

CONVERGENCE ENERGY SERVICES LIMITED

ANNUAL REPORT

2020-2021

CONVERGENCE ENERGY SERVICES LIMITED

(A Wholly-owned Subsidiary of Energy Efficiency Services Limited)
Registered Office: NFL Building, 2nd Floor, Core – III, SCOPE Complex, Lodhi Road, New Delhi – 110003
CIN: -U40300DL2020PLC372412

DIRECTORS' REPORT

To
The Members,
CONVERGENCE ENERGY SERVICES LIMITED

Your Directors are pleased to present the 1st Annual Report on business and operations of the company along with the Audited Financial Statements for the financial year ended on 31st March, 2021.

Revenue from operations for the financial year 2020-21 is ₹ 108,661 and total revenue for the period is ₹ 108,661. Net profit of the Company in 2020-21 is ₹ (21,325,359)

1 FINANCIAL PERFORMANCE

1.1 Financial Highlights (Standalone):

Highlights of performance of the Company for the financial year 2020-21 are given as under with comparative position of previous year's performance:

Particulars	(Amount in ₹)	
	31 st March, 2021	31 st March, 2020
Paid up Share capital	1000	-
Total Revenue (including Other Income)	108,661	-
Profit Before Depreciation & Taxes	(28,497,647)	-
Less: Depreciation	-	-
Profit/(Loss) Before Tax	(28,497,647)	-
Less: Prior Period Adjustments (Net)	-	-
Less: Provision for Taxation	-	-
-Current Year	-	-
-Earlier years	-	-
-Deferred Tax credit	(7,172,288)	-
Profit/(Loss) after Tax	(21,325,359)	-
Add : Other comprehensive income / (expense)	-	-
Total Comprehensive income for the year	(21,325,359)	-

1.2 Transfer to free Reserves and Dividend

The company has not transferred any amount to free reserves during the financial year 20-21

Your company do not propose any dividend on equity shares for the year ended 31st March 2021

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1.3 Share Capital

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

The company is formed as a wholly-owned subsidiary of Energy Efficiency Services Limited. Therefore, as on date, shareholding pattern of the company is as under:

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

1.4 Net Worth and Earning per Share

Your Company's net worth as on 31st March 2021 was ₹ (21,324,359). EPS of the Company for the year ended 31st March 2021 stands at ₹ (213,254).

1.5 Resource Mobilization

The financial year 2020-21 being the first year of the operations of the company, the projects undertaken by the company as part of its operations are in nascent stage. The company neither required nor did any mobilization of fund from any external source in any manner. However, keeping in view of the business projections and upcoming projects, the Company plans to mobilise funds from various resources depending in the capex / opex requirement as the case may be.

2 OPERATIONAL HIGHLIGHTS

2.1 Gram UJALA

Then Hon'ble Minister of State (IC) launched Gram UJALA programme in Bihar at Arrah District on 19th March,2021 and In Uttar Pradesh on 24th March,2021.

The bulbs being offered under the Gram Ujala initiative are energy efficient LED bulbs that consumes 88% percent less electricity as compared to the incandescent bulbs. The energy savings garnered through switching to energy efficient bulbs will also lead to reduction in a household's energy cost, which will bolster the household's disposable income and lifetime savings, thus improving their quality of life.

Under the Gram UJALA scheme, 7 watt and 12 watt LED bulbs are distributed charging a nominal service fee of Rs. 10 for proper disposal of old incandescent bulbs in an environment friendly manner. against the submission of 60 Watt and 100 Watt Incandescent Lamps.

As on 31.03.2021, total number of 12,822 bulbs were distributed in Bihar and Uttar Pradesh.

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2.2 NATIONAL E-MOBILITY PROGRAM

The National E – Mobility Programme was launched on 7th March 2018 by Hon'ble Minister of Power, New and Renewable Energy. CESL/EESL has aggregated demand by procuring electric cars in bulk to get economies of scale. These electric cars are being provided to mainly Government Entities, both at Central & State level, PSUs etc. on lease / outright purchase basis to replace the existing petrol and diesel vehicles taken on lease by various Government organizations. In addition, electric cars have also been leased to shared mobility operator. As on 31st March 2021, 1570 e-cars have been deployed and under registration / allocation at pan India level. For charging e – cars, 520 AC chargers & 201 DC chargers with a total of 1476 charging points have been commissioned as captive chargers within the clients premises in addition to Public chargers commissioned. CESL/EESL has signed agreements for leasing electric cars with more than 160 clients in 49 cities which includes various Ministries/Govt. Depts., both at Central & State level, PSUs, shared mobility operator etc.

As on 31.03.2021, Electric Cars deployed pan India by CESL/EESL have achieved a milestone with completion of 4.5 Cr Green km, thereby saving our mother earth from 8000 tons of Carbon Dioxide emissions, avoidance of Particulate Matter (PM) emission of around 1.12 tons and resulting in fuel savings of around Rs.20 Cr.

2.3 PUBLIC CHARGING INFRASTRUCTURE

EESL through its wholly owned subsidiary company “Convergence Energy Services Limited” (CESL) is supporting the development of electric mobility ecosystem in the country. The National e-Mobility Programme was launched on March 7, 2018 by the Hon'ble Minister of Power & New and Renewable Energy, Government of India. The program was launched with the goal to provide an impetus for Indian vehicle manufacturers, charging infrastructure companies, fleet operators, service providers, and other electric mobility stakeholders to gain efficiencies of scale and drive down costs, create local manufacturing facilities, grow technical competencies for the long-term growth of the electric vehicle (EV) industry in India and enabling Indian EV manufacturers to emerge as major global players.

- CESL/EESL is one of the first organizations in India to deploy Public Electric Vehicle Charging Stations (PCS) on an impactful scale. CESL/EESL has installed 173 PCS in FY-2020-21 with cumulative installations of 256 PCS comprising 135 Bharat Standard DC001 (15kW), 101 High Capacity Fast DC Combo Chargers 142kW (CCS2.0+ CHAdeMO + AC Type II) and 20 Bharat Standard AC001 (10kW).
- CESL/EESL has set up the India's First EV charging Plaza at Rafi Marg, New Delhi in partnership with New Delhi Municipal Council (NDMC) where 4 nos. of High Capacity Fast DC Combo Chargers 142kW (CCS2.0+ CHAdeMO + AC Type II) and 2 nos. Bharat Standard DC001 (15kW) have been installed capable of charging 14 electric cars simultaneously.
- CESL/EESL has successfully concluded the procurement for 1020 nos. of EV Chargers of all types (Bharat Standard DC-001, 15kW, Standalone CCS2, 50kW, Standalone Type 2 AC, 22kW and High Capacity Fast DC Combo Chargers 142kW (CCS2.0+ CHAdeMO + AC Type II) along with 3years comprehensive on-site warranty and AMC (extendable up to 10 years)
- EESL (CESL) has received Letter of Award (LOA) from Department of Heavy Industry (DHI) under FAME India Scheme Phase - II scheme for deployment of 1184 EV Chargers across 12 cities in India. The deployment of EV chargers are underway and due to COVID-19 restrictions and localized lock down across Cities there has been a delay in field surveys and installations progress.
- EESL in consortium with CESL has participated and submitted the proposal against the Expression of Interest (EOI) issued by Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry inviting proposals for availing incentives under FAME India

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Scheme Phase-II for deployment of EV charging infrastructure on (15) Highways and (9) Expressways across India.

2.4 SOLAR PROGRAMME

- 1. Solar Roof Top Programme:** Contributing to Nation's solar rooftop target, EESL/CESL has signed an agreement with Tamil Nadu Energy Development Agency (TEDA) for setting up 50 MW grid-connected rooftop solar (GCRTS) systems at Government buildings in the State of Tamil Nadu for a period of 25 years. Further, EESL/CESL has signed an MoU with various agencies such as Andaman & Nicobar Electricity Department (ANED), Maharashtra Public Works Department (PWD), New & Renewable Energy Development Corporation of Andhra Pradesh Ltd. (NREDCAP) and Kerala Tourism Development Corporation (KTDC) for implementation of Solar PV based rooftop projects.
- 2. Decentralized Solar Power Plant (Ground Mount) Programme:** CESL/EESL has initiated a first-of-its-kind large scale programme wherein existing agricultural feeders is being solarized via implementation of decentralised solar power plants at vacant / un-used lands at DISCOM substations/Govt. lands. Power Purchase Agreement (PPA) for a 25-year duration has been signed between EESL & Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 500 MW decentralized solar power projects ranging from 0.3 MW to 10 MW in vacant / unutilized / spare lands of MSEDCL, Maharashtra. Till 31st March 2021, decentralized solar power projects having a cumulative capacity of 131 MWp have been commissioned. In addition, EESL and Maharashtra State Power Generation Company Limited (MSPGCL) have executed a PPA for setting up 179 MW of decentralised solar projects ranging from 2 MW to 10 MW for a period of 25 years. Also, in addition to 179 MW, MSPGCL has placed another LoA to EESL for setting up 100 MW of decentralised solar projects ranging from 2 MW to 10 MW for a period of 25 years.

Further, EESL has also signed an MoU with Chhattisgarh State Power Distribution Company Limited (CSPDCL) for the development of 25 MW decentralised solar projects and with Meghalaya Power Distribution Corporation Limited for decentralised 100 MW ground-mounted solar PV based projects across the State of Meghalaya.

3 DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

4 INFORMATION TECHNOLOGY INITIATIVES

CESL has a dedicated team for information technology and communication infrastructure in place. Company is planning to implement Enterprise Resource Planning (ERP) application to integrate all its business functions to improve Information availability, transparency and decision - making. Some of the highlights are as under:

1. We have enabled IT services, to our core business i.e., projects for the effective monitoring, operations, grievance and tracking to get the right information at right time to address the business problems and facilitate business stakeholders to enable more.
2. We have been working actively to setup the IT infrastructure of the new corporate office.

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3. We have also developed and managed company website along with other dashboards such as solar dashboard, Electric vehicle dashboard etc.
4. Development and management of recruitment application.
5. Development, management and deployment of Gram Ujala dashboard.

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

IT infrastructure – Since the opening of new corporate office at New Delhi, IT team has been dedicatedly working on installation, upgradation and management of different components of IT infrastructure. These components include hardware, software, networking components, operating system (OS), and data storage, all of which are used to deliver IT services and solutions.

Security- Understanding security is need of the hour. CESL has implemented all the latest aspects of IT security. IT infra is enabled with Perimeter Security, Internal security end points etc. monitoring of security logs has been setup for proper resolution of any incident. We are enabling our processes, people, machines to tackle security issues at organization level.

New Policy - To make employees IT enabled, desktop computer and laptops have been provided to nearly 100% work force.

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

IT help desk: We have deployed an IT help desk internally to facilitate our business user to use IT systems smoothly and efficiently.

5 HUMAN RESOURCES MANAGEMENT

The focus of Human Resource Management is to build a workforce, enabling culture and ensure motivated work force with required skill sets. Company is trying to attract talent who meet 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 year has seen CESL focussed on building up the workforce among various business verticals. The total employee strength of the company as on 31st March 2021 is given as under:

Location	Number of employees			
	Regular	Contractual	Consultant	Third Party
India	0	0	1	0
Total	0	0	1	0

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

In line with provisions of "Sexual Harassment of women at Work Place (Prevention, Prohibition & Redressal) Act, 2013 an "Internal Complaints Committee" has been constituted for redressal of complaints against sexual harassment of women employees. During the financial year 2020 – 21, the Company did not receive any complaint of sexual harassment. Our organization emphasizes on providing a safe and congenial working environment for women and in all the training programs, a special stress is given on gender sensitization.

7 FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2020-21, the Foreign Exchange Earnings has been Nil.

During the financial year 2020-21, the Foreign Exchange Outgo has been Nil.

8 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 2020-21, 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.

9 FOREIGN EXCHANGE AND RISK MANAGEMENT POLICY

As aforementioned, for the financial year 2020-21 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 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 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.

10 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.

11 KEY MANAGERIAL PERSONNEL

As per the provisions of Companies Act, 2013, Ms. Mahua Acharya was appointed as the Managing Director & CEO w.e.f. 20th November 2020.

On 5th April 2021, Shri Jagjeet Singh Dadiala was further appointed as CFO of the company.

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Further, Shri Abhishek Shrivastava was appointed as the Company Secretary of the company on 23rd August 2021.

12 BOARD OF DIRECTORS & MEETINGS

The Company was incorporated with Shri Saurabh Kumar & Shri Shankar Gopal as the first directors of the company. Shri Rajat Kumar Sud was appointed as the Director in the first board meeting of the company held on 12th November 2020 and Ms. Mahua Acharya was appointed as the Managing Director & CEO of the company in the second board meeting of the company held on 20th November 2020.

Ms. Mahua Acharya & Shri Rajat Kumar Sud were regularised by the members in the Extra-Ordinary General Meeting held on 05.01.2021

Board of Directors of the company duly met 3 times during the financial year 2020 - 21. The dates on which meetings were held are as follows, 12th November 2020, 20th November 2020 & 10th March 2021.

Detail of number meetings attended by each Director during the financial year 2019 - 20 is as under:

Sr. No.	Name of Director	No. of Board Meeting	
		Entitled	Attended
1.	Shri Saurabh Kumar	3	3
2.	Ms. Mahua Acharya	2	2
3.	Shri Rajat Kumar Sud	3	3
4.	Shri Shankar Gopal	3	3

13 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 2020-21. 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:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- They have, in the selection of accounting policies, consulted Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- 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;
- They have prepared the annual accounts on a going concern basis.

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- 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.

14 MAINTENANCE OF COST RECORDS

Considering the nature and size of the operations of the company during the financial year 2020-21, your directors state that the provisions of Companies Act, 2013, regarding the maintenance of cost records are not applicable to the company

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

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

Sl. No.	Particulars	FY 2020 - 21 [In Rupees(₹)]
I	* Total annual procurement (in value)	22,41,67,165
a.	Total annual procurement (in value) through International Competitive bidding funded by Multilateral/ Bilateral Agencies	-
b.	Total annual procurement (in value) -Domestic Procurement	22,41,67,165
III	** Total value of goods and services procured from MSEs (including MSEs owned by SC / ST entrepreneurs)	13,12,22,165
III	Total value of goods and services procured from MSEs owned only by SC / ST and women entrepreneurs	-
IV	% age of procurement from MSEs (including MSEs owned by SC / ST and Women entrepreneurs) out of total procurement	58.54%

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V	% age of procurement from MSEs owned only by SC / ST entrepreneurs out of total procurement	-
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Note-The above stated figures are based on the Contract Value of the LOAs issued during the stated period.

*Projects not having absolute contract value (such as where payments are percentage based etc) have not been included while calculating total.

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

16 VIGIL MECHANISM

Considering the nature and size of the operations of the company during the financial year 2020-21, your directors state that the provisions of Companies Act, 2013, regarding formal process of Vigil Mechanism are not applicable on the company. 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.

17 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your directors state that considering the nature of transactions 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. Accordingly, the provisions regarding the requirements / compliances are not applicable on the Company for FY 2020-21.

18 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The company has not given any loans, guarantees or made any investment during the financial year 2020-21, which requires disclosures under section 186 of the Companies Act 2013

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

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

20 DEPOSITS

The company has not accepted any deposits during the financial year 2020-21

21 AUDITORS

22.1 STATUTORY AUDITOR

The Comptroller and Auditor General of India (C&AG), in exercise of power conferred under Section 139 of the Companies Act, 2013 has vide letter dated 5th January 2021 appointed **M/s V.K.H.S & Associates,**

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Chartered Accountants, New Delhi as Statutory Auditor of the Company for financial year 2020-21. The Board approved the Statutory Auditor Fees of ₹ 50,000 for the said period.

22.2 INTERNAL AUDITORS

Considering the nature and size of operations and financials of the company during the financial year 2020-21, the provision of the Companies Act, 2013 regarding the internal audit are not applicable on the company.

22.3 COST AUDITORS

Your company is not required to have a Cost Audit for the financial year 2020-21.

22.4 SECRETARIAL AUDITOR

Appointment of Secretarial Auditor is not applicable on the company for the Financial Year 2020-21.

22 STATUTORY DISCLOSURE

- a) There was no change in nature of business of the Company during the financial year 2020- 21.
- b) The Company maintains an adequate system of Internal Controls including suitable monitoring procedures, which ensure 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, 2021 and the date of this report.
- d) The Company has not issued any stock options to the Directors or any employee of the Company.
- e) The Company has complied with the applicable Secretarial Standards.
- f) In terms of provisions of Companies Act, 2013, only the standalone financial statements of the company are being presented.
- g) The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

23 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The report is annexed herewith as Annexure-A

24 WEBLINK TO COMPANY WEBSITE

The weblink to the company website is <https://www.convergence.co.in/>

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

During the F.Y. 2020-21, no RTI request were received for CESL. EESL/CESL ensure higher degrees of accountability in the organization and manages entire RTI and Public Grievances processing through online means and has been ensuring paperless work throughout.

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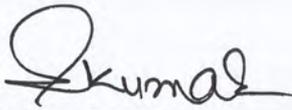
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26 ACKNOWLEDGEMENT:

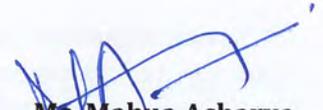
The Directors are grateful to the Government of India particularly Ministry of Power, Ministry of Finance, Department of Economic Affairs for their continued co - operation and support. The Directors thank Board of Energy Efficiency Services Limited and the state governments, state electricity boards,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

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

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



Shri Saurabh Kumar
Director
(DIN: 06576793)



Ms. Mahua Acharya
Managing Director
(DIN:03030535)

Date: September 6, 2021
Place: New Delhi

Management Discussion and Analysis Report

CONVERGENCE ENERGY SERVICES LIMITED

CONVERGENCE

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Convergence Energy Services Limited

The Energy Sector at Large

The energy sector worldwide is witnessing rapid changes. International commitments to decarbonization are getting increasingly serious, renewables and storage costs continue to decline, national commitments to increasing the share of renewable electricity are binding, grids are becoming digital, e-mobility is taking off and the need to provide modern energy services that respond to the needs of the consumer first is becoming more central. These changes are enabling new business models around the world to emerge, threatening to disrupt traditional utilities by providing energy, ancillary services and energy services in new ways. New business models will need to emerge, each producing multiple economic, environmental and social benefits – challenging the traditional energy-only supply business models.

A “**convergence**” is therefore taking place in the way energy is delivered. The concept of convergence therefore incorporates three principles:

- o Optimization of assets that cross traditional sector boundaries, including solar generation, storage, and demand side assets such as street lighting and EV chargers.

- o Smart, connected infrastructure to be installed at or near the “edge” of the electric power grid.

- o Creation of multiple value streams, through reduction in total system costs, reduction in carbon emissions, optimized capital allocation, new services and new markets, and social impact benefits.



Convergence Energy Services Limited

Convergence Energy Services Limited (CESL) is a recently established subsidiary of state-owned Energy Efficiency Services Limited, itself a joint venture of public sector companies under the Ministry of Power, Government of India. CESL is investing in clean energy and clean transportation with a view to delivering affordable and reliable energy at scale. Business models followed by CESL focus on optimizing assets, monetizing and stacking multiple values and using innovative financial structures to deliver at scale. It builds upon the decentralized solar development experience in under-served rural communities in India, and over time, using battery energy storage, to deliver renewable energy solutions to power agricultural pumps, street lighting, domestic lighting and cooking appliances in villages. 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.

Programs

CESL has set for itself ambitious goals to scale programs, create new markets, and develop a carbon warehouse to enable just transition and market trading.

- Building on the KUSUM scheme of MNRE, CESL aims to create more than 8 GW of solar generation in the next 5-6 years specifically focusing on Decentralised and has already signed agreements for 779 MW of generation. As on date more than 150 MW of Solar Power Plants are commissioned and another 70 MW is under work in progress.
- Building on the UJALA Scheme of EESL/MoP, CESL has rolled out a GramUjala program to provide LED bulbs at INR10 per bulb and in time create an ecosystem of energy efficient appliances for rural homes. It is targeting to reach 15million people and save 1.8million tCO2e per year. The scheme is successfully in placed in states of Bihar and UP wherein more than 13 lakh LED bulbs have already been distributed, the real time dash of GramUjala Scheme-<https://gramujala.ceslindia.co.in> .
- Building on FAME-II Scheme of NITI Aayog, CESL is deploying 2-wheeler, 3-wheeler, electric buses and 4-wheelers mobility solutions through lease/buy options, setting up solar carports and public charging infrastructure and creating a suite of awareness building, O&M, scrapping value optimisation, and financing schemes by stacking central/state/OEM offerings to reduce upfront costs by 40%. CESL is currently operating more than 1500 electric cars in more than 150 central and state government ministries/department in 42 cities under the National Electric Mobility Programme.
- Under the aegis of electric mobility, CESL is also working aggressively to install public charging stations across the country and have already installed more than 300 public charging stations across the country.

Renewable Energy



Electric Mobility



Climate Change



Convergence New Business Offerings

Primary Offering – Decentralized Solar Project

- CESL is planning develop a portfolio of decentralized solar projects (0.5 MW- 2 MW) and sell electricity to DisCom.
- Electricity Sale from Solar to DisCom at a tariff of lesser than Average cost of power supply (ACoS), range of which across states is generally between INR 4-7/kWh.

Additional offerings – Energy efficient applications



Add-on 1 – Street Lights and Battery Storage

- Streetlights along with battery storage installed in the respective.
- Batteries will be charged from solar project and energize streetlights during night-time



Add-on 2 – Energy Efficient Agriculture pumps

- Energy efficient agriculture pumps of capacity upto 7.5 HP can be distributed across the areas near the solar project sites



Add-on 3 – Energy Efficient LED Lights

- Energy Efficient LED bulbs can be distributed as a bundled solution along with the solar projects within the state



Add-on 4 – Induction Cookstoves

- Energy Efficient electric Induction cookstove can be offered as a product along with the solar projects



Add-on 5 – Electric Vehicle Charging Infrastructure

- Electric Vehicle Charging Infrastructure can be installed in the state to add to EV adoption within the state

CONVERGENCE ENERGY SERVICES LIMITED

(A wholly owned subsidiary of EESL)

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

CIN No. U40300DL2020PLC372412

This document should be treated as an addendum and be read in conjunction with the Director's Report approved by the Board of Directors in their 4th Board Meeting held on September 6, 2021.

OPERATIONAL HIGHLIGHTS

2.1 Gram UJALA

The Hon'ble Minister of State (IC) launched Gram UJALA Program in Bihar at Arrah District on 19th March,2021 and In Uttar Pradesh on 24th March,2021.

The LED bulbs being offered under the Gram Ujala initiative by Convergence Energy Services Limited (CESL) are energy efficient LED bulbs that consumes 88% percent less electricity as compared to the incandescent bulbs. The energy savings garnered through switching to energy efficient bulbs will also lead to reduction in a household's energy cost, which will bolster the household's disposable income and lifetime savings, thus improving their quality of life.

Under the Gram UJALA scheme, 7 watt and 12 watt LED bulbs are distributed charging a nominal service fee of Rs. 10 for proper disposal of old incandescent bulbs in an environment friendly manner. against the submission of 60 Watt and 100 Watt Incandescent Lamps.

As on 31.03.2021, total number of 12,822 bulbs were distributed in Bihar and Uttar Pradesh.

2.2 NATIONAL E-MOBILITY PROGRAM

The National E - Mobility Program was launched on 7th March 2018 by Hon'ble Minister of Power, New and Renewable Energy. CESL is in the process of aggregating demand by procuring electric 4/3/2 wheeler vehicles in bulk to get economies of scale. These electric vehicles shall be provided to mainly Government Entities, both at Central & State level, PSUs etc. on lease / outright purchase basis to replace the existing petrol and diesel vehicles taken on lease by various Government organizations. In addition, electric cars have also been leased to shared mobility operator. CESL has signed agreements for leasing electric cars with 26 clients in 15 cities which includes various Ministries/Govt. Depts., both at Central & State level, PSUs, shared mobility operator etc.

CESL, a wholly owned subsidiary of EESL is working on its existing E-Mobility Program through demand aggregation and deployment of vehicles in various Government departments and shared mobility operators. Under the aegis of Gazette notification released by Government of India (dated 11th June), CESL is playing a major role in National E mobility Program and this will exponentially rise in the forthcoming years post the proposed transfer of existing E Mobility business by EESL to CESL

2.3 Electric Vehicle PUBLIC CHARGING INFRASTRUCTURE

CESL is supporting the development of electric mobility ecosystem in the country. The National e-Mobility Program was launched on March 7, 2018 by the Hon'ble Minister of Power & New and Renewable Energy, Government of India. The program was launched with the goal to provide an impetus for Indian vehicle manufacturers, charging infrastructure companies, fleet operators, service providers, and other electric mobility stakeholders to gain efficiencies of scale and drive down costs, create local manufacturing facilities, grow technical competencies for the long-term growth of the electric vehicle (EV) industry in India and enabling Indian EV manufacturers to emerge as major global players.

- CESL, a wholly owned subsidiary of EESL, is deploying Public Electric Vehicle Charging Stations (PCS) comprising Bharat Standard DC001 (15kW), High Capacity Fast DC Combo Chargers 142kW (CCS2.0+ CHAdeMO + AC Type II) and Bharat Standard AC001 (10kW).

CONVERGENCE ENERGY SERVICES LIMITED

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CIN No. U40300DL2020PLC372412

- Department of Heavy Industry (DHI) under FAME India Scheme Phase - II scheme has issued Letter of Award to our parent company EES for deployment of 1184 EV Chargers across 12 cities in India. The deployment of EV chargers are underway and CESL, a wholly owned subsidiary of EESL will pay an important role in demand aggregation and charging installation process.
- Further, EESL in consortium with CESL has participated and submitted the proposal against the Expression of Interest (EOI) issued by Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry inviting proposals for availing incentives under FAME India Scheme Phase-II for deployment of EV charging infrastructure on (15) Highways and (9) Expressways across India.

CESL, a wholly owned subsidiary of EESL, is playing a major role in National E mobility Program and this will exponentially rise in the forthcoming years post the proposed transfer of existing E Mobility business by EESL to CESL.

2.4 SOLAR PROGRAM

1. **Decentralized Solar Power Plant (Ground Mount) Program:** CESL, a wholly owned subsidiary of EESL is implementing Decentralized solar power plants which is a first-of-its-kind large scale Program wherein existing agricultural feeders is being solarized via implementation of decentralised solar power plants at vacant / un-used lands at DISCOM substations/Govt. lands. EESL has signed Power Purchase Agreement for 25 years with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 500 MW and with Maharashtra State Power Generation Company Limited for 279 MW of Decentralized solar Plant out of which 131 MW_p has been commissioned till 31st March 2021.

CESL, a wholly owned subsidiary of EESL is playing a major role in Decentralised Solar Program and solar rooftop program this will exponentially rise in the forthcoming years post the proposed transfer of existing Solar business by EESL to CESL

2. **Solar Roof Top Program:** Contributing to Nation's solar rooftop target, CESL, a wholly owned subsidiary of EESL is setting up 50 MW grid-connected rooftop solar (GCRTS) systems at Government buildings in the State of Tamil Nadu for a period of 25 years.

In line with the directions of the Board of Directors of the holding Company EESL at its meeting held on March 31, 2021, CESL continues to work anticipating that PPAs and assets shall be assigned/transferred to CESL

Certified True Copy
for Convergence Energy Services Limited



Abhishek Srivastava
Company Secretary

Membership Number- 6130



भारतीय लेखापरीक्षा और लेखा विभाग

कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)

नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT

Office of the Director General of Audit (Energy)

New Delhi

Dated: 22/9/2021

सेवा में,

अध्यक्ष,

कन्वर्जन्स एनर्जी सर्विसेज लिमिटेड,

एनएफएल बिल्डिंग, पांचवा एवं छठा तल,

कोर - III, स्कोप काम्प्लेक्स,

लोधी रोड, नई दिल्ली - 110 003

विषय: 31 मार्च 2021 को समाप्त अवधि के लिए कन्वर्जन्स एनर्जी सर्विसेज लिमिटेड, नई दिल्ली के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

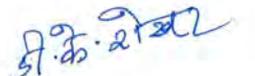
महोदय,

मैं, कन्वर्जन्स एनर्जी सर्विसेज लिमिटेड, नई दिल्ली के 31 मार्च 2021 को समाप्त अवधि के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।


(डी. के. शेखर)
महानिदेशक

**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
PERIOD ENDED 31 MARCH 2021**

The preparation of financial statements of Convergence Energy Services Limited for the period ended 31 March 2021 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(7) 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 06 September 2021.

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 period ended 31 March 2021 under Section 143(6)(a) of the Act.

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



(D. K. Sekar)

**Director General of Audit (Energy),
Delhi**

Place: New Delhi

Dated: 22 September 2021



Independent Auditor's Report

To the Members of

Convergence Energy Services Limited

Report on the Audit of the IND AS Financial Statements

Opinion

We have audited the IND AS financial statements of M/s Convergence Energy Services Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the IND AS and accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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



Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Financial statements and our auditor's report thereon. The above report is expected to be made available to us after the date of this Auditor's Report.

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

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

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

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

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

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

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



Auditor's Responsibilities for the Audit of the IND AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the IND AS 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 IND AS financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work; and



- (ii) To evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in ANNEXURE -A , a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.

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

- (i) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, the Statement of Profit and Loss, changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (iv) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (v) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report



expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (vii) With respect to the matter to be included in the Auditor's Report under section 197(16), in our opinion and according to the information and explanations given to us, No remuneration is paid by the Company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- (viii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - There has been no amount which were, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place:- Delhi
Date: 06/09/2021
UDIN: 21086690AAAADV3525

For V K H S & ASSOCIATES
Chartered Accountants
FRN: 007915N

Vinod Kumar Kalra
6/9/2021

Vinod Kumar Kalra
(Partner)
Membership No. 086690





Annexure 'A' to the Independent Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the IND AS financial statements for the year ended March 31, 2021, we report that:

1. In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) During the year, the fixed assets have been physically verified by the management in a phased manner, which in our opinion is reasonable.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties purchased by the Company during the year.
2. In our opinion the inventories have been physically verified during the year by the management at the reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.
3. The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the product of the Company.
7. Statutory and other dues:
 - a) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added



Tax, Cess and other undisputed statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and as per the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess, which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to Bank, Financial Institution and Government. The Company has not issued any debentures.
9. In our opinion and according to information and explanations given to us, there were no monies raised by way of debts instruments and the term loans during the year and accordingly the provision of the application of the same are not applicable on the company for the financial year 2020-21.
10. According to information and explanations given to us no fraud by the company or any fraud on the company by its officer or employees has been noticed or reported during the year.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Hence the provisions regarding the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act, are not applicable on the company for financial year 2020-21.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on 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.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



16. According to the information and explanations given to us and based on our examination of the records of the company, the Company does not undertake any activity which requires the company to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place:- Delhi

Date: 06/09/2021

UDIN: 21086690AAAA0U3525

For V K H S & ASSOCIATES

Chartered Accountants

FRN: 007915N



Vinod Kumar Kalra

(Partner)

Membership No. 086690





Annexure 'B' to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **M/s Convergence Energy Services Limited** ("the Company") as of March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute

of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of



controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place:- Delhi

Date: 06/09/2021

UDIN: 21086690AAAADU3S 25

For V K H S & ASSOCIATES
Chartered Accountants
FRN: 007915N

Vinod
06/09/2021

Vinod Kumar Kalra
(Partner)

Membership No. 086690





Annexure 'C' to the Independent Auditors' Report

(In respect of Directions, issued by Comptroller and Auditors General of India in terms of Section 143(5) of Companies Act, 2013 for the year 2020 – 21)

The Annexure referred to in Independent Auditor's Report to the members of the Company on the IND AS financial statements for the year ended March 31, 2021, we report that:

S. No.	Direction's u/s 143(5) of the Companies Act, 2013	Auditors' Reply on Action taken on the directions	Impact on Financial Statement
1	Whether the Company has system in place to process all the accounting Transactions through IT system? If Yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanations given to us, the company has a system in place to process all the accounting transactions through IT system (Tally / Excel). TALLY PRIME ERP has been implemented for the processes like Financial Accounting and Controlling including, Sales Management and other transaction recoding and processing. Based on the audit procedures carried out and as per the information and explanations given to us, all material accounting transaction have been processed / carried through the IT system. Accordingly, there are no implications on the integrity of the accounts.	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 and as per the information and explanations given to us, there has not been any existing loan availed by the company during financial year 20-21. Hence the point / direction is not applicable on the company for the financial year 2020-21.	Nil
3	Whether funds (grants / subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, there are no funds (grants / subsidy etc.) received / receivable by the company during the financial year 2020-21 for specific schemes from the Central / State Government or its agencies. Hence the point / direction is not applicable on the Company for the said financial year.	Nil

Place:- Delhi

Date: 06/09/2021

UDIN: 21086690-AAAAU3525

For V K H S & ASSOCIATES

Chartered Accountants

FRN: 007915N

Vinod Kumar Kalra

Vinod Kumar Kalra

(Partner)

Membership No. 086690



Convergence Energy Services Limited (Formerly known as Convergence Energy Services Private Limited)

CIN- U40300DL2020PLC372412

Regd Add: NFL Building, 5th & 6th Floor, Core-III, SCOPE Complex, Lodhi Road, Delhi- 110003

Audited Standalone Statement of Profit and Loss for the period ended March 31, 2021

Particulars	Note No.	In Rs.
		For the period ended March 31, 2021
I Revenue from operations	17	1,08,661
II Other income	18	-
III Total income (I + II)		1,08,661
IV Expenses		
Cost of materials consumed	19	-
Purchase of stock-in-trade		-
Change in inventories of finished goods and work-in-progress	20	-
Employee benefits expense	21	1,07,080
Finance costs	22	-
Depreciation expense	23	-
Other expenses	24	2,84,99,228
Total expenses		2,86,06,308
V Profit for the year before tax (III-IV)		(2,84,97,647)
VI Tax expense	25	
(1) Current tax		-
(2) Deferred tax		(71,72,288)
		(71,72,288)
VII Net Profit for the year after tax (V - VI)		(2,13,25,359)
VIII Other comprehensive income	26	
Items that will not be reclassified to profit or loss		
Fair Value of Equity Instruments		-
Re-measurement of defined benefit plans		-
Income tax relating to items that will not be reclassified to profit or loss		-
		-
IX Total comprehensive income for the year (VII + VIII)		(2,13,25,359)
X Earning per equity share	27	(2,13,254)
Nominal value of equity shares (Rs 10.00 each)		
(1) Basic		
(2) Diluted		

See accompanying notes to the financial statements

As per our Report of even date
For **VKHS & Associates**
Chartered Accountants

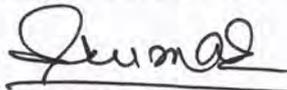

(CA. Vinod Kumar Kalra)
Partner

Membership No. 086690
UDIN : **21086690AAAA03525**
Place : New Delhi
Date : 6th September 2021



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


(Mahua Acharya)
Managing Director
DIN-03030535


(Saurabh Kumar)
Director
DIN-06576793


(Jagjeet Singh Dadiala)
CFO


Abhishek Srivastava
CS
FCS 6130

Convergence Energy Services Limited (Formerly known as Convergence Energy Services Private Limited)

CIN- U40300DL2020PLC372412

Regd Add: NFL Building, 5th & 6th Floor, Core-III, SCOPE Complex, Lodhi Road, Delhi- 110003

Audited Standalone Cash Flow Statement for the period ended March 31, 2021

in Rs.

Particulars	For the period ended March 31, 2021
A. Cash Flow from Operating Activities	
Net Profit before tax	(2,84,97,647)
Adjustments:	
Depreciation expense	-
Finance Cost	-
Interest Income	-
Financial Guarantee Income	-
(Profit)/ Loss on disposal of Property, Plant & Equipment	-
Operating Profit before working capital changes	(2,84,97,647)
<u>Adjustments for working capital changes:</u>	
Inventories	-
Trade and Other Payables	8,18,78,043
Trade and Other Receivables	(88,72,345)
Cash Generated from Operations	4,45,08,051
Income Tax Paid	-
Net Cash (used in) /from Operating activities	4,45,08,051
B Cash Flow from Investing Activities	
Purchase of Property, Plant & Equipment and CWIP, Intangible Assets	(4,45,09,051)
Sale proceeds of Property, Plant & Equipment	-
Sale of Current Investments (net)	-
Investment in Subsidiaries	-
Margin Money/ Fixed Deposits with banks	-
Interest Received	-
Dividend Received	-
Net Cash used in Investing Activities	(4,45,09,051)
C Cash Flow from Financing Activities	
Proceeds from Issue of Share Capital	1,000
Finance Cost	-
Lease Liability	-
Dividend Paid (including tax on dividend)	-
Net cash from/ (used in) financing activities	1,000
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	-
Cash and cash equivalents (Opening Balance)	-
Cash and cash equivalents (Closing Balance)	-
Change in Cash & Cash Equivalents	-



Components of Cash & Cash Equivalents	As At March 31, 2021
Balances with banks	
- in Current Accounts	-
Gold coins/ Silver Coins/ Stamps	-
Deposits with maturity of less than three months	-
Net Cash & Cash Equivalents	-

As per our Report of even date
For VKHS & Associates
 Chartered Accountants

Vinod Kumar Kalra

(CA. Vinod Kumar Kalra)
 Partner

Membership No. 086690

UDIN : *21086690AAAA0V3525*

Place : New Delhi

Date : 6th September 2021



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

Maha Acharya
(Maha Acharya)
 Managing Director
 DIN-03030535

Saurabh Kumar
(Saurabh Kumar)
 Director
 DIN-06576793

Jagjeet Singh Dadiala
(Jagjeet Singh Dadiala)
 CFO

Abhishek Srivastava
(Abhishek Srivastava)
 CS

Note 1 Corporate Information

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

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

Registered office of the company is located at NFL Building, 5th & 6th Floor, Core-III, SCOPE Complex, Lodhi Road, Delhi- 110003. However, the Board of directors have already approved by resolution, change in Registered Office of the company to 2nd Floor, NFL Building, Core-III, SCOPE Complex, Lodhi Road, New Delhi 110003 w.e.f April 13, 2021.

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

2.1 Basis of preparation, measurement and significant accounting policies

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

Compliance with Ind AS

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

Historical cost convention

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

Functional and presentation currency

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

Current vis-à-vis non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

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

A liability is classified as current when it is:

- Expected to be settled in normal operating cycle,
 - Arising out of activities involved primarily for the purpose of direct trading / revenue generating activity of the company.
 - Due to be settled within twelve months after the reporting period, or
 - 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.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Company uses valuation techniques that are appropriate in the circumstances for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

2.2 Critical accounting estimates and judgements

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

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

a. Property, plant and equipment

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

b. Provisions

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

c. Impairment of Financial and Non-Financial Assets

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

d. Recoverability of trade receivables:

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

e. Income Tax:

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

f. Contingencies:

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

g. Leases

Based on the retrospection pertaining to the right of the lessor and lessee to terminate the lease, and application of practical expedients to the respective clauses of Ind AS 116, the lease has been assessed as recognition exemption in terms of Clause 5(a) read inter-alia with clause 6, B34 and B37 of Ind AS 116.

h. Estimation uncertainty relating to the global health pandemic

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



A handwritten signature in blue ink, consisting of stylized, overlapping loops and lines.

Note 3 Significant Accounting policies

3.1 Property, plant and equipment

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, depreciation is provided pro-rata basis with reference to the month of addition / deletion.

The following methods of depreciation are used for PPE :

Property Plant & Equipment at	
-	-

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

3.2 Intangible assets

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

- a) for assets acquired in a business combination, at fair value on the date of acquisition
- b) for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the asset for its intended use.

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

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

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

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

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

Now it is worthwhile to note that guidance note issued by ICAI GN (A) 31 (Issued 2012), Guidance note on Accounting for Self-generated Certified Emission Reductions (CERs) deals with the recognition and treatment of CERs generated by the generating unit. But our issue pertains to the stage prior to generation of those CERs. Hence this guidance note also does not provide clarity on this issue. Regarding treatment of the amounts incurred by the entity on the purchase and distribution of resources as an integral part of the scheme required to obtain CER, the opacity do not get completely eliminated even on perusal of Ind AS 38, Ind AS 2, Ind AS 16 and other related guidelines, considering the unprecedented nature of project and emergence of activities in the last few days of financial year 2020-21,

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

During the financial year the company has entered into contract to take office premises under cancellable lease arrangement. Based on the retrospection of lease pertaining to the right of the lessor and lessee to terminate the lease, and application of practical expedients to the respective clauses of Ind AS 116, the lease has been assessed as recognition exemption in terms of Clause 5(a) read inter-alia with clause B34 and B37 of Ind AS 116.

Accordingly, during the financial year 2020-21, the lease rentals to the tune of Rs. 1,41,24,000 has been charged as expenses on straight-line basis

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. All other leases are classified as operating leases.

During the financial year 2020-21 the company has not undertaken any contract, arrangement or transaction in the nature of providing the right to use any underlying asset. Hence there no requirement for recognition / disclosure in respect of lessor under Ind AS 116 are not applicable.

3.5 **Employee Benefits**

Considering the fact that during the financial year 2020-21, there has not been any employment on the regular rolls of the company, the relevant provisions / guidelines regarding Post Employment Benefit Plans, Other Long Term Employee Benefit Plans or Termination Benefit Plan are not applicable.

3.6 **Inventories**

The financial year 2020-21 being the first year of the operations of the company, the projects undertaken by the company as part of its operations are in nascent stage. One project named "GRAM UJALA" has been launched with the primary objective of generating revenue from the sale of CERs being generated as the final yield of the activity. In this regard considering the implementation of the project has been initiated in the last weeks of financial year, the units and value of the CERs yielded is neither material nor procedurally ascertainable as on 31st March 2021. The same shall be recognised in due course as per scheme depending on activities, milestones and other procedural audit and compliances.



A handwritten signature or scribble in blue ink, consisting of several overlapping loops and lines.

3.7 **Revenue recognition and other income:**

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The performance obligations in our contracts in respect of exports are fulfilled at the time of shipment of goods to customer and in respect of domestic sales on dispatch from factory.

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

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

The financial year 2020-21 being the first year of the operations of the company, the projects undertaken by the company as part of its operations are in nascent stage. 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 amounting to Rs. 108,661/-has been recognised as revenue from services at the same time which correspond to the invoices raised for distribution of energy efficient LED bulbs against receipt of old incandescent bulbs.

In this regard as part of preliminary requirement, the Company has registered the scheme with UNFCCC for the same. After distribution, before the CERs entitlement document is issued, the scheme inter-alia involves the periodic maintenance and audit of use of the bulbs and consumption thereof.

Considering the implementation of the project has been initiated in the last weeks of financial year, the units and value of the CERs yielded is neither material nor procedurally ascertainable as on 31st March 2021. The same shall be recognised in due course as per scheme depending on activities, milestones and other procedural audit and compliances.

Further During the financial year 2020-21 there has been no claims receivable such as from Railways, Insurance, Electricity, Customs and like.

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

Contract Balances

Trade Receivables

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

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.



A handwritten signature in blue ink, consisting of stylized initials and a surname.

3.8 Foreign Currency Transactions

During the financial year 2020-21, there has not been any foreign currency transactions.

3.9 Taxes

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

Current income tax

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

Deferred tax

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

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

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

3.10 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

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

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

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

3.11 Cash & Cash Equivalents

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

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

Cash flow statement

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



3.12 **Financial Instruments**

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

(a) **Investment and other Financial Assets**

During the financial year 2020-21, the company did not carry any amount under investments and other financial assets.

(b) **Financial Liabilities & Equity**

During the financial year 2020-21, the company did not carry any amount under investments and other financial assets.

(i) **Classification as debt or equity**

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

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(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.

(iv) **Derecognition:**

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses). When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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

Offsetting of financial instrument

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

3.13 **Dividend Distribution**

During the financial year 2020-21, No interim dividend paid is approved by Board of Directors

3.14 **Earnings per share**

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

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



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Non-Current Assets:

4 Property, Plant and Equipment

Tangible and Intangible assets

in Rs.

Particulars	Tangible Assets							Intangible Assets		
	Own Assets			Right-of-use Assets				Right to Receive Carbon Credits (LED Bulbs Distributed)	Total Intangible Assets	
	Land (Free Hold)	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Distributed Energy Efficient Bulbs	Building (Lease Hold)			Vehicles
Gross Carrying Amount	-	-	-	-	-	-	-	-	-	-
Balance as at 29 October 2020	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Disposals/ Adjustment	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-
Balance as at 29 October 2020	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	-	-	-	-	-	-	-	-	-
Net Carrying Amount	-	-	-	-	-	-	-	-	-	-
As at 29 October 2020	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	-	-	-	-	-	-	-	-	-	-
Capital Work in progress/under development	-	4,34,30,080	-	-	-	-	-	-	10,78,971	4,34,30,080 + 10,78,971 = 4,45,09,051



(Handwritten signature)

Note No.	Particulars	In Rs. As at March 31, 2021
5	<u>Non- Current Assets: Financial Assets</u>	
	5.1 Investments	
	A <u>Unquoted Investments</u>	-
	B <u>Quoted Investments</u>	-
	Aggregate amount of Non-Current Investments:	<u>-</u>
	Particulars	
	Aggregate amount of quoted investments	-
	Market value of quoted investments	-
	Aggregate amount of unquoted investments	-
	5.2 Loans	
	Advances to Employees	
	- Unsecured & Good	-
	Security Deposit	
	- Unsecured & Good	-
		<u>-</u>
	<u>Current Assets:</u>	<u>-</u>
6	Inventories	
	Raw materials	-
	Work - in - progress	-
	Finished goods	-
	Stores and spares	-
	Loose tools	-
	Goods in transit:	
	Raw materials	-
	Stores and spares	-
		<u>-</u>
7	Current financial assets	<u>-</u>
	7.1 Current Investments	
	Aggregate Book value of quoted investments	-
	Fair value of quoted investments	-
		<u>-</u>
	7.2 Trade Receivables	
	- Trade Receivable considered good - Secured	-
	- Trade Receivable considered good - Unsecured	1,28,220
	- Trade Receivables which have significant increase in Credit Risk	-
	- Trade Receivables - credit impaired	-
		<u>1,28,220</u>
	Less: Provision for expected credit loss	-
		<u>1,28,220</u>
	7.3 Cash & Cash Equivalents	
	Balances with banks	-
	- in Current Accounts	-
	Deposits with maturity of less than three months	-
		<u>-</u>
	7.4 Bank Balances	<u>-</u>
	7.5 Loans	
	Amount recoverable from employees	
	- Unsecured, considered good	-
	Amount recoverable from others	
	- Unsecured, considered good	-
		<u>-</u>
	7.6 Others Financial Assets	
	Unsecured, considered good	
	- Interest receivable	-
		<u>-</u>
8	Current Tax Assets (net)	
	Advance income tax (net of provision for tax)	-



Note No.	Particulars	In Rs.	
		As at March 31, 2021	
9	Other Current Assets		
	Prepaid expenses		-
	Undistributed Energy Efficient Bulbs		5,47,079
	Balance with statutory authorities		11,24,054
	Security Deposits for Rent		70,62,000
	Advance for Rent		-
	Advance to Staff		10,992
			<u>87,44,125</u>

10 **Equity:**

10.1 **Share Capital**

Authorised

100 Equity shares of Rs 10 each

1,000

Issued, Subscribed & fully paid up

100 Equity shares of Rs 10 each

1,000

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

	No. of shares	Amount
As at 29 October 2020	-	-
Movement during the year	100	1,000
As at 31 March 2021	100	1,000

Rights, restrictions and preferences attached to each class of shares

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

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

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

10.2 **Other Equity**

a. **Securities Premium Account**

Opening and Closing Balance

-

b. **General Reserve**

Opening and Closing Balance

-

c. **Share Based Payments Reserve**

Opening and Closing Balance

-

d. **Retained Earnings**

Opening balance

-

Add: Net Profit for the year

(2,13,25,359)

Less: Appropriations:

Dividend on equity shares

-

Tax on Dividend

-

Closing Balance

(2,13,25,359)

e. **Other Comprehensive Income**

Opening Balance

-

Addition during the year

-

Total Income recognised on Equity instruments

-

Actuarial Gain & Losses on DBO (net of tax)

-

Closing Balance

-

Total

(2,13,25,359)

Nature and Purpose of Reserves

- (a) Securities premium represents the amount received in excess of par value of securities. Securities Premium is utilised in accordance with the Provisions of the Companies Act, 2013.
- (b) General Reserve is free reserve created by the Company by transfer from retained earnings.
- (c) Share based payments reserve - Amount attributable towards share options granted to an employee of the company has been credited to the reserve.
- (d) Equity instruments through other comprehensive income - The Company has elected to recognise changes in the fair value of investment in equity instruments in other comprehensive income. The changes are accumulated with in Fair Value through Other Comprehensive Income equity instruments reserve with in equity. The Company will transfer the amount from this reserve to retained earnings when the relevant equity securities are derecognised.



Note No.	Particulars	In Rs. As at March 31, 2021
Non - current liabilities:		
11 Financial Liabilities		
	Lease Liabilities	-
	Financial guarantee obligation	-
12 Provisions		
	Provision for employee benefits (Refer Note 31)	-
	- Gratuity	-
	- Leave Encashment	-
	Provision against asset retirement obligation*	-
	* The movement in provision for asset retirement obligation is as follows:	
	Opening Balance	-
	Unwinding of discount	-
	Payments	-
	Closing Balance	-
13 Deferred Tax Liability		
	Deferred tax liability	
	On account of Difference in Lease Rent and Finance Cost	-
	Deferred tax assets	
	On account of Current Year Losses Carried Forward	71,72,288
	On account of Depreciation	-
	Net deferred tax Assets	<u>71,72,288</u>

(i) Movement in deferred tax items

	Opening Balance	Opening Balance	Recognised in Profit & Loss Account	Recognised in other comprehensive income	Closing balance
FY 20-21					
Deferred tax liability / (asset) on account of Difference in Book value of Tangible and Intangible assets	-	-	-	-	-
Expenses allowed on payment basis	-	-	-	-	-
Provision created for bad & doubtful debts	-	-	-	-	-
Recognition of DTA on business losses and accumulated depreciation	-	-	(71,72,288)	-	(71,72,288)
Net Deferred tax liability / (asset)	-	-	<u>(71,72,288)</u>	-	<u>(71,72,288)</u>

Current liabilities:

14 Financial Liabilities

14.1 Borrowings

Secured - at amortised cost

Loans from banks repayable on demand

- Cash Credit
- Bill Discounting

14.2 Trade Payables

(a) Total outstanding dues of Micro and Small Enterprises (Refer note below)*

(b) Total outstanding dues of creditors other than Micro and Small Enterprises

Total

-

16,47,910

16,47,910

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

Particulars

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

* The company has not received any information / document from any of its vendors regarding their status as such under MSME Development Act,2006.



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

Note No.	Particulars	In Rs.
		As at March 31, 2021
14.3 Other financial liabilities		
	Energy Efficiency Services Limited	6,23,34,006
	Book Overdraft	-
		<u>6,23,34,006</u>
15 Other current liabilities		
	Statutory Liabilities	7,65,501
	Expenses Payables	61,33,398
	Retention Account	3,47,554
		<u>72,46,453</u>
16 Provisions		
	- Provision for Launch Expenses	52,56,849
	- Provision for maintenance expenses	10,24,089
	- Provision for Rent	31,98,774
	- Provision for Other Expenses	11,69,963
		<u>1,06,49,675</u>



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

Note No.	Particulars	In Rs. For the year Ended March 31,2021
17	Revenue from operations	
	A. Sale of products	
	Sale of Goods	-
		-
	B. Sale of Services	1,08,661
	C. Other Operating Revenue	-
		<u>1,08,661</u>
18	Other income	
	Interest income from bank/others	-
	Dividend income	-
	Other non-operating income	-
	Round OFF	-
		<u>-</u>
19	Cost of Materials consumed	
	Raw Material Consumed	-
		<u>-</u>
20	Change in inventories of finished goods and work-in-progress	
	Inventories at the beginning of the year	
	Work-in-Progress	-
	Finished Goods	-
		<u>-</u>
	Less: Inventories at the end of the year	
	Work-in-Progress	-
	Finished Goods	-
		<u>-</u>
	Change in inventories of finished goods and work-in-progress	-
21	Employee benefits expense	
	Salaries, wages, Allowances & Commission	1,07,080
	Contribution to Provident & Other funds	-
	Employee share-based payment expense	-
	Gratuity & Pension	-
	Staff welfare expense	-
		<u>1,07,080</u>



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

Note No.	Particulars	In Rs.
		For the year Ended March 31,2021
22	Finance costs	
	Interest on Cash Credits	-
	Interest Lease Liability	-
	Interest - Others	-
		<u>-</u>
23	Depreciation expense	
	Depreciation	-
		<u>-</u>
24	Other expenses	
	Payment to the auditors	
	- Statutory Audit fees	50,000
	- Limited Review fees	-
	- Certification fees	-
	- for reimbursement of expenses	-
	Advertisement & publicity	10,02,380
	Bank Charges	1,000
	Consultancy charges	4,15,500
	Electricity expenses	2,26,434
	Entertainment Expenses	14,463
	Establishment Expenses	8,26,357
	Foreign Travel Expenses	77,102
	IT Expenses	72,540
	Launch Expenses	93,00,798
	Manpower Security	94,569
	Medical expense reimbursement	3,870
	Meeting Expenses	1,81,632
	Recruitment Expenses	4,30,000
	Rent Expenses	1,41,24,000
	Repair & Maintenance	10,39,685
	Stationery Expenses	39,964
	Subscription Charges	36,563
	Survey Expense	4,33,675
	Taxi Hiring Charges	1,18,780
	Telephone Expenses	1,548
	Travelling & Conveyance	6,194
	Website Expense	2,175
		<u>2,84,99,228</u>



Note No.	Particulars	In Rs.
		For the year Ended March 31,2021
25	Tax expense	
	Current tax	-
	<u>Deferred tax</u>	
	- Deferred tax credit	(71,72,288)
		<u>(71,72,288)</u>
	<u>Income tax recognised in other comprehensive income into:</u>	
	Items that will not be reclassified to profit or loss	-
	Items that will be reclassified to profit or loss	-
	Total income tax expense recognised in other comprehensive income	<u>-</u>
	Total income tax expense recognised in profit & loss account	(71,72,288)
	Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:	
	Profit before tax	(2,84,97,647)
	Income tax expense calculated at 25.168% (including surcharge and education cess)	(71,72,288)
	Effect of income that is not chargeable to tax	-
	Impact of change in tax rate	-
	Effect of expenses that are deductible in determining taxable profit	-
	Effect of expenses that are non-deductible in determining taxable profit	-
	Total income tax expense recognised in profit & loss account	<u>(71,72,288)</u>
26	Other Comprehensive Income	
	Item that will not be reclassified to profit or loss	
	- Actuarial loss on defined benefit obligation	-
	- Income tax relating to Actuarial loss	-
	Items that will be reclassified to profit or loss	
	- Fair valuation of equity instruments at FVOCI	-
	Total Other Comprehensive Income	<u>-</u>
27	Earnings per Share	
	Net profit for the year attributable to Equity Shareholders for Basic EPS	(2,13,25,359)
	Add: Share based payment (net of tax)	-
	Net profit for the year attributable to Equity Shareholders for Diluted EPS	(2,13,25,359)
	Weighted average number of equity shares outstanding during the year for Basic EPS (in numbers)	100
	Weighted average number of equity shares outstanding during the year for Diluted EPS (in numbers)	100
	Earnings per share of Rs 10 each	
	Basic	(2,13,254)
	Diluted*	(2,13,254)
	Face value per equity share	

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



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

28 Capital Commitments

		in Rs.
Particulars		As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for		19,55,49,069

29 Contingent Liabilities

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

30 Segment Information

(i) General Disclosure

The financial year 2020-21 being the first year of the operations of the company, the projects undertaken by the company as part of its operations are in nascent stage. As a part of various operations involving delivery of clean energy, the Company has launched only one project "GRAM UJALA" with the intent of generating revenue by obtaining Carbon Credits through replacement of the incandescent bulbs with Energy effective LED Bulbs in villages, and charging a fee for appropriate and environmentally safe disposal such acquired bulbs. As part of preliminary requirement, the Company has registered the scheme with UNFCCC for the same. After distribution, before the CERs entitlement document is issued, the scheme inter-alia involves the periodic maintenance and audit of use the bulbs and consumption thereof. Accordingly during the financial year 2020-21, there is only one identified reportable segment as per Ind AS 108 - Operating Segments.

The above reportable segment has been identified based on the significant components of the enterprise for which discrete financial information is available and is reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments.

(ii) Entity-wide disclosure required by IND AS 108 are made as follows:

a) Revenues from external sales and services

		in Rs.
Particulars		2020-21
India		1,08,661
Outside India		-
Total Revenue as per statement of profit and loss		1,08,661

b) Segment Assets

All Assets are within India only.

(iii) Information about major customers:

There are no major customers of the company.

31 Employee Benefits

Considering the fact that during the financial year 2020-21, there has not been any employment on the regular rolls of the company, the relevant provisions / guidelines regarding Post Employment Benefit Plans, Other Long Term Employee Benefit Plans or Termination Benefit Plan are not applicable. Hence no separate disclosures regarding the same

In this regard the amount of Rs. 107,080 appearing under employee benefits pertains to the reimbursement of expenses to Directors booked based on actual claims submitted. The same has been appropriately disclosed.



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

32 Share Based Payments

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

33 Related Party Disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

A. Relationships

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

NIL

ii. Key Managerial Person and Directors

Mahua Acharya
 Saurabh Kumar
 Rajat Kumar Sud
 Shankar Gopal

Managing Director (w.e.f. 20-Nov-2020)
 Director (w.e.f. 29-Oct-2020)
 Director (w.e.f. 12-Nov-2020)
 Director (w.e.f. 29-Oct-2020)

iii. Holding Company(ies) of the Company:

Energy Efficiency Services Limited

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

in Rs.

Nature of Relationship	Name of Related Party	Nature of Transaction	Presentation of Transaction	For the year
				2020-21
Holding Company	Energy Efficiency Services Limited	Reimbursement of Expenses	Current Financial Liabilities	6,23,34,006
Managing Director	Mahua Acharya	Reimbursement of Expenses	Employee Benefit Expenses	1,07,080

C. Balances outstanding at year end:

in Rs.

Nature of Relationship	Name of Related Party	Nature of Transaction	Nature of Transaction	31-Mar-21
Holding Company	Energy Efficiency Services Limited	Reimbursement of Expenses	Current Financial Liabilities	6,23,34,006

34 Expenditure incurred on Corporate Social Responsibilities

(a) NIL CSR amount is required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year.

35 Dividend

The Board of Directors have not declared any interim dividend.

36 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.

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

There are no Loans given by the Company.

Investments made are given by the Company under respective head.

No Corporate guarantee given by the Company in respect of loans as at 31st March, 2021:



38 Financial Risk Management Objectives And Policies

Financial Risk Factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. For the financial year 2020-21 the management of the Company believes that considering the fact that the operations of the company are at preliminary stage and do not entail involvement of any intricate process for risk management. However, the procedure adopted from parent company have been followed in respect of all the financial transactions, which involves control mechanism to identify and eliminate the element of risk at each stage of the transaction since inception to final recognition in the financial. Moreover, there is no material risk which in the opinion of the management might threaten the existence of the company. However with due course of development of operations the Company's senior management shall oversee the risks management and shall proceed to devise appropriate risk management framework for the Company to provide reasonable assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Accordingly the corresponding disclosures regarding the procedures and guidelines regarding the Credit Risk, etc. are not applicable for the financial year 2020-21 in consideration.

A. Credit Risk :

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

As aforementioned in the preceding part of this note, considering the company being in the initial stages of the operations during the financial year 2020-21 and immateriality of receivables from the customers, the disclosures regarding the operations are not applicable. However the company based on its inheritance from the parent company is under the process of formulation of module and related guidelines for periodic review and assessment of the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer including the payment track record of the customers , regular monitoring / analysis of outstanding, evaluation in respect of concentration of risk and consideration for impairment thereof.

Particulars	As at 31 March 2021	
	Up to 6 months	More than 6 months
Gross carrying amount (A)	1,28,220	-
Expected Credit Losses (B)	-	-
Net Carrying Amount (A-B)	1,28,220	-

in Rs.

The carrying amounts of financial instruments as on 31st March, 2021 is NIL as referred in note 39. Accordingly the disclosure regarding Company's exposure to credit risk regarding the balance with banks and financial institutions for the components of the balance sheet at March 31, 2021 is not applicable for the financial year 2020-21.

B. Liquidity Risk :

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

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

Particulars	As at 31 March 2021
Total current assets	88,72,345
Total current liabilities	8,18,78,043
Current ratio	0.11

in Rs.

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

Particulars	Payable on demand	Less than 1 year	More than 1 year	Total
				in Rs.
As at 31 March 2021				
Borrowings	-	-	-	-
Other financial Liabilities	6,23,34,006	-	-	6,23,34,006
Trade and other payables	88,94,363	-	-	88,94,363
Total	7,12,28,369	-	-	7,12,28,369

in Rs.

C. Market Risk :

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

Impact of COVID-19

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

39 Financial Instrument - Disclosure

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

40 Capital Management

On account of similar considerations mentioned in note 38, the disclosures regarding the approach and guidelines of the company regarding its capital structure, mix of debt and capital and adjustments therein based economic conditions and other requirements are not applicable for the financial year 2020-21.

However 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	in Rs. As at 31 March 2021
Debt	-
Cash & bank balances	-
Net Debt	-
Total Equity	(2,13,24,359)
Net debt to equity ratio (Gearing Ratio)	-

41 The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended 31st March, 2021 and measured the net deferred tax assets, basis the rate prescribed in the aforesaid section and recognised the effect of change in the statement of profit and loss.

42 The Current year refers to the period from 29th Oct 2020 to 31st March 2021, Company was incorporated on 29th Oct 2020 hence no previous year.

As per our Report of even date
For VKHS & Associates
Chartered Accountants

(CA. Vinod Kumar Kalra)
Partner

Membership No. 086690

UDIN : 21086690AAAAADV3525

Place : New Delhi

Date : 6th September 2021



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

(Mahua Acharya)
Managing Director
DIN-03030535

(Saurabh Kumar)
Director
DIN-06576793

(Jagjeet Singh Badiala)
GFO

Abhishek
Abhishek Srivastava
CS
FCR 6130