipment	(i)	2,86,671.31	17.12	(2,78,110.79)	8,577.61
Capital work-in-progress		1,21,466.59	(50,867.40)	(51,007.40)	19,591.79
Right-of-use assets	(i)	1,985.80	-	(2.29)	1,983.51
Goodwill (on consolidation)		48,699.23	-	-	48,699.23
Other intangible assets	(i)	7,518.13	-	(73.26)	7,444.87
Financial assets					
Service concession arrangement assets				2,56,537.47	2,56,537.47
Investments in joint venture accounted for using equity method		6,513.26	-	-	6,513.26
Other investments		0.26	-	-	0.26
Loans		7,787.52	(7,439.84)	-	347.68
Other financial assets	(iv)	14,150.36	(4,048.84)	6,856.40	16,957.92
Deferred tax assets (net)	(v)	17,418.78	-	28.54	17,447.32
Other non-current assets		-	150.87	-	150.87
Total non-current assets		**5,12,211.24**	**(62,188.09)**	**(65,771.33)**	**3,84,251.79**
Current assets					
Inventories		20,376.30	50,867.40	184.42	71,428.12
Financial assets					
Trade receivables	(ix)	3,81,758.88	5,894.62	1,078.12	3,88,731.62
Service concession arrangement assets		-	(0.02)	92,733.55	92,733.53
Cash and cash equivalents	(vii)	50,059.73	-	-	50,059.73
Bank balances other than cash and cash equivalents		23,916.41	-	-	23,916.41
Loans		154.42	7,439.84	-	7,594.26
Other financial assets	(vii)	23,322.91	(5,893.90)	-	17,429.01
Current tax assets (net)		1,752.33	-	-	1,752.33
Other current assets	(x)	36,217.36	3,897.25	-	40,114.61
Total current assets		**5,37,558.34**	**62,205.19**	**93,996.09**	**6,93,759.62**
Assets held for sale		1,799.28	-	(1,799.28)	-
TOTAL ASSETS		**10,51,568.86**	**17.10**	**26,425.48**	**10,78,011.41**

ऊर्जा दक्षता सेवाएं लिमिटेड Energy Efficiency Services Limited CIN No. U40200DL2009PLC196789 New Delhi नई दिल्ली

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

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

45 **Restatement for the year ended 31 March 2023 and as at 1 April 2022 (continued)**

EQUITY AND LIABILITIES					
Equity					
Equity share capital		1,39,082.00	-	-	1,39,082.00
Other equity	(v)	(47,248.09)	17.04	20,891.11	(26,339.94)
Equity attributable to owners		**91,833.91**	**17.04**	**20,891.11**	**1,12,742.06**
Non-controlling interests		4,503.07	-	-	4,503.07
Total equity		**96,336.98**	**17.04**	**20,891.11**	**1,17,245.13**
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings		4,20,418.96	-	-	4,20,418.96
Lease liabilities		715.67	-	-	715.67
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		1,237.53	(1,237.53)	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises		6,950.78	(6,950.78)	-	-
Other financial liabilities		1,080.58	8,188.31	-	9,268.89
Provisions		1,139.71	-	-	1,139.71
Deferred tax liabilities (net)		311.35	-	-	311.35
Other non-current liabilities	(ii)	3,866.58	-	-	3,866.58
Total non-current liabilities		**4,35,721.16**	-	-	**4,35,721.16**
Current liabilities					
Financial liabilities					
Borrowings	(vii)	3,09,982.01	-	-	3,09,982.01
Lease liabilities		577.78	-	-	577.78
Trade payables					
-total outstanding dues of micro enterprises and small enterprises		10,477.50	(10,339.57)	-	137.93
-total outstanding dues of creditors other than micro enterprises and small enterprises	(iii), (viii) & (x)	1,12,905.98	(99,104.31)	-	13,801.67
Other financial liabilities	(vii)	58,630.49	1,09,443.90	5,534.37	1,73,608.77
Other current liabilities	(vii)	26,662.80	-	-	26,662.80
Provisions		62.54	-	-	62.54
Current tax liabilities (net)		211.62	-	-	211.62
Total current liabilities		**5,19,510.72**	**0.02**	**5,534.37**	**5,25,045.12**
TOTAL EQUITY AND LIABILITIES		**10,51,568.86**	**17.06**	**26,425.48**	**10,78,011.41**

e) **Reconciliation of restated items of Balance Sheet as at 1 April 2022**

Particulars	**Note**	**As at 1 April 2022**			
		As previously reported	**Reclass adjustments**	**Remeasure adjustments**	**As restated**
ASSETS					
Non-current assets					
Property, plant and equipment	(i)	3,01,040.76	17.04	(2,93,113.67)	7,944.13
Capital work-in-progress	(i)	1,05,524.25	(46,155.65)	(48,607.74)	10,760.86
Right-of-use assets		1,410.84	-	-	1,410.84
Goodwill (on consolidation)		47,601.52	-	-	47,601.52
Other intangible assets		7,278.79	-	-	7,278.79
Intangible assets under development		-	-	-	-
Financial assets					
Service concession arrangement		-	-	2,79,299.02	2,79,299.02
Investments in joint venture accounted for using equity method		2,618.32	-		2,618.32
Other investments		1,841.75	-	-	1,841.75
Loans		7,112.14	-	-	7,112.14
Other financial assets	(viii)	15,736.25	-	12,392.59	28,128.84
Deferred tax assets (net)		8,283.35	-	-	8,283.35
Other non-current assets		5,848.44	-	-	5,848.44
Total non-current assets		**5,04,296.41**	**(46,138.61)**	**(50,029.80)**	**4,08,128.00**
Current assets					
Inventories	(vi)	20,672.81	46,155.65	60.68	66,889.14
Financial assets				-	
Trade receivables		3,56,267.93	-	-	3,56,267.93
Service concession arrangement		-	-	1,01,803.30	1,01,803.30
Cash and cash equivalents		76,501.36	-	-	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		19,586.59	-	-	19,586.59
Current tax assets (net)		1,579.89	-	-	1,579.89
Other current assets		45,401.72	-	-	45,401.72
Total current assets		**5,50,040.07**	**46,155.65**	**1,01,863.98**	**6,98,059.70**
TOTAL ASSETS		**10,54,336.48**	**17.04**	**51,834.18**	**11,06,187.70**

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

45 **Restatement for the year ended 31 March 2023 and as at 1 April 2022 (continued)**

EQUITY AND LIABILITIES					
Equity					
Equity share capital		1,39,082.00	-	-	1,39,082.00
Other equity	(viii)	(17,127.85)	17.04	50,546.13	33,435.32
Equity attributable to owners		**1,21,954.15**	**17.04**	**50,546.13**	**1,72,517.32**
Non-controlling interests		4,628.17	-		4,628.17
Total equity		**1,26,582.32**	-	**50,546.13**	**1,77,145.49**
Liabilities					
Non-current liabilities					
Financial liabilities					
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	(iv)	938.80	(938.80)	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	(iv)	10,130.39	(10,130.39)	-	-
Other financial liabilities	(iv)	2,079.96	12,498.16	-	14,578.12
Provisions		1,383.17	-	-	1,383.17
Deferred tax liabilities (net)		240.53	-	-	240.53
Other non-current liabilities		3,680.33	-	-	3,680.34
Total non-current liabilities		**4,65,344.96**	**1,428.97**	-	**4,66,773.94**
Current liabilities					
Financial liabilities					
Borrowings		2,82,204.52	-	-	2,82,204.52
Lease liabilities		517.44	-	-	517.44
Trade payables					
-total outstanding dues of micro enterprises and small enterprises	(iv)	9,197.45	(8,689.33)	-	508.12
-total outstanding dues of creditors other than micro enterprises and small enterprises	(iv)	1,04,037.42	(91,427.10)	-	12,610.32
Other financial liabilities	(iv)	51,217.78	98,687.46	-	1,49,905.24
Other current liabilities	(vi)	15,010.13	-	1,288.05	16,298.18
Provisions		68.98	-	-	68.98
Current tax liabilities (net)	(ii)	155.48	-	(0.01)	155.47
Total current liabilities		**4,62,409.20**	**(1,428.97)**	**1,288.04**	**4,62,268.28**
TOTAL EQUITY AND LIABILITIES		**10,54,336.48**	-	**51,834.17**	**11,06,187.70**

f) **Reconciliation of restated items of Statement of Profit and Loss for the year ended 31 March 2023**

Particulars	Note	For the year ended 31 March 2023			
		As previously reported	Reclass adjustments	Remeasure adjustments	As restated
Income					
Revenue from operations	(vii)	2,38,549.73	(40.56)	(76,413.82)	1,62,095.35
Other income	(vii)	6,848.89	40.56	40,239.80	47,129.25
Total income		**2,45,398.62**	-	**(36,174.02)**	**2,09,224.60**
Expenses					
Purchase of stock-in-trade	(vi)	62,055.80	(0.01)	266.39	62,322.18
Service concession arrangement expenses		-	-	48,206.46	48,206.46
Changes in inventory of stock-in-trade	(vi)	3,097.23	0.01	(123.75)	2,973.49
Employee benefits expense	(vi)	18,639.28	-	931.43	19,570.71
Finance costs	(vi)	49,581.85	-	8,449.64	58,031.49
Depreciation and amortization expense	(i)	73,784.25	-	(69,888.44)	3,895.81
Other expenses	(vi)	78,016.65	-	5,667.81	83,684.46
Total expenses		**2,85,175.06**	-	**(6,490.46)**	**2,78,684.60**

45 **Restatement for the year ended 31 March 2023 and as at 1 April 2022 (continued)**

Loss before share of net profits of investments accounted for using equity method and tax		(39,776.44)	-	(29,683.56)	(69,460.00)
Add: Share of net losses of joint ventures accounted for using equity method		(101.07)	-	-	(101.07)
Loss before tax		**(39,877.51)**	-	**(29,683.56)**	**(69,561.07)**
Tax expense					
Current tax		190.69	-	-	190.69
Deferred tax	(ii)	(9,082.58)	-	(28.54)	(9,111.12)
Total tax (credit)/expense		**(8,891.89)**	-	**(28.54)**	**(8,920.43)**
Loss for the year		**(30,985.62)**	-	**(29,655.02)**	**(60,640.64)**
Other comprehensive income					
Items that will not be reclassified to profit or loss (net of tax)					
- Remeasurement of the defined benefit plans		53.52	-	-	53.52
-Income tax relating to the items that will not be reclassified to profit or loss statement		14.31	-	-	14.31
- Remeasurement of the defined benefit plans of Joint Venture		3.35	-	-	3.35
Exchange differences on translation of foreign operations		697.71	-	-	697.71
Other comprehensive income for the year, net of income tax		**740.27**	-	-	**740.27**
Total comprehensive income for the year		**(30,245.35)**	-	**(29,655.02)**	**(59,900.37)**
Earnings per equity share (Par value ₹ 10/- each)					
Basic earnings per share (₹)		(2.21)	-	(2.13)	(4.34)
Diluted earnings per share (₹)		(2.21)	-	(2.13)	(4.34)

g) **Reconciliation of Statement of Cash Flows for the year ended 31 March 2023**

Particulars	**For the year ended 31 March 2023**		
	As previously reported	**Adjustments**	**As restated**
Net cash flow from operating activities	1,03,354.25	(57,596.21)	45,758.04
Net cash flow used in investing activities	(67,028.51)	57,596.22	(9,432.30)
Net cash flow from financing activities	(65,163.23)	(0.01)	(65,163.24)
Net decrease in cash and cash equivalents during the year	**(28,837.50)**	-	**(28,837.50)**
Cash and cash equivalents at the beginning of the year	76,501.36	-	76,501.36
Exchange difference on translation of foreign currency cash and cash equivalents	2,395.87	-	2,395.87
Cash and cash equivalent at the end of the year	**50,059.73**	-	**50,059.73**

h) **Earnings per share**

Basic and diluted earnings per share for the year ended 31 March 2023 have changed as below:

Particulars	**As previously reported**	**Adjustments**	**As restated**
Basic earnings per equity share (₹)	(2.21)	(2.13)	(4.34)
Diluted earnings per equity share (₹)	(2.21)	(2.13)	(4.34)

i) **Notes on restatement**

(i) The Parent company has recalculated the depreciation expense 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. For the year ended 31 March 2023, the Company has recognized depreciation expense of ₹ 37.89 lakhs on property, plant and equipment and amortization on intangible assets by ₹ 75.53 lakhs.

(ii) The above mentioned adjustments had a consequential impact on deferred tax credit and deferred tax asset. The Company has recognised expense of ₹ 28.54 lakhs during the year ended 31 March 2023.

(iii) The restatement has not had a material impact on the statement of cash flows.

(iv) Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.

(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 parent company has assessed prior period errors in Manpower Expenses-Drivers-EV, Finance cost, other expenses, employee benefit expenses and difference has been restated. Accordingly, the Company has increase its liabilities for expenses with corresponding impact in retained earning by ₹ 1,288.05 Lakhs as at 1 April 2022 and with corresponding impact in Manpower expenses, Finance cost, Cost of good sold and other expenses by 1479.93 for the year ended 31 March 2023.

(vii) The company has assessed prior period errors in revenue from operation and difference has been restated. Accordingly, the company has increase its trade receivables with corresponding impact in revenue by ₹ 1,078.11 lakhs for the year ended 31 March 2023.

(viii) The above mentioned adjustments have resulted in increase in other equity as at 1 April 2022 by ₹ 50,546.13 lakhs and decrease in loss for the year ended 31 March 2023 by ₹ 20891.12 lakhs.

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

46 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:

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

(ii) Key Managerial Personnel (KMP):

Parent company

Kshanmugha Sundaram	Nominee Director and Chairman	w.e.f. 20 May 2024
Dillip Kumar Patel	Nominee Director and Chairman	w.e.f. 1 January 2024 upto 30 April 2024
Sreekant Kandikuppa	Nominee Director and Chairman	w.e.f. 6 September 2021 upto 31 December 2023
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
Masood Akhtar Ansari	Nominee Director	w.e.f. 20 May 2024
Dhiraj Kumar Srivastava	Nominee Director	w.e.f. 26 June 2024
Ravisankar Ganesan	Nominee Director	w.e.f. 15 January 2024
Rajiv Kumar Rohilla	Nominee Director	w.e.f. 15 January 2024
Aditya Dar	Nominee Director	w.e.f. 22 August 2020 upto 20 May 2024
Ravindra Kumar Tyagi	Nominee Director	w.e.f. 4 December 2022 upto 15 January 2024
Dillip Kumar Patel	Nominee Director	w.e.f. 10 February 2023 upto 1 January 2024
Chandan Kumar Mondol	Nominee Director	w.e.f. 6 September 2021 upto 31 January 2023
Abhay Choudhary	Nominee Director	w.e.f. 18 June 2022 upto 1 December 2022
Seema Gupta	Nominee Director	w.e.f. 6 September 2021 upto 31 May 2022
Ajay Tewari	Government Nominee Director	w.e.f. 29 July 2022 upto 31 May 2024
Vivek Kumar Dewangan	Government Nominee Director	w.e.f. 23 December 2021 upto 28 July 2022
Arvind Kumar Talan	Chief Financial Officer	w.e.f. 1 June 2024
Sandeep Kumar Jain	Chief Financial Officer	w.e.f. 1 April 2022 upto 31 May 2024
Laxman Aggarwal	Company Secretary	w.e.f. 1 June 2024
Shubham Kumar	Company Secretary	w.e.f. 1 December 2023 upto 31 May 2024
Pooja Shukla	Company Secretary	w.e.f. 27 December 2012 upto 15 November 2023

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
Shankar Gopal	Director	w.e.f. 20 March 2019
Steven Derrick Fawkes	Director	w.e.f. 17 January 2017

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

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

Edina Power Services Limited

Adam Max Bloom	Director	w.e.f. 1st April 2024
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018 upto 1st April 2024
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
Steven Derrick Fawkes	Director	w.e.f. 16 March 2018

Edina Limited

Adam Max Bloom	Director	w.e.f. 1st April 2024
Stephen Nullis	Director	w.e.f. 1st April 2024
Shankar Gopal	Director	w.e.f. 1st April 2024
Abhishek Gupta	Director	w.e.f. 1st April 2024
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018 upto 1st April 2024
Ricardo Luis De Sousa Alves	Director	w.e.f. 3rd April 2023
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Nitin Wadhwa	Director	w.e.f. 28 August 2019

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED

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

46 **Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)**

Edina UK Limited

Adam Max Bloom	Director	w.e.f. 1st April 2024
Stephen Nullis	Director	w.e.f. 1st April 2024
Shankar Gopal	Director	w.e.f. 1st April 2024
Abhishek Gupta	Director	w.e.f. 1st April 2024
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018 upto 1st April 2024
Ricardo Luis De Sousa Alves	Director	w.e.f. 3rd April 2023
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Nitin Wadhwa	Director	w.e.f. 28 August 2019

Edina Australia Pty Limited

Adam Max Bloom	Director	w.e.f. 1st April 2024
Stephen Nullis	Director	w.e.f. 1st April 2024
Shankar Gopal	Director	w.e.f. 1st April 2024
Abhishek Gupta	Director	w.e.f. 1st April 2024
Nitin Wadhwa	Director	w.e.f. 1st April 2024
Ricardo Luis De Sousa Alves	Director	w.e.f. 3rd April 2023
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018 upto 1st April 2024
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Julian Gyngell	Director	w.e.f. 11 December 2021

Armoura Holdings Limited

Adam Max Bloom	Director	w.e.f. 1st April 2024
Stephen Nullis	Director	w.e.f. 1st April 2024
Shankar Gopal	Director	w.e.f. 1st April 2024
Abhishek Gupta	Director	w.e.f. 1st April 2024
Ricardo Luis De Sousa Alves	Director	w.e.f. 3rd April 2023
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018 upto 1st April 2024
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Nitin Wadhwa	Director	w.e.f. 28 August 2019

Stanbeck Limited

Adam Max Bloom	Director	w.e.f. 1st April 2024
Stephen Nullis	Director	w.e.f. 1st April 2024
Shankar Gopal	Director	w.e.f. 1st April 2024
Abhishek Gupta	Director	w.e.f. 1st April 2024
Ricardo Luis De Sousa Alves	Director	w.e.f. 3rd April 2023
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018 upto 1st April 2024
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Nitin Wadhwa	Director	w.e.f. 28 August 2019

Edina Power Limited

Adam Max Bloom	Director	w.e.f. 1st April 2024
Stephen Nullis	Director	w.e.f. 1st April 2024
Shankar Gopal	Director	w.e.f. 1st April 2024
Abhishek Gupta	Director	w.e.f. 1st April 2024
Ricardo Luis De Sousa Alves	Director	w.e.f. 3rd April 2023
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018 upto 1st April 2024
Amit Kumar Kaushik	Director	w.e.f. 3 March 2020 upto 30 April 2022
Nitin Wadhwa	Director	w.e.f. 28 August 2019

EPAL Holdings Limited and Edina Acquisitions Limited have been dissolved on 26 September 2023.

EPSL Trigeneration Private Limited

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
Shankar Gopal	Director	w.e.f. 8 June 2019

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
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
D.K.Patel	Director	w.e.f. 16-March-2023 up to April 30, 2024
Ravindra Kumar Tyagi	Director	w.e.f. 07 December 2022 upto 09-01-2024
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
Shankar Gopal	Director	w.e.f. 29 October 2020
Yatindra Dwivedi	Additional Director	w.e.f. 02 February 2024
Abhishek Srivastava	Company Secretary	w.e.f. 23 Aug 2021
Jagjeet Singh Dadiala	Chief Financial Officer	w.e.f. 5 April 2021

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

46 **Disclosure as per Ind AS 24 'Related Party Disclosures' (continued)**

EESL Energy Solutions L.L.C.

Arun Kumar Mishra	Director	w.e.f. 23 November 2021 upto 2 November 2022
Mathew Purackal Kuncheria	Director	w.e.f. 13 September 2020 upto 3 July 2023
Vishal Kapoor	Director	w.e.f. 12 November 2022
Abhishek Gupta	Director	w.e.f. 03 July 2023
Thanveer Hussain	Director	w.e.f. 03 July 2023

(iii) **Subsidiaries:**

Interest in subsidiaries are set out in Note 51.

(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 Vemagiri Transmission Limited
Powergrid NM Transmission Limited
Powergrid Unchahar Transmission Limited
Powergrid Southern Interconnector Transmission System Limited
Powergrid Medinipur Jeerat Transmission Limited
Powergrid Mithilanchal Transmission Limited
Powergrid Varanasi Transmission System Limited
Powergrid Jawaharpur Firozabad Transmission Limited
Powergrid Khetri Transmission System Limited
Powergrid Bhuj Transmission Limited
Powergrid Bhind Guna Transmission Limited
Powergrid Ajmer Phagi Transmission Limited
Powergrid Fatehgarh Transmission Limited
Powergrid Rampur Sambhal Transmission Limited
Powergrid Meerut Simbhavali Transmission Limited
Central Transmission Utility of India Limited
Powergrid Ramgarh Transmission Limited
Powergrid Himachal Transmission Limited
Powergrid Bikaner Transmission System Limited
Powergrid Sikar Transmission Limited
Powergrid Bhadla Transmission Limited
Powergrid Aligarh Sikar Transmission Limited
Powergrid Teleservices Limited
Powergrid Energy Services Limited
Powergrid Narela Transmission Limited
Powergrid Gomti Yamuna Transmission Limited
Powergrid Neemuch Transmission System Limited
Powergrid ER NER Transmission Limited
Powergrid ERWR Power Transmission Limited
Powergrid Khavda RE Transmission Limited
Powergrid Khavda II-B Transmission Limited
Powergrid Khavda II-C Transmission Limited
Powergrid KPS2 Transmission System Limited
Powergrid KPS3 Transmission Limited
Powergrid Raipur Pool Dhamtari Transmission Limited
Powergrid Dharamjaigarh Transmission Limited
Powergrid Bhadla Sikar Transmission Limited
Powergrid Ananthpuram Kurnool Transmission Limited
Powergrid Bhadla III Transmission Limited
Powergrid Beawar Dausa Transmission Limited
Powergrid Ramgarh II Transmission Limited
Powergrid Bikaner Neemrana Transmission Limited
Powergrid Neemrana Bareilly Transmission Limited
Powergrid Vataman Transmission Limited
Powergrid Koppal Gadag Transmission Limited
Sikar Khetri Transmission Limited
Bidar Transmission Limited
Powerlinks Transmission Limited
Torrent Power Grid Limited
Parbati Koldam Transmission Company Limited
Sikkim Power Transmission Limited
North East Transmission Company Limited
National High Power Test Laboratory Private Limited
Bihar Grid Company Limited
Cross Border Power Transmission Company Limited
RINL Powergrid TLT Private Limited
Butwal-Gorakhpur Cross Border Power Transmission Limited
Power Transmission Company Nepal Limited
PFC Capital Advisory Services Ltd
PFC Consulting Ltd
PFC Green Energy Ltd.
PFC Projects Limited
PFC Infra Finance IFSC Limited
NTPC Vidyut Vyapar Nigam Ltd.
NTPC Electric Supply Company Ltd.
Bhartiya Rail Bijlee Company Ltd.
Patratu Vidyut Utpadan Nigam Ltd.
North Eastern Electric Power Corporation Ltd.
THDC India Ltd.
NTPC Mining Ltd.
NTPC EDMC Waste Solutions Private Ltd.
Ratnagiri Gas & Power Private Ltd.
NTPC Green Energy Limited
Utility Powertech Ltd.
NTPC-GE Power Services Private Ltd.
NTPC-SAIL Power Company Ltd.
NTPC Tamil Nadu Energy Company Ltd.
Aravali Power Company Private Ltd.
Meja Urja Nigam Private Ltd.
NTPC BHEL Power Projects Private Ltd.
National High Power Test Laboratory Private Ltd.
Transformers and Electricals Kerala Ltd.
CIL NTPC Urja Private Ltd.
Anushakti Vidhyut Nigam Ltd.
Hindustan Urvarak & Rasayan Ltd.
Jhabua Power Limited.
Trincomalee Power Company Ltd.
Bangladesh-India Friendship Power Company Private Ltd.
REC Power Development and Consultancy Ltd.

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

46 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 2024	For the year ended 31 March 2023
NTPC Limited	Sale of goods and services (excluding GST)	192.96	772.98
	Rent/electricity/office maintenance expenses	597.84	551.00
	Deputation of employees	203.59	229.44
	Equity contribution received	38,300.00	-
Power Grid Corporation of India Limited	Sale of goods and services (excluding GST)	834.51	276.81
	Rent/internet expenses	116.49	187.93
	Deputation of employees	302.94	305.38
	Equity contribution received	38,300.00	-
REC Limited	Sale of goods and services (excluding GST)	24.56	0.10
Power Finance Corporation Limited	Sale of goods and services (excluding GST)	26.03	23.66

Transactions with joint ventures

Name of related party	Nature of transaction	For the year ended 31 March 2024	For the year ended 31 March 2023
Intellismart Infrastructure Private Limited	Investment in Joint Venture	26,460.00	3,993.50
	Project maintenance charges	2,770.71	3,265.90
	Advances given /(received back)	-	(768.50)
	Sale of goods and services (excluding GST)	20.47	20.48

Transactions with Non-controlling interest and their related parties

Name of related party	Nature of transaction	For the year ended 31 March 2024	For the year ended 31 March 2023
EnergyPro Asset Management Limited	Interest income	612.64	358.80
	Banking fee and guarantee fees recovered	80.83	75.00
	Loan given	951.41	615.47
Hansa Energy Solutions LLC	Expenses incurred on behalf of Group	323.76	315.59

Transactions with other related parties

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Transactions with post employment benefit plan		
Contributions made during the year	298.75	292.93
Compensation to Key management personnel		
Short term benefits	142.47	125.41
Post employment benefits	5.03	7.56
Other long term benefits	5.51	1.25
Deputation employee benefits	518.53	153.49
Total compensation	**671.54**	**287.71**
Transactions with related parties of entities having joint control over the company:		
Sale of goods and services	29.14	83.43
Purchase of goods and services	667.45	1,992.33
Manpower services	1,793.35	1,685.44

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

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

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 2024	For the year ended 31 March 2023
Utility Powertech Limited	Manpower services received by the Company	1,793.35	1,685.44

d) Outstanding balances with related parties are as follows:

Outstanding balances with shareholders

Name of related party	Nature of transaction	As at 31 March 2024	As at 31 March 2023
NTPC Limited	Amount recoverable for sale/purchase	754.46	1,045.48
	Amount recoverable (other than loans)	53.18	49.16
	Amount payable (other than loans)	33.17	431.22
Power Grid Corporation of India Limited	Amount recoverable for sale/purchase	1,757.70	1,394.55
	Amount recoverable (other than loans)	23.17	28.76
	Amount payable (other than loans)	260.09	150.09
REC Limited	Amount recoverable for sale/purchase	56.66	272.19
	Amount recoverable (other than loans)	16.49	16.49
Power Finance Corporation Limited	Amount recoverable for sale/purchase	35.53	62.04
	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 2024	As at 31 March 2023
Intellismart Infrastructure Private Limited	Amount payable against purchase	2,409.56	2,457.17
	Amount recoverable (other than loans)	1,265.21	1,955.48

Outstanding balance with non-controlling interest and their related parties

Name of related party	Nature of transaction	As at 31 March 2024	As at 31 March 2023
EnergyPro Asset Management Ltd.	Amount recoverable (loans)	8,391.25	7,439.84
Hansa Energy Solutions L.L.C	Amount payable (other than loans)	326.21	321.03

Outstanding balances with other related parties

Particulars	As at 31 March 2024	As at 31 March 2023
Subsidiaries/Joint ventures of entities having joint control over the company:		
Amount recoverable for sale/purchase of goods and services	2,592.84	2,722.49
Amount payable (other than loans)	72.28	196.83

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 2024 were made on normal commercial terms and conditions at market rates and at arm's length basis.

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

(iii) 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.

(iv) 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.

47 **Fair value measurements (Disclosure as per Ind AS 107)**

a) **Financial instruments by category**

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Investments in equity instruments	0.26	-	-	0.26	-	-
Non-current loans	-	-	410.33	-	-	347.68
Other non-current financial assets	-	-	29,539.56	-	-	16,957.92
Trade receivables	-	-	4,00,453.31	-	-	3,88,731.62
Service concession arrangement assets	-	-	2,92,624.03	-	-	3,49,271.00
Cash and cash equivalents	-	-	69,077.98	-	-	50,059.73
Bank balances other than cash and cash equivalents	-	-	16,619.48	-	-	23,916.41
Current loans	-	-	8,554.02	-	-	7,594.26
Other current financial assets	-	-	13,880.06	-	-	17,429.01
Total	**0.26**	-	**8,31,158.77**	**0.26**	-	**8,54,307.63**
Financial liabilities:						
Borrowings (Non-current)	-	-	4,61,948.78	-	-	4,20,418.96
Non-current lease liabilities	-	-	938.73	-	-	715.67
Other non-current financial liabilities	-	-	5,276.24	-	-	9,268.89
Borrowings (Current)	-	-	2,80,027.01	-	-	3,09,982.01
Current lease liabilities	-	-	569.87	-	-	577.78
Current trade payables	-	-	9,952.11	-	-	13,939.60
Other current financial liabilities	-	-	1,21,335.11	-	-	1,73,608.77
Total	-	-	8,80,047.85	-	-	9,28,511.68

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 2024	As at 31 March 2023
Financial assets:				
Investments in equity instruments*	9	Level 3	0.26	0.26
Total			**0.26**	**0.26**

*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 2024	As at 31 March 2023
Financial assets:				
Loan to EnergyPro Asset Management Ltd	18	Level 2	8,391.25	7,439.84
Security deposits	11 and 19	Level 2	648.00	747.64
Unbilled revenue	11 and 19	Level 2	97.03	10,745.20
Loan to employees	10 and 18	Level 3	564.80	502.10
Lease receivables	11 and 19	Level 3	17,476.63	20,653.86
Non current bank deposits	17	Level 3	18,672.42	1,382.62
Total			**45,850.13**	**41,471.26**
Financial liabilities:				
Non-current borrowings	24	Level 2	5,53,802.56	5,26,881.05
Retentions	26 and 33	Level 2	89,254.92	1,62,908.46
Trade payables	32	Level 2	9,952.11	13,939.57
Total			**6,53,009.59**	**7,03,729.08**

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

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 (retentions, 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 2024		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loan to EnergyPro Asset Management Ltd	8,391.25	8,391.25	7,439.84	7,439.84
Loan to employees	573.10	564.80	502.10	502.10
Security deposits	646.51	648.00	593.95	747.64
Unbilled revenue	97.03	97.03	595.28	10,745.20
Lease receivables	17,476.63	17,476.63	23,854.47	20,653.86
Non current bank deposits	18,672.42	18,672.42	1,384.44	1,382.62
Total	45,856.94	45,850.13	34,370.08	41,471.26
Financial liabilities				
Non-current borrowings*	5,56,389.57	5,53,802.56	5,48,760.35	5,26,881.05
Retentions	90,181.03	89,254.92	1,33,722.53	1,62,908.46
Trade payables	9,952.11	9,952.11	13,939.60	13,939.57
Total	6,56,522.71	6,53,009.59	6,96,422.48	7,03,729.08

* 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 retentions 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

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 of loans, borrowings in foreign as well as domestic currency, trade payables and other payables. The Group's principal financial assets include loans, trade & other receivables, 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.

Loans

The parent company has given loans to employees and subsidiaries. House building loans and Vehicle loans to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the company and these are adjustable against full and final payment due of the employees. The risk of default in respect of these loans is considered negligible.

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 69,077.98 Lakhs (31 March 2023: ₹ 50,059.73 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 ₹ 35,291.90 Lakhs (31 March 2023: ₹ 25,300.85 Lakhs). In order to manage the risk, Group places deposits with high rated banks/institutions.

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 2024	As at 31 March 2023
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments	0.26	0.26
Non-current loans	410.33	347.68
Service concession assets	82,329.93	92,733.53
Other non-current financial assets*	10,867.14	15,426.03
Cash and cash equivalents	69,077.98	50,059.73
Deposits with banks	35,291.90	25,300.85
Current loans	8,554.02	7,594.26
Other current financial assets*	13,783.03	16,981.18
Total	**2,20,314.59**	**2,08,443.52**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	4,56,317.32	4,26,119.02
Unbilled revenue	97.03	595.28
Total	**4,56,414.35**	**4,26,714.30**

* 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	Unbilled	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	16,097.65	17,256.89	89,008.07	53,062.39	1,06,392.70	1,74,499.63	**4,56,317.33**
Gross amount as at 31 March 2022	2,482.56	24,547.41	86,387.11	65,153.55	75,014.15	1,72,534.24	**4,26,119.02**

(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 ₹ 18,476.61 Lakhs during the year ended 31 March 2024 (31 March 2023: ₹ 13,160.89 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 very low. At initial recognition, financial assets (excluding trade receivables and contract assets) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, no loss allowance for impairment has been recognised except as specified in this note.

(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 2024	For the year ended 31 March 2023
Opening balance	38,773.26	25,612.37
Add: Allowance for doubtful debts recognised during the year	18,476.61	13,160.89
Closing balance	**57,249.87**	**38,773.26**

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 2024	For the year ended 31 March 2023
Opening balance	178.10	178.10
Add: Allowance for doubtful debts recognised during the year	-	-
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 2024	As at 31 March 2023
Financial assets:		
Fixed-rate instruments		
Employee Loans	279.73	257.54
Bank Deposits	60,209.85	46,355.48
Sub total	**60,489.58**	**46,613.02**
Variable-rate instruments		
Loan to EnergyPro Asset Management Ltd	8,391.25	7,439.84
Sub total	**8,391.25**	**7,439.84**
Total	**68,880.83**	**54,052.86**

48 Financial risk management (continued)

Particulars	As at 31 March 2024	As at 31 March 2023
Financial liabilities:		
Fixed-rate instruments		
Foreign currency loans - Long	74,263.37	82,228.38
Debentures	-	25,000.00
Short term loans	1,89,399.09	1,75,920.36
Lease obligations	1,508.60	1,293.45
Sub-total [A]	**2,65,171.06**	**2,84,442.19**
Variable-rate instruments		
Foreign currency loans - Long	2,81,763.78	2,57,539.67
Rupee term loans	1,60,722.50	1,55,713.72
Term loan from banks	35,827.03	33,998.82
Sub-total [B]	**4,78,313.31**	**4,47,252.21**
Total [A + B]	**7,43,484.39**	**7,31,694.42**

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 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Loan to EnergyPro Asset Management Ltd	41.96	(41.96)	37.20	(37.20)
Foreign currency loans	(1,408.82)	1,408.82	(1,287.70)	1,287.70
Rupee term loans	(803.61)	803.61	(778.57)	778.57
Term loan from banks	(179.14)	179.14	(169.99)	169.99
Total	**(2,349.61)**	**2,349.61**	**(2,199.06)**	**2,199.06**

(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 2024

Particulars	Foreign currency (in absolute figures)			₹ in Lakhs		
	EURO	USD	GBP	EURO	USD	GBP
Financial liabilities						
Foreign currency borrowings	4,01,74,429	39,03,28,351	-	36,244.49	3,25,431.97	-
Commitment fee payable	-	1,11,847		-	93.33	-
Liabilities for expenses	-	-	47,726	-	-	50.25
Trade payables	34,37,065	-	58,849	3,098.85	-	61.96
Total	**4,36,11,494**	**39,04,40,198**	**1,06,574**	**39,343.34**	**3,25,525.30**	**112.21**
Financial assets						
Advances to related party	-	-	49,48,779	-	-	5,210.74
Trade receivables	2,93,571	-	2,83,790	264.68	-	298.82
Unbilled revenue	-	-	5,839	-	-	6.15
Balance with bank-current account	-	4,06,37,577	6,787	-	33,881.10	7.15
Total	**2,93,571**	**4,06,37,577**	**52,45,195**	**264.68**	**33,881.10**	**5,522.86**
Net Exposure	**4,33,17,924**	**34,98,02,621**	**(51,38,621)**	**39,078.66**	**2,91,644.20**	**(5,410.65)**

48 Financial risk management (continued)

As at 31 March 2023

Particulars		Foreign currency (in absolute figures)			₹ in Lakhs		
		EURO	USD	GBP	EURO	USD	GBP
Financial liabilities							
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
Total		**5,89,06,833**	**36,04,72,411**	**71,420**	**48,840.44**	**2,98,951.64**	**72.76**
Financial assets							
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	11,201	-	19,654.58	11.41
Total		**10,29,896**	**2,39,05,768**	**42,14,565**	922.29	19,654.58	**4,293.49**
Net Exposure		**5,78,76,937**	**33,65,66,643**	**(41,43,145)**	**47,918.15**	**2,79,297.06**	**(4,220.73)**

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 2024		31 March 2023	
	Strengthening	Weakening	Strengthening	Weakening
10% movement				
INR/EUR	(3,907.87)	3,907.87	(4,791.82)	4,791.82
INR/USD	(29,164.42)	29,164.42	(27,929.71)	27,929.71
INR/GBP	541.06	(541.06)	422.07	(422.07)
Total	**(32,531.22)**	**32,531.22**	**(32,299.46)**	**32,299.46**

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 2024	As at 31 March 2023
Fixed-rate borrowings		
Working capital loan		
Fund based	20,600.00	7,800.00
Non fund based	4,800.00	200.00
Sub-Total	**25,400.00**	**8,000.00**
Floating-rate borrowings		
Foreign currency loans	82,856.79	1,73,789.00
Sub-Total	**82,856.79**	**1,73,789.00**
Total	**1,08,256.79**	**1,81,789.00**

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

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 2024

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings*	17,522.09	71,759.16	81,027.98	1,64,319.91	2,22,625.80	**5,57,254.93**
Current borrowings*	52,784.33	1,39,124.44	-	-	-	**1,91,908.78**
Trade payables	3,208.47	-	1,148.86	-	-	**4,357.33**
Retentions	82,014.26	2,308.41	2,951.19	3,533.86	147.98	**90,955.71**
Lease liabilities	340.22	1,029.93	1,424.41	1,618.75	97.74	**4,511.06**
Liability for expenses	30,070.20	-	-	-	-	**30,070.20**
Payable to employees	61.33	-	-	-	-	**61.33**
Others	1,589.79	-	-	-	-	**1,589.79**
Total	**1,87,590.69**	**2,14,221.94**	**86,552.44**	**1,69,472.52**	**2,22,871.52**	**8,80,709.13**

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	13,939.60	-	-	-	-	**13,939.60**
Retentions	1,49,335.31	5,455.93	6,319.41	5,781.50	39.70	**1,66,931.85**
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**
Total	**2,16,504.40**	**2,69,875.33**	**81,969.69**	**1,35,979.26**	**2,16,357.67**	**9,20,686.35**

* 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:

(i) Maintain a current ratio (current assets divided by current liabilities) of at least 1.0

(ii) Maintain a minimum asset coverage of 1.00 times

(iii) Maintain a Debt: Equity ratio (long-term debt divided by equity net of accumulated profits/losses) not exceeding 80:20

(iv) Maintain a debt service coverage ratio (net cash flow from operations divided by debt service obligations, including all principal payments and tax-shielded interest and lease payments following due within the year) of at least 1.2

(v) Borrower shall inform the Bank if substantial effect on their profit or business means an adverse variance of 20% or more.

b) Borrowings of subsidiary companies:

(i) EESL EnergyPro Assets Limited- Maintain cash flow cover (cash flow to debt service including finance charges) of at least 1.4

(ii) Edina Power Services Limited- Maintain debt servicing coverage ratio of at least 1.4, leverage of at least 3.0 and aggregate value of the tangible assets of at least 1.75 times the aggregate amount of the total commitments and maximum loan to value of 70 per cent.

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

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

50 Disclosure as per Schedule III to the Companies Act, 2013

	As at 31 March 2024		For the year ended 31 March 2024					
Name of the entity in the Group	**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	101.41%	1,49,663.49	97.15%	(45,902.31)	-1.94%	(18.95)	99.25%	(45,921.26)
Indian subsidiaries								
Convergence Energy Services Limited	2.58%	3,810.85	-1.52%	716.29	0.00%	-	-1.55%	716.29
Foreign subsidiaries								
EESL EnergyPro Assets Limited	24.74%	36,508.99	42.18%	(19,929.68)	0.00%	-	43.07%	(19,929.68)
Anesco Energy Services South Ltd	4.44%	6,552.44	(0.62%)	293.83	0.00%	-	(0.64%)	293.83
Creighton Energy Limited	1.41%	2,084.71	(0.14%)	67.00	0.00%	-	(0.14%)	67.00
EPAL Holdings Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Edina Acquisition Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Edina Power Services Limited	9.62%	14,200.08	0.06%	(29.40)	0.00%	-	0.06%	(29.40)
Edina Limited	4.52%	6,665.81	(1.15%)	542.04	0.00%	-	(1.17%)	542.04
Edina UK Limited	11.84%	17,477.05	1.17%	(554.38)	0.00%	-	1.20%	(554.38)
Edina Australia Pty Limited	(0.14%)	(208.39)	-0.05%	22.60	0.00%	-	-0.05%	22.60
Armoura Holdings Limited	0.54%	790.20	0.15%	(71.95)	0.00%	-	0.16%	(71.95)
Stanbeck Limited	0.06%	84.12	0.21%	(100.32)	0.00%	-	0.22%	(100.32)
Edina Manufacturing Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Edina Power Limited	(1.73%)	(2,554.24)	2.04%	(963.53)	0.00%	-	2.08%	(963.53)
EPSL Trigeneration Private Limited	0.03%	42.97	0.00%	1.87	0.00%	-	0.00%	1.87
EESL Energy Solutions LLC**	(0.01%)	(14.79)	0.03%	(13.11)	-0.01%	(0.13)	0.03%	(13.24)
Non-controlling interest in all subsidiaries	2.81%	4,151.23	1.02%	(483.65)	13.46%	131.80	0.76%	(351.84)
Indian joint ventures								
Intellismart Infrastructure Pvt. Ltd	23.24%	34,303.86	-2.81%	1,325.70	(0.50%)	(4.90)	-2.85%	1,320.80
Consolidation adjustment	(85.37%)	(1,25,981.15)	(37.74%)	17,832.21	88.98%	871.06	(40.42%)	18,703.27
Total	**100.00%**	**1,47,577.23**	**100.00%**	**(47,246.78)**	**100.00%**	**978.88**	**100.00%**	**(46,267.90)**

**The financial statements of foreign subsidiaries 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.

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

50 Disclosure as per Schedule III to the Companies Act, 2013 (continued)

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%	1,18,984.74	89.63%	(57,426.09)	5.30%	66.99	91.69%	(57,359.10)
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 Trigeneration 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								
NEESL Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
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%	1,17,228.09	100.00%	(60,640.64)	100.00%	768.05	100.00%	(59,872.59)

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

51 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-24	31-Mar-23	31-Mar-24	31-Mar-23	
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	Investment holding company
Edina Acquisition Limited	United Kingdom	86.80	86.80	13.20	13.20	
Edina Power Services Limited	Ireland	86.80	86.80	13.20	13.20	
Edina Limited	Ireland	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 UK Limited	United Kingdom	86.80	86.80	13.20	13.20	
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
EPSL Trigeneration Private Ltd	India	86.80	86.80	13.20	13.20	Trigeneration 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

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

51 **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.

	EESL EnergyPro Assets Limited		EESL Energy Solutions LLC	
Summarised balance sheet	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2024**	**As at 31 March 2023**
Current assets	25,524.53	31,455.92	319.47	300.98
Current liabilities	26,939.12	59,534.67	334.26	328.95
Net current assets	**(1,414.59)**	**(28,078.75)**	**(14.79)**	**(27.97)**
Non-current assets	66,668.70	63,307.63	-	13.00
Non-current liabilities	33,803.05	1,161.37	-	-
Net non-current assets	**32,865.65**	**62,146.26**	-	**13.00**
Net assets	31,451.06	34,067.51	**(14.79)**	**(14.97)**
Accumulated NCI	4,151.87	4,497.24	(0.64)	5.84

Summarised statement of profit and loss	EESL EnergyPro Assets Limited		EESL Energy Solutions LLC	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue	73,377.38	77,966.27	-	(1.71)
Profit/(Loss) for the year	(3,615.36)	(1,506.75)	(13.11)	(38.18)
Other comprehensive income (OCI)	998.97	696.56	(0.13)	1.15
Total comprehensive income	**(2,616.39)**	**(810.19)**	**(13.24)**	**(37.03)**
Profit/(Loss) attributable to NCI	(477.23)	(198.91)	(6.42)	(18.71)
OCI attributable to NCI	131.86	91.96	(0.06)	0.56
Total comprehensive income attributable to NCI	**(345.36)**	**(106.95)**	**(6.48)**	**(18.15)**
Dividends paid to NCI	-	-	-	-

	EESL Energypro Assets Limited		EESL Energy Solutions LLC	
Summarised cash flows	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from operating activities	511.65	8,502.98	12.19	12.08
Cash flows from investing activities	(490.21)	(318.06)	164.14	161.53
Cash flows from financing activities	(4,849.14)	(4,157.72)	-	-
Exchange differences on translation of foreign currency cash and cash equivalents	3,084.19	(2,070.85)	(173.33)	0.97
Net increase/(decrease) in cash and cash equivalents	**(1,743.51)**	**1,956.35**	**3.00**	**174.58**

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 2023	**33,281.47**	**(3,711.25)**	**5,157.97**	**(660.73)**
Equity investment during the year	-	-	-	-
Share in statement of profit and loss for the year	-	(3,138.14)	-	(477.23)
Share in other comprehensive income for the year	-	867.11	-	131.86
Impact of change in ownership interest adjusted in retained earnings	-	-	-	-
As at 31 March 2024	**33,281.47**	**(5,982.28)**	**5,157.97**	**(1,006.10)**

Particulars	Owners interest		Non-controlling interest	
	Share capital	Other equity	Share capital	Other equity
As at 1 April 2022	**33,281.47**	**(3,008.01)**	**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)**

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.

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

51 Disclosure as per Ind AS 112 'Disclosure of interest in other entities' (continued)

e) Investment in joint venture company:

The group's joint ventures are listed below. They have share capital consisting solely of equity shares that are held directly by the group. The country of incorporation which is also their principal place of business is India. The proportion of ownership interest is the same as the proportion of voting rights held. The investment in joint ventures is accounted as per equity method. The joint ventures are unlisted and hence the quoted price are not available.

Particulars	Intellismart Infrastructure Pvt. Ltd (IIPL)	
	As at 31 March 2024	As at 31 March 2023
Ownership interest held by group	49.00%	49.00%
Carrying Amount	34,303.86	6,513.26

Summarised balance sheet	IIPL	
	As at 31 March 2024	As at 31 March 2023
Current assets		
Cash and cash equivalents	35,676.00	3,349.83
Other assets	34,266.00	14,028.25
Total current assets	**69,942.00**	**17,378.08**
Total non-current assets	**31,018.82**	**6,971.49**
Current liabilities		
Financial liabilities (excluding trade payables)	2,779.76	1,147.96
Other liabilities	12,508.66	4,565.28
Total current liabilities	**15,288.42**	**5,713.24**
Non-current liabilities		
Financial liabilities (excluding trade payables)	14,784.96	5,248.04
Other liabilities	879.62	95.93
Total non-current liabilities	**15,664.58**	**5,343.97**
Net assets	70,007.82	13,292.36

Summarised statement of profit and loss	IIPL	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue	24,352.00	8,495.78
Finance income	1,109.00	184.28
Other income	3,410.00	297.40
Project Expenses	(17,075.00)	(4,663.55)
Employee benefit expense	(4,193.00)	(2,495.25)
Depreciation and amortization	(351.00)	(212.77)
Finance cost	(1,778.00)	(251.10)
Other expense	(2,032.00)	(1,576.82)
Income tax expense	(736.00)	15.77
Profit/(Loss) from continuing operations	**2,706.00**	**(206.26)**
Profit from discontinued operations	-	-
Profit/(Loss) for the year	**2,706.00**	**(206.26)**
Other comprehensive income	9.89	5.12
Total comprehensive income	**2,715.89**	**(201.14)**
Dividend received	-	-

Reconciliation of carrying amount	IIPL	
	As at 31 March 2024	As at 31 March 2023
Opening net assets	13,292.36	5,343.50
Shares issued during the year	54,000.00	8,150.00
Profit/(Loss) for the year	2,706.00	(206.26)
Capital expenditure annuity reserve	-	-
Other comprehensive income	9.89	5.12
Closing net assets	**70,007.82**	**13,292.36**
Group share in %	49.00%	49.00%
Group share in INR	34,303.86	6,513.26
Carrying amount	**34,303.86**	**6,513.26**

52 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 regional provident fund organization (RPFO) on which government notified interest is earned. Amount of ₹ 464.89 Lakhs (31 March 2023: ₹ 458.15 Lakhs) pertaining to employers' contribution to provident fund is recognised as an expense in "Employee benefits expense".

(ii) Superannuation fund

The Parent company pays fixed contribution to superannuation fund to a separate trust. Amount of ₹ 316.54 Lakhs (31 March 2023: ₹ 294.13 Lakhs) pertaining to employers' contribution to superannuation fund is recognised as an expense and included in "Employee benefits expense".

(iii) Pension fund

The Group voluntary contributes 6% to an external pension fund for its employees of subsidiaries. Amount of ₹ 534.31 Lakhs (31 March 2023: ₹ 500.46 Lakhs) is recognised as an expense and included in "Employee benefits expense".

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 are restricted to 300 days and no commutation of half-pay leave is permissible. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation.

During the year, provision amounting to ₹ 414.32 Lakhs (31 March 2023: ₹ 335.73 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 2024	As at 31 March 2023
Net defined benefit (asset)/liability:		
Surplus of plan asset	(18.41)	(79.40)
Gratuity	(18.41)	(79.40)

(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 2023	**996.14**	1,075.53	(79.40)
Included in profit and loss:			
Current service cost	146.26	-	146.26
Net Interest cost	73.71	79.59	(5.88)
Total amount recognised in profit and loss	**219.97**	**79.59**	**140.38**
Included in other comprehensive income (OCI):			
Remeasurement loss/(gain) arising from:			
Financial assumptions	44.95	-	44.95
Experience adjustment	(26.35)	-	(26.35)
Return on plan assets excluding interest income	-	(8.24)	8.24
Total amount recognised in OCI	**18.60**	**(8.24)**	**26.84**
Others			
Contributions paid by the employer	-	108.57	(108.57)
Acquisition adjustment	2.32	-	2.32
Benefits paid	(74.98)	(74.98)	-
Balance as at 31 March 2024	**1,162.05**	**1,180.47**	**(18.43)**

52 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 2022	**893.53**	**677.79**	**215.74**
Included in profit and loss:			
Current service cost	138.85	-	138.84
Net Interest cost	64.16	48.67	15.49
Total amount recognised in profit and loss	**203.01**	**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	**996.15**	**1,075.54**	**(79.40)**

(ii) Plan assets

The plan assets of the parent company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund the obligations of the parent company. The Information on categories of plan assets as at 31 March 2024 and 31 March 2023 has not been provided by Life Insurance Corporation of India, However, the actual return on plan assets is ₹ 71.35 Lakhs (31 March 2023: ₹ 63.59 Lakhs).

(iii) Actuarial assumptions

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

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	7.10%	7.40%
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
As at 31 March 2024		
Discount rate (0.5% movement)	(74.29)	81.54
Salary escalation rate (0.5% movement)	35.18	(39.25)
As at 31 March 2023		
Discount rate (0.5% movement)	(66.97)	73.79
Salary escalation rate (0.5% movement)	42.38	(47.67)

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.

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52 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 2024	As at 31 March 2023
Less than 1 year	35.12	22.17
Between 1-2 years	21.56	32.64
Between 2-5 years	123.89	86.04
Over 5 years	981.50	855.29
Total	**1,162.07**	**996.14**

(vii) Expected contributions to post-employment benefit plans for the year ended 31 March 2025 are ₹ 151.44 Lakhs (31 March 2024: ₹ 141.64 lakhs)

(viii) The weighted average duration of the defined benefit plan obligation as at 31 March 2024 is 16.74 years (31 March 2023: 17.64 years).

53 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.

a) 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 during the year has recognised ₹ 972.05 lakhs (31 March 2023: ₹ 999.71 Lakhs) as grant income.

b) 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 during the year has recognised ₹ 33.61 lakhs (31 March 2023: ₹ 244.60 lakhs) as grant income.

c) Ministry of heavy industries & Public enterprises, Department of Heavy Industry (DHI) had sanctioned a grant of ₹ 6,469.86 lakhs for deployment of EV charging stations within cities. There are no unfulfilled conditions or other contingencies attached to above grant. The Company has recognised ₹ 147.43 lakhs (31 March 2023: nil) as grant income.

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Basic earnings per share* [A/B]	(2.56)	(4.34)
Diluted earnings per share* [A/C]	(2.56)	(4.34)
Nominal value per share	10.00	10.00

**rounded upto two decimal places*

a) **Loss attributable to equity shareholders of parent company [A]**	**(46,763.13)**	**(60,423.02)**

b) **Weighted average number of equity shares**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance of issued equity shares	1,39,08,20,000	1,39,08,20,000
Effect of shares issued during the year, if any	43,42,07,103	-
Weighted average number of equity shares for Basic EPS [B]	**1,82,50,27,103**	**1,39,08,20,000**
Effect of dilution	-	-
Weighted average number of equity shares for Diluted EPS [C]	**1,82,50,27,103**	**1,39,08,20,000**

55 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

a) Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	6,17,600.86	7,84,055.38
(ii) Equity contribution in subsidiaries	1,12,778.00	-
(iii) Companies commitments towards further loan in subsidiary companies	249.00	2,574.00
Total	**7,30,627.86**	**7,86,629.38**

b) Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Bills discounted with banks against trade receivables	-	3,789.87
(ii) Bank guarantees- lien against fixed deposits of ₹ 71.35 Lakhs (31 March 2023: ₹ 1,274.55 Lakhs)	65.61	1,232.08
(iii) Bank Guarantees backed by Fixed Deposit	3,515.40	3,515.40
Total	**3,581.01**	**8,537.35**

c) Claims against the Group not acknowledged as debt

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Claims against the Group not acknowledged as debt (VAT paid under protest of ₹ 5,128.99 Lakhs (31st March 2023: ₹ 5,005.28 Lakhs), refer note 21)	11,314.81	8,845.55
(ii) Income tax demand	851.17	851.17
(iii) Other claims	23,080.13	8,732.71
	35,246.11	18,429.43

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.

e) The Ministry of Heavy Industries ("MHI") had issued a profit linked incentive scheme ("PLI Scheme") for enhancing India's Manufacturing capabilities for Advanced Automotive Products. MHI also administers the procurement of electric buses under Faster Adoption & Manufacturing of Electric (& Hybrid) Scheme Phase – II ("FAME-II").

In pursuance of the FAME-II scheme, MHI had nominated Energy Efficiency Services Limited ("EESL") through its wholly owned subsidiary company, Convergence Energy Services Limited (CESL) to aggregate demand for E-buses for nine cities in India. Consequently, CESL had aggregated demand for deployment of 5450 electric buses from five cities, for which CESL had floated the Grand Challenge Tender for procurement operation and maintenance of 5450 electric buses and alied electric and civil infrastructure in which M/s JBM Ecolife had placed its bid.

Under the PLI Scheme, MHI had rejected application of M/s JBM Electric claiming that it does not satisfy e the qualifying criteria mentioned in PLI scheme guidelines. MHI further debarred JBM Electric along with its group companies and instructed CESL to not consider the financial bid of JBM Ecolife Mobility Private Limited (one of the group company of M/s JBM Electric Vehicles Private Limited) in the Grand Challenge tender floated by CESL. The bid was not considered by CESL in adherence to the communication received from the Ministry w.r.t disqualification.

However, JBM Ecolife Mobility Private Limited preferred a Letters Patent Appeal against the said judgment which was allowed by the Division Bench of the Hon'ble High Court of Delhi at New Delhi. Hon'ble High Court directed MHI to cancel the debarment of JBM and also directed CESL to consider JBM's bid in the grand challenge.

MHI has thereafter filed a Special Leave Petition before the Hon'ble Supreme Court, challenging the judgment by the Hon'ble High Court of Delhi and as on date, the matter is pending in the Hon'ble Supreme Court.

There is no specific allegation against CESL and no relief has been sought against CESL. CESL is adherent of all the orders issued to it by competent authorities and will continue to follow suit in the future.

In view of the aforesaid, it seems that there is no financial implication on the Company except that the revenue inflow may get delayed.

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

56 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 from ESCO projects and service concession arrangements 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, Service concession arrangements (SCA), 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.

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 2024	For the year ended 31 March 2023
(i) Nature of goods and services		
Sale of goods		
Ujala Scheme	1,675.00	1,145.01
Agricultural Demand Side Management	-	390.05
Street light	2,067.18	4,750.14
Solar street light	-	402.01
Building	85.64	126.05
E-Vehicle	77.02	169.79
Others	298.29	1,853.60
Total [A]	**4,203.13**	**8,836.65**

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(ii) Rendering of services		
Service concession arrangements		
Street light	29,191.18	18,803.46
Smart meter	19,123.80	38,100.79
Solar	10,771.51	14,901.95
Other	6,833.08	5,696.24
Total [B]	**65,919.57**	**77,502.44**
(iii) Industrial engine and component		
Sale of goods	31,506.20	35,442.60
Operation and maintenance services	40,673.75	40,313.66
Total [C]	**72,179.95**	**75,756.26**
Total [A + B + C]	**1,42,302.65**	**1,62,095.35**
(iv) Timing of revenue recognition		
Products and services transferred at a point in time	35,709.33	44,279.25
Products and services transferred over time	47,506.83	46,009.90
Products and services transferred at a point in time (SCA)	59,086.49	71,806.20
Total	**1,42,302.65**	**1,62,095.35**

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract price	1,42,302.65	1,62,095.35
Revenue from operations	1,42,302.65	1,62,095.35

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 2024	As at 31 March 2023
Trade receivables	4,00,453.31	3,88,731.62
Non current service concession arrangement assets	2,10,294.10	2,56,537.47
Current service concession arrangement assets	82,329.93	92,733.53
Non-current unbilled revenue	-	147.45
Current unbilled revenue	97.03	447.83
Advances from customers	11,402.10	15,892.24
Unearned revenue	-	409.83

The Group recognized revenue of ₹ 409.83 Lakhs arising from opening unearned revenue from customers as at 1 April 2023.

Advances from customers is on account of cash received, excluding amounts recognised as revenue or adjusted against expenses.

Movement in service concession arrangement assets during the year:

The receivables against SCA includes estimated fair value of construction revenue and revenue against operating and maintenance services based on costs plus margin if any, that is not realised. The cash flow from financial asset is accounted using fair value of effective interest rate method.

The intrinsic interest element in each collection from Service Concession Arrangements (SCA) is accounted for as finance income. The remaining balance of the collection is applied towards recovery of dues from the receivables related to SCA.

Particulars	For the period ended 31 March 2024	For the period ended 31 March 2023
Opening balance	3,49,271.02	3,81,102.32
Add: Contract revenue	93,443.59	1,26,011.62
Less:- invoice during the year	1,47,943.32	1,54,391.21
Less:- impairment of Financial asset	2,147.28	3,451.71
Closing balance	**2,92,624.01**	**3,49,271.02**

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

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

e) Practical expedients applied as per Ind AS 115:

(i) 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 2024, other than those meeting this exclusion criteria.

(ii) 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.

57 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 2024	For the year ended 31 March 2023
Right of use assets		
Opening balance	1,983.51	1,410.84
Additions during the year	934.48	1,229.01
Deletion during the year	-	(17.40)
Depreciation for the year	(739.87)	(739.45)
Foreign exchange fluctuation	80.01	100.51
Closing balance	**2,258.13**	**1,983.51**
Lease liabilities		
Opening balance	1,293.46	825.49
Additions during the year	1,098.11	1,285.94
Deletion during the year	-	(11.29)
Accretion of interest	50.74	74.56
Payments	(903.14)	(893.79)
Foreign exchange fluctuation	(30.55)	12.54
Closing balance	**1,508.61**	**1,293.46**

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S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

57 Disclosure as per Ind AS 116 on 'Leases' (continued)

Bifurcation of lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Current	569.87	577.78
Non-current	938.73	715.67
Total	**1,508.61**	**1,293.46**

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 ₹ 739.87 Lakhs and ₹ 50.74 Lakhs (31 March 2023: ₹ 739.45 Lakhs and ₹ 74.56 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 ₹ 750.48 Lakhs (31 March 2023: ₹ 893.79 Lakhs Lakhs) in statement of cash flows. The parent company has recognised an expense of ₹ 3,235.43 Lakhs (31 March 2022: ₹ 2,904.39 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 ₹ 46.94 Lakhs (31 March 2023: ₹ 40.56 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 2024	As at 31 March 2023
Less than one year	8,272.79	4,571.58
One to two years	5,595.41	4,907.00
Two to three years	3,391.35	4,250.85
Three to four years	2,087.68	3,031.90
Four to five years	1,215.00	2,013.61
More than five years	601.17	1,354.61
Total minimum lease payments	**21,163.40**	**20,129.55**
Unearned finance income	(5,736.35)	(5,342.51)
Present value of minimum lease payments	**15,427.05**	**14,787.04**

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

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	6,524.48	3,335.40
One to two years	4,215.71	3,599.65
Two to three years	2,320.28	3,215.28
Three to four years	1,123.18	2,191.79
Four to five years	759.38	1,415.14
More than five years	484.02	1,029.78
Present value of minimum lease payments	**15,427.05**	**14,787.04**

(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 31 March 2024	As at 31 March 2023
Less than one year	378.62	351.07
One to two years	385.86	366.32
Two to three years	337.36	396.43
Three to four years	255.86	279.10
Four to five years	268.85	246.39
More than five years	1,284.13	1,527.88
Total minimum lease payments	**2,910.68**	**3,167.19**
Unearned finance income	861.09	1,073.89
Present value of minimum lease payments	**2,049.59**	**2,093.30**

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

57 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 31 March 2024	As at 31 March 2023
Less than one year	406.56	331.50
One to two year	333.76	313.94
Two to three year	264.18	307.56
Three to four year	185.08	200.06
Four to five year	178.83	163.96
More than five years	681.18	776.28
Present value of minimum lease payments	**2,049.59**	**2,093.30**

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 Parent company.

Particulars	As at 31 March 2024	As at 31 March 2023
a) Amount remaining unpaid to any supplier:		
Principal amount	290.09	122.35
Interest due thereon	14.15	15.58
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	14.15	15.58
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	-	-

59 Change in Accounting policies

a) Change in method of valuation of inventories

During the year, parent company has changed the method of valuation of inventories from First-In, First-Out (FIFO) method to Weighted Average Cost method to provide a more accurate reflection of inventory costs and to align the Company's financial reporting with industry practices. This change in accounting policy has been accounted for by restating the comparative information for the preceding period.

Impact on financial statements:
The change in accounting policy has been applied retrospectively in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The comparative financial information for prior periods has been restated to reflect the change from FIFO to Weighted Average Cost. The impact of this change on the financial statements is as follows:

Financial Statement Line Item	As previously reported (FIFO)	As restated (Weighted average cost)	Impact of change
As at 1st April 2022			
Inventories	61,999.10	61,987.60	11.49
Retained earnings	(45.41)	-	(45.41)
Cost of goods sold	60.68	-	60.68
As at 31st March 2023			
Inventories	64,352.03	64,536.45	(184.42)
Retained earnings	(92.59)	-	92.59
Cost of goods sold	123.74	-	(123.74)
Profit after tax	(92.59)	-	92.59
As at 31st March 2024			
Inventories	46,102.94	46,216.01	(113.07)
Retained earnings	53.39	-	53.39
Cost of goods sold	(71.35)	-	(71.35)
Profit after tax	53.39	-	53.39

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

59 Change in Accounting policies (continued)

b) Change due to application of Service Concession Arrangement (SCA)

The parent company during the year received an opinion from Expert Advisory Committee (EAC) of the Institute of Chartered Accountant of India (ICAI) regarding the accounting treatment related to ESCO Projects in respect of Street Light Projects, Smart Meter Projects and Solar Power Projects. As per the opinion of EAC of ICAI, accounting of revenue for the projects is to be done as per Appendix D to Ind AS 115 Service Concession Arrangements. The parent company has applied the change in accounting retrospectively and the comparative financial information for prior periods has been restated to reflect the change.

The change in accounting policy has been applied retrospectively in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The comparative financial information for prior periods has been restated to reflect the change. A reconciliation of equity, revenue, total income, expenses and profit after tax and the impact of the change on the financial statements is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Reduction in Property Plant & Equipment	(54,624.77)	(56,760.38)	(5,05,285.75)
Reduction in Accumulated depreciation	82,796.90	70,001.87	2,12,172.08
Reduction in CWIP	25,386.03	(2,399.66)	(48,607.74)
Increase in Service Concession Asset	(56,647.01)	(31,831.30)	3,81,102.32
Increase in Lease Assets	(4,146.70)	(5,534.48)	12,392.59
Increase in Retained Earnings	-	-	51,773.50
Increase in Revenue from Operation	(93,637.44)	(74,670.59)	-
Revenue from lease assets	9.91	517.28	-
Increase in Financial Income	34,981.11	40,239.24	-
Reduction in Depreciation	82,796.90	70,001.87	-
Increase in impairment of assets	(2,147.28)	(3,451.71)	-
Lease expense	-	(3,338.61)	-
Service Concession Expenses	(26,351.14)	(48,206.46)	-
Increase in employee cost/Finance cost/Other expenses	-	(10,383.06)	-
Profit After Tax	(4,347.94)	(29,292.05)	-

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

60 Additional regulatory information (continued)

i) Trade Payables ageing schedule as at 31 March 2024

Particulars	Not Due	Unbilled Dues	Outstanding for following periods from due date of payment/ transaction*				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	196.86	25.13	88.06	-	310.05
(ii) Others	1,741.47	-	6,506.17	1,390.59	0.30	3.53	9,642.06
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**1,741.47**	**-**	**6,703.03**	**1,415.73**	**88.36**	**3.53**	**9,952.11**

Trade Payables ageing schedule as at 31 March 2023

Particulars	Not Due	Unbilled Dues	Outstanding for following periods from due date of payment/ transaction*				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	105.99	31.95	-	-	137.93
(ii) Others	-	10,517.10	2,749.89	534.60	0.08	-	13,801.66
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**-**	**10,517.10**	**2,855.87**	**566.54**	**0.08**	**-**	**13,939.60**

j) Trade Receivables and unbilled ageing schedule as at 31 March 2024

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	16,097.65	17,256.89	87,955.13	52,745.67	1,04,906.58	60,851.23	79,720.31	4,19,533.46
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	1,025.98	15.27	1,363.86	574.63	12,647.75	15,627.48
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	26.96	301.45	122.26	505.20	20,200.50	21,156.38
Subtotal	**16,097.65**	**17,256.89**	**89,008.07**	**53,062.39**	**1,06,392.70**	**61,931.06**	**1,12,568.56**	**4,56,317.33**
Less: Loss allowance	-	-	(2,357.46)	(684.83)	(2,500.12)	(5,136.05)	(45,185.55)	(55,864.01)
Total	**16,097.65**	**17,256.89**	**86,650.61**	**52,377.56**	**1,03,892.58**	**56,795.02**	**67,383.01**	**4,00,453.32**

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	2,482.56	24,474.75	85,723.80	64,898.83	74,585.50	61,122.36	89,679.93	4,02,967.73
(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
Subtotal	**2,482.56**	**24,547.41**	**86,387.11**	**65,153.55**	**75,014.15**	**61,304.91**	**1,11,229.33**	**4,26,119.02**
Less: Loss allowance	-	-	(7,398.74)	(5,762.15)	(9,788.85)	(9,706.97)	(4,730.69)	(37,387.40)
Total	**2,482.56**	**24,547.41**	**78,988.37**	**59,391.40**	**65,225.30**	**51,597.94**	**1,06,498.64**	**3,88,731.62**

#The ageing has been prepared by the Management based on date of transactions.

k) The additional regulatory information, as above, have been given as per the information given in the financial statements of the respective companies and has not been given in respect of foreign subsidiaries since it is not applicable to them.

61 The company's balances under receivables, payable etc. are reconciled in a phased manner. Accordingly, the reconciliation of few balances 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.

62 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

Ankur Goyal
Partner
Membership No. 099143
UDIN : 24099143BKEULB3171

Place : New Delhi
Date : 10 August 2024

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

K. Shanmugha Sundaram
Chairman
DIN : 10347322

Rajiv Kumar Rohilla
Director
DIN : 10371161

Vishal Kapoor
Chief Executive Officer

Arvind Kumar Talan
Chief Financial Officer

Laxman Aggarwal
Company Secretary

S.P. CHOPRA & CO. CHARTERED ACCOUNTANTS CHECKED