

INDEPENDENT AUDITOR'S REPORT

To the Members of **Energy Efficiency Services Limited**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Energy Efficiency Services Limited** ("the Holding Company") and its Subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and its joint venture, which comprise the consolidated balance sheet as at 31st March 2019, 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 significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary and the joint venture as referred to in the 'Other Matters' paragraph below, except for the effect of the matters described in Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2019, their consolidated net profit (financial performance including other comprehensive income), their consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

1. The Holding Company is in the process of compiling certain data and reconciling the amounts billable, receivable & payable under the various agreements entered into with various States, Urban Local Bodies (ULB's) and other organizations under its Energy Service Company (ESCO) model, verification of physical inventory and assets under the scheme & otherwise and reconciliation as to assets to be installed, assets installed pending capitalization, assets capitalized (including capitalization of related direct & indirect cost) and assets against which revenue is booked (as per applicable Indian Accounting Standards) as per the agreements. We are unable to comment upon the differences that may exist and their impact on various account heads such as Capital Work in Progress, Property Plant & Equipment, Inventories, Trade Receivable / Payable, revenue recognition and any other consequential impact on the statement if any, pending completion of such verification and reconciliation. (Refer Note No. 3 a)).



2. Trade receivables are due from government-controlled entities and other customers. Significant amount of Rs. 60182.89 Lakhs is outstanding for the period of more than 360 days as on 31 March 2019 (Rs. 35889.98 Lakhs for the previous year ended 31.03.2018). The Group has represented that it earns its revenue mainly from government-controlled entities (both central and state government) and hence risks attached to such receivables are considered to be insignificant. For rest of the customers, the group does an assessment/evaluation of credit risk based on factors such as ageing of dues, specific credit circumstances, nature and credit worthiness of the non-government-controlled entities/customers. The group has not furnished any records or evidences to demonstrate that such an evaluation and assessment has been carried out. Therefore, we are unable to quantify the impact on the statement on account of any possible allowance on doubtful trade receivables due to expected credit loss once such evaluation is done. (Refer Note No. 38 (a)). This was also a subject matter of Qualification in the previous auditor's report on the consolidated financial statements for the year ended 31st March 2018
3. For Financial assets for which loss allowance is measured using life time expected credit losses in the Financial Statements, the group has represented that its customers have capacity to meet the obligations and therefore the risk of default is low. Further, management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour. However, an allowance for doubtful receivables of Rs. 196.65 Lakhs was recognised during the year ended 31.03.2019 (Rs. 196.64 Lakhs for the previous year ended on 31.03.2018) i.e., to the extent of 10% of the total outstanding of Rs. 1966.40 Lakhs, thereby making a total provision of Rs. 393.29 Lakhs i.e., 20% of total Outstanding as on 31.03.2019, in respect of cases which are under litigation for recovery. The group has not been able to demonstrate and produce any evidence that such cases were actually assessed/evaluated for ascertaining credit risk based on factors such as ageing of dues, specific credit circumstances, nature and credit worthiness of the customers as defined in the policy of the management for the purpose of creating allowance on such doubtful trade receivables due to expected credit loss in case of default. Therefore, we are unable to quantify the actual impact on the statement on account of further possible allowance on such doubtful trade receivables (which are under litigation for recovery) due to expected credit loss once such evaluation is done. (Refer Note 38 a) (ii)). This was also a subject matter of Qualification in the previous auditor's report on the consolidated financial statements for the year ended 31st March 2018.
4. The group had deferred 'Advertisement Expenses' amounting to Rs. 4907.39 Lakhs in the previous years, from which it has charged an amount of Rs. 619.89 Lakhs in the Statement of Profit & Loss for the year ended 31.03.2019 as Media Expenses. The group continues to defer and carry the balance amount of Rs 4287.50 Lakhs as Prepaid Expenditure shown under the head Other Current Assets in the Financial Statements contrary to the principles enunciated under Ind AS 38 on 'Intangible Assets', as per which such expenses should be charged to the Profit & Loss Account. (Refer Note 17 (b)). This was also a subject matter of Qualification in the previous auditor's report on the consolidated financial statements for the year ended 31st March 2018.



5. The Holding Company has entered into agreements with Municipal Corporation for replacement of old conventional streetlights with LED Energy efficient streetlights. The Holding Company follows the practice to capitalize these assets in the books of accounts from the date of capitalization as indicated in the certificate issued by Municipal Corporation and the depreciation is charged accordingly from the date of capitalization which is inconsistent with the provisions of Ind AS 16 on Property Plant and Equipment wherein the projects need to be capitalized and depreciated when it is available for use.
- a) In the current year the Holding Company has received certain completion certificates from the municipal corporation(s), wherein the completion dates mentioned in the certificate falls in the previous year. The holding company has capitalized these assets in the books of accounts from the completion dates as indicated in the certificates and has charged depreciation of Rs 2135.02 Lakhs on these assets in the Statement of Profit & Loss in current financial year which pertain to the previous year, which is inconsistent with the provisions of Ind AS 8 on 'Accounting Policies, Change in Accounting Estimates and Errors', wherein the Prior Period error has to be corrected by restating the comparative amounts. This has resulted in the understatement of Profit for the current year and overstatement of the profit for the previous year to that extent. (Refer Note No. 3 b)).
- b) Further, in the current year, the CWIP carries amounts pertaining to various projects which are under various stages of completion and have not been capitalized in the books of accounts due to non – receipt of completion certificates from Municipal Corporation, irrespective of the fact that the asset may be available for use. The impact of this cannot be ascertained by the holding company as it needs to carry out an exercise to ascertain the various projects where the asset is available for use but the completion certificate from the Municipal Corporation is pending.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 Ventures 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports as referred to in sub-paragraph (a) of the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to the following matters in the notes to the Consolidated Financial Statements:

1. Note No. 31 b) which states that the Holding Company has recognized revenue under agreements with ULBs based on certain assumptions / estimates for which it is seeking clarification from the respective ULBs.



2. Note no. 11 c) on Trade Receivables and Note no. 27 a) on Trade Payables which state that Trade Receivables and Trade Payables are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.
3. Note no. 17 a) and Note No. 29 a) which state that the sales, corresponding output tax liability and purchases along with corresponding input tax credit reported in GST and VAT returns, the net input tax credit receivable or the net output tax liability payable, as the case may be, are subject to reconciliation with the books of accounts. Differences which will be identified on reconciliation of GST/VAT returns will be addressed in annual GST/VAT statements/Revised returns to be filed in due course.
4. Note no. 38 a) (ii) on Financial Risk Management which states that the group has not made a provision of Rs. 1650 lakhs on account of subsidy not received from Delhi Government/DERC as per the recommendation made by the CAG of India in their report dated 18th October 2017 issued to group. However, the management is of the view that the recovery is being followed up with concerned authority, which is under review and the management is confident for recovery of their dues.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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. In addition to the matter described in the Basis for Qualified Opinion section, 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 Matters	How our Audit addressed the Key Audit Matter
1.	<p>Classification of E-Vehicle given on Lease</p> <p>The number of E-Vehicles given on lease by the company has increased significantly during the year and Management's judgment and assessment is required for classification of such leases as Operating Lease or finance lease.</p> <p>We identified this as a Key Audit Matter because classification of such leases</p>	<p>We have obtained an understanding and analysed the contracts for E-Vehicles given on lease to various parties w.r.t. to terms of the lease specified under the contract.</p> <p>Management's judgments and the conditions stipulated in the Ind AS 17 "Leases" for classification of lease as Operating Lease or Finance Lease were assessed w.r.t the terms of the lease specified in the contract.</p>



	<p>involves significant management judgment and it may be subject to management bias.</p> <p>(Refer Note 47(b)(i))</p>	<p>Based on the above procedures performed, the recognition of E-Vehicles as finance lease, are considered adequate and reasonable.</p>
2	<p>Recognition of revenue under agreements with Urban Local Bodies (ULBs).</p> <p>The Company has recognised revenue under agreements with ULB's based on certain assumptions / estimate in respect of certain areas not specifically covered under the agreements.</p> <p>This is considered as Key Audit Matter due to its nature and extent of estimates made by the company, which leads to recognition and measurement of Revenue under the agreements with ULBs.</p> <p>(Refer Note No. 29 b))</p>	<p>An understanding of the agreements with ULBs was obtained in respect of the payments terms specified under the contract for recognition of revenue under the agreement and adopted the following audit procedures:</p> <ul style="list-style-type: none"> - Evaluated and tested the effectiveness of the company's design of internal controls relating to recognition and measurement of revenue under the agreements with ULBs. - The reasonability of the assumptions / estimates made by the company for the recognition of revenue under agreements with ULBs was assessed. - Verified the accounting of revenue under the agreements with ULBs based on the IND AS 115 "Revenue from Contracts with Customers" <p>Based on the above procedures performed and based on the representation by the company that they are in the process of seeking clarification on such matters, the recognition of revenue under the agreements with ULBs is considered to be adequate and reasonable.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Board's Report including annexures to the Board's Report, but does not include the consolidated financial statements and our auditor's report thereon. The above Report 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 we do not express any form of assurance conclusion thereon.



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

When we read the above identified reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The Respective Board of Directors of the Companies included in the Group and of its Joint Ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and its joint ventures 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 preparations of the consolidated financial statements by the directors of the holding company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its Joint Venture are responsible for assessing the ability of the Group and of 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the Companies included in the Group and of its Joint Ventures are responsible for overseeing the financial reporting process of the Group and of its Joint Venture.

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 company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture 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 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.

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 the 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 Matter

We did not audit the financial statements / financial information of one direct foreign subsidiary of the Holding Company, whose consolidated financial statements (which included 13 step down subsidiaries) reflect total assets of Rs. 84472.77 lakhs as at 31st March 2019, total revenue of Rs. 63582.61 lakhs and net cash outflows amounting to Rs. 2474.01 lakhs for the year ended on that date, as considered in the consolidated financial statements of the Group. These financial statements / financial information have been certified by the management and our opinion on Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the said direct foreign subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such certification.

The consolidated Financial Statements also include the Group's share of Net Profit of Rs. 3.05 lakhs and Comprehensive Income of NIL for the year ended 31st March 2019, as considered in the consolidated financial statements of the Group, in respect of one Joint Venture, whose financial statement / financial information have neither been audited by their auditors nor by us . These Financial statement / financial information are unaudited and have been certified by the Management and our opinion on Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the Joint Venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Joint Venture, is based solely on such certification.

Our opinion is not modified in respect of these matters.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit of the Holding company we report, to the extent applicable to the Holding Company 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 Holding Company so far as it appears from our examination of those books;
 - (c) The accounts of one foreign branch of the company situated in London that reflect total Assets of Rs. 717.61 lakhs as at 31st March 2019 and total Revenue Rs. 561.02 lakhs for the year ended on that date are unaudited and certified by the management.
 - (d) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the relevant books of account;
 - (e) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under;
 - (f) on the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act. However, in the case of Gauri Trivedi, Ministry of Corporate Affairs (MCA) had freezed her Directors Identification Number (DIN) on the grounds that one of the companies in which she was a director had failed to file Annual Returns and Financial Statements for the years 2014-15 to 2016-17, which was reactivated by MCA after she procured a Stay Order from the Hon'ble High Court of Gujarat as on 26 December, 2018. Further, in the case of Sh Sanjiv Garg, one of the Companies in which he is a director has not filed Annual Returns and / or Financial Statements for past three Financial Years, reportedly due to reasons beyond the control of the Company and its Management and has been marked a Status of 'Management Dispute' by the Registrar of Companies;
 - (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
 - (h) with respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



(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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Holding Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 54 to the consolidated financial statements
- ii. The Holding Company did not have any on long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For K K Soni & Co.
Chartered Accountants
FRN: 000947N


CA. Sant Sujat Soni
Partner
Membership number: 094227



Place: New Delhi
Dated: 2nd July 2019

Annexure - A to the Independent Auditors' Report

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

In conjunction with our audit of the Consolidated Financial Statements of the Energy Efficiency Services Limited ("the Holding Company") and its direct foreign subsidiary company which are incorporated outside India (the Holding company and its subsidiary together referred to as "the Group") and its joint venture which is a company incorporated in India as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting in financial statements of the Holding Company (excluding its subsidiary which is incorporated outside India and its joint venture, which is a company incorporated in India and is unaudited), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting in financial statements of the Holding Company and its joint venture company as aforesaid, 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") issued by the ICAI and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting in financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting in financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting in financial statements and their operating effectiveness.



Our audit of internal financial controls over financial reporting in financial statements included obtaining an understanding of internal financial controls over financial reporting in 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting in financial statements of the Holding Company and its Joint Venture Company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting in financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting in 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting in 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 over financial reporting in financial statements to future periods are subject to the risk that the internal financial control over financial reporting in 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, except for the effects related to the Qualifications given under the paragraph –“Basis for Qualified Opinion” of the Independent Auditor's Report, the Holding Company, have in all material respects, an adequate internal financial controls over financial reporting in financial statements and such internal financial controls over financial reporting in financial statements were operating effectively as at 31 March 2019, based on the internal control over financial reporting in financial statements criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

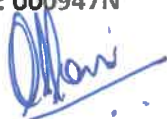


Other Matters

Our aforesaid audit report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in financial statements with reference to Consolidated Financial Statements in so far as it relates to one Joint Venture incorporated in India (whose financial statements / financial information are unaudited) and our opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting in financial statements with reference to Consolidated Financial Statements of the Group is not affected as the Group's share of Net profit / loss (including other comprehensive income) and disclosures included in respect of these joint ventures in these consolidated financial statements are not material to the Group.

Our report is not modified in respect of above matter

For K K Soni & Co.
Chartered Accountants
FRN: 000947N



CA. Sant Sujat Soni
Partner
Membership number: 094227



Place: New Delhi
Dated: 2nd July 2019

ENERGY EFFICIENCY SERVICES LIMITED
Consolidated Balance Sheet as at 31 March 2019

Consolidated Balance Sheet as at 31 March 2019			
Particulars	Note No.	₹ in Lakhs	
		As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2A	187,084.56	91,157.78
Capital work-in-progress	3	121,606.23	129,348.91
Goodwill	2B	43,307.56	44,163.34
Other intangible assets	2B	1,526.27	1,636.48
Investments in joint venture accounted for using equity method	4	5.96	2.91
Financial assets			
Investments	5	1,527.24	1,440.51
Loans	6	5,713.72	5,475.59
Other financial assets	7	10,290.57	3,814.49
Deferred tax assets (net)	8	559.16	356.80
Other non-current assets	9	1,350.64	1,703.37
Total non-current assets		372,971.91	279,100.18
Current assets			
Inventories	10	34,752.96	41,297.89
Financial assets			
Trade receivables	11	194,375.67	129,847.96
Cash and cash equivalents	12	43,820.05	55,872.89
Bank balances other than cash and cash equivalents	13	33,794.43	6,857.92
Loans	14	364.34	166.33
Other financial assets	15	8,351.05	5,621.87
Current tax assets (net)	16	3,815.83	2,548.92
Other current assets	17	46,616.86	25,599.98
Total current assets		365,891.19	267,813.76
TOTAL ASSETS		738,863.10	546,913.94
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	67,520.44	46,200.00
Other equity	19	14,897.00	18,122.45
Equity attributable to owners		82,417.44	64,322.45
Non-controlling interests		4,576.33	4,684.84
Total equity		86,993.77	69,007.29
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	293,701.06	206,514.95
Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises		1,277.49	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		10,523.97	-
Other financial liabilities	22	40,680.09	8,019.85
Provisions	23	280.94	410.39
Deferred tax liabilities (net)	24	814.06	349.98
Other non-current liabilities	25	486.68	643.19
Total non-current liabilities		347,764.29	215,938.36
Current liabilities			
Financial liabilities			
Borrowings	26	83,544.93	71,344.06
Trade payables	27		
(A) total outstanding dues of micro enterprises and small enterprises		8,214.58	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		140,513.89	151,612.76
Other financial liabilities	28	42,419.93	31,197.63
Other current liabilities	29	23,602.56	7,006.56
Provisions	30	11.66	566.16
Current tax liabilities (net)		5,797.49	241.12
Total current liabilities		304,105.04	261,968.29
TOTAL EQUITY AND LIABILITIES		738,863.10	546,913.94

Significant Accounting Policies

The accompanying notes 1 to 56 form an integral part of these financial statements.

As per our audit report of even date annexed.

For KK Soni & Co.

Chartered Accountants

(FRN 100147N)

Sant Sujat Soni

Partner

(Membership No.- 094227)

Place : New Delhi

Date : 2 July 2019



For and on behalf of the Board of Directors

Saurabh Kumar
Managing Director
DIN : 06576793

S. Gopal
Director Commercial
and CFO
DIN : 08139439

Pooja Shukla
Company Secretary

ENERGY EFFICIENCY SERVICES LIMITED
Consolidated Statement of Profit and Loss for the year ended 31 March 2019

₹ in Lakhs

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	31	245,101.31	142,782.46
Other income	32	11,353.04	5,522.35
Total income		256,454.35	148,304.81
Expenses			
Purchase of stock-in-trade		130,798.94	106,538.06
Distribution expenses (Ujala)		2,119.29	4,901.04
Media expenses (Ujala)		2,630.99	861.04
(Increase)/Decrease in inventories	33	6,366.58	(14,528.60)
Employee benefits expense	34	13,504.40	4,520.26
Finance costs	35	22,008.06	13,523.97
Depreciation and amortization expense	2	34,590.79	13,361.18
Other expenses	36	24,971.43	12,733.19
Total expenses		236,990.48	141,910.14
Profit before share of net profits of investments accounted for using equity method and tax		19,463.87	6,394.67
Add: Share of net profits of joint ventures accounted for using equity method		3.05	(167.84)
Profit before tax		19,466.92	6,226.83
Tax expense	45		
Current tax			
Current year		7,045.92	2,252.10
Earlier years		-	421.40
Deferred tax credit		292.97	161.82
Total tax expense		7,338.89	2,835.32
Profit for the year		12,128.03	3,391.51
Other comprehensive income/ (expense)			
Items that will not be reclassified to profit or loss (net of tax)			
- Net actuarial losses on defined benefit plans		(22.14)	(7.85)
Items that will be reclassified to profit or loss (net of tax)			
- Exchange differences on translation of foreign operations		(2,111.51)	459.12
Other comprehensive income/ (expense) for the year, net of income tax		(2,133.65)	451.27
Total comprehensive income for the year		9,994.38	3,842.78
Profit attributable to			
-Owners of Energy Efficiency Services Limited		11,658.23	3,468.89
-Non-controlling interests		469.80	(77.38)
		12,128.03	3,391.51
Other comprehensive income attributable to			
-Owners of Energy Efficiency Services Limited		(1,840.04)	357.42
-Non-controlling interests		(293.61)	93.85
		(2,133.65)	451.27
Total comprehensive income attributable to			
-Owners of Energy Efficiency Services Limited		9,818.19	3,826.31
-Non-controlling interests		176.19	16.47
		9,994.38	3,842.78
Earnings per equity share (Par value ₹ 10/- each)	46		
Basic (₹)		1.78	0.75
Diluted (₹)		1.36	0.75

The accompanying notes 1 to 56 form an integral part of these financial statements.

As per our audit report of even date annexed.

For KK Soni & Co.
Chartered Accountants
(FRN: 00047N)

Sant Sujat Soni
Partner
(Membership No.- 094227)

Place : New Delhi
Date : 2 July 2019



For and on behalf of the Board of Directors

Saurabh Kumar
Managing Director
DIN : 06576793

S. Gopal
Director Commercial
and CFO
DIN : 08339439

Pooja Shukla
Company Secretary

Energy Efficiency Services Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2019

	₹ in Lakhs	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flow from operating activities		
Profit before tax	19,466.92	6,226.83
Adjustment for:-		
Depreciation and amortization expense	34,590.79	13,361.18
Interest income	(5,761.52)	(2,670.56)
Net (gain)/loss on foreign currency transactions and translation	(4,676.21)	3,854.04
Deferred rent expense	(15.97)	29.03
Grant income	(420.42)	-
Net loss on sale of property, plant and equipment	135.66	-
Allowance for doubtful receivables	196.65	196.65
Finance costs	21,889.81	10,056.25
Share of net profits/(losses) of joint ventures	(3.05)	167.84
Gain on financial assets measured at fair value through profit or loss	(116.48)	6.81
Operating profit before working capital changes	65,286.18	31,228.07
Adjustment for:		
(Increase) in Trade receivables	(63,646.12)	(40,882.33)
(Increase)/ Decrease in Inventories	6,366.58	(14,665.15)
(Increase) in loans, other financial assets and other assets	(31,475.81)	6,725.43
Increase in trade payables, other financial liabilities and other liabilities	61,574.00	89,121.14
Increase in provisions	(717.98)	730.57
Cash generated from operations	37,386.85	72,257.73
Income tax paid	2,781.37	4,279.24
Net cash from operating activities (A)	34,605.48	67,978.49
B Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	(120,154.30)	(129,120.87)
Payment for acquisition of subsidiary, net of cash acquired	-	(34,248.38)
Investments	-	(1,925.05)
Interest income	4,387.88	2,670.56
Bank balances other than cash and cash equivalents	(26,973.74)	559.62
Loan given	(238.13)	(5,348.00)
Net cash used in investing activities (B)	(142,978.29)	(167,412.12)
C Cash flow from financing activities		
Proceeds from non-current borrowings	125,973.33	114,846.23
Repayment of non-current borrowings	(12,513.07)	(10,000.00)
Net proceeds from current borrowings	(3,570.73)	28,303.79
Finance costs	(22,898.58)	(9,668.68)
Share application money (pending allotment)	11,420.44	9,900.00
Share issue costs	(25.00)	(25.01)
Dividend paid	(1,102.99)	(4,074.69)
Tax on dividend	(491.07)	(829.54)
Net cash from financing activities (C)	96,792.33	128,452.10
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(11,580.48)	29,018.47
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(472.36)	387.34
Net increase in cash and cash equivalents	(12,052.84)	29,405.81
Cash and cash equivalents at the beginning of the year	55,872.89	26,467.08
Cash and cash equivalents at the end of the period	43,820.05	55,872.89



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Energy Efficiency Services Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2019 (continued)

Notes:

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	26.08	26.91
Balance with banks - Current accounts	43,790.35	55,839.59
Balance with banks - Deposit accounts	3.62	6.39
Cash and cash equivalents as per note-12	43,820.05	55,872.89

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

₹ in Lakhs

Particulars	Non-current borrowings*	Current borrowings	Interest on borrowings
For the year ended 31 March 2019			
Opening balance as at 1 April 2018	2,15,250.19	71,344.06	5,522.55
Cash flow during the year	1,13,460.26	(3,570.73)	(22,898.58)
Non-cash changes due to:			
- Transfer between current and non-current borrowing	(16,098.10)	16,098.10	
- Variation in exchange rates	(2,673.12)	(326.50)	(10.47)
- Interest accrued	-	-	22,205.94
- Transaction cost on borrowings	910.97	-	-
Closing balance as at 31 March 2019	3,10,850.20	83,544.93	4,819.44
For the year ended 31 March 2018			
Opening balance as at 1 April 2017	92,623.86	35,000.00	2,411.06
Cash flow during the year	1,04,868.10	28,500.00	(9,527.65)
Acquired in business combination	12,159.56	7,844.06	-
Non-cash changes due to:			
- Variation in exchange rates	5,598.67	-	-
- Interest accrued	-	-	12,639.14
Closing balance as at 31 March 2018	2,15,250.19	71,344.06	5,522.55

* includes current maturities of non-current borrowings, refer note 28.

- d) Refer note 38 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital


As per our audit report of even date annexed.


For KK Soni & Co.
Chartered Accountants
(FRN 000947N)



Sant Sujat Soni
Partner
(Membership No. - 094227)

Place : New Delhi
Date : 2 July 2019

For and on behalf of the Board of Directors


Saurabh Kumar
Managing Director
DIN : 06576793


S. Gopal
Director Commercial
and CFO
DIN : 08339439


Pooja Shukla
Company Secretary



Energy Efficiency Services Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2019

(A) Equity share capital

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Outstanding as at the beginning of the year	46,200.00	46,200.00
Shares issued during the year	21,320.44	-
Outstanding as at the end of the year	67,520.44	46,200.00

(B) Other equity

For the year ended 31 March 2019								₹ in Lakhs
Particulars	Reserves and surplus			OCI	Other equity attributable to owners of the parent	Non-controlling interests	Total	
	Share application money pending allotment	Debenture redemption reserve	Retained earnings	Foreign Currency Translation Reserve				
Balance as at 1 April 2018	9,900.00	6,515.21	1,331.83	375.41	18,122.45	4,684.84	22,807.29	
Profit for the year	-	-	11,658.23	-	11,658.23	469.80	12,128.03	
Other comprehensive income/ (expense)	-	-	(22.14)	(1,817.90)	(1,840.04)	(293.61)	(2,133.65)	
Total comprehensive income	-	-	11,636.09	(1,817.90)	9,818.19	176.19	9,994.38	
Effects of change in accounting policy (refer note 53)	-	-	(1,658.90)	-	(1,658.90)	(414.73)	(2,073.63)	
Share application money received	11,420.44	-	-	-	11,420.44	-	11,420.44	
Equity shares issued	(21,320.44)	-	-	-	(21,320.44)	-	(21,320.44)	
Impact of change in ownership interest in Subsidiary (refer note 43)	-	-	(130.03)	-	(130.03)	130.03	-	
Transfer to/(from) retained earnings	-	8,611.23	(8,611.23)	-	-	-	-	
Transaction cost arising on account of increase in authorised share capital	-	-	(25.00)	-	(25.00)	-	(25.00)	
Final dividend (including tax) for FY 2017-18	-	-	(1,329.71)	-	(1,329.71)	-	(1,329.71)	
Balance as at 31 March 2019	-	15,126.44	1,213.05	(1,442.49)	14,897.00	4,576.33	19,473.33	

For the year ended 31 March 2018								₹ in Lakhs
Particulars	Reserves and surplus			OCI	Non-controlling interests	Non-controlling interests	Total	
	Share application money pending allotment	Debenture redemption reserve	Retained earnings	Foreign Currency Translation Reserve				
Balance as at 1 April 2017	-	1,452.99	7,874.86	(2.47)	9,325.38	-	9,325.38	
Profit for the year	-	-	3,468.89	-	3,468.89	(77.38)	3,391.51	
Other comprehensive income/ (expense)	-	-	(7.85)	365.27	357.42	93.85	451.27	
Total comprehensive income	-	-	3,461.04	365.27	3,826.31	16.47	3,842.78	
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	4,668.37	4,668.37	
Addition during the year	9,900.00	-	-	-	9,900.00	-	9,900.00	
Transfer to/(from) retained earnings	-	5,062.22	(5,074.83)	12.61	0.00	-	0.00	
Transaction cost arising on account of increase in authorised share capital	-	-	(25.01)	-	(25.01)	-	(25.01)	
Final dividend (including tax) for FY 2016-17	-	-	(3,341.47)	-	(3,341.47)	-	(3,341.47)	
Interim dividend (including tax) for FY 2017-18	-	-	(1,562.76)	-	(1,562.76)	-	(1,562.76)	
Balance as at 31 March 2018	9,900.00	6,515.21	1,331.83	375.41	18,122.45	4,684.84	22,807.29	

As per our audit report of even date annexed.

For KK Soni & Co.
Chartered Accountants
(FRN 000947N)

Sant Sujat Soni
Partner
(Membership No.- 094227)

For and on behalf of the Board of Directors

Saurabh Kumar
Managing Director
DIN : 06576793

S. Gopal
Director Commercial
and CFO
DIN : 08339439

Pooja Shukla
Company Secretary

Place : New Delhi
Date : 2 July 2019



ENERGY EFFICIENCY SERVICES LIMITED

Notes to consolidated financial statements

1. Group Information and Significant Accounting Policies

A. Reporting entity

Energy Efficiency Services Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40200DL2009PLC196789). The Company has its debt securities listed on BSE Limited. The address of the Company's registered office is 4th Floor, Sewa Bhawan, R.K. Puram, New Delhi - 110066. The registered office of the company has been shifted to NFL Building, 5th & 6th Floor, Core – III, SCOPE Complex, Lodhi Road, New Delhi – 110003 with effect from 16 April 2019.

The Company is a Joint Venture of NTPC Limited, Power Finance Corporation Limited, REC Limited and Power Grid Corporation of India Limited and is engaged in implementation of energy efficiency projects as an Energy Saving Company (ESCO).

These consolidated financial statements comprise the Company, its subsidiaries and its interest in joint ventures (referred to collectively as the 'Group'). For details of group structure, refer note 43.

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 Group provides energy saving services, manufactures, sales, installs, hires and services diesel and gas powered generators and related spare parts and invests in and rental of property.

The principal activities of the Company's subsidiaries is the manufacture, installation, containerisation, sale and service of diesel and gas generators and the sale of related spare parts.

B. Basis of preparation

1 Statement of Compliance

These consolidated financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable) and applicable provisions of the Companies Act, 1956.

These consolidated financial statements were authorised for issue by Board of Directors on 2 July 2019.

2 Basis of measurement

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

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

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

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

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

3 Functional and presentation currency

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



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ENERGY EFFICIENCY SERVICES LIMITED
Notes to consolidated financial statements (continued)

4 Current and non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

The Group has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 and Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e. the Group's date of transition to Ind AS, were maintained on transition to Ind AS.

1 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.

1.1. Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests (NCI) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.



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ENERGY EFFICIENCY SERVICES LIMITED
Notes to consolidated financial statements (continued)

1.2. Joint ventures

Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted material investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted as investments are tested for impairment in accordance with the policy described in C.15 below.

When the group ceases to apply equity method of accounting for an investment because of a loss of joint control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 Property, plant and equipment

2.1. Initial recognition and measurement

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

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

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

Project Development Cost includes purchase price, taxes and duties, labour cost and any other cost directly attributable to the implementation of the project or acquisition of property, plant and equipment are allocated on systematic basis on implementation of projects, incurred up to the date when the asset is ready for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are recognised separately.

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

2.2. Subsequent costs

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

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

2.3. Decommissioning costs

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

2.4. Derecognition

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



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ENERGY EFFICIENCY SERVICES LIMITED
Notes to consolidated financial statements (continued)

2.5. Depreciation

Depreciation is recognised in the statement of profit and loss on pro rata basis on Straight Line Method using the rate arrived on useful lives of assets, specified in part C of Schedule II thereto of the Companies Act 2013 (the 'Act').

Freehold land is not depreciated.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Nature of assets	Life of property, plant and equipment
Cell phones	2 years
ESCO projects other than LED projects	Project period
Lease hold improvement	Lease period
Residential assets	3 years

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

Nature of assets	Life of property, plant and equipment
Buildings	50 years
ESCO projects equipment	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

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed off.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortisation.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortised depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

The residual values, useful lives and method of depreciation of assets are reviewed at each financial year end and adjusted prospectively, wherever required.

3 Capital work-in-progress

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

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

4 Intangible assets

4.1. Initial recognition and measurement

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

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

4.2. Subsequent costs

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



ENERGY EFFICIENCY SERVICES LIMITED
Notes to consolidated financial statements (continued)

4.3. Derecognition

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

4.4. Amortisation

Cost of software is recognised as intangible asset. Intangible assets of parent company are amortised on a straight line basis over the period of legal right to use or 3 years, whichever is less. Intangible assets of subsidiaries are amortised on a straight line basis over 6 years.

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

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 finance leases recognized in accordance with Ind AS 17 – 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

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

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Other borrowing costs are recognised as an expense in the year in which they are incurred.

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

6 Inventories

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

7 Cash and cash equivalents

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

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 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.



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9 Provisions, contingent liabilities and contingent assets

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

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

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the 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 on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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

10 Foreign currency transactions and translations

10.1 Foreign currency transactions

Transactions in foreign currencies are initially recorded at the prevailing exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated by applying the RBI reference rate at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognised upto 31 March 2016 and still outstanding are adjusted to carrying cost of property, plant and equipment.

Non-monetary items are measured in terms of historical cost in a foreign currency and are translated using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Group initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

10.2 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 Company, 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.

11 Revenue

Group's revenues arise from sale of goods, rendering of services and other income. Revenue from other income comprises interest from banks, employees, customers, other miscellaneous income, etc.

Effective 1 April 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method, applied to the contracts that were not completed as of 1 April 2018 and therefore the comparatives have not been restated and continues to be reported as per Ind AS 18 "Revenue". The details of accounting policies as per Ind AS 18 are disclosed separately if they are different from those under Ind AS 115.



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ENERGY EFFICIENCY SERVICES LIMITED
Notes to consolidated financial statements (continued)

11.1. 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.

In the comparative period, revenue from sale of goods was measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involved discounting of the consideration to present value if payment extends beyond normal credit terms. Revenue was recognised when the significant risks and rewards of ownership had been transferred to the buyer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue could be measured reliably.

11.2. Revenue from rendering of services

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

In the comparative period, revenue from services rendered was generally recognized in proportion to the stage of completion of the transaction at the reporting date. Revenue was recognized when the following conditions are met:

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

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

Energy efficiency services:

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

In the comparative period, revenue from above services was recognised in the statement of profit and loss based on the agreement with the customer on accrual basis.

Consultancy services:

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

Contract modifications

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

E-vehicles leases:

Revenue from leases of e-vehicles is recognised as per policy no. C.14.2.



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ENERGY EFFICIENCY SERVICES LIMITED
Notes to consolidated financial statements (continued)

11.3. Other income

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

For debt instruments measured at amortised cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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

11.4. Expenses related to awareness on UJALA programme

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

12 Employee benefits

12.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

The Company pays fixed contribution to Provident Fund at the predetermined rates to regional provident fund commissioner. Further, the group voluntary contributes 6% to an external pension fund for the employees of its subsidiaries.

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

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

12.2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity are in the nature of defined benefit plans. The Company contributes to (Life Insurance Corporation of India) a fund set up by the Company and administered by a board of trustees with respect to its gratuity obligation.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognised in other comprehensive income (OCI) in the period in which they arise.

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



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12.3. Other long-term employee benefits

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

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

12.4. Short-term benefits

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

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

13 Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in OCI or equity, in which case it is recognised in OCI or equity respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

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

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

14 Leases

14.1 Accounting for operating leases- As lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are recognized as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

14.2 Accounting for operating leases- As lessor

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

14.3 Accounting for finance leases- As lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables ('Finance lease receivables') at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.



A handwritten signature in blue ink, appearing to be 'K K Soni'.

ENERGY EFFICIENCY SERVICES LIMITED
Notes to consolidated financial statements (continued)

15 Impairment of non-financial assets

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

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

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

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

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 Group's Management to allocate resources to the segments and assess their performance. The Company's 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.

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.

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.



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ENERGY EFFICIENCY SERVICES LIMITED

Notes to consolidated financial statements (continued)

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.

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'.

21 Financial instruments

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

21.1. Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair Value through OCI)

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

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI

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

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

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.



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ENERGY EFFICIENCY SERVICES LIMITED
Notes to consolidated financial statements (continued)

Equity Investments

Equity investments other than equity investment in subsidiaries and joint ventures 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 P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

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

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

Impairment of financial assets

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

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

(b) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, 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.

21.2. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

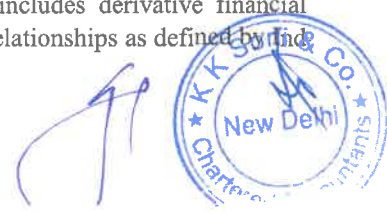
Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the 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 into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.



ENERGY EFFICIENCY SERVICES LIMITED
Notes to consolidated financial statements (continued)

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

Derecognition

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

21.3 Offsetting of financial assets and financial liabilities

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

22 Other expenses

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

23 Related party transactions

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

D. Use of estimates and management judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

1 Useful life of property, plant and equipment and intangible assets

The estimated useful life of property, plant and equipment and intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Group reviews at the end of each reporting date the useful life of property, plant and equipment and are adjusted prospectively, if appropriate.

2 Recoverable amount of property, plant and equipment and intangible assets

The recoverable amount of property, plant and equipment and intangible assets is based on estimates and assumptions regarding in particular 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.



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3 Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the discount rate. The 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.

4 Revenues

The Group 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 arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. Rebates and discounts, if any, are recognised as a reduction from revenue on the basis of management estimates. Refer note 49 for detailed disclosure.

5 Provisions and contingencies

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

6 Income taxes

Significant estimates are involved in determining the provision for income taxes and deferred taxes, including amount expected to be paid/recovered for uncertain tax positions.

7 Impairment of non-financial assets

The recoverable amount of investment in joint venture company 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.

8 Leases not in legal form of lease

Significant judgment is required to apply lease accounting rules under Appendix C to Ind AS 17 'Determining whether an arrangement contains a lease'. In assessing the applicability to arrangements entered into by the Group, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement needs the criteria under Appendix C to Ind AS 17.



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Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

2A Property, plant and equipment

Particulars	Gross block				Depreciation				Net block	
	As at 31 March 2019 1 April 2018	Acquisition through business combination	Additions	Deductions/adjustments	Foreign exchange translation difference	As at 31 March 2019	For the year	Upto 1 April 2018	Foreign exchange translation difference	As at 31 March 2019
Freehold land	743.64	-	-	-	-	743.64	-	-	-	743.64
Building	4,515.64	-	472.01	-	(185.10)	4,802.55	231.68	1,461.35	(68.51)	1,624.52
Leasehold improvements	195.48	-	-	192.65	-	2,83	22.33	64.15	-	1.58
Project equipment	104,912.53	-	132,283.45	4,652.70	(27.19)	232,516.09	33,086.46	20,624.56	(3.58)	53,180.54
Cell phones	60.63	-	12.03	0.62	-	72.04	20.81	35.50	-	56.06
Office equipment	261.66	-	10.06	1.34	-	270.38	52.01	67.48	-	119.49
Furniture and fitting	1,989.49	-	172.24	41.36	(71.94)	2,048.43	152.48	1,328.06	(41.78)	1,433.21
Computers	402.64	-	85.29	23.51	-	464.42	112.70	192.23	22.89	289.04
Plant and machinery	1,608.17	-	28.41	78.66	(67.65)	1,490.27	100.87	810.71	(37.28)	833.21
E-Vehicles	956.45	-	22.79	904.73	-	74.51	(2.94)	12.22	-	9.28
Other motor vehicles	291.66	-	27.92	(28.60)	(12.25)	335.93	66.16	260.09	(25.64)	304.49
Residential assets	84.17	-	0.25	1.73	-	82.69	37.91	1.03	-	38.72
Solar plant	-	-	2,102.64	-	-	2,102.64	31.72	-	-	31.72
Total	116,022.16	-	135,217.09	5,868.70	(364.13)	245,006.42	33,912.19	24,864.38	(176.79)	57,921.86

Particulars	Gross block				Depreciation				Net block	
	As at 31 March 2018 1 April 2017	Acquisition through business combination	Additions	Deductions/adjustments	Foreign exchange translation difference	As at 31 March 2018	For the year	Upto 1 April 2017	Foreign exchange translation difference	As at 31 March 2018
Freehold land	743.64	-	-	-	-	743.64	-	-	-	743.64
Building	-	4,446.26	-	-	69.38	4,515.64	5.67	-	22.43	1,461.35
Leasehold improvements	195.48	-	-	-	-	195.48	28.84	35.31	-	64.15
Project equipment	65,615.68	2,387.52	36,838.75	-	70.58	104,912.53	13,073.06	7,028.07	11.72	20,624.56
Cell phones	37.46	-	23.66	0.49	-	60.63	21.80	13.89	-	35.50
Office equipment	168.82	-	92.84	-	-	261.66	34.97	32.51	-	67.48
Furniture and fitting	323.06	1,614.39	26.85	-	25.19	1,989.49	40.27	58.06	18.98	1,328.06
Computers	294.45	-	109.23	-	-	402.64	98.75	100.85	-	192.23
Plant and machinery	-	1,584.00	-	1.04	-	1,608.17	10.74	-	12.31	810.71
E-Vehicles	-	-	956.45	-	-	956.45	12.22	-	-	944.23
Other motor vehicles	-	287.18	-	-	4.48	291.66	3.16	-	3.98	260.09
Residential assets	-	-	85.67	1.50	-	84.17	1.13	-	-	1.03
Total	67,378.59	10,319.35	38,133.45	3.03	193.80	116,022.16	13,330.61	7,268.69	69.42	24,864.38

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

Particulars	For the year ended	
	31 March 2019	31 March 2018
Project Equipment		
Exchange differences included in PPE/CWIP	(233.56)	1,518.42
Borrowing costs included in PPE/CWIP	3,582.44	2,449.16

b) Refer note 20 and 26 for information on property, plant and equipment pledged as security by the group.
c) Refer note 47 for disclosure on assets given under operating leases.
d) Refer Note 54 for disclosure of contractual commitments for the acquisition of property, plant and equipment.



Energy Efficiency Services Limited

Notes to accounts for consolidated financial statements (continued)

2B Intangible assets

As at 31 March 2019													
Particulars													
Gross block													₹ in Lakhs
	As at 1 April 2018	Acquisition through business combination	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2019	Upto 1 April 2018	Acquisition through business combination	For the year	Amortisation Deductions/ adjustments	Foreign exchange translation difference	Upto 31 March 2019	Net block As at 31 March 2019
Software	1,712.48	-	569.01	-	(1.64)	2,279.85	76.00	-	678.60	-	(1.02)	753.58	1,526.27
Goodwill	44,163.34	-	-	-	(855.78)	43,307.56	-	-	-	-	-	-	43,307.56
Total	45,875.82	-	569.01	-	(857.42)	45,587.41	76.00	-	678.60	-	(1.02)	753.58	44,833.83
As at 31 March 2018													
Particulars													
Gross block													₹ in Lakhs
	As at 1 April 2017	Acquisition through business combination	Additions	Deductions/ adjustments	Foreign exchange translation difference	As at 31 March 2018	Upto 1 April 2017	Acquisition through business combination	For the year	Amortisation Deductions/ adjustments	Foreign exchange translation difference	Upto 31 March 2018	Net block As at 31 March 2018
Software	101.22	76.11	1,533.42	-	1.73	1,712.48	28.44	16.59	30.58	-	0.39	76.00	1,636.48
Goodwill	-	43,192.36	-	-	970.98	44,163.34	-	-	-	-	-	-	44,163.34
Total	101.22	43,268.47	1,533.42	-	972.71	45,875.82	28.44	16.59	30.58	-	0.39	76.00	45,799.82

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Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

3 Capital work-in-progress

As at 31 March 2019	₹ in Lakhs			
Particulars	As at 1 April 2018	Additions	Deductions/ adjustments/ capitalised	As at 31 March 2019
Project equipments				
Street lights	1,20,188.18	58,902.72	89,448.15	89,642.75
Building	5,368.18	6,166.04	2,865.27	8,668.95
Smart Meter	1,937.95	8,324.73	-	10,262.68
Agricultural Demand Side Management (AgDSM)	12.26	-	12.26	-
Software	7.55	-	-	7.55
Solar rooftop	9.04	-	9.04	-
Ujala project	0.54	-	0.54	-
National Motor Replacement Program Project	-	22.69	-	22.69
	1,27,523.70	73,416.18	92,335.26	1,08,604.62
Land and property	1,671.68	110.71	1,760.56	21.83
E-Vehicle	151.19	66.78	150.84	67.13
Solar plant	-	12,776.39	-	12,776.39
Others	2.34	136.25	2.33	136.26
Total	1,29,348.91	86,506.31	94,248.99	1,21,606.23

As at 31 March 2018	₹ in Lakhs			
Particulars	As at 1 April 2017	Additions	Deductions/ adjustments/ capitalised	As at 31 March 2018
Street lights				
CWIP - SL LED Rajasthan	8,082.24	14,481.61	12,736.85	9,827.00
CWIP - SL LED Andhra Pradesh	6,936.03	14,502.60	9,521.93	11,916.70
Chhattisgarh Project	464.69	7,187.34	1,058.78	6,593.25
Kerala LED Street Lighting	492.96	94.67	407.32	180.31
Marine Drive Mumbai LED SL	2,797.98	1,736.52	1,839.37	2,695.13
CWIP - SL LED Punjab	236.78	2,588.12	0.93	2,823.97
CWIP- Puducherry LED Street Lighting	-	2.12	0.51	1.61
South Delhi LED Street Light	2,861.77	6,200.64	466.20	8,596.21
CWIP - SL LED - GHMC	52.68	11,927.06	102.84	11,876.90
Goa Street Light Project	3,792.90	9,729.80	3,121.79	10,400.91
CWIP - SL LED Gujarat	3,820.71	18,607.07	13,621.58	8,806.20
Guwahati Street Lighting	437.38	189.73	235.97	391.14
H.P LED Street Light	915.19	1,566.23	2,242.94	238.48
CWIP - SL LED - Agartala MC	-	32.94	13.55	19.39
CWIP - SL LED - Jharkhand	688.87	4,188.55	1,704.39	3,173.03
CWIP - SL LED -Andman & Nicobar	-	49.39	-	49.39
CWIP - SL LED J&K	40.16	111.17	2.56	148.77
CWIP - SL LED Telangana	302.58	13,303.64	6,806.23	6,799.99
CWIP SL LED Bihar	-	2,094.00	4.82	2,089.18
CWIP SL LED Chandigarh	-	88.85	-	88.85
Varanasi LED Street Lighting	2,846.53	23,336.64	897.39	25,285.78
CWIP SL LED Haryana	-	348.61	-	348.61
CWIP - SL LED - Karnataka	-	29.72	-	29.72
CWIP - SL LED - Madhya Pradesh	-	456.66	5.02	451.64
CWIP - SL LED - Odisha	-	1,422.71	1.29	1,421.42
CWIP - SL LED - PortBlair	-	343.52	4.38	339.14
CWIP SL LED Sikkim	-	0.49	-	0.49
CWIP SL LED Tamilnadu	-	87.83	-	87.83
CWIP - SL LED -Tripura	-	18.09	-	18.09
CWIP SL LED Uttarakhand	-	992.19	-	992.19
CWIP - SL LED -West Bengal	-	431.37	-	431.37



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
3 Capital work-in-progress (continued)

₹ in Lakhs

Particulars	As at 1 April 2017	Additions	Deductions/ adjustments/ capitalised	As at 31 March 2018
CWIP - West Bengal	-	0.68	-	0.68
CWIP - SL LED Tripura	-	67.27	-	67.27
CWIP -Kolkata	-	12.07	-	12.07
CWIP- GHMC (hyderabad)	-	1,562.71	-	1,562.71
CWIP- Andhra Pradesh (hyderabad)	-	890.50	-	890.50
CWIP- SL- Maharashtra (Mumbai)	24.49	188.28	2.29	210.48
CWIP unallocated Expenses	-	690.94	100.04	590.90
CWIP- Interest on Bond (unallocated) *	53.32	849.10	171.54	730.88
Sub total	34,847.26	1,40,411.43	55,070.51	1,20,188.18
Building				
Capital Work in Progress - Building J&K	108.15	44.70	49.52	103.33
Capital Work in Progress - CGO 12 Building	-	242.06	2.34	239.72
CWIP- Building - Delhi	-	14.42	-	14.42
CWIP- Building - Gujarat	-	0.22	-	0.22
CWIP- Building - Madhya Pradesh	-	3.90	-	3.90
CWIP- Building- PAN INDIA	-	267.70	-	267.70
CWIP- Building - Uttar Pradesh	-	19.77	-	19.77
CWIP- Building - West Bengal	-	16.04	-	16.04
CWIP- CPWD BUILDINGS DELHI (Direct Expenses)	4.81	20.66	20.66	4.81
CWIP - CPWD - IP Bhawan Delhi	623.58	313.98	314.20	623.36
CWIP - Indian Railways	-	46.63	-	46.63
CWIP - UPSC - Delhi	4.56	-	-	4.56
CWIP BEEP AP	-	31.69	-	31.69
CWIP - Building Bond Interest	-	13.72	-	13.72
CWIP- CPWD CGO Building, New Delhi	-	19.89	-	19.89
CWIP-CPWD CGO Complex Faridabad	-	7.97	-	7.97
CWIP - CPWD CGO/GPO /Training Center Bhawan Ghaziabad (Direct Expenses)	-	24.48	2.24	22.24
CPWD - IP Bhawan DELHI	89.21	25.57	2.42	112.36
CWIP- CPWD Jaipur (Direct Expenses)	-	18.94	-	18.94
CWIP-CPWD Trikoot I & II Bhawan New Delhi (Direct Expenses)	-	0.32	-	0.32
CWIP- DMRC Rajeev Chowk (Direct Expenses)	53.22	45.61	53.22	45.61
CWIP- DMRC Rajeev Chowk (Indirect Expenses)	2.25	9.71	-	11.96
CWIP Maharashtra Sadan (Direct Expenses)	-	13.09	-	13.09
CWIP- Niti Aayog CPWD Ph-II Building (Direct Expenses)	26.89	70.17	2.50	94.56
CWIP (UJALA stock to BEEP)	-	3,636.67	5.30	3,631.37
Sub total	912.67	4,907.91	452.40	5,368.18
Land and property				
CWIP - Jaipur Property	334.56	89.22	-	423.78
CWIP - Kolkata Property	55.29	88.89	-	144.18
CWIP - Delhi Property (NBCC - Nauroji Nagar)	-	1,103.72	-	1,103.72
Sub total	389.85	1,281.83	-	1,671.68
Smart Meter				
CWIP Smart Meter	-	1,937.95	-	1,937.95
Sub total	-	1,937.95	-	1,937.95
E-Vehicle				
CWIP E Vehicle Project	-	151.19	-	151.19
Sub total	-	151.19	-	151.19



3 Capital work-in-progress (continued)

				₹ in Lakhs
Particulars	As at 1 April 2017	Additions	Deductions/ adjustments/ capitalised	As at 31 March 2018
Agricultural Demand Side Management (AgDSM)				
CWIP - AgDSM - Maharashtra	13.97	-	13.97	-
CWIP - AgDSM - Rajasthan	16.74	0.08	16.82	-
CWIP - AgDSM - Andhra Pradesh	-	12.50	0.24	12.26
Sub total	30.71	12.58	31.03	12.26
Software				
CWIP-SAP	437.11	174.36	611.47	-
CWIP Software	-	1,218.68	1,211.13	7.55
Sub total	437.11	1,393.04	1,822.60	7.55
Solar Rooftop				
CWIP Solar Rooftop Delhi	-	9.04	-	9.04
Sub total	-	9.04	-	9.04
Ujala project				
Capital Work in Progress-(DELP Hyderabad)-Indirect	-	0.54	-	0.54
Sub total	-	0.54	-	0.54
Others				
Capital Work in Progress	-	1.57	-	1.57
CWIP - Trade Mark	0.77	-	-	0.77
Sub total	0.77	1.57	-	2.34
Total	36,618.37	150,107.08	57,376.54	129,348.91

* The borrowing cost proportionate to the unutilised amount of borrowings are being kept for utilization for acquisition or construction of qualifying assets being carried forward for capitalization in the subsequent year of utilization. However, income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation, as stated in Note No. C.5 of Accounting Policies i.r.t. 'Borrowing Costs'.

Notes to capital work-in-progress

- The company has entered into agreements with various states, Urban Local Bodies (ULB's) and other organisations under its Energy Service Company (ESCO) model, wherein the company undertakes upfront investments for projects (along with maintenance and warranty obligations, covered back to back with agreements with various suppliers) which are recovered through mutually agreed periodic installments under the agreements. The company is in the process to compile certain data and reconciling the amounts billable, receivable and payable under the various agreements, verification of physical inventory and assets under the scheme & otherwise and reconciliation as to assets to be installed, assets installed pending capitalisation, assets capitalised (including capitalisation of related direct & indirect cost) and assets against which revenue is booked (as per applicable Indian Accounting Standards). The company does not expect any major differences that may arise post such verification, and shall account for the differences, if any, post completion of the said exercise.
- The company has entered into agreement with Municipal Corporation for replacement of old conventional streetlights with LED energy efficient streetlights. The assets are capitalised in the books of accounts from the date of capitalization as indicated in the certificate issued by respective Municipal Corporation and the depreciation is charged accordingly from the date of capitalization. During the current financial year, the company has received certain completion certificates from the municipal corporation(s), wherein the completion dates mentioned in the certificates falls in the previous year. The company has capitalised these assets in the books of accounts from the completion dates as indicated in the certificates and has accordingly charged depreciation of ₹ 2,135.03 Lakhs on these assets in the statement of profit or loss in current financial year from the said respective dates.



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Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
4 Non-current assets - Investment in joint venture accounted for using equity method

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Equity instruments - Unquoted (fully paid up)		
Joint venture companies		
NEESL Private Limited	5.96	2.91
2,600 (31 March 2018: 2,600) equity shares of ₹10 each		
Total	5.96	2.91
Aggregate amount of unquoted investments	5.96	2.91
Aggregate amount of impairment in value of investments	-	-

a) Investments have been valued as per accounting policy no. C.1.2 (Note 1).

b) Refer note 43 for disclosure required as per Ind AS 112 'Disclosure of interest in other entities'.

5 Non-current financial assets - Investments

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Unquoted investments		
Unquoted at Fair Value Through Profit and Loss (FVTPL):		
Investment in Maple Leaf	1,527.24	1,440.51
Total	1,527.24	1,440.51
Aggregate amount of unquoted investments	1,527.24	1,440.51
Aggregate amount of impairment in value of investments	-	-

a) Information about fair value measurement and group's exposure to market risks is disclosed in note 37 and note 38.

6 Non-current financial assets - Loans

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Loan to EnergyPro Asset Management Ltd (includes interest accrued)	5,219.77	5,009.66
Loans to employees (includes interest accrued)	120.39	101.77
Security deposits	373.56	364.16
Total	5,713.72	5,475.59

a) Refer note 48 for disclosure required as per Ind AS 24 'Related party disclosures'.



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

7 Other non-current financial assets

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Unbilled revenue	1,080.93	2,317.59
Finance lease receivables (refer note 47)	7,687.96	-
Deposits with banks under lien (refer note a below)	1,506.07	1,496.90
Deposits with banks maturing after twelve months	15.61	-
Total	10,290.57	3,814.49

a) Deposits with banks under lien includes:

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
National Westminster Bank, UK- Security to cash collateralise the bonds	795.96	811.78
Chubb, UK- Security to cash collateralise the bonds	390.97	405.83
Bank of Baroda, UK- Debt service reserve account mandatorily required under loan facility agreement	290.76	249.15
Westpac Banking Corporation, UK- security towards credit cards	24.84	25.52
FDs for CST & VAT	3.54	4.62
Total	1,506.07	1,496.90

8 Deferred tax asset (net)

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Deferred tax asset		
Tax losses carried forward	465.69	218.18
Expenses disallowed	290.51	204.23
Financial instruments measured at amortised cost	(14.65)	-
Less: Deferred tax liability		
Financial assets and liabilities measured at amortised cost	-	30.93
Difference in book depreciation and tax depreciation	-	26.25
Revenue measured at fair value	152.28	-
Financial asset measured at FVTPL	30.11	8.43
Total	559.16	356.80

- a) Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.
b) Refer note 45 for disclosure required as per Ind AS 12 Income Taxes and note 24 for movement in deferred tax balances.

9 Other non-current assets

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Capital advances	1,336.78	1576.38
Advances other than capital advances		
Security deposits	-	27.70
Deferred rent	13.86	79.48
Prepaid Expenditure	-	19.81
Total	1,350.64	1,703.37



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Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
10 Inventories

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Stock in trade	27,498.43	39,893.21
Work in progress	7,254.53	1,403.31
Raw materials	-	1.37
Total	34,752.96	41,297.89

- a) Inventory items have been valued as per accounting policy no. C.6 (Note 1).
b) Stock in trade includes goods in transit of ₹ 1,396.43 Lakhs (31 March 2018: ₹ 93.72 Lakhs) valued at cost.
c) The cost of inventories recognised as expense for the year ended 31 March 2019 is ₹ 1,37,216.68 Lakhs (including ₹ 51.16 Lakhs as Business promotion) (31 March 2018: ₹ 92,066.27 Lakhs (including ₹ 47.14 Lakhs as Business Promotion)).
d) Loans are secured on first pari-passu charge on stock and book debts. (refer note 20 and 26)

11 Trade receivables

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Trade receivables		
Unsecured, considered good	1,94,375.67	1,29,847.96
Credit impaired	393.29	196.64
	1,94,768.96	1,30,044.60
Less: Provision for credit impaired trade receivables	393.29	196.64
Total	1,94,375.67	1,29,847.96

- a) Refer note 38 for details with respect to credit risk.
b) Amounts receivables from related parties are disclosed in note 48.
c) Trade receivables are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.
d) Loans are secured on first pari-passu charge on stock and book debts. (refer note 20 and 26)
e) The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Company has transferred the relevant receivables to the bank in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing.

12 Cash and cash equivalents

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Balances with banks		
Current accounts	43,790.35	55,839.59
Deposit accounts	3.62	6.39
Cash on hand	26.08	26.91
Total	43,820.05	55,872.89



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

13 Bank balances other than cash and cash equivalents

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	33,269.28	-
Deposits with banks under lien (refer a below)	525.15	6,857.92
Total	33,794.43	6,857.92

a) Deposits with banks under lien includes interest accrued and represents:

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deposit with Investec Bank as security to cash collateralise the bonds	-	1,420.70
FD with ICICI Bank Limited, India against Standby letter of credit issued by latter to ICICI Bank UK Plc with respect to term loan facility availed by EESL EnergyPro Assets Limited	-	5,418.19
Deposits for CST & VAT	3.01	19.03
Margin money for letter of credit and bank guarantees	522.14	-
Total	525.15	6,857.92

14 Current loans

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Loan to employees (including interest accrued)	113.56	81.14
Security deposits	250.78	85.19
Total	364.34	166.33

15 Other current financial assets

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Unbilled revenue	2,462.17	4,965.96
Finance lease receivables (refer note 47)	888.45	-
Others (refer note a below)	5,000.43	655.91
Total	8,351.05	5,621.87

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

16 Current tax assets (net)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Advance tax	894.72	1,298.48
Self assessment refund	2,360.41	591.48
TCS recoverable	39.49	11.04
TDS recoverable	521.21	644.68
Fringe benefit tax	-	3.24
Total	3,815.83	2,548.92



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Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
17 Other current assets

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Receivable from statutory authorities (refer note a below)	29,157.12	14,287.71
Deposits paid under protest	4,327.95	3,844.28
Prepaid expenditure (refer note b below)	7,081.06	5,501.00
Advance to suppliers	2,812.01	729.78
Deferred cost	2,566.94	-
Deferred rent	65.44	39.33
Imprest to employees	13.40	5.30
Others (refer note c below)	592.94	1,192.58
Total	46,616.86	25,599.98

- a) The sales, corresponding output tax liability and purchases along with the corresponding input tax credit reported in GST and VAT returns, the net input tax credit receivable or the net output tax liability payable as the case may be are subject to reconciliation with the books of accounts. Differences which will be identified on reconciliation of GST/ VAT returns will be addressed in annual GST/ VAT statements/ revised returns to be filed in due course.
- b) Expenses incurred on advertisement / awareness on DELP / UJALA programme in a State is charged to statement of profit and loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution for that respective State at the beginning of year and balance amount is carried forward for charging to statement of profit and loss in subsequent years. Similarly expenses incurred on national media campaigning for DELP / UJALA programme is charged to statement of profit & loss in proportionate to the total LED bulbs distributed in current financial year vis-a-vis the overall targeted LED bulbs distribution under DELP/ UJALA programme at the beginning of the year and balance amount is carried forward for charging to statement of profit and loss in subsequent years. Accordingly, out of total expenditure ₹4907.39 Lakhs balance brought forward from previous year 2017-18, ₹ 619.89 has been charged in Media /advertisement expenses till the year 2018-19., ₹ 4287.50 Lakhs has been carried forward as prepaid expenditure under the head, "Other Current Assets".
- c) Others include advances given to vendors and to employees.



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Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
18 Share capital

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of par value ₹10/- each	350,00,00,000	3,50,000.00	15,00,00,000	1,50,000.00
Issued, subscribed and fully paid up				
Equity shares of par value ₹10/- each	67,52,04,350	67,520.44	46,20,00,000	46,200.00

a) Movements in equity share capital:

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	46,20,00,000	46,200.00	46,20,00,000	46,200.00
Add: Shares issued during the financial year	21,32,04,350	21,320.44	-	-
Outstanding at the end of the year	67,52,04,350	67,520.44	46,20,00,000	46,200.00

The Company made an offer for right issue under private placement of equity shares to existing shareholders. An amount of ₹9,900.00 Lakhs was received from NTPC Limited on 31 March 2018 and subsequently ₹ 9,900.00 Lakhs and ₹1,520.44 Lakhs were received from Power Finance Corporation Limited and Power Grid Corporation of India Limited respectively on 27 April 2018. The Company issued 213,204,350 shares of ₹ 21,320.44 Lakhs during the year.

The Company made an offer for right issue under private placement of equity shares to existing shareholders on 11 March 2019. An amount of ₹ 11,998.80 Lakhs was received from NTPC Limited, ₹ 7,161.00 Lakhs from REC Limited and ₹ 1,841.40 Lakhs received from Power Grid Corporation of India Limited post 31 March 2019. The total share application money of ₹ 21,001.20 Lakhs received was allotted on 8 June 2019 to respective shareholders.

b) Terms and rights attached to equity shares:

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

c) Dividends:

Particulars	Paid during the year 2018-19		Paid during the year 2017-18	
	Per share	Amount	Per share	Amount
Equity shares				
Final dividend	0.16	1,102.99	0.60	2,776.27
Interim dividend	-	-	0.28	1,298.40

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	%age holding	No. of shares	%age holding
Power Finance Corporation Limited	24,55,00,000	36.36%	14,65,00,000	31.71%
NTPC Limited	24,55,00,000	36.36%	14,65,00,000	31.71%
REC Limited	14,65,00,000	21.70%	14,65,00,000	31.71%
Powergrid Corporation of India Limited	3,77,04,350	5.58%	2,25,00,000	4.87%
Total	67,52,04,350		46,20,00,000	

The promoters initially subscribed to 25% shares each of the Company. Over the years, the Company has made an offer for right issue under private placement of equity shares to existing shareholders. REC Limited and Powergrid Corporation of India Limited have not subscribed to the offered shares and accordingly their shareholding percentage has declined.



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

19 Other equity

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Share application money pending allotment	-	9,900.00
Debenture redemption reserve	15,126.44	6,515.21
Retained earnings	1,213.05	1,331.83
Foreign currency translation reserve	(1,442.49)	375.41
Total	14,897.00	18,122.45

a) Share application money pending allotment

₹ in Lakhs

Particulars	ended 31 March 2019	ended 31 March 2018
Opening balance	9,900.00	-
Share application money received	11,420.44	9,900.00
Equity shares issued	(21,320.44)	-
Closing balance	-	9,900.00

b) Debenture redemption reserve

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

Movement in reserves is as follows

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	6,515.21	1,452.99
Add: Transfer from retained earnings	8,611.23	5,062.22
Closing balance	15,126.44	6,515.21

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:

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	1,331.83	7,874.86
Profit for the year as per statement of profit and loss	11,658.23	3,468.89
Transferred from foreign currency translation reserve	-	(12.61)
Effects of change in accounting policy (refer note 53)	(1,658.90)	-
Impact of change in ownership interest in Subsidiary (refer note 43)	(130.03)	-
Dividend paid	(1,102.99)	(4,074.69)
Tax on dividend paid	(226.72)	(829.54)
Transfer to debenture redemption reserve	(8,611.23)	(5,062.22)
Transaction cost arising on issue of equity shares, net of tax	(25.00)	(25.01)
	1,235.19	1,339.68
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation, net of tax	(22.14)	(7.85)
Closing balance	1,213.05	1,331.83

d) Foreign currency translation reserve

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	375.41	(2.47)
Add: Currency translation adjustments	(1,817.90)	365.27
Less: Transferred to retained earnings	-	(12.61)
Closing balance	(1,442.49)	375.41



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20 Non-current borrowings

Non-current borrowings		₹ in Lakhs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Debentures			
Secured			
(i) 8.07% Debentures (Domestic bonds)- Secured by pari passu charge on the movable fixed assets both present and future (8.07% p.a. secured non-cumulative non-convertible redeemable taxable bonds with three unequal separately transferable redeemable principal parts (STRPP) of ₹12,500.00 Lakhs, ₹12,500.00 Lakhs and ₹25,000.00 Lakhs redeemable at par on 20 March 2020, 20 September 2021 and 20 September 2023, respectively (First Issue - Private Placement))	52,133.58	52,133.59	
Unsecured			
(i) 7.80% Debentures (Domestic bonds) (7.80% p.a. unsecured non-cumulative non-convertible redeemable taxable bonds repayable as bullet payment in the month of July 2022 amounting ₹45,000.00 Lakhs (Second Issue - Private Placement))	47,471.42	47,471.42	
(ii) 8.15% Debentures (Domestic bonds) (8.15% p.a. unsecured non-cumulative non-convertible redeemable taxable bonds repayable as bullet payment in the month of Feb 2021 amounting ₹20,000.00 Lakhs (Third Issue - Private Placement))	20,361.73	20,361.72	
(iii) 8.29% Debentures (Domestic bonds) (8.29 % p.a. unsecured non-cumulative non-convertible redeemable taxable bonds repayable as bullet payment in the month of May 2021 amounting ₹12,500.00 Lakhs (Fourth Issue - Private Placement))	12,676.02	12,676.02	
Term loan from banks			
Secured			
(i) Investec Term Loan A- Secured by way of charge over EPAL's investment in equity shares of EPAL Holdings Limited. (ROI: 3 months LIBOR plus 400 bps repayable quarterly in 2 installments of GBP 2,218,750 each and 15 instalments of GBP 887,500 each starting from 28.12.2018)	-	15,815.46	
(ii) Investec Term Loan B- Secured by way of charge over EPAL's investment in equity shares of EPAL Holdings Limited. (ROI: 3 months LIBOR plus 450 bps repayable as bullet payment of GBP 8.25 Millions on 14.03.2024)	-	7,349.48	
(iii) National Westminster Bank PLC- Secured by way of fixed and floating charge over all property and assets, present and future, including deposits of Edina UK Limited (ROI: Base Rate plus 179 bps repayable as 31 equated monthly installments of GBP 9850 each and balance as bullet payment on 24 November 2020)	1,145.68	1,248.18	
Unsecured			
(i) Punjab National Bank ROI: 8.45% p.a. (linked to 6 months MCLR) repayable in 10 equated instalments starting from June 2021 and ending in December 2025.	39,997.59	-	
Unsecured			
(i) Bank of Baroda, UK (ROI: 3 months LIBOR plus 280 bps repayable as bullet payment of GBP 12 Millions on 13.03.2023)	10,731.73	10,930.03	
(ii) Bank of Baroda, UK (ROI: 3 months LIBOR plus 280 bps repayable in 8 equal instalments of GBP 375,000 each starting from June 2020)	2,714.27	-	
Term loan from other than banks			
Unsecured			
(i) KFW Loan -Guaranteed by Govt of India (1.96% p.a. loan repayable on half yearly basis starting from 30 June 2018 in 14 instalments of Euro 2,941,000 each and 3 instalments of Euro 2,942,000 each)	34,455.63	38,938.98	
(ii) AFD Loan -Guaranteed by Govt of India (1.87% p.a. for Euro 3,719,016.59, 2.20% p.a. for Euro 1,205,674.41, 2.19% p.a. for Euro 8460156.73 and 2.22% p.a. for Euro 3112936.93 loan repayable in half yearly basis starting from 31 October 2020 in 20 equal instalments of Euro 2,500,000 each)	12,929.37	3,997.83	
(iii) ADB Loan -Guaranteed by Govt of India (3.166% p.a. (Method: 6 month LIBOR+ 60 Basis point +/- rebate/surcharge, if any) loan repayable on half yearly basis starting from 15 March 2022 in 30 equal instalments of USD 6,666,667 each)	43,391.19	9,768.69	



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Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

20 Non-current borrowings (continued)

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
(iv) IBRD Loan -Guaranteed by Govt of India (3.55% p.a. (Method: 6 month LIBOR+66 Basis point, if any) loan repayable on half yearly basis starting from 15 May 2023 in 27 equal instalments of USD 7854000 each and one installment of 7942000)	38,484.04	-
	<u>3,16,492.25</u>	<u>2,20,691.40</u>
Less : Current Maturities of non-current borrowings	17,149.14	8,735.24
Less: Interest accrued on non-current borrowings	5,642.05	5,441.21
Total	<u>2,93,701.06</u>	<u>2,06,514.95</u>

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

21 Non current trade payables

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Trade payable for goods and services		
Total outstanding dues of micro enterprises and small enterprises	1,277.49	-
Total outstanding dues of creditors other than micro and small enterprises	10,523.97	-
Total	<u>11,801.46</u>	<u>-</u>

- a) Trade payable are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.
b) Amounts payable to related parties are disclosed in note 48.

22 Other non current financial liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Retention money	40,680.09	8,019.85
Total	<u>40,680.09</u>	<u>8,019.85</u>

23 Non current provisions

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity	136.73	140.88
Leave encashment	144.21	269.51
Total	<u>280.94</u>	<u>410.39</u>

- a) Refer note 40 for disclosure as per Ind AS 19 on 'Employee Benefits'

24 Deferred tax liabilities (net)

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities		
Revenue measured at fair value	1,036.03	2,322.67
Financial assets and liabilities measured at amortised cost	3,007.11	1,295.75
Difference in book depreciation and tax depreciation	8.00	-
Less: Deferred tax assets		
Difference in book depreciation and tax depreciation	2,848.29	2,661.95
Expenses disallowed	-	96.96
Leave encashment	50.39	98.38
Provisions for bonus	47.78	55.68
Provisions for gratuity	113.07	0.88
Allowance for doubtful receivables	137.43	68.05
Operating lease liabilities	37.84	25.95
Revenue measured at fair value	-	37.47
Tax losses carried forward	-	223.12
Financial assets and liabilities measured at amortised cost	2.28	-
Total	<u>814.06</u>	<u>349.98</u>



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24 Deferred tax liabilities (net) (continued)

- a) Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.
b) Refer note 45 for disclosure required as per Ind AS 12 Income Taxes.

For the year ended 31 March 2019					₹ in Lakhs
Particulars	Net balance 1 April 2018	Acquired in business combination	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2019
Deferred tax liabilities					
Revenue measured at fair value	2,322.67	-	(1,391.10)	-	931.57
Financial assets and liabilities measured at amortised cost	1,326.68	-	1,680.43	-	3,007.11
Financial asset measured at FVTPL	8.43	-	21.22	0.46	30.11
Less: Deferred tax assets					
Difference in book depreciation and tax depreciation	2,635.70	-	197.59	(2.40)	2,830.89
Expenses disallowed	301.19	-	44.06	6.65	351.90
Leave encashment	98.38	-	(47.99)	-	50.39
Provisions for gratuity	55.68	-	(19.79)	11.89	47.78
Provisions for bonus	0.88	-	112.19	-	113.07
Allowance for credit impaired receivables	68.05	-	69.38	-	137.43
Operating lease liabilities	25.95	-	11.89	-	37.84
Revenue measured at fair value	37.47	-	(187.60)	(2.15)	(152.28)
Tax losses carried forward	441.29	-	(139.07)	7.03	309.25
Financial assets and liabilities measured at amortised cost	-	-	(10.91)	(1.46)	(12.37)
Total	(6.81)	-	280.80	(19.10)	254.89

For the year ended 31 March 2018					₹ in Lakhs
Particulars	Net balance 1 April 2017	Acquired in business combination	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2018
Deferred tax liabilities					
Revenue measured at fair value	4,197.70	-	(1,875.03)	-	2,322.67
Financial assets and liabilities measured at amortised cost	696.89	30.86	596.63	2.30	1,326.68
Financial asset measured at FVTPL	-	6.96	1.29	0.18	8.43
Less: Deferred tax assets					
Difference in book depreciation and tax depreciation	4,576.69	(140.89)	(1,794.92)	(5.18)	2,635.70
Expenses disallowed	-	199.73	95.92	5.54	301.19
Leave encashment	59.55	-	38.83	-	98.38
Provisions for gratuity	21.42	-	30.11	4.15	55.68
Provisions for bonus	0.88	-	-	-	0.88
Allowance for credit impaired receivables	-	-	68.05	-	68.05
Operating lease liabilities	15.90	-	10.05	-	25.95
Revenue measured at fair value	211.78	(22.76)	(151.04)	(0.51)	37.47
Tax losses carried forward	-	170.60	264.08	6.61	441.29
Total	8.37	(168.86)	161.82	(8.13)	(6.81)

25 Other non-current liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Operating lease liabilities	59.00	74.77
Deferred income on account of government grants	427.68	568.42
Total	486.68	643.19

- a) Deferred income on account of government grants have been accounted in line with Accounting policy no. C.8 (Note 1).
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. Total grant amounting to ₹ 1,062.56 Lakhs has been received out of the sanctioned amount. There are no unfulfilled conditions or other contingencies attached to above grant.

During the year, the Group has received ₹ 290.73 Lakhs (31 March 2018: ₹ 611.37 Lakhs) as grant from World Bank. The Group has recognised ₹ 420.42 Lakhs (31 March 2018: ₹ 0.20 Lakhs) as grant income for the year (refer note 32).



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Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

26 Current borrowings

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Loans from banks		
Secured		
(i) ICICI Bank - Secured by first pari passu charge on the stock and receivables both present and future (ROI varying between 8.20% p.a.(linked to 1 year MCLR) to 8.90% p.a. (linked to 3 months MCLR + 30 bps) depending on the date of disbursement of the respective tranches repaid/ repayable as bullet payment of the respective tranche starting from Sep 2018 to June 2019 in the range of ₹ 2,000.00 Lakhs to ₹ 8,000.00 Lakhs)	15,600.00	15,000.00
(ii) HDFC - Secured by first pari passu charge on the stock and debtors both present and future (ROI varying between 7.85% p.a.(linked to 3 months MCLR) to 8.45% p.a. (linked to 3 months MCLR) depending on the date of disbursement of the respective tranches repayable as Bullet payment of the respective tranche starting from June 2019 to Feb 2019 in the range of ₹1,000.00 Lakhs to ₹5,000.00 Lakhs)	7,500.00	11,000.00
(iii) SBI - Secured by first pari passu charge on the stock and receivables both present and future (ROI varying between 7.85% p.a.(linked to 3 months MCLR) to 8.25% p.a. (linked to 3 months MCLR) depending on the date of disbursement of the respective tranches repaid as Bullet payment in the month of March 2019 in the range of ₹5,000.00 Lakhs to ₹23,500.00 Lakhs)	-	28,525.59
(iv) IndusInd Bank - Secured by pari passu charge on stock and book debts of the Company (ROI varying between 9.13% p.a. to 9.25% p.a. (linked to 3 months MIBOR + 169 bps) repayable as Bullet in the month of Nov 2019 amounting to ₹ 10,000.00 Lakhs)	10,000.00	-
(v) IndusInd Bank (factored receivables)- Secured by pari passu charge on stock and book debts of the Company (ROI be at 9.00% p.a. (linked to 364 days T-bill plus 258 basis point), repayable after 120 days from the discounting date in the event of default/ delay in receipt of proceeds from the companies (whose bills are discounted) in the month of July 2019 amounting to ₹ 9,579.08 Lakhs)	9,579.08	
(vi) Investec Bank, UK (ROI: 3 months LIBOR plus 400 bps to 450 bps repayable in April 2019)	15,889.78	
Unsecured		
(i) IndusInd Bank (ROI varying between 8.30% p.a. to 8.75% p.a. (linked to 3 months MIBOR + 121 bps) repayable as Bullet in the month of Sep 2019 amounting to ₹ 5,000.00 Lakhs)	5,003.69	5,001.14
(ii) J&K Bank (Borrowing-1: ROI varying between 8.15% p.a. to 8.30% p.a. (linked to 1 month MCLR) repayable as Bullet in the month of June 2019 amounting to ₹ 5,000 lakhs) (Borrowing-2: ROI varying between 8.35% p.a. to 8.45% p.a. (linked to 3 months MCLR) repayable as Bullet in the month of Sep 2019 amounting to ₹ 10,000 lakhs)	14,999.91	-
(iii) CTBC Bank (ROI varying between 7.96% p.a. (linked to 1 months MIBOR + 75 bps) to 8.42% p.a. (linked to 3 months MIBOR + 82 bps) repayable as Bullet in the month of Feb 2019 amounting to ₹ 4,000.00 Lakhs)	-	4,000.88
(iv) ICICI Bank UK Plc (ROI: 6 month LIBOR plus 135 bps repayable as bullet payment in the month of March 2020 amounting to GBP 5.50 Millions)	4,976.16	5,075.52
(v) Investec Bank, UK (ROI: 2 month LIBOR plus 350 bps repaid as bullet payment in the month of June 2018 amounting to GBP 3 Millions)	-	2,774.14
	83,548.62	71,377.27
Less: Interest accrued on current borrowings	3.69	33.21
Total	83,544.93	71,344.06



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Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

27 Trade payables

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Trade payable for goods and services		
Total outstanding dues of micro enterprises and small enterprises	8,214.58	-
Total outstanding dues of creditors other than micro and small enterprises	1,40,513.89	1,51,612.76
Total	1,48,728.47	1,51,612.76

- a) Trade payable are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.
b) Amounts payable to related parties are disclosed in note 48.
c) Some trade payables had reserved title to goods supplied to the Group. Since the extent to which such trade payables are effectively secured depends on a number of factors and conditions, some of which are not readily determinable, it is not possible to indicate how much of the above amount is secured under reservation of title.

28 Other current financial liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Current maturities of non-current borrowings (refer note 20)	17,149.14	8,735.24
Interest accrued on borrowings	5,645.74	5,474.42
Unclaimed interest on bonds	1.61	-
Liabilities for expenses	2,333.37	2,193.85
Retention money	15,546.09	13,703.52
Earnest money deposit	430.81	700.16
Security Deposit	138.94	72.85
Payable to employees	936.16	5.11
Commitment fee payable	238.07	48.13
Tax on dividend payable	-	264.35
Total	42,419.93	31,197.63

29 Other current liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Statutory dues (refer note a below)	20,004.60	6,578.13
Liquidated damages	93.25	314.64
Advance from customers	1,308.50	5.87
Unearned income	1,957.67	40.52
Operating lease liabilities	-	0.19
Deferred income on account of government grants (refer note 25)	238.54	67.21
Total	23,602.56	7,006.56

- a) The sales, corresponding output tax liability and purchases along with the corresponding input tax credit reported in GST and VAT returns, the net input tax credit receivable or the net output tax liability payable as the case may be are subject to reconciliation with the books of accounts. Differences which will be identified on reconciliation of GST/ VAT returns will be addressed in annual GST/ VAT statements/ revised returns to be filed in due course.

30 Current provisions

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity	3.29	1.39
Leave encashment	8.37	14.77
Pay revision	-	550.00
Total	11.66	566.16

- a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 40.



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
31 Revenue from operations

	₹ in Lakhs	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of goods	148,987.15	110,114.73
Sale of services	96,097.44	32,521.57
Rent received	16.72	146.16
Total	245,101.31	142,782.46

- a) Refer note 53 for disclosure in respect of Ind AS 115, 'Revenue from contracts with customers'.
- b) The Company has recognised revenue under agreements with ULB's based on certain assumptions / estimate like the start date of the project period is taken as the date of completion specified in the first Completion Certificate received from the ULB, the actual expenses towards PMC, AMC and interest (including indirect finance costs) are more than the percentage specified in the agreement, the billing commences from next month of the month of completion mentioned in the completion certificate except in the case where the date of completion is the first day of the month, in which case the billing is done for the same month. The company is seeking necessary clarifications on such and other matters.

32 Other income

	₹ in Lakhs	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income from financial assets measured at amortised cost		
Bank deposits	3,411.73	1,233.99
Trade receivables/unbilled revenue	1,332.14	2,166.34
Loans to employees	4.85	3.49
Security deposit	41.50	14.50
Others	971.30	1,436.57
Other non-operating income		
Tender document fees	38.63	59.37
E- Tendering registration fee	11.10	15.49
Net gain on foreign currency transactions and translation	3,410.89	-
Gain on investments mandatorily measured at fair value through profit or loss (FVTPL)	116.48	6.81
EMD forfeited	1,424.00	-
Deferred rent income	15.97	-
Grant income	420.42	0.20
Miscellaneous income	154.03	585.59
Total	11,353.04	5,522.35



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
33 (Increase)/ Decrease in inventories

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock	41,221.60	15,475.14
Closing stock	34,855.02	30,003.74
Total	6,366.58	(14,528.60)

34 Employee benefits expense

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	12,673.31	3,913.15
Leave encashment	(100.11)	148.31
Contribution to provident and other funds	616.22	230.83
Staff welfare expenses	314.98	227.97
Total	13,504.40	4,520.26

- a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 40.
- b) The pay revision of the employees of the parent company was due with effect from 1 January 2017. The Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India vide office memorandums No. W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 3 August 2017 had revised scales of pay in respect of Board level and below Board level executives and Non-unionised Supervisors of Central Public Sector Enterprises with effect from 1 January 2017. Since the pay scales of regular employees in EESL have been formulated in accordance with NTPC pay scales of the regular employees, in terms of the guidelines issued by the Department of Public Enterprises applicable to NTPC, a provision was made on an estimated basis in respect of regular employees on account of pay revision. Movement in provision is as follows:

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	550.00	-
Addition during the year	-	550.00
Amounts used during the year	(550.00)	-
Total	-	550.00

35 Finance costs

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Finance charges on financial liabilities measured at amortised cost		
Debentures/Bonds	8,237.85	4,595.01
Loans	10,800.07	5,054.68
Unwinding of discount on retention money	1,067.48	604.38
Unwinding of discount on trade payable	1,048.69	-
Others	-	176.30
Net loss on foreign currency transactions and translation	118.25	2,687.04
Other borrowing costs		
Commitment Fees (KFW Loan)	188.02	11.05
Guarantee Fee	547.70	395.51
Total	22,008.06	13,523.97

- a) Borrowing costs capitalised during the year is ₹ 3,582.44 Lakhs (31 March 2018: ₹ 2,449.16 Lakhs).



36 Other expenses

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Annual maintenance charges (projects)	9,396.79	2,042.59
Legal fees & professional charges	2,464.20	1,314.10
Conveyance expenses	25.20	150.24
Communication expenses	633.16	211.12
Recruitment expenses	72.77	303.47
Repair and maintenance expenses		
- Building maintenance	123.16	88.36
- Plant and machinery	57.80	-
- Computer maintenance	119.45	6.73
- House maintenance	-	0.94
Internal audit fees	6.00	3.00
Advertisement and publicity expenses	444.13	267.80
Printing and stationery expenses	210.91	80.60
Books and periodicals	0.78	-
Meeting expense/ Hospitality expenses	175.76	1.66
Tour and traveling expenses	2,573.65	337.74
Rent	2,131.12	934.00
Electricity expenses	162.46	73.29
Payment to auditors	169.25	41.92
Bank charges	209.36	153.75
Sponsorship expenses	142.54	3.00
Manpower expenses	1,336.91	573.71
Subscription fees	98.38	3.30
Insurance charges	641.41	59.56
Deferred rent expenses	-	29.03
Testing expenses	117.29	22.36
Business promotion	205.89	770.74
Rate and taxes	15.87	617.31
Net loss on sale of property plant and equipment	135.66	-
Awareness creation, training & outreach activities	-	6.12
Diwali gift expenses	-	25.26
Annual day celebration expenses	-	4.48
Corporate social responsibility expenses	20.06	12.27
Net loss on foreign currency transactions and translation	-	1,167.00
Allowance for doubtful receivables	196.65	196.65
Other project expenses	2,757.36	2,677.63
Bad debts	76.58	-
Miscellaneous expenses	250.88	553.46
Total	24,971.43	12,733.19

- a) Ujala scheme expenses amounting to ₹ 1,801.27 Lakhs (software expenses ₹ 361.55 Lakhs, project maintenance expenses ₹ 0.92 Lakhs and other project expenses ₹ 1,438.80 Lakhs) and other project expenses amounting to ₹ 876.36 Lakhs have been aggregated and presented as project expenses (₹ 2,677.63 Lakhs) in the comparative period to enhance comparability with current year.



37 Fair Value Measurements

a) Financial instruments by category

All of the Group's financial assets and liabilities except for investment in Maple Leaf viz. loans, cash and cash equivalents, other bank balances, unbilled revenue, trade and other receivables, borrowings, retention money payable, liability for expenses and other payables are measured at amortised cost.

b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at 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:

Financial assets measured at fair value- Recurring fair value measurements (Level 2*)	₹ in lakhs	
	As at 31 March 2019	As at 31 March 2018
Financial assets:		
Investments	1,527.24	1,440.51
Total	1,527.24	1,440.51

Assets and liabilities which are measured at amortised cost for which fair values are disclosed (Level 2*)	₹ in lakhs	
	As at 31 March 2019	As at 31 March 2018
Financial assets:		
Loan to EnergyPro Asset Management Ltd	5,479.76	5,712.31
Loan to employees	200.55	151.00
Security deposits	633.96	498.69
Unbilled revenue	4,596.36	9,936.59
Finance lease receivables	7,687.96	-
Bank deposits	1,521.68	1,496.90
Total	20,120.27	17,795.49
Financial liabilities:		
Borrowings	306,247.22	226,347.04
Retention money	65,682.89	23,132.00
Trade payables	12,884.96	-
Total	384,815.07	249,479.04

* 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.

c) Valuation technique used to determine fair value:

- 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.
- For financial liabilities (retention money liabilities, debentures, foreign currency loans): Discounted cash flow; appropriate market borrowing rate of the entity as of each balance sheet date used for discounting.

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

Particulars	₹ in Lakhs			
	As at 31 March 2019		As at 31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loan to EnergyPro Asset Management Ltd	5,219.77	5,479.76	5,009.66	5,712.31
Loan to employees	233.95	200.55	182.91	151.00
Security deposits	624.34	633.96	449.35	498.69
Unbilled revenue	3,543.10	4,596.36	7,283.55	9,936.59
Finance lease receivables	7,687.96	7,687.96	-	-
Bank deposits	1,521.68	1,521.68	1,496.90	1,496.90
	18,830.80	20,120.27	14,422.37	17,795.49
Financial liabilities				
Borrowings	310,850.20	306,247.22	215,250.19	226,347.04
Retention money	56,226.18	65,682.89	21,723.37	23,132.00
Trade payables	11,801.46	12,884.96	-	-
	378,877.84	384,815.07	236,973.56	249,479.04

The carrying amounts of current trade receivables, cash and cash equivalents, other financial assets, trade payables, payable for capital expenditure and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The carrying values for finance lease receivables approximates the fair value as these are periodically evaluated based on credit worthiness of customer and allowance for estimated losses is recorded based on this evaluation. Also, carrying amount of bank deposits approximates its fair value.

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



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38 Financial risk management

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

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

- Credit risk
- Liquidity risk
- Market risk

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

a) Credit risk

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

Trade receivables

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.

The Group has not experienced any significant impairment losses in respect of trade receivables in the past years. Since the Group has its customers within different states of India and different countries outside India, geographically there is no concentration of credit risk.

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 43,820.05 Lakhs (31 March 2018: ₹ 55,872.89 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 ₹ 35,316.11 Lakhs (31 March 2018: ₹ 8,354.82 Lakhs). In order to manage the risk, Group places deposits with only high rated banks/institutions.

Loan to employees

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

Loan to EnergyPro Asset Management Ltd (EPAM)

As per joint venture agreement between the parent company and EPAM, in case, EPAM defaults in payment of any amount due under loan given by EPAL by its due date, a deemed transfer notice will be deemed to be served on the Company which will impact EPAM as below:

- EPAM shall be deprived of all its voting rights at any meetings of Shareholders;
- the Director(s) appointed by EPAM shall be deprived of all voting rights (and such Director(s) will lose its rights to attend Board meetings);
- the Defaulting Shareholder shall not be entitled to receive any dividend or other distribution payable by the Company.
- EPAL will have the right to purchase all of EPAM's shares at 90% of the Fair Value per equity share.

As per the loan agreement, in case of any default, interest on the unpaid amount shall accrue daily, from the date of non-payment to the date of actual payment, at 2% above the rate specified under the agreement. Also, EnergyPro Asset Management Ltd along with its nominee director shall be deprived of all of its voting rights as shareholder in EPAL, and it shall not be entitled to any dividend or other distribution payable by the EPAL.

In view of above-mentioned clauses of the joint venture agreement and loan agreement, management is of the view that risk of default is low.

Investment

EESL EnergyPro Asset Limited (EPAL) has made a strategic investment in a partnership firm Maple Leaf Storage LPI. As per the terms of subscription agreement, if conditions laid down in the agreement are not achieved by the LP within one year of the Closing Date, the cash flow allocation to EPAL in relation to its investment shall be established, at that time, in a manner to provide EPAL a projected IRR of at least 10.0% (based on the 15-year financial model).

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments	1,527.24	1,440.51
Non-current loans	5,713.72	5,475.59
Other non-current financial assets*	9,209.64	1,496.90
Cash and cash equivalents	43,820.05	55,872.89
Deposits with banks	33,794.43	6,857.92
Current loans	364.34	166.33
Other current financial assets*	5,888.88	655.91
Total	100,318.30	71,966.05
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	194,375.67	129,847.96
Unbilled revenue	3,543.10	7,283.55
Total	197,918.77	137,131.51

* Excluding unbilled revenue



38 Financial risk management (continued)

(ii) Provision for expected credit losses

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

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

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

The Group has customers with capacity to meet the obligations and therefore the risk of default is low. Further, management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour. However, an allowance for doubtful receivables of ₹ 196.65 Lakhs (31 March 2018: ₹ 196.64 Lakh) has been recognised during the year to the extent of additional 10% of the total outstanding of ₹ 1,966.40 Lakhs of cases which are under litigation for recovery.

Financial assets for which loss allowance is measured and recommended by Comptroller and Auditor General of India

The Group has not made a provision of Rs. 16.50 crores on account of subsidy not received from Delhi Government/DERC as per the recommendation made by the CAG of India of their report dated 18 October 2017 issued to Group. However, the management is of the view that the recovery is being followed up with concerned authority, which is under review and the management is confident for recovery of their dues.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Particulars	₹ in Lakhs	
	Gross carrying amount	
	As at 31 March 2019	As at 31 March 2018
Not due	6,676.23	-
0-30 days past due	39,888.90	32,876.18
31-60 days past due	20,006.21	8,626.13
61-90 days past due	5,968.02	4,779.35
91-120 days past due	15,384.35	1,793.50
More than 120 days past due	106,845.25	81,969.44
Total	194,768.96	130,044.60

(iv) Reconciliation of allowance for doubtful receivables

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

Particulars	₹ in Lakhs	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	196.64	-
Add: Allowance for doubtful debts recognised during the year	196.65	196.64
Closing balance	393.29	196.64

b) Liquidity risk

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

The Group has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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

(i) Financing arrangements

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

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Fixed-rate borrowings		
Foreign currency loans	181,436.83	199,144.30
Short term credit facility	15,304.76	922.85
Total	196,741.59	200,067.15
Floating-rate borrowings		
Term loans	10,002.41	11,500.00
Foreign currency loans	208,762.33	120,331.59
Working capital loan	2,500.10	-
Total	221,264.84	131,831.59
Total	418,006.43	331,898.73



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38 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 2019						₹ in Lakhs
Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings*	4,510.71	37,733.56	43,619.06	182,689.04	135,117.51	403,669.88
Current borrowings	46,465.85	37,082.77	-	-	-	83,548.62
Trade payables	75,681.78	73,046.69	2,895.60	7,061.74	1,844.12	160,529.93
Retention money	1,868.79	16,946.77	15,003.01	19,632.53	2,775.08	56,226.18
Liability for expenses	2,333.37	-	-	-	-	2,333.37
Payable to employees	936.16	-	-	-	-	936.16
Others	378.62	430.81	-	-	-	809.43
Total	132,175.28	165,240.60	61,517.67	209,383.31	139,736.71	708,053.57

As at 31 March 2018						₹ in Lakhs
Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings*	3,380.54	23,633.88	35,004.76	154,629.77	63,206.89	279,855.84
Current borrowings	12,801.75	58,575.52	-	-	-	71,377.27
Trade payables	23,674.12	127,911.77	13.42	13.42	-	151,612.73
Retention money	-	11,874.46	837.97	5,724.99	3,285.94	21,723.36
Liability for expenses	9.08	2,186.77	-	-	-	2,195.85
Payable to employees	5.11	-	-	-	-	5.11
Others	383.33	700.16	-	-	-	1,083.49
Total	40,253.93	224,882.56	35,856.15	160,368.18	66,492.83	527,853.65

* includes interest accrued

c) Market risk

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

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

Currency risk

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

The currency profile of financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

Particulars	As at 31 March 2019			As at 31 March 2018		
	EURO	USD	GBP	EURO	USD	GBP
Financial liabilities						
Foreign currency borrowings	47,385.00	81,875.23	-	42,722.30	9,756.61	-
Trade payables	4,185.63	-	50.96	3,336.46	-	60.80
Total	51,570.63	81,875.23	50.96	46,058.76	9,756.61	60.80
Financial assets						
Trade receivables	128.56	-	806.83	559.22	-	125.02
Balance with bank-current account	-	2,017.42	38.97	-	6,191.77	6.93
Investment	-	1,527.24	-	-	1,440.51	-
Total	128.56	3,544.66	845.80	559.22	7,632.28	131.95
Net Exposure	51,442.07	78,330.57	(794.84)	45,499.54	2,124.33	(71.15)

Sensitivity analysis

A strengthening of the Indian Rupee, as indicated below, against GBP, Euro and USD at 31 March would have increased/ (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the 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, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

Particulars	31 March 2019		31 March 2018	
	Strengthening	Weakening	Strengthening	Weakening
10% movement				
INR/EUR	5,144.21	(5,144.21)	4,549.95	(4,549.95)
INR/USD	7,833.06	(7,833.06)	212.43	(212.43)
INR/GBP	(79.48)	79.48	(7.12)	7.12
Total	12,897.78	(12,897.78)	4,755.27	(4,755.27)



38 Financial risk management (continued)

Interest rate risk

The Group is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group manages the interest rate risks by entering into different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, rupee term loans, foreign currency loans, etc.).

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

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Financial assets:		
Fixed-rate instruments		
Employee Loans	57.38	178.11
Sub total	57.38	178.11
Variable-rate instruments		
Loan to EnergyPro Asset Management Ltd	5,219.77	5,009.66
Sub total	5,219.77	5,009.66
Total	5,277.15	5,187.77
Financial liabilities:		
Fixed-rate instruments		
Foreign currency loans	47,099.92	42,722.30
Debentures	127,500.00	127,500.00
Rupee term loans	39,997.59	-
Cash credit	15,600.00	26,000.00
Sub total	230,197.51	196,222.30
Variable-rate instruments		
Foreign currency loans	81,661.00	9,756.61
Cash credit	47,079.00	37,500.00
Term loan from banks	14,591.68	35,271.26
Short term	20,865.94	7,844.06
Sub total	164,197.62	90,371.94
Total	394,395.13	286,594.24

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	₹ in Lakhs			
	Profit or loss (before tax)			
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Increase	Decrease	Increase	Decrease
Loan to EnergyPro Asset Management Ltd	26.10	(26.10)	25.05	(25.05)
Foreign currency loans	(408.31)	408.31	(48.78)	48.78
Rupee term loans	(235.40)	235.40	(187.50)	187.50
Term loan from banks	(72.96)	72.96	(176.36)	176.36
Short term	(104.33)	104.33	(39.22)	39.22
Total	(794.89)	794.89	(426.81)	426.81



39 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 monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

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

a) Borrowings of parent company:

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

b) Borrowings of subsidiary companies:

- (i) EESL EnergyPro Assets Limited- Maintain cash flow cover (cash flow to debt service including finance charges) of at least 1.4:1.0.
- (ii) Edina Acquisition Limited- Maintain cash flow cover (cash flow to debt service including finance charges) of at least 1.0:1.0, maintain interest cover (EBITDA to finance charges) ranging between 4.08:1 to 10.27:1 and maintain leverage cover (total debt to EBITDA) ranging between 1.25:1 to 3.88:1.
- (iii) Edina UK Limited- Maintain debt servicing cover (cash flow available for debt servicing to debt service liability) of at least 1.10:1 and maintain EBITDA for each 12 month period ending on the last day of a financial quarter of at least £1,500,000.

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

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

The Company monitors capital using gearing ratios which are net debt divided by total equity and debt divided by total equity. Debt comprises of non-current and current borrowings and net debt comprises of non-current and current borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratios at the end of the reporting periods were as follows:

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Borrowings	400,040.87	292,068.67
Less : Cash and cash equivalents	43,820.05	55,872.89
Net debt	356,220.82	236,195.78
Total equity	86,993.77	69,007.29
Net debt to equity ratio	4.09	3.42

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Borrowings	400,040.87	292,068.67
Total equity	86,993.77	69,007.29
Debt to equity ratio	4.60	4.23



40 Disclosure as per Ind AS 19 'Employee Benefits'

a) Defined contribution plans:

(i) Provident fund

The parent company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government, which invests the funds in permitted securities. Amount of ₹ 82.09 Lakhs (31 March 2018: ₹ 178.02 Lakhs) pertaining to employers' contribution to provident fund is recognised as an expense and included in "Employee benefits expense" in note 34.

(ii) Superannuation fund

The parent company pays fixed contribution to superannuation fund to a separate trust. Amount of ₹ 213.91 Lakhs (31 March 2018: ₹ 119.57 Lakhs) pertaining to employers' contribution to superannuation fund is recognised as an expense and included in "Employee benefits expense" in note 34.

(iii) Pension fund

The Group voluntarily contributes 6% to an external pension fund for its employees of subsidiaries. Amount of ₹ 467.54 Lakhs (31 March 2018: ₹ 51.98 Lakhs) is recognised as an expense and included in "Employee benefits expense" in note 34.

b) Defined benefit plan (gratuity)

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

The parent company has set up a fund with Life Insurance Corporation (LIC) of India and contribution is made to the gratuity policy issued by LIC of India. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the parent company's financial statements as at balance sheet date:

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Net defined benefit (asset)/liability:	140.02	142.27
Gratuity	140.02	142.27
Non-current	136.73	140.89
Current	3.29	1.38

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

Particulars	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Opening balance	142.27	6.51	135.76	61.91	-	61.91
Included in profit or loss:						
Current service cost	74.89	-	74.89	61.16	-	61.16
Past service cost	-	-	-	-	-	-
Net Interest cost	11.09	1.00	10.09	4.55	-	4.55
Total amount recognised in profit or loss	85.98	1.00	84.98	65.71	-	65.71
Included in other comprehensive income (OCI):						
Remeasurement loss/(gain) arising from:						
Financial assumptions	2.15	-	2.15	(10.39)	-	(10.39)
Experience adjustment	38.74	-	38.74	22.39	-	22.39
Return on plan assets excluding interest income	-	6.86	(6.86)	-	-	-
Total amount recognised in OCI	40.89	6.86	34.03	12.00	-	12.00
Other						
Contributions paid by the employer	-	114.20	(114.20)	-	14.92	(14.92)
Acquisition adjustment	5.70	-	5.70	11.05	-	11.05
Adjustment in plan assets	-	6.25	(6.25)	-	-	-
Benefits paid	2.72	2.72	-	8.41	8.41	-
Closing balance	272.12	132.10	140.02	142.27	6.51	135.76

(ii) Plan assets

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company. Information on categories of plan assets as at 31 March 2019 and 31 March 2018 has not been provided by Life Insurance Corporation of India. Actual return on plan assets is ₹ 7.86 Lakhs (31 March 2018: Nil).

(iii) Actuarial assumptions

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

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Discount rate	7.75	7.80%
Salary escalation rate	6.00%	6.00%
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

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



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

(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	As at 31 March 2019		As at 31 March 2018	
	Increase	Decrease	Increase	Decrease
	₹ in Lakhs			
Discount rate (0.5% movement)	(20.77)	23.10	(11.09)	12.34
Salary escalation rate (0.5% movement)	23.39	(21.19)	12.44	(11.32)

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.

40 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 2019	31 March 2018
	₹ in Lakhs	
Less than 1 year	3.30	1.39
Between 1-2 years	2.50	1.36
Between 2-5 years	13.28	7.78
Over 5 years	253.05	131.74
Total	272.13	142.27

Expected contributions to post-employment benefit plans for the year ending 31 March 2020 are ₹ 100.80 Lakhs (31 March 2018: ₹ 86.04 Lakhs).

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 19.77 years (31 March 2018: 20.25 years).

c) Other long term employee benefit plans

Leave encashment

The parent company provides for earned leave (EL) benefit (including compensated absences) to the employees of the parent company which accrue annually at 30 days. Leave Encashment subject to maximum of 300 days (Earned Leave) is permissible on superannuation/separation. The parent company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date and accumulated leave is treated as Long Term Employee Benefit. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. An amount of ₹ (-)100.11 Lakhs (31 March 2018: ₹143.65 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

41 The Company raises funds through various sources including series of Non-Convertible Bond issue. The details of redeemable, taxable, non-cumulative, non-convertible bonds in the nature of debentures issued by the Company are as follows:

Series	Secured/ Unsecured	Total issue Size	Face value of each Bond	Allotment Date	₹ in Lakhs	
					First Due Date of principal repayment	Next Due Date of Annual Interest
Series-I	Secured*	50,000.00	₹ 40.00 Lakh**	20-Sep-16	20-Mar-20	20-Sep-19
Series-II	Unsecured	45,000.00	₹ 10.00 Lakh	18-Jul-17	18-Jul-22	18-Jul-19
Series-III	Unsecured	20,000.00	₹ 10.00 Lakh	10-Jan-18	10-Feb-21	10-Jan-20
Series-IV	Unsecured	12,500.00	₹ 10.00 Lakh	29-Jan-18	28-May-21	29-Jan-20

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

** Each bond of Series-I comprises of 2 STRPP of the value of ₹ 10.00 Lakh each and 1 STRPP of the value of ₹ 20.00 Lakh.

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



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42 Disclosure as per Ind AS 108 'Operating Segments'

a) General Information

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

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

Trading: Sale of energy efficient appliances to the different customers

Services: Providing the energy efficient technology services on ESCO mode and consultancy services.

Industrial engine and component: Manufacture, sale, installation, hire and service of diesel and gas powered generators and related spare parts.

Energy saving services (UK): Providing the energy efficient technology services on ESCO mode in United Kingdom (UK).

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

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

For the year ended 31 March 2019

₹ in Lakhs

Particulars	Trading	Services	Industrial engine & component	Energy saving services (UK)	Total
Segment revenue					
Sale of products/ ESCO Project income/ Other consultancy	1,11,527.89	72,237.35	61,499.45	-	2,45,264.69
Segment expenses	1,02,232.39	35,202.63	59,933.01	-	1,97,368.03
Segment results	9,295.50	37,034.72	1,566.44	-	47,896.66
Unallocated corporate interest and other income					11,888.37
Unallocated corporate expenses, finance charges					40,318.11
Profit before tax					19,466.92
Income tax (net)					7,338.89
Profit after tax					12,128.03
Depreciation and amortisation expense	-	33,086.46	569.35	-	33,655.81
Non-cash expenses other than depreciation	196.65	-	76.58	-	273.23
Capital expenditure	-	1,23,889.79	210.92	-	1,24,100.71

For the year ended 31 March 2018

₹ in Lakhs

Particulars	Trading	Services	Industrial engine & component	Energy saving services (UK)	Total
Segment revenue					
Sale of products/ ESCO Project income/ Other consultancy	1,04,788.27	30,806.00	7,165.63	22.56	1,42,782.46
Segment expenses	94,188.71	13,670.39	6,454.02	10.48	1,14,323.60
Segment results	10,599.56	17,135.61	711.61	12.08	28,458.86
Unallocated corporate interest and other income					5,473.52
Unallocated corporate expenses, finance charges					27,705.54
Profit before tax					6,226.84
Income tax (net)					2,835.33
Profit after tax					3,391.51
Depreciation and amortisation expense	-	13,327.71	26.42	7.05	13,361.18
Non-cash expenses other than depreciation	196.64	-	-	-	196.64
Capital expenditure	-	1,27,998.48	-	1,570.81	1,29,569.29

As at 31 March 2019

₹ in Lakhs

Particulars	Trading	Services	Industrial engine & component	Energy saving services (UK)	Total
Segment assets	1,07,206.41	3,95,645.51	34,100.75	-	5,36,952.67
Unallocated corporate and other assets					2,01,910.43
Total assets	1,07,206.41	3,95,645.51	34,100.75	-	7,38,863.10
Segment liabilities	56,331.83	79,113.56	20,103.48	-	1,55,548.87
Unallocated corporate and other liabilities					5,00,896.79
Total liabilities	56,331.83	79,113.56	20,103.48	-	6,56,445.66



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Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
42 Disclosure as per Ind AS 108 'Operating Segments' (continued)

As at 31 March 2018					
Particulars	Trading	Services	Industrial engine & component	Energy saving services (UK)	Total
Segment assets	1,15,878.05	2,57,907.92	81,795.41	4,609.91	4,60,191.29
Unallocated corporate and other assets					86,722.65
Total assets	1,15,878.05	2,57,907.92	81,795.41	4,609.91	5,46,913.94
Segment liabilities	12,092.64	96,313.10	63,467.47	4,529.78	1,76,402.99
Unallocated corporate and other liabilities					3,06,188.50
Total liabilities	12,092.64	96,313.10	63,467.47	4,529.78	4,82,591.49

₹ in Lakhs

c) Information about geographical areas

Particulars	Non-current assets*		Revenue from external customers	
	As at 31 March 2019	As at 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
India	3,08,268.49	2,16,490.41	1,83,601.86	1,35,594.27
United Kingdom	44,868.44	49,575.12	52,845.84	3,468.17
Ireland	1,680.43	1,893.26	7,204.82	2,499.31
Rest of the World	63.86	54.00	1,448.79	1,220.71
Total	3,54,881.22	2,68,012.79	2,45,101.31	1,42,782.46

*other than financial instruments and deferred tax assets

d) Information about major customers

No external customer individually accounted for more than 10% of the revenues during the year ended 31 March 2019 and 31 March 2018.

43 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-19	31-Mar-18	31-Mar-19	31-Mar-18	
EESL EnergyPro Assets Limited	United Kingdom	84.55	80.00	15.45	20.00	Holding company & business support
Anesco Energy Services (South) Limited	United Kingdom	84.55	80.00	15.45	20.00	Provision of energy saving services
Creighton Energy Limited	United Kingdom	84.55	80.00	15.45	20.00	Investment holding company
EPAL Holdings Limited	United Kingdom	84.55	80.00	15.45	20.00	
Edina Acquisition Limited	United Kingdom	84.55	80.00	15.45	20.00	
Edina Power Services Limited	Ireland	84.55	80.00	15.45	20.00	Manufacture, sale, installation, hire and service of diesel and gas powered generators and related spare parts
Edina Limited	Ireland	84.55	80.00	15.45	20.00	
Edina UK Limited	United Kingdom	84.55	80.00	15.45	20.00	
Edina Manufacturing Limited	United Kingdom	84.55	80.00	15.45	20.00	Containerisation of diesel and gas powered generators and production of equipment for containerisation
Edina Power Limited	United Kingdom	84.55	80.00	15.45	20.00	
Edina Australia Pty Limited	Australia	84.55	80.00	15.45	20.00	Equipment wholesale sales and maintenance activities
Armoura Holdings Limited	Ireland	84.55	80.00	15.45	20.00	Investment in and rental of property
Stanbeck Limited	Ireland	84.55	80.00	15.45	20.00	Property investment company
EPSL Trigenation Private Ltd	India	84.55	-	15.45	-	Trigenation technology solutions



43 Disclosure as per Ind AS 112 'Disclosure of interest in other entities' (continued)

b) Non-controlling interests

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for subsidiary are before inter-company eliminations.

	₹ in Lakhs	
	31-Mar-19	31-Mar-18
Summarised balance sheet		
Current assets	24,843.11	31,346.99
Current liabilities	40,239.26	36,935.90
Net current assets	(15,396.15)	(5,588.91)
Non-current assets	59,629.66	60,295.82
Non-current liabilities	14,617.46	31,282.77
Net non-current assets	45,012.20	29,013.05
Net assets	29,616.05	23,424.14
Accumulated NCI	4,576.33	4,684.84
Summarised statement of profit and loss	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	61,499.45	7,221.81
Profit for the year	2,615.00	(386.91)
Other comprehensive income (OCI)	(2,111.51)	469.26
Total comprehensive income	503.49	82.35
Profits attributable to NCI	469.80	(77.38)
OCI attributable to NCI	(293.61)	93.85
Total comprehensive income attributable to NCI	176.19	16.47
Dividends paid to NCI	-	-
Summarised cash flows	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from operating activities	(1,787.78)	(13,014.39)
Cash flows from investing activities	(188.72)	(47,871.24)
Cash flows from financing activities	(497.51)	33,465.02
Net increase/(decrease) in cash and cash equivalents	(2,474.01)	(27,420.61)

c) Change in parent's ownership interest in Subsidiary

During the year ended 31 March 2019, the parent's ownership interest in EPAL has changed from 80.00% to 84.55%. The effect of the same is as under:

Particulars	Owners interest		Minority interest		Total	
	Share capital	Other equity	Share capital	Other equity	Share capital	Other equity
As at 1 April 2018	19,621.43	(882.12)	4,905.36	(220.52)	24,526.79	(1,102.64)
Equity investment during the year	7,762.05	-	-	-	7,762.05	-
Share in statement of profit and loss for the year	-	2,145.20	-	469.80	-	2,615.00
Share in other comprehensive income for the year	-	(1,817.90)	-	(293.61)	-	(2,111.51)
Effects of change in accounting policy	-	(1,658.90)	-	(414.73)	-	(2,073.63)
Impact of change in ownership interest adjusted in retained earnings	-	(130.03)	-	130.03	-	-
As at 31 March 2019	27,383.48	(2,343.75)	4,905.36	(329.03)	32,288.84	(2,672.78)



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Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)
43 Disclosure as per Ind AS 112 'Disclosure of interest in other entities' (continued)
d) Investment in joint venture company:

The group's joint ventures at 31 March 2018 are listed below. They have share capital consisting solely of equity shares that are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

₹ in Lakhs

Company name	Country of incorporation	Accounting method	Ownership interest held by group		Carrying Amount	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
NEESL Private Limited	India	Equity Method	26.00%	26.00%	5.96	2.91

The joint ventures are unlisted and hence the quoted price are not available.

₹ in Lakhs

Summarised balance sheet	NEESL Private Limited	
	31-Mar-19	31-Mar-18
Current assets		
Cash and cash equivalents	0.05	1.01
Other assets	1,132.64	639.53
Total current assets	1,132.69	640.54
Total non-current assets	-	-
Current liabilities		
Financial liabilities (excluding trade payables)	51.24	0.79
Other liabilities	1,058.51	628.55
Total current liabilities	1,109.75	629.34
Non-current liabilities		
Financial liabilities (excluding trade payables)	-	-
Other liabilities	-	-
Total non-current liabilities	-	-
Net assets	22.94	11.20

Summarised statement of profit and loss	NEESL Private Limited	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	2,883.33	565.28
Interest income	-	-
Other income	8.83	1.18
Cost of material consumed	(2,819.69)	(551.76)
Depreciation and amortisation	-	-
Interest expense	(0.01)	(0.02)
Income tax expense	(0.96)	(3.54)
Profit from continuing operations	1.35	10.20
Profit from discontinued operations	-	-
Profit for the year	1.35	10.20
Other comprehensive income	-	-
Total comprehensive income	1.35	10.20
Dividend received	-	-

Reconciliation of carrying amount	NEESL Private Limited	
	31-Mar-19	31-Mar-18
Opening net assets	11.20	1.00
Profit for the year	1.35	10.20
Capital expenditure annuity reserve	10.39	-
Other comprehensive income	-	-
Closing net assets	22.94	11.20
Group share in %	26.00%	26.00%
Group share in INR	5.96	2.91
Goodwill	-	-
Carrying amount	5.96	2.91

e) Details of significant restrictions
EESL EnergyPro Assets Limited (EPAL):

There is a restriction on disposal of investment in EESL EnergyPro Assets Limited for three years from the date of agreement, i.e. 13 March 2018.

In the event of default of loan repayments of ICICI Bank, the bank may by notice stop EPAL from making dividend payments to its shareholders including EESL.


NEESL Private Limited:

There is a restriction on disposal of investments in NEESL Private Limited until the expiry date or earlier termination of the last subsisting Supply, Installation, Operation and Maintenance Agreement entered into by NEESL Private Limited for implementation of developing an energy efficient public lighting system in the cities of Bhubaneswar, Cuttack, Berhampur, Rourkela and Sambalpur comprising of their respective municipal area as determined in accordance with the Orissa Municipal Corporation Act, 2003 in relation to the Project Public Street Lighting Points, on a public private partnership basis.



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44 Disclosure as per Schedule III to the Companies Act, 2013



Energy Efficiency Services Limited

44 Disclosure as per Schedule III to the Companies Act, 2013 (continued)

Name of the entity in the Group	As at 31 March 2018		For the year ended 31 March 2018							
	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	93.39%	64,442.96	116.36%	3,946.24	-1.74%	(7.85)	102.49%	3,938.39		
Foreign subsidiaries										
EESL EnergyPro Assets Limited*	35.61%	24,575.36	2.32%	78.74	0.00%	-	2.05%	78.74		
Anesco Energy Services South Ltd	5.92%	4,084.47	0.36%	12.18	0.00%	-	0.32%	12.18		
Creighton Energy Limited	2.25%	1,555.97	0.05%	1.84	0.00%	-	0.05%	1.84		
EPAL Holdings Limited	-0.01%	(3.96)	-0.12%	(3.92)	0.00%	-	-0.10%	(3.92)		
Edina Acquisition Limited	-0.30%	(203.64)	-23.41%	(793.87)	0.00%	-	-20.66%	(793.87)		
Edina Power Services Limited	4.87%	3,361.16	0.18%	6.12	0.00%	-	0.16%	6.12		
Edina Limited	10.48%	7,232.68	0.68%	23.06	0.00%	-	0.60%	23.06		
Edina UK Limited	7.13%	4,922.81	12.43%	421.66	0.00%	-	10.97%	421.66		
Edina Australia Pty Limited	0.14%	93.96	-0.10%	(3.30)	0.00%	-	-0.09%	(3.30)		
Armoura Holdings Limited	0.14%	93.77	-0.52%	(17.58)	0.00%	-	-0.46%	(17.58)		
Stanbeck Limited	-0.37%	(253.66)	-0.16%	(5.37)	0.00%	-	-0.14%	(5.37)		
Edina Manufacturing Limited	0.03%	23.28	0.27%	9.32	0.00%	-	0.24%	9.32		
Edina Power Limited	0.97%	666.71	-4.96%	(168.24)	0.00%	-	-4.38%	(168.24)		
Non-controlling interest in all subsidiaries	6.79%	4,684.84	-2.28%	(77.38)	20.80%	93.85	0.43%	16.47		
Foreign joint ventures										
EESL EnergyPro Assets Limited*	0.00%	-	-5.03%	(170.49)	-2.25%	(10.14)	-4.70%	(180.63)		
Indian joint ventures										
NEESL Private Limited	0.00%	2.91	0.08%	2.65	0.00%	-	0.07%	2.65		
Consolidation adjustment	-67.05%	(46,272.33)	3.83%	129.85	83.19%	375.41	13.15%	505.26		
Total	100.00%	69,007.29	100.00%	3,391.51	100.00%	451.27	100.00%	3,842.78		

*became subsidiary with effect from 13 March 2018.



45 Disclosure as per Ind AS 12 'Income taxes'

i) Income tax recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense		
Current year	7,045.92	2,252.10
Earlier years	-	421.40
	7,045.92	2,673.50
Deferred tax expense		
Origination and reversal of temporary differences	292.97	161.82
	292.97	161.82
Total income tax expense	7,338.89	2,835.32

ii) Income tax recognised in other comprehensive income

₹ in Lakhs

Particulars	Before tax	Tax expense/ (benefit)	Net of tax
For the year ended 31 March 2019			
Net actuarial losses on defined benefit plans	(34.03)	(11.89)	(22.14)
Exchange differences on translation of foreign operations	(2,111.51)	-	(2,111.51)
Total	(2,145.54)	(11.89)	(2,133.65)
For the year ended 31 March 2018			
Net actuarial losses on defined benefit plans	(12.00)	(4.15)	(7.85)
Exchange differences on translation of foreign operations	459.12	-	459.12
Total	447.12	(4.15)	451.27

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

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	19,463.87	6,394.67
Tax using the Company's domestic tax rate of 34.944% (31 March 2018: 34.608%)	6,736.06	2,213.07
Tax effect of:		
Non-deductible tax expenses	1,051.90	(282.17)
Previous year tax liability	-	421.40
Others	(449.07)	483.02
At the effective income tax rate of 37.71% (31 March 2018: 44.34%)	7,338.89	2,835.32

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Basic earnings per share* [A/B]	1.78	0.75
Diluted earnings per share* [A/C]	1.36	0.75
Nominal value per share	10.00	10.00

*rounded upto two decimal places

a) Profit attributable to equity shareholders (₹ in Lakhs) [A] 11,658.23 3,468.89

b) Weighted average number of equity shares

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance of issued equity shares	46,20,00,000	46,20,00,000
Effect of shares issued during the year, if any	19,15,91,854	-
Weighted average number of equity shares for Basic EPS [B]	65,35,91,854	46,20,00,000
Effect of dilution	20,50,69,246	2,71,233
Weighted average number of equity shares for Diluted EPS [C]	85,86,61,100	46,22,71,233



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47 Disclosure as per Ind AS 17 on 'Leases'

a) Operating leases

The parent company has taken certain residential/office premises and warehouses under non-cancellable operating lease arrangements. Lease rentals are subject to escalation of upto 15% per annum. Lease rental expenses charged during the year to the Statement of Profit and Loss amounts to ₹ 2,015.59 Lakhs (31 March 2018: ₹757.37 Lakhs). Total future minimum lease payments due under non-cancellable operating leases are as follows:

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Less than one year	1,370.95	1,538.58
Between one and five years	2,410.64	3,108.80
More than five years	-	1,054.46
Total	3,781.59	5,701.84

The Group has taken certain office premises and warehouses on operating lease for a period ranging from 1 to 5 years, which can be further extended at mutually agreed terms but are not non-cancellable. The lease rental expenses charged during the year in the statement of profit and loss for the year in respect of leases is ₹ 115.53 Lakhs (31 March 2018: ₹ 176.63).

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 ₹ 16.72 Lakhs (31 March 2018: ₹ 146.16 Lakhs).

b) Finance leases

- (i) The parent company provides electrical vehicles (E-vehicles) on finance lease for a period of six years. Lease rentals are subject to escalation of 0% to 10% per annum. Total future minimum lease payments due under non-cancellable finance leases are as follows:

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Less than one year	1,077.85	-
Between one and five years	4,171.86	-
More than five years	668.11	-
Total minimum lease payments	5,917.82	-
Unearned finance income	1,204.79	-
Present value of minimum lease payments	4,713.03	-

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

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Less than one year	812.22	-
Between one and five years	3,254.16	-
More than five years	646.65	-
Present value of minimum lease payments	4,713.03	-

The Company provides E-vehicles on lease to various customers. Up to 31 March 2018, such leases were classified as operating lease. The Company has reevaluated the leasing arrangements and concluded that these lease should be classified as finance lease as per Ind AS 17, 'Leases'. The change in classification of leases has resulted in a reduction in profit before tax by ₹ 13.33 Lakhs and tax expense by ₹ 4.66 Lakhs for the year ended 31 March 2019. Impact of such change on earnings per share is not material.

- (ii) The group also leases out energy saving equipments to customers for a period upto 19 years. Lease rentals are subject to escalation of 2.5% to 6% per annum. Total future minimum lease payments due under non-cancellable finance leases are as follows:

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Less than one year	325.69	-
Between one and five years	2,006.99	-
More than five years	3,636.83	-
Total minimum lease payments	5,969.51	-
Unearned finance income	2,106.13	-
Present value of minimum lease payments	3,863.38	-

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

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Less than one year	76.23	-
Between one and five years	1,117.17	-
More than five years	2,669.98	-
Present value of minimum lease payments	3,863.38	-



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

48 Disclosure as per Ind AS 24 'Related Party Disclosures'

a) List of Related parties:

(i) Entities having joint control over the company:

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

(ii) Subsidiaries:

Interest in subsidiaries are set out in Note 43.

(iii) Joint Venture:

NEESL Private Limited

(vi) Key Managerial Personnel (KMP):

Parent company

Saurabh Kumar	Managing Director	w.e.f. 7 May, 2013
Rajeev Sharma	Director and Chairman	w.e.f. 5 February, 2018
Kaushal Kishore Sharma	Director and Chairman	w.e.f. 21 October, 2016 upto 31 October, 2017
Raj Pal	Nominee Director	w.e.f. 14 July, 2016
Vijay Kumar Singh	Nominee Director	w.e.f. 21 October, 2016 upto 14 November, 2018
Avakash Saxena	Nominee Director	w.e.f. 22 September, 2016 till 5 February, 2018
Pankaj Kumar	Nominee Director	w.e.f. 4 August, 2017 till 15 March, 2018
Mohit Bhargava	Nominee Director	w.e.f. 5 February, 2018
Sanjiv Garg	Nominee Director	w.e.f. 21 October, 2018
Abhay Bakre	Nominee Director	w.e.f. 8 May, 2018
Seethapathy Chander	Independent Director	w.e.f. 5 February, 2018
Gauri Surendra Trivedi	Independent Director	w.e.f. 5 February, 2018
Renu Narang	Director (Finance)	w.e.f. 1 March, 2018 upto 23 January, 2019
Venkatesh Dwivedi	Director (P & BD)	w.e.f. 7 February, 2019
Shankar Gopal	Director (Comm)	w.e.f. 7 February, 2019
Shankar Gopal	Chief Financial Officer	w.e.f. 8 June, 2016 upto 5 April, 2018
Shankar Gopal	Chief Financial Officer	w.e.f. 7 February, 2019
Renu Narang	Chief Financial Officer	w.e.f. 6 April, 2018 upto 23 January, 2019
Pooja Shukla	Company Secretary	w.e.f. 27 December, 2012

Subsidiary Companies:

EESL EnergyPro Assets Limited

Saurabh Kumar	Director	w.e.f. 13 March 2018
Neelima Jain	Director	w.e.f. 13 March 2018
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018
Shankar Gopal	Director	w.e.f. 20 March 2019

Anesco Energy Services South Limited

Matthew William Pumfrey	Director	w.e.f. 13 March 2018
Michael Anthony Tivey	Director	w.e.f. 13 March 2018
Neelima Jain	Director	w.e.f. 13 March 2018
Amit Kumar Bharadwaj	Director	w.e.f. 20 March 2019
Nitin Wadhwa	Director	w.e.f. 20 March 2019

Creighton Energy Limited

Matthew William Pumfrey	Director	w.e.f. 13 March 2018
Michael Anthony Tivey	Director	w.e.f. 13 March 2018
Neelima Jain	Director	w.e.f. 13 March 2018
Amit Kumar Bharadwaj	Director	w.e.f. 20 March 2019
Nitin Wadhwa	Director	w.e.f. 20 March 2019

EPAL Holdings Limited

Saurabh Kumar	Director	w.e.f. 13 March 2018
Neelima Jain	Director	w.e.f. 13 March 2018
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018

Edina Acquisitions Limited

Saurabh Kumar	Director	w.e.f. 13 March 2018
Neelima Jain	Director	w.e.f. 13 March 2018
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018



Energy Efficiency Services Limited
Notes to accounts for consolidated financial statements (continued)

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

Edina Power Services Limited

Saurabh Kumar	Director	w.e.f. 13 March 2018
Neelima Jain	Director	w.e.f. 13 March 2018
Steven Derrick Fawkes	Director	w.e.f. 13 March 2018
Delvin Lane	Director	w.e.f. 13 March 2018 upto 17 July 2018
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018
Shankar Gopal	Director	w.e.f. 19 February 2019

Edina Limited

Neelima Jain	Director	w.e.f. 13 March 2018
Delvin Lane	Director	w.e.f. 13 March 2018 upto 17 July 2018
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018

Edina UK Limited

Neelima Jain	Director	w.e.f. 13 March 2018
Delvin Lane	Director	w.e.f. 13 March 2018 upto 17 July 2018
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018

Edina Australia Pty Limited

Neelima Jain	Director	w.e.f. 13 March 2018
Delvin Lane	Director	w.e.f. 13 March 2018 upto 17 July 2018
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018

Armoura Holdings Limited

Neelima Jain	Director	w.e.f. 13 March 2018
Delvin Lane	Director	w.e.f. 13 March 2018 upto 17 July 2018
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018

Stanbeck Limited

Neelima Jain	Director	w.e.f. 13 March 2018
Delvin Lane	Director	w.e.f. 13 March 2018 upto 17 July 2018
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018

Edina Manufacturing Limited

Neelima Jain	Director	w.e.f. 13 March 2018
Delvin Lane	Director	w.e.f. 13 March 2018 upto 17 July 2018
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018

Edina Power Limited

Neelima Jain	Director	w.e.f. 13 March 2018
Delvin Lane	Director	w.e.f. 13 March 2018 upto 17 July 2018
Hugh Kerr Richmond	Director	w.e.f. 17 July 2018

EPSL Trigenation Private Limited

Saurabh Kumar	Director	w.e.f. 20 December 2018
Neelima Jain	Director	w.e.f. 20 December 2018

(v) Subsidiaries, joint ventures and associates of entities having joint control over the Group:

PFC Capital Advisory Services Limited
PFC Consulting Limited
PFC Green Energy Limited
REC Power Distribution Co. Limited
Utility Powertech Limited

(vi) Post Employment Benefit Plans:

Energy Efficiency Services Limited Employees Group Superannuation Defined Contribution Scheme Trust

(vii) Non-controlling interest:

EnergyPro Asset Management Limited

(viii) Entities under the control of the same government:

The Group is controlled by Central Government through its controlled entities (refer Note 18). Pursuant to Paragraph 25 and 26 of Indian Accounting Standard 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Group has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Group has significant transactions include but not limited are:

Bureau of Energy Efficiency
NHPC Limited
Oil and Natural Gas Corporation Limited
Bharat Heavy Electricals Limited
Coal India Limited
Central Electronics Limited
Indian Renewable Energy Development Agency Limited (IREDA)



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

b) Transactions with the related parties are as follows:*

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Manpower services received by the Group		
Utility Powertech Limited	1,984.82	1,917.19
Sales of goods		
NTPC Limited	5,873.43	7,953.05
Power Grid Corporation of India Limited	2,257.51	434.72
REC Limited	2.47	95.76
Power Finance Corporation Limited	8.11	205.94
Bureau of Energy Efficiency	10.52	2,269.46
Oil and Natural Gas Corporation Limited	728.75	380.10
Bharat Heavy Electricals Limited	-	15.88
Total	8,880.79	11,354.90
Consultancy services		
Coal India Limited	-	148.72
Indian Renewable Energy Development Agency Limited (IREDA)	-	221.28
NHPC Limited	-	555.95
Total	-	925.96
Purchase of goods and services		
Bharat Heavy Electricals Limited	5,026.00	1,035.00
Central Electronics Limited	9,329.00	-
Total	14,355.00	1,035.00
Deputation of employees		
NTPC Limited	680.32	88.49
Equity contribution received		
NTPC Limited	-	9,900.00
Power Grid Corporation of India Limited	1,520.44	-
Power Finance Corporation Limited	9,900.00	-
Total	11,420.44	9,900.00
Equity contribution paid		
NEESL Private Limited	-	0.26
Interest income		
EnergyPro Asset Management Limited	233.83	8.25
Banking fee and guarantee fees recovered		
EnergyPro Asset Management Limited	139.74	93.40
Loan given		
EnergyPro Asset Management Limited	210.11	4,963.76
Final dividend paid		
NTPC Limited	401.04	880.35
Power Grid Corporation of India Limited	61.59	135.21
REC Limited	239.31	880.35
Power Finance Corporation Limited	401.04	880.35
Total	1,102.98	2,776.27
Interim dividend paid		
NTPC Limited	-	411.72
Power Grid Corporation of India Limited	-	63.23
REC Limited	-	411.72
Power Finance Corporation Limited	-	411.72
Total	-	1,298.39
Transactions with post employment benefit plan		
Contributions made during the year	208.42	119.57
Compensation to Key Management Personnel (KMP)		
Short term benefits	140.75	96.02
Post employment benefits	15.92	5.85
Other long term benefits	0.40	0.28
Total	157.07	102.15



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

c) Outstanding balances with related parties are as follows:

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Amount recoverable for sale/purchase of goods and services		
NTPC Limited	4,349.98	4,894.98
Power Grid Corporation of India Limited	1,564.61	110.74
REC Limited	156.63	538.85
Power Finance Corporation Limited	133.16	263.76
PFC Capital Advisory Services Limited	2.32	2.32
PFC Consulting Limited	133.57	0.20
PFC Green Energy Limited	0.08	0.08
Total	6,340.35	5,810.92
Amount recoverable (loans)		
EnergyPro Asset Management Limited	5,219.77	5,009.66
Amount payable (other than loans)		
Utility Powertech Limited	27.49	202.36
EnergyPro Asset Management Limited	36.19	-
Outstanding compensation to KMP	-	0.13

d) Terms and conditions of transactions with the related parties

- Transactions with the related parties are made on normal commercial terms and conditions and at market rates.
- The contracts or arrangements or transactions entered into during the year ended 31 March 2019 which were at arm's length basis.
- The Group is receiving manpower services from M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between NTPC Limited and Reliance Infrastructure Ltd.
- The Group provides consultancy services and sell goods to companies having joint control on which it recovers cost plus services charges from such companies.
- Loan is given to EnergyPro Asset Management Limited (EPAM) at interest rate of LIBOR plus margin (2.80%). Banking fee and guarantee fees are recovered on cost to cost basis. As per the loan agreement, in case of any default, EnergyPro Asset Management Ltd along with its nominee director shall be deprived of all of its voting rights as shareholder in EESL EnergyPro Asset Limited (EPAL), and it shall not be entitled to any dividend or other distribution payable by the EPAL.
- Outstanding balances of related parties at the year-end are unsecured and interest free except for loan to EPAM and settlement occurs in cash. For the year ended 31 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

50 Major Investments made during the year:

- The parent company has made an advance payment of ₹ 48.23 Lakhs (31 March 2018: ₹ 89.21 Lakhs) during the year towards the purchase of property at NBCC Center, Sahkar Marg, Jaipur for its Regional Office at Jaipur..
- The parent company has also made an advance payment of ₹ 88.89 Lakhs (31 March 2018: ₹ 88.89 Lakhs) during the year towards the purchase of Built up offices in NBCC Square, Action Area-III, Rajarhat, Kolkata.
- The parent company has also made an advance payment of ₹ Nil (31 March 2018: ₹ 1,103.72 Lakhs) towards the purchase of Built up offices in commercial complex, NBCC, Nauroji Nagar New Delhi.

51 Disclosure as per Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'

The amount of exchange differences (net) credited to the statement of profit and loss is ₹ 3,292.64 Lakhs (31 March 2018: debited to Statement of profit and loss ₹ 3,854.04 Lakhs).

52 Disclosure as per Ind AS 12 'Accounting for Government Grants and Disclosure of Government Assistance'

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. Total grant amounting to ₹ 1,062.56 Lakhs has been received out of the sanctioned amount. There are no unfulfilled conditions or other contingencies attached to above grant.

During the year, the Group has received ₹ 290.73 Lakhs (31 March 2018: ₹ 611.37 Lakhs) as grant from World Bank. The Group has recognised ₹ 420.42 Lakhs (31 March 2018: ₹ 0.20 Lakhs) as grant income for the year (refer note 32).



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53 Disclosure as per Ind AS 115, 'Revenue from contracts with customers'

a) Nature of goods and services

The revenue of the Group comprises of revenue from sale of goods, rendering of services and sale/servicing of industrial engine and components. The following is a description of the principal activities:

Revenue from sale of goods

The Group sells energy efficient appliances such as LEDs, streetlights, solar lamps, agricultural pumps, energy efficient fans/tubes etc. (including standard warranties) to various customers. Majority of the revenue is derived from government customers. Sale of goods is made as per the terms and conditions mentioned in agreement entered into between the Group and the customer.

Nature, timing of satisfaction of performance obligation and significant payment terms

The Group recognises revenue from sale of goods at a point in time when control of the goods is transferred to the customers. The amount of revenue recognised as per the terms of the contracts and is adjusted for components of variable consideration, wherever applicable, which are estimated based on the historical data available with the Group. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period which varies from 30 to 60 days.

Revenue from rendering of services

The Group provides energy efficiency services on ESCO model and consultancy services to various customers. Majority of the revenue is derived from government customers. Services are provided as per the terms and conditions mentioned in agreement entered into between the Group and the customer.

Nature, timing of satisfaction of performance obligation and significant payment terms

The Group recognises revenue from rendering of services over time as the customers simultaneously receive and consume the benefits provided by the Group. The amount of revenue recognised as per the terms of the contracts and is adjusted for components of variable consideration, wherever applicable, which are estimated based on the historical data available with the Group. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period which varies from 30 to 60 days.

Revenue from industrial engine and component

The group is a distributor of MWM engines technology. The in-house production facility manufactures bespoke control panel systems and containerized MWM engines that are designed to expedite site installation, provide low maintenance cost and ensure maximum plant availability. The Group sells MWM engines, provides engine containerisation and installation service to customers. The Group further provides after sales services through long term service contracts and sells MWM engine parts.

Nature, timing of satisfaction of performance obligation and significant payment terms

In respect to MWM engines and its installation at client site, the company recognizes revenue from sale of goods over a period of time based on measurement of performance obligations. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period which varies between 7 days to 30 days. In respect to MWM engines parts, the company recognizes revenue from sale of goods at a point of time. The company recognizes revenue from sale of services over a period of time. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period of up to 30 days.

b) Disaggregation of revenue

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

Particulars	₹ in Lakhs	
	For the year ended 31 March 2019	For the year ended 31 March 2018 *
(i) Nature of goods and services		
Sale of goods		
Ujala Scheme	37,231.30	57,887.33
Agricultural Demand Side Management	13,249.56	7,925.36
Street light projects	34,140.86	12,928.64
Solar lamps	15,395.60	6,471.45
Solar street light projects	7,307.51	18,543.46
Building projects	1,758.06	17.28
Others	2,445.00	1,014.75
Total [A]	1,11,527.89	1,04,788.27
Rendering of services		
Solar street light projects	64,290.18	23,741.35
Building projects	1,982.10	199.14
Solar lamps	191.57	834.73
Agricultural Demand Side Management	521.14	1,125.21
Solar street light projects	354.92	793.82
Others	4,734.06	4,111.75
Total [B]	72,073.97	30,806.00
Industrial engine and component		
Sale of spare parts	2,322.55	-
Sale of goods	35,136.71	5,326.46
Operation and maintenance services	24,023.47	1,715.57
Total [C]	61,482.73	7,042.03
Total [A + B + C]	2,45,084.59	1,42,636.30



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

(ii) Timing of revenue recognition

Products and services transferred at a point in time	1,13,850.44	1,04,788.27
Products and services transferred over time	1,31,234.15	37,848.03
Total	2,45,084.59	1,42,636.30

* The Company has applied Ind AS 115 using the cumulative effect method. Under this method, the comparative information is not restated.

c) Reconciliation of revenue recognised with contract price:

Particulars	₹ in Lakhs
	For the year ended 31 March 2019
Contract price	2,45,084.59
Adjustments	-
Revenue from operations	2,45,084.59

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 2019	As at 31 March 2018 *
Trade receivables	1,94,375.67	1,29,847.96
Unbilled revenue		
Non-current	1,080.93	2,317.59
Current	2,462.17	4,965.96
Advances from customers	1,308.50	5.87
Unearned revenue	1,957.67	40.52

* The Group has applied Ind AS 115 using the cumulative effect method. Under this method, the comparative information is not restated.

The amount of revenue recognised in 2018-19 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to delay in issuance of completion certificate by competent authorities is ₹ 3,956.70 Lakhs.

The Group recognized revenue of ₹ 40.52 Lakhs arising from opening unearned revenue from customers as at 1 April 2018. There have been no significant changes in unearned revenue during the year ended 31 March 2019.

Significant increase in advances from customers during the year ended 31 March 2019 is on account of cash received, excluding amounts recognised as revenue or adjusted against expenses during the year ended 31 March 2019.

e) Practical expedients applied as per Ind AS 115:

- The Group has 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, 2019, other than those meeting this exclusion criteria.
- The Group does not expect to have any contracts for which revenue is recognised during the year where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group has not adjusted the transaction prices for the time value of money.

f) Incremental costs of obtaining contracts

The Group has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such costs.

g) Significant Judgments

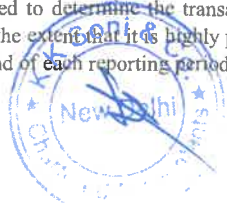
(i) Significant judgments in determining the timing of satisfaction of performance obligation

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and transfer of significant risks and rewards to the customer etc.

For performance obligations that are satisfied over time, the Group uses judgement to determine the method used for revenue recognition. The Group uses input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue is recorded proportionally based on measure of progress. The Group uses output method where direct measurements of value to the customer is based on survey's of performance completed to date.

(ii) Significant judgment in determining the transaction price and allocation of transaction price

Judgement is also required to determine the transaction price for the contract. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.



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

- h) The Group adopted Ind AS 115 using the cumulative effect method and therefore the comparatives have not been restated and continues to be reported as per Ind AS 18. On account of adoption of Ind AS 115, cumulative adjustment of ₹ 2,073.63 Lakhs (₹ 1,658.90 Lakhs in retained earnings and ₹ 414.73 Lakhs in non-controlling interest) was required as at 1 April 2018. Had we followed Ind AS 18, revenue from operations less cost of goods sold would have been lower by ₹ 2,073.63 Lakhs without any adjustment in retained earning on the transition date.

54 Contingent liabilities and commitments

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Contingent liabilities		
Claims against the parent company not acknowledged as debt (VAT paid under protest)	9,291.06	5,921.11
Bank guarantees- lien against fixed deposits	2,027.90	23.65
On account of wage revision as per agreement with Mass Management Services Private Limited	-	28.00
Total	11,318.96	5,972.76
Commitments		
Estimated value of contract to be executed on capital/revenue account and not provided for in the books of accounts	13,83,403.70	10,00,354.48
Commitment of further investments in Maple Leaf amounting to USD 10 Millions	6,917.13	6,504.41
Total	13,90,320.83	10,06,858.89

55 Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the statement of cash flows and notes to the financial statements, the details of which are as under:

Items of balance sheet before and after reclassification as at 31 March 2018				₹ in Lakhs
Particulars	Before reclassification	Reclassification	After reclassification	
Cash and cash equivalents	55,878.19	(5.30)	55,872.89	
Other financial assets	6,351.65	(729.78)	5,621.87	
Other current assets	24,864.90	735.08	25,599.98	

Items of statement of cash flows before and after reclassification for the year ended 31 March 2018				₹ in Lakhs
Particulars	Before reclassification	Reclassification	After reclassification	
Cash flow from operating activities	67,517.41	461.08	67,978.49	
Cash flow from operating activities	(1,67,634.05)	221.93	(1,67,412.12)	
Net cash from financing activities	1,29,140.42	(688.32)	1,28,452.10	
Cash and cash equivalents at the end of the period	55,878.19	(5.30)	55,872.89	

56 Standards issued but not yet effective

On 30 March 2019, Ministry of Corporate Affairs (MCA) has notified the following standards/ appendix/ amendments which will come into force from 1 April 2019:

a) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

Appendix C of Ind AS 12, 'Uncertainty over Income Tax Treatments' is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application

The Group will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.



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56 Standards issued but not yet effective (continued)

b) Ind AS 116 'Leases'

The new leasing standard will replace the existing leases standard, Ind AS 17 Leases, and related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Currently, operating lease expenses are charged to the statement of profit and loss on a straight line basis. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. Further, the new standard contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (modified retrospective approach)

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

Certain practical expedients are available under both the methods.

The Group will adopt the standard on 1 April 2019 by using the modified retrospective approach and accordingly comparatives for the year ended 31 March 2019 will not be retrospectively adjusted.

c) Amendment to Ind AS 12 'Income taxes'

The amendments to the guidance in Ind AS 12, 'Income Taxes', clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognized.

d) Amendment to Ind AS 19 'Employee benefits'

The amendments to the guidance in Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

e) Amendment to Ind AS 23 'Borrowing Costs'

The amendments to the guidance in Ind AS 23, 'Borrowing Costs', clarifies the following:

- while computing the capitalisation rate for funds borrowed generally, borrowing costs applicable to borrowings made specifically for obtaining a qualified asset should be excluded, only until the asset is ready for its intended use or sale.
- borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for its intended use or sale would subsequently be considered as part of the general borrowing costs.

f) Amendment to Ind AS 28 'Investments in Associates and Joint Ventures'

The amendments to the guidance in Ind AS 28, 'Investments in Associates and Joint Ventures', clarifies that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The Group is evaluating the requirements of the above amendments and the effect on the financial statements is being evaluated.

As per our audit report of even date annexed.

For KK Soni & Co.

Chartered Accountants

(FRN 000947N)

Sant Sujat Soni

Partner

(Membership No.- 094227)

Place : New Delhi

Date : 2 July 2019



For and on behalf of the Board of Directors

Saurabh Kumar
Managing Director
DIN : 06576793

S. Gopal
Director Commercial
and CFO

DIN : 08339439

Pooja Shukla
Company Secretary

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2019, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

Part A - Subsidiaries																	₹ in Lakhs
1	S. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14		
2	Name of subsidiary	EESL EnergyPro Assets Limited	Anesco Energy Services (South) Ltd	Creighton Energy Limited	EPAL Holdings Limited	Edina Acquisition Limited	Edina Power Services Limited	Edina Limited	Edina UK Limited	Edina Australia Pty Limited	Armoura Holdings Limited	Stanbeck Limited	Edina Manufacturing Limited	Edina Power Limited	EPSL Trigeneration Private Ltd		
3	The date since when subsidiary was acquired	13-Mar-18	13-Mar-18	13-Mar-18	13-Mar-18	13-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	14-Mar-18	20-Dec-18		
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	20-Dec-18 to 31-Mar-19		
5	Reporting currency of foreign subsidiaries.	GBP	GBP	GBP	GBP	GBP	EURO	EURO	GBP	AUD\$	EURO	EURO	GBP	GBP	INR		
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	90.4756	90.4756	90.4756	90.4756	90.4756	77.8380	77.8380	90.4756	49.2271	77.8380	77.8380	90.4756	90.4756	1.0000		
6	Share capital	31,831.22	4,460.59	1,809.51	7,238.05	7,238.05	5,855.67	6,648.54	3,619.02	0.05	0.00	155.68	0.09	0.09	100.00		
7	Reserves and surplus	1,480.60	(324.38)	(299.56)	(8.79)	(3,617.45)	807.52	194.53	6,271.73	(217.80)	79.91	(431.94)	17.17	630.22	(14.11)		
8	Total assets	54,324.13	4,191.47	1,627.21	39,544.58	54,980.76	14,649.40	13,916.33	29,327.26	438.46	612.14	720.17	36.19	2,914.92	2,190.45		
9	Total Liabilities	21,012.31	55.26	117.26	32,315.32	51,360.17	7,986.21	7,073.26	19,436.51	656.21	532.23	996.43	18.93	2,284.61	2,104.55		
10	Investments	1,527.24	-	-	-	-	-	-	-	-	-	-	-	-	-		
11	Turnover	784.95	425.63	116.38	-	-	-	14,083.81	55,234.83	590.56	19.20	5.58	-	6,153.50	-		
12	Profit before taxation	2,133.11	1.87	(13.15)	(6.14)	(3,635.77)	23.60	56.80	3,488.37	(115.89)	4.80	(28.46)	(10.97)	(411.17)	(19.06)		
13	Provision for taxation	127.00	(131.65)	2.57	(1.17)	(173.15)	-	39.55	(62.20)	(33.97)	1.86	0.37	-	(10.91)	(4.96)		
14	Profit after taxation	2,006.11	133.53	(15.72)	(4.97)	(3,462.62)	23.60	17.24	3,550.57	(81.92)	2.95	(28.83)	(10.97)	(400.25)	(14.11)		
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
16	% of shareholding	84.55%	84.55%	84.55%	84.55%	84.55%	84.55%	84.55%	84.55%	84.55%	84.55%	84.55%	84.55%	84.55%	84.55%		

Note:

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

Part B - Associates and Joint Ventures

S. No.	Name of Joint venture	Date on which Joint Venture was associated or acquired	Latest audited balance sheet date	Shares of Joint Venture held by the company on the year end			Description of how there is joint control	Net Worth attributable to shareholders as per latest audited Balance Sheet	Profit / (loss) for the year ended March 31, 2019	
				Number of shares	Amount of Investment	Extent of holding			Considered in consolidation	Not considered in consolidation
1	NEESL Private Limited	12-Jul-17	31-Mar-19	2,600	0.26	26%	By virtue of shareholding*	5.96	3.05	-

Note:

- Amount of investment in joint venture is based on the carrying value of investments in the consolidated financial statements of Energy Efficiency Services Limited.
- No subsidiaries or joint venture are yet to commence operations and no subsidiaries or joint venture have been liquidated or sold during the year. The Group does not have any associate.



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