2021-2022

2nd Annual
REPORT

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Convergence Energy Services Limited

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Company Information

Directors
Ms. Mahua Acharya
(Managing Director & CEO)
Shri Arun Kumar Mishra
(Nominee Director, w.e.f. 11.10.2021)
Shri Chandan Kumar Mondol
(Nominee Director, w.e.f. 21.01.2022)
Shri Shankar Gopal
(Nominee Director)

Shri Jagjeet Singh Dadiala
(Chief Financial Officer, w.e.f 05.04.2021)
Shri Abhishek Srivastava
(Company Secretary, w.e.f. 23.08.2021)

CIN
U40300DL2020PLC372412

Registered Office
2nd Floor, NFL Building, Core-3, Scope Complex, Lodhi Road,
New Delhi-110003

Statutory Auditors
M/s VGHSR & Associates

Bankers

- ICICI Bank
- HDFC Bank
- Axis Bank
- Canara Bank

DIRECTORS' REPORT

To
The Members,
CONVERGENCE ENERGY SERVICES LIMITED

Your Directors are pleased to present the 2nd Annual Report on business and operations of the company along with the Audited Financial Statements for the financial year ended on 31st March, 2022.

Revenue from operations for the financial year 2021-22 was ₹9,88,66,107 and total revenue for the period was ₹ 10,20,63,085. Net profit of the Company in 2021-22 was (₹10,17,09,926).

1 FINANCIAL PERFORMANCE

1.1 Financial Highlights (Standalone):

Highlights of performance of the Company for the financial year 2021-22 are given as under with comparative position of previous year's performance:

(Amount in ₹)

Particulars	**31st March, 2022**	**31st March, 2021**
Paid up Share capital	10,00,01,000	1000
Total Revenue (including Other Income)	10,20,63,085	108,661
Profit Before Depreciation & Taxes	(9,72,08,757)	(28,497,647)
Less: Depreciation	3,83,53,382	-
Profit/(Loss) Before Tax	(13,55,62,139)	(28,497,647)
Less: Prior Period Adjustments (Net)	10,13,775	-
Less: Provision for Taxation -Current Year -Earlier years -Deferred Tax credit	(3,38,52,213)	(7,172,288)
Profit/(Loss) after Tax	**(10,17,09,926)**	**(21,325,359)**
Add : Other comprehensive income / (expense)	-	-
Total Comprehensive income for the year	**(10,17,09,926)**	**(21,325,359)**

1.2 Transfer to free Reserves and Dividend

The company has not transferred any amount to free reserves during the financial year 2021-22.

Your company does not propose any dividend on equity shares for the financial year ended on 31st March 2022.

1.3 Share Capital

The company was incorporated on 29.10.2020 with a paid-up capital of ₹1,000 divided into 100 Equity Shares of ₹ 10 each.

Pursuant to the approval of the members in the first Annual General Meeting of the company held on November 29, 2021, the authorised capital of the company was increased from Rs. 1,000 divided into 100 Equity Shares of ₹ 10 each to Rs. 100,00,00,000 (Rupees One Hundred Crores) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs. 10 (Rupees Ten) each.

During the year, the Board of Directors, on February 15, 2022, allotted 1,00,00,000 (One Crore) equity share of Rs 10 each to M/s Energy Efficiency Services Limited.

Further, the Board of Directors, on May 4th, 2022, allotted 3,56,39,700 (Three Crore Fifty-Six Lakh Thirty-Nine Thousand Seven Hundred) equity shares of Rs. 10 each to M/s Energy Efficiency Services Limited.

Thereafter, the Board of Directors, on June 22, 2022, further allotted 65,70,300 (Sixty Five Lac Seventy Thousand Three Hundred) equity shares of Rs. 10 each to M/s Energy Efficiency Services Limited.

The Board in its meeting held on July 13, 2022, has approved the issue of 3,07,97,140 (Three Crore Seven Lakh Ninety Seven Thousand One Hundred and Forty) Equity shares of ₹10 each (Rupees 10 each) to M/s Energy Efficiency Services Limited on right basis.

The shareholding pattern of the company as on date is as under:

S. No.	Name of Shareholders	No. of Shares Held @ ₹10 each	% of holding
1.	Energy Efficiency Services Limited and its Nominees	5,22,10,100	100
Total		5,22,10,100	**100**

1.4 Net Worth and Earning per Share

Your Company's net worth as on 31st March 2021 was ₹ (2,30,34,285). EPS of the Company for the year ended on 31st March 2021 stood at ₹ (10.17).

1.5 Resource Mobilization

The entire equity in the company is held by Holding Company M/s Energy Efficiency Services Limited. During the Financial Year 2021-22, the borrowings were also taken only from the parent company.

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2 OPERATIONAL HIGHLIGHTS

1 About Convergence Energy Services Limited (CESL)

Convergence Energy Services Limited (CESL) is a wholly subsidiary of state owned Energy Efficiency Services Limited, itself a joint venture of public sector companies under the Ministry of Power, Government of India. CESL is investing in clean energy and clean transportation with a view to delivering affordable and reliable energy at scale. Business models followed by CESL focus on optimizing assets, monetizing and stacking multiple values and using innovative financial structures to deliver at scale. CESL is also working to enable battery powered electric mobility and its infrastructure and designing business models to increase the uptake of electric vehicles in India and increase rural energy access.

CONVERGENCE BUSINESS MODEL:
The concept of Convergence was coined based on the various kinds of sustainable and clean energy initiatives which create an overarching framework for the energy transition goals of the country.

Considering the discussions with the management, CESL's core focus remains on electric mobility and various linked nuances around the strengthening of the ecosystem.

I. Solar Programme:

The Government has set a target of installing 175 GW of solar capacity by 2022 in the country which includes 100 GW from solar, 60 GW from wind, 10 GW from bio-power and 5 GW from small hydro-power, Moreover, the same target has been increased to 450 GW by 2030. The Government is promoting development of solar energy in the country by providing various fiscal and promotional incentives such as accelerated depreciation, waiver of Inter State Transmission System (ISTS) charges and losses, financing solar rooftop systems as part of home loan, and permitting Foreign Direct Investment up to 100 per cent under the automatic route.

At the time of incorporation of CESL, it was agreed that CESL would manage solar assets (and other businesses) and final transfer of the assets needed at the time to be based on due diligence and legal documentation.

CESL was driving the operations of Solar business. In June, 2022- the overall commissioned reached to 196.34 MW.

However, due to renewed focus on profitability & cash flow, the management of this program has since been transferred back to the parent company EESL

A number of business development efforts were underway during the financial year, and are listed here:

- MOU for development of 140 MW of Decentralised Solar project was signed with Govt. of Punjab, however the client has been informed about the increased discovered price and the board has also decided to not to go ahead with the project.
- MOU was signed with Govt. of Meghalaya for development of decentralised Solar projects of 65 MW. However, Meghalaya Government has not undertaken the project forward and given present uncertainties around price module and the same has been shelved. The government of Meghalaya has been informed of the same.

Goa – 110MW – was under MoU with CESL. A proposal that was otherwise with the JERC has now been concluded wherein Regulator has rejected pumps and asked for fresh proposal.

Media/Outreach for PM Scheme: Under the chairmanship of Hon’ble Union Minister of Power and NRE , CESL has been handed over the responsibility of taking extensive outreach **of decentralised solar activities in the state of Telangana and Goa.**

II. <u>Gram Ujala Programme:</u>

Hon’ble Minister of Power, New and Renewable Energy launched Gram UJALA programme in Bihar at Arrah District on 19th March,2021 and in Uttar Pradesh at Varanasi District on 24th March,2021.

This is a carbon finance based program offered to households in rural India, at Rs 10 each for 12W and 7W. Bulbs are of the highest quality, energy efficient LEDs bulbs that consumes 88% percent less electricity as compared to the incandescent bulbs they replace. Savings occur at households from the reduced electricity bills.

1. Steps for Implementation of Gram Ujala Program

<u>Key Activities in Gram-UJALA:</u> The following are the steps are undertaken to implement:

(a) Sample survey of households in the identified rural area to determine the kind of bulbs used and their hours of usage. This determines the wattage of equivalent LEDs to be provided, i.e 7W or 12W.
(b) Local stakeholder consultation as per the norms of CDM-Executive Board
(c) Finalisation of CDM(Clean Development Mechanism) documentation and submission to UN accredited Validator for registration
(d) **Distribution of LEDs** by CESL using one or more of the following methods:
   i. Direct installation at each premise; and/or
   ii. ICL collection and LED distribution through dedicated distribution points as advertised by the SSC-CPA implementer/s in the local media e.g. retail outlets, resident association offices, schools etc. and/or

iii. Dedicated kiosks at the local DISCOM offices

(e) **Collection and Storage and Verification**: Replaced baseline lamps have since been collected from the consumer and from dedicated LED distribution points (defined above) by CESL. The data so collected ensures accurate and transparent collection of inefficient lamps and their storage. Records of all replaced baseline lamps are being maintained by CESL/designated authorities.

(f) **Destruction**: CESL is also arranging for destruction of collected baseline lamps in accordance with protocols as per the agreed terms of reference.

(g) **Issuance of Carbon Credits**: The entire process is overseen by the Validator and will recommend to CDM-EB for issuance of Carbon Credits.

2. Benefits of Gram Ujala Program

- Peakload savings to DISCOMs
- Savings to homes
- Access to modern high quality lighting – these LEDs are high performing lost lasting LEDs
- GHG reductions

3. Status

- As on date CESL has distributed 1 Crore LED bulbs in rural areas of 5 states (Bihar, Uttar Pradesh, Andhra Pradesh, Karnataka, Telangana). This has resulted in estimated energy savings of 141.38 Crore kWh per year with avoided peak demand of 388 MW, GHG emission reduction of 13.00 lakhs t CO_2 per year and estimated annual monetary savings of INR 478 crore in consumer electricity bills. As per the current status, CESL is in the process of completing activities linked to verifications and issuance of carbon credits generated from the program before the closure of calendar year 2022.

- CESL achieved the target of distribution of **1 million LED bulbs in a single day** on the National Energy Conservation Day (NECA), 14th December 2021. The event was launched by Hon'ble Union Minister of Power & NRE. This was monitored through an app**.**

Current distribution status as on 23.05.2022

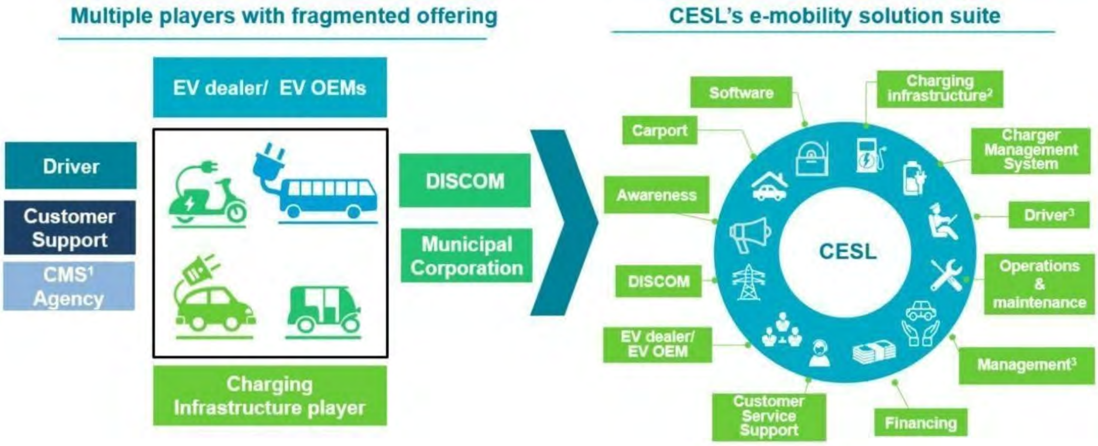
- CESL has been driving various initiates of carbon finance after the successful rollout of the Gram UJALA Program which is based on carbon finance
- CESL has been approached by other entities (MAHAPriet,etc) for development of roadmap of carbon neutral initiatives which can be activated

III. <u>National E- Mobility Programme:</u>

Shri R K Singh, Union Minister of State (IC) Power and New & Renewable Energy, launched the National E-Mobility Programme on 7th March 2018. The Programme aims to provide an impetus to the entire e-mobility ecosystem including vehicle manufacturers, charging infrastructure companies, fleet operators, service providers, etc. The Government is focusing on creating charging infrastructure and policy framework for creating a conducive environment for the EV Ecosystem.

CESL has progressively expanded into all areas of EMobility – includding (1) two wheelers, (2) three wheelers, (3) four wheelers – expanded, (4) eBuses, (5) charging stations.

CESL's Integrated E-Mobility Solution



Four Wheelers

Business model:

(1) Buy and lease. Cars are being provided to mainly Government Entities at Central & State level, PSUs etc. on lease / outright purchase basis to replace the existing petrol and diesel vehicles taken on lease by various Government organizations.

- *As on date*, 1820 e–cars have been deployed and under registration/ allocation at pan India level. CESL, together with parent company, EESL, has signed agreements for leasing electric cars with more than 160 clients in 50 cities which includes various Ministries/Govt. Deptts., both at Central & State level, PSUs, shared mobility operator etc.
- These Electric Cars deployed pan India have completed more than 7 Cr Green km, thereby saving our mother earth from more than 13,000 tons of Carbon Dioxide emissions, avoidance of Particulate Matter (PM) emission of around 1.88 tons and resulting in fuel savings of around Rs. 426 Millions.
- **The real time dashboard of Electric Mobility program:** http://ev.convergence.co.in/evdashboard/#/.

(2) In hand about 5000 more cars have been aggregated. CESL is exploring Asset-lite business models that do not utilize the balance sheet as the current Board has decided to focus the business to central Govt agencies only. This is work in progress as on date.

Two Wheelers (E2W)

Business Model CESL has developed a digital multi-brand marketplace to enable the sale of electric two wheelers. The online marketplace called MyEV can be accessed through web browsers as well as mobile apps (for android and iOS devices). Currently these vehicles are being offered on outright purchase basis to consumers through the MyEV portal. The vehicle offered on the portal offer a price lower than one available in the open market and come with insurance and after sales support assurance.

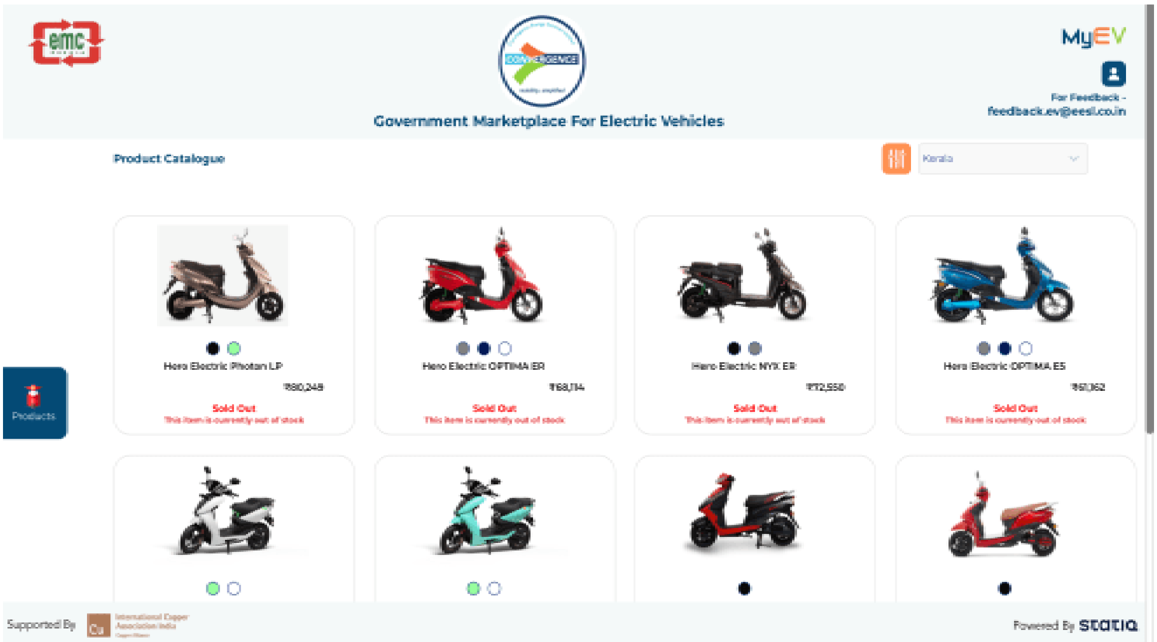
CESL has signed MoUs with multiple state governments (Andhra Pradesh, Goa, Kerala) and is in discussion with seven more states to offer E2W to state government employees at attractive prices. A marketplace of financial institutions is being developed to support demand from states for large scale low cost financing.

CESL is facilitating to scale-up deployment of E2Ws by offering a suite of business models using following two schemes

- E2W for state govt/ ULB/ PSUs officials on outright sales mode
- E2W sale to retail consumers

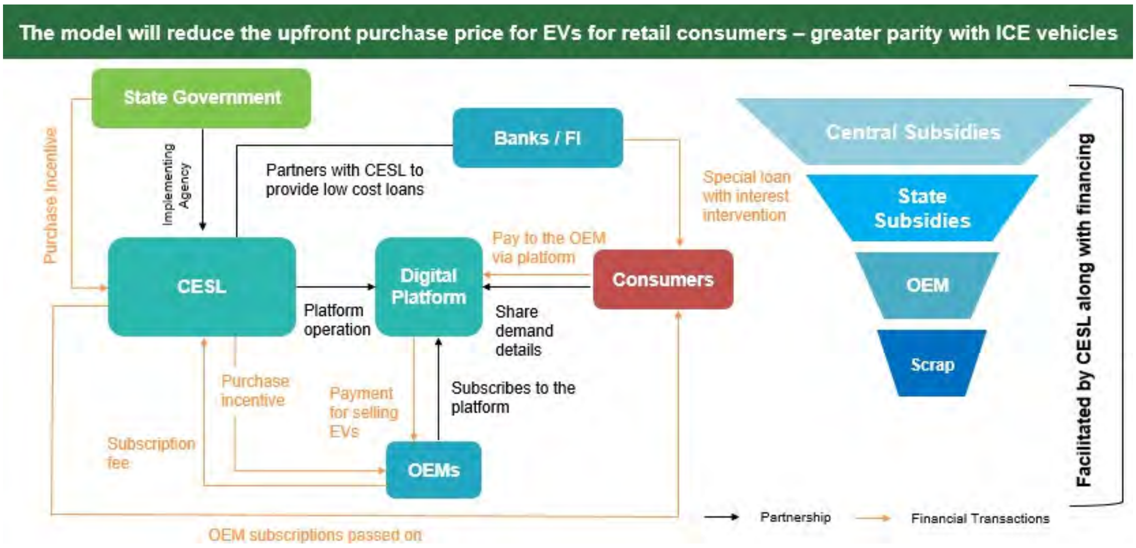
The scheme

1. CESL has empanelled widest range of electric automobile makers to supply FAME-II compliant E2Ws.
2. CESL to enable the financing of E2W for the period of 3 to 5 years through a financier (Financial Institution such as Scheduled Banks or NBFCs) empanelled by CESL, as required.
3. The E2Ws will also be offered to be purchased on upfront basis. In case of leasing to govt. officials, a state nominated nodal agency will pay EMIs by deducting the same through the official's salary. Financing shall be done by Financial Institutions.
4. CESL to facilitate delivery of E2W, insurance, registration and tie-up all post sales & service support through OEM
5. Further, CESL can also act as nodal agency for administering the demand incentive and interest subvention, if any in the state EV policy.



Electric 2 Wheeler Web Portal
(https://www.myev.org.in/)

Transactions are done on a portal.



Status

1. Goa – CESL is the implementing agency for the Government's subsidy
2. Kerala- same
3. Delhi – The modalities are under discussion

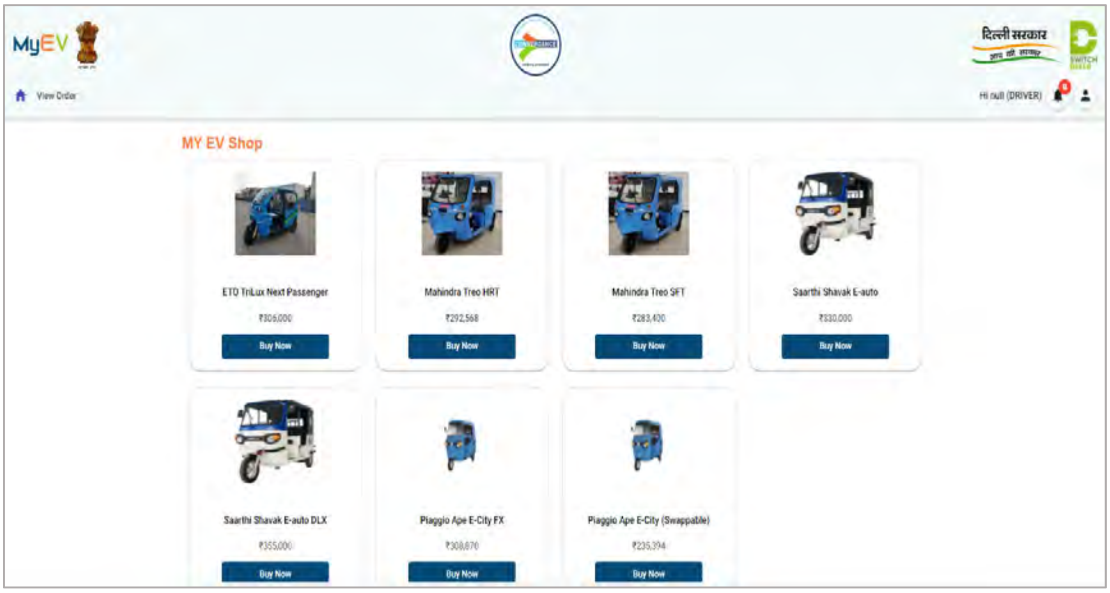
Electric Three Wheelers (E3W)

Based on the FAME-II Gazette notification released by Govt. of India on 11th June, 2021 - CESL has undertaken demand aggregation for electric three wheelers (E3W) across multiple use cases from public and private sector.

CESL aggregated total demand for 1 Lakhs Electric 3W which comprises of 50% from public sector and 50% from private sector with following as major cases which can be opted by the client as per the business needs:

1. Collection of Municipal Solid Waste – 300kg
2. Collection of Municipal Solid Waste – 500kg
3. On-demand delivery of Goods – Closed container
4. On-demand delivery of Goods – Flatbed
5. Last mile delivery of petroleum products including LPG cylinders
6. E-Auto-rickshaws
7. Refrigerated cold storage for narrow lanes – 10 Degree Container
8. Refrigerated cold storage for narrow lanes – Sub-Zero Temp

- **i.** A tender was floated for 1 lakh E3W for empanelment of E3W OEMs for the aggregated demand on 6th Aug'21 for 8 different lots (as defined above)
- **ii.** 21 bidders participated in the tendering process and the technical bid was opened on 25th Sept'21, followed by financial bid opening on 12th Oct'21.
- **iii.** Price reduction achieved was upto 22% in comparison to retail segment, while the discovered upfront purchase prices was 15% lower than equivalent ICE segment.
- **iv.** CESL has entered into an arrangement with an NBFC for the offtake of 70,000 vehicles. This arrangement has delayed the offtake of vehicles and achievement against the Gazette notification but was the only way to ensure offtake and deployment of vehicles.
- **v.** Transactions are carried out through a portal.



Electric 3 Wheeler Web Portal

Empanelment of NBFCs/FIs : CESL has also empanelled various NBFCs (Non-Banking Financial Institutions/ Financial Institutions) for affiliating the clients to buy the vehicles through portal. All these activities are linked to the portal with non-manual intervention.

Status

- Deployment under the 70,000 vehicle MoU is under progress.
- Govt. of Delhi has selected CESL has for E3W needs of the UT as a part of "Switch Delhi" campaign. CESL is the implementing agency.
- Discussions with Surat Municipal Corporation– ongoing.

Electric Buses:

Under the aegis of gazette notification released on 11th June, 2021, CESL concluded the Grand challenge(GC) tender which aims to deploy 5,450 electric buses across 5 cities across the country namely Kolkata, Delhi, Bangalore, Hyderabad and Surat.

Business Model for GC: FAME encouraged a 'Gross Cost Contract' (GCC) of procuring e-buses as per which, instead of outright purchases, state transport undertakings(STUs) simply pay original equipment manufacturers or e-bus operators a per km cost for operations and maintenance

Key features of Grand Challenge:

- Standardizing contracting parameters to homogenise demand and enable economies of scale
- Creating bankable demand to enable maximum participation
- Instituting best-in-class practices and operating standards
- Removing bottlenecks of procuring electric buses for STUs/Authorities
- Building upon industry learnings and past experiences
- Enabling operational and passenger efficiencies by evolving into a platform for modernization of city bus.

Benefits of Grand Challenge

- **Lower prices** with aggregated demand and economies of scale (reduction of 10-15% envisioned)
- Access to **FAME-II incentive**
- **Air quality improvement** monetization with CESL support (Upto INR 18/km for diesel bus)
- Potential **carbon credit monetization**
- Access to domestic and international **platforms and technology**
- Standardized **contracting structure** with balanced terms and penalties

Discovered prices are 27% lower than diesel (without subsidy) and 23% less than CNG)

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Status:

Bus Type	Cost/ km (INR/ km)				% Change			
					wo subsidy		w subsidy	
	e-Bus w subsidy	e-Bus wo subsidy	Diesel Bus*	CNG Bus**	% Diesel	% CNG	% Diesel	% CNG
9m standard-floor AC	44.99	49.75	71.07	58	30%	14%	37%	22%
9m standard-floor non-AC	39.21	43.61	48	48	9%	9%	18%	18%
12m low-floor AC	47.99	53.35	95.14	86.14	44%	38%	50%	44%
12m low-floor non-AC	43.49	48.85	65.45	71.41	25%	32%	34%	39%
Average % change					27%	23%	35%	31%

* GCC rates of diesel buses in Surat, Bhubaneswar and Mumbai
**GCC rates of CNG buses in Delhi, Surat, etc.
Figures in grey are CPKM of diesel low floor buses without cost of conductor (Source: BMTC) which are procured outright.

- LoAs signed with all Municipal/STUs except Surat
- CESL program management agreements under signing

Mandate for 50,000 buses to CESL- National Electric Bus Program:

- CESL has been mandated by NITI Aayog to roll out national electric bus program(NEBP) for aggregating demand of 50,000 electric buses from across the country.
- Implementation plan submitted to all relevant Ministries
- Inter-ministerial group monitored by the PMO

Status

- EOI for doing demand aggregation has already been released to ensure wider participation from STUs of the country and this shall cater to both intra and city buses operations. Current demand is 7-10k eBuses.
- CESL is discussions with more than 40 STUs and 8 states
- Coordination with all key stakeholders and various ministries like PMO, MOP, MoRTH, MoEFCC , MoHUA and BEE to deliver on a synchronized program.

Carbon credits are being developed for all eBuses and other vehicles wherever possible.

Electric Vehicle Public Charging Infrastructure

CESL with EESL is one of the first organizations in India to deploy Public Electric Vehicle Charging Stations. Presently, CESL is developing Electric Vehicle Charging Infrastructure and has signed MoUs with multiple stakeholders across municipalities, DISCOMs for locational assessment study and setting up of charging infrastructures in their jurisdiction location.

Business Model and Offerings of CESL:

Land parcel aggregation: CESL and Telangana State Road Transport Corporation shall enter a Land Sharing Agreement with Right to Use with 3 ECS (Equivalent Car Space). Land parcels shall be aggregated by CESL through public and private entities based in the state with land at key locations. Coordinates shall be provided and disclosed for the purposes of empanelling third parties Charging Point Operator.

Revenue Sharing: CESL shall pay an amount equivalent to a sum calculated @ INR 1.00 per kWh of energy dispensed for charging EVs towards usage of location. Guidelines issued by Ministry of Power in January 2022 regarding EV Charging Infrastructure, the given price has been fixed for the purpose of encouraging E-Mobility in the priority cities.

Charging Point Operator empanelment: CESL will issue a ToR for selection of a CPO within stipulated time frame for the purposes of installation of Charging Point Operators at the land parcels aggregated through revenue sharing. These will include chargers for 2w/3w/4w as well as battery swapping stations. The CPO will have flexibility to propose the charger specifications based on market demand. Support with power connection and DISCOM collaboration will be offered by CESL through their existing network.

As on date CESL has installed 427 public charging stations and 577 captive chargers have been installed across the country. Below are the state wise Public chargers installed in pan India by EESL/CESL

State	EV Chargers Installed
Uttar Pradesh	69
Tamil Nadu	59
Maharashtra	71
West Bengal	24
Delhi	156
Kerala	18
Haryana	4
Goa	3
Karnataka	1
Gujarat	12
Chhattisgarh	4
Uttarakhand	5
Jharkhand	1
Total	**427**

Transition to a new model

CESL is in the process of transition to a new business model, which is presented below:

(i) **Honor proposals made in the past – prior to Dec 2021.** A significant number of chargers are required to be installed as per EESL's Board approval dated 19.09.2020 and however the company strategy has been changed to asset-lite model.

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(ii) Wherever possible, reduce the CAPEX load on CESL/EESL: This could include accepting proposals for Co-Investment as proposed by the Government of Maharashtra and the Govt of Telangana.

MAHAPriet (Mahatma Phule Renewable Energy and Infrastructure Technology limited), a Govt. of Maharashtra undertaking has expressed their interest to increase the implementation of EV Charging stations in the state through a mutual co-investment mode.

TSREDCO (Telangana State Renewable Energy Development Corporation Ltd.), a state govt. company has proposed Construction of Upfront Electrical Infrastructure for the proposed Charging Stations under FAME-II by TSREDCO under revenue sharing basis with percentage equal to the actual investment made by TSREDCO in the project over and above the revenue sharing percentage agreed for providing land and service at Rs.1 per kWh by entering into an agreement accordingly and asked the acceptance of the same from EESL.

(iii) Transition to asset lite mode

Transition to an asset lite public-private model where CESL offers the land, and seeks for a fee, investment partners to invest and manage the charging stations.

Considering the deep market response thus far, CESL has progressively launched Open tenders for selection of Charge Point Operators (evaluation in progress) and electric mobility services providers for setting up charging stations across 3,000 locations across India.

The recently concluded tender for 810 charging stations across 16 highways was conducted on this basis – their results have been approved by DHI and CESL is currently expected to proceed to awarding contracts. Note there is no cash outlay or exposure on the part of CESL.

<u>Other Initiatives to Build an eMobility Ecosystem</u>

CESL is also working out new initiative such as creation of Super App for integrating all charging locations of the country which are run by other CPOs (Charge Point Operators). This will be an important milestone for activating ecosystem of the mobility and also increase revenues for CESL.

<u>Solar Carport :</u> CESL is working on various strategic initiatives like developing state of art carport at Ladakh subsequent to work order from the transport department, Govt. of Ladakh. In this unique initiative, 10 customised E-cars are being provided to the UT along with setting of BESS(battery energy storage system) powered solar carport. This project established 242 kWp Solar PV plant with 762 kWh lithium based Battery storage 2 no's of electric chargers of 60 kW each. CESL shall assist in maintenance through OEMs for a period of 5 years and carport is designed to park 10 no's of e-cars

Figure 1- Solar Carport at Leh commissioned by CESL

Battery Energy Storage System: CESL is collaborating with DISCOMs to design and deploy innovative business models to make battery storage system viable. This is under a collaboration program with the Government of the UK and UK PACT Skill Share program.

Subsequent to the signing of MoU with GUVNL, CESL has completed the techno-economic study on battery storage potential and pilot use cases in Gujarat. The case study is under review and shall be submitted to other DISCOMs to activate similar kinds of studies.

3 DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company was formed as the wholly owned subsidiary of Energy Efficiency Services Limited and as on date, there are no Subsidiaries/Joint Ventures/Associate Companies of our company.

4 INFORMATION TECHNOLOGY INITIATIVES

CESL's IT team handles information technology and communication infrastructure. The IT team has successfully implemented and are managing all the IT infrastructure and different portal/dashboard of different business-related scheme. The IT team is under process of leveraging Enterprise Resource Planning (ERP) application to integrate all its business functions to improve Information availability, transparency and decision making.

Based on the mission of the company below IT initiatives are helping CESL's business to enable more:

- IT infrastructure – Since the opening of its corporate office at New Delhi, IT team has been dedicatedly working on installation, upgradation and management of different components of IT infrastructure. These components include hardware, software, networking components, an operating system (OS), and data storage, all of which are used to deliver IT services and solutions. To make employees IT enabled, desktop computer and laptops have been provided to nearly 100% of employees.

- Security- Understanding security is the need of the hour and CESL has implemented all the latest aspects of IT security. IT infra is enabled with Perimeter Security, Internal security end points etc. Monitoring of security logs has been setup for proper resolution of any incident. We are enabling our processes, people and machines to tackle security issues at organisation level. Since CESL is using EESL network, certain EESL security policies are also being implemented.

- Video Conferencing (VC) solution - In order to improve internal efficiency and transparency company has implemented suitable Video Conferencing (VC) solution at corporate office. Major CESL office site has been connected with more safe and secure network MPLS.

- IT help desk - The IT team has deployed an IT help desk internally to facilitate our business users to use the IT systems smoothly and efficiently

- Dashboard/Portal – IT team has also developed and are managing dashboards and portal for different business scheme such as Gram Ujala Portal and Dashboard which show/keep track of number of bulbs distributed in different state as well as total energy saved under the Gram Ujala scheme. Other dashboards such as solar dashboard, EVCI dashboard and EV dashboard are all managed by CESL IT team.

Similarly, IT team is under process of developing Electric two-wheelers and three-wheeler dashboard and website, a One-Stop website to buy electric two and three wheelers.

Gram Ujala Dashboard and Portal is selected for Data Governance Quality Index (DGQI) under NITI AAYOG

5 HUMAN RESOURCES MANAGEMENT

With CESL's formation in the year 2020, the focus of Human Resource Management was to build a workforce, enabling culture and ensure motivated work force with required skill sets. Company tried to attract talent with high standards of efficiency, technical competence and integrity, and possess the appropriate academic, technical and professional qualifications for the particular position, with due regard to the principles of diversity and gender equality.

The total employee strength of the company as on March 31, 2022, is given as under:

Location	Number of employees							
	Regular	Contractual	Consultant	Third Party	EESL - FT / Regular (Seconded)	EESL FT / Regular (Aligned)	EESL Consultant (Seconded)	EESL Contractual
India	5	2	2	85	31	26	3	1
Total	5	2	2	85	31	26	3	1

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6 INSTITUTIONAL STRENGTHENING

CESL being a newly formed company is working towards exploring and implementing new business opportunities. At this nascent stage, the company is being supported by EESL (Parent company of CESL).

7 DISCLOSURE UNDER THE 'SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In line with provisions of "Sexual Harassment of women at Work Place (Prevention, Prohibition & Redressal) Act, 2013 an "Internal Complaints Committee" has been constituted for redressal of complaints against sexual harassment of women employees. During the financial year 2021 –22, the Company did not receive any compliant of sexual harassment. Our organization emphasizes on providing a safe working environment for women and in all the training programs, a special stress is given on gender sensitization.

8 FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2021-22, the Foreign Exchange Earnings has been Rs 9875.
During the financial year 2021-22, the Foreign Exchange Outgo has been Nil.

9 INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your directors state that considering the nature and size of the operations of the company during the financial year 2021-22, the provisions of the Companies Act regarding Formal process of Internal Financial Control and assessment of its adequacy are not applicable on the company.

However, the procedure adopted from parent company have been followed in respect of all the financial transactions, which involves control mechanism to identify and eliminate the element of risk of fraud or error at each stage of the transaction since inception to final recognition in the financial. Moreover, there is no material risk which in the opinion of the management might threaten the existence of the company.

10 FOREIGN EXCHANGE AND RISK MANAGEMENT POLICY

As aforementioned, for the financial year 2021-22 the operations of the company are at preliminary stage which accordingly do not entail involvement of any intricate process for risk management including foreign exchange risk management.

However, with due course of development of operations the management shall oversee risk management and shall proceed to devise an appropriate risk management framework for the Company to provide reasonable assurance that the Company's financial risk including foreign exchange risk activities are governed by appropriate policies and procedures and that the risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

11 CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

There are no significant particulars relating to conservation of energy & technology absorption as required under the Companies (Account) Rules, 2014 as the company does not own any manufacturing facility.

12 KEY MANAGERIAL PERSONNEL

Key Managerial Personnel as on March 31, 2022, in terms of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

Sr. no.	Name	Designation
1.	Ms. Mahua Acharya	Managing Director & Chief Executive Officer
2.	Shri Jagjeet Singh Dadiala	Chief Financial Officer
3.	Shri Abhishek Srivastava	Company Secretary

13 BOARD OF DIRECTORS & MEETINGS

During the year, Shri Rajat Kumar Sud and Shri Saurabh Kumar ceased to be the Director in the company w.e.f. 24.09.2021 and 28.10.2021 respectively. The company received nomination from EESL for appointing Shri Arun Kumar Mishra on the Board of Directors, consequently Shri Arun Kumar Mishra was appointed to the Board of Directors w.e.f. 11.10.2021

Further, EESL nominated Ms. Seema Gupta and Shri C.K. Mondol to the Board of the company and consequently Ms. Seema Gupta and Shri C.K. Mondol were appointed to the Board of Directors on 04.01.2022 and 21.01.2022 respectively. Upon superannuation, Smt. Seema Gupta tendered resignation to the Company and ceased to be a Director w.e.f June 1, 2022.

Shri C.K. Mondol will be regularised in the ensuing Annual General Meeting of the Company.

Board of Directors of the company duly met 7 times during the financial year 2021 – 22. The dates on which meetings of the Board were held are as follows:
06.09.2021, 23.10.2021, 03.11.2021, 17.11.2021, 29.11.2021, 17.01.2022 and 03.02.2022.

The Secretarial Standards on Meetings of Board (SS-1) issued by ICSI were duly complied with.

Details of number of meetings attended by each Director during the financial year 2021–22 are as under:

Sr. No.	Name of Director	No. of Board Meeting	
		Entitled	Attended
1.	Ms. Mahua Acharya	7	7
2.	Shri Arun Kumar Mishra	6	6
3.	Ms. Seema Gupta	2	2
4.	Shri C.K. Mondol	1	1
6.	Shri Shankar Gopal	7	7
7.	Shri Saurabh Kumar	2	1
8.	Shri Rajat Kumar Sud	1	0

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14 DIRECTORS' RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory auditors, external consultants and the reviews performed by, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. They have, in the selection of accounting policies, consulted Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
c. They have taken proper and sufficient care to the best of their knowledge and ability for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;
d. They have prepared the annual accounts on a going concern basis.
e. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. (Refer to the point 9 of this Report)
f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15 MAINTENANCE OF COST RECORDS

Considering the nature and size of the operations of the company during the financial year 2021-22, your directors state that the provisions of Companies Act, 2013, regarding the maintenance of cost records are not applicable to the company

16 REPORTING UNDER PUBLIC PROCUREMENT POLICY FOR MICRO & SMALL ENTERPRISES (MSE) ORDER, 2012

The Government of India has notified Public Procurement Policy on Micro & Small Enterprises (MSEs) Order, 2012 and subsequent amendments till date. In terms of the said policy, following are the required details:

During the year 21-22, CESL has met the mandatory target of 25%, so far as the procurement from MSEs is concerned. The actual procurement made from MSEs was Rs. 85.69 crore which was 43.72% of the total value of procurement of Rs. 195.98 crore from domestic sources during the financial year 2021-22.

The vendors are adjudged as MSE based on the exemption sought by respective vendors for EMD/tender document fees, during tender process. The data is inclusive of awards done via OTE, LTE, STE, Nomination etc

17 VIGIL MECHANISM & DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

Considering the nature and size of the operations of the company during the financial year 2021-22, your directors state that the provisions of Companies Act, 2013, regarding formal process of Vigil Mechanism are not applicable on the company. Further, the Company, being a wholly-owned subsidiary, the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013, relating to the constitution of Audit Committee are not applicable. However, going by its philosophy of providing fair and transparent working environment for all its employees, your company has in place, an informal escalation channel to deal with any such instance requiring attention of the management.

18 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the period under review, the Company has not entered into any material transaction with any of its related parties as specified under Section 188 of the Companies Act 2013.

19 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The company has not given any loans, guarantees or made any investment during the financial year 2021-22, which requires disclosures under section 186 of the Companies Act 2013.

20 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the reporting period no significant and material order were passed by the Regulators / Courts /Tribunals impacting the going concern status of the company.

21 DEPOSITS

The company has not accepted any deposits during the financial year 2021-22.

22 AUDITORS

22.1 STATUTORY AUDITOR

The Comptroller and Auditor General of India (C&AG), in exercise of power conferred under Section 139 of the Companies Act, 2013 had vide letter dated August 18, 2021 appointed **M/s V.K.H.S & Associates, Chartered Accountants, New Delhi** as Statutory Auditor of the Company for financial year 2021-22. With effect from January 24, 2022, the partnership firm M/s VGFISR & Associates (Formerly known as VKHS and Associates) was converted into Limited Liability Partnership (LLP) M/s VGHSR & Associates LLP. Further, the Statutory Auditors have not made any qualifications/adverse remarks in the Audit Report for the financial year 2021-2022.

22.2 INTERNAL AUDITORS

Considering the nature and size of operations and financials of the company during the financial year 2021-22, the provisions of the Companies Act, 2013 regarding the appointment of internal auditor are not applicable on the company.

22.3 COST AUDITORS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company. Hence, appointment of Cost Auditor was not required for the financial year 2021-2022

22.4 SECRETARIAL AUDITOR

Appointment of Secretarial Auditor is not applicable on the company for the Financial Year 2021-22.

23 STATUTORY DISCLOSURE

a) There was no change in nature of business of the Company during the financial year 2021–22.

b) The Company maintains an adequate system of Internal Controls including suitable monitoring procedures, which ensures accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies.

c) There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March 31, 2022 and the date of this report.

d) The Company has not issued any stock options to the Directors or any employee of the Company.

e) The Company has complied with the applicable Secretarial Standards.

f) In terms of provisions of Companies Act, 2013, only the standalone financial statements of the company are being presented.

g) The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

24 WEBLINK TO COMPANY WEBSITE

All the necessary documents including Financials, Annual Return etc. are uploaded to the website of the company. The web-link to the company website is https://www.convergence.co.in/

25 RIGHT TO INFORMATION ACT, 2005 AND REDRESSAL OF PUBLIC GRIEVANCES

During the financial year 2021-22, the company received nearly 09 applications under Right to Information (RTI) Act. All the applications were disposed-off in time bound manner.

26 TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend, and hence the provisions relating to transfer of Unclaimed dividend to Investor Education and Protection Fund does not arise.

27 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions ofCorporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013 are not applicable to the Company.

28 DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There have been no frauds reported by the Auditors pursuant to Section 143(12) of the Companies Act, 2013.

29 DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

30 ANNUAL EVALUATION OF THE BOARD ON ITS PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS

The provisions of annual evaluation are not applicable to the Company.

31 COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

32 DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

No applications were made nor any proceedings are pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2021-2022.

33 THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the financial year 2021-22, no such event took place necessitating the reporting of details w.r.t. difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions.

34 ACKNOWLEDGEMENT

The Directors are grateful to the Government of India particularly Ministry of Power, Ministry of Finance & Department of Economic Affairs for their continued co – operation and support. The Directors thank the Board of Energy Efficiency Services Limited and the state governments, state electricity boards, State Power Utilities and other stakeholders for their continued supports and trust in the Company.

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The Directors wish to place on record their appreciation for the commendable work done, dedication and sincerity by all employees of the Company at all levels during the year under review. The Company will make every effort to meet the aspirations of its shareholders and wish to sincerely thank them for their whole hearted co–operation and support at all times.

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

Sd/-	**Sd/-**
Ms. Mahua Acharya	**Shri Shankar Gopal**
Managing Director & CEO	**Director**
(DIN: 03030535)	**(DIN: 08339439)**

Date: 07.09.2022
Place: New Delhi

Independent Auditor's Report

To the Members of

Convergence Energy Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of M/s Convergence Energy Services Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss, statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the IND AS and accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period.

These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no other key audit matters to communicate in our report.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the 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 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 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 financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the fact / matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (IND AS) specified under section 133 of the Act read with the companies (Indian accounting standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

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management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of 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 financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in ANNEXURE -A , a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

   (i) 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.
   (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   (iii) The Balance Sheet, the Statement of Profit and Loss, changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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(iv) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(v) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(vi) 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(vii) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

(viii) 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:

a) The Company does not have any pending litigations which would impact its financial position.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

c) There were no amounts which were, required to be transferred, to the Investor Education and Protection Fund by the Company.

d)

i. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any

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guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

e) No dividend have been declared or paid during the year by the company.

3. Based on the verification of the books of accounts of the company and according to the information and explanations given to us, we give "Annexure C" a report on the directions and sub-directions, issued by the Comptroller and Auditors General of India in terms of Section 143(5) of the Act.

For VGHSR And Associates LLP
Chartered Accountants

29/5/2022

Vinod Kumar Kalra
(Partner)
DIN- 00288415
M. No. 086690
FRN. 007915N/N500393
UDIN: 22086690AJXCXJ8066

Place: Delhi
Date: 30th May 2022

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Annexure 'A' to the Independent Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report that:

1.
   (a)
      A. The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
      B. The company is maintaining proper records showing full particulars of intangible assets

   (b) During the year, the fixed assets have been physically verified by the management in a phased manner, which in our opinion is reasonable.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties purchased by the Company during the year.

   (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2.
   (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on physical verification of stocks by the management as compared to book records.

   (b) The company has not been sanctioned during any point of time of the year, working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

3. During the year the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to these loans and investments made.

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5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the product of the Company.

7. Statutory and other dues:

   a) According to the information and explanations given to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2022 for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us and as per the records of the Company examined by us, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute.

8. According to the information and explanations given to us, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9.
   a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

   b) In our opinion and according to the information and explanations given to us, the company is not declared willful defaulter by any bank or financial institution or other lender.

   c) In our opinion and according to the information and explanations given to us, the Company has not obtained the money obtained by way of term loans during the year.

   d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilised for long term purposes.

   e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,

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f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10.

a) In our opinion and according to information and explanations given to us, The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year .

b) In our opinion and according to the information and explanations given to us, the Company has utilized funds raised by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) for the purposes for which they were raised.

11.

a) According to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.

12. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable on the company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.

14. In our opinion and based on our examination, the company does not require to have an internal audit system.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16.

a) According to the information and explanations given to us and based on our examination of the records of the company, the Company does not undertake

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any activity which requires the company to be registered under section 45-IA of the Reserve Bank of India Act 1934.

b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.

17. Based on our examination, the company has incurred cash losses in the financial year and in the immediately preceding financial year. Amount of cash loss during current financial year is Rs. 9.45 Crores and in the immediately preceding financial year is Rs. 2.85 Crores.

18. There has been no resignation of the statutory auditors during the year.

19. On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

20. Based on our examination, the provisions of section 135 are not applicable on the company. Hence this clause is not applicable on the company.

21. The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

For VGHSR And Associates LLP
Chartered Accountants

30/5/2022

Vinod Kumar Kalra
(Partner)
DIN- 00288415
M. No. 086690
FRN. 007915N/N500393
UDIN: 22086690AJXCXJ8066

VGHSR AND ASSOCIATES LLP
New Delhi
007915N/
N500393
Chartered Accountants

Place: Delhi
Date: 30th May 2022

Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 (vi) under 'Report on other legal and regulatory requirements' section of our report to the Members of Convergence Energy Services Limited of even date)

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

We have audited the internal financial controls over financial reporting of **M/s Convergence Energy Services Limited** ("the Company") as of March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 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 authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Chartered Accountants

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VGHSR And Associates LLP
Chartered Accountants

30/5/2022

Vinod Kumar Kalra
(Partner)
DIN- 00288415
M. No. 086690
FRN. 007915N/N500393
UDIN: 22086690AJXCXJ8066

VGHSR AND ASSOCIATES LLP
New Delhi
007915N/
N500393
Chartered Accountants

Place: Delhi
Date: 30th May 2022

Annexure 'C' to the Independent Auditors' Report

(In respect of Directions, issued by Comptroller and Auditors General of India in terms of Section 143(5) of Companies Act, 2013 for the year 2021 – 22)

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report that:

S. No.	Direction's u/s 143(5) of the Companies Act, 2013	Auditors' Reply on Action taken on the directions	Impact on Financial Statement
1	Whether the Company has system in place to process all the accounting Transactions through IT system? If Yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanations given to us, the company has a system in place to process all the accounting transactions through IT system (Tally / Excel). TALLY PRIME ERP has been implemented for the processes like Financial Accounting and Controlling including, Sales Management and other transaction recoding and processing. Based on the audit procedures carried out and as per the information and explanations given to us, all material accounting transaction have been processed / carried through the IT system. Accordingly, there are no implications on the integrity of the accounts.	NA

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N500393
Chartered Accountants

2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	Based on the audit procedures carried out and as per the information and explanations given to us, there has not been any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company during financial year 21-22.	NA
3	Whether funds (grants / subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, grant received during the year is properly accounted for. No deviations were noticed during the year.	NA

For VGHSR And Associates LLP
Chartered Accountants

30/5/2022

Vinod Kumar Kalra
(Partner)
DIN- 00288415
M. No. 086690
FRN. 007915N/N500393
UDIN: 22086690AJXCXJ8066

VGHSR AND ASSOCIATES LLP New Delhi 007915N/ N500393 Chartered Accountants

Place: Delhi
Date: 30th May 2022

Convergence Energy Services Limited (Formerly known as Convergence Energy Services Private Limited)
CIN- U40300DL2020PLC372412
Regd Add: NFL Building, 2nd Floor, Core-III , SCOPE Complex, Lodhi Road, Delhi- 110003

Standalone Balance Sheet as at March 31, 2022

Particulars	Note No.	As At March 31, 2022 (In Rs.)	As At March 31, 2021 (In Rs.)
ASSETS			
Non - current assets			
(a) Property, plant and equipment	4	49,364,872	-
(b) Capital work - in - progress	4	-	43,430,080
(c) Intangible Assets	4	673,501,638	-
(d) Intangible Assets under development	4	-	1,078,971
(e) Financial assets			
(i) Investments	5.1	-	-
(ii) Loans	5.2	-	-
(ii) Other non current financial assets	5.3	238,036,056	
(f) Deferred Tax Assets (net)	13	41,024,502	7,172,288
Total non-current assets		1,001,927,068	51,681,339
Current assets			
(a) Inventories	6	22,097,480	-
(b) Financial assets			
(i) Investments	7.1	-	-
(ii) Trade receivables	7.2	14,237,995	128,220
(iii) Cash and cash equivalents	7.3	253,154,566	-
(iv) Bank balances other than (iii) above	7.4	-	-
(v) Loans	7.5	-	-
(vi) Other current financial assets	7.6	86,437,172	-
(c) Current tax assets (net)	8	-	-
(d) Other current assets	9	208,998,522	8,744,125
Total current assets		584,925,735	8,872,345
Total assets		**1,586,852,803**	**60,553,684**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10.1	100,001,000	1,000
(b) Other equity	10.2	(123,035,285)	(21,325,359)
Total equity		(23,034,285)	(21,324,359)
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11.1	300,000,000	-
(ia) Lease Liabilities		238,979,408	-
(ii) Other financial liabilities (other then those spefiied in item (b))	11.2	-	-
(b) Provisions	12	-	-
(c) Deferred tax liabilities (net)	13	-	-
Total non-current liabilities		538,979,408	-
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14.1	-	-
(ia) Lease Liabilities		40,185,587	
(ii) Trade payables			
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	14.2	21,653,366	-
(b) Total outstanding dues of other than Micro Enterprises and Small Enterprises	14.2	346,920,648	1,647,910
(iii) Other financial liabilities (other then those spefiied in item (c))	14.3	356,343,667	62,334,006
(b) Other current liabilities	15	170,975,775	7,246,453
(c) Provisions	16	134,828,637	10,649,675
Total current liabilities		1,070,907,680	81,878,043
Total Equity & Liabilities		**1,586,852,803**	**60,553,684**

See accompanying notes to the financial statements

As per our Report of even date
For VGHSR & Associates LLP
Chartered Accountants
FRN: 007915N/N500393
30/5/2022

(CA. VINOD KUMAR KALRA)
Partner
Membership No. 086690
DPIN: 00288415
UDIN : 22086690AJXCXJ8066
Place : New Delhi
Date : 30 May, 2022

VGHSR AND ASSOCIATES LLP
New Delhi
007915N/
N500393
Chartered Accountants

For and on behalf of Board of Directors
M/s Convergence Energy Services Limited

(Mahua Acharya)
Managing Director & CEO
DIN-03030535

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

(Abhishek Srivastva)
Company Secretary

Convergence Energy Services Limited (Formerly known as Convergence Energy Services Private Limited)
CIN- U40300DL2020PLC372412
Regd Add: NFL Building, 2nd Floor, Core-III , SCOPE Complex, Lodhi Road, Delhi- 110003

Standalone Statement of Profit and Loss for the period March 31, 2022

Particulars	Note No.	In Rs. For the period ended March 31, 2022	In Rs. For the period ended March 31,2021
I Revenue from operations	17	98,866,107	108,661
II Other income	18	3,196,978	-
III Total income (I + II)		**102,063,085**	**108,661**
IV Expenses			
Cost of materials consumed	19	-	-
Purchase of stock-in-trade	19.1	11,661,499	-
Change in inventories of finished goods and work-in-progress	20	-	-
Employee benefits expense	21	25,824,255	107,080
Finance costs	22	17,831,999	-
Depreciation expense	23	38,353,382	-
Other expenses	24	143,954,089	28,499,228
Total expenses		**237,625,224**	**28,606,308**
V Profit for the year before tax (III-IV)		**(135,562,139)**	**(28,497,647)**
VI Tax Expenses	25		
(1) Current tax		-	-
(2) Deferred tax		(33,852,213)	(7,172,288)
		(33,852,213)	(7,172,288)
VII Net Profit for the year after tax (V - VI)		**(101,709,926)**	**(21,325,359)**
VIII Other comprehensive income	26		
Items that will not be reclassified to profit or loss			
Fair Value of Equity Instruments		-	-
Re-measurement of defined benefit plans		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
		-	-
IX Total comprehensive income for the year (VII + VIII)		(101,709,926)	(21,325,359)
X Earning per equity share	27	(10.17)	(213,254)
Nominal value of equity shares (Rs 10.00 each)			
(1) Basic			
(2) Diluted			

See accompanying notes to the financial statements

As per our Report of even date
For VGHSR & Associates LLP
Chartered Accountants
FRN: 007915N/N500393
30/5/2022

VGHSR AND ASSOCIATES LLP New Delhi 007915N/N500393 Chartered Accountants

(CA. VINOD KUMAR KALRA)
Partner
Membership No. 086690
DPIN: 00288415
UDIN : 22086690AJXCXJB066
Place : New Delhi
Date : 30 May, 2022

For and on behalf of Board of Directors
M/s Convergence Energy Services Limited

(Mahua Acharya)
Managing Director & CEO
DIN-03030535

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

(Abhishek Srivastva)
Company Secretary

Convergence Energy Services Limited (Formerly known as Convergence Energy Services Private Limited)
CIN- U40300DL2020PLC372412
Regd Add: NFL Building, 2nd Floor, Core-III , SCOPE Complex, Lodhi Road, Delhi- 110003

Standalone Cash Flow Statement for the period ended March 31, 2022

in Rs.

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
A. Cash Flow from Operating Activities		
Net Profit before tax	(135,562,139)	(28,497,647)
Adjustments:		
Depreciation and amortization expense	38,353,382	-
Finance Cost	17,831,999	-
Interest Income	(674,880)	-
Financial Guarantee Income	-	-
(Profit)/ Loss on disposal of Property, Plant & Equipment	-	-
Operating Profit before working capital changes	**(80,051,638)**	**(28,497,647)**
Adjustments for working capital changes:		
Inventories	(22,097,480)	-
Trade and Other Payables	989,029,637	81,878,043
Trade and Other Receivables	(300,801,344)	(8,872,345)
Other financial assets	(238,036,056)	-
Cash Generated from Operations	**348,043,119**	**44,508,051**
Income Tax Paid	-	
Net Cash (used in) /from Operating activities	**348,043,119**	**44,508,051**
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and CWIP, Intangible Assets	(716,710,841)	(44,509,051)
Sale proceeds of Property, Plant & Equipment	-	-
Sale of Current Investments (net)	-	-
Investment in Subsidiaries	-	-
Margin Money/ Fixed Deposits with banks	-	-
Non - current liablity & Provisions	-	-
Interest Received	674,880	-
Dividend Received	-	-
Net Cash used in Investing Activities	**(716,035,961)**	**(44,509,051)**
C Cash Flow from Financing Activities		
Proceeds from long term borrowings	300,000,000	-
Proceeds from Issue of Share Capital	100,000,000	1,000
Finance Cost	(17,831,999)	-
Lease Liability	238,979,408	-
Dividend Paid (including tax on dividend)	-	-
Net cash from/ (used in) financing activities	**621,147,409**	**1,000**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**253,154,566**	**-**
Cash and cash equivalents (Opening Balance)	-	-
Cash and cash equivalents (Closing Balance)	253,154,566	-
Change in Cash & Cash Equivalents	**253,154,566**	**-**

VGHSR AND ASSOCIATES LLP
New Delhi
007915N/
N500393
Chartered Accountants

Components of Cash & Cash Equivalents	As At March 31, 2022	As At March 31, 2021
Balances with banks		
- in Current Accounts	100,844,279	-
Gold coins/ Silver Coins/ Stamps	-	-
Deposits with maturity of less than three months	152,310,287	-
Net Cash & Cash Equivalents	**253,154,566**	-

As per our Report of even date
For VGHSR & Associates LLP
Chartered Accountants
FRN: 007915N/N500393

30/5/2022

(CA. VINOD KUMAR KALRA)
Partner
Membership No. 086690
DPIN: 00288415
UDIN : 22086690AJXCXJ8066
Place : New Delhi
Date : 30 May, 2022

VGHSR AND ASSOCIATES LLP ★ New Delhi 007915N/ N500393 ★ Chartered Accountants

For and on behalf of the Board of Directors
M/s Convergence Energy Services Limited

(Mahua Acharya)
Managing Director & CEO
DIN-03030535

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

(Abhishek Srivastva)
Company Secretary

Convergence Energy Services Limited (Formerly known as Convergence Energy Services Private Limited)
Statement of Changes in Equity for the year ended March 31, 2022

(a) Equity Share Capital

In Rs.

Balance of Equity Share Capital	As at 01 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	As at 31 March 2022
EQUITY SHARES	1,000	-	-	100,000,000	100,001,000

In Rs.

Balance of Equity Share Capital	As at 29 October 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	As at 31 March 2021
EQUITY SHARES	-	-	-	1,000	1,000

(b) Other equity

(1) Current Reporting Period

In Rs.

			Reserves and Surplus											
	Share application money pending allotmen	Equity component of compound financial instrumen ts	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluati on Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensi ve Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period (01.04.2021)						(21,325,359)								**(21,325,359)**
Changes in accounting policy or prior period errors														-
Restated balanc e at the beginn ing of the current reporti ng period														-
Total Comprehensive Income for the current year														-
Dividends														-
Transfer to retained earnings														-
Any other change (to be specified)						(101,709,926)								**(101,709,926)**
Balance at the end of the current reporting period (31.03.2022)						**(123,035,285)**								**(123,035,285)**

New Delhi 007915N/ N500393 VGHSR AND ASSOCIATES LLP Chartered Accountants

(1) Previous Reporting Period

In Rs.

	Share application money pending allotmen	Equity component of compound financial instrumen ts	Reserves and Surplus: Capital Reserve	Reserves and Surplus: Securities Premium	Reserves and Surplus: Other Reserves (specify nature)	Reserves and Surplus: Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period (29.10.2020)														-
Changes in accounting policy or prior period errors														-
Restated balanc e at the beginn ing of the current reporti ng period														-
Total Comprehensive Income for the current year														-
Dividends														-
Transfer to retained earnings														-
Any other change (to be specified)						(21,325,359)								(21,325,359)
Balance at the end of the current reporting period (31.03.2021)						**(21,325,359)**								**(21,325,359)**

VGHSR AND ASSOCIATES LLP
New Delhi
007915N/
N500393
Chartered Accountants

Note 1 Corporate Information

Convergence Energy Services Limited (Earlier Known as "Convergence Energy Services Private Limited) herein after referred to as "CESL" or "The Company", is a subsidiary of Energy Efficiency Services Limited, itself a joint venture of public sector companies under the Ministry of Power, Government of India.

CESL focuses on delivering clean, affordable, and reliable energy. Convergence focuses on energy solutions that lie at the confluence of renewable energy, electric mobility, battery storage and climate change. It builds upon the decentralised solar development experience in under-served rural communities in India, and over time, using battery energy storage, will deliver renewable energy solutions to power agricultural pumps, street lighting, domestic lighting, and cooking appliances in villages. CESL will also work to enable battery powered electric mobility and its infrastructure and design business models to increase the uptake of electric vehicles in India. To enable commercialization of these solutions at scale, CESL will employ business models that utilize a blend of concessional and commercial capital, carbon finance and grants as appropriate.

Registered office of the company has been changed to 2nd Floor, NFL Building, Core-III, SCOPE Complex, Lodhi Road, New Delhi 110003 w.e.f April 13, 2021.

Note 2 Significant accounting policies and critical accounting estimate and judgments:

2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the years presented.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the certain financial assets and liabilities, and equity settled share based payments which have been measured at fair value/amortised cost.

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees', which is the Company's functional and presentation currency. All values are expressed in Rs. rounded off to the nearest Rupee, except when otherwise indicated.

Current vis-à-vis non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) 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 classified as current when it is:
a) Expected to be settled in normal operating cycle,
b) Arising out of activities involved primarily for the purpose of direct trading / revenue generating activity of the company.
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

VGHSR AND ASSOCIATES LLP New Delhi 007915N/ N500393 Chartered Accountants

Fair value measurement

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 on the measurement date. The Company uses valuation techniques that are appropriate in the circumstances for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.2 Critical accounting estimates and judgements

The presentation of financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Property, plant and equipment

The useful life and residual value of property, plant & equipment are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

b. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

c. Impairment of Financial and Non-Financial Assets

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Company assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount which is higher of an asset's or CGU's fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

d. Recoverability of trade receivables:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

e. Income Tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.

f. Contingencies:

Management estimates the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

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g. Leases
For the residual value/purchase price at the end of lease term, where the agreement with the lessee fixed the purchase price same has been considered. In case agreement does not fixes the purchase price, Management has estimated the residual value based on the lease rent reveivablaes and estimated life of the asset. Also For calculating IRR, Present Values, Lease Rentals are considered to be received on 1st day of every month and salvage value/residual; value/ purchase value are considered to be received along with the last leasse rental of the asset

h. Estimation uncertainty relating to the global health pandemic
The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Company's assets such as Financial Asset and Non-Financial Assets, the Company has considered internal and external information. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Company expects to recover the carrying amount of all the assets.

Note 3 Significant Accounting policies

3.1 Property, plant and equipment
An item of property, plant and equipment and/or any subsequent cost is recognized as asset if and only if, it is probable that future economic benefit associated with the asset will flow to the company and the cost of the item can be measured reliably. All items of Property, plant and equipment are stated at historical cost net of tax/ duty credit availed which includes capitalised borrowing cost, less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. 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.

Depreciation methods, estimated useful lives and residual value:
Depreciation on Property, Plant and Equipment (PPE) is provided over the useful life of assets as specified in schedule II to the Companies Act, 2013. Property, Plant and Equipment which are added / disposed off during the year, deprecation is provided pro-rata basis with reference to the month of addition / deletion.
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 and residual value is considered as Nil.

Nature of Assets	Life of property, plant & equipment
Cell Phones	2 Years

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

3.2 Intangible assets
Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:
a) for assets acquired in a business combination, at fair value on the date of acquisition
b) for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the asset for its intended use.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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

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

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

3.3 **Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Balances are subject to reconciliation.

3.4 **Leases**

The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

The Company as a lessee

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

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.
When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right- of –use asset or is recorded in statement of profit and loss if the carrying amount of the right – of – use asset has been reduced to zero.
The Company presents right – of – use asset under property plant and equipment and lease liabilities as a separate line item on the face of the Balance sheet. The Group has elected to use the recognition exemptions for short term and low value leases as per Ind AS 116.

The Company as a lessor

A lease for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risk and rewards incidental to ownership of an underlying assets.

During the financial year 2021-22 the company has undertaken a contract with customer in the nature of providing the right to use of electric vehicles an recognition / disclosure in respect of lessor under Ind AS 116 are applicable.

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

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

3.5 **Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Transaction cost in respect of long-term borrowings are amortised over the tenure of respective loans using effective interest method.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

3.5 **Employee Benefits**

The total no of employee as on 31.03.2022 on direct roll of the company are less than as per ceiling of applicable laws, hence no such Post Employment Benefit Plans, Other Long Term Employee Benefit Plans or Termination Benefit Plan are applicable to the company.

3.6 **Inventories**

Inventories are valued at lower of cost determined on weighted average basis and net realizable value.

3.7 **Revenue recognition and other income:**

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue is measured based on transaction price which is fair value of the consideration received or receivable, after deduction of any discounts, sales incentives / schemes and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and sales incentives / schemes. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Referring to the disclosure under note 1 (corporate information) the objective of the company include projects that lie at the confluence of efficient and environment friendly energy solutions as its source of revenue. The significant ones as has been quoted are decentralised solar development, use of battery storage, e-mobility and development of related infrastructure and providing other efficient energy solutions as alternative to traditional inefficient energy resources which are still predominantly used in large part of the country specially in the rural areas.

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

(i) In the financial year 2020-21 one project named "GRAM UJALA" has been launched with the primary objective of generating revenue from obtaining CERs being generated as the final yield of the activity through replacement of the incandescent bulbs with Energy efficient LED Bulbs in villages, and charging a nominal fee for appropriate and environmentally safe disposal such acquired bulbs. The fee recognise as revenue from services at the same time which correspond to the invoices raised for distribution of energy efficient LED bulbs against receipt of old incandescent bulbs.

In this regard as part of preliminary requirement, the Company has registered the scheme with UNFCCC for the same. After distribution, before the CERs entitlement document is issued, the scheme inter-alia involves the periodic maintenance and audit of use of the bulbs and consumption thereof. The units and value of the CERs shall be recognised in due course as per scheme depending on activities, milestones and other procedural audit and compliances.

(ii) Interest income from deposits and others is recognized on accrual basis.

(iii) Electric vehicle (EV) (4 wheeler) lease revenue– The Company has entered into agreements with various clients where EVs are deployed on lease. There are two type of leases - Dry (without Driver) and Wet (with Driver). The lease rentals schedule is decided at the time of signing the agreement. The revenue is recognised after the performance obligation is satisfied.

(iv) Electric vehicle (EV) (2 wheeler) participation fees – The Company has entered into an arrangement with the EV 2W manufacturers for generating demand for their 2W through Company portal – MyEVapp. As per the arrangement the Company receive participation fees for each vehicle aggregated through its app. The revenue is recognised after the performance obligation is satisfied.

(v) Solar Home Lightning project – The Company has entered into an agreement for the Supply, Installation & Commissioning (I&C) of Solar PV systems at households in the state of Goa. The revenue is recognised after completion of I&C of the solar systems.

The above has been provided / disclosed in line with the provisions of Ind AS 115

Contract Balances

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

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Contract Liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.8 **Foreign Currency Transactions**

During the financial year 2021-22, there has not been any foreign currency transactions.

3.9 **Taxes**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.10 **Provisions, contingent liabilities and contingent assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.
If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:
- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets
A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.11 **Cash & Cash Equivalents**

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

Cash flow statement
Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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

(a) **Investment and other Financial Assets**
During the financial year 2021-22, the company did not carry any amount under investments and other financial assets.

(b) **Financial Liabilities & Equity**
During the financial year 2021-22, the company did not carry any amount under investments and other financial assets.

(i) **Classification as debt or equity**
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

(ii) **Initial recognition and measurement:**
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

(iii) **Subsequent measurement:**
The measurement of financial liabilities as appearing in balance sheet has been described as below :
Trade and other payables: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Those payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method. Balances are subject to reconciliation.

(iv) **Derecognition:**
Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses). 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.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Offsetting of financial instrument
Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.13 **Dividend Distribution**
During the financial year 2021-22, No interim dividend paid is approved by Board of Directors

3.14 **Earnings per share**
Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

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Non-Current Assets:

4 Property, Plant and Equipment

Tangible and Intangible assets

(a) Current Reporting Period

in Rs.

Particulars	Tangible Assets									Intangible Assets	
	Own Assets						Right-of-use Assets		Total Tangible Assets	Right to Receive Carbon Credits (LED Bulbs	Total Intangible Assets
	Land (Free Hold)	Buildings	Computer & Data Processing Units	Office Equipments	Furniture & Fixtures	Distributed Energy Efficient Bulbs	Building (Lease Hold)	Vehicles			
Gross Carrying Amount											
Balance as at 01 April 2021	-	-	-	-	-	-	-	-	-	-	-
Additions during the period	-	-	2,498,594	1,783,857	50,308,246	-	-	293,432,187	348,022,885	706,645,173	706,645,173
Disposals/ Adjustment	-	-	-	17,700	-	-	-	293,432,187	293,449,887	-	-
Balance as at 31 March 2022	-	-	**2,498,594**	**1,766,157**	**50,308,246**	-	-	-	**54,572,997**	**706,645,173**	**706,645,173**
Accumulated Depreciation											
Balance as at 01 April 2021	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year			262,127	260,094	4,687,626	-	-		5,209,847	33,143,535	33,143,535
Accumulated depreciation on disposals				1,722		-			1,722	-	-
Balance as at 31 March 2022	-	-	262,127	258,372	4,687,626	-	-	-	5,208,125	**33,143,535**	**33,143,535**
Net Carrying Amount											
Balance as at 01 April 2021	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	-	2,236,467	1,507,785	45,620,620	-	-	-	**49,364,872**	673,501,638	**673,501,638**
Capital Work in progress/under development											
Balance as at 01 April 2021	-	-	-	-	43,430,080	-	-	-	**43,430,080**	1,078,971	**1,078,971**
Additions During the Period	-	-			-	-	-	-	-	-	-
Deduction/ capitalised during the period	-	-	-	-	43,430,080	-	-	-	**43,430,080**	1,078,971	**1,078,971**
Balance as at 31 March 2022	-	-	-	-	-	-	-	-	-	-	-

(a) Previous Reporting Period

in Rs.

Particulars	Tangible Assets									Intangible Assets	
	Own Assets						Right-of-use Assets		Total Tangible Assets	Right to Receive Carbon Credits (LED	Total Intangible Assets
	Land (Free Hold)	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Distributed Energy Efficient Bulbs	Building (Lease Hold)	Vehicles			
Gross Carrying Amount											
Balance as at 29 October 2020	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals/ Adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation											
Balance as at 29 October 2020	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year							-		-	-	-
Accumulated depreciation on disposals									-	-	-
Balance as at 31 March 2021	-	-	-	-	-	-	-	-	-	-	-
Net Carrying Amount											
As at 29 October 2020	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	-	-	-	-	-	-	-	-	-	-	
Capital Work in progress/under development	-	43,430,080	-	-	-	-	-	-	**43,430,080**	1,078,971	1,078,971

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CWIP	Amount in CWIP for a period of 31.03.2022					Total
	Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-

(II) For capital-work-in progress, whose completion is overdue or has excessded its cost compared to its original plan, following CWIP completion schedule shall be given:

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-

CWIP	Amount in CWIP for a period 2020-21					Total
	Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	
Projects in progress	1,078,971					1,078,971
Projects temporarily suspended	43,430,080					43,430,080

(II) For capital-work-in progress, whose completion is overdue or has excessded its cost compared to its original plan, following CWIP

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	1,078,971	-	-	-
Project 2	43,430,080	-	-	-

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Note No.	Particulars	In Rs. As at March 31, 2022	In Rs. As at March 31, 2021
5	**Non- Current Assets: Financial Assets**		
	5.1 Investments		
	A Unquoted Investments	-	-
	B Quoted Investments	-	-
	Aggregate amount of Non-Current Investments:	-	-
	Particulars		
	Aggregate amount of quoted investments	-	-
	Market value of quoted investments	-	-
	Aggregate amount of unquoted investments	-	-
	5.2 Loans		
	Advances to Employees		
	- Unsecured & Good	-	-
	Security Deposit		
	- Unsecured & Good	-	-
		-	-
	5.3 Other Non Current financial assets		
	Unbilled Revenue	-	
	Finance Lease Receivable	238,036,056	-
		238,036,056	-
	Current Assets:		
6	**Inventories**		
	Raw materials	-	-
	Work - in - progress	-	-
	Finished goods	22,097,480	-
	Stores and spares	-	-
	Loose tools	-	-
	Goods in transit:	-	-
	Raw materials	-	-
	Stores and spares	-	-
		22,097,480	-
7	**Current financial assets**		
	7.1 Current Investments		
	Aggregate Book value of quoted investments	-	-
	Fair value of quoted investments	-	-
		-	-
	7.2 Trade Receivables		
	- Trade Receivable considered good - Secured	-	-
	- Trade Receivable considered good - Unsecured	14,237,995	128,220
	- Trade Receivables which have significant increase in Credit Risk	-	-
	- Trade Receivables - credit impaired	-	-
		14,237,995	128,220
	Less: Provision for expected credit loss	-	-
		14,237,995	**128,220**

Trade Receivables ageing schedule as at 31.03.2022

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	13,858,350	379,645	-	-	-	**14,237,995**
(iii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

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Trade Receivables ageing schedule as at 31.03.2021

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	128,220	-	-	-	-	**128,220**
(iii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

7.3 Cash & Cash Equivalents		
Balances with banks		
- in Current Accounts	100,844,279	-
Deposits with maturity of less than three months	152,310,287	-
	253,154,566	-
7.4 Bank Balances		
-Term Deposits with maturity up to 12 months	-	-
	-	-
7.5 Loans		
Amount recoverable from employees		
- Unsecured, considered good	-	-
Amount recoverable from others		
- Unsecured, considered good	-	-
	-	-
7.6 Other Current Financial Assets		
- Interest receivable	354,093	-
- Finance Lease Receivable	38,466,644	-
- Unbilled Revenue	10,095,323	-
- Expenses Recoverable	37,521,112	-
	86,437,172	-
8 Current Tax Assets (net)		
Advance income tax (net of provision for tax)	-	-
	-	-
9 Other Current Assets		
Undistributed Energy Efficient Bulbs	85,463,397	547,079
Balance with statutory authorities	115,634,883	1,124,054
Security Deposits	7,174,500	7,062,000
Earnest Money Deposit	72,000	-
Prepaid Expenses	469,128	-
Advance for Expenses	110,000	-
Advance to Staff	74,614	10,992
	208,998,522	**8,744,125**

10 Equity:

10.1 Share Capital

Authorised		
10,00,00,000 Equity shares of Rs 10 each (100 Equity shares of Rs 10 each as on 31st March, 2021)	1,000,000,000	1,000
Issued, Subscribed & fully paid up		
1,00,00,100 Equity shares of Rs 10 each (100 Equity shares of Rs 10 each as on 31st March, 2021)	100,001,000	1,000

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(i) **Reconciliation of number and amount of equity shares outstanding:**

Equity Shares	Nos	Amount In Rs	Nos	Amount In Rs
At the beginning of the period	100	1,000	100	1,000
Issued during the period:- Private Placements	10,000,000	100,000,000	-	-
Issued during the period:- Bonus Issue	-	-	-	-
Outstanding at the end of the period	10,000,100	100,001,000	100	1,000

Rights, restrictions and preferences attached to each class of shares

The Company has only one class of equity shares having par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive the assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has further alloted 3,56,39,700 no of equity shares on 4th May, 2022 @ Rs 10 each to the existing shareholder on Rights issue basis.

(ii) **Details of shareholders holding more than 5% shares in the company**

	As at March 31, 2022		As at March 31, 2021	
Equity shares of ₹ 10 each fully paid	Number	% Holding	Number	% Holding
Energy Efficiency Services Limited through its representative office along with its nominees	10,000,100	100%	100	100%

(iii) **Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;**

Class- Equity Shares

Shares held by			31.03.2022		31.03.2021		% Change during the year
S. No	Company Name	Relationship	No of shares	% of total shares	No of shares	% of total shares	
1	Energy Efficiency Services Limited	Holding Company	10,000,100	100%	100	100%	99.999%

(iv) **Disclosure for Shareholding of Promoters**

Shares held by promoters at the		31.03.2022		31.03.2021		% Change during the year
S. No	Promoter Name	No of shares	% of total shares	No of shares	% of total shares	
1	Energy Efficiency Services Limited	10,000,100	100%	100	100%	99.999%

10.2 Other Equity

a. Securities Premium Account		
Opening and Closing Balance	-	-
b. General Reserve		
Opening and Closing Balance	-	-
c. Share Based Payments Reserve		
Opening and Closing Balance	-	-
d. Retained Earnings		
Opening balance	(21,325,359)	-
Add: Net Profit for the year	(101,709,926)	(21,325,359)
Less: Appropriations:		
Dividend on equity shares	-	-
Tax on Dividend	-	-
Closing Balance	(123,035,285)	(21,325,359)
e. Other Comprehensive Income		
Opening Balance	-	-
Addition during the year	-	-
Total Income recognised on Equity instruments	-	-
Actuarial Gain & Losses on DBO (net of tax)	-	-
Closing Balance	-	-
Total	(123,035,285)	(21,325,359)

11 **Non - current liabilities:**

11.1 Borrowings

Borrowings from Body Corporate'	300,000,000	-
	300,000,000	-

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11.2 Other financial liabilities

Other Liab (specify)	-	-
	-	-
	-	-

12 Provisions

Provision for employee benefits		
- Gratuity / Leave Encashment	-	-
Provision for Deferred Revenue	-	-
Provision against asset retirement obligation*	-	-
	-	-

* The movement in provision for asset retirement obligation is as follows:

Opening Balance	-	-
Unwinding of discount	-	-
Payments	-	-
Closing Balance	-	-

13 Deferred Tax Asset / Liability

Deferred tax liability		
On account of Depreciation Difference in IT and Comp Act	21,061,294	-
On account of Difference in Lease Rent Exp and Finance Cost	3,590,767	-
	24,652,061	-
Deferred tax assets		
On account of Losses Carried Forward	30,701,676	7,172,288
On account of Unabsorbed Depreciation	30,714,073	-
On account of in Lease Rent Income and Finance Income	4,260,813	
Net deferred tax Assets	**41,024,502**	**7,172,288**

(i) Movement in deferred tax items

FY 21-22	Opening Balance	Recognised in Profit & Loss Account	Recognised in other comprehensive income	Closing balance
Deferred tax liability / (asset) on account of				
Difference in Book value of Tangible and Intangible	-	-	-	-
Expenses allowed on payment basis	-	-	-	-
Provision created for bad & doubtful debts	-	-	-	-
Recognition of DTA on business losses and accumulated depreciation	7,172,288	33,852,213	-	41,024,501
Net Deferred tax liability / (asset)	**7,172,288**	**33,852,213**	-	**41,024,501**

Current liabilities:

14 Financial Liabilities

14.1 Borrowings

Unsecured		
Loans from banks repayable on demand		
- Cash Credit	-	-
- Bill Discounting	-	-
Borrowings from Body Corporate'	-	
	-	-

14.2 Trade Payables

(a) Total outstanding dues of Micro and Small Enterprises (Refer note below)*	21,653,366	-
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	346,920,648	1,647,910
Total	**368,574,014**	**1,647,910**

Trade Payables aging schedule as at 31.03.2022

In Rs.

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment				
			Less Than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	21,653,366	-	-	-	**21,653,366**
(ii) Others	-	-	346,920,648	-	-	-	**346,920,648**
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

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Trade Payables aging schedule as at 31.03.2021

In Rs.

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment				
			Less Than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	1,647,910	-	-	-	1,647,910
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the company is as under:

Particulars		
Principal amount due and remaining unpaid	21,653,366	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
	21,653,366	-

* As per information / document received by the company from its vendors regarding their status as such under MSME Development Act,2006.

14.3 Other financial liabilities

Energy Efficiency Services Limited	298,877,731	62,334,006
Interest accrued and due on borrowings	865,480	-
Earnest money deposits	2,646,054	-
Security Deposit Received	342,689	-
Grant for KUSUM	8,834,117	-
EESL- Lease	44,777,596	-
	356,343,667	62,334,006

15 Other current liabilities

Statutory Liabilities	22,519,215	765,501
Expenses Payables	281,728	6,133,398
Advance From Customers	44,427,258	-
Deferred Revenue	661,300	
Retention Account	103,086,274	347,554
	170,975,775	7,246,453

16 Provisions

- Provision for Launch Expenses	-	5,256,849
- Provision for maintenance expenses	2,703,555	1,024,089
- Provision for Rent	23,185,602	3,198,774
- Provision for LED Bulb Purchases	58,684,384	-
- Provision of Purchase of EV 4 wheeler	3,025,483	-
- Provision of Purchase of EV Charger	4,413,864	-
- Provision for Other Expenses	42,815,749	1,169,963
	134,828,637	10,649,675

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In Rs.

Note No.	Particulars	For the year Ended March 31,2022	For the year Ended March 31,2021
17	**Revenue from operations**		
	A. Sale of products		
	Sale of Goods	13,619,023	-
		13,619,023	-
	B. Rendering of Services	85,247,084	108,661
	C. Other Operating Revenue	-	-
		98,866,107	**108,661**
18	**Other income**		
	Interest - Banks	674,880	-
	Dividend income	-	-
	Other non-operating income	-	-
	Tender document fees	2,020,148	
	Event Execution Charges	501,950	-
		3,196,978	-
19	**Cost of Materials consumed**		
	Raw Material Consumed	-	-
		-	-
19.1	**Purchase of stock-in-trade**		
	Purchase of EV Wheeler	3,025,483	
	Purchase of EV Charger	4,413,864	-
	Solar (House Hold) System Expenses	4,222,152	-
		11,661,499	-
20	**Change in inventories of finished goods and work-in-progress**		
	Inventories at the beginning of the year		
	Work-in-Progress	-	-
	Finished Goods	-	-
		-	-
	Less: Inventories at the end of the year		
	Work-in-Progress	-	-
	Finished Goods	-	-
		-	-
	Change in inventories of finished goods and work-in-progress	-	-
21	**Employee benefits expense**		
	Salaries, wages, Allowances & Commission	23,401,756	107,080
	Contribution to Provident & Other funds	1,094,106	-
	Employee share-based payment expense	-	-
	Gratuity & Pension	-	-
	Staff welfare expense	1,328,393	-
		25,824,255	**107,080**
22	**Finance costs**		
	Interest Expenses	961,644	-
	Finance Procurement Charges	-	-
	Finance Cost EV lease	16,870,355	-
		17,831,999	-

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Convergence Energy Services Limited (Formerly known as Convergence Energy Services Private Limited)
Notes to the financial statements

In Rs.

Note No.	Particulars	For the year Ended March 31,2022	For the year Ended March 31,2021
23	**Depreciation expense**		
	Depreciation	38,353,382	-
		38,353,382	**-**
24	**Other expenses**		
	Payment to the auditors		
	- Statutory Audit fees	150,000	50,000
	- Tax Audit fees	50,000	-
	- Limited Review fees	-	-
	- Certification fees	-	-
	- for reimbursement of expenses	-	-
	Advertisement & publicity	3,224,256	1,002,380
	Bank Charges	23,757	1,000
	Commission for 2 Wheeler	55,997	
	Consultancy charges	9,192,659	415,500
	Electricity expenses	2,645,250	226,434
	Electrical Expenses - EVCI	-	-
	Entertainment Expenses	698,573	14,463
	Establishment Expenses	-	826,357
	Foreign Travel Expenses	31,359	77,102
	IT Expenses	6,811,473	72,540
	Interest on GST / TDS	44,626	-
	Launch Expenses	2,287,995	9,300,798
	Legal & Professional Expenses	10,928,423	-
	Manpower Security	4,143,869	94,569
	Manpower Expenses - Drivers	-	-
	Medical expense reimbursement	261,124	3,870
	Meeting Expenses	201,896	181,632
	Recruitment Expenses	2,970,000	430,000
	Rent Expenses	68,839,980	14,124,000
	Repair & maintenance expenses		
	- Repair & Maintenance - office	5,238,672	1,039,685
	- Repair & Maintenance - EV	4,492	-
	Stationery & Printing Expenses	1,269,799	39,964
	Subscription Charges	-	36,563
	Survey Expense	1,225,000	433,675
	Taxi Hiring Charges	1,581,307	118,780
	Telephone Expenses	253,296	1,548
	Trainning Expenses	47,206	-
	Travelling & Conveyance	3,099,917	6,194
	Website Expense	75,000	2,175
	Business promotion	561,500	-
	Publicity & Printing - Gram Ujala	2,917,331	-
	Solar expenses	1,704,000	-
	Rates,taxes & Fees	11,880,301	-
	Misc expenses	1,535,031	-
		143,954,089	**28,499,228**
25	**Tax expense**		
	Current tax	-	-
	Deferred tax		
	- Deferred tax credit	(33,852,213)	(7,172,288)
		(33,852,213)	**(7,172,288)**

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In Rs.

Note No.	Particulars	For the year Ended March 31,2022	For the year Ended March 31,2021
	Income tax recognised in other comprehensive income into:		
	Items that will not be reclassified to profit or loss	-	-
	Items that will be reclassified to profit or loss	-	-
	Total income tax expense recognised in other comprehensive income	-	-
	Total income tax expense recognised in profit & loss account	**(33,852,213)**	**(7,172,288)**
	Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:		
	Profit before tax	(135,562,139)	(28,497,647)
	Income tax expense calculated at **25.168%** (including surcharge and education cess)	(34,118,279)	(7,172,288)
	Effect of income that is not chargeable to tax	-	-
	Impact of change in tax rate	-	-
	Effect of expenses that are deductible in determining taxable profit	-	-
	Effect of expenses that are non-deductible in determining taxable profit	-	-
	Total income tax expense recognised in profit & loss account	**(34,118,279)**	**(7,172,288)**
26	**Other Comprehensive Income**		
	Item that will not be reclassified to profit or loss		
	- Actuarial loss on defined benefit obligation	-	-
	- Income tax relating to Actuarial loss	-	-
	Items that will be reclassified to profit or loss		
	- Fair valuation of equity instruments at FVOCI	-	-
	Total Other Comprehensive Income	-	-
27	**Earnings per Share**		
	Net profit for the year attributable to Equity Shareholders for Basic EPS	(101,709,926)	(21,325,359)
	Add: Share based payment (net of tax)	-	-
	Net profit for the year attributable to Equity Shareholders for Diluted EPS	(101,709,926)	(21,325,359)
	Weighted average number of equity shares outstanding during the year for Basic EPS (in numbers)	10,000,100	100
	Weighted average number of equity shares outstanding during the year for Diluted EPS (in numbers)	10,000,100	100
	Earnings per share of Rs 10 each		
	Basic	(10.17)	(213,254)
	Diluted*	(10.17)	(213,254)
	Face value per equity share		

* As the Diluted Earning per share is anti dilutive, Basic Earning per share has been considered as Diluted earning per share.

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28 Capital Commitments

in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	240,072,279	195,549,069

29 Contingent Liabilities

in Rs.

S.No	Particulars	As at March 31, 2022	As at March 31, 2021
i	Bank guarantees	-	-
ii	Claims against the company not acknowledged as debt and being contested before the appropriate authorities.		
	- GST matters	-	-
	- Income tax matters	-	-
	- Other matters	-	-

30 Segment Information

a **General Information**

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

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

Gram Ujala: As a part of various operations involving delivery of clean energy, the Company has launched project "GRAM UJALA" with the intent of generating revenue by obtaining Carbon Credits through replacement of the incandescent bulbs with Energy effective LED Bulbs in villages, and charging a fee for appropriate and environmentally safe disposal such acquired bulbs. As part of preliminary requirement, the Company has registered the scheme with UNFCCC for the same.

Electric vehicle (EV) (4 wheeler) lease revenue: The Company has entered into agreements with various clients where EVs are deployed on lease. There are two type of leases - Dry (without Driver) and Wet (with Driver).

Information regarding the results of each reportable segment is included below: Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's Board. Segement 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 oparate within these industries.

b **Information about reportable segment and reconciliation to amounts reflected in the financial statement:**

Particulars	Gram Ujala	EV Leasing	Total
For the Year ended 31 March 2022			
Segment revenue	68,999,603	16,031,663	85,031,266
Segment expenses	9,450,352	16,870,355	26,320,707
Segment results	59,549,251	(838,692)	58,710,559
Unallocated corporate interest and other income	-	-	17,031,819
Unallocated corporate expenses, finance charges	-	-	211,304,517
Profit before tax	59,549,251	-	(135,562,139)
Income tax (net)			(33,852,213)
Profit after tax			(101,709,926)

Particulars	Gram Ujala	EV Leasing	Total
For the Year ended 31 March 2021			
Segment revenue	108,661	-	108,661
Segment expenses	9,300,798	-	9,300,798
Segment results	(9,192,137)	-	(9,192,137)
Unallocated corporate interest and other income	-	-	-
Unallocated corporate expenses, finance charges	-	-	19,305,510
Profit before tax			(28,497,647)
Income tax (net)			(7,172,288)
Profit after tax			(21,325,359)

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As at 31 March 2022

Particulars	Gram Ujala	EV Leasing	Total
Segment Assets	706,645,173	276,502,700	983,147,873
Unallocated corporate and other assets	-	-	603,704,930
Total assets	**706,645,173**	**276,502,700**	**1,586,852,803**
Segment liablities	559,493,911	279,164,995	838,658,906
Unallocated corporate and other liablities	-	-	771,228,182
Total liablities	**559,493,911**	**279,164,995**	**1,609,887,088**

As at 31 March 2021

Particulars	Gram Ujala	EV Leasing	Total
Segment Assets	-	-	-
Unallocated corporate and other assets	-	-	60,553,684
Total assets			**60,553,684**
Segment liablities	-	-	-
Unallocated corporate and other liablities	-	-	81,878,043
Total liablities	**-**	**-**	**81,878,043**

c **Other information about reporatable segments:**

Particulars **For the Year ended 31 March 2022**	Gram Ujala	EV Leasing	Total
Depreciation and amortisation expense	33,143,535	-	**33,143,535**
Non Cash expenses other than depreceation	-	-	-
Capital expenditure	706,645,173	-	**706,645,173**

For the Year ended 31 March 2021	Gram Ujala	EV Leasing	Total
Depreciation and amortisation expense	-	-	-
Non Cash expenses other than depreceation	-	-	-
Capital expenditure	-	-	-

d No external cutomer individually accounted for more than 10% of the revenue during the year ended 31st March 2022 and 31st March 2021

e Information about geographical areas:

The Company is domiciled in India. The amount of its revenue from external customers (including other income) broken down by location of the customers is shown in the table belows:

Particulars	As at March 31, 2022	As at March 31, 2021
India	98,856,232	108,661
Outside India	9,875	-
Total Revenue as per statement of profit and loss	**98,866,107**	**108,661**

31 **Disclosure as per Ind AS 116 on 'Leases'**

(a) As a lessee

The following are the Carrying value of right to use assets and lease liabilities and movements thereof:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Right of use assets		
opening balance	-	-
Reclass of leasehold land	-	-
Additions during the year	293,432,187	-
Disposals/ Adjustment / Depriciation for the year	(293,432,187)	-
Closing balance	-	-
Lease Liabilities		
Opening balance	-	-
Additions during the year	293,432,187	-
Accretion of interest	16,870,355	-
Payments	(31,137,547)	-
Closing Balance	**279,164,995**	-

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Bifurcation of these Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current	40,185,587	-
Non current	238,979,408	-
Total	**279,164,995**	-

(b) As a lessor

The Company provides electrical vehicles on finance lease for a period of more than one year. Total future minimum lease payments due under non-cancellable finance lease are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
less than one year	77,099,331	-
One to two year	77,199,469	-
Two to three Year	77,562,644	-
Three to four year	78,236,900	-
Four to five year	75,930,595	-
more than five years	16,718,394	-
Total minimum lease payments	**402,747,334**	-
Unearned Finance income	126,244,634	-
Present value of minimum lease payments	**276,502,700**	-

Particulars	As at 31 March 2022	As at 31 March 2021
Present Value of future minimum lease payments due under non-cancellable finance lease are as follows:		
less than one year	69,657,301	-
One to two year	61,992,899	-
Two to three Year	53,743,524	-
Three to four year	46,770,591	-
Four to five year	39,654,770	-
more than five years	4,683,615	-
Present value of minimum lease payments	**276,502,700**	-

32 **Ratios**

Particulars	As at 31 March 2022	As at 31 March 2021
Current Ratio	0.55	0.11
Debt-Equity Ratio	-69.89	-3.84
Debt Service Coverage Ratio	-91.71	NA
Return on Equity Ratio	4.42	1.00
Inventory turnover ratio	-0.94	NA
Trade Receivables turnover ratio	14.21	1.69
Trade payables turnover ratio	5.54	2.00
Net capital turnover ratio	-0.20	-0.001
Net profit ratio	-103%	-19626%
Return on Capital employed	-0.23	1.34
Return on investment	-0.06	-0.35

33 **Share Based Payments**

The Company has not offered any equity based awards through the Company's stock option plan

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34 **Related Party Disclosures**
As per Ind AS 24, the disclosures of transactions with the related parties are given below:

A. **Relationships**

i. **Subsidiary Company(ies) of the Company (including step down subsidiaries):**
NIL

ii. **Key Managerial Person and Directors**

Mahua Acharya	Chief Executive Officer (w.e.f. 16-Nov-2020)
Mahua Acharya	Managing Director (w.e.f. 20-Nov-2020)
Arun Kumar Mishra	Director (w.e.f. 11-Oct-2021)
Shankar Gopal	Director (w.e.f. 29-Oct-2020)
Seema Gupta	Director (w.e.f. 04-Jan-2022)
Chandan Kumar Mondal	Director (w.e.f. 21-Jan-2022)
Saurabh Kumar	Director (w.e.f. 29-Oct-2020 up to 28-Oct - 2021)
Rajat Kumar Sud	Director (w.e.f. 12-Nov-2020 up to 24-Sept - 2021)
Jagjeet Singh Dadiala	Chief Financial Officer (w.e.f. 5-April-2021)
Abhishek Srivastava	Company Secretary (w.e.f. 23-Aug-2021)

iii. **Holding Company(ies) of the Company:**
Energy Efficiency Services Limited

iv. **Other enterprises with whom transaction have taken place**
Power Grid Corporation of India Limited

B. **The following transactions were carried out with the related parties in the ordinary course of business (Net of taxes):**

in Rs.

Nature of Relationship	Name of Related Party	Nature of Transaction	Presentation of Transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Holding Company	Energy Efficiency Services Limited	Payment on behalf of the Company (net)	Current Financial Liabilities	236,543,725	62,334,006
		Purchases	Current Liabilities	52,045,597	-
		Loan Taken	Non Current Financial Liabilities	300,000,000	-
		Interest	Current Financial Liabilities	961,644	-
		PMC Charges on Lease Rental	Other Current Financial Assets	1,817,052	-
		Lease Rent-EV	Other financial liabilities	45,426,296	-
Other enterprises	Power Grid Corporation of India Limited	Sale of services	Revenue from operations	1,360,751	-
Managing Director	Mahua Acharya	Reimbursement of Expenses	Employee Benefit Expenses & Other expenses	1,217,918	107,080
Chief Financial Officer	Jagjeet Singh Dadiala	Compensation & Reimbursement of Expenses	Employee Benefit Expenses & Other expenses	5,067,418	-
Company Secretary	Abhishek Srivastava	Compensation & Reimbursement of Expenses	Employee Benefit Expenses & Other expenses	1,416,100	-

C. Balances outstanding at year end:

in Rs.

Nature of Relationship	Name of Related Party	Nature of Transaction	Nature of Transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Holding Company	Energy Efficiency Services Limited	Other liabilities	Current Financial Liabilities	298,877,731	62,334,006
		Lease Rent-EV	Other financial liabilities	45,426,296	-
		Purchases	Provisions	52,045,597	-
		PMC Charges on Lease	Other Current Financial Assets	1,817,052	-
		Loans	Financial Liabilities	300,000,000	-
		Interest	Other financial liabilities	865,480	-
Other enterprises	Power Grid Corporation of India Limited	Sale of services	Revenue from operations	392,642	-

35 **Expenditure incurred on Corporate Social Responsibilities**
(a) NIL CSR amount is required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year.

36 **Dividend**
The Board of Directors have not declared any interim dividend.

37 **Events occurring After the Balance Sheet date**
No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

38 **Details of Loans Given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act, 2013**
There are no Loans given by the Company.
Investments made are given by the Company under respective head.
No Corporate guarantee given by the Company in respect of loans as at 31st March, 2022:

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39 Financial Risk Management Objectives And Policies

Financial Risk Factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. For the financial year 2021-22 the management of the Company believes that considering the fact that the operations of the company are at preliminary stage and do not entail involvement of any intricate process for risk management. However, the procedure adopted from parent company have been followed in respect of all the financial transactions, which involves control mechanism to identify and eliminate the element of risk at each stage of the transaction since inception to final recognition in the financial. Moreover, there is no material risk which in the opinion of the management might threaten the existence of the company. However with due course of development of operations the Company's senior management shall oversee the risks management and shall proceed to devise appropriate risk management framework for the Company to provide reasonable assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Accordingly the corresponding disclosures regarding the procedures and guidelines regarding the Credit Risk, etc. are not applicable for the financial year 2021-22 in consideration.

A. Credit Risk :

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

As aforementioned in the preceding part of this note, considering the company being in the initial stages of the operations during the financial year 2021-22 and immateriality of receivables from the customers, the disclosures regarding the operations are not applicable. However the company based on its inheritance from the parent company is under the process of formulation of module and related guidelines for periodic review and assessment of the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer including the payment track record of the customers , regular monitoring / analysis of outstanding, evaluation in respect of concentration of risk and consideration for impairment thereof.

in Rs.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Up to 6 months	More than 6 months	Up to 6 months	More than 6 months
Gross carrying amount (A)	13,858,350	379,645.00	128,220	-
Expected Credit Losses (B)	-	-	-	-
Net Carrying Amount (A-B)	**13,858,350**	**379,645.00**	**128,220**	-

The carrying amounts of financial instruments as on 31st March, 2022 is NIL as referred in note 39. Accordingly the disclosure regarding Company's exposure to credit risk regarding the balance with banks and financial institutions for the components of the balance sheet at March 31, 2022 is not applicable for the financial year 2021-22.

B. Liquidity Risk :

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities and short term loans. The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

Table hereunder provides the current ratios of the Company as at the year end:

Particulars	in Rs. As at 31 March 2022	in Rs. As at 31 March 2021
Total current assets	584,925,735	8,872,345
Total current liabilities	1,070,907,680	81,878,043
Current ratio	**0.55**	**0.11**

The table below summarises the maturity profile of the Company's financial liabilities :

in Rs.

Particulars	Payable on demand	Less than 1 year	More than 1 year	Total
As at 31 March 2022				
Borrowings	-	-	-	-
Other financial Liabilities	356,343,667	-	-	356,343,667
Trade and other payables	-	100,000,000	200,000,000	300,000,000
Total	356,343,667	100,000,000	200,000,000	656,343,667

Particulars	Payable on demand	Less than 1 year	More than 1 year	Total
As at 31 March 2021				
Borrowings	-	-	-	-
Other financial Liabilities	62,334,006	-	-	62,334,006
Trade and other payables	8,894,363	-	-	8,894,363
Total	71,228,369	-	-	71,228,369

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C. Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not deal in foreign currency and Company does not have interest bearing borrowings. Hence company is not exposed to the risk of

Impact of COVID-19

The Company has made detailed assessment of impact of COVID-19 on the aforementioned risks i.e. credit risk, liquidity risk and market risk and does not foresee any material impact on account of the same. However, the management will continue to closely monitor the evolving situation and

40 Financial Instrument - Disclosure

No Financial Instruments held by the Company and hence no classification is made for financial instruments.

41 Capital Management

On account of similar considerations mentioned in note 38, the disclosures regarding the approach and guidelines of the company regarding its

in Rs.

Particulars	As at 31 March 2022	As at 31 March 2021
Debt	538,979,408	-
Cash & bank balances	253,154,566	-
Net Debt	285,824,842	-
Total Equity	(23,034,285)	(21,324,359)
Net debt to equity ratio (Gearing Ratio)	(12.41)	-

42 The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws

43 The Current Year refers to the period from 1st April 2021 to 31st March 2022. (Previous year refers to the period from 29th Oct 2020 to 31st March 2021 as the Company was incorporated on 29th Oct 2020.) The Previous Year figures have been regrouped, rearranged and reclassified wherever necessary to conform to this year's classification.

As per our Report of even date
For VGHSR & Associates LLP
Chartered Accountants
FRN: 007915N/N500393

30/5/2022

VGHSR AND ASSOCIATES LLP Chartered Accountants New Delhi 007915N/N500393

(CA. VINOD KUMAR KALRA)
Partner
Membership No. 086690
DPIN: 00288415
UDIN : 22086690AJXCXJ8066
Place : New Delhi
Date : 30 May, 2022

For and on behalf of the Board of Directors
M/s Convergence Energy Services Limited

(Mahua Acharya)
Managing Director & CEO
DIN-03030535

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

(Abhishek Srivastva)
Company Secretary

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