CONVERGENCE ENERGY SERVICES LIMITED

5TH ANNUAL REPORT | 2024-2025

Contents

Company Information

Board of Directors	Shri Akhilesh Kumar Dixit	Nominee Director (w.e.f June 25, 2025)
	Shri Yatindra Dwivedi	Nominee Director
	Shri Shankar Gopal	Nominee Director
	Shri Aravind Babu	Nominee Director (w.e.f July 18, 2025)
	Shri Vishal Kapoor	Managing Director & CEO (till June 12, 2025)
	Shri Anil Kumar Jadli	Nominee Director (till July 04, 2025)
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	

DIRECTORS' REPORT

To
The Members,
CONVERGENCE ENERGY SERVICES LIMITED

Your Directors are pleased to present the 5th Annual Report on business and operations of the company along with the Audited Financial Statements for the financial year ended on 31st March, 2025.

Revenue from operations for the financial year 2024-25 ₹ 4992.87 Lakh and total revenue for the period was ₹ 5,573.47 Lakh. Net profit of the Company in 2024-25 was ₹64.58 Lakh.

1 FINANCIAL PERFORMANCE

1.1 Financial Highlights (Standalone):

Highlights of performance of the Company for the financial year 2024-25 are given as under with comparative position of previous year's performance: (Amount in Lakh)

Particulars	31st March, 2025	31st March, 2024
Paid up Share capital	59,21.01	59,21.01
Total Revenue (including Other Income)	55,73.47	50,67.86
Profit Before Depreciation & Taxes	14,23.23	22,16.71
Less: Depreciation	13,24.71	12,99.15
Profit/(Loss) Before Tax	98.52	9,17.56
Less: Prior Period Adjustments (Net)	-	-
Less: Provision for Taxation		
-Current Year	-	-
-Earlier years	1.25	-
-Deferred Tax credit	32.69	2,01.27
Profit/(Loss) after Tax	**64.58**	**7,16.29**
Add: Other comprehensive income / (expense)	0.40	5.91
Total Comprehensive income for the year	**64.18**	**7,10.38**

1.2 Transfer to free Reserves and Dividend

The company has not transferred any amount to free reserves during the financial year 2024-25. The Company has not declared any dividend for or during the financial year 2024-25.

1.3 Share Capital

The authorised capital of the company as on March 31, 2025 is 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, 2025 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 2025 was ₹ 3875.03 Lakh. EPS of the Company for the year ended on 31st March 2025 stood at ₹ 0.11.

1.5 Resource Mobilization

The entire equity in the company is held by Holding Company M/s Energy Efficiency Services Limited. During the Financial Year 2024-25, the borrowings were also taken only from the parent company.

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 2025 is INR 10.07 crores.

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2 OPERATIONAL HIGHLIGHTS

About Convergence Energy Services Limited (CESL)
Convergence Energy Services Limited (CESL) is a wholly owned subsidiary of Energy Efficiency Services Limited, (a joint venture of public sector companies under the Ministry of Power, Government of India).

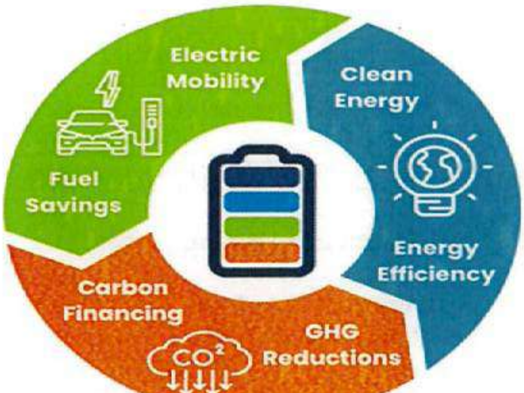
CESL is investing in clean energy and clean transportation with a view to deliver affordable and reliable energy at scale. Business models followed by

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.

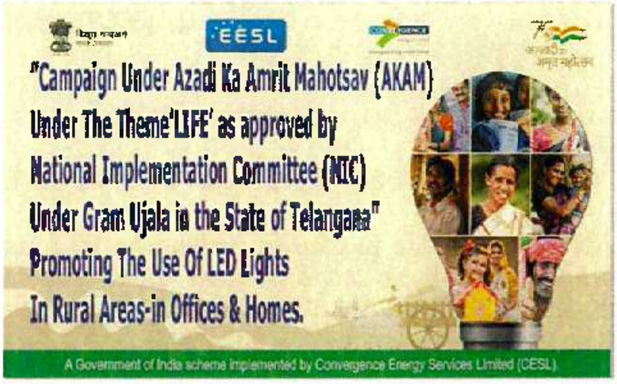
CONVERGENCE BUSINESS MODEL

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 1 Crore LED bulbs in rural areas of 5 states (Bihar, Uttar Pradesh, Andhra Pradesh, Karnataka, Telangana).

V 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 2.0 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. CESL's Public EV Charging Infrastructure project, registered in 2024, targets 12,000 VCUs annually from 200 public chargers monitored through an IoT-based system, with CESL owning the credits. A sharing arrangement with Charging Point Operators is under consideration.

The Electric Buses project, currently in the pilot stage across Delhi, Gujarat, and Karnataka, aims to generate 80,000 VCUs annually from 5,000 buses, with a proposed 50:50 VCU-sharing model among stakeholders.

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 &	3821	Nil	Nil

	verification approval requested			

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

Through multiple domestic and international tenders floated in 2024-25, CESL has received interest for the full quantity of 7.3mn credits for Gram UJALA from parties including Public agencies and private domestic intermediaries. Due to the current low global carbon pricing and the requirements of escrowing credits internationally, a final deal has not been closed thus far. Currently, an international competitive bid is afloat.

CESL's carbon credit portfolio has received international coverage through media platforms such as Carbon Pulse[link], presentation invitation by US-India Business Council, and round-table invitation from The World Bank at Asia Climate Summit, IETA.

Other key updates:

- The US-based VERRA / Verified Carbon Standards Registry has confirmed registration of EV Charging Infrastructure Project (ID: 2461).
- CESL has initiated the process to phase out C-Quest Capital and its subsidiaries from the Gram UJALA projects.
- Shakti Sustainable Energy Foundation (SSEF) is supporting CESL to explore registration of their E-Bus program with an established carbon credit Registry.

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) two wheelers, (2) four wheelers (3) eBuses, (4) charging stations.

CESL's Integrated E-Mobility Solution

I Four Wheelers

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.

Convergence Energy Services Limited (CESL), a wholly owned subsidiary of Energy Efficiency Services Limited (EESL), which is a JV of CPSUs under Ministry of Power (GoI), has been at the forefront of revolutionizing the EV ecosystem in India. To focus entirely on E-Mobility, which has a major thrust by Govt. of India, EESL established its wholly owned subsidiary CESL.

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.

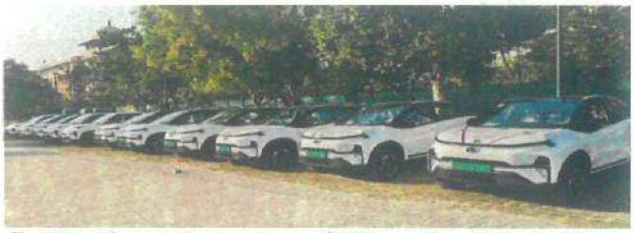
Upon formation of CESL, the EESL projects of leased 1454 nos. of E-Car(s) are being operated & maintained by CESL. Thereafter, EESL owned 294 nos. of E-Car(s) were leased by CESL to various clients. In July 2022, CESL started its own business of lease of E-Car(s) and deployed 117 E-Car(s).

Till 31st March 2024, CESL and its parent company EESL, had deployed 1970 nos. of E-Car(s) in Central and State Government Ministries/Departments, CPSUs & Private Entities, internal use, across India. The operation & maintenance of all the deployed E-Car(s) is handled by CESL.

(In Pic: EV as a Service Agreement with Niti Aayog)

EV as a Service (EVaaS)

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.



(In Pic: Electric Cars as part of EV as a Service)

Under the proposed revamped business model of EVaaS, CESL provides E-Cars to its Clients through a Service Provider selected through a competitive procurement process. Under EVaaS, CESL has followed a unique procurement model, under which CESL is offering to deploy E-Car on lease basis in offices, of any make/model available in India, which are eligible as per guidelines such as preference to Make-In-India, restrictions from procurement from a bidder sharing land border with India, etc.

Under EVaaS, entire investment and responsibility for operations of the Project is managed by a Service Provider selected through tendering process, wherein the Service Level Agreements including payment terms are back-to back with the Client(s).

The program "EV as a Service" was launched by Shri Manohar Lal, Hon'ble Union Minister of Power and Urban Affairs, Govt. of India on 10th November 2024 at New Delhi.

During Financial Year 2024-25, CESL signed contract agreements for deployment of 129 nos. of E-Cars with various Govt. offices and orders were placed to the appointed Service Provider under the EV as a Service (EVaaS) Phase-I for Rate Contract of 1000 nos. of E-Cars. Till 3rd June 2025, CESL has sgined contract agreements and placed order for a total of 231 nos. of E-Cars under the EVaaS Phase I.

CESL has been charging Project Management Consultancy (PMC) charges of minimum 11% on the discovered monthly lease charges for E-Cars from the Clients.

Anticipated PMC charges accrued for 231 nos. of E-Cars under EVaaS Phase-I is ~ Rs. 1.25 Crores per annum.

In order to leverage the existing EV clientele of EESL/CESL and the company is in process of selecting Service Provider for EVaaS Phase-II.

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II Two Wheelers (E2W)

Due to changed market scenario, evolving technological interference, easy financing and several new entrants with competitive edge, CESL decided to abandon the E2W market space.

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.

Basis approval received from Board in its meeting held on Friday, February 2, 2024, for for adoption and launching of e-bicycle program on trading model with EMC, it is further stated that CESL is in discussion and finalizing of the demand from several departments. CESL is providing a potential solution to decarbonize transportation by promoting electric bicycle 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.

  The program aims to provide 1,800 cargo electric bicycles specifically designed for rural applications across four states – Bihar, Kerala, Madhya Pradesh and Andhra Pradesh.

  STREE intends to empower the rural economy, especially the rural women by providing them access to green mobility through the introduction of electric bicycles.

(In Pic: Formalizing collaboration for E-Bicycle Program)

- This initiative is about creating opportunities for rural women and entrepreneurs, improving their mobility and fostering economic growth through clean, green solutions. CESL believes empowering these communities with electric mobility is a powerful way to drive change and sustainability at the grassroots level.

- Under this pilot, 1800 electric bicycles are provided 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 will be managed by the State Rural Livelihood Mission (SRLM) or other designated agencies of the MoRD. The distribution process will commence once the SRLM or the designated agency collects a fixed payment of INR 9,000 + Taxes from each end user and transfers the amount to CESL. In one of the states (Bihar), impact assessment study also to be conducted under the pilot program and 50 SHG women designated as Energy champions will be trained under the program, with the help of another external agencies. These 50 energy champions will require to identify another 450 women for distribution of e-bicycles, as per predefined selection criteria's and will be incentivised with INR 1000 + taxes, per SHG women, for selection of 450 SHG woman. For these additional 450 women, collection will be Rs 8000 + taxes (in place of Rs. 9000 + taxes). The total amount collected will be maintained as a revolving fund to be utilized for scaling up CESL's e-mobility activities.

- In this regard, CESL concluded the tendering process as per ADB guidelines and post approval from ADB, awarded the Letter of Award (LoA) to the L1 bidder, for the procurement of 1,800 cargo electric bicycles. Post delivery of e-bicycle, the selected vendor will submit a total cost invoice to CESL within 30 days of delivery, CESL being the executing agency. CESL will verify the invoice and forward it to ADB for making the 100% payment of the invoices raised. While the invoices for the project will be raised in CESL's name, due to its role as the issuing authority of the LoA, CESL bears no financial liability for these payments, as they are made directly by ADB to the vendor.

- E-bicycles acquired under the project will be transferred to the beneficiaries, post-delivery and distribution of all 1800 e-bicycles, by issuing a transfer letter in the name of respective state SRLM or other Nodal agencies. Subsidised amount collected for all the 1800 e-bicycles distributed will be kept as Revolving Fund, to be utilised for promoting e-mobility in future years.

Demand aggregation from MOEFCC for deploying 2050 e-bicycles in Zoos/Botancical Gardens.

- CESL submitted a proposal to MOEFCC on January 8, 2024, 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.

- MOEFCC conveyed sanction of INR 8.20 to Central Zoo Authority CZA towards procurement of 2,050 number e-bicycles to be used in 61 zoological parks and botanical gardens (59 zoos and 2 botanical gardens) in 50 cities covered under the NCAP for the FY 2023-24. CZA shall procure e-bicycles through CESL. Due to pending internal approvals, MoEFCC/CZA requested for the refund of advances and CESL processed the same in the month of Dec'2024.

- During discussions, additional requirements of Detachable Battery Charging Stacks and Shed with charging kiosk were raised by the client and CESL submitted the fresh proposal for the same. CESL's will do Project Management Consultancy activities to deliver 2050 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.

- Approval and signing of the quadripartite agreement among MOEFCC, CZA, BT and CESL for the implementation of the proposal is underway. Post which CESL will initiate the process of tendering.

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.

- CESL has further supplied 140 e-bicycles to AMPL (through CSR mode) for deployment to beneficiaries selected by the Govt. of Rajasthan during the year FY 2024-25. CESL supplied these bicycles under the trading modal and charged PMC @ 10% on the overall cost of the supply.

II Solar carport with Battery Energy Storage System

- Basis approval received from Board for implementation of the Solar Carport with battery storage system pilot where all the Capital expenditure and Operational expenditure will be met through ADB TA, GEF 7 TA funding, 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. For Five (5) Years CESL will be manging the Asset and would be with CESL. Same shall be 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 maintained as a revolving fund, which will be utilized towards E mobility promotion activities in future years.

III Electric Buses:

➢ **Recap of Year 2022-2023**

- Concession Agreement under Grand Challenge was signed by respective SPVs of TATA Motors with DTC & BMTC for deployment of 1,500 and 921 e-buses respectively.

- 1st Tranche of subsidy has been released to Operator for deployment of 921 buses each for Delhi and Bengaluru by Ministry of Heavy Industries

- Based on the success of Grand Challenge, NITI Aayog requested CESL to scale up the model and play the Program Manager to deploy **50,000 Electric Buses** under **"National Electric Bus Program (NEBP)".**

- The NEBP seeks to aggregate demand from STUs/Cities and facilitate tendering of e-buses and support creation of infrastructure to operate 50,000 e-buses.

- Unified tender on GCC Model was floated on 21st Sep,2022 for **6,465 number of buses** and last date of bid submission was 15th Dec,2022 under NEBP-1.

- Price bid of NEBP-I was opened on 3rd Jan, 2023 and price discovered were **24% lower than the diesel buses and 19% less than the CNG buses**. Also prices discovered were without any subsidy.

- NEBP-2 tender on Dry Lease model was floated on 4th January 2023 for **4,675 e-buses** for Delhi, Kerala & Telangana.

➢ **Current Status of Grand Challenge Tender as of 2024-2025**

  In the FY 24-25, **1452 and 908 nos. of e-buses** were delivered in Delhi and Bengaluru respectively.

➢ **Current Status of NEBP Tender 1 (GCC Model)**

- Concession Agreement for **5045 no. of e-buses** for Delhi, Surat, SOUADTGA, Haryana, Arunchal Pradesh & Telangana has been signed between the respective Authorities and successful bidders.

- Till date 912 **nos. of e-buses** have been delivered under NEBP-1 to Delhi, Surat , Haryana, Telanagan & SOUADTGA.

- **Current Status NEBP Tender 2 (Dry Lease Model)**

  NEBP Tender 2 as of date stands cancelled due to poor participation by the bidders.

- **PM-eBus Sewa**

- Ministry of Housing & Urban Affairs (MoHUA) launched PM-eBus Sewa Scheme on 16th August 2023 with the aim to augment bus operations by deploying 10,000 electric buses in cities with population from 3 Lakhs to 40 Lakhs.

- MoHUA nominated CESL to be the tendering agency vide PM-eBus Sewa Guidelines Part 1.

PM-eBus Sewa Tender 1

- CESL floated a unified tender under PM-eBus Sewa for total aggregated demand of 3,825 no. of buses for 8 States and 3 UTS on 17th November 2023 under GCC Model.
- The last date for bid submission was 7th February 2024.

- Bids from a total 11 bidders was received.

- Letter of Confirmation of Quantity was issued to successful bidders for Assam and Maharashtra for 100 & 1,290 respectively.

- Concession agreement has been already signed for 150 nos. of buses of Nagpur for Maharashtra state.

- A Partial cancellation for 520 Nos of 7m buses in Package 2 and 1,150 Nos of 9m & 12m buses for the States/UTs of Bihar, Gujarat, Meghalaya, Puducherry & Punjab was issued.

- A total of 765 Nos of buses for the States/UTs of Chandigarh, Haryana, J&K and Odisha was put on hold and are now is sub-judice before honourable High Court of Delhi.

- **PM-eBus Sewa Tender-2**

- CESL floated a unified tender under PM-eBus Sewa for total aggregated demand of 4,588 no. of buses for 12 States and 3 UTS on 14th March 2024 under GCC Model.

- The last date for bid submission was 10th December 2024.

- Bids from a total 11 bidders was received.

- Letter of Confirmation of Quantity was issued to successful bidders for 3,728 buses for Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Meghalaya, Puducherry, Rajasthan & Uttarakhand.

- Letter of Award has been issued for 2,457 nos. of buses for AP, Gujarat, MP, Rajasthan & Uttarakhand.

- **Mauritius Tender**

- CESL floated a tender for 100 electric buses and 20 nos. of chargers along with CAMC for 1 year to the Govt. of Mauritius through MEA.

- Letter of Award was issued to M/s Switch Mobility Automotive Limited.

- First lot of 10 nos of buses with 2 chargers were delivered to NTC, Mauritius on 22nd May 2025

- **PM E-DRIVE Scheme**

- EOI was floated on 13.11.2024.

- Total demand received for 15400 buses from 6 cities.

- Direct Debit Mandate (DDM) acknowledgement form RBI under PSM was received from 4 States i.e. Gujarat, Karnataka, Telangana, Rajasthan.

- Punjab and Delhi submitted DDM to RBI for acknowledgement.

- **ITMS**

- MoHUA asked CESL to implement ITMS Program for buses to be deployed under PM-eBus Sewa.

- Ernst & Young LLP was selected for management of bid and implementation of the program.

- MoHUA nominated M/s. NCRTC for Operation, Monitoring and Execution of ITMS.

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

d. 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,

e. 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.

V Electric Vehicle Public Charging Infrastructure

EESL (through its subsidiary CESL) has successfully deployed 455 public Electric Vehicle (EV) chargers across India. EESL has claimed INR 8.59 Cr from MHI for 212 commissioned EV chargers under FAME -II Scheme of Ministry of Heavy Industries (MHI) for Cities.

State	EV Chargers Installed
Delhi	163
Maharashtra	102
Uttar Pradesh	66
Tamil Nadu	59
West Bengal	24
Kerala	18
Gujarat	12
Goa	3
Chhattisgarh	4
Haryana	2
Karnataka	1
Jharkhand	1
Grand Total	**455**

Business Model and Offerings of CESL:
EESL owned chargers: EESL 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 is assisting EESL in revamp of existing business model of public EV chargers and in this regard, CESL had published RfP for Selection of Managed Service Partner for the Operations, Management, Maintenance and Security of CESL/EESL Public EV Charging Stations (PCS) across Delhi and Noida. 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.

CESL has successfully concluded the RfP process and engaged Managed Service Partner for PCS at locations under the New Delhi Municipal Council (NDMC), Municipal Corporation of Delhi (MCD) and Delhi Transport Corporation (DTC) in Delhi and Noida Authority locations in Noida on behalf of EESL.

Letter of Award have been issued to M/s. Sharify Services Private Ltd for managing PCS at DTC, NDMC and NOIDA locations and to M/s. Zivah International Private Ltd for MCD locations in Delhi.

(Pic: EVCI restoration work in progress at NDMC locations)

Asset-lite (market driven) model: Given the diverse charging needs of different vehicle segments such as electric 2Wheelers, 3Wheelers, 4Wheelers, e-Buses, etc., CESL, has now developed a new business model, "asset-lite (market driven) model", as per market conditions for establishing public EV charging and battery swapping stations in India. Under this new business model, CESL shall undertake procurement of Services of Charge Point Operators (CPOs) for Supply, Installation, Testing, Commissioning, Operation and Maintenance of EV Charging and/or Battery Swapping Stations (BSS) on Build-Own-Operate-Maintain (BOOM) basis.

In this process, CESL shall enter into the agreement with land owning agencies on a revenue basis in line with the model revenue sharing agreement approved by Ministry of Power, Government of India vide their guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure dated 17th September, 2024 or as mutually decided. As a part of the implementation, CESL will undertake a demand aggregation of potential locations identified by land owing agencies to establish the wide range of different charging technologies (slow, fast and BSS) based on market demand through selected CPOs with overall supervision and program management by CESL. The role of CESL shall be limited to facilitating land partnership and necessary coordination, and support for CPOs. CESL shall be charging the fee for this transaction.

Progress under Asset-lite model: CESL has signed Revenue Sharing Agreements with Delhi Development Authority (DDA) and the Goa Energy Development Authority (GEDA) for establishing EVCS and/or BSS under the asset-lite model. Similarly, CESL has signed a Memorandum of Understanding (MoU) with the Municipal Corporation Faridabad (MCF) locations for establishing EVCS and/or BSS under the same model in Faridabad.

In this regard, CESL has concluded RfP process for the selection of Charge Point Operators (CPO) for Procurement, Supply, Installation, Testing, Commissioning and Operation & Maintenance of Electric Vehicle Charging Stations and/or Battery Swapping Stations on Build, Own, Operate and Maintain (BOOM) basis of CESL across DDA, GEDA and MCF locations. Accordingly, CPOs have been appointed by CESL for deployment of Electric Vehicle Charging Stations and/or Battery Swapping Stations at these locations.

(Pic: Agreement signed between Convergence Energy Services Ltd (CESL) and Delhi Development Authority (DDA) to establish EV Charging and Battery Swapping Stations (BSS) on asset-lite model across DDA Sports Complexes locations in Delhi.)

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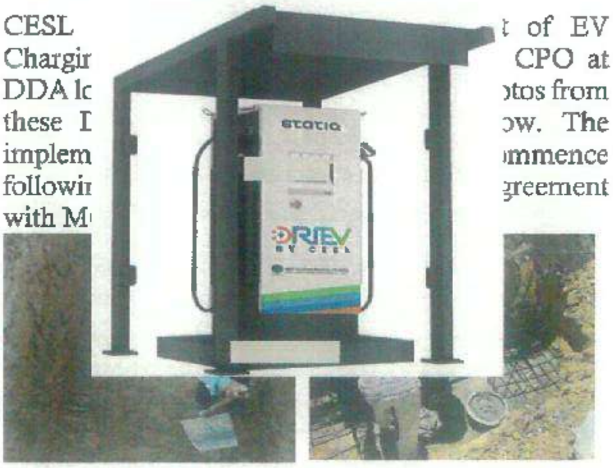

(Pic: EVCI installation work in progress at Delhi Development Authority (DDA) locations)

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.

DRIEV BY CESL

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 plays a vital role in leveraging technology to support business operations and drive the organization's strategic objectives. In alignment with CESL's mission, the department focuses on enhancing the company's capabilities through the following responsibilities:

- IT infrastructure – The IT department has diligently managed the installation, maintenance, and upgrades of various components of the organization's IT infrastructure since the establishment of its corporate office in New Delhi. This encompasses networking gear, software, operating systems (OS), and data storage systems, essential for providing comprehensive IT services and solutions. To ensure accessibility, almost all staff members have been equipped with desktop and laptop computers, ensuring they have the necessary IT tools at their disposal.

- Tally Software: Previously, our usage of Tally 2.0, facilitated by a 5 Star Tally Partner, included additional functionalities like multi-GST and e-Invoicing modules, which were customized add-ons provided by the vendor. However, with the recent release of Tally version 4.0, these functionalities are now seamlessly integrated as built-in features, obviating the necessity for purchasing separate add-on services. The Vendor has been finalized and all data, including the Tally server license, has been migrated to the new vendor's server.

- Security- Protecting networks, systems, and sensitive data is paramount for any corporation. IT security plays a pivotal role in this endeavor. CESL has diligently integrated essential IT security measures into its operations, including internal security endpoints, perimeter security protocols, and proactive security log monitoring for incident resolution. To ensure uniform security standards across the organization, CESL is implementing specific security rules from EESL and leveraging the EESL network infrastructure. This comprehensive approach underscores CESL's commitment to maintaining the integrity and confidentiality of its digital assets.

- Video Conferencing (VC) solution - To bolster internal operations and foster transparency, our IT department has deployed an appropriate Video Conferencing (VC) solution at our corporate headquarters.

- IT help desk - To empower business users in maximizing the effectiveness and efficiency of our IT systems, an internal help desk has been established by our IT department.
- Dashboard/Portal - The IT department has overseen the development and management of various dashboards and portals tailored to different business initiatives, such as the Gram UJALA Portal and Dashboard. Additionally, the CESL IT team is tasked with managing several other dashboards, including those for solar, Electric Vehicle Charging Infrastructure (EVCI), and Electric Vehicle (EV) operations.

- ITMS- The critical aspect revolves around securing funding from Mohua for the implementation of ITMS Software, highlighting progress in engaging NICSI as the service provider and appointing E&Y as the consultancy partner for CESL, delineating their responsibilities such as consultation with Mohua for alignment, finalizing methodology, design, and architecture, as well as preparing the Request for Proposal (RfP) for the ITMS Software. Various discussion has been done with Mohua and E&Y and IT Department has provided critical inputs in finalization of RfP.

- Digital LogBook for EV- The core objective is to enhance efficiency, transparency, and operations within the EV business by developing a comprehensive Digital Logbook platform. This platform will automate data management, facilitate real-time monitoring of EV usage, and improve operational workflows. It will undergo phased implementation with features like data collection, reporting, and analytics, ensuring seamless integration with existing systems. Training and support will be provided, and future enhancements will be driven by user feedback and evolving business needs. Currently, the tendering process for vendor selection is nearing its final evaluation phase, with plans to develop and implement the application according to the Scope of Work upon onboarding the vendor.

- Likewise, a dedicated portal for electric two-wheelers and three-wheelers has been created, serving as a comprehensive platform for individuals interested in purchasing these vehicles. Additionally, the Gram UJALA

Dashboard and Portal has been chosen to partake in the Data Governance Quality Index (DGQI) program initiated by NITI Aayog.

- CESL Website: The IT Department has been actively managing the continuous upgradation and enhancement of the CESL website, ensuring that content and data remain current and accurate. Regular updates are carried out to maintain the website's relevance and functionality.

- PSM: A national level Payment Security Mechanism Scheme (the "PSM Scheme') is being developed by the Ministry of Heavy Industries, Govt. of India to enhance the bankability of Electric Bus Contracts. The Scheme aims to reduce the payment risk of e- bus operations under the Gross Cost Contract of e-bus operations. As a part of this Scheme, e bus operators have access to a centrally maintained fund to ensure receipt of timely payment in case of delays by Public Transport Authorities (PTAs).

  The OEMs/ bus operators who sign a Concession Agreement with PTAs under PM – e bus sewa scheme, NEBP or any other GoI scheme for procurement of e-buses shall be eligible for availing benefits under PSM Scheme. As per the Scheme provisions, Convergence Energy Services Limited (CESL) would act as the fund manager for PSM and review, verify and approve payments to the operator. CESL would then recover these payments from the PTA as defined in the PSM guidelines.

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, 2025, is given as under:

	Number of employees					
Location	Regular	Contractual	Consultant	Third Party	EESL (Regular Seconded)	EESL Regular (Aligned)
India	5	2	3	27	8	11
Total	5	2	3	27	8	11

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 2024–25, CESL conducted an exclusive training session for the members of the Sexual Harassment Committee. In addition, three awareness sessions were organized throughout the year for all employees, including support staff.

(In Pic: POSH sensitization for operational staff)

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.

(In Pic: POSH sensitization for Management & leadership team)

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 2024-25, the Company has duly complied with the provisions of the Maternity Benefit Act 1961.

9 FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2024-25, the Foreign Exchange Earnings has been nil.

During the financial year 2024-25, the Foreign Exchange Outgo has been Rs. 64,980.

10 INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your directors state that considering the nature and size of the operations of the company during the financial year 2024-25, the provisions of the Companies Act regarding Formal process of Internal Financial Control and assessment of its adequacy are not applicable on the company.

However, the procedure adopted from parent company have been followed in respect of all the financial transactions, which involves control mechanism to identify and eliminate the element of risk of fraud or error at each stage of the transaction since inception to final recognition in the financial.

Moreover, there is no material risk which in the opinion of the management might threaten the existence of the company.

11 FOREIGN EXCHANGE AND RISK MANAGEMENT POLICY

As aforementioned, for the financial year 2024-25, the operations of the company are at preliminary stage, which accordingly do not entail involvement of any intricate process for risk management including foreign exchange risk management.

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

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, 2025, 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 Vishal Kapoor	Managing Director & Chief Executive Officer *(Upto June 12, 2025)*
2.	Shri Jagjeet Singh Dadiala	Chief Financial Officer
3.	Shri Abhishek Srivastava	Company Secretary

14 BOARD OF DIRECTORS & MEETINGS

During the year, the company upon receipt of nomination from EESL, appointed Shri Anil Kumar Jadli as additional director designated as nominee director on the Board of the Company w.e.f. June 24, 2024, who was thereafter appointed by the members of the Company in the 4th AGM of the Company held on September 25, 2024.

The Board of Directors of the company duly met 5 times during the financial year 2024-2025. The dates on which meetings of the Board were held are as follows:

24.06.2024, 04.07.2024, 20.09.2024, 05.12.2024 and 05.03.2025.

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 2024–25 are as under:

Sr. No.	Name of Director	No. of Board Meetings	
		Entitled	Attended
1.	Shri Shankar Gopal	5	5
2.	Shri Vishal Kapoor	5	5
3.	Shri Anil Kumar Jaldi	5	4
4.	Yatindra Dwivedi	5	4

15 DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory auditors, external consultants and the reviews performed by, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2024-25. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed 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 9 of this Report)

f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16 MAINTENANCE OF COST RECORDS

Considering the nature of the operations of the company during the financial year 2024-25, 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. The tender was issued on behalf of MoHUA for multiple State Transport Undertakings (STUs). CESL's role was limited to facilitating the tender process, including price discovery, communicating the discovered prices to the respective STUs, and issuing letters of confirmation regarding quantities to the successful bidders. The final issuance of Letters of Award (LoA) will be 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 24-25 (In Crore (INR))
1	Total annual procurement (in value)	₹ 211.62
2	Total value of goods and services procured from MSEs (including MSEs owned by SC / ST entrepreneurs)	₹ 32.72
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	15.46 %
5	% age of procurement from MSEs owned only by SC / ST entrepreneurs out of total procurement	-

S.N.	Descriptions	FY 24-25 (In Crore (INR))
1	Total annual awardable value for Electric Buses for various STUs on behalf of MoHUA	₹ 19,466
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 2024-25, 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.

20 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The company has not given any loans, guarantees or made any investment during the financial year 2024-25, 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

(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 no 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 PY 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; 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.

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 has been referred to arbitration at DIAC by MSEFC, and the arbitral proceeding is yet to start.

(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, CESL decided to cancel PMI's bids and invoked the bank guarantees, prompting PMI to file a writ petition. The Delhi High Court intervened, directing CESL to withdraw letters sent for BG encashment and provide PMI a fair hearing. Over the course of several hearings and representations, CESL issued a revised reasoned order on November 26, 2024. PMI challenged this order, and the Delhi High Court stayed its implementation on December 20, 2024. CESL has filed a counter affidavit, and the case is currently scheduled for hearing on April 30, 2025.
Furthermore, PMI has filed a second appeal before the Central Information Commission (CIC), challenging the responses of the CPIO and the First Appellate Authority of CESL in relation to an RTI application. In the said application, PMI had sought access to communications exchanged between CESL and the Ministry concerning the ongoing tender. CESL, however, declined to disclose the information, citing grounds of confidentiality and fiduciary obligations, particularly given that the tender in question remains active. The notice of hearing from the CIC in this matter is currently awaited.

The Company has incurred the legal expenses of Rs 57.33 Lakh till 31st March, 2025.

22 DEPOSITS

During the financial year 2024–25, the Company has received security deposits against E-Bus tender amounting to Rs. 27,27.02 Lakh and Security deposit against Performance bank guarantee Rs. 0.7511 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 19, 2024 appointed **M/s S MOHAN & CO, Chartered Accountants, New Delhi** as Statutory Auditor of the Company for financial year 2024-25. The Statutory Auditors have not made any qualifications/adverse remarks in the Audit Report for the financial year 2024-2025.

During the year, pursuant to the provisions of Section 143(6)(b) of the Companies Act, 2013, the Comptroller and Auditor General of India (C&AG) conducted a supplementary audit of the Company's financial statements for the financial year 2023–24. Based on its review, C&AG recommended a revision in the Statutory Auditor's Report to include the following disclosure: "Disclosure regarding funds (grants/subsidy etc) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its terms and conditions". This disclosure was accordingly incorporated in Annexure "C", at Serial No. 3, of the revised Independent Auditor's Report for FY 2023–24, dated August 07, 2024.
There were no other comments from the C&AG. The same disclosure was also included in the Board's Report for the financial year 2023–24.The members of the Company duly approved the revised Audited Financial Statements, along with the Audit Report and the Board's Report for FY 2023–24, at the Annual General Meeting held on September 25, 2024.

23.2 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 2024-2025 and 2025-2026.

23.3 COST AUDITORS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company. Hence, appointment of Cost Auditor was not required for the financial year 2024-2025.

23.4 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 2024-25.

The Secretarial Audit Report in Form MR-3 (attached as Annexure-A to this report) for the financial year 2024-2025 does not contain any adverse remarks/qualifications or reservation.

24 STATUTORY DISCLOSURE

a) There was no change in nature of business of the Company during the financial year 2024–25.

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, 2025 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/

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

During the financial year 2024-25, the company received 13 applications and 1 appeal under Right to Information (RTI) Act. All the applications & appeal were disposed-off in a time bound manner.

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 2024–25, the provisions of Section 135 of the Companies Act, 2013, pertaining to the constitution of a Corporate Social Responsibility (CSR) Committee and the obligation to spend 2% of the average net profits of the Company made during the three immediately preceding financial years, are not applicable to the Company.

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 2024-2025.

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 2024-25, 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 said rule are not applicable to the 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 Energy Efficiency Services Limited and the state governments, state electricity boards, State Power Utilities and other stakeholders for their continued supports and trust in the Company.

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
Convergence Energy Services Limited

Shri Akhilesh Kumar Dixit	**Shri Shankar Gopal**
Director	**Director**
10869939	**08339439**
Date: 18.07.2025	**Date: 18.07.2025**
Place: Noida	**Place: Noida**

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, 2025

[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, 2025** 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, 2025** 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 Company Secretaries NOIDA

(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 ★ 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. ***Registered Office of the Company has been shifted 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.***

Date: 18.07.2025
Place: Noida

Sinha & Srivastava LLP ★ Company Secretaries ★ NOIDA

For, Sinha & Srivastava LLP
Company Secretaries

Mrinal Shrivastava
(Designated Partner)
ACS No.: 9126; CP No.: 27404
FRN: L2017UP003700
PR: 6978/2025
UDIN: A009126G000808760

*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.*

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

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our finding/ 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 the 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 financial records and Books of Accounts of the Company.
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.

Date: 18.07.2025
Place: Noida

Sinha & Srivastava LLP ★ Company Secretaries ★

For, Sinha & Srivastava LLP
Company Secretaries

Mrinal Shrivastava
(Designated Partner)
ACS No.: 9126; CP No.: 27404
FRN: L2017UP003700
PR: 6978/2025
UDIN: A009126G000808760

DGA(CE)/Rep/01-178/Acs-CESL/2025-26/015-2946279

भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)
नई दिल्ली

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

INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Director General of Audit (Energy)
New Delhi

Dated: 08/09/2025

सेवा में,

निदेशक,
कन्वर्जेंस एनर्जी सर्विसेज लिमिटेड,
नई दिल्ली ।

विषय: 31 मार्च 2025 को समाप्त वर्ष के लिए कन्वर्जेंस एनर्जी सर्विसेज लिमिटेड नई दिल्ली के वर्ष 2024-25 के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियन्त्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, कन्वर्जेंस एनर्जी सर्विसेज लिमिटेड, नई दिल्ली के 31 मार्च 2025 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 रही हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीया,

संलग्नक:- यथोपरि।

तनुजा मित्तल

(तनुजा मित्तल)
महानिदेशक (ऊर्जा)

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, 23239211, Email : pdaenergydl@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF CONVERGENCE ENERGY SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of Convergence Energy Services Limited for the year ended 31 March 2025 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 18 July 2025.

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 31 March 2025 under Section 143(6)(a) of the Act.

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

Tanuja Mittal
(Tanuja Mittal)
Director General of Audit (Energy)

Place: New Delhi
Date: 08/09/2025

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 the Balance Sheet as at March 31, 2025, the 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 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, 2025, 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. FRN-000608N Chartered Accountants

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the 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 Emission 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, 2025 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, 2025 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. FRN-000606N Chartered Accountants

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 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.

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.

S. MOHAN & CO. * FRN-000606N * Chartered Accountants

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

S. MOHAN & CO.
Chartered Accountants

- 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.

   (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 Balance Sheet, the 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, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 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 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 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. 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-000606N 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

RKmittal

R.K. Mittal, FCA
Partner
Membership No. 088767
UDIN: 25088767BMFXUP2627
Place: New Delhi
Date: 18.07.2025

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 2025, 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, 2025 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.
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. FRN 000503N 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 2025 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 2025.

(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. FRN-000606N 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 according to the information and explanations given to us and based on our examination of the records of the company, the company has an internal audit system commensurate with the size and nature of its business. We have considered the reports of the Internal Auditor 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 procedures.

S. MOHAN & CO. FRN 000606N 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)and3(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. The Company has not incurred cash losses during the current financial year and during 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.

S. MOHAN & CO. FRN-000606N 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.

21. The clause 3(xxi) of the order is not applicable to the standalone financial statements, hence no comment is given.

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

R.K. Mittal, FCA
Partner
Membership No. 088767
UDIN: 25088767BMFXUP2627
Place: New Delhi
Date: 18.07.2025

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, 2025

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, 2025 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 if 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. FRN 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 000934N 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 2025, 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: 25088767BMFXUP2627
Place: New Delhi
Date: 18.07.2025

Annexure C to the Independent Auditor's Report

(In respect of Directions, issued by Comptroller and Auditor General of India in terms of section 143(5) of the Companies Act, 2013 for the year 2024-25)

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 2025, we report the following:

S.No	Director u/s 143(5) of the Companies Act, 2013	Auditor's Reply on the action taken on the directions	Impact on Financial Statement
1.	Whether the Company has system in place to process all the accounting transactions through IT System? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	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. Accordingly, there are no financial implications on the integrity of the accounts.	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/write-off of debts/loans/interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not restructured any loan or write-off any debts/loans/interest during the year under audit. Accordingly, there is no impact on the financial statements for the year 2024-25.	Nil

S. MOHAN & CO. FRN Chartered Accountants

3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its terms and conditions? 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

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

RKmittal

R.K. Mittal, FCA
Partner
Membership No. 088767
UDIN: 25088767BMFXUP2627
Place: New Delhi
Date: 18.07.2025

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, 2025

(All amounts in INR Lakhs , unless otherwise stated)

Particulars	Note No.	As At March 31, 2025	As At March 31, 2024
ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	4	323.69	377.69
(b) Intangible Assets	4	4,693.85	5,945.20
(c) Right-of-use Assets	5	1,366.37	-
(d) Financial Assets			
(i) Loans	6	6.45	4.21
(ii) Others Non-Current Financial Assets	7	4,175.51	2,987.93
(e) Deferred Tax Assets (net)	21	693.58	726.14
Total Non-Current Assets		11,259.45	10,041.17
Current Assets			
(a) Inventories	8	97.25	158.40
(b) Financial Assets			
(i) Trade Receivables	9	1,934.51	1,449.32
(ii) Cash and Cash Equivalents	10	8,757.38	6,107.04
(iii) Bank Balances other than (ii) above	11	4,834.46	33.00
(iv) Loans	12	5.49	4.09
(v) Other Current Financial Assets	13	1,816.66	2,020.50
(c) Current Tax Assets (net)	14	591.39	349.67
(d) Other Current Assets	15	1,488.94	1,381.03
Total Current Assets		19,526.08	11,503.05
Total Assets		30,785.53	21,544.22
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	5,921.01	5,921.01
(b) Other Equity	17	(2,045.98)	(2,110.16)
Total Equity		3,875.03	3,810.85
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	4,506.92	5,810.85
(ii) Lease Liabilities	19	3,986.60	2,226.68
(b) Provisions	20	17.54	10.41
Total Non-Current Liabilities		8,511.06	8,047.95
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	1,306.06	1,456.75
(ii) Lease Liabilities	23	1,331.00	765.30
(iii) Trade Payables			
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	24	295.59	304.24
(b) Total outstanding dues of other than Micro Enterprises and Small Enterprises	24	4,551.63	3,157.21
(iv) Other Current Financial Liabilities	25	3,538.34	3,116.46
(b) Other Current Liabilities	26	7,376.21	867.17
(c) Provisions	27	0.61	18.30
Total Current Liabilities		18,399.44	9,685.42
Total Equity & Liabilities		30,785.53	21,544.22

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

RK Mittal

(R K Mittal , FCA)
Partner
Membership No. 088767
UDIN: 25088767BMFXUP2627
Place : New Delhi
Date : 18-07-2025

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

(Akhilesh Kumar Dixit)
Director
DIN- 10869939

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

(Abhishek Srivastava)
Company Secretary

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, 2025

(All amounts in INR Lakhs , unless otherwise stated)

	Particulars	Note No.	For the Year ended March 31, 2025	For the Year ended March 31, 2024
	Income			
I	Revenue From Operations	28	4,992.87	4,425.55
II	Other Income	29	580.60	642.31
III	**Total Income (I + II)**		5,573.47	5,067.86
IV	**Expenses**			
	Purchase of Stock-in-Trade	30	8.62	159.34
	Change in inventories of Stock-in-Trade	31	61.15	(158.40)
	Employee Benefits Expense	32	246.90	240.75
	Finance Costs	33	1,156.63	1,032.55
	Depreciation and Amortization Expenses	34	1,324.71	1,299.15
	Other Expenses	35	2,676.94	1,576.92
	Total Expenses		5,474.95	4,150.31
V	**Profit Before Exceptional Items and Tax (III-IV)**		**98.52**	**917.56**
VI	Exceptional Items		-	-
VII	**Profit/(loss) Before Tax(V-VI)**		**98.52**	**917.56**
VIII	Tax Expenses	36		
	(1) Current tax			
	- Current Year		-	-
	- Earlier Years		1.25	-
	(2) Deferred tax		32.69	201.27
			33.94	201.27
IX	**Net Profit after Tax (VII - VIII)**		**64.58**	**716.29**
X	**Profit / (Loss) for the Year from continuing operations**		**64.58**	**716.29**
XI	**Other Comprehensive Income**	37		
	Items that will not be reclassified to profit or loss (net of tax)			
	Re-measurement of defined benefit plans		(0.54)	(7.89)
	Less: Income tax relating to items that will not be reclassified to profit or loss		(0.14)	(1.99)
	Other Comprehensive Income for the year (net of tax)		(0.40)	(5.91)
XII	**Total Comprehensive Income for the year (X + XI)**		**64.18**	**710.38**
XIII	**Earning per Equity Share**	38		
	Nominal value of equity shares (Rs 10.00 each)			
	(1) Basic (in Rs)		0.11	1.21
	(2) Diluted (in Rs)		0.11	1.21

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: 25088767BMFXUP2627
Place : New Delhi
Date : 18-07-2025

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

(Akhilesh Kumar Dixit)
Director
DIN- 10869939

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

(Abhishek Srivastava)
Company Secretary

Convergence Energy Services Limited
CIN- U40300DL2020PLC372412
Regd Office: 9th Floor, Jeevan Prakash Building, 25, KG Marg, Connaught Place, New Delhi, 110001
Standalone Statement of Cash Flow for the year ended March 31, 2025

(All amounts in INR Lakhs , unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
A. Cash Flow from Operating Activities		
Net Profit before Tax	98.52	917.56
Adjustments:		
Depreciation and Amortization Expense	1,324.71	1,299.15
Finance Cost	1,156.63	1,032.55
Interest Income	(522.99)	(266.37)
(Profit)/ Loss on disposal of Property, Plant & Equipment	-	0.50
Operating Profit before working capital changes	2,056.87	2,983.39
Adjustments for working capital changes:		
Inventories	61.15	(158.40)
Trade and Other Payables	8,299.00	(1,991.30)
Trade and Other Receivables	(381.77)	401.58
Other Financial Assets	(1,191.22)	(105.79)
Cash Generated from Operations	8,844.03	1,129.48
Income Tax (Paid) / Refund	(242.97)	(294.76)
Net Cash from /(used in) Operating activities	8,601.06	834.72
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and CWIP, Intangible Assets	(1,385.73)	-
Sale / adjustment proceeds of Property, Plant & Equipment		315.47
Bank balance other than cash & and cash equivalent	(4,801.46)	-
Non - current liability & Provisions	7.13	2.87
Interest Received	514.95	266.37
Net Cash from /(used in) Investing Activities	(5,665.11)	584.70
C Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	-	3,833.06
Proceeds / (Repayment) of current borrowings	(150.69)	779.92
Repayment of non-current borrowings	(1,303.93)	(2,154.01)
Finance Cost	(1,156.63)	(1,032.55)
Lease Liability	2,325.63	(666.22)
Dividend Paid (including tax on dividend)	-	-
Net cash from /(used in) financing activities	(285.62)	760.19
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	2,650.33	2,179.60
Cash and cash equivalents (Opening Balance)	6,107.04	3,927.44
Cash and cash equivalents (Closing Balance)	8,757.38	6,107.04
Change in Cash & Cash Equivalents	2,650.33	2,179.60

Components of Cash & Cash Equivalents	**As At March 31, 2025**	**As At March 31, 2024**
Balances with banks		
- in Current Accounts	877.29	553.85
Gold coins/ Silver Coins/ Stamps	-	-
Deposits with maturity of less than three months	7,880.09	5,553.19
Net Cash & Cash Equivalents	8,757.38	6,107.04

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

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4. Reconciliation between the opening and closing balances of the balance sheet for liabilities arising from financing activities:

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

For the period ended 31 March 2024

Particulars	Non- current borrowings	Current borrowings	Finance lease obligation
Opening balance as at 01.04.2023	4,131.81	676.82	3,658.21
Cash flow during the year	1,679.04	779.92	(666.22)
Closing balance as at 31.03.2024	5,810.85	1,456.75	2,991.98

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

(R K Mittal , FCA)
Partner
Membership No. 088767
UDIN: 25088767BMFXUP2627
Place : New Delhi
Date : 18-07-2025

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

(Akhilesh Kumar Dixit)
Director
DIN- 10869939

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

(Abhishek Srivastava)
Company Secretary

Convergence Energy Services Limited

Statement of Changes in Equity for the year ended March 31, 2025

(a) Equity Share Capital

Current Year

(All amounts in INR Lakhs , unless otherwise stated)

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

Previous Year

Balance as at 1st April 2023	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 2024
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 (01.04.2024)		(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)

Previous 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 (01.04.2023)	-	(2,820.54)	-	-	(2,820.54)
Profit / Loss for the year	-	716.29	-	-	716.29
Other Comprehensive Income for the current Financial Year (net of taxes)	-	-	-	(5.91)	(5.91)
Balance at the end of the Financial Year(31.03.2024)	-	(2,104.25)	-	(5.91)	(2,110.16)

Convergence Energy Services Limited

Notes to the Financial Statements

Note 1 Corporate Information

Convergence Energy Services Limited (CIN- U40300DL2020PLC372412) 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 Material accounting policies information :

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.

These financial statements were approved for issue by the Board of Directors in its meeting held on 18 July 2025.

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.

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.

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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 Accounting estimates and judgements

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

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

a. Property, plant and equipment

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

b. Provisions

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

c. Impairment of Financial and Non-Financial Assets

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

d. Recoverability of trade receivables:

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

e. Income Tax:

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

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

f. Contingencies:

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

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g. **Leases**

For the residual value/purchase price at the end of lease term, where the agreement with the lessee fixed the purchase price 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. Property, Plant and Equipment which are added / disposed off during the year, deprecation is provided pro-rata basis with reference to the month of addition / deletion. Electric vehicles purcbased and not leased out to customer, shown as PPE under the head electric vehicles and depreciation is not cbarged due to these assets are for the purpose of financial lease.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in schedule II to the Act, are as follows and residual value is considered as Nil.

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

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

3.2 Intangible assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

a) for assets acquired in a business combination, at fair value on the date of acquisition

b) for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the asset for its intended use.

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

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

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

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

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

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, wbich comprises the initial amount of the lease liability adjusted for any lease payments made at or hefore the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right- of –use asset or is recorded in statement of profit and loss if the carrying amount of the right – of – use asset has been reduced to zero.

The Company presents right – of – use asset under property plant and equipment and lease liabilities as a separate line item on the face of the Balance sheet. The Group has elected to use the recognition exemptions for short term and low value leases as per Ind AS 116.

The Company as a lessor

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

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

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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.

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 tbe 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.

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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) sball be recognised in due course as per scheme depending on activities, milestones and other procedural audit and compliances.

(ii) Interest income from deposits and others is recognized on accrual basis 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 (witbout 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 (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) on 28th October, 2024. The services rendered under this scheme are treated as revenue and are recognized upon satisfaction of the performance obligation.

(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.

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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 under the technical assistance (TA) 9874 IND Program administered by the ADB, CESL proposes utilizing ADB funds for a 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 is 100% funded under the ADB TA program.
Under this pilot program, 1800 electric bicycles will be 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 will be managed by the State Rural Livelihood Mission (SRLM) or other designated agencies of the MoRD. The distribution process will commence once the SRLM or the designated agency collects a fixed payment of INR 9,000 + Taxes (less incentive, if any) from each end user and transfers the amount to CESL. The total amount collected will be retained as a earmarked revolving fund and to be utilized for scaling up CESL's e-mobility activities as per the terms of the project.
In this regard, CESL concluded the tendering process as per ADB guidelines and post approval from ADB, awarded the Letter of Award (LoA) to the L1 bidder, for the procurement of 1,800 cargo electric bicycles. Post delivery of e-bicycle, the selected vendor will submit a total cost invoice to CESL within 30 days of delivery, CESL being the executing agency. CESL will verify the invoice and forward it to ADB for making the 100% payment of the invoices raised. While the invoices for the project will be raised in CESL's name, due to its role as the issuing authority of the LoA, CESL bears no financial liability for these payments, as they are made directly by ADB to the vendor.
E-bicycles acquired under the project will be transferred to the beneficiaries, post-delivery and distribution of all 1800 e-bicycles, by issuing a transfer letter in the name of respective state SRLM or other Nodal agencies.

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

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

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

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3.9 **Taxes**

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

Current income tax

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

Deferred tax

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

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

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

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

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of whicb 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.

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Statement of Cash flow

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 eitber financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

(ii) **Initial recognition and measurement:**

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

(iii) **Subsequent measurement:**

The measurement of financial liabilities as appearing in balance sheet has been described as below :

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

(iv) **Derecognition:**

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses). When an existing financial liability is replaced hy 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							Total Tangible Assets	Right to Receive Carbon Credits (LED Bulbs Distributed)	Total Intangible Assets
	Land (Free Hold)	Buildings	Computer & Data Processing Units	Office Equipments	Furniture & Fixtures	Electric Vehicles for Lease	Solar Car Port			
Gross Carrying Amount										
As at 1st April 2024	-	-	11.97	18.36	503.08	-	-	533.41	8,759.44	8,759.44
Additions during the period	-	-	0.00	0.12	-	-	0.00	0.12	-	-
Disposals/ Adjustment	-	-	-	0.12	-	-	-	0.12	-	-
Balance as at 31 March 2025	-	-	**11.97**	**18.36**	**503.08**	-	**0.00**	**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/Adjustment			-	0.12	-	-	-	0.12	-	-
Balance 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
Balance as at 31 March 2025	-	-	**5.37**	**5.50**	**312.83**	-	**0.00**	**323.69**	**4,693.85**	**4,693.85**

Previous Year

Particulars	Tangible Assets								Intangible Assets	
	Own Assets							Total Tangible Assets	Right to Receive Carbon Credits (LED Bulbs Distributed)	Total Intangible Assets
	Land (Free Hold)	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Electric Vehicles for Lease	Solar Car Port			
Gross Carrying Amount										
As at 1st April 2023	-	-	24.46	17.66	503.08	306.17	-	851.37	8,759.44	8,759.44
Additions	-	-	4.78	1.05	-	-	-	5.84	(0.00)	(0.00)
Disposals/ Adjustment	-	-	17.27	0.35	-	306.17	-	323.79	-	-
As at 31 March 2024	-	-	**11.97**	**18.36**	**503.08**	-	-	**533.41**	**8,759.44**	**8,759.44**
Accumulated Depreciation								-	-	-
As at 1st April 2023	-	-	9.08	6.17	94.67	-	-	109.92	1,562.89	1,562.89
Depreciation for the year	-	-	2.40	3.50	47.79	-	-	53.69	1,251.35	1,251.35
Accumulated depreciation on disposals	-	-	7.53	0.35	-	-	-	7.88	-	-
As at 31 March 2024	-	-	**3.95**	**9.31**	**142.46**	-	-	**155.72**	**2,814.24**	**2,814.24**
Net Carrying Amount										
As at 1st April 2023	-	-	15.38	11.49	408.41	306.17	-	741.45	7,196.55	7,196.55
As at 31 March 2024	-	-	**8.02**	**9.05**	**360.62**	-		**377.69**	**5,945.20**	**5,945.20**

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

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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 2024	-	-	-
Additions during the period	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/Adjustment			-
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**

Previous Year

Particulars	Right-of-use Assets		Total
	Building (Lease Hold)	Vehicles	
As at 1st April 2023	-	-	-
Additions	-	-	-
Disposals/ Adjustment	-	-	-
Balance as at 31 March 2024	-	-	-
Accumulated Depreciation			-
As at 1st April 2023	-	-	-
Depreciation for the year	-		-
Accumulated depreciation on disposals			-
Balance as at 31 March 2024	-	-	-
Net Carrying Amount			-
As at 1st April 2023	-	-	-
Balance as at 31 March 2024	-	-	-

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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 31 March 2025	As at 31 March 2024
6	**Loans**		
	Advances to Employees		
	- Unsecured but considered Good	6.45	4.21
	Total	6.45	4.21
7	**Other Non Current Financial Assets**		
	Finance Lease Receivable - Electric Vehicles	3,969.99	2,984.41
	Bank deposits with more than 12 months maturity *	91.05	3.52
	Security Deposit - Rent - Ind AS	114.47	-
	Total	4,175.51	2,987.93
	* includes Fixed Deposit amounting to Rs 4,05,325/- is pledged with Bank as margin money for issuing of Bank Guarantees		
8	**Inventories**		
	Raw materials	-	-
	Work - in - progress	-	61.15
	Finished goods	-	-
	Stock-in-trade**	97.25	97.25
	Total	97.25	158.40

** Stock-in-trade is fees paid to VERRA 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 the CESL has forwarded documents for transfer of projects in the name of CESL to CQC, which they were supposed to send to VERRA. Meantime CQC has gone into liquidation and liquidator has been appointed. CESL has submitted copy of documents to liquidator for their action. Till date no action has been taken by the liquidator in this regard.

Further CQC has sent to CESL an invoice of USD 2,74,719.59 towards deposit of fees for issuance of 13,90,250 carbon credits, which have accrued till 2023-24. CESL has kept on hold the fees payment and issuance of such carbon credits, till project transfer process is completed

Note No.	Particulars	As at 31 March 2025	As at 31 March 2024
9	**Trade Receivables**		
	Trade Receivable considered good - Secured	-	-
	Trade Receivable considered good - Unsecured	1,934.51	1,449.32
	Trade Receivables which have significant increase in Credit Risk	-	-
	Trade Receivables - credit impaired	-	-
		1,934.51	1,449.32
	Less: Provision for expected credit loss	-	-
	Total	1,934.51	1,449.32

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 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.

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(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	As at 31 March 2025	As at 31 March 2024

Trade Receivables ageing schedule as at 31.03.2024

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	-	1,962.03	250.31	90.42	7.80	-	2,310.57
Less: Unallocated due to non identification							(861.26)
(i)Total Undisputed Trade receivables – considered good							1,449.32
(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 ***	176.73						176.73

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

Note No.	Particulars	As at 31 March 2025	As at 31 March 2024
10	**Cash & Cash Equivalents**		
	Balances with banks		
	- in Current Accounts	877.29	553.85
	- Deposits with maturity of less than three months	7,880.09	5,553.19
	Total	8,757.38	6,107.04
11	**Bank balances other than cash and cash equivalents**		
	Deposits with maturity of more than three months and maturing within one year (including interest accrued)	4,834.46	33.00
	Total	4,834.46	33.00
12	**Loans**		
	Advances to Employees		
	- Unsecured but considered Good	5.49	4.09
	Total	5.49	4.09
13	**Other Current Financial Assets**		
	Interest receivable	39.44	31.41
	Finance Lease Receivable - Electric Vehicles	1,380.86	1,697.71
	Unbilled Revenue	294.96	176.73
	Grant Recoverable	-	12.81
	Security Deposits	100.68	101.13
	Earnest Money Deposit	0.72	0.72
	Total	1,816.66	2,020.50
14	**Current Tax Assets (net)**		
	TDS & Advance Income-tax	591.39	349.67
	Total	591.39	349.67
15	**Other Current Assets**		
	Undistributed Energy Efficient Bulbs	5.58	5.58
	Balance with Revenue Authorities	1,157.14	1,293.69
	Prepaid Expenses	3.48	5.52
	Advance for Expenses	260.39	66.35
	Advance to Staff	2.05	2.21
	Prepaid Assets - Surplus of Plan Assets	9.14	7.68
	Prepaid rent on Security Deposit- Ind AS	51.16	-
	Total	1,488.94	1,381.03

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Notes to the Financial Statements

(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	As at 31 March 2025	As at 31 March 2024
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, 2025		As at March 31, 2024	
	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, 2025		As at March 31, 2024	
	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, 2025		As at March 31, 2024		% 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, 2025		As at March 31, 2024		% 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 31 March 2025	As at 31 March 2024
17	**Other Equity**		
	a. Retained Earnings		
	Opening balance	(2,104.25)	(2,820.54)
	Add: Net Profit for the year	64.58	716.29
	Less: Appropriations:	-	-
	Closing Balance	(2,039.67)	(2,104.25)
	b. Other Comprehensive Income		
	Opening Balance	(5.91)	-
	Addition during the year	(0.40)	(5.91)
	Total Income recognised on Equity instruments	-	-
	Actuarial Gain & Losses on DBO (net of tax)	-	-
	Closing Balance	(6.31)	(5.91)
	Total	(2,045.98)	(2,110.16)

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Convergence Energy Services Limited
Notes to the Financial Statements

(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	As at 31 March 2025	As at 31 March 2024
18	**Borrowings**		
	Secured		
	Term loans from State Bank of India #	1,004.19	1,339.39
	Less: current maturities of long term borrowings (refer note 22)	337.33	337.33
		666.86	1,002.06
	(Secured against first charge on vehicles financed and second charge on current assets of the Company)		
	Unsecured		
	- Inter Corporate Term Loan from Holding Company # #	4,808.80	5,928.21
	Less: current maturities of long term borrowings (refer note 22)	968.73	1,119.41
		3,840.06	4,808.80
	Total	4,506.92	5,810.85

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 31.03.2025	Current	Non- Current	Repayment Schedule	
Energy Efficiency Services Limited	4,808.80	968.74	3,840.06	31-03-2026	968.74
				31-03-2027	968.74
				31-03-2028	1,435.66
				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 31 March 2025	As at 31 March 2024
19	**Non Current Lease Liabilities**		
	Lease Liabilities - Electric Vehicles	2,832.55	2,226.68
	Lease Liabilities - Building	1,154.05	-
	Total	3,986.60	2,226.68
20	**Non Current Provisions**		
	Provisions for Employee Benefit		
	Leave Encashment	17.54	10.41
	Total	17.54	10.41
	Note: Provision for Employee Benefits		
	Opening Balance	10.41	7.55
	Additions/(adjustment)	7.13	2.87
	Closing Balance	17.54	10.41
	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	579.81	545.80
	On account of Difference in Lease Rent Exp and Finance Cost	532.43	343.29
	Deferred tax liability	1,112.24	889.09
	Deferred tax assets		
	On account of Losses Carried Forward	345.27	414.07
	On account of Unabsorbed Depreciation	827.81	827.81
	On account of in Lease Rent Income and Finance Income	626.05	368.61
	On account of unpaid exp u/s 43B Income Tax Act	4.57	2.75
	On account actuarial gain/loss	2.12	1.99
	Deferred tax assets	1,805.82	1,615.22
	Net deferred tax Assets	693.58	726.14

Movement in deferred tax items

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CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI CIN No. U40300DL2020PLC372412

(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	As at 31 March 2025	As at 31 March 2024

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)

FY 23-24	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	376.90	168.90	-	545.80
Expenses allowed on payment basis	(1.90)	(0.85)	-	(2.75)
Financial Assets and others	(169.99)	(198.62)	-	(368.61)
Financial Liabilities and others	175.77	167.52	-	343.29
Recognition of DTA on business losses and accumulated depreciation	(1,306.20)	64.32	-	(1,241.88)
On account actuarial gain/loss	-	-	(1.99)	(1.99)
Net Deferred tax liability / (asset)	(925.42)	201.27	(1.99)	(726.14)

Note No.	Particulars	As at 31 March 2025	As at 31 March 2024
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	1,119.41
		968.73	1,119.41
	Total	1,306.06	1,456.75
23	**Current Lease Liabilities**		
	Lease Liabilities - Electric Vehicles	1,114.46	765.30
	Lease Liabilities - Building	216.54	-
	Total	1,331.00	765.30
24	**Trade Payables**		
	(a) Total outstanding dues of Micro and Small Enterprises (Refer note below)	295.59	304.24
	(b) Total outstanding dues of creditors other than Micro and Small Enterprises	4,551.63	3,157.21
	Total	4,847.22	3,461.45

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	4,551.63
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

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(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	As at 31 March 2025	As at 31 March 2024

Trade Payables aging schedule as at 31.03.2024

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	-	-	191.86	24.72	87.65	-	304.24
(ii) Others	-	-	2,131.14	1,025.77	0.30	-	3,157.21
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

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 31 March 2025	As at 31 March 2024
a) Amount remaining unpaid		
Principal amount	281.44	290.09
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 31 March 2025	As at 31 March 2024
25	**Other financial liabilities**		
	Earnest Money Deposits	7.74	1.72
	Security Deposit	1,272.22	1,204.91
	Retention Money	1,374.49	1,407.29
	Provision for Expenses	883.89	502.54
	Total	3,538.34	3,116.46
26	**Other Current Liabilities**		
	Statutory Liabilities	278.90	137.52
	Expenses Payables	1.12	5.53
	Advance From Customers	6,565.43	511.13
	Deferred Revenue	9.25	22.48
	Bank Guarantees encashment	521.51	190.51
	Earmarked Revolving Fund	0.00	-
	Total	7,376.21	867.17
27	**Current Provisions**		
	Provisions for employee benefit		
	Leave Encashment	0.61	0.51
	Superannuation	-	17.79
	Total	0.61	18.30
	Note: Provision for Employee Benefits		
	Opening Balance	18.30	-
	Additions	(17.69)	18.30
	Closing Balance	0.61	18.30

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

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CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI CIN No. U40300DL2020PLC372412

(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
28	**Revenue from operations**		
	A. Sale of products		
	Sale of Traded Goods	78.09	1.32
		78.09	**1.32**
	B. Income from Services		
	Finance Lease Income- Electric Vehicles	1,031.43	966.51
	Rendering of Services	3,883.35	3,457.71
		4,914.78	**4,424.23**
	Total	**4,992.87**	**4,425.55**
29	**Other income**		
	Interest - Banks	522.99	266.37
	Interest - Others	41.94	1.30
	Tender document fees	8.38	18.35
	Misc Income	7.29	1.30
	Bank Guarantee Invoked	-	355.00
	Total	580.60	642.31
30	**Purchase of stock-in-trade**		
	Purchase of E Bicycle	6.00	-
	Purchase of EV Charger	1.68	61.15
	Solar (House Hold) System	0.94	0.94
	Certified Emmition Reduction	-	97.25
	Total	**8.62**	**159.34**
31	**Change in inventories of finished goods and work-in-progress**		
	Inventories at the beginning of the year		
	Stock-in-trade	158.40	
	Finished Goods		-
		158.40	-
	Less: Inventories at the end of 31.03.2025		
	Stock-in-trade	97.25	158.40
	Finished Goods		-
		97.25	**158.40**
	Change in inventories of finished goods and work-in-progress	**61.15**	**(158.40)**
32	**Employee benefits expense**		
	Salaries, wages & Allowances	190.91	185.54
	Contribution to Provident funds	14.49	13.77
	Leave Encashment	9.02	6.54
	Gratuity	4.85	4.80
	Superannuation	7.90	17.79
	Staff welfare Expense	19.73	12.31
	Total	**246.90**	**240.75**
33	**Finance Cost**		
	Interest Expenses	517.33	525.56
	Finance Lease - Electric Vehicles	631.92	507.00
	Finance Lease - Building	7.38	-
	Total	**1,156.63**	**1,032.55**
34	**Depreciation expense**		
	Depreciation on property, plant and equipment	54.12	47.80
	Amortisation of right-of-use assets	19.24	-
	Amortisation of intangible assets	1,251.35	1,251.35
	Total	**1,324.71**	**1,299.15**

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CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI CIN No. U40300DL2020PLC372412

(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
35	**Other Expenses**		
	Payment to the auditors		
	- Statutory Audit fees	2.25	1.50
	- Tax Audit fees	0.75	0.50
	- Internal Audit fees	2.50	-
	- Certification & Other fees	-	0.31
	Advertisement & Publicity	-	16.20
	Bank Charges	0.78	1.03
	Consultancy Charges	23.94	43.28
	Electricity Expenses	22.44	20.34
	Electricity - Electric Vehicle Charging	28.33	11.22
	Entertainment Expenses	2.67	1.86
	Loss on Sale of Fixed Assets	-	0.50
	Legal & Professional Expenses	86.89	44.19
	Security & House Keeping	41.70	46.28
	Manpower Expenses - EV	1,100.80	691.23
	Manpower Expenses - holding company	545.86	78.38
	Manpower Expenses	34.44	14.12
	Meeting Expenses	5.18	4.18
	Office Expenses	24.46	4.50
	Rent	499.36	474.94
	Repair & Maintenance - office	38.31	32.66
	Repair & Maintenance - Computers	12.15	7.97
	Repair & Maintenance - Electric Vehicle	5.95	0.10
	Insurance	3.82	1.08
	Printing & Stationery	7.57	7.69
	Communication Expenses	4.31	8.06
	Training Expenses	0.16	-
	Travelling & Conveyance	135.18	10.87
	Website Expense	2.29	0.72
	Business Promotion	1.03	3.26
	LED Replacement Charges	23.40	3.09
	Car Port & Other Services	-	19.23
	Rates,Taxes & Fees	10.85	19.42
	Tender Portal Expenses	7.48	5.95
	Foreign Exchange Rate Variation	0.01	0.84
	Misc Expenses	2.08	1.45
	Total	**2,676.94**	**1,576.92**

Note: Electricity - Electric Vehicle Charging, Manpower Expenses - EV, Repair & Maintenance - Computers & LED Replacement Charges includes prior period expenses amounting to ₹0.88 lakhs, ₹8.31 lakhs, ₹ 2.80 lakhs, ₹2.39 lakhs respectively, .

Note No.	Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
36	**Tax Expense**		
	Current tax		
	- Current Year	-	-
	- Earlier Years	1.25	-
	Deferred tax		
	- Deferred tax credit	32.69	201.27
		33.94	201.27

(All amounts in INR Lakhs , unless otherwise stated)

Note No.	Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
	Total income tax expense recognised in profit & loss account	33.94	201.27
	Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:		
	Profit before tax	98.52	917.56
	Income tax expense calculated at 25.168% (including surcharge and education cess)	24.80	230.93
	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	9.14	-
	Total income tax expense recognised in profit & loss account	**33.94**	**230.93**
37	**Other Comprehensive Income**		
	Item that will not be reclassified to profit / (Loss)		
	- Actuarial loss on defined benefit obligation	(0.54)	(7.89)
	- Income tax relating to Actuarial loss	0.14	1.99
	Items that will be reclassified to profit or loss		
	- Fair valuation of equity instruments at FVOCI	-	-
	Total Other Comprehensive Income / (Loss)	**(0.40)**	**(5.91)**
38	**Earnings per Share**		
	Net profit for the year attributable to Equity Shareholders for Basic EPS	64.58	716.29
	Add: Share based payment (net of tax)	-	-
	Net profit for the year attributable to Equity Shareholders for Diluted EPS	64.58	716.29
	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)	0.11	1.21
	Diluted (in Rs)	0.11	1.21

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(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 338.92 Lakhs (31 March 2024 Rs Nil)

40 Contingent Liabilities

	Particulars	As at March 31, 2025	As at March 31, 2024
i	Bank Guarantees backed by Fixed Deposit	4.05	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.
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 has been referred to arbitration at DIAC by MSEFC, and the arbitral proceeding is yet to start.

(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.

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(All amounts in INR Lakhs , unless otherwise stated)

Subsequently, CESL decided to cancel PMI's bids and invoked the bank guarantees, prompting PMI to file a writ petition. The Delhi High Court intervened, directing CESL to withdraw letters sent for BG encashment and provide PMI a fair hearing. CESL, withdrew the letters sent to the Bank for BG encashment except for one Bank, which has already iniated the encashment procedures (INR Rs 331 Lakh). Over the course of several hearings and representations, CESL issued a revised reasoned order on November 26, 2024. PMI challenged this order, and the Delhi High Court stayed its implementation on December 20, 2024. CESL has filed a counter affidavit, and the proceedings are still underway. Furthermore, PMI has filed a second appeal before the Central Information Commission (CIC), challenging the responses of the CPIO and the First Appellate Authority of CESL in relation to an RTI application. In the said application, PMI had sought access to communications exchanged between CESL and the Ministry concerning the ongoing tender. CESL, however, declined to disclose the information, citing grounds of confidentiality and fiduciary obligations, particularly given that the tender in question remains active. The notice of hearing from the CIC in this matter is currently awaited.

The Company has incurred the legal expenses of Rs 57.33 Lakh till 31st March,2025.

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	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

Particulars	Gram Ujala	E-Mobility	Total
For the Year ended 31 March 2024			
Segment revenue	-	4,425.53	4,425.53
Segment expenses	1,723.53	1,314.72	3,038.26
Segment results	**(1,723.53)**	**3,110.80**	**1,387.27**
Unallocated corporate interest and other income	-	-	642.34
Unallocated corporate expenses, finance charges	-	-	1,127.83
Profit before tax	-	-	901.77
Income tax (net)	-	-	201.27
Profit after tax	-	-	700.50

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(All amounts in INR Lakhs , unless otherwise stated)

Particulars	Gram Ujala	E-Mobility	Total
As at March 31, 2025			
Segment Assets	4,796.68	7,285.35	12,082.03
Unallocated corporate and other assets	-	-	18,703.50
Total assets	**4,796.68**	**7,285.35**	**30,785.53**
Segment liabilities	6,390.49	17,231.00	23,621.49
Unallocated corporate and other liabilities	-	-	3,289.01
Total liabilities	**6,390.49**	**17,231.00**	**26,910.50**
As at March 31, 2024			
Particulars	**Gram Ujala**	**E-Mobility**	**Total**
Segment Assets	6,048.03	6,131.44	12,179.47
Unallocated corporate and other assets	-	-	9,364.75
Total assets	**6,048.03**	**6,131.44**	**21,544.22**
Segment liabilities	7,628.43	9,041.96	16,670.40
Unallocated corporate and other liabilities	-	-	1,062.97
Total liabilities	**7,628.43**	**9,041.96**	**17,733.37**

c **Other information about reportable segments:**

Particulars	Gram Ujala	E-Mobility	Total
For the Year ended 31 March, 2025			
Depreciation and amortisation expense	1,251.35	-	**1,251.35**
Interest Expenses	411.93	105.41	**517.33**
For the Year ended 31 March 2024	**Gram Ujala**	**E-Mobility**	**Total**
Depreciation and amortisation expense	1,251.35	-	**1,251.35**
Interest Expenses	466.70	58.86	**525.56**

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, 2025	As at March 31, 2024
India	4,992.87	4,425.55
Outside India	-	-
Total Revenue as per statement of profit and loss	**4,992.87**	**4,425.55**

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(All amounts in INR Lakhs , unless otherwise stated)

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 2025	For the year ended 31 March 2024
	Nature of goods and services		
i	**Sale of goods**		
	Solar Power Conditioning System	1.32	1.32
	Electric Bicycle	6.00	-
	EV Charger Sale	70.77	-
	Others	-	-
	Total A	**78.09**	**1.32**
ii	**Rendering of services**		
	Finance Lease Income- Electric Vehicles	1,031.43	966.51
	PMC Charges on EV Buses	1,659.99	2,629.84
	Others	2,223.35	827.87
	Total B	**4,914.78**	**4,424.23**
	Total A + B	**4,992.87**	**4,425.55**
(iii)	**Timing of revenue recognition**		
	Products transferred / services rendered at a point in time	3,332.88	1,795.71
	Products transferred / services rendered over the time	1,659.99	2,629.84
	Total	**4,992.87**	**4,425.55**

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Contract price	4,992.87	4,425.55
Revenue from operations	**4,992.87**	**4,425.55**

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 2025	For the year ended 31 March 2024
Trade receivables	1,934.51	1,449.32
Non-current unbilled revenue	-	-
Current unbilled revenue	294.96	176.73
Unearned revenue	-	-

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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.

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, 2025**	**As at March 31, 2024**
Right of use assets		
opening balance	-	-
Reclass of leasehold land	-	-
Additions during the year	3,077.10	-
Disposals/ Adjustment / Depreciation for the year	(1,710.73)	-
Closing balance	**1,366.37**	-
Lease Liabilities		
Opening balance	2,991.98	3,658.21
Additions during the year	3,077.10	-
Accretion of interest	639.30	507.00
Payments	(1,390.79)	(1,173.22)
Closing Balance	**5,317.59**	**2,991.98**

Bifurcation of Lease Liabilities

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Current	1,330.99	1,085.51
Non current	3,986.60	1,906.48
Total	**5,317.59**	**2,991.98**

(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, 2025**	**As at March 31, 2024**
less than one year	2,584.11	1,894.14
One to two year	2,423.76	1,898.69
Two to three Year	1,658.84	1,738.34
Three to four year	1,030.31	973.42
Four to five year	640.55	344.88
more than five years	27.38	142.70
Total minimum lease payments	**8,364.96**	**6,992.18**
Less: Unearned Finance income	3,014.12	2,310.06
Present value of minimum lease payments	**5,350.84**	**4,682.12**

(All amounts in INR Lakhs , unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Present Value of future minimum lease payments due under non-cancellable finance lease are as follows:		
less than one year	2,281.85	1,697.71
One to two year	1,687.93	1,391.39
Two to three Year	820.89	1,032.55
Three to four year	375.20	397.24
Four to five year	175.45	117.70
more than five years	9.52	45.54
Present value of minimum lease payments	**5,350.84**	**4,682.13**

44 Additional Regulatory Information

	Particulars	As at March 31, 2025	As at March 31, 2024
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 Rightof-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	Not Applicable	Not Applicable
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	
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

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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
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 2025	As at 31 March 2024	% Change in Ratio, if >25%	Reason for Change
Current Ratio	1.06	1.19	-11%	
Debt-Equity Ratio	1.50	1.91	21%	
Debt Service Coverage Ratio	1.31	1.64	-20%	
Return on Equity Ratio	1.67%	18.80%	-91%	The Profit After Tax (PAT) has decreased by ₹651.66 lakhs compared to the previous financial year.
Inventory turnover ratio	0.55	0.01	4508%	There is a decrease in inventory levels, accompanied by a corresponding reduction in purchases during the period
Trade Receivables turnover ratio	2.95	2.73	8%	
Trade payables turnover ratio	0.92	1.35	-31%	Purchases have declined compared to the previous financial year
Net Working capital turnover ratio	4.43	2.43	82%	Due to increase in current liability
Net profit ratio	1.29%	16%	-92%	PAT showed a positive figure; however, compared to FY 2023–24, profitability has decreased drastically.
Return on Capital employed	0.10	0.16	-38%	PBIT showed a positive figure; however, compared to FY 2023–24, has decreased.
Return on investment	0.03	0.07	-55%	PBIT showed a positive figure; however, compared to FY 2023–24, has decreased.

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

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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

Shri Shankar Gopal	Director (w.e.f. 29-Oct-2020)
Shri Ravindra Kumar Tyagi	Director w.e.f. 07-12-2022 till 09-01-2024
Dr Yatindra Dwivedi	Additional Director w.e.f. 02.02.2024
Shri D.K.Patel	Director (w.e.f. 16-Marcb-2023 up to April 30, 2024)
Shri Anil Kumar Jadli	Director (w.e.f. 24-June-2024)
Shri Vishal Kapoor	Chief Executive Officer (w.e.f. January 18, 2023)
Shri 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)
Shri Jagjeet Singh Dadiala	Chief Financial Officer (w.e.f. 5-April-2021)
Shri 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
Epal Holding Limited (Dissolved 26/09/2023)
Edina Acquisition Limited (Dissolved 26/09/2023)
Edina Manufacturing Limited (Dissolved 24/01/2023)
Edina Power Services Limited
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
NTPC Ltd
Power Finance Corporation Ltd
REC Limited

vi. Entities under tbe control of the same government:

The Company is a wbolly 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 purcbase 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.

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

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year ended 31 March 2025	For the year ended 31 March 2024
Holding Company	Energy Efficiency Services Limited	Purchase of Goods & Services	2,757.83	2,323.49
		Sale of Goods & Services	(0.14)	73.07
		Reimbursement of Expenditure	766.13	578.36
		Loan Taken	-	2,325.00
		Loan repayment	1,119.41	1,205.42
		Interest Expenses	411.93	466.70
Other enterprises	Power Grid Corporation of India Limited	Sale of services	707.33	752.28
Other enterprises	REC Limited	Sale of services	22.82	24.06
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	50.87	50.64
Company Secretary	Abhishek Srivastava	Compensation & Reimbursement of Expenses	27.71	27.63
Company Secretary	Abhishek Srivastava	Advance taken net off repayment	4.19	(0.17)

C. Balances outstanding at year end:

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year ended 31 March 2025	For the year ended 31 March 2024
Holding Company	Energy Efficiency Services Limited	Amount payable for purchase / expenses	4,917.16	3,132.24
		Amount recoverable for sale / reiumbursement	874.61	137.69
		Loans Taken	4,808.80	5,928.21
		Amount payable for Others	27.15	27.15
Company Secretary	Abhishek Srivastava	Advances Given	4.80	0.61
Other enterprises	Power Grid Corporation of India Limited	Amount receivable for Sale of services	174.04	542.75
Other enterprises	REC Limited	Amount receivable for Sale of services	4.24	2.04

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 ₹ 13.85 Lakhs (31 March 2024: ₹ 13.16 Lakhs) pertaining to employers' contribution to provident fund is recognised (excluding admin charges) as an expense and included in "Employee Benefits Expense" in note 32.

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(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 ₹ 7.90 Lakhs (31 March 2024: ₹ 17.79 Lakhs) pertaining to employers' contribution to superannuation fund is recognised as an expense and included in "Employee benefits expense" in note 32.

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 ₹ 9.02 Lakhs (31 March 2024: ₹ 6.54 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.

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:

Particulars	As at 31 March 2025	As at 31 March 2024
Net defined benefit (asset)/liability:		
Non-current	-	-
Current	-	-
Surplus of plan asset	(9.14)	(7.68)
Gratuity	**(9.14)**	**(7.68)**

(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 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)**

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Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance as at 1 April 2023	-	-	-
Included in profit or loss:			
Current service cost	4.80	-	4.80
Past service cost	-	-	-
Total amount recognised in profit or loss	**4.80**	-	**4.80**
Included in other comprehensive income (OCI):			
Remeasurement loss/(gain) arising from:			
Financial assumptions	-	-	-
Experience adjustment	7.91	-	7.91
Return on plan assets excluding interest income	-	0.02	(0.02)
Total amount recognised in OCI	**7.91**	**0.02**	**7.89**
Others			
Contributions paid by the employer	-	20.38	(20.38)
Benefits paid	-	-	-
Benefit amount received from LIC	-	-	-
Benefits received yet to be paid	-	-	-
Benefits paid			-
Balance as at 31 March 2024	**12.71**	**20.39**	**(7.68)**

(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 ₹ 1.58 Lakh (31 March 2024 ₹0.02 Lakh).

(iii) Actuarial assumptions

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

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate	6.79%	7.21%
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 2025		
Discount rate (0.5% movement)	(1.05)	1.13
Salary escalation rate (0.5% movement)	1.13	(1.06)
As at 31 March 2024		
Discount rate (0.5% movement)	(0.72)	0.78
Salary escalation rate (0.5% movement)	0.78	(0.73)

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 2025	As at 31 March 2024
Less than 1 year	0.07	0.05
Between 1-2 years	0.30	0.06
Between 2-5 years	0.93	0.59
Over 5 years	18.37	12.02
Total	**19.67**	**12.71**

(vii) Expected contributions to post-employment benefit plans for the year ending 31 March 2025 are ₹ 5.46 Lakh (PY 31 March 2024 ₹ 4.87 Lakh).

(viii) The weighted average duration of the defined benefit plan obligation as at 31 March 2025 is 12.18 years (PY 31 March 2024 12.41 Years).

48 Expenditure incurred on Corporate Social Responsibilities

NIL.

49 Dividend

The Company has not paid any dividend.

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

Notes to the Financial Statements (All amounts in INR Lakhs , unless otherwise stated)

52 **Fair value measurements**

a) **Financial instruments by category**

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets:		
Financial Assets - Non-Current		
Loans to employees	6.45	4.21
Others Non-Current Financial Assets	4,175.51	2,987.93
Financial Assets - Current		
Trade receivables	1,934.51	1,449.32
Cash and cash equivalents	8,757.38	6,107.04
Bank balances other than cash and cash equivalents	4,834.46	33.00
Loans	5.49	4.09
Other Current Financial Assets	1,816.66	2,020.50
Total	**21,530.45**	**12,606.09**
Financial liabilities:		
Financial Liabilities - Non-Current		
Non-current Borrowings	4,506.92	5,810.85
Lease Liabilities	3,986.60	2,226.68
Financial Liabilities-Current		
Current Borrowings	1,306.06	1,456.75
Trade Payables	4,847.22	3,461.45
Lease Liabilities	1,331.00	765.30
Other Current Financial Liabilities	3,538.34	3,116.46
Total	**19,516.14**	**16,837.49**

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 2025	As at 31 March 2024
Financial assets:			
Security deposits	Level 2	288.78	101.85
Unbilled revenue	Level 2	294.96	16,188.70
Loan to employees	Level 3	11.94	564.80
Lease receivables	Level 3	5,350.84	13,736.90
Non current bank deposits	Level 3	91.05	17,295.29
Total		**6,037.57**	**47,887.54**
Financial liabilities:			
Borrowings	Level 2	5,718.83	7,188.37
Retentions	Level 2	1,374.49	1,407.29
Trade payables	Level 2	4,847.22	3,461.45
Total		**11,940.55**	**12,057.11**

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Fair value measurements (continued)

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.
There are no transfers between level 1 and 2 during the year.

c) **Valuation technique used to determine fair value**
(i) For 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 2025**		**As at 31 March 2024**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets:				
Security deposits	215.87	288.78	101.85	101.85
Unbilled revenue	294.96	294.96	176.73	16,188.70
Loan to employees	11.94	11.94	8.30	564.80
Lease receivables	5,350.84	5,350.84	4,682.12	4,682.12
Non current bank deposits	91.05	91.05	3.52	3.52
Total	**5,964.66**	**6,037.57**	**4,972.52**	**21,540.99**
Financial liabilities:				
Non-current borrowings*	5,812.99	5,718.83	7,267.60	7,188.37
Retentions	1,374.49	1,374.49	1,407.29	1,407.29
Trade payables	4,847.22	4,847.22	3,461.45	3,461.45
Total	**12,034.70**	**11,940.55**	**12,136.34**	**12,057.11**

* 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.

Notes to the Financial Statements (All amounts in INR Lakhs , unless otherwise stated)

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 from parent company have been followed in respect of all the financial transactions, which involves control mechanism to identify and eliminate the element of risk at each stage of the transaction since inception to final recognition in the financial. Moreover, there is no material risk which in the opinion of the management might threaten the existence of the company. However with due course of development of operations the Company's senior management shall oversee the risks management and shall proceed to devise appropriate risk management framework for the Company to provide reasonable assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

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 finacial assets represents the maximum credit risk exposure.

Trade receivable and unbilled revenue:

The Company earns its revenue mainly from government -controlled-entities where the counter party risk is cosidered to be low. 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 diffrent 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 agaist 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 eqivalent and deposit with banks:

The Cash & Cash eqivalent 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 2025	As at 31 March 2024
Non-current Loans	6.45	4.21
Others Non-Current	4,061.04	2,987.93
Cash and Cash Equivalents	8,757.38	6,107.04
Deposit with Banks	4,834.46	33.00
Current Loans	5.49	4.09
Other Current Financial	1,521.70	1,843.78
Total	**19,186.51**	**10,980.05**

Trade receivables

Particulars	As at 31 March 2025		As at 31 March 2024	
	Up to 6 months	More than 6 months	Up to 6 months	More than 6 months
Gross carrying amount (A)	1,545.25	625.09	1,962.03	348.54
Expected Credit Losses (B)	-	-	-	-
Net Carrying Amount (A-B)	1,545.25	625.09	1,962.03	348.54

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Notes to the Financial Statements (All amounts in INR Lakhs , unless otherwise stated)

B. Liquidity Risk :

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its finacial liablities that are setteled 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 managemnet of short, medium and long-term funding and liquidity management requirements. the company manages liquidity risk by mainataining 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 bas sufficient casb on demand to meet expected operational expenses in short-term.

(i) Financing arrangement

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

Particulars	As at 31 March 2025	As at 31 March 2024
Inter Corporate Term Loan	249.00	249.00
Total	**249.00**	**249.00**

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

Particulars	As at 31 March 2025	As at 31 March 2024
Total current assets	19,526.08	11,503.05
Total current liabilities	18,399.44	9,685.42
Current ratio	**1.06**	**1.19**

(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 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 / Liablity 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**

Particulars	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total As at 31 March 2024
Non-current borrowings			1,306.07	4,510.22		**5,816.30**
Current borrowings	84.33	1,372.41				**1,456.75**
Trade payables	3,461.45					**3,461.45**
Retentions	1,407.29					**1,407.29**
Lease liabilities	181.12	584.18	883.50	1,245.45	97.74	**2,991.98**
Provision / Liablity for	502.54					**502.54**
Payable to employees	5.53					**5.53**
Others	1,206.63					**1,206.63**
Total	**6,848.89**	**1,956.59**	**2,189.57**	**5,755.67**	**97.74**	**16,848.46**

C. Market Risk :

Market risk is the risk that arises due to changes in market prices, such as foreign excbange rates and interest rates which will affect the Company's income. The objective of market risk management is to manage and controll market risk exposures within accepatable 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 guidlines set by the risk managment committee.

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CONVERGENCE ENERGY SERVICES LIMITED, NEW DELHI CIN No. U40300DL2020PLC372412

Notes to the Financial Statements (All amounts in INR Lakhs , unless otherwise stated)

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 fluactute with changes in interst rate.

Interest rate risk exposure
The Company's exposure to interest rate risk at the end of the reporting period is as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Floating rate borrowings	4,808.80	5,928.21
Fixed rate borrowings	1,007.31	1,344.83
Total	**5,816.11**	**7,273.04**

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 2025	As at 31 March 2024
Debt	5,812.98	7,267.60
Cash & bank balances	13,591.84	6,140.04
Net Debt	(7,778.86)	1,127.56
Total Equity	3,875.03	3,810.85
Net debt to equity ratio (Gearing Ratio)	(2.01)	0.30

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 2024 to 31st March 2025. (Previous year refers to the period from 1st April 2023 to 31st March 2024). 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

(R K Mittal , FCA)
Partner
Membership No. 088767
UDIN: 25088767BMFXUP2627
Place : New Delhi
Date : 18-07-2025

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

(Akhilesh Kumar Dixit)
Director
DIN- 10869939

(Shankar Gopal)
Director
DIN- 08339439

(Jagjeet Singh Dadiala)
CFO

(Abhishek Srivastava)
Company Secretary