CONVERGENCE ENERGY SERVICES LIMITED

6TH ANNUAL REPORT | 2025-2026

Contents

Company Information

Board of Directors	Shri Akhilesh Kumar Dixit	Managing Director & CEO
	Shri Yatindra Dwivedi	Nominee Director
	Shri Shankar Gopal	Nominee Director
	Shri Aravind Babu	Nominee Director
Chief Financial Officer	Shri Jagjeet Singh Dadiala	
Head-Convergence	Shri Rajneesh Rana	
Company Secretary	Shri Abhishek Srivastava	
Registered Office	9th Floor, Jeevan Prakash Building, 25, KG Marg, Connaught Place, New Delhi – 110001	
Statutory Auditors	M/s S. Mohan & Co.	
Secretarial Auditors	M/s Sinha & Srivastava LLP	
Internal Auditors	M/s VGHSR & Associates LLP	
Bankers	ICICI Bank State Bank of India Canara Bank	

DIRECTORS' REPORT

To
The Members,
CONVERGENCE ENERGY SERVICES LIMITED

Your Directors are pleased to present the 6th Annual Report on business and operations of the company along with the Audited Financial Statements for the financial year ended on 31st March, 2026.

Revenue from operations for the financial year 2025-26 ₹9,286.40 Lakh and total revenue for the period was ₹ 10,172.65 Lakh. Net profit of the Company in 2025-26 was ₹1973.22 Lakh.

1 FINANCIAL PERFORMANCE

1.1 Financial Highlights (Standalone):

Highlights of performance of the Company for the financial year 2025-26 are given as under with comparative position of previous year's performance: (Amount in Lakh)

Particulars	31st March, 2026	31st March, 2025
Paid up Share capital	5,921.01	5,921.01
Total Revenue (including Other Income)	10,172.65	5,573.47
Profit Before Depreciation & Taxes	4,199.15	1,423.23
Less: Depreciation	1,569.67	1,324.71
Profit/(Loss) Before Tax	2,629.48	98.52
Less: Prior Period Adjustments (Net)	-	-
Less: Provision for Taxation		
-Current Year	10.25	-
-Earlier years	0.30	1.25
-Deferred Tax credit	648.06	32.69
Profit/(Loss) after Tax	**1,970.87**	**64.58**
Add: Other comprehensive income / (expense)	2.35	-0.40
Total Comprehensive income for the year	**1,973.22**	**64.18**

1.2 Transfer to free Reserves and Dividend

The company has not transferred any amount to free reserves during the financial year 2025-26. The Company has not declared any dividend for or during the financial year 2025-26.

1.3 Share Capital

The authorised capital of the company as on March 31, 2026 was Rs. 10,000 Lakh (Rupees Ten Thousand Lakh) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs. 10 (Rupees Ten) each.

The paid-up share capital of the company as on March 31, 2026 was 59,21,01,000. During the year, no shares were issued.

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

Name of Shareholders	No. of Shares @ ₹10 each	% of holding
Energy Efficiency Services Limited and its Nominees	5,92,10,100	100
Total	**5,92,10,100**	**100**

1.4 Net Worth and Earning per Share

Your Company's net worth as on 31st March 2026 was ₹ 5,848.25 Lakh. EPS of the Company for the year ended on 31st March 2026 stood at ₹ 3.33.

1.5 Resource Mobilization

The entire equity in the company is held by Holding Company M/s Energy Efficiency Services Limited.

CESL has taken a loan of INR 15.18 crores from SBI for the procurement of 117 EV4W. The loan is re-payable in 18 quarterly instalments.

The outstanding balance as on 31 March 2026 is INR 6.70 crores.

1 OPERATIONAL HIGHLIGHTS

About Convergence Energy Services Limited (CESL)

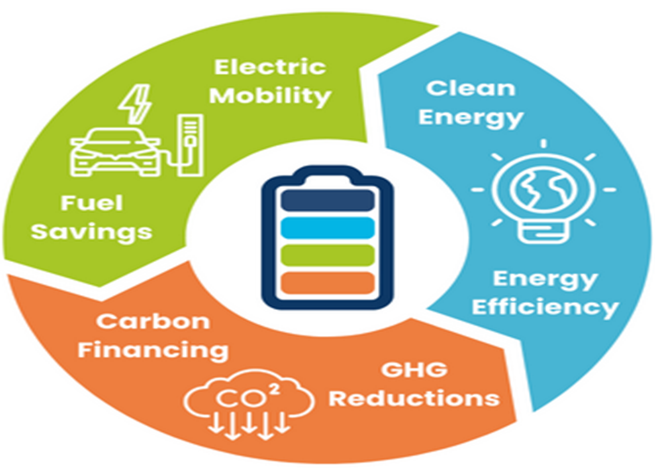
Convergence Energy Services Limited (CESL) is a wholly owned subsidiary of Energy Efficiency Services Limited, (a JV of Central Public Sector Undertakings (CPSUs) under the Ministry of Power, Government of India).

CESL is investing in clean energy and clean transportation with a view to deliver 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.



CESL's core focus remains on electric mobility and various linked nuances around the strengthening of the ecosystem.

A. Gram Ujala Programme:

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.

The scheme has been a huge success and has helped in reducing energy consumption and promoting the use of sustainable energy sources in rural areas.

I. Steps for Implementation of Gram Ujala Program

a) Procurement of LED bulbs and distribution partners
b) Management of LED bulb inventories at distribution partner warehouses
c) Distribution of LED bulbs by distribution partner either through dedicated kiosk or door-to-door.
d) Collection of ICLs from consumers by distribution partner and destruction by carbon credit partner.
e) For issuance of carbon credits, necessary audits and processes are being conducted by CESL carbon credit partner and submitted findings to Verra for approval and issuance of carbon credits.

II. Key Highlights

Since its inception, Gram Ujala has made significant strides in promoting energy-efficient lighting solutions and enhancing the standard of living for rural households. Some of the key highlights of the Gram Ujala initiative are as:

a) Wide Coverage: Gram Ujala has made LED bulbs available to households in rural areas across UP, Bihar, Karnataka, Telangana & Andhra Pradesh. This has helped to reduce energy consumption, save costs, and provide better quality lighting to households that were earlier dependent on inefficient and polluting kerosene lamps.

b) Affordable Pricing: Gram Ujala has made energy-efficient LED bulbs available to rural households at very affordable prices. The scheme has helped to lower the cost of lighting and reduce the financial burden on rural households.

c) Impact on Environment: Gram Ujala has contributed significantly to reducing India's carbon footprint by promoting energy-efficient lighting solutions. The scheme has helped to reduce the consumption of fossil fuels and minimize greenhouse gas emissions.

d) Employment Opportunities: Gram Ujala has also generated employment opportunities in rural areas by setting up distribution centers and training rural youth in the installation and maintenance of LED lighting solutions.

e) Innovative Financing: Gram Ujala has introduced innovative financing mechanisms such as Carbon-Finance models, which enable households to pay for the LED bulbs in affordable cost @ ₹10. This has made it easier for households to switch to energy-efficient lighting solutions without putting a strain on their finances.

III Benefits of Gram Ujala Program

- LED bulb provided to consumer at the affordable cost of Rs.10.Savings to homes
- 3-years free replacement of LED Bulbs
- Energy saved per year: 141.40 Cr units
- Cost savings per year: INR 478 Cr
- CO2 reduction per year: 1.3 Mn tCO2
- Avoided peak demand: 388 MW
- Access to modern quality lighting – these LEDs are better performing

IV Status

As on date, CESL has distributed LED bulbs in rural areas across multiple states.

V Current Status (FY 2025–26) and Continuation

The programme is being executed in multiple phases, and the process of closure of Letters of Award (LoAs) for suppliers and distribution agencies is at various stages of completion. A number of LoAs have already been successfully closed, while some remain pending due to procedural requirements, ongoing reconciliations, or compliance-related issues.

VI Carbon Credits

CESL's programs are registered with leading international carbon registries, ensuring financial benefits are passed on to the end-beneficiaries, advancing sustainable solutions in rural energy efficiency and electric mobility at scale.

The Gram UJALA Project, launched in 2021, aims to provide affordable energy access by distributing 1 crore LED bulbs at INR 10 each to 20 lakh rural households across five states, replacing inefficient ICLs with 12W/7W LEDs. This has resulted in annual energy savings of approximately 1.5 billion kWh and a reduction of 1.5 million tCO_2, supported through carbon credit monetization in voluntary markets.

The project is registered under the VERRA standard, with 727,581 Verified Carbon Units (VCUs) already issued. Through monetization of these credits, CESL aims to support the public rural energy efficiency and mobility projects being implemented by CESL.

In 2024-25, VERRA / Verified Carbon Registry has confirmed issuance of additional 13,47,417Verified Carbon Units under the Gram UJALA program. A summary of total credits with CESL are as below:

State	Status	ID with Link	Vintage period- 1 Jan. 2022 – 31 May 2022	Vintage Period- 1 June 2022 – 30 June 2023
Bihar	Registered	2695	3,31,101	Nil
Uttar Pradesh	Registered	2700	3,84,096	12,17,095*
Andhra Pradesh	Registered	2701	12,384	1,30,322*
Telangana	Registered	3850	32916*	Nil
Karnataka	Registration & verification approval requested	3821	Nil	Nil

**to be issued upon payment of issuance fee, less any transfer to proponent.*

Other key updates:

- CESL has undertaken multiple efforts to monetize the available VCUs:
  - Domestic tender: CESL floated a Domestic tender in Mar'2024 for sale of 727,581 VCUs. After multiple extensions, price discovered was USD 0.70/VCU, which was below the project's required breakeven level.
  - International competitive bidding: CESL invited international competitive bids for sale of the same VCUs through tender Feb'2025. The bid submission date was extended multiple times; however, no bids were received despite market sounding and extension are continued.
  - Exchange outreach: CESL also explored engagement with international carbon exchanges, including BNZ and ACX, to understand exchange-based sale mechanisms and associated procedures.
- Transfer of Project proponent from CQC to CESL under Gram Ujala:
  - In September 2024, CESL and CQC have been engaged in discussions to complete the transfer of project ownership within the VERRA Registry from BrightSpark/CQC to CESL as the new Project Proponent.
  - In March 2025, CESL was informed that CQC Capital LLC had filed for Chapter 7 bankruptcy in the United States. As a result, no CQC entity is currently in a position to execute the required documentation. The responsibility for executing such documents now lies with the court-appointed liquidator. VERRA has since designated CQC as an inactive entity on its Registry.
  - Further after clarification from the liquidator, matter was taken up with the officials from the C-Quest Capital SG India Holdings Private Limited and Brightspark Energy Pvt. Ltd., and documents were signed by both the parties in Dec'2025 for submission to VERRA registry for changing of Project Proponent.
  - Matter is still pending at the level of VERRA and follow-up is being ensured on regular basis.
- The US-based VERRA / Verified Carbon Standards Registry has confirmed registration of EV Charging Infrastructure Project (ID: 2461).

B. National E- Mobility Programme:

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 E-Mobility – includding (1) four wheelers (2) eBuses (3) charging stations.

CESL's Integrated E-Mobility Solution

I Four Wheelers

Background

India is committed to achieve Net Zero emissions target by 2070, as per India's declaration at COP26. This ambitious goal requires focussed efforts from all sectors of the economy, including road transportation, implying that adoption of Electric Cars is the way forward, due to its zero-tailpipe emission. The global transition to greener energy sources has gained momentum, and governments worldwide are adopting policies to reduce their carbon emissions.

A crucial aspect of this transition is the reduction of emissions from government-owned vehicle fleets. Leasing electric vehicles (EVs) to government offices is a strategic step toward achieving sustainability targets, improving efficiency, and lowering overall fleet maintenance costs.

The benefits and advantages of adoption of E-Cars over conventional ICE vehicles are now well established and the issues of range anxiety have also been addressed by the E-Car OEM's in the Indian market.

The Government of India and various State Governments have introduced several policies and schemes to accelerate time-bound adoption of E-Cars.

Further, the Govt. of India has foreseen a penetration of 30% EVs by 2030 and in this regard, Dept. of Expenditure and Dept. of Public Enterprises has emphasized adoption of E-Cars in Central Govt. and CPSEs, respectively, vide their OM's regarding staff cars. Similarly, other Ministries/Departments of Govt. of India has emphasized regarding adoption of E-Cars. By adopting EVs, government offices will set an example for the private sector and local communities, promoting the use of green technologies.

In consideration of the huge market potential and aspiration of Govt. of India to transition to EVs, EESL entered into lease of E-Car(s) by catalysing the industry with demand aggregation and market transformation. By establishing a substantial presence for EVs, their affordability, and supporting charging infrastructure, we provide environment-friendly commutes to clients, pan India.

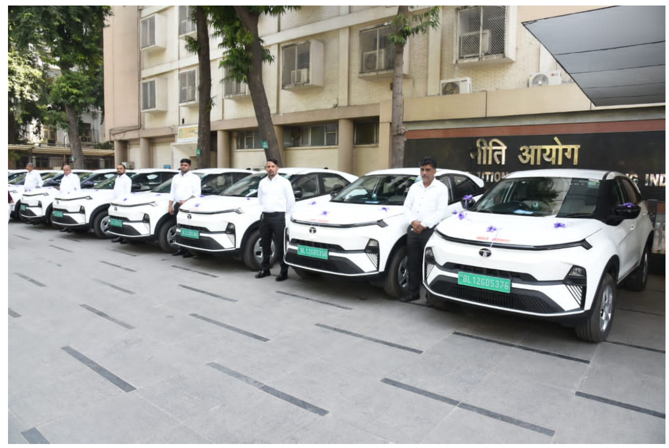
Developments under EVaaS Phase-II (FY 2025–26)

The deployment of E-Cars under the above mode has enabled EESL and CESL to develop institutional capacity and stakeholders connect across the value chain. In view of the learnings from past deployment and directives, a new business model 'EV as a Service' (EVaaS) is adopted for deployment of E-Car on asset-light mode.

During Financial Year 2025–26, CESL significantly advanced the implementation and scaling of the EV as a Service (EVaaS) Phase-II programme, with a strong emphasis on expanding institutional adoption, operationalizing signed mandates, and strengthening CESL's asset-light service delivery model.

Under Phase-II, CESL successfully executed lease agreements with key government and state institutions, notably the Comptroller and Auditor General of India (CAG), PGCIL and Odisha Renewable Energy Development Agency (OREDA) etc.

Simultaneously, during FY 2025–26, CESL signed fresh contract agreements covering 526 electric cars with various government offices under the EVaaS framework such as NITI Aayog, PGCIL, Ordanance Factory etc . These contracts were aligned with the Rate Contracts finalized under EVaaS, ensuring scalability, uniform commercial terms, and faster order execution.



(Flagoff Ceremony of E-Cars at NITI Aayog, New Delhi)

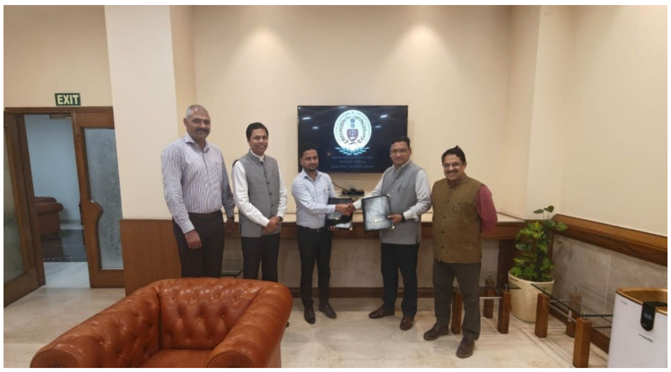
As of 31 March 2026, CESL placed orders for 346 electric cars under EVaaS Phase-I and Phase-II combined, reflecting steady conversion of mandates into deployments during the year. The Service Provider for EVaaS Phase-II, whose selection was completed in March 2025, was fully operational throughout FY 2025–26, enabling smoother onboarding of new clients and faster fleet roll-outs by leveraging CESL's existing government clientele and institutional relationships.

In line with the approved business model, CESL continued to charge Project Management Consultancy (PMC) fees at a minimum rate of 11% on the discovered monthly lease charges payable by clients.

Strategic Direction Going Forward

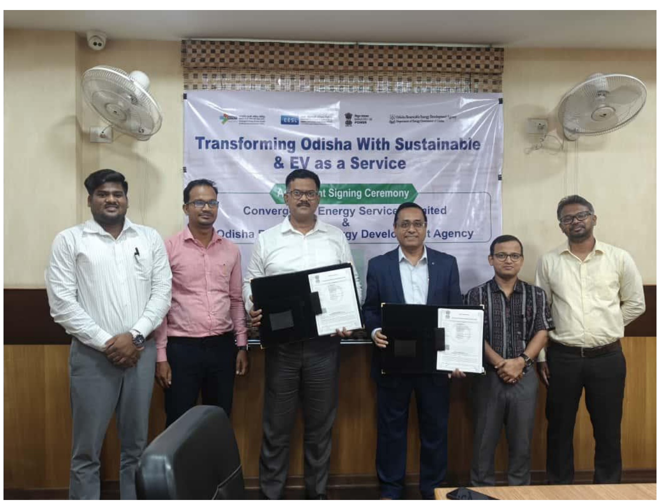
FY 2025–26 marked a transition phase from programme launch to large-scale execution under EVaaS. Going forward, CESL will focus on:

- Accelerated deployment against already signed mandates,
- Expansion of EVaaS uptake across additional Ministries, Departments, CPSEs, and State Governments,
- Deepening engagement with existing large clients such as CAG for pan-India coverage, and
- Strengthening service quality, monitoring, and client satisfaction under long-term SLAs.



(*Agreement Signed with CAG, New Delhi*)

During FY 2025–26, CESL consolidated its position as the nodal agency for electric four-wheeler deployments in government of Odisha, successfully advancing EVaaS Phase-II from concept to scalable execution.



(*Agreement Signed with OREDA Limited, Bhubaneshwar, Odisha*)

The year witnessed meaningful on-ground deployments, expansion into new institutional segments, and generation of stable PMC-based revenues, laying a strong foundation for accelerated growth in FY 2026–27 and beyond.

II E-Bicycle Program for micro mobility

CESL is looking to transform the micro-mobility through its recently developed program on sustainable mobility through large scale deployment of Electric Bicycles. The program is along the lines of "Reaching the Last Mile" priority of Government of India for an empowered and inclusive economy.

As part of this effort, CESL plans to deploy electric bicycles across multiple states, in partnership with various ministries and government departments, helping to mainstream micro-mobility.

CESL is in discussion and finalizing the demand from several departments. CESL is providing a potential solution to decarbonize transportation by promoting electric bicycles as a sustainable option for micro mobility and last mile connectivity.

Brief update on the program is given below:

Electric micromobility -STREE Program

- CESL has signed a MoU with Ministry of Rural Development (MoRD) to help facilitate **"Sustainable Transport for Rural Entrepreneurs through Electric Bicycles" (STREE)** for Self Help Group (SHG) Women under Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) as a pilot demonstration funded under the Asian Development Bank- Global Environment Fund 7 program.

  Under this pilot program CESL supplied 1,800 cargo electric bicycles specifically designed for rural applications across four states -- Bihar, Kerala, Madhya Pradesh and Andhra Pradesh. Post completion of pilot, CESL organised National Workshop on Electric Bicycles Powering Rural Livelihoods, in collaboration with the Ministry of Rural Development. Hon'ble Minister of State of Rural Development Mr. Kamlesh Paswan was the Chief Guest. At the event, the Impact Assessment Report of the STREE pilot was launched through the Hon'ble Minister. Other dignitaries present were Secretary MoRD, Additional Secretary MoRD and Joint Secretary MoRD.

The STREE initiative reached this important milestone with the successful National Workshop on "Promoting Micromobility through Electric Bicycles" held on 16 March 2026 at Bharat Mandapam, New Delhi. STREE so far has been through an incredible journey — one that has gone beyond program design and implementation to witnessing real, on-ground impact.

Through the STREE pilot, we have seen how something as simple as an electric cargo bicycle can unlock powerful outcomes — enhanced mobility, improved access to markets, increased productivity, and most importantly, greater confidence and independence among SHG women. Witnessing that shift, from constraint to possibility, has been both humbling and deeply motivating. From conceptualizing the idea to designing the intervention, mobilizing partnerships, and driving on-ground implementation — this journey has reinforced one core belief: mobility is the missing link in rural livelihoods.

What makes STREE powerful is not just the technology — it is its ability to integrate seamlessly into the existing rural livelihoods ecosystem and amplify outcomes across mobility, income, women's empowerment, and climate action simultaneously. The workshop brought together government, industry, development partners, and state institutions — and one message stood out clearly: scaling this will require convergence. Convergence of policies, financing, manufacturing, and local service ecosystems.

This is not just about electric mobility. It is about creating a new paradigm of women-led, climate-aligned rural entrepreneurship in India & this is just the beginning. The real opportunity lies in taking this from pilot to population scale — where millions of rural entrepreneurs can leverage mobility as a tool for economic empowerment.

Economic, Livelihood, Social & Environmental Impact

The STREE (Sustainable Transport for Rural Entrepreneurs through Electric Bicycles) pilot, implemented by Energy Efficiency Services Limited and Convergence Energy Services Limited, has successfully demonstrated how a simple clean mobility intervention can generate transformational outcomes for rural livelihoods, women empowerment, and sustainable development. Designed to address one of the most overlooked barriers in rural economies—lack of affordable and reliable mobility—the pilot was implemented across Bihar, Madhya Pradesh, Andhra Pradesh, and Kerala, covering 1,800 beneficiaries, primarily women associated with Self-Help Groups (SHGs), rural entrepreneurs, and community cadres engaged in livelihood activities.

The initiative has shown that electric bicycles are far more than a transport solution; they are productive economic assets. 78% of surveyed beneficiaries actively used the e-bicycles, reflecting strong acceptance and practical relevance. Importantly, 48% of users reported an increase in monthly income after receiving the e-bicycle.

Among them, 73% reported average monthly income gains of ₹3,517, while 23% reported even higher average gains of ₹8,064 per month. Women were able to travel farther, serve more customers, access markets faster, and expand existing livelihood activities. This clearly demonstrates that mobility can directly unlock enterprise growth and women-led economic participation.

The pilot also delivered substantial household savings and efficiency gains. 60% of users reported reduced monthly travel expenditure, with average savings of ₹1,356 per month. In Bihar, 35% of beneficiaries reported zero monthly travel expenditure, indicating a complete shift away from paid transport dependence.

In addition, 72% of users reported saving time, which was reinvested into livelihood activities, household responsibilities, childcare, and community engagement. For women who previously depended on walking, irregular transport, or assistance from others, the electric bicycle created a new sense of independence and control over their daily mobility.

Beyond financial benefits, the programme generated strong social and behavioural impact.

Beneficiaries reported greater confidence in travelling independently, improved comfort, and significantly lower physical fatigue. Notably, 42% of users stated that the e-bicycle created curiosity and interest within their communities, signalling growing social acceptance and aspirational value. The pilot therefore contributed not only to economic outcomes, but also to shifting perceptions around women's mobility, agency, and leadership in rural areas.

The environmental impact has also been highly encouraging. Beneficiaries collectively travelled approximately 13 lakh kilometres within six months, resulting in around 78% lower carbon emissions compared to equivalent petrol two-wheelers, with an estimated 68 tonnes of CO_2 emissions avoided. This highlights the opportunity for rural India to adopt cleaner mobility pathways early, without inheriting the congestion and pollution burdens experienced in urban centres.

The most important learning from the STREE pilot is that mobility can be a powerful missing link in rural development. India has invested significantly in livelihoods, skilling, credit access, and women's institutions through programmes such as Deendayal Antyodaya Yojana – National Rural Livelihoods Mission. STREE demonstrates that when affordable mobility is added to this ecosystem, it can multiply the impact of these investments.

With the right support in financing, manufacturing scale, servicing ecosystems, and inter-ministerial convergence, the initiative holds strong potential to evolve into a scalable national model for empowering rural women, strengthening livelihoods, and advancing India's sustainable mobility transition.

Demand aggregation from MOEFCC for deploying 2685 e-bicycles in Zoos/Botanical Gardens.

- CESL signed the quadripartite agreement among MOEFCC, CZA, BT for the implementation of the proposal to MOEFCC to offer its services for adoption of non-motorized electric micro mobility solutions for zoological parks and botanical gardens in NCAP cities. MoEFCC, Govt. of India launched National Clean Air Program (NCAP) in January 2019 with an aim to improve air quality in 131 cities (non-attainment cities and Million Plus Cities) in 24 States/UTs by engaging all stakeholders. The program envisages achieving reductions up to 40% or achievement of National Ambient Air Quality Standards for Particulate Matter10 (PM 10) concentrations by 2025-26. The proposal was prepared and submitted after detailed discussions, field survey analysis, technical solutions, implementation arrangements, financial and payment terms etc.

- Additional requirements regarding Detachable Battery Charging Stacks and Shed with charging kiosk were raised by the client and CESL also included the same in agreement. CESL's will do Project Management Consultancy activities to deliver 2685 e-bicycles along with other requirements, finalize technical specifications and charge an additional Project Management Consultancy (PMC) charges @ 9% plus applicable taxes (finalized and approved during negotiations) on the rates of electric bicycles finalized through the tendering process. MOEFCC is in process of approvals and sanctioning of advance project costs to Central Zoo Authority CZA towards procurement

Demand Aggregation – Government Depts, PSUs, Institutions, Logistic Companies etc.

- CESL is in process of aggregating demand for government departments and providing PMC services for electric bicycles for different use cases, such as campus mobility, Tourist/Hotel places etc.

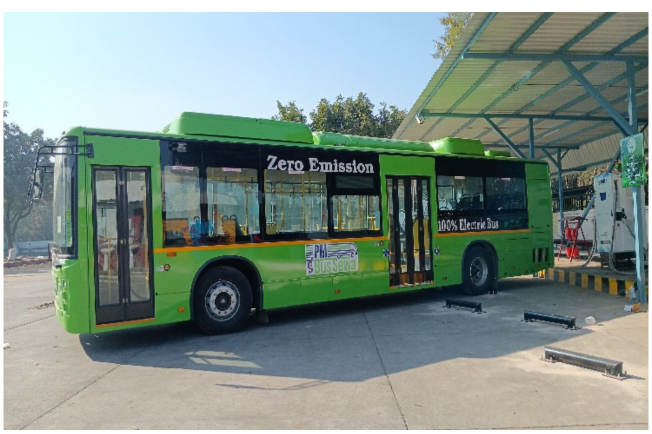
III Electric Buses

The Electric Bus Program led by Convergence Energy Services Limited has evolved into a key national initiative for scaling electric mobility through aggregation-based procurement and innovative contracting models. Under the Grand Challenge, CESL successfully tendered 5,450 e-buses under the GCC model, which led to the launch of the National Electric Bus Program (NEBP) aimed at deploying 50,000 buses nationwide. CESL has since been designated as the central tendering and program management agency for major schemes including NEBP, PM-eBus Sewa, and PM E-DRIVE.

During FY 2025–26, CESL significantly expanded its electric bus portfolio through large-scale tendering under PM-eBus Sewa and PM E-DRIVE schemes, completion of international deployments, and expansion of its footprint across more than 17 States/UTs.

Under the Grand Challenge, deployment includes 1,500 buses in Delhi and 921 buses in Bengaluru along with an additional 113 buses. Under NEBP-1, agreements cover 5,045 buses across multiple states including Delhi, Surat, Haryana, Telangana, and Arunachal Pradesh, with 3,192 buses delivered to date.

Under the PM-eBus Sewa Scheme, Tender-I aggregated demand for 3,825 buses across 8 States and 3 UTs, with 2,155 Letters of Award issued and 450 concession agreements signed across cities such as Nagpur, Thane, Assam, and Chandigarh. Tender-II aggregated demand for 4,588 buses across 12 States and 3 UTs, with 4,298 buses allocated and 2,940 Letters of Award issued by the Public Transport Authority.



(E-Bus deployed under PM eBus Sewa Scheme)

Under the PM E-DRIVE Scheme, Tender-I saw a demand for 10,900 buses with 3,600 Letters of Award issued, and 19 States completing Direct Debit Mandate registration with RBI. Tender-II, including the Delhi bundle of 3,330 buses for DTC out of a total 6,230 buses, is currently under evaluation following the opening of techno-commercial bids in April 2026.

On the international front, CESL successfully delivered 100 e-buses and 11 chargers to Mauritius on 8 April 2026. In Nepal, a tender for 20 buses and 10 chargers has been issued, with the Letter of Award awarded to Tata Motors.

Strategically, CESL has emerged as a nodal agency for e-bus aggregation in India, achieving cost competitiveness of up to ~24% lower than diesel and CNG benchmarks. The program has enabled standardization of procurement, effective risk-sharing through the GCC model, and accelerated adoption of electric buses across states.

Advisory Services to Accelerate Electric Bus Deployment in Seychelles

CESL and the Seychelles Public Transport Corporation (SPTC) signed an Agreement for Advisory Services to support the deployment of electric buses and associated charging infrastructure in the Republic of Seychelles. The agreement was formally signed on 13 July 2026.

Under the agreement, CESL will act as the Project Implementation Advisor (PIA) and provide end-to-end advisory services for planning, procurement, implementation and operational monitoring of electric buses in Seychelles. Drawing upon its extensive experience in implementing large-scale electric mobility programmes in India and internationally, CESL will support SPTC in developing a comprehensive roadmap for the transition to electric public transport.

The advisory services has been structured in multiple phases covering project feasibility, procurement support, implementation assistance and post-deployment monitoring, ensuring continuity throughout the project lifecycle.

IV Payment Security Mechanism

➢ Scheme Overview

The scheme "PM-eBus Sewa-Payment Security Mechanism (PSM) scheme" is notified on 28th October 2024.

The scheme aims to ensure payment security, in case of default by Public Transport Authorities (PTAs) in their timely payment to OEMs/operators for procurement and operation of e-buses.

➢ Objectives:

The key objectives are as follows:

a. Provide payment security in case of default by PTAs in making timely payment to the operators as per the CA executed between the PTAs and the OEM/operators

b. Provide a mechanism for recouping of Scheme Funds from the parent State Governments/UTs in the event of non-repayment by PTAs. This will ensure sustainability of the Scheme Fund.
c. Provide support in capacity building, training needs and adoption of innovative technologies by PTAs for e-bus operation.

➢ Coverage and Scheme duration:

The scheme will cover 38,000 e-buses or more for duration up to 12 years for each bus deployed under the scheme.

➢ Eligibility Criteria:

Eligibility criteria for PTAs

PTAs meeting the following criteria will be eligible to participate in this scheme:

a. the PTAs adopt the Gross Cost Contract (GCC) or similar models for procurement of e-buses which is aligned with scheme guidelines. However, PTAs procuring buses through any other similar model may also be considered subject to approval by the steering committee, and

b. their parent States/UTs sign register the Direct Debit Mandate (DDM) with RBI for the entire duration of the 'Scheme'.

   Under DDM, the States/UTs undertake to recoup the scheme fund as defined in the Scheme guidelines

   The DDM submitted under the 'Scheme', will be valid for any GoI/State Govt/UT sponsored schemes for procurement and operation of e-buses by PTAs participating in the Scheme", and

c. PTAs procure and operate e-buses with aggregation by Convergence Energy Services Limited (CESL) under any GoI/State Govt/UT scheme where the Concession Agreement (CA) adheres to the scheme guidelines., or,

d. In case PTAs are directly procuring e-buses (without CESL), adhering to PSM guidelines, then their request for participation under the scheme can be considered by the steering committee (SC) through CESL.

Eligibility criteria for OEMs/operators:

Those OEMs/operators who enter into CAs with PTAs satisfying eligibility criteria as mentioned in para above shall be eligible for availing the Scheme fund.

➢ Implementation Mechanism:

Process to avail Scheme Fund by e-bus OEMs/operators:

a. PTAs shall open and maintain an Escrow Account as specified in the CA.

b. The OEM/operators will submit a regular bill/invoice to PTAs in accordance with the timelines specified in the CA.

c. The PTAs shall process the bill/invoice in accordance with the provisions of the CA.

d. If insufficient funds in the Escrow Account result in delay/non-payment by PTAs within the prescribed time as per CA, then the event will be called as "Default by PTA".

e. Such defaults by PTAs will be reported to CESL and the OEM/operators may submit a request to CESL (PSM Request) to invoke the Payment Security Mechanism under the Scheme.

f. CESL shall develop, operate and maintain a technology-based platform for the entire duration of the Scheme, that shall enable the OEMs/operators to submit their request for invoking the Scheme Fund.

g. CESL shall review, verify and approve the PSM request of OEM/operators.

h. If CESL finds that the request of the OEM/operators is in accordance with CA, Scheme guidelines and the SOPs, then CESL shall disburse the approved amount from the Scheme Fund to the Escrow Account created under CA.

➢ Repayment mechanism to PSM by PTAs/ States/UTs in case of default by PTAs:

Repayment from PTAs to Scheme:

a. PTAs are required to repay to the Scheme Fund, the entire amount disbursed from the Scheme Fund to the OEM/operators along with Late Payment Surcharge (LPS), within 90 days from the date of its disbursement.

b. During this period, PTAs will be levied an interest in the form of late payment surcharge (LPS), on the amount to be repaid.

c. The LPS would be levied @1% per annum in addition to the SBI's 3 years MCLR prevailing on the date of disbursement, compounded annually.

d. The number of days of delay for which LPS will be applicable will start from the date of disbursement from Scheme Fund to OEM/operators up to the date of payment received from the PTAs/State Govts/UTs.

➢ Recouping of Scheme Fund by State/UT through Direct Debit Mandate (DDM):

a. In case the PTAs fails to repay the entire amount disbursed from the Scheme Fund along with Late Payment Surcharge (LPS) within 90 days from the disbursement date, MHI would request RBI to invoke the DDM.

b. RBI would transfer the money to the Scheme Fund by debiting the account of the State Government/UTs, subject to availability of clear and sufficient balance in the account at the time of executing the mandate.

   Clear balance in the account of State Government means the amount held in such account excluding minimum balance, operating limit under special drawing facility, authorised limit under ways and means advances and overdraft.

c. This will also include the Late Payment Surcharge (LPS).

d. The number of days of delay for which LPS will be applicable will start from the date of disbursement of Scheme Funds to OEMs/operators up to the date of transfer of money to the Scheme Fund by debiting the account of State Governments/UTs.

➢ Implementing Agency: Convergence Energy Services Limited (CESL) is the implementing agency for the Scheme.

➢ Below the status of the PSM Scheme as on 31st March 2026:

- The first tranche of INR 500 crore has been received by CESL from MHI, to set up the PSM Scheme Fund.

- 19 State/UTs have submitted the Direct Debit Mandate to the Reserve Bank of India.

- The Standard Operating Procedures (SOPs) have been published by MHI for the operations of the Scheme.

- PSM IT portal has been developed in accordance with the SOPs, will be launched soon.

V Electric Vehicle Public Charging Infrastructure

EESL (through its subsidiary CESL) has successfully deployed 496 public Electric Vehicle (EV) chargers across India.

State	EV Chargers Installed
Delhi	203
Maharashtra	102
Uttar Pradesh	66
Tamil Nadu	59
West Bengal	24
Kerala	19
Gujarat	12
Goa	3
Chhattisgarh	4
Haryana	2
Karnataka	1
Jharkhand	1
Grand Total	**496**

Business Model and Offerings of CESL

EESL owned chargers: EESL, previously has procured EV chargers and installed them pan India on Government/Public land.

This is done on revenue sharing model in line with the Ministry of Power, GoI revised consolidated guidelines & standards for charging infrastructure for electric vehicles dated 14th January 2022 and subsequent amendments thereof, wherein the adequate space is provided by Government/Public land-owning agencies and implementation through investment by EESL.

Considering the changing market conditions and operational issues, CESL had successfully concluded the RFP process and assisting EESL in revamp of existing business model of public EV chargers and in this regard, EESL through CESL had issued LoAs to Managed Service Partner covering for the Operations, Management, Maintenance and Security of CESL/EESL Public EV Charging Stations (PCS) across 13 states of India. This collaboration aims to leverage the expertise of the selected partner in seamlessly managing the CESL/EESL public EV charging stations on a revenue sharing basis. The major States covering are Delhi (NDMC,DTC,MCD area) ,Noida ,Maharashtra (Nagpur Maha-Metro), Tamil Nadu (CMRL), Keralam (ANERT), Gujarat (AMC), Chhattisgarh, Jharkhand (DVC), Uttarakhand (THDC), Haryana (HPCL), West Bengal (NKDA) , GoA etc.

Revenue Generation – With this extensive and robust project management EESL is able to generate approx. 1.65 Crores revenue for FY 2025-26, through the chargers installed across PAN India.

(EVCI restoration work in progress at NDMC locations)

Asset-lite (market driven) model

CESL has developed an Asset-Lite (Market-Driven) Model to address the diverse charging requirements of various electric vehicle segments, including electric two-wheelers, three-wheelers, four-wheelers, and e-buses. This model has been designed in line with evolving market conditions to facilitate the establishment of public EV Charging Stations (EVCS) and Battery Swapping Stations (BSS) across India.

Under this model, CESL undertakes the procurement of services of Charge Point Operators (CPOs) for the supply, installation, testing, commissioning, and operation & maintenance of EVCS and/or BSS on a Build-Own-Operate-Maintain (BOOM) basis. CESL enters into agreements with land-owning agencies on a revenue-sharing basis, in alignment with the Ministry of Power, Government of India guidelines dated 17th September 2024 and subsequent amendments thereon or as mutually agreed.

As part of implementation, CESL aggregates demand from potential locations identified by land-owning agencies and facilitates the deployment of a mix of charging technologies (slow chargers, fast chargers, and battery swapping stations) based on market requirements. CESL provides overall program management, coordination, and support to the selected CPOs, while its role remains limited to facilitation of land partnerships and ecosystem enablement. CESL derives revenue through facilitation/transaction fees under this model.

CESL has entered into MoUs/Agreements with multiple land-providing entities for deployment under the Asset-Lite Model, including:

- Delhi Development Authority (DDA) for 20 locations comprises 40 chargers
- Lucknow Development Authority (LDA) for 5 locations comprises 10 chargers
- Bharat Sanchar Nigam Limited (BSNL), Telangana for 175 locations comprises 350 chargers
- Goa Energy Development Authority (GEDA) for 10 locations comprises 10 chargers

Further, CESL has executed Revenue Sharing Agreements with DDA and GEDA for the establishment of EVCS and/or BSS. At DDA locations, 40 chargers have been installed across 20 sites, of which 24 chargers have been commissioned. At GEDA locations, 5 chargers have been installed across 5 sites. Deployment activities have commenced through appointed CPOs, and implementation is currently in progress at various locations.

Revenue Generation – With this new project implementation on BOOM model , CESL initiated generation of revenue in FY25-26, this expected to reach multi fold in FY 2026-27 with considering the operational period of newly commissioned chargers and upcoming new projects.

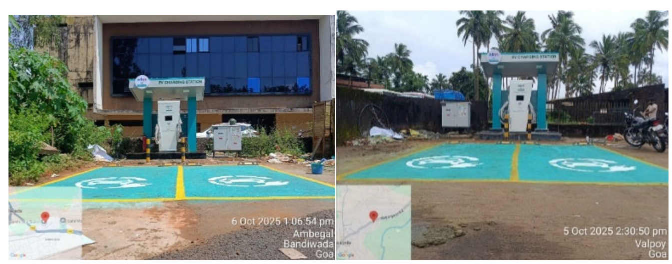
Future Alignments for FY 2026-27

For FY 2026–27, the EVCI vertical has set a target of deploying 612 EV charging stations as per the approved business plan, aligned with CESL's broader objective of accelerating electric mobility adoption across India. As part of early progress toward this target, agreements have already been signed with Municipal Corporation Gurugram (MCG) for approximately 50 EV chargers, with the Request for Proposal (RFP) for their implementation currently under process and expected to be floated in April 2026.

In parallel, an MoU has also been executed with MCG for the development of 50 Battery Swapping Stations (BSS), marking a significant step toward diversifying charging infrastructure solutions.

Additionally, CESL is actively engaging with key government stakeholders, including the Ministry of Defence, Ministry of Panchayati Raj, Municipal Corporation of Delhi (MCD), New Delhi Municipal Council (NDMC), and ANERT Kerala, etc to explore deployment opportunities and strategic collaborations.

These ongoing and planned initiatives are expected to contribute substantially toward achieving the FY 2026–27 deployment target in a phased and structured manner.



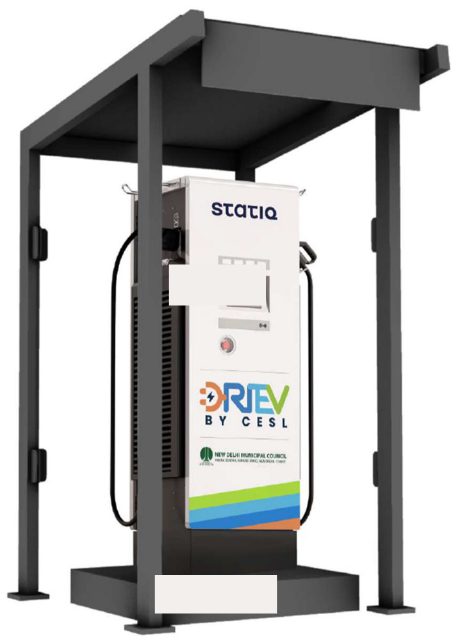
(EVCI installation work in progress at Goa Energy Development Authority (GEDA) locations)

Brand Identity and Branding on Public EV Chargers

CESL has developed a new brand identity named "DRIEV" (Dynamic Recharge Infrastructure for Electric Vehicles), which will serve as the logo and visual identity for all CESL products, including EV charging stations, electric four-wheelers (e4Ws), electric buses and others.

The objective of this branding is to create a unified and easily recognizable identity across CESL's offerings, ensuring a consistent, cohesive, and intuitive experience for users.

Public EV chargers will feature the "DRIEV by CESL" branding, along with by the logos of relevant stakeholders, as specified in the respective agreements.



During the financial year 2025–26, the Company undertook an extensive exercise for protection of its intellectual property and brand identity by filing applications for registration of its trademarks, including word marks and device marks, across all relevant classes under the Trade Marks Act, 1999, covering the present as well as prospective areas of business operations of the Company.

Out of the applications filed, trademark registrations in Class 12 have been successfully granted in respect of the Company's marks, namely "CESL", "DRIEV" and the Company's device mark, while applications in the remaining classes are presently under various stages of processing and registration.

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

The IT Department continued to play a pivotal role in strengthening digital infrastructure, enhancing cybersecurity, and enabling technology-driven business operations during FY 2025–2026.

The focus remained on improving system reliability, supporting national energy initiatives, and implementing scalable digital solutions.

Major Initiatives Undertaken

IT Infrastructure Enhancement

- Strengthening of network, server, and storage systems
- Regular upgrades of operating systems and enterprise applications
- Ensuring availability of desktops/laptops and IT resources to all users
- Deployment and usage of video conferencing tools for collaboration

Financial System Modernization

- Migration to updated Tally platform with built-in GST and e-invoicing features
- Optimization of financial processes and reporting efficiency
- Invoice Interest Calculation

Cybersecurity & Network Protection

- Implementation of endpoint and perimeter security controls
- Continuous monitoring of logs and proactive incident handling
- Alignment with enterprise-level security policies

Digital Platforms & Portals

- Management and enhancement of multiple business portals and dashboards

Digital Logbook for EV Operations

- Development of a centralized system for EV data tracking and monitoring
- Features include automation, reporting, and analytics

IT Support & Helpdesk

- Strengthening internal helpdesk operations
- Improved response time and user support services

Website & Communication Systems

- Continuous updates and maintenance of official website
- Working on the complete revamp of the website in coordination with PR Department.

Payment Security Mechanism (PSM) Support

- Actively supporting the development and implementation of the PSM portal for managing payment security workflows under the scheme
- Coordinating with internal teams, consultants, and external stakeholders for requirement gathering and system design.
- Assisting in defining workflows related to payment processing, validation, and approvals
- Supporting configuration of user roles and access controls for secure handling of financial data.
- Tracking development progress and ensuring timely resolution of identified issues

Key Achievements

- Improved IT infrastructure reliability and uptime
- Strengthened cybersecurity posture
- Successful support to multiple national-level digital initiatives
- Enhanced digital service delivery through portals and dashboards
- Progress in EV-focused digital transformation projects

The IT Department remains committed to driving innovation, ensuring secure operations, and supporting the organization's strategic initiatives through robust and scalable technology solutions.

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, 2026, is given as under:

Location	**Number of employees**				
	Regular	Contractual	Consultant	Third Party	EESL (Regular on Deputation)
India	5	1	3	30	19
Total	5	**1**	3	30	19

6 INSTITUTIONAL STRENGTHENING

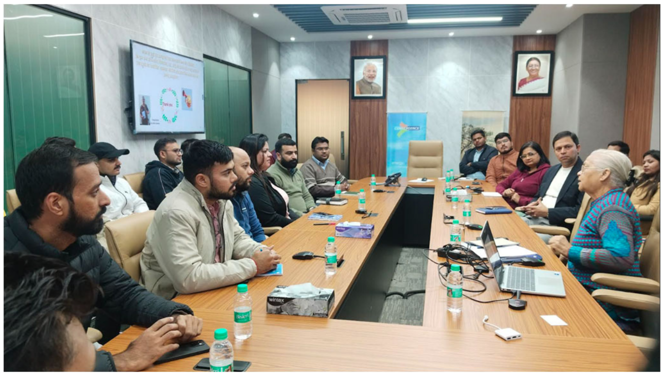
CESL being a newly formed company is working towards exploring and implementing new business opportunities. At this nascent stage, the company is being supported by EESL (Parent company of CESL).

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

In accordance with the provisions of the "Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013," CESL has constituted an Internal Complaints Committee (ICC) for the redressal of complaints related to sexual harassment of women employees.

During the financial year 2025–26, CESL conducted an exclusive training session for the members of the Sexual Harassment Committee.

In addition, awareness session for the employees was also organized during the year.


(POSH sensitization of employees)

The training focused on various aspects of the POSH Act, including its origin, rules, and applicability. It covered key topics such as the conditions under which the act is applicable, the steps and timelines for addressing complaints, potential punishments and penalties, and real-life case studies.

These training sessions helped foster an environment of awareness and caution among employees, addressing any doubts or concerns, particularly among male employees, regarding the POSH Act.

Notably, the company did not receive any complaints of sexual harassment during the year.

CESL places a strong emphasis on providing a safe working environment for women. As part of its commitment to gender sensitivity, all training programs incorporate a special focus on gender sensitization, ensuring that the entire workforce is equipped with the knowledge and tools to contribute to a respectful and secure workplace

8 COMPLIANCE OF THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT 1961

During the financial year 2025-26, the Company has duly complied with the provisions of the Maternity Benefit Act 1961.

9 FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2025-26, the Foreign Exchange Earnings has been nil.

During the financial year 2025-26, the Foreign Exchange Outgo has been nil.

10 INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your Directors state that, considering the nature and scale of the Company's operations during the financial year 2025–26, adequate internal control systems and procedures were in place for all financial transactions.

These controls are designed to provide reasonable assurance regarding the accuracy, completeness, and reliability of financial reporting and to identify, prevent, and mitigate the risk of fraud, error, or irregularities at every stage of a transaction, from its initiation through to its final recognition in the financial statements.

Further, based on the assessment carried out by the management, no material risks have been identified that, in its opinion, may threaten the Company's ability to continue as a going concern or adversely impact its business operations.

11 FOREIGN EXCHANGE AND RISK MANAGEMENT POLICY

The Company has adopted and adheres to the foreign exchange and risk management framework established by its Holding Company, ensuring a structured approach to managing foreign exchange exposures and associated financial risks, wherever applicable.

12 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.

13 KEY MANAGERIAL PERSONNEL

Key Managerial Personnel as on March 31, 2026, in terms of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

SN	Name	Designation
1.	Shri Akhilesh Kumar Dixit	Managing Director & Chief Executive Officer w.e.f November 24, 2025
2.	Shri Vishal Kapoor	Managing Director & Chief Executive Officer (Upto June 12, 2025)
3.	Shri Jagjeet Singh Dadiala	Chief Financial Officer
4.	Shri Abhishek Srivastava	Company Secretary

14 BOARD OF DIRECTORS & MEETINGS

During the year under review, Shri Vishal Kapoor resigned from the position of Managing Director, Chief Executive Officer, and Director of the Company with effect from June 12, 2025.

Pursuant to the nomination received from EESL, the holding company, the Board appointed Shri Akhilesh Kumar Dixit as an Additional Director, designated as Nominee Director, with effect from June 25, 2025. Subsequently, the Members regularized his appointment at the 5th Annual General Meeting (AGM) of the Company held on September 24, 2025.

Further, EESL withdrew the nomination of Shri Anil Kumar Jadli with effect from July 04, 2025. In his place, upon receipt of nomination from EESL, Shri Aravind Babu was appointed as an Additional Director, designated as Nominee Director, on the Board of the Company with effect from July 18, 2025. His appointment was thereafter regularized by the Members at the 5th AGM held on September 24, 2025.

Thereafter, the Board of Directors appointed Shri Akhilesh Kumar Dixit as the Managing Director and Chief Executive Officer of the Company with effect from November 24, 2025.

The Board of Directors of the company duly met 5 times during the financial year 2025-2026. The dates on which meetings of the Board were held are as follows: 25.06.2025, 18.07.2025, 08.08.2025, 24.11.2025 and 17.03.2026.

The Secretarial Standards on Meetings of Board (SS-1) issued by The Institute of Company Secretaries of India were duly complied with.

Details of number of meetings attended by each Director during the financial year 2025–26 are as under:

Sr. No.	Name of Director	No. of Board Meetings	
		Entitled	Attended
1.	Shri Shankar Gopal	5	5
2.	Shri Vishal Kapoor (Ceased to be Director w.e.f June 12, 2025)	0	0
3.	Shri Anil Kumar Jadli (Ceased to be Director w.e.f July 04, 2025)	1	1
4.	Shri Yatindra Dwivedi	5	3
5.	Shri Akhilesh Kumar Dixit	5	5
6.	Shri Aravind Babu (Appointed w.e.f July 18, 2025)	4	4

15 DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) & 134(5) of the Companies Act, 2013, your Directors confirm::

a. In the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no cases of 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 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 10 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.

16 MAINTENANCE OF COST RECORDS

Considering the nature of the operations of the company during the financial year 2025-26, your directors state that the provisions of Companies Act, 2013, regarding the maintenance of cost records are not applicable to the company

17 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.

The company served as the Bid Process Coordinator for the tendering of electric buses (E-Buses) under the PM-eBus Sewa Scheme, initiated by the Ministry of Housing and Urban Affairs (MoHUA), Government of India and PM E-DRIVE Scheme, initiated by the Ministry of Heavy Industries (MHI), Government of India. The said tender were issued on behalf of MoHUA & MHI respectively for multiple State Transport Undertakings (STUs).

CESL's role was limited to facilitating the tender process, including price discovery, communicating the iscovered prices to the respective STUs, and issuing letters of confirmation regarding quantities to the successful bidders. The final issuance of Letters of Award (LoA) are being carried out by the individual STUs.

In terms of the Government of India has notified Public Procurement Policy on Micro & Small Enterprises (MSEs) Order, 2012, following are the required details:

S.N.	**Descriptions**	**FY 25-26**
		(In Crore (INR))
1	Total annual procurement (in value)	₹ 11.19
2	Total value of goods and services procured from MSEs (including MSEs owned by SC / ST entrepreneurs)	-
3	Total value of goods and services procured from MSEs owned only by SC / ST and women entrepreneurs	-
4	% age of procurement from MSEs (including MSEs owned by SC / ST and Women entrepreneurs) out of total procurement	-
5	% age of procurement from MSEs owned only by SC / ST entrepreneurs out of total procurement	-

18 VIGIL MECHANISM & DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

Considering the nature and size of the operations of the company during the financial year 2025-26, 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.

19 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 which are not on arm's length.

20 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The company has not given any loans, guarantees or made any investment during the financial year 2025-26, which requires disclosures under section 186 of the Companies Act 2013.

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

There are no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

22 DEPOSITS

During the period under review, the company has not accepted any amount that fall within the purview of "Deposits" under the provisions of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

However, during the year the Company has received Security deposit against performance bank guarantee Rs 3.21 Lakh.

23 AUDITORS

23.1 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 September 11, 2025 appointed **M/s S MOHAN & CO, Chartered Accountants, New Delhi** as Statutory Auditor of the Company for financial year 2025-26.

The Statutory Auditors have not made any qualifications/adverse remarks in the Audit Report for the financial year 2025-2026.

23.2 NON-REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA (C&AG)

The Comptroller and Auditor General of India (C&AG) has issued a Non-Review Certificate dated August 13, 2026, in respect of the Annual Accounts of Convergence Energy Services Limited for the financial year 2025–26, confirming that it will not undertake the supplementary audit of the financial statements of the Company for the financial year ended March 31, 2026, pursuant to Section 143(6)(a) of the Companies Act, 2013.

A copy of the said certificate is attached herewith as Annexure A.

23.3 INTERNAL AUDITORS

Pursuant to the provisions of section 138 of the Companies Act, 2013, the Board of Directors have appointed M/s VGHSR and Associates LLP, as the Internal Auditor to conduct the internal audit of the Company for the financial year 2025-2026.

23.4 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 2025-2026.

23.5 SECRETARIAL AUDITOR

Pursuant to the provisions of section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s Sinha & Srivastava LLP as the Secretarial Auditor of the Company to the conduct the secretarial audit of the company for the Financial Year 2025-26.

The Secretarial Audit Report in Form MR-3 (attached as Annexure-B to this report) for the financial year 2025-2026 does not contain any adverse remarks/qualifications or reservation.

24 STATUTORY DISCLOSURE

Your Directors state that:

a) There was no change in nature of business of the Company during the financial year 2025–26.

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, 2026 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.

25 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/finance_and_investors.

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

During the financial year 2025–26, the Company received 17 applications under the Right to Information (RTI) Act.

An appeal filed by an applicant before the Central Information Commission (CIC) was heard and subsequently disposed of, in favour of the Company.

All RTI applications and appeals received during the year were duly addressed and disposed of within the timelines prescribed under the Right to Information Act, 2005.

27 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.

28 CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the financial year 2025–26, the provisions of section 135 of Companies Act, 2013 relating to Corporate Social Responsibility (CSR) were not applicable to the Company.

However, the said provisions have since become applicable to the Company for the financial year 2026-27.
During the current financial year 2026-27, your Directors shall ensure compliance with the applicable CSR provisions and fulfilment of its CSR expenditure

obligations in accordance with the the Companies Act, 2013 and the rules made thereunder.

29 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.

30DECLARATION OF INDEPENDENT DIRECTORS

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

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

The provisions of annual evaluation have been complied with by your Company.

32COMPANY'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 however, the company follows the policies and procedures of the Holding Company 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.

33 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 2025-2026.

34 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 2025-26, 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.

35STATEMENT PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The provisions of the aforesaid Rules are not applicable to the Company, being an unlisted company.

36 CHANGE OF REGISTERED OFFICE OF THE COMPANY

The company changed its registered office from 2nd Floor, NFL Building, Core-III, SCOPE complex, Lodhi Road, Delhi-110003 to 9th Floor, Jeevan Prakash Building, 25, KG Marg, New Delhi – 110001 with effect from May 01, 2025.

37 ACKNOWLEDGEMENT

The Directors are grateful to the Government of India particularly Ministry of Power, Ministry of Finance & Department of Economic Affairs, Ministry of Heavy Industries, Ministry of Housing & Urban Affairs and

Ministry of Road Transport & Highways for their continued co – operation and support.

The Directors thank the Board of Directors of Power Grid Corporation of India Limited, NTPC Limited, Energy Efficiency Services Limited, the state governments, State Transport Undertakings, Municipalities, State Power Utilities and other stakeholders for their continued supports and trust in the Company.

The Board also gratefully acknowledges the constructive guidance and professional services rendered by the C&AG, the Statutory Auditors, Secretarial Auditors and Internal Auditors, as well as the continued trust and confidence reposed in the Company by its shareholders, lenders, banks and financial institutions.

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 wholehearted co–operation and support at all times.

for and on behalf of the Board of Directors

Sd/-	**Sd/-**
Shri Akhilesh Kumar Dixit	**Shri Shankar Gopal**
Managing Director & CEO	**Director**
DIN: 10869939	**DIN: 08339439**

Date: 31.08.2026
Place: New Delhi

ANNEXURE A

सत्यमेव जयते

DIRECTOR GENERAL OF AUDIT
(POWER), NEW DELHI
5th,6th, 7th & 10th Floor Annexe Building,
10-Bahadur Shah Zafar Marg, NEW
DELHI - 110002

Ltr No: Director (POWER-II Section)/2026-2027/DIS-3741746
Date: 13 Aug 2026

To,

1 Convergence of Energy Services Limited

2 Convergence of Energy Services Limited

Subject: Non Review Certificate in respect of Annual Accounts of Convergence Energy Services Limited for the year 2025-26.

Sir/Madam,

I am directed to forward herewith Non Review Certificate in respect of Annual Accounts of Convergence Energy Services Limited for the year 2025-26.

Yours faithfully,

Encls: As above

RICHA DOBRIYAL
Assistant Audit Officer

Copy to:-

Ltr No : Director (POWER-II Section)/2026-2027/DIS-3741746/C1/For Information
PG Section

No. DGA(P)/PG/1-224/NRCs/2026-27/178

भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय महानिदेशक लेखापरीक्षा (विद्युत)
नई दिल्ली-110002

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Director General of Audit (Power)
New Delhi-110002

Dated: 07/08/2026

सेवा में,
प्रबंध निदेशक एवं मुख्य कार्यकारी अधिकारी,
Convergence Energy Services Limited.

विषय: 31 मार्च 2026 को समाप्त वर्ष के लिए Convergence Energy Services Limited के वर्ष 2025-26 के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियन्त्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, Convergence Energy Services Limited, के 31 मार्च 2026 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियन्त्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

आशुतोष जोशी
7/8/26

(आशुतोष जोशी)
महानिदेशक (विद्युत)

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

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF CONVERGENCE ENERGY SERVICES LIMITED FOR THE YEAR ENDED 31st MARCH 2026

The preparation of financial statements of Convergence Energy Services Limited for the year ended 31st March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11th June 2026.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Convergence Energy Services Limited for the year ended 31st March 2026 under Section 143(6)(a) of the Act.

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

(Ashutosh Joshi)
Director General of Audit (Power)

Place: New Delhi
Date: 7/8/2026

Sinha & Srivastava LLP
A firm of Company Secretaries

121, Vinayak Apartment
C-58/19 Sector-62
Noida-201307 (U.P)
Mobile: 9868282032, 9810184269
Email: sinhaandsrivastava@gmail.com

Form MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CONVERGENCE ENERGY SERVICES LIMITED,
9th Floor, Jeevan Prakash Building, 25,
KG Marg, New Delhi, 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CONVERGENCE ENERGY SERVICES LIMITED [CIN: U40300DL2020PLC372412]** (hereinafter called the "Company") having its Registered Office at 9th **Floor, Jeevan Prakash Building, 25, KG Marg, New Delhi, 110001.**

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2026** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on **March 31, 2026** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(to the extent applicable)**

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

Sinha & Srivastava LLP ★ NOIDA ★ Company Secretaries

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable during the period under review)**

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable during the period under review)**

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable during the period under review)**

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable during the period under review)**

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable during the period under review)**

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable during the period under review)**

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable during the period under review)**

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable during the period under review)** and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the period under review)**

(v) and other applicable laws, if any, which are specifically applicable to the Company based on its sector/industry.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same has been subject to review by the statutory auditor and other designated professionals.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by Institute of Company Secretaries of India;

During the period under review and as per the explanations and representations made by the officers and management and subject to the clarifications given to us, the Company has satisfactorily complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted. The Changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda were generally sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the members' views are captured adequately and recorded as part of the minutes.

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

Sinha & Srivastava LLP
NOIDA
Company Secretaries

We further report that during the audit period the Company has following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:-

1. *the company has shifted its registered office from "2nd Floor, NFL Building, Core-III, SCOPE Complex, Lodhi Road, New Delhi – 110003" to "9th Floor, Jeevan Prakash Building, 25, KG Marg, New Delhi, 110001", i.e. within the local limits of the City, with effect from 01.05.2025.*

Place: Noida
Date: 11.06.2026

Sinha & Srivastava LLP ★ NOIDA ★ Company Secretaries

For, Sinha & Srivastava LLP
Company Secretaries

(Suman Kumar Verma)
Designated Partner
FCS No.: 7409; CP No.: 24902
FRN: L2017UP003700
PR: 6978/2025
UDIN: F007409H001023655

*Note: This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.*

3

Sinha & Srivastava LLP
A firm of Company Secretaries

121, Vinayak Apartment
C-58/19 Sector-62
Noida-201307 (U.P)
Mobile: 9868282032, 9810184269
Email: sinhaandsrivastava@gmail.com

Annexure-A

To,

The Members,
CONVERGENCE ENERGY SERVICES LIMITED,
9th Floor, Jeevan Prakash Building, 25,
KG Marg, New Delhi, 110001

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the company and for which we relied on the report of statutory auditor.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Noida
Date: 11.06.2026

Sinha & Srivastava LLP
NOIDA
Company Secretaries

For, Sinha & Srivastava LLP
Company Secretaries

(Suman Kumar Verma)
Designated Partner
FCS No.: 7409; CP No.: 24902
FRN: L2017UP003700
PR: 6978/2025
UDIN: F007409H001023655

4

S. MOHAN & CO.
CHARTERED ACCOUNTANTS
FRN - 000608N

J-129, DC House, Kirti Nagar,
New Delhi - 110015
Mob.: 9810032363, 9818463263
Tel. Office : 011-45128963-64
E-mail : ca.smohan1966@gmail.com
; virenderbhutani@gmail. com

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s. Convergence Energy Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **M/s. Convergence Energy Services Limited** ("the Company"), which comprise Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit, total other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

S. MOHAN & CO. FRN000608N New Delhi CHARTERED ACCOUNTANTS

Emphasis of Matter

Pursuant to the notification of Ministry of Heavy Industries, the Company being an implementing agency of PM-eBus- Sewa Scheme has PSM Fund of Rs. 50607.63 Lacs, which has been shown as current liability as well as current asset being amount held under trust. Refer to Note 3.8(vii).

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Under the Gram Ujala Scheme of the Government of India wherein after referred to "Scheme", the Company has a right to receive Certified Emmition Reduction (CER) for 7 years in lieu of the expenditure incurred by the company on distribution of LED Bulbs in rural areas amounting to Rs.87.59 crores, which has been classified by the Company as Intangible Assets in the books of account. As per the accounting policy the Intangible Assets have to be amortized in 7 (seven) years in a phased manner. Further, as per the accounting policy, the company at the end of each financial year calculates Present Value at the discounting rate of 7.80% of estimated future receivables on account of sale of CER. The present value of CERs based on approximate market value as on March 31, 2026 after deducting the issuance fees payable to the issuing authority is compared with the written down value of Intangible Assets at the year end and if there is any significant difference the same is provided for in the books as impairment.	We have relied upon the Appraisal Report on Carbon Credits specifically prepared by KPMG for the companies for Gram Ujala project. The report provides the details of number of CER to be received by the company in a phased manner for 7 years. The present Value of these CER based on approx. market value as on March 31, 2026 after deducting the therefrom the issuance fees payable to the issuing authority has been verified and compared with the w.d.v. of Intangible assets at the yearend for impairment provision, if any. As part of our audit procedures, we have examined management's judgement and assumptions including sensitivity thereof having impact on the impairment assessment and for the purposes of arriving at present value of CER.

S. MOHAN & CO. CHARTERED ACCOUNTANTS FRN 000300N New Delhi

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures thereto, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information but does not include the Standalone Financial Statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary action, as applicable under the relevant laws and regulations. We have nothing to report in this regard.

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

The accompanying Standalone Financial Statements have been approved by the Board of Directors. The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

S. MOHAN & CO. FRN 000606N New Delhi CHARTERED ACCOUNTANTS

In preparing the standalone financial statements, the Management and the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

S. MOHAN & CO. FRN000606N New Delhi CHARTERED ACCOUNTANTS

However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledge user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factor in, (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

2. (A) As required by Section 143(3) of the Act, based on our audit, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

S. MOHAN & CO. FRN000608N New Delhi CHARTERED ACCOUNTANTS

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

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

(e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B.** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

(a) The Company has disclosed all the pending litigations and the impact thereof on its financial position in Note: 40 to the Standalone Financial Statements.

(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.

S. MOHAN & CO. FRN 000698N New Delhi CHARTERED ACCOUNTANTS

(d) i. The Management has represented that, to the best of it's knowledge and belief, 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii. The Management has represented, that, to the best of its knowledge and belief, 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, as on the date of this audit report, that the Company shall, 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.

iii. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard 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) The Company has neither declared nor paid any dividend during the year.

(f) Based on our examination, which includes test checks and as certified by the management, the company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility. Further as confirmed by the management, the audit trail facility has been operated throughout the year for all transactions recorded in the software system. Further during the course of audit, we did not come across any instance of audit trail facility being tempered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

S. MOHAN & CO.
FRN 000608N
New Delhi
CHARTERED ACCOUNTANTS

3. As required by section 143(5) of the Companies Act, 2013, our comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India, are given in the Annexure "C" of the report.

For S. Mohan & Co.
Chartered Accountants
FRN 000608N

R.K. Mittal, FCA
Partner
Membership No. 088767
UDIN:26088767LBSDON2196
Place: New Delhi
Date: 11.06.2026

Annexure A to the Independent Auditors' Report

With reference to the **Annexure A** referred to in the Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31st March 2026, we report the following:

1. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

   (B) The Company has maintained proper records showing full particulars of Intangible Assets.

   (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   (c) The Company has no immovable property in the name of company.

   (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets or both during the year.

   (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company as at 31st March, 2026 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

2. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the management has conducted physical verification of inventories at reasonable intervals and in our opinion the coverage and procedure of such verification by the management is appropriate. Further the management has confirmed that no discrepancy of 10% or more in the aggregate for each class of inventory has been noticed on physical verification of inventory when compared with the books of account.

S. MOHAN & CO. FRN 000606N New Delhi CHARTERED ACCOUNTANTS

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

3. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not provided guarantees, granted loans and advances in the nature of loans during the year to companies and other parties. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.

4. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section185 of the Companies Act, 2013("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.

5. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section148 (1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

7. The Company does not have liability in respect of Service Tax, Duty of Excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST")

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been generally regularly deposited by the Company with the appropriate authorities;

S. MOHAN & CO. FRN000606N New Delhi CHARTERED ACCOUNTANTS

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

8. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2026.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

S. MOHAN & CO.
FRN000606N
New Delhi
CHARTERED ACCOUNTANTS

10. (a) The Company has not raised any moneys by way of initial public offer or Further public offer (including debt instruments) during the year. Accordingly, clause3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

11. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section143 of the 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) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

12. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14. In our opinion and based on our examination, the Company has an adequate Internal audit system commensurate with the size and nature of its business.

However, in our opinion Internal Audit System needs to be strengthened by enlarging the scope of internal audit, timely submission and compliance thereof on regular basis.

We have considered the internal audit report for the year under audit issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedure.

S. MOHAN & CO. FRN 000606N New Delhi CHARTERED ACCOUNTANTS

15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

16. (a) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

17. Based on our examination, the Company has not incurred cash loss in the current financial year and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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FRN000060N
New Delhi
CHARTERED ACCOUNTANTS

20. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any ongoing CSR project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For S. Mohan & Co.
Chartered Accountants
FRN 000608N

RKmittal

R.K. Mittal, FCA
Partner
Membership No. 088767
UDIN: 26088767LBSDON2196
Place: New Delhi
Date: 11.06.2026

Annexure B to the Independent Auditor's Report of even date to the members of Convergence Energy Services Limited on the standalone financial statements for the year ended March 31, 2026

Independent Auditor's report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of M/s **Convergence Energy Services Limited** ("the Company") as of 31st March, 2026 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Managements and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements 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 Control Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

S. MOHAN & CO.
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CHARTERED ACCOUNTANTS

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that 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 judgement, 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

S. MOHAN & CO.
FRN 000606N
New Delhi
CHARTERED ACCOUNTANTS

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at 31 March 2026, based on the criteria for internal financial controls with reference to the standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

For S. Mohan & Co.
Chartered Accountants
FRN 000608N

R.K. Mittal, FCA
Partner
Membership No. 088767
UDIN: 26088767LBSDON2196
Place: New Delhi
Date: 11.06.2026

Annexure C to the Independent Auditor's Report

(In respect of Directions/sub-directions, issued by Comptroller and Auditor General of India in terms of section 143(5) of the Companies Act, 2013 for the year 2025-26)

With reference to the **Annexure C** referred to in the Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31st March 2026, we report the following:

S.No	Directions u/s 143(5) of the Companies Act, 2013	Auditor's Reply on the action taken on the directions	Impact on Financial Statement
1	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	The directions are not applicable to the Company as no investment in quoted or unquoted have been made.	Nil
2.	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done by Information Security Auding organisations empaneled by Cert-In at a minimum frequency once in a	Based on our examination, we have observed that the Company has used accounting software Tally Prime ERP, which is operated by a third-party software service provider, for maintaining its books of account and as per the information and explanations provided to us, all the material transactions have been processed/carried out through this software, which is in	Nil

	year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	compliance with the cyber security. Accordingly, there are no financial implications on the integrity of the accounts.	
3	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	Based on our examination of books of account and as per the information and explanations provided to us, the Company has not received any grants/subsidy for any specific schemes from Central/State Government or its agencies during the year under audit. Since there is no receipt of any grants/subsidy, there is no deviation of any of its terms and conditions for accounting and utilization of grants/subsidy etc.	Nil
4	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks?	Yes, the Company has identified the key risk areas and the same has been disclosed in Note-53 of standalone financial statements for the year ending 31st March, 2026. The Company has not formulated its own independent policy but adopted and followed its holding company Risk Management Policy,	Nil

S. MOHAN & CO. FRN 000606N New Delhi CHARTERED ACCOUNTANTS

	If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	As confirmed by the management, Risk Management Policy of the holding company has been formulated considering global best practices. The Company has identified its data assets and it has been valued appropriately.	
5	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	• SEBI (LODR) Regulation – **Not Applicable** • Department of Investment and Public Asset Management – **Not Applicable** • Ministry of Corporate Affairs – **Based on the details provided to us the Company has complied with the regulations.** • Department of Public Enterprises – **Based on the details provided to us the Company has complied with the regulations** • Reserve Bank of India – **Based on the details provided to us the Company has complied with the regulations.**	Nil

S. MOHAN & CO. FRN 000606N New Delhi CHARTERED ACCOUNTANTS

		• Telecom Regulatory Authority of India – **Not Applicable** • CERT-IN – Not Applicable • Ministry of Electronics and Information Technology – **Not Applicable** • National Payments Corporation of India – **Not Applicable**	

Sub-directions to Statutory Auditors of Power Sector Entities for the year 2025-26			
S. No	Sub-Directions u/s 143(5) of the Companies Act, 2013	Auditor's Reply on the action taken on the directions	Impact on Financial Statement
1	Verify whether the existing regulatory assets of the Company are supported by the tariff orders of the Electricity Regulatory Commission;	This Sub-direction is not applicable as the tariff orders of the Electricity Regulatory Commission are not applicable to the Company.	Nil
2	Verify whether the revenue in respect of such assets has been recognised by the Company on the basis of tariff orders issued by the Electricity Regulatory Commission;	This Sub-direction is not applicable as the tariff orders of the Electricity Regulatory Commission are not applicable to the Company	Nil
3	State the impact of recognition/ existence of regulatory assets in the absence of tariff orders, if any;	This Sub-direction is not applicable as the tariff orders of the Electricity Regulatory Commission are not applicable to the Company	Nil
4	State the impact of delayed/ non-recovery of regulatory assets on the financial statements of the Company;	This Sub-direction is not applicable as the tariff orders of the Electricity Regulatory Commission are not applicable to the Company	Nil
5	Examine and report upon the accuracy/ adequacy of accounting treatment/ related disclosures in this regard.	This Sub-direction is not applicable as the tariff orders of the Electricity Regulatory Commission are not applicable to the Company	Nil

MOHAN & CO.
FRN000606N
New Delhi
CHARTERED ACCOUNTANTS

Compliance Certificate

We have conducted the audit of annual accounts of Convergence Energy Services Limited for the year ended 31 March 2026 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For S. Mohan & Co.
Chartered Accountants
FRN 000608N

R.K. Mittal, FCA
Partner
Membership No. 088767
UDIN: 26088767LBSDON2196
Place: New Delhi
Date: 11.06.2026

Convergence Energy Services Limited

CIN- U40300DL2020PLC372412

Regd Office: 9th Floor, Jeevan Prakash Building, 25, KG Marg, Connaught Place, New Delhi, 110001

Standalone Balance Sheet as at March 31, 2026

(All amounts in INR Lakhs , unless otherwise stated)

Particulars	Note No.	As At March 31, 2026	As At March 31, 2025
ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	4	502.05	323.69
(b) Intangible Assets	4	3,442.51	4,693.85
(c) Right-of-use Assets	5	1,095.54	1,366.37
(d) Financial Assets			
(i) Loans	6	17.08	6.45
(ii) Others Non-Current Financial Assets	7	4,334.16	3,274.52
(e) Deferred Tax Assets (net)	21	44.73	693.58
Total Non-Current Assets		9,436.07	10,358.46
Current Assets			
(a) Inventories	8	97.25	97.25
(b) Financial Assets			
(i) Trade Receivables	9	3,757.35	1,934.51
(ii) Cash and Cash Equivalents	10	14,728.54	8,757.38
(iii) Bank Balances other than (ii) above	11(a)	344.48	4,834.46
(iv) Bank Balances held in trust - being an implementing agency (Note 3.8 (vii))	11(b)	49,999.00	-
(v) Loans	12	12.39	5.49
(vi) Other Current Financial Assets	13	4,598.98	2,717.65
(c) Current Tax Assets (net)	14	331.23	591.39
(d) Other Current Assets	15	1,144.88	1,508.62
Total Current Assets		75,014.10	20,446.75
Total Assets		84,450.17	30,805.21
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	5,921.01	5,921.01
(b) Other Equity	17	(72.76)	(2,045.98)
Total Equity		5,848.25	3,875.03
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	3,202.47	4,506.92
(ii) Lease Liabilities	19	5,361.34	3,744.65
(b) Provisions	20	41.57	37.14
Total Non-Current Liabilities		8,605.38	8,288.71
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	1,306.06	1,306.06
(ii) Lease Liabilities	23	1,962.77	1,572.95
(iii) Trade Payables			
(a) Total outstanding dues of Micro and Small Enterprises	24	674.44	295.59
(b) Total outstanding dues of other than Micro and Small Enterprises	24	6,036.37	4,551.63
(iv) PSM Fund Liablity (Note 3.8 (vii))	25(a)	50,607.63	-
(v) Other Current Financial Liabilities	25(b)	3,275.83	3,538.34
(b) Other Current Liabilities	26	6,132.52	7,376.21
(c) Provisions	27	0.92	0.68
Total Current Liabilities		69,996.54	18,641.47
Total Equity & Liabilities		84,450.17	30,805.21

The accompanying notes (1-56) form an integral part of financial statements

As per our Report of even date
For S. Mohan & Co.
Chartered Accountants
FRN: 000608N

(R K Mittal , FCA)
Partner
Membership No. 088767
UDIN: 26088767LBSDON2196
Place : New Delhi
Date : 11-06-2026

MOHAN & CO. CHARTERED ACCOUNTANTS FRN000608N New Delhi

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

(Akhilesh Kumar Dixit)
Managing Director & CEO
DIN- 10869939

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

(Abhishek Srivastava)
Company Secretary

CONVERGENCE ENERGY SERVICES LIMITED CIN No. U40300DL2020PLC372412 NEW DELHI

Convergence Energy Services Limited

CIN- U40300DL2020PLC372412

Regd Office: 9th Floor, Jeevan Prakash Building, 25, KG Marg, Connaught Place, New Delhi, 110001

Statement of Profit and Loss for the Year ended March 31, 2026

(All amounts in INR Lakhs , unless otherwise stated)

	Particulars	Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
	Income			
I	Revenue From Operations	28	9,286.40	4,992.87
II	Other Income	29	886.25	580.60
III	**Total Income (I + II)**		10,172.65	5,573.47
IV	**Expenses**			
	Cost of Materials Consumed		-	-
	Purchase of Stock-in-Trade	30	71.59	8.62
	Change in inventories of Stock-in-Trade	31	-	61.15
	Employee Benefits Expense	32	814.86	246.90
	Finance Costs	33	1,590.73	1,156.63
	Depreciation and Amortization Expenses	34	1,569.67	1,324.71
	Other Expenses	35	3,496.32	2,676.94
	Total Expenses		7,543.17	5,474.95
V	**Profit Before Exceptional Items and Tax (III-IV)**		2,629.48	98.52
VI	Exceptional Items		-	-
VII	**Profit/(loss) Before Tax(V-VI)**		2,629.48	98.52
VIII	Tax Expenses			
	(1) Current tax	36		
	- Current Year		10.25	-
	- Earlier Years		0.30	1.25
	(2) Deferred tax		648.06	32.69
			658.61	33.94
IX	**Profit after Tax (VII - VIII)**		1,970.87	64.58
X	**Profit / (Loss) for the Year from continuing operations**		1,970.87	64.58
XI	**Other Comprehensive Income**	37		
	Items that will not be reclassified to profit or loss (net of tax)			
	Re-measurement of defined benefit plans		3.14	(0.54)
	Less: Income tax relating to items that will not be reclassified to profit or loss		0.79	(0.14)
	Other Comprehensive Income for the year (net of tax)		2.35	(0.40)
XII	**Total Comprehensive Income for the year (X + XI)**		1,973.22	64.18
XIII	**Earning per Equity Share**	38		
	Nominal value of equity shares (Rs 10.00 each)			
	(1) Basic (in Rs)		3.33	0.11
	(2) Diluted (in Rs)		3.33	0.11

The accompanying notes (1-56) form an integral part of financial statements

As per our Report of even date
For S. Mohan & Co.
Chartered Accountants
FRN: 000608N

RKmittal

(R K Mittal, FCA)
Partner
Membership No. 088767
UDIN: 26088767LBSDON2156
Place : New Delhi
Date : 11-06-2026

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

(Akhilesh Kumar Dixit)
Managing Director & CEO
DIN- 10869939

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

Abhishek

(Abhishek Srivastava)
Company Secretary

S. MOHAN & CO. FRN000608N New Delhi CHARTERED ACCOUNTANTS

CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI CIN No. U40300DL2020PLC372412 CONVERGENCE

Convergence Energy Services Limited
CIN- U40300DL2020PLC372412
Regd Office: 9th Floor, Jeevan Prakash Building, 25, KG Marg, Connaught Place, New Delhi, 110001
Standalone Cash Flow Statement for the year ended March 31, 2026

(All amounts in INR Lakhs , unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash Flow from Operating Activities		
Net Profit before Tax	2,629.48	98.52
Adjustments:		
Depreciation and Amortization Expense	1,569.67	1,324.71
Finance Cost	1,590.73	1,156.63
Interest Income	(719.89)	(522.99)
(Profit)/ Loss on disposal of Property, Plant & Equipment	0.13	-
Operating Profit before working capital changes	**5,070.12**	**2,056.87**
Adjustments for working capital changes:		
Inventories	-	61.15
Trade and Other Payables	357.64	8,299.00
PSM Fund Liablity (Note 3.8 (vii))	50,607.63	-
Trade and Other Receivables	(3,329.34)	(381.77)
Other Financial Assets	(1,077.17)	(1,191.22)
Cash Generated from Operations	**51,628.88**	**8,844.03**
Income Tax (Paid) / Refund	249.60	(242.97)
Net Cash (used in) /from Operating activities	**51,878.48**	**8,601.06**
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and CWIP, Intangible Assets	(225.99)	(1,385.73)
Sale / adjustment proceeds of Property, Plant & Equipment		-
Bank balance other than cash & and cash equivalent* (Note 3.8 (vii))	(45,509.02)	(4,801.46)
Non - current liability & Provisions	4.43	7.13
Interest Received	711.93	514.95
Net Cash used in Investing Activities	**(45,018.65)**	**(5,665.11)**
C Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	-	-
Proceeds / (Repayment) of current borrowings	-	(150.69)
Repayment of non-current borrowings	(1,304.45)	(1,303.93)
Finance Cost	(1,590.73)	(1,156.63)
Lease Liability	2,006.52	2,325.63
Dividend Paid (including tax on dividend)	-	-
Net cash from/ (used in) financing activities	**(888.66)**	**(285.62)**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**5,971.17**	**2,650.33**
Cash and cash equivalents (Opening Balance)	8,757.38	6,107.04
Cash and cash equivalents (Closing Balance)	14,728.55	8,757.38
Change in Cash & Cash Equivalents	**5,971.17**	**2,650.33**

Components of Cash & Cash Equivalents	**As At March 31, 2026**	**As At March 31, 2025**
Balances with banks		
- in Current & saving Accounts	282.33	877.29
Gold coins/ Silver Coins/ Stamps	-	-
Deposits with maturity of less than three months	14,446.21	7,880.09
Net Cash & Cash Equivalents	**14,728.54**	**8,757.38**

* includes PSM Fund investment Rs 49,999.00 Lakhs

Notes:

1. Statement of cash flows is prepared in accordance with the indirect method prescribed in IND AS 7 'statement of cash flow'.
2. Cash and cash equivalents consist of balances with banks and deposits woth maturity of up to 3 months.
3. Undrawn borrowing facilities that may be available for future operating activities refer note no 53
4. Reconciliation between the opening and closing balances of the balance sheet for liabilities arising from financing activities:

S. MOHAN & CO. CHARTERED ACCOUNTANTS FRN000608N New Delhi

CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI CIN No. U40300DL2020PLC372412

For the period ended 31 March 2026

Particulars	Non-current borrowings	Current borrowings	Finance lease obligation
Opening balance as at 01.04.2025	4,506.92	1,306.06	5,317.60
Cash flow during the year	(1,304.45)	-	2,006.52
Closing balance as at 31.03.2026	3,202.47	1,306.06	7,324.12

For the period ended 31 March 2025

Particulars	Non-current borrowings	Current borrowings	Finance lease obligation
Opening balance as at 01.04.2024	5,810.85	1,456.75	2,991.98
Cash flow during the year	(1,303.93)	(150.69)	2,325.63
Closing balance as at 31.03.2025	4,506.92	1,306.06	5,317.61

As per our Report of even date
For S. Mohan & Co.
Chartered Accountants
FRN: 000608N

RKMittal

(R K Mittal , FCA)
Partner
Membership No. 088767
UDIN: 26088767LBSDON2196
Place : New Delhi
Date : 11-06-2026

S. MOHAN & CO. FRN000608N New Delhi CHARTERED ACCOUNTANTS

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

(Akhilesh Kumar Dixit)
Managing Director & CEO
DIN- 10869939

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

Abhishek

(Abhishek Srivastava)
Company Secretary

CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI CIN No. U40300DL2020PLC372412 CONVERGENCE

Convergence Energy Services Limited

Statement of Changes in Equity for the year ended March 31, 2026

(a) Equity Share Capital

Current Year

(All amounts in INR Lakhs , unless otherwise stated)

Balance as at 1st April 2025	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	Balance as at 31 March 2026
5,921.01	-	-	-	5,921.01

Previous Year

Balance as at 1st April 2024	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	Balance as at 31 March 2025
5,921.01	-	-	-	5,921.01

(b) Other equity

Current Year

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Share application money pending allotment	Retained Earnings	Revaluation Surplus		
Balance at the beginning of the current Financial Year (01.04.2025)		(2,039.67)		(6.31)	**(2,045.98)**
Profit / Loss for the year	-	1,970.87	-	-	**1,970.87**
Other Comprehensive Income for the current Financial Year (net of taxes)	-	-	-	2.35	**2.35**
Balance at the end of the Financial Year(31.03.2026)	-	**(68.80)**	-	**(3.96)**	**(72.76)**

Previous Year

(All amounts in INR Lakhs , unless otherwise stated)

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Share application money pending allotment	Retained Earnings	Revaluation Surplus		
Balance at the beginning of the current Financial Year (01.04.2024)	-	(2,104.25)	-	(5.91)	**(2,110.16)**
Profit / Loss for the year	-	64.58	-	-	**64.58**
Other Comprehensive Income for the current Financial Year (net of taxes)	-	-	-	(0.40)	**(0.40)**
Balance at the end of the Financial Year(31.03.2025)	-	**(2,039.67)**	-	**(6.31)**	**(2,045.98)**

S. MOHAN & CO. ★ CHARTERED ACCOUNTANTS ★ FRN00609N New Delhi

CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI CIN No. U40300DL2020PLC372412

Convergence Energy Services Limited

Notes to the Financial Statements

CIN- U40300DL2020PLC372412

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.

Note 2 Statement of Compliance, Basis of preparation and critical accounting estimate and judgments:

2.1 Basis of preparation, measurement and Material 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 Lacs and decimals thereof, 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.

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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.

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.

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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.

g. Leases
For the residual value/purchase price at the end of lease term, where the agreement with the lessee fixed the purchase price the same has been considered. In case agreement does not fix the purchase price, Management has estimated the residual value based on the lease rent receivables and estimated life of the asset as 5%. In case of subleases, while calculating IRR and Present Values; Lease Rentals are considered to be due on 1st day of every month and salvage value/residual; value/ purchase value are considered to be received along with the last lease rental of the asset. In case our own asset is being leased, while calculating IRR and Present Values; Lease Rentals are considered to be due at the end of every month and salvage value/residual; value/ purchase value are considered to be received along with the last lease rental of the asset.

Note 3 Material 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.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

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.
Electric vehicles purchased and not leased out to customers are shown as PPE under the head Electric Vehicles but depreciation has not been charged on such assets since these assets are accounted for as finance lease on leased out.
In respect of under mentioned assets, the management of the Company believes that the useful life of asset is different from those prescribed under Schedule-II to the Companies Act, 2013, the details are as under:

Nature of Assets	Useful Life
Building (Civil Work on Leased accommodation)	15 Years
Cell Phones	2 Years

Estimated useful lives, residual values and changes in useful lives are treated as changes in accounting estimates.

Depreciation on PPE is provided on the straight-line method over the useful life of the assets.
Property, Plant and Equipment which are added/disposed-off during the year, depreciation is provided pro-rata basis with reference to the month of addition/deletion.
The residual values, useful lives, and method of depreciation are reviewed at the end of each financial year. PPE other than land is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
Estimated useful life, residual values and changes in useful life are treated as changes in accounting estimates.

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CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI CIN No. U40300DL2020PLC372412

Convergence Energy Services Limited

Notes to the Financial Statements

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.

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 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.

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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.

<u>The Company as a lessor</u>

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.

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.

3.6 **Employee Benefits**

1. **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.
The Company pays fixed contribution at the predetermined rates in the provident fund scheme and Superannuation Scheme through National Pension Scheme.
The contributions to both the funds for the year are recognized as expense and are charged to the statement of profit and loss.

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CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI CIN No. U40300DL2020PLC372412

2.Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity is in the nature of a defined benefit plan. The Company contributes to Life Insurance Corporation of India.

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

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

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

3. **Other long-term employee benefits**

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

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

3.7 **Inventories**

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

3.8 **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 had initially registered the scheme with UNFCCC but later transferred to voluntary market by registering the project in VERRA registry. for the same. After distribution, before the VCU (Verified Carbon Units) 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 VCU (Verified Carbon Units) shall be recognised in due course as per scheme depending on activities, milestones and other procedural audit and compliances.

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CESL is in the process of transferring the role of Project proponent to CESL under the VERRA registry from BrightSpark/C-Quest Capital SG India holding Pvt Ltd. Although the required documentation for this transfer had been completed in March, 2025 from CESL end, the process was subsequently stalled upon notification of C-Quest Capital (CQC) LLC liquidation proceedings in the US. Post discussions with the US liquidator and all the other related parties, documents were again signed in Dec'2025 and submitted to VERRA registry for changing of Project Proponent. Matter is in process at the level of VERRA for executing the transfer agreements.

(ii) Interest income from deposits and others is recognized on accrual basis and late payment surcharge from customers is recognized on realization 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.

(vi) E Buses : The company has been engaged to play the role of program manager to deploy electric Buses under a "National Electric Bus Program (NEBP)" to aggregate demand from bus transport agencies and conduct tendering on an aggregated basis. The revenue is recognised after the performance obligation is satisfied

(vii) Payment Security Mechanism Scheme (PSM):The Ministry of Heavy Industries (MHI), Government of India, has appointed Convergence Energy Services Limited (CESL) as the implementing agency for managing the PSM Scheme through Gazette Notification S.O. 4711(E) Dated 28th October, 2024. As per the terms and conditions of the PSM Scheme, funds received under this scheme shall be kept in a separate dedicated Saving Bank Account opened with State Bank of India and shall be used for providing payment security in case of default by Public Transport Authorities (PTA) in making timely payment to the OEM/operators as per the Concession Agreements executed between the PTAs and the OEM/operators. Further interest earned on these funds shall be credited to the PSM Scheme Fund and it shall not be treated as income of CESL.

MHI will reimburse to CESL Technology Platform Cost, Administrative, Operation and Management Expenses and Capacity Building Cost on the basis of actual estimates and PMC charges @ 12% on Administrative, Operation and Management Expenses shall be paid to CESL.
During the year, the Company has received PSM funds of Rs.50,000.00 Lakhs under PSM Scheme and interest earned during the year on such deposits amounting to Rs. 607.63 Lakhs have been credited to PSM Scheme Fund. Details are as under:

	Particulars	Amount in Lacs
A	**PSM Scheme Fund**	
	Opening as on 01.04.2025	-
	Add: Addition during the year	50,000.00
	Add: Accumulated interest during the year	607.63
	Less: Disbursement during the year	-
	Closing balance as on 31.03.2026	**50,607.63**

B	**PSM Scheme Fund Investment**	
	Fixed Deposit with SBI	49,999.00
	Saving Bank Account - SBI	1.00
	FDR Interest Accrued	605.67
	TDS Recoverable FY 25-26	1.96
	Closing balance as on 31.03.2026	**50,607.63**

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The services rendered under the Scheme, which includes expenses reimbursed and PSM charges, are treated as revenue from operations and are recognized upon satisfaction of the performance obligation and expenses incurred towards the PSM Scheme have been debited to respective heads of expenditure.

Funds lying in the PSM Scheme Fund aggregating to Rs. 50,607.63 lakh as at the year end have been presented under Current Liabilities as financial liabilities. Corresponding assets representing investments made from the PSM Fund have been disclosed under 'Bank balances held in trust (being implementing agency)' amounting to Rs. 49,999.00 lakh, Cash and Cash Equivalents (balances with banks in savings account) amounting to Rs. 1.00 lakh, Other Current Financial Assets representing accrued interest of Rs. 605.66 lakh, and Current Tax Assets amounting to Rs. 1.96 lakh. These balances represent assets held and managed by the Company in its capacity as the implementing agency under the PSM Scheme.

(viii) ADB Technical Assistance for Scaling Up Demand-Side Energy Efficiency Sector Project: The Asian Development Bank (ADB) has secured a technical assistance (TA) 9874 IND Program from the Global Environment Facility (GEF) for India electric mobility (e-mobility) project to enable Government of India and relevant stakeholders to make the transformative shift to de-carbonize transport systems, catalyse access to finance for a large-scale adoption of Electric Vehicles across vehicle segments and reduce air pollution in cities by promoting scale-up of electric mobility in India. Energy Efficiency Services Limited (EESL) is the Executing Agency for this TA-9874 IND program and Convergence Energy Services Limited (CESL) CESL being the subsidiary of EESL and handling e-mobility segment, is entrusted with the responsibility of doing the procurement and monitor the implementation for Pilot Programs under the TA. A Memorandum of Understanding (MoU) was signed between CESL, EESL and ADB. CESL can test the new technologies under the e-mobility and plan pilots under this TA fund. Based on the outcome of the pilot, CESL can build the Business and Financial modal for large adoption of the successful pilots, across India.

As per ADB guidelines, the activities to be supported by TA are non-commercial and they do not generate any revenue for the Company.

Based on above, CESL initiated following 2 pilot project under the TA program:

A. Solar Car Port: CESL is designated as the executing agency for conducting a pilot demonstration program to promote Solar Powered EV Charging Carport integrated with Battery Energy Storage System (BESS), for complete Green solution, for charging infrastructure, under the TA program.

Under the program, CESL concluded the tendering process as per ADB guidelines and post approval from ADB awarded Letter of Award (LoA) to the vendor for design, engineering, supply, civil works, erection of a suitable raised structure, installation, testing, and commissioning of a 25/50 kWp Bi-facial Vertical Solar PV system, integrated with a Battery Energy Storage System (100/200 kWh) and EV charging infrastructure in Gujarat 'statue of Unity' (SOU). The complete pilot program was funded by the ADB. Under this Solar Carport pilot program, CESL to facilitate, based on build, own, operate and transfer model, for a period of five (5) years. The asset will be managed by CESL for 5 years and transferred to the end user, at the beginning of the 6th Year. CESL will ensure the O&M till the end of 6th Year, through the selected vendor. Invoices related to the project will be raised in the name of CESL by the vendor since LoA is given by CESL. However, the financial liability for these payments does not rest with CESL, as the payments are made directly by the Asian Development Bank (ADB) to the vendor.

Further, CESL will raise invoices for the units consumed at the site, for charging the vehicle, from the solar carport, for the initial five-year period. The revenue collected will be retained as a earmarked revolving fund, which will be utilized towards E mobility promotion activities as per the term of the project.

The Project Administration Unit (PAU) has been set up within CESL to facilitate the execution of activities and outputs under the project. CESL also assumes the responsibility of coordination, monitoring, and reporting as per ADB guidelines.

Assets acquired under the project will be initially recognized and recorded in the books of CESL at nominal value of Rs 1 (one). These assets will remain in the financial records of CESL for a period of five (5) years from the date of acquisition. Post this period, the ownership of these assets will be transferred to the respective land-owning agencies at zero value as per the agreed terms of the project.

B. Electric Bicycles: In another pilot program by the name of STREE (Sustainable Transport for Rural Entrepreneurs through Electric Bicycles) under the technical assistance (TA) 9874 IND Program administered by the ADB, CESL utilized ADB funds for pilot demonstration and deploying 1800 electric cargo bicycles for women working in SHGs in association with MoRD through the National Rural Livelihood Mission (NRLM) and respective States Rural Livelihood Missions (SRLM). This pilot was 100% funded under the ADB TA program.

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Under this pilot program, 1800 electric bicycles were distributed at subsidized rates to Self-Help Group (SHG) women across four states (Bihar, Andhra Pradesh, Madya Pradesh and Kerala). The whole project was designed with the help of Ministry of Rural Development (MoRD) and the coordination of the program and distribution of e-bicycles was managed by the State Rural Livelihood Mission (SRLM) or other designated agencies of the MoRD. The distribution process was completed, post SRLM or the designated agency collects and deposited a fixed payment of INR 9,000 + Taxes (less incentive, if any) from each end user, to the CESL. The total amount is retained and earmarked as revolving fund as per the terms of the project and to be utilized for scaling up CESL's e-mobility activities.

In this regard, CESL concluded the program by completing tendering process as per ADB guidelines and distribution of 1,800 cargo electric bicycles in the 4 states. Post delivery of e-bicycle, the selected vendor submitted the invoice to CESL and post verification of the invoice, same were forward and payment was processed by ADB against the invoices raised. While the invoices for the project were raised to CESL, being the executing agency and issuance authority of the LoA, CESL bears no financial liability under this program as payments were made directly by ADB to the vendor. E-bicycles acquired under the project will be transferred to the beneficiaries, by issuing a transfer letter in the name of respective state SRLM or other Nodal agencies.

Further, to showcase the impact of the STREE program, CESL through its technical partner E & Y organized workshop in collaboration with the Ministry of Rural Development, at Bharat Mandapam on 16 March 2026 for promoting Micromobility through Electric Bicycles, by the name "National Workshop on Electric Bicycles Powering Rural Livelihoods". All expense related to the workshop is born by the technical partner. The workshop brought together government, industry, development partners, and state institutions for convergence of policies, financing, manufacturing, and local service ecosystems for further scaling-up the program.

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

<u>(ix) Trade Receivables</u>
A receivable represents the Company's right to an amount of consideration that is unconditional.

<u>(x) Contract Liabilities</u>
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.

3.9 **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 liabilities is measured at the amount expected to be 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.

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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 in 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.

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.

(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.

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(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.

(v) 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

Final dividend and interim dividend payable to shareholders are recognised in statement of changes in equity in the period in which they are approved by the shareholders in AGM and Board of Directors respectively.

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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Notes to the Financial Statements

Non-Current Assets:

4 Property, Plant and Equipment

Tangible and Intangible assets

Current Year

(All amounts in INR Lakhs , unless otherwise stated)

Particulars	Tangible Assets									Intangible Assets	
	Own Assets										
	Land (Free Hold)	Buildings (Lease)	Plant & Machinery	Computer & Data Processing Units	Office Equipments	Furniture & Fixtures	Electric Vehicles for Lease	Solar Car Port	Total Tangible Assets	Right to Receive Carbon Credits (LED Bulbs Distributed)	Total Intangible Assets
Gross Carrying Amount											
As at 1st April 2025	-	-	-	11.97	18.36	503.08	-	-	533.41	8,759.44	8,759.44
Additions during the period	-	260.66	102.60	12.39	96.47	64.23	-	0.00	536.36	-	-
Disposals/ Adjustment	-	-	-	1.46	18.01	503.08	-	-	522.55	-	-
Balance as at 31 March 2026	-	**260.66**	**102.60**	**22.90**	**96.83**	**64.23**	-	0.00	**547.23**	**8,759.44**	**8,759.44**
Accumulated Depreciation											
As at 1st April 2025	-	-	-	6.60	12.87	190.25	-	-	209.72	4,065.59	4,065.59
Depreciation for the year		11.49	4.52	6.22	13.12	4.25	-	-	39.60	1,251.35	1,251.35
Accumulated depreciation on disposals/Adjustment		-	-	1.14	12.75	190.25	-	-	204.15	-	-
Balance as at 31 March 2026	-	**11.49**	**4.52**	**11.69**	**13.23**	**4.25**	-	-	**45.17**	**5,316.93**	**5,316.93**
Net Carrying Amount											
As at 1st April 2025	-	-		5.37	5.50	312.83	-	-	323.69	4,693.85	4,693.85
Balance as at 31 March 2026	-	249.17	98.08	11.22	83.60	59.99	-	0.00	**502.05**	**3,442.51**	**3,442.51**

Previous Year

Particulars	Tangible Assets									Intangible Assets	
	Own Assets										
	Land (Free Hold)	Buildings	Plant & Machinery	Computer & Data Processing Units	Office Equipments	Furniture & Fixtures	Electric Vehicles for Lease	Solar Car Port	Total Tangible Assets	Right to Receive Carbon Credits (LED Bulbs Distributed)	Total Intangible Assets
Gross Carrying Amount											
As at 1st April 2024	-	-		11.97	18.36	503.08	-	-	533.41	8,759.44	8,759.44
Additions	-	-		0.00	0.12	-	-	-	0.12	(0.00)	(0.00)
Disposals/ Adjustment	-	-		-	0.12	-	-	-	0.12	-	-
As at 31 March 2025	-	-		**11.97**	**18.36**	**503.08**	-	-	**533.41**	**8,759.44**	**8,759.44**
Accumulated Depreciation									-	-	-
As at 1st April 2024	-	-		3.95	9.31	142.46	-	-	155.72	2,814.24	2,814.24
Depreciation for the year	-	-		2.65	3.67	47.79	-	-	54.12	1,251.35	1,251.35
Accumulated depreciation on disposals	-	-		-	0.12	-	-	-	0.12	-	-
As at 31 March 2025	-	-		**6.60**	**12.87**	**190.25**	-	-	**209.72**	**4,065.59**	**4,065.59**
Net Carrying Amount											
As at 1st April 2024	-	-		8.02	9.05	360.62	-	-	377.69	5,945.20	5,945.20
As at 31 March 2025	-	-		5.37	5.50	312.83	-		323.69	4,693.85	4,693.85

Note: Office equipment includes Cell phone cost up to the eligible amount, which is reimbursed to the employees by the Company for official purpose.

Convergence Energy Services Limited

Notes to the Financial Statements

Non-Current Assets:

5 Right-of-use Assets

Current Year

(All amounts in INR Lakhs , unless otherwise stated)

Particulars	Right-of-use Assets		Total
	Building (Lease Hold)	Electric Vehicles	
Gross Carrying Amount			
As at 1st April 2025	1,385.61	-	1,385.61
Additions during the period	7.90	-	7.90
Disposals/ Adjustment	-	-	-
Balance as at 31 March 2026	**1,393.51**	-	**1,393.51**
Accumulated Depreciation			
As at 1st April 2025	19.24	-	19.24
Depreciation for the year	278.72		278.72
Accumulated depreciation on disposals/Adjustment	-		-
Balance as at 31 March 2026	**297.97**	-	297.97
Net Carrying Amount			
As at 1st April 2025	1,366.37	-	1,366.37
Balance as at 31 March 2026	**1,095.54**	-	**1,095.54**

Previous Year

Particulars	Right-of-use Assets		Total
	Building (Lease Hold)	Vehicles	
As at 1st April 2024	-	-	-
Additions	1,385.61	1,691.49	3,077.10
Disposals/ Adjustment	-	1,691.49	1,691.49
Balance as at 31 March 2025	**1,385.61**	-	1,385.61
Accumulated Depreciation			-
As at 1st April 2024	-	-	-
Depreciation for the year	19.24		19.24
Accumulated depreciation on disposals			-
Balance as at 31 March 2025	19.24	-	19.24
Net Carrying Amount			-
As at 1st April 2024	-	-	-
Balance as at 31 March 2025	1,366.37	-	1,366.37

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(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
6	Loans		
	Advances to Employees		
	- Unsecured but considered Good	17.08	6.45
	Total	17.08	6.45
7	**Other Non Current Financial Assets**		
	Finance Lease Receivable - Electric Vehicles	3,991.46	3,069.00
	Bank deposits with more than 12 months maturity *	219.30	91.05
	Security Deposit - Rent - Ind AS	123.40	114.47
	Total	4,334.16	3,274.52

* includes Fixed Deposit amounting to Rs 17.30 lakh is pledged with Bank as margin money for issuing of Bank Guarantees

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
8	**Inventories**		
	Raw materials	-	-
	Work - in - progress	-	-
	Finished goods	-	-
	Stock-in-trade**	97.25	97.25
	Total	97.25	97.25

** Stock-in-trade is fees paid to VERA of Rs 97,25,255 for acquiring CERs (8,73,142 number).

Note: GRAM UJALA projects are registered with the US based VERRA registry through M/s. C-Quest Capital (CQC), a global carbon credit development company initially boarded by EESL and later transferred to CESL and an agreement was signed between EESL/CESL and CQC along with its Indian entity Bright Spark Energy. These entities were responsible for coordination with VERRA Registry for conducting annual verification for the generation of VCUs and in return CQC was charging 25% of VCUs received by CESL. CQC has informed CESL that they are winding its operation in India and CQC agreed for transfer of these projects in the name of CESL with VERRA registry.

Now CESL is in the process of transferring the role of Project proponent under the VERRA registry from C-Quest Capital (CQC), which is currently under liquidation, to CESL. Although the required documentation for this transfer had been completed in March, 2025 from CESL end, the process was subsequently stalled upon notification of CQC's liquidation. As all the rights are now vested with the appointed liquidator to take final decision for executing the transfer agreements. Post discussion with the US liquidator and all the other related parties, documents again signed in December, 2025 and submitted to VERRA Registry for changing of Project Proponent. As on date matter is in process at the level of VERRA for executing the transfer agreements. The Company has received the CERs for the period from 1st January,2022 to 31st May,2022 for the three states out of five states and subsequent CERs up to 31st March,2026 are yet to be received due to pending formalities.

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
9	**Trade Receivables**		
	Trade Receivable considered good - Secured	-	-
	Trade Receivable considered good - Unsecured	3,757.35	1,934.51
	Trade Receivables which have significant increase in Credit	-	-
	Trade Receivables - credit impaired	-	-
		3,757.35	1,934.51
	Less: Provision for expected credit loss	-	-
	Total	3,757.35	1,934.51

Trade Receivables ageing schedule as at 31.03.2026

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	961.40	2,628.86	421.65	200.10	67.84	38.52	4,318.37
Less: Unallocated receipts due to non identification							(561.02)
(i)Total Undisputed Trade receivables – considered good							3,757.35
(ii) 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		-	-	-	-	-	-
(vii) Unbilled Revenue***	473.22	-			-	-	473.22

*** Unbilled revenue shown as other current financial assets as per note no 13.

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(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025

Trade Receivables ageing schedule as at 31.03.2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	1,545.25	353.82	231.66	39.61	-	2,170.34
Less: Unallocated receipts due to non identification							(235.83)
(i)Total Undisputed Trade receivables – considered good							1,934.51
(ii) 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							-
(vii) Unbilled Revenue ***	294.96						294.96

*** Unbilled revenue shown as other current financial assets as per note no 13.

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
10	**Cash & Cash Equivalents**		
	Balances with banks		
	- in Current Accounts	281.33	877.29
	- in Saving Accounts #	1.00	-
	- Deposits with maturity of less than three months	14,446.21	7,880.09
	Total	14,728.54	8,757.38
	# held in trust being an implementing agency (Note 3.8 (vii))		
11	**Bank balances other than cash and cash equivalents**		
	(a) Deposits with original maturity of more than three months and maturing within one year (including interest accrued)	344.48	4,834.46
	(b) Bank Balances held in trust (being an implementing agency) (Note 3.8 (vii))	49,999.00	-
12	**Loans**		
	Advances to Employees		
	- Unsecured but considered Good	12.39	5.49
	Total	12.39	5.49
13	**Other Current Financial Assets**		
	Interest receivable	47.40	39.44
	Interest Receivable (PSM Scheme Funds) #	605.66	-
	Finance Lease Receivable - Electric Vehicles	3,379.80	2,281.85
	Unbilled Revenue	473.22	294.96
	Security Deposits	92.90	100.68
	Earnest Money Deposit	-	0.72
	Total	4,598.98	2,717.65
	# held in trust being an implementing agency (Note 3.8 (vii))		
14	**Current Tax Assets (net)**		
	TDS & Advance Income-tax	329.27	591.39
	TDS Recoverable FY 25-26 (PSM Scheme Funds) #	1.96	-
	Total	331.23	591.39
	# held in trust being an implementing agency (Note 3.8 (vii))		

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(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
15	**Other Current Assets**		
	Undistributed Energy Efficient Bulbs	5.58	5.58
	Balance with Revenue Authorities	986.30	1,157.14
	Prepaid Expenses	6.84	3.48
	Advance for Expenses	70.82	260.39
	Advance to Staff	3.54	2.05
	Plan Assets - Gratuity Fund	31.01	28.81
	Prepaid rent on Security Deposit- Ind AS	40.79	51.16
	Total	1,144.88	1,508.62
16	**Share Capital**		
	Authorised		
	10,00,00,000 Equity shares of Rs 10 each (Previous Year 10,00,00,000 Equity shares of Rs 10 each)	10,000.00	10,000.00
	Issued, Subscribed & fully paid up		
	592,10,100 Equity shares of Rs 10 each (Previous Year 592,10,100 Equity shares of Rs 10 each)	5,921.01	5,921.01

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

Equity Shares	As at March 31, 2026		As at March 31, 2025	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
At the beginning of the year	5,92,10,100	5,921.01	5,92,10,100	5,921.01
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,92,10,100	5,921.01	5,92,10,100	5,921.01

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.

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

Equity shares of ₹ 10 each fully paid	As at March 31, 2026		As at March 31, 2025	
	Number	% Holding	Number	% Holding
Energy Efficiency Services Limited through its representative office along with its nominees	5,92,10,100	100%	5,92,10,100	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			As at March 31, 2026		As at March 31, 2025		% 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	5,92,10,100	100%	5,92,10,100	100%	0.00%

(iv) Disclosure for Shareholding of Promoters

Shares held by promoters		As at March 31, 2026		As at March 31, 2025		% 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	5,92,10,100	100%	5,92,10,100	100%	0.00%

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
17	**Other Equity**		
	a. Retained Earnings		
	Opening balance	(2,039.67)	(2,104.25)
	Add: Net Profit for the year	1,970.87	64.58
	Less: Appropriations:	-	-
	Closing Balance	(68.80)	(2,039.67)

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CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI CIN No. U40300DL2020PLC372412 CONVERGENCE

(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
	b. Other Comprehensive Income		
	Opening Balance	(6.31)	(5.91)
	Addition during the year	2.35	(0.40)
	Total Income recognised on Equity instruments	-	-
	Actuarial Gain & Losses on DBO (net of tax)	-	-
	Closing Balance	(3.96)	(6.31)
	Total	**(72.76)**	**(2,045.98)**
18	**Borrowings**		
	Secured		
	Term loans from State Bank of India ##	668.47	1,004.19
	Less: current maturities of long term borrowings (refer note 22)	337.33	337.33
		331.14	666.86
	(Secured against first charge on vehicles financed and second charge on current assets of the Company)		
	Unsecured		
	- Inter Corporate Term Loan from Holding Company # ##	3,840.06	4,808.80
	Less: current maturities of long term borrowings (refer note 22)	968.73	968.73
		2,871.33	3,840.06
	Total	3,202.47	4,506.92

These loans are repayable in 18 quarterly instalments of Rs 84.33 Lakh each, with the first instalment due on 31.12.2023

Repayment schedule of Inter Corporate Loan from Holding Company

(₹ in Lakhs)

Particulars	Balance as on 31.03.2026	Current	Non- Current	Repayment Schedule	
Energy Efficiency Services Limited	3,840.06	968.73	2,871.33	31-03-2027	968.73
				31-03-2028	1,435.67
				31-03-2029	1,435.66

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

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
19	**Non Current Lease Liabilities**		
	Lease Liabilities - Electric Vehicles	4,483.91	2,611.05
	Lease Liabilities - Building	877.43	1,133.59
	Total	5,361.34	3,744.65
20	**Non Current Provisions**		
	Provisions for Employee Benefit		
	Leave Encashment	18.74	17.54
	Gratuity	22.83	19.60
	Total	41.57	37.14
	Note: Provision for Employee Benefits		
	Opening Balance	37.14	23.08
	Additions/(adjustment)	4.43	14.06
	Closing Balance	41.57	37.14
	Refer note 47 for disclosure as per Ind AS 19 on "Employee Benefits".		
21	**Deferred Tax Asset / Liability**		
	Deferred Tax Liability		
	On account of Depreciation Difference in IT and Comp Act	465.63	579.81
	On account of Difference in Lease Rent Exp and Finance Cost	903.98	532.43
	Deferred tax liability	1,369.61	1,112.24
	Deferred Tax Assets		
	On account of Losses Carried Forward	0.00	345.27
	On account of Unabsorbed Depreciation	414.02	827.81
	On account of in Lease Rent Income and Finance Income	994.10	626.05
	On account of unpaid exp u/s 43B Income Tax Act	4.89	4.57
	On account actuarial gain/loss	1.33	2.12
	Deferred tax assets	1,414.34	1,805.82
	Net deferred tax Assets	**44.73**	**693.58**
	Movement in deferred tax items		

(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025

FY 25-26	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 assets	579.81	(114.18)	-	465.63
Expenses allowed on payment basis	(4.57)	(0.32)	-	(4.89)
Financial Assets and others	(626.05)	(368.05)		(994.10)
Financial Liabilities and others	532.43	371.55		903.98
Recognition of DTA on business losses and accumulated depreciation	(1,173.07)	759.06	-	(414.01)
On account actuarial gain/loss	(2.13)		0.79	(1.34)
Net Deferred tax liability / (asset)	(693.58)	648.06	0.79	(44.73)

FY 24-25	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 assets	545.80	34.01	-	579.81
Expenses allowed on payment basis	(2.75)	(1.82)	-	(4.57)
Financial Assets and others	(368.61)	(257.44)		(626.05)
Financial Liabilities and others	343.29	189.14		532.43
Recognition of DTA on business losses and accumulated depreciation	(1,241.88)	68.81	-	(1,173.07)
On account actuarial gain/loss	(1.99)	-	(0.14)	(2.13)
Net Deferred tax liability / (asset)	(726.14)	32.70	(0.14)	(693.58)

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
22	**Borrowings**		
	Current maturities of long term borrowings		
	Secured		
	- Term loan from State Bank of India ##	337.33	337.33
	(Secured against first charge on vehicles financed and second charge on current assets of the Company)		
		337.33	337.33
	Un-secured		
	- Inter Corporate Term Loan from Holding Company ###	968.73	968.73
		968.73	968.73
	Total	1,306.06	1,306.06
23	**Current Lease Liabilities**		
	Lease Liabilities - Electric Vehicles	1,706.61	1,335.95
	Lease Liabilities - Building	256.16	237.00
	Total	1,962.77	1,572.95
24	**Trade Payables**		
	(a) Total outstanding dues of Micro and Small Enterprises (Refer note below)	674.44	295.59
	(b) Total outstanding dues of creditors other than Micro and Small Enterprises	6,036.37	4,551.63
	Total	6,710.81	4,847.22

Trade Payables aging schedule as at 31.03.2026

Particulars	Not due	Unbilled	Outstanding for following periods from invoice date				
			Less Than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	439.64	-	192.10	42.70	**674.44**
(ii) Others	-	-	5,955.65	13.43	-	67.29	**6,036.37**
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payables aging schedule as at 31.03.2025

Particulars	Not due	Unbilled	Outstanding for following periods from invoice date				
			Less Than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	36.14	192.10	4.71	62.64	**295.59**
(ii) Others	-	-	1,655.87	2,831.57	64.09	0.11	**4,551.64**
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

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Convergence Energy Services Limited
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(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025

Note: Details of amounts outstanding to Micro, Small and Medium Enterprises is based on information available with the company. Further, the amount payable to MSME vendors beyond the statutory period represents security deposit, retention money and other payments which are to be paid after such period as per respective contracts conditions and bills which are pending for payment due to want of required documents ,reconciliation including non receipt of valid invoice , GST Input not available on Portal, non submission of bank guarantee etc. from the vendors. As such provision for interest for the year on MSME dues has not been made.

Amount remaining unpaid to MSME Suppliers

Particulars	As at March 31, 2026	As at March 31, 2025
a) Amount remaining unpaid		
Principal amount	660.29	281.44
Interest due thereon	14.15	14.15
b) Amount of interest paid in terms of section 16 of the MSMED Act along with the amount paid to the supplier beyond the appointed day	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid	14.15	14.15
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

Note No.	Particulars	As at March 31, 2026	As at March 31, 2025
25	**Other financial liabilities**		
	(a) PSM Scheme Fund (Note 3.8 (vii))	50,607.63	-
	(b) Earnest Money Deposits	3.18	7.74
	Security Deposit	256.48	1,272.22
	Retention Money	2,115.13	1,374.49
	Provision for Expenses	896.10	883.89
	Interest accrued and due on borrowings	4.94	-
	Total	3,275.83	3,538.34
26	**Other Current Liabilities**		
	Statutory Liabilities	335.64	278.90
	Expenses Payables	9.94	1.12
	Advance From Customers	5,444.40	6,565.43
	Deferred Revenue	1.32	9.25
	Bank Guarantees encashment	175.85	521.51
	Earmarked Revolving Fund (Note 3.8 (viii))	165.38	0.00
	Total	6,132.52	7,376.21
27	**Current Provisions**		
	Provisions for employee benefit		
	Leave Encashment	0.66	0.61
	Gratuity	0.26	0.07
	Total	0.92	0.68
	Note: Provision for Employee Benefits		
	Opening Balance	0.68	0.55
	Additions	0.24	0.12
	Closing Balance	0.92	0.68

Refer note 47 for disclosure as per Ind AS 19 on "Employee Benefits".

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Convergence Energy Services Limited
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(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	For the year Ended March 31, 2026	For the year Ended March 31, 2025
28	**Revenue from operations**		
	A. Sale of products		
	Sale of Traded Goods	76.90	78.09
		76.90	**78.09**
	B. Income from Services		
	Finance Lease Income- Electric Vehicles	1,668.89	1,031.43
	Rendering of Services	7,540.61	3,883.35
		9,209.50	**4,914.78**
	Total	**9,286.40**	**4,992.87**
29	**Other income**		
	Interest - Banks ##	719.89	522.99
	Interest - Others	1.63	41.94
	Tender document fees	7.41	8.38
	Misc Income	157.32	7.29
	Total	886.25	580.60
	## Interest - Bank excludes interest earned on deposits held in Trust Rs 605.66 Lakhs and directly credited to PSM Scheme funds		
30	**Purchase of stock-in-trade**		
	Purchase of E Bicycle	40.07	6.00
	Purchase of EV Charger	30.58	1.68
	Solar (House Hold) System	0.94	0.94
	Total	71.59	8.62
31	**Change in inventories of finished goods and work-in-progress**		
	Inventories at the beginning of the year		
	Stock-in-trade	97.25	158.40
	Finished Goods		-
		97.25	158.40
	Less: Inventories at the end of 31.03.2025		
	Stock-in-trade	97.25	97.25
	Finished Goods		-
		97.25	97.25
	Change in inventories of finished goods and work-in-progress	-	61.15
32	**Employee benefits expense**		
	Salaries, wages & Allowances	629.50	190.91
	Contribution to Provident funds	52.59	14.49
	Leave Encashment	34.02	9.02
	Gratuity	18.85	4.85
	Superannuation	35.49	7.90
	Staff welfare Expense	44.41	19.73
	Total	**814.86**	**246.90**
33	**Finance Cost**		
	Interest Expenses	420.46	517.33
	Finance Lease - Electric Vehicles	1,073.88	631.92
	Finance Lease - Building	96.39	7.38
	Total	**1,590.73**	**1,156.63**
34	**Depreciation expense**		
	Depreciation on property, plant and equipment	39.60	54.12
	Amortisation of right-of-use assets	278.72	19.24
	Amortisation of intangible assets	1,251.35	1,251.35
	Total	**1,569.67**	**1,324.71**

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Convergence Energy Services Limited
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(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	For the year Ended March 31, 2026	For the year Ended March 31, 2025
35	**Other Expenses**		
	Payment to the auditors		
	- Statutory Audit fees	2.25	2.25
	- Tax Audit fees	0.75	0.75
	- Internal Audit fees	3.30	2.50
	- Certification & Other fees	-	-
	Bank Charges	0.65	0.78
	Consultancy Charges	27.73	23.94
	Electricity Expenses	29.77	22.44
	Electricity - Electric Vehicle Charging	26.55	28.33
	Entertainment Expenses	5.14	2.67
	Loss on Sale of Fixed Assets	0.13	-
	Legal & Professional Expenses	224.93	86.89
	Security & House Keeping	40.60	41.70
	Manpower & Other Expenses - EV	2,505.46	1,100.80
	Manpower Expenses - holding company	65.41	545.86
	Manpower Expenses	46.44	34.44
	Meeting Expenses	6.23	5.18
	Office Expenses	6.41	24.46
	Rent	53.29	499.36
	Repair & Maintenance - office	1.03	38.31
	Repair & Maintenance - Computers	17.54	12.15
	Repair & Maintenance - Electric Vehicle	118.39	5.95
	Insurance	2.58	3.82
	Printing & Stationery	3.94	7.57
	Communication Expenses	8.11	4.31
	Training Expenses	1.37	0.16
	Travelling & Conveyance	151.00	135.18
	Website Expense	3.92	2.29
	Business Promotion	10.77	1.03
	LED Replacement Charges	1.81	23.40
	Development Cost - PSM Portal	122.40	-
	Rates,Taxes & Fees	4.54	10.85
	Tender Portal Expenses	1.28	7.48
	Foreign Exchange Rate Variation	-	0.01
	Misc Expenses	2.60	2.08
	Total	**3,496.32**	**2,676.94**
36	**Tax Expense**		
	Current tax		
	- Current Year	10.25	-
	- Earlier Years	0.30	1.25
	Deferred tax		
	- Deferred tax credit	648.06	32.69
		658.61	**33.94**

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Convergence Energy Services Limited
Notes to the Financial Statements

(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	For the year Ended March 31, 2026	For the year Ended March 31, 2025
	Total income tax expense recognised in profit & loss account	**658.61**	**33.94**
	Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:		
	Profit before tax	2,629.48	98.52
	Income tax expense calculated at **25.168%** (including surcharge and education cess)	661.79	24.80
	Effect of income that is not chargeable to tax		
	Effect of income chargeable at different rate of 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	(3.18)	9.14
	Total income tax expense recognised in profit & loss account	**658.61**	**33.94**
37	**Other Comprehensive Income**		
	Item that will not be reclassified to profit / (Loss)		
	- Actuarial loss on defined benefit obligation	3.14	(0.54)
	- Income tax relating to Actuarial loss	(0.79)	0.14
	Items that will be reclassified to profit or loss		
	- Fair valuation of equity instruments at FVOCI	-	-
	Total Other Comprehensive Income / (Loss)	**2.35**	**(0.40)**
38	**Earnings per Share**		
	Net profit for the year attributable to Equity Shareholders for Basic EPS	1,970.87	64.58
	Add: Share based payment (net of tax)	-	-
	Net profit for the year attributable to Equity Shareholders for Diluted EPS	1,970.87	64.58
	Weighted average number of equity shares outstanding during the year for Basic EPS (in numbers)	5,92,10,100	5,92,10,100
	Weighted average number of equity shares outstanding during the year for Diluted EPS (in numbers)	5,92,10,100	5,92,10,100
	Earnings per share of Rs 10 each		
	Basic (in Rs)	3.33	0.11
	Diluted (in Rs)	3.33	0.11

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CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI ★ CIN No. U40300DL2020PLC372412 CONVERGENCE

(All amounts in INR Lakhs , unless otherwise stated)

39 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs 55.20 Lakhs (31 March 2025 Rs 338.92 Lakhs)

40 Contingent Liabilities

	Particulars	As at March 31, 2026	As at March 31, 2025
i	Bank Guarantees backed by Fixed Deposit	16.53	3.52
ii	Claims against the company not acknowledged as debt and being contested before the appropriate authorities.	-	-

iii **Other Matters:**

(a) The Ministry of Heavy Industries ("MHI") had issued a profit linked incentive scheme ("PLI Scheme") for enhancing India's Manufacturing capabilities for Advanced Automotive Products. MHI also administers the procurement of electric buses under Faster Adoption & Manufacturing of Electric (& Hybrid) Scheme Phase – II ("FAME-II").
In pursuance of the FAME-II scheme, MHI had nominated Energy Efficiency Services Limited ("EESL") through its wholly owned subsidiary company, Convergence Energy Services Limited "CESL" or "the Company")) to aggregate demand for E-buses for nine cities in India. Consequently, CESL had aggregated demand for deployment of 5450 electric buses from five cities, for which CESL had floated the Grand Challenge Tender for procurement operation and maintenance of 5450 electric buses and alied electric and civil infrastructure in which M/s JBM Ecolife had placed its bid.

Under the PLI Scheme, MHI had rejected application of M/s JBM Electric claiming that it does not satisfy e the qualifying criteria mentioned in PLI scheme guidelines. MHI further debarred JBM Electric along with its group companies and instructed CESL to not consider the financial bid of JBM Ecolife Mobility Private Limited (one of the group company of M/s JBM Electric Vehicles Private Limited) in the Grand Challenge tender floated by the Company. The bid was not considered by the Company in adherence to the communication received from the Ministry w.r.t disqualification.

However, JBM Ecolife Mobility Private Limited preferred a Letters Patent Appeal against the said judgment which was allowed by the Division Bench of the Hon'ble High Court of Delhi at New Delhi. Hon'ble High Court directed MHI to cancel the debarment of JBM and also directed CESL to consider JBM's bid in the grand challenge.
MHI has thereafter filed a Special Leave Petition before the Hon'ble Supreme Court, challenging the judgment by the Hon'ble High Court of Delhi and as on date, the matter is pending in the Hon'ble Supreme Court.
There is no specific allegation against the Company and no relief has been sought against the Company. The company is adherent of all the orders issued to it by competent authorities and will continue to follow suit in the future.
In view of the aforesaid, it seems that there is hardly any financial implication on the Company except that the revenue inflow may get delayed.

(b)M/s Patanjali Renewable Energy Pvt. Ltd. (PREPL) was issued a Letter of Award (LoA) to supply 36 MWp Solar PV modules in the State of Maharashtra by the company under the Maharashtra Government's Mukhyamantri Sour Krishi Vahini Yojana (MSKVY).
During the course of the award, consequent upon PREPL's failure to deliver the required solar PV modules within the specified timeframe, the company had to issue a letter to PREPL with regard to:
i. Cancellation of LoA with immediate effect;
ii. Forfeiture of Contract Performance Guarantee (CPG) submitted by PREPL of Rs 190.51 Lakh; and
iii. Banning/debarment of PREPL for further business dealing with CESL/EESL with immediate effect for a period of two (02) years from the date of issuance of this letter.
iv. Legal expenses incurred Rs 14.66 Lakh towards arbitration fees has beens adjusted against the forfeited amount.
In response to the company's actions, PREPL has filed an application in the Micro and Small Enterprises Facilitation Council (MSEFC) praying for setting aside of debarment and payment of invoices raised by the company.
The matter was referred to arbitration at the Delhi International Arbitration Centre (DIAC) by MSEFC, and the arbitral proceedings have since commenced. The Company is contesting the claims and no specific financial liability is acknowledged at this stage.

(c) CESL had invited bids for electric buses under the PM eBus Sewa Tender-1, where M/s PMI emerged as the lowest bidder (L1) for 765 buses. As part of the bidding process, PMI submitted an affidavit affirming that no investigations were pending against them. However, CESL later received a communication from the Ministry of Heavy Industries (MHI) stating that preliminary inquiries had found PMI in violation of PMP guidelines due to the use of imported components, and a joint investigation by iCAT and ARAI was underway. CESL issued a notice to PMI citing non-disclosure of this investigation, prompting a clarification from PMI denying the need to report it, claiming no formal investigation was pending that warranted disclosure. Subsequently, the matter was adjudicated by the Hon'ble High Court of Delhi. The underlying inquiry was also closed with no adverse findings. There are no outstanding financial liabilities in this matter.

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(d) M/s Indraprastha Logistics Private Limited filed a Writ Petition before the Hon'ble High Court of Delhi, challenging the tender issued by the Company under the PM E-DRIVE Scheme (NIT No. CESL/06/2025-26/PM E-Drive/25260604 dated 27.06.2025). The Petitioner contended that the eligibility conditions prescribed under the tender particularly the high net worth, turnover, and technical experience requirements for the E1/Infrastructure route are not at par with the Public Procurement Policy for Micro and Small Enterprises, 2012, as well as Articles 14, 19(1)(g), and 21 of the Constitution of India. The Petitioner has also filed a stay petition in respect of the same, which has not been granted. The Company has contested the writ petition and filed its counter, seeking dismissal of the petition with costs on the grounds that it is misconceived and non-maintainable, and amounts to an impermissible attempt to rewrite the terms of a specialised commercial tender. The matter is currently pending before the Hon'ble High Court of Delhi, for final hearing.There are no specific financial liability anticipated at this stage. The Company shall continue to defend its position and abide by the directions, if any, of the competent Court.

41 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 business units, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis.

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

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 Certified Emmition Reduction (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 had initially registered the scheme with UNFCCC but later transferred to voluntary market by registering the project in VERRA registry.

E-Mobility: The Company is engaged in the business of E- mobility like, Electric vehicles lease rent, EV charging infrastructure , aggregation of E- buses business etc.

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

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

Particulars	Gram Ujala	E-Mobility including PSM	Total
For the Year ended 31 March, 2026			
Segment revenue	-	8,810.13	8,810.13
Segment expenses	1,595.58	4,171.62	5,767.20
Segment results	**(1,595.58)**	**4,638.51**	**3,042.93**
Unallocated corporate interest and other income	-	-	1,362.52
Unallocated corporate expenses, finance charges	-	-	1,775.95
Profit before tax	-	-	2,629.49
Income tax (net)	-	-	658.61
Profit after tax	-	-	1,970.88

Particulars	Gram Ujala	E-Mobility	Total
For the Year ended 31 March 2025			
Segment revenue	-	4,420.00	4,420.00
Segment expenses	1,692.79	2,033.03	3,725.82
Segment results	**(1,692.79)**	**2,386.97**	**694.18**
Unallocated corporate interest and other income	-	-	1,153.46
Unallocated corporate expenses, finance charges	-	-	1,749.12
Profit before tax	-	-	98.52
Income tax (net)	-	-	33.94
Profit after tax	-	-	64.58

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Particulars	Gram Ujala	E-Mobility including PSM	Total
As at March 31, 2026			
Segment Assets	3,545.33	61,736.24	65,281.57
Unallocated corporate and other assets	-	-	19,168.60
Total assets	**3,545.33**	**61,736.24**	**84,450.17**
Segment liabilities	5,912.37	68,987.35	74,899.72
Unallocated corporate and other liabilities	-	-	3,702.21
Total liabilities	**5,912.37**	**68,987.35**	**78,601.93**
As at March 31, 2025			
Particulars	**Gram Ujala**	**E-Mobility**	**Total**
Segment Assets	4,796.68	7,285.35	12,082.03
Unallocated corporate and other assets	-	-	18,723.17
Total assets	**4,796.68**	**7,285.35**	**30,805.20**
Segment liabilities	6,390.49	17,231.00	23,621.49
Unallocated corporate and other liabilities	-	-	3,308.68
Total liabilities	**6,390.49**	**17,231.00**	**26,930.17**

c **Other information about reportable segments:**

Particulars	Gram Ujala	E-Mobility	Total
For the Year ended 31 March, 2026			
Depreciation and amortisation expense	1,251.35	-	**1,251.35**
Interest Expenses	336.37	76.84	**413.21**
For the Year ended 31 March 2025	**Gram Ujala**	**E-Mobility**	**Total**
Depreciation and amortisation expense	**1,251.35**	-	**1,251.35**
Interest Expenses	411.93	105.41	**517.33**

d No external customer individually accounted for more than 10% of the revenue during the financial year.

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 bellows:

Particulars	As at March 31, 2026	As at March 31, 2025
India	9,286.40	4,992.87
Outside India	-	-
Total Revenue as per statement of profit and loss	**9,286.40**	**4,992.87**

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

a) The revenue of the Company comprises of revenue from sale of goods and rendering of services. The Company's accounting policies for its revenue streams are disclosed in Note 3.8.

b) **Disaggregation of revenue**

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

	Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
	Nature of goods and services		
i	**Sale of goods**		
	Solar Power Conditioning System	1.32	1.32
	Electric Bicycle	40.07	6.00
	EV Charger Sale	35.51	70.77
	Total A	**76.90**	**78.09**

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ii	**Rendering of services**		
	Finance Lease Income- Electric Vehicles	1,668.89	1,031.43
	PMC Charges on EV Buses	3,551.86	1,659.99
	Others	3,988.75	2,223.35
	Total B	**9,209.50**	**4,914.78**
	Total A + B	**9,286.40**	**4,992.87**
(iii)	**Timing of revenue recognition**		
	Products transferred / services rendered at a point in time	5,734.54	3,332.88
	Products transferred / services rendered over the time	3,551.86	1,659.99
	Total	**9,286.40**	**4,992.87**

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

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Contract price	9,286.40	4,992.87
Revenue from operations	**9,286.40**	**4,992.87**

d) **Contract balances**

The following table provides information about trade receivables, unbilled revenue, advances from customers and unearned revenue from contracts with customers:

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Trade receivables	3,757.35	1,934.51
Non-current unbilled revenue	-	-
Current unbilled revenue	473.22	294.96
Unearned revenue	-	-

e) **Significant Judgments**

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

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

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

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

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

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43 **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	As at March 31, 2026	As at March 31, 2025
Right of use assets		
opening balance	1,366.37	-
Reclass of leasehold land	-	-
Additions during the year	3,490.71	3,077.10
Disposals/ Adjustment / Depreciation for the year	(3,761.53)	(1,710.73)
Closing balance	**1,095.54**	**1,366.37**
Lease Liabilities		
Opening balance	5,317.59	2,991.98
Additions during the year	3,482.81	3,077.10
Accretion of interest	1,170.26	639.30
Payments	(2,646.55)	(1,390.79)
Closing Balance	**7,324.11**	**5,317.59**

Bifurcation of Lease Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current	1,962.78	1,572.95
Non current	5,361.33	3,744.64
Total	**7,324.11**	**5,317.59**

(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:

Finance Lease Receivable

Particulars	As at March 31, 2026	As at March 31, 2025
less than one year	3,910.72	2,584.11
One to two year	3,145.79	2,423.76
Two to three Year	2,517.27	1,658.84
Three to four year	2,112.30	1,030.31
Four to five year	879.72	640.55
More than five years	-	27.38
Total minimum lease payments	**12,565.80**	**8,364.96**
Less: Unearned Finance income	5,194.54	3,014.12
Present value of minimum lease payments	**7,371.26**	**5,350.84**

Particulars	As at March 31, 2026	As at March 31, 2025
Present Value of future minimum lease payments due under non-cancellable finance lease are as follows:		
less than one year	3,379.80	2,281.85
One to two year	1,968.76	1,687.93
Two to three Year	1,130.37	820.89
Three to four year	681.08	375.20
Four to five year	211.25	175.45
more than five years	-	9.52
Present value of minimum lease payments	**7,371.26**	**5,350.84**

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44 Additional Regulatory Information

	Particulars	As at March 31, 2026	As at March 31, 2025
i	Title deeds of Immovable Properties not held in the name of the Company	Nil	Nil
ii	Whether the Company has revalued its Property, Plant and Equipment (including Right of-Use Assets)	No	No
	If Yes, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017	NA	NA
iii	Whether the loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person:	No	No
iv	Age Wise Details of Capital-Work-in Progress	Nil	Nil
v	Age Wise Details of Intangible Assets under development:	Nil	Nil
vi	Details of Benami Property held by the Company	Nil	Nil
vii	Whether the Company has availed borrowings from banks/financial institutions which are secured against current assets	Yes	Yes
	Whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.	The Company is not required to submit any quarterly return or statement	The Company is not required to submit any quarterly return or statement
viii	Whether the Company has been declared a wilful defaulter by the bank, financial institution or any lender	No	No
ix	Whether the company has any transactions with companies struck off under section 248 of the,Companies Act, 2013 or section 560 of Companies Act, 1956,	No	No
x	Whether any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.	No	No
xi	Compliance with number of layers of companies prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017	Not Applicable	Not Applicable
xii	Whether the Company has complied with approved Scheme(s) of Arrangements approved by the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013	Not Applicable	Not Applicable
xiii	Whether company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;	Not Applicable	Not Applicable
xiv	Details of any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961	Nil	Nil

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xv	Details of Crypto Currency or Virtual Currency transactions entered by the Company.	Nil	Nil
xvi	Whether the fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017	Not Applicable	Not Applicable
xvii	Whether the Company has revalued its Intangible Assets	No	No
	If Yes, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.	Not Applicable	Not Applicable

xviii **Ratios**

Particulars	As at 31 March 2026	As at 31 March 2025	% Change in Ratio, if >25%	Reason for Change
Current Ratio	1.26	1.06	19%	
Debt-Equity Ratio	0.77	1.50	49%	The Debt Equity Ratio decreased from 1.50 times in FY 2024-25 to 0.79 times in FY 2025-26 primarily due to improvement in shareholders' equity on account of higher profits during the year and reduction in borrowings
Debt Service Coverage Ratio	3.35	1.31	157%	The Debt Service Coverage Ratio (DSCR) improved to 3.30 times during FY 2025-26, primarily on account of significant improvement in profitability and operational performance during the year
Return on Equity Ratio	40.54%	1.68%	2313%	Return on Equity increased significantly during FY 2025-26 primarily due to substantial improvement in profitability and operational performance during the year, resulting in higher returns generated on shareholders' funds.
Inventory turnover ratio	0.74	0.55	35%	Increase in purchases during the period.
Trade Receivables turnover ratio	3.26	2.95	11%	
Trade payables turnover ratio	1.03	0.92	12%	
Net Working capital turnover ratio	1.85	4.43	-58%	Due to increase in current liability
Net profit ratio	21.22%	1.29%	1541%	The net profit ratio improved significantly during the year due to substantial growth in revenue from operations and better overall profitability
Return on Capital employed	0.29	0.10	188%	The return on capital employed improved significantly during the year due to higher profitability and efficient utilization of capital employed.
Return on investment	0.09	0.03	206%	EBIT improved as compared to FY 2024–25.

Note: PSM Fund of Rs 506,07.30 Lakh presented under Current Liabilities and corresponding assets (held in trust - being an implementing agency) shown under current assets have been excluded while calculating the financial ratios.

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Ratio's Formula	
Current Ratio	Current Asset/ Current Liability
Debt-Equity Ratio	Total Debts/ Shareholder Equity
Debt Service Coverage Ratio	Earning for Debt Service/Repayable Interest and Loan in next 12 months
Return on Equity Ratio	PAT/ Average Shareholder's Equity
Inventory turnover ratio	COGS/ Average Inventory
Trade Receivables turnover ratio	Turnover/ Average Trade Receivables
Trade payables turnover ratio	Total Purchase/ Average Trade Payables
Net Working capital turnover ratio	Turnover/Net Working Capital
Net profit ratio	Net Profit after Tax / Turnover
Return on Capital employed	PBIT/ Shareholder's Equity + Long Term Debt + DTL - DTA
Return on Investment	Income from investment/Investment cost

45 Share Based Payments

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

46 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

Shankar Gopal	Director (w.e.f. 29-Oct-2020)
Shri Yatindra Dwivedi	Director w.e.f. 02.02.2024
D.K.Patel	Director (w.e.f. 16-March-2023 up to April 30, 2024)
Aravind Babu	Director (w.e.f. 18-July-2025)
Anil Kumar Jadli	Director (w.e.f. 24-June-2024 up to July 04, 2025)
Akhilesh Kumar Dixit	Director (w.e.f. June 25, 2025)
Akhilesh Kumar Dixit	Managing Director & CEO (appointed as an Additional Director w.e.f June 25, 2025 and as Managing Director & CEO w.e.f. November 24, 2025)
Vishal Kapoor	Chief Executive Officer (w.e.f. January 18, 2023 up to June 12, 2025)
Vishal Kapoor	Managing Director (appointed as an Additional Director w.e.f November 12, 2022 and as Managing Director w.e.f. January 18, 2023 up to June 12, 2025)
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. Subsidiary of Holding Company(ies) of the Company

EESL EnergyPro Assets Limited
EESL Energy Solutions LLC
Anesco Energy Services (south) limited
Creigton Energy Limited
Edina Power Services Limited

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Edina Limited
Edina UK Limited
Edina Australia Ply Limited
Armoura Holdings Limited
Stanbeck Limited
Edina Power Limited
EPSL Trigenration Private Limited

v. **Parent Companies of Holding Company(ies) of the Company:**

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

vi. **Entities under the control of the same government:**

The Company is a wholly owned subsidiary of Energy Efficiency Services Limited, which is joint venture of Power Grid Corporation of India Limited, NTPC Limited, Power Finance Corporation Limited and Rural Electrification Corporation Limited under the Ministry of Power, hence is controlled by Government of India (GOI) through these controlled entities. The Company has transactions with other entities controlled by GOI for sale and purchase of goods and services through a transparent price discovery process against open tenders. Transactions with these entities are in the course of normal day-to-day business operations, carried out at market terms on arms length basis. Hence, transactions with these entities have not been disclosed.

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

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year ended 31 March 2026	For the year ended 31 March 2025
Holding Company	Energy Efficiency Services Limited	Purchase of Goods & Services	2,434.63	2,757.83
		Sale of Goods & Services	-	(0.14)
		Reimbursement of Expenditure	1,512.64	766.13
		Loan Taken	-	-
		Loan repayment	968.73	1,119.41
		Interest Expenses	336.37	411.93
Other enterprises	Power Grid Corporation of India Limited	Sale of services	801.50	707.33
Other enterprises	REC Limited	Sale of services	23.44	22.82
Chief Financial Officer	Jagjeet Singh Dadiala	Sale of Goods	-	0.01
Company Secretary	Abhishek Srivastava	Sale of Goods	-	0.01
Chief Financial Officer	Jagjeet Singh Dadiala	Compensation & Reimbursement of Expenses	50.63	50.87
Company Secretary	Abhishek Srivastava	Compensation & Reimbursement of Expenses	30.76	27.71
Company Secretary	Abhishek Srivastava	Advance taken net off repayment	(1.85)	4.19

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C. Balances outstanding at year end:

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year ended 31 March 2026	For the year ended 31 March 2025
Holding Company	Energy Efficiency Services Limited	Amount payable for purchase / expenses(excluding GST)	2,280.70	4,917.16
		Amount recoverable for sale / reimbursement (excluding GST)	114.14	874.61
		Loans	3,840.06	4,808.80
		Amount payable for Others	30.90	27.15
Company Secretary	Abhishek Srivastava	Advances	2.95	4.80
Other enterprises	Power Grid Corporation of India Limited	Sale of services	252.72	174.04
Other enterprises	REC Limited		5.20	4.24

47 Disclosure as per Ind AS 19 'Employee Benefits'

a) Defined contribution plans:

(i) Provident fund

The Company pays fixed contribution to provident fund at specified rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Amount of ₹ 14.09 Lakhs (31 March 2025: ₹ 13.85 Lakhs and for deputed employees is Nil) pertaining to employers' contribution to provident fund is recognised (excluding admin charges) as an expense and included in "Employee Benefits Expense" in note 32 and reimbursed to holding company ₹ 36.17 for the employees which is deputed in CESL.

(ii) Superannuation fund

The Company pays fixed contribution to superannuation fund to a National Pension Scheme (NPS) administered by the Government of India amount of ₹ 8.37 Lakhs (31 March 2025: ₹ 7.90 Lakhs and for deputed employees is Nil) pertaining to employers' contribution to superannuation fund is recognised as an expense and included in "Employee benefits expense" in note 32 and reimbursed to holding company ₹ 27.13 for the employees which is deputed in CESL.

b) Other long term employee benefit plans- Leave encashment

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

During the year, expenses amounting to ₹ 7.93 Lakhs (31 March 2025: ₹ 9.02 Lakhs) has been recognised on the basis of actuarial valuation at the year end and debited to the statement of profit and loss and included in "Employee Benefits Expense" in note 32 and reimbursed to holding company ₹ 26.09 for the employees which is deputed in CESL.

c) Defined benefit plan- Gratuity

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

The company has taken gratuity policy from LIC of India. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

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Particulars	As at 31 March 2026	As at 31 March 2025
Net defined benefit (asset)/liability:		
Non-current	-	-
Current	-	-
Surplus of plan asset	(7.92)	(9.14)
Gratuity	**(7.92)**	**(9.14)**

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

Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance as at 1 April 2025	19.67	28.81	(9.14)
Included in profit or loss:			
Current service cost	4.98	-	4.98
Past service cost	-		-
Interest cost	1.34	-	1.34
Total amount recognised in profit or loss	6.32	-	6.32
Included in other comprehensive income (OCI):			
Remeasurement loss/(gain) arising from:			
Financial assumptions	-	-	-
Experience adjustment	(2.90)	-	(2.90)
Acquisition Adjustment			-
Return on plan assets excluding interest income	-	2.20	(2.20)
Total amount recognised in OCI	(2.90)	2.20	**(5.10)**
Others			
Contributions paid by the employer	-	-	-
Acquisition adjustment	-	-	-
Benefits paid	-	-	-
Benefit amount received from LIC	-	-	-
Benefits received yet to be paid	-	-	-
Balance as at 31 March 2026	23.09	31.01	(7.92)

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Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance as at 1 April 2024	12.71	20.39	(7.68)
Included in profit or loss:			
Current service cost	5.40	-	5.40
Past service cost	-		-
Interest cost	0.92	-	0.92
Total amount recognised in profit or loss	6.32	-	6.32
Included in other comprehensive income (OCI):			
Remeasurement loss/(gain) arising from:			
Financial assumptions	-	-	-
Experience adjustment	0.64	-	0.64
Acquisition Adjustment			
Return on plan assets excluding interest income	-	1.58	(1.58)
Total amount recognised in OCI	0.64	1.58	(0.93)
Others			
Contributions paid by the employer	-	6.84	(6.84)
Acquisition adjustment	-	-	
Benefits paid	-	-	-
Benefit amount received from LIC	-	-	-
Benefits received yet to be paid	-	-	-
Balance as at 31 March 2025	19.67	28.81	(9.14)

(ii) Plan assets

The plan assets of the Company are managed by Life Insurance Corporation of India. Actual return on plan assets during the year is ₹ 2.20 Lakh (31 March 2025 ₹ 1.58 Lakh).

(iii) Actuarial assumptions

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

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate	7.37%	6.79%
Salary escalation rate	6.50%	6.50%
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

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

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(iv) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Increase	Decrease
As at 31 March 2026		
Discount rate (0.5% movement)	(1.08)	1.15
Salary escalation rate (0.5% movement)	1.16	(1.10)
As at 31 March 2025		
Discount rate (0.5% movement)	(1.05)	1.13
Salary escalation rate (0.5% movement)	1.13	(1.06)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(v) Risk exposure

Changes in discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

Salary increases: Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Life expectancy: The plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Investment risk: Assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

(vi) Expected maturity analysis of the defined benefit plans in future years

Particulars	As at 31 March 2026	As at 31 March 2025
Less than 1 year	0.26	0.07
Between 1-2 years	0.34	0.30
Between 2-5 years	4.82	0.93
Over 5 years	17.67	18.37
Total	**23.09**	**19.67**

(vii) Expected contributions to post-employment benefit plans for the year ending 31 March 2026 are ₹ 5.00 Lakh (PY 31 March 2025 ₹ 5.46 Lakh).

(viii) The weighted average duration of the defined benefit plan obligation as at 31 March 2026 is 10.51 years (PY 31 March 2025 12.18 Years).

48 Expenditure incurred on Corporate Social Responsibilities

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.

49 Dividend

The Company have not paid/declared any dividend during the year.

50 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.

51 Details of Loans Given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

The Company has not given any Loans or made investment or give any guarantee covered under section 186(4) of the Company Act, 2013

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52 **Fair value measurements**

a) **Financial instruments by category**

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets:		
Financial Assets - Non-Current		
Loans to employees	17.08	6.45
Others Non-Current Financial Assets	4,334.16	3,274.52
Financial Assets - Current		
Trade receivables	3,757.35	1,934.51
Cash and cash equivalents	14,728.54	8,757.38
Bank balances other than cash and cash equivalents	344.48	4,834.46
Bank Balances held in trust - being an implementing agency (Note 3.8 (vii))	49,999.00	-
Loans	12.39	5.49
Other Current Financial Assets	4,598.98	2,717.65
Total	**77,791.98**	**21,530.45**
Financial liabilities:		
Financial Liabilities - Non-Current		
Non-current Borrowings	3,202.47	4,506.92
Lease Liabilities	5,361.34	3,744.65
Financial Liabilities-Current		
Current Borrowings	1,306.06	1,306.06
Trade Payables	6,710.81	4,847.22
PSM Fund Liablity (Note 3.8 (vii))	50,607.63	-
Lease Liabilities	1,962.77	1,572.95
Other Current Financial Liabilities	3,275.83	3,538.34
Total	**72,426.92**	**19,516.14**

b) **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at amortised cost for which fair value is being disclosed, the company has classified these into the levels prescribed under the Ind AS 113, 'Fair value measurement'.

(i) **Financial assets measured at fair value (non-recurring fair value measurement)**

Particulars	Level	As at 31 March 2026	As at 31 March 2025
Financial assets:			
Security deposits	Level 2	203.89	215.87
Unbilled revenue	Level 2	473.22	294.96
Loan to employees	Level 3	29.47	564.80
Lease receivables	Level 3	7,371.26	13,736.90
Non current bank deposits	Level 3	219.30	17,295.29
Total		**8,297.14**	**32,107.82**
Financial liabilities:			
Borrowings	Level 2	4,468.75	5,718.83
Retentions	Level 2	2,115.13	1,374.49
Trade payables	Level 2	6,710.81	4,847.22
Total		**13,294.69**	**11,940.55**

Fair value measurements (continued)

Financial assets and financial liabilities at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs in the measurement as follows:

Level 1: The fair value of financial instruments traded in an active market is based on the quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

There are no transfers between level 1 and 2 during the year.

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c) Valuation technique used to determine fair value

(i) For financial assets (security deposits) - Discounted future cash flow; appropriate market rate as of each balance sheet date used for discounting.

(ii) For financial liabilities (borrowings): Discounted cash flow; using a current lending rate of the entity as of each balance sheet date used for discounting.

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Security deposits	216.30	203.89	215.87	202.15
Unbilled revenue	473.22	473.22	294.96	294.96
Loan to employees	29.47	29.47	11.94	11.94
Lease receivables	7,371.26	7,371.26	5,350.84	5,350.84
Non current bank deposits	219.30	219.30	91.05	91.05
Total	**8,309.54**	**8,297.14**	**5,964.66**	**5,950.95**
Financial liabilities:				
Non-current borrowings*	4,508.53	4,468.75	5,812.99	5,718.83
Retentions	2,115.13	2,115.13	1,374.49	1,374.49
Trade payables	6,710.81	6,710.81	4,847.22	4,847.22
Total	**13,334.47**	**13,294.69**	**12,034.70**	**11,940.55**

* Includes current maturities of long term borrowings

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

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53 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. However, the procedure adopted by 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.

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 financial activities including trade receivables, deposits, loans & advances, cash & cash equivalents and deposit with banks. The carrying amounts of financial assets represents the maximum credit risk exposure.

Trade receivable and unbilled revenue:

The Company earns its revenue from government -controlled-entities and highly rated private entities where the counter party risk is considered to be low. Additionally, the trade receivable from private entities from E- Buses are adequately covered through EMD/BG.The Company evaluates and manages its credit risk by taking into consideration the ageing of dues, nature of customers ,credit worthiness of the customers and specific credit circumstances.
Since, the Company has its customers in different states of India, geographically there is no concentration of credit risk.

Loans:

The Company has given multipurpose and furniture advance to employees as per Company's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees or adjustable against full and final payments due of the employees. The loans are unsecured and management has assessed the past data and does not envisage any probability of default on these loans.

Cash & Cash equivalent and deposit with banks:

The Cash & Cash equivalent and deposit with banks are held with banks with high rating.

Exposure to credit risk

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

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current Loans	17.08	6.45
Others Non-Current Financial Assets	4,210.76	3,160.05
Cash and Cash Equivalents	14,728.54	8,757.38
Deposit with Banks	344.48	4,834.46
Bank Balances held in trust - being an implementing agency (Note 3.8 (vii))	49,999.00	-
Current Loans	12.39	5.49
Other Current Financial Assets	4,125.77	2,422.69
Total	**73,438.01**	**19,186.51**

Trade receivables

Particulars	As at 31 March 2026			As at 31 March 2025		
	Up to 6 months	More than 6 months	Total	Up to 6 months	More than 6 months	Total
Gross carrying amount (A)	3,590.26	728.11	4,318.37	1,545.25	625.09	2,170.34
Expected Credit Losses (B)	-	-	-	-	-	-
Less: Unallocated due to non identification			(561.02)			(235.83)
Net Carrying Amount (A-B)	**3,590.26**	**728.11**	**3,757.35**	**1,545.25**	**625.09**	**1,934.51**

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B. Liquidity Risk :

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

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

Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses in short-term.

(i) Financing arrangement

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

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured Loan - ICICI Bank	200.00	200.00
Inter Corporate Term Loan from Holding Company	249.00	249.00
Total	**449.00**	**449.00**

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

Particulars	As at 31 March 2026	As at 31 March 2025
Total current assets	24,406.47	20,446.75
Total current liabilities	19,388.91	18,399.44
Current ratio	**1.26**	**1.11**

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

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total As at 31 March 2026
Non-current borrowings	-	-	1,766.81	1,435.66	-	**3,202.47**
Current borrowings	84.33	1,221.74				**1,306.07**
PSM Scheme Fund (Note 3.8 (vii))	-	50,607.63	-	-	-	**50,607.63**
Trade payables	6,710.81					**6,710.81**
Retentions	2,115.13					**2,115.13**
Lease liabilities	525.70	1,437.08	1,451.44	3,909.91	-	**7,324.12**
Provision / Liability for Expenses	896.10					**896.10**
Payable to employees	9.94					**9.94**
Others	264.60					**264.60**
Total	**10,606.60**	**53,266.45**	**3,218.24**	**5,345.57**	-	**72,436.87**

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total As at 31 March 2025
Non-current borrowings			1,306.07	3,203.96		**4,510.03**
Current borrowings	84.33	1,221.74				**1,306.07**
Trade payables	4,847.22					**4,847.22**
Retentions	1,374.49					**1,374.49**
Lease liabilities	403.21	1,169.75	1,358.84	2,376.03	9.76	**5,317.59**
Provision / Liability for Expenses	883.89					**883.89**
Payable to employees	1.12					**1.12**
Others	1,279.95					**1,279.95**
Total	**8,874.21**	**2,391.49**	**2,664.91**	**5,579.99**	**9.76**	**19,520.37**

Significant cash flows required for meeting the financial liabilities shall be funded through cash and cash equivalents.

C. Market Risk :

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

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

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Interest rate risk:

The Company is exposed to interest rate risk arising mainly from borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rate. The Company has no foreign currency exposure as at the reporting date.

Interest rate risk exposure

At the end of the reporting period, the interest rate profile of the Company's interest-bearing borrowings is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Fixed rate borrowings	3,840.06	4,808.80
Floating rate borrowings	669.91	1,007.31
Total	**4,509.97**	**5,816.11**

54 Capital Management

The management is clear about its primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and in order to achieve this overall objective, the management is committed that the capital management strategy and policy of the company inter-alia, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements, as may be undertaken.

Particulars	As at 31 March 2026	As at 31 March 2025
Debt	4,508.52	5,812.98
Cash & bank balances ###	15,073.02	13,591.84
Net Debt	(10,564.50)	(7,778.86)
Total Equity	5,848.25	3,875.03
Net debt to equity ratio (Gearing Ratio)	(1.81)	(2.01)

Cash & Banks balances excludes PSM Fund Investment Rs 49,999.00 Lakhs.

55 The Company has opted to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

56 The Current Year refers to the period from 1st April 2025 to 31st March 2026. (Previous year refers to the period from 1st April 2024 to 31st March 2025). 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 S. Mohan & Co.
Chartered Accountants
FRN: 000608N

S. MOHAN & CO. FRN000608N New Delhi CHARTERED ACCOUNTANTS

RKMittal

(R K Mittal , FCA)
Partner
Membership No. 088767
UDIN: 26088767LBSDON2196
Place : New Delhi
Date : 11-06-2026

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

(Akhilesh Kumar Dixit)
Managing Director & CEO
DIN- 10869939

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

Abhishek

(Abhishek Srivastava)
Company Secretary

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