Energy Efficiency Services Limited
JV of PSU's of Ministry of Power, Government of India
Energy Efficiency Scale Up Program
IBRD Loan Number 8857-IN

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 01.04.2017 TO 31.03.2019

1. PROJECT NATURE AND ACTIVITIES

1.1 In order to develop a viable ESCO industry, Ministry of Power has set up Energy Efficiency Services Limited (hereinafter referred to as ‘EESL’ or ‘Company’), a Joint Venture of NTPC Limited, Power Finance Corporation, Rural Electrification Corporation Limited and Power Grid to facilitate implementation of energy efficiency projects. EESL works as Energy Saving Company (ESCO), as Consultancy Organization for Clean Development Mechanism, as a Resource Centre for capacity building of State Development Authorities (SDAs), financial institutions, etc. It is registered under the companies Act, 1956 on 10th December 2009. It is the first such company exclusively for implementation of energy efficiency in South Asia and amongst a very few such instances in the world.

1.2 EESL has availed a line of credit of USD 220 million for Energy Efficiency Scale Up Program under PforR (Loan No.8857-IN). The objectives of the Program are to scale up energy savings in residential and public sectors, strengthen the Borrower’s institutional capacity, and enhance its access to commercial financing.

The Program consists of the following activities in the Borrower’s overall corporate investments program:

I. Energy Savings and EE Market Transformation in the Residential Sector:

Scaling-up the EE delivery in the residential sector under the UJALA Program, focusing on LED bulbs, tube lights and ceiling fans.

II. Energy Savings and EE Market Transformation in Public Street Lighting:

Providing the financing necessary for investments in public street lighting, under the SLNP Program.

III. Development of Sustainable Business Models in new EE Market Segments:

Supporting up-stream program development and incorporation of technical, environmental and social sustainability elements into the design of the new initiatives, such as air-conditioning, agriculture demand side management and Building EE Program, which require additional preparatory work to ensure sustainable scale-up.

IV. Institutional Strengthening for Sustainable EE Scale-Up:

Strengthening and developing the institution capacities of the Borrower, especially with respect to technical, managerial, procurement, environmental and social capacity and practices.
2. STATEMENT OF COMPLIANCE

2.1 The company has followed the generally accepted accounting principle in India and complied with the mandatory accounting standards notified under the relevant provisions of the Companies Act 2013.

2.2 Contracts of values higher than the stipulated thresholds have been excluded from Program Expenditure.

2.3 Program funds were utilized for the purposes for which they were intended.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Financial Statements
This comprises of the Statement of Program Financial Statements and related notes to the financial statements.

3.2 Basis of measurement
Financial statements have been prepared under the historical cost convention and in accrual basis of accounting.

3.3 Changes in Accounting policies
There were no significant change in accounting policies.

3.4 Disbursement
IBRD disburses the Loan under PforR. The IBRD Loan proceeds are disbursed on achievement of the six DLIs (Disbursement Linked Indicator), and are disbursed over a period between 2018 to 2022. Disbursements are made after verification by the Independent Verification Agency (IVA). Application for withdrawal are sent to the World Bank after EESL is notified in writing by the Bank that the Bank has accepted evidence of achievement of the DLRs.

4. FUNDS RECEIVED FROM GOVERNMENT

As at 31.03.2019, EESL has not received any funds from Government. All the counterpart funds are arranged by EESL through Debt and Equity.

5. DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the

Mohit Khatri
GM (Finance)

Date: 24th January, 2020

S Gopal
Director (Commercial)
<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Amount (in thousands)</th>
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<tr>
<td>2011-12</td>
<td>1,757,725.478</td>
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<tr>
<td>2012-13</td>
<td>2,090,315.028</td>
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**Program Sources**

- **Total Program Expenditure**
  - Employee Salaries and Benefits: Rs. 1,22,77,944
  - Other Program Costs: Rs. 5,66,91,241

**Program Outcomes**

- **Sustainable Livelihood and Impact Assessment**
  - Microfinance Regulations
  - Distribution of LPG
  - Construction of Tread Lifts

Results (BHRD Loan Number 86871 and BHRD Guarantee Number 22850-N) for the period 01/04/2011 to 30/03/2012

Statement of Sources and Applications of Funds for the World Bank assisted India: Energy Efficiency Seed UP Program for

Program Financial Statements