

DIRECTORS' REPORT

To
The Members,
CONVERGENCE ENERGY SERVICES LIMITED

Your Directors are pleased to present the 3rd Annual Report on business and operations of the company along with the Audited Financial Statements for the financial year ended on 31st March, 2023.

Revenue from operations for the financial year 2022-23 ₹ 22,06,69,699 and total revenue for the period was ₹ 23,39,98,324. Net profit of the Company in 2022-23 was (₹15,90,18,717).

1 FINANCIAL PERFORMANCE

1.1 Financial Highlights (Standalone):

Highlights of performance of the Company for the financial year 2022-23 are given as under with comparative position of previous year's performance: (Amount in ₹)

Particulars	31st March, 2023	31st March, 2022
Paid up Share capital	59,21,01,000	1,00,01,000
Total Revenue (including Other Income)	23,39,98,324	10,20,63,085
Profit Before Depreciation & Taxes	(8,15,46,246)	(9,72,08,757)
Less: Depreciation	12,89,89,595	3,83,53,382
Profit/(Loss) Before Tax	(21,05,35,841)	(13,55,62,139)
Less: Prior Period Adjustments (Net)	-	-
Less: Provision for Taxation		
-Current Year	-	-
-Earlier years	-	-
-Deferred Tax credit	5,15,17,124	3,38,52,213
Profit/(Loss) after Tax	(15,90,18,717)	(10,17,09,926)
Add : Other comprehensive income / (expense)	-	-
Total Comprehensive income for the year	(15,90,18,717)	(10,17,09,926)

1.2 Transfer to free Reserves and Dividend

The company has not transferred any amount to free reserves during the financial year 2022-23.

Your company does not propose any dividend on equity shares for the financial year ended on 31st March 2023.

1.3 Share Capital

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

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

During the year, the Board of Directors, on May 04, 2022, allotted 3,56,39,700 (Three Crore Fifty-Six Lakh Thirty-Nine Thousand Seven Hundred) equity shares of Rs. 10 each to M/s Energy Efficiency Services Limited.

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

Furthermore, the Board in its meeting held on September 07, 2022, approved the issue of 3,07,97,140 (Three Crore Seven Lakh Ninety Seven Thousand One Hundred and Forty) Equity shares of ₹10 each (Rupees 10 each) to M/s Energy Efficiency Services Limited on in one or more tranches on right basis out of which the first tranche equivalent to 70,00,000 (Seventy Lacs) Equity shares of ₹10 each (Rupees 10 each) were issued and on receipt of the share application money, the same were allotted to M/s Energy Efficiency Services Limited on October 08, 2022.

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

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

1.4 Net Worth and Earning per Share

Your Company's net worth as on 31st March 2023 was ₹ 31,00,46,998. EPS of the Company for the year ended on 31st March 2023 stood at ₹ (3.13).

1.5 Resource Mobilization

The entire equity in the company is held by Holding Company M/s Energy Efficiency Services Limited. During the Financial Year 2022-23, the borrowings were also taken only from the parent company.

As on date, the board has approved the borrowing of INR 64 crore from the State Bank of India (SBI) out of which, 5.12 crore has been disbursed till July 31, 2023.

2 OPERATIONAL HIGHLIGHTS

About Convergence Energy Services Limited (CESL)

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



(Pic: Recognizing Excellence: CESL Honored by Delhi Government and Switch Delhi for Passenger Fleet EV Aggregation)

CONVERGENCE BUSINESS MODEL

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



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

I. Gram Ujala Programme:



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

This is a carbon finance based program offered to households in rural India, at Rs. 10 each for 12W and 7W. Bulbs are of the highest quality, energy efficient LEDs bulbs that consumes 88% percent less electricity as compared to the incandescent bulbs they replace. The scheme has been a huge success and has helped in

reducing energy consumption and promoting the use of sustainable energy sources in rural areas.

1. Steps for Implementation of Gram Ujala Program

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

2. Key Highlights

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

- Wide Coverage:** Gram Ujala has made LED bulbs available to households in rural areas across UP, Bihar, Karnataka, Telangana & Andhra Pradesh. This has helped to reduce energy consumption, save costs, and provide better quality lighting to households that were earlier dependent on inefficient and polluting kerosene lamps.
- Affordable Pricing:** Gram Ujala has made energy-efficient LED bulbs available to rural households at very affordable prices. The scheme has helped to lower the cost of lighting and reduce the financial burden on rural households.
- Impact on Environment:** Gram Ujala has contributed

scheme has helped to reduce the consumption of fossil fuels and minimize greenhouse gas emissions.

- Employment Opportunities:** Gram Ujala has also generated employment opportunities in rural areas by setting up distribution centers and training rural youth in the installation and maintenance of LED lighting solutions.
- Innovative Financing:** Gram Ujala has introduced innovative financing mechanisms such as Carbon-Finance models, which enable households to pay for the LED bulbs in affordable cost @ ₹10. This has made it easier for households to switch to energy-efficient lighting solutions without putting a strain on their finances.

3. Benefits of Gram Ujala Program

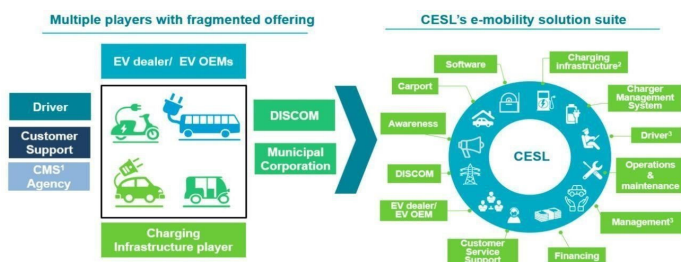
- LED bulb provided to consumer at the affordable cost of Rs.10.Savings to homes
- 3-years free replacement of LED Bulbs
- Energy saved per year: 141.40 Cr units
- Cost savings per year: INR 478 Cr
- CO2 reduction per year: 1.3 Mn tCO2
- Avoided peak demand: 388 MW
- Access to modern quality lighting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

4. Status

As on date, CESL has distributed 1 Crore LED bulbs in rural areas of 5 states (Bihar, Uttar Pradesh, Andhra Pradesh, Karnataka, Telangana). CESL has received 727,581 Verified Credit Units from the US-based VERRA Registry upon completing the first verification cycle for the LED bulb distribution in Bihar, Uttar Pradesh, and Andhra Pradesh. The validation process for Telangana is also complete and for Karnataka is underway, wherefrom further credits will be issued shortly. Gram UJALA is registered as a ten-year project and VCUs will be issued every 6-months

National E- Mobility Programme:

Shri R K Singh, Union Minister of State (IC) Power and New & Renewable Energy, launched the National E-Mobility Programme on 7th March 2018. The Programme aims to provide an impetus to the entire e-mobility ecosystem including vehicle manufacturers, charging infrastructure companies, fleet operators, service



significantly to reducing India's carbon footprint by promoting energy-efficient lighting solutions. The

providers, etc. The Government is focusing on creating charging infrastructure and policy framework for creating a conducive environment for the EV Ecosystem.



(Pic: Driving sustainability at COP27! CESL hosts high-level event at India Pavilion, in partnership with Ministry of Road Transport and Highways, Ministry of Power & WRI India)

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



(Pic: Shaping the future of public mobility! CESL & WRI India hosted INSIGHT 2022: A two-day event uniting government officials, think tanks & industry experts to redefine India's EV market and its financing portfolio)

CESL's Integrated E-Mobility Solution



(Pic: Empowering Women Drivers: CESL MD Flags off EV Rally for Gender Equality in Public Transport)

Four Wheelers

Electric Vehicles (EVs) present an impactful and beneficial opportunity to the Govt. of India. The distinct advantage that E-Car(s) have over Conventional Gasoline Cars is the low- running cost apart from being environment friendly with zero tailpipe emissions.

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

Upon creation of CESL, the EESL projects of leased E-Car(s) are being operated & maintained by CESL. Thereafter, EESL owned E-Car(s) were leased by CESL to various clients. In July 2022, CESL started its own business of lease of E-Car(s) by procurement of 500 nos. of E-Car(s).

Till 31st March 2023, CESL and its parent company EESL, had deployed 1879 nos. of E-Car(s) in Central and State Government Ministries/Departments, CPSUs & Private Entities, across India. The operation & maintenance of all the deployed E-Car(s) is handled by CESL and the break-up of 1879 nos. of E-Car(s) is:

- 1544 nos. of E-Car(s) were procured by EESL and agreements are signed by EESL
- 304 nos. of E-Car(s) were procured by EESL and agreements are signed by CESL
- 31 nos. of E-Car(s) were procured by CESL and agreements are signed by CESL

These Electric Cars deployed pan India have completed more than 9 Cr Green km, thereby saving our mother earth from more than 17,000 tons of Carbon Dioxide emissions, avoidance of Particulate Matter (PM) emission of around 2.28 tons and resulting in fuel savings of around Rs. 543 Millions.

Two Wheelers (E2W)

CESL had developed a digital multi-brand marketplace to enable the sale of electric two wheelers. The online marketplace called MyEV was accessed through web browsers as well as mobile apps (for android and iOS devices). These vehicles were being offered on outright purchase basis to consumers through the MyEV portal.

The vehicle offered on the portal offer a price lower than one available in the open market and come with insurance and after sales support assurance.

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

CESL was facilitating to scale-up deployment of E2Ws by offering a suite of business models but due to changed market scenario, evolving technological interference, easy financing and several new entrants with competitive edge, model was not sustainable and CESL has decided to abandon the E2W market space.

Electric Three Wheelers (E3W)

CESL is considering developing demand aggregation for electric three wheelers (E3W) across multiple use cases from public and private sector. CESL is keenly involved in the several market studies to develop and evolve Electric 3-wheeler market in India, specially Retrofit of ICE market. CESL is under discussion for initiating pilot with the help of Technical Assistance from ADB for Retrofit Electric Three wheelers. CESL is also involved and taking guidance from the Government for scaling up the electric 3-wheeler market in the nation.



(Pic: Driving the Electric Revolution: CESL and Delhi Government Flag off Electric Three-Wheelers)

Electric Buses:

1. Recap of Year 2021-2022

- Under the aegis of gazette notification released on 11th June 2021, Convergence Energy Services Limited acted as the Bid Process Coordinator for the

Grand Challenge (GC) tender which aims to deploy 5,450 electric buses across 5 cities namely Bengaluru, Delhi, Hyderabad, Kolkata & Surat.

- The price discovered were **31% lower than diesel** (without subsidy) and **29% less than CNG**.

2. Current Status of Grand Challenge Tender as of 2022-2023

- Concession Agreement have been signed between TMLCV Mobility Solutions and DTC for deployment of 1,500 electric buses in New Delhi.
- Concession Agreement have also been signed between TML Smart City Mobility Solutions and BMTC for deployment of 921 electric buses in Bangalore.
- 1st Tranche of subsidy has been released to Operator for deployment of 921 buses each for Delhi and Bengaluru by Ministry of Heavy Industries
- Subsidy for remaining 579 buses for Delhi will be provided by the Delhi Government in line with the subsidy of MHI under FAME-II.
- 1st Lot of Bus will be deployed by end of May 2023.

3. National Electric Bus Program (NEBP)

- Based on the success of Grand Challenge, NITI Aayog requested CESL to scale up the model and play the Program Manager to deploy **50,000 Electric Buses** under “**National Electric Bus Program (NEBP)**”.
- The NEBP seeks to aggregate demand from STUs/Cities and facilitate tendering of e-buses and support creation of infrastructure to operate 50,000 e-buses.

4. NEBP Tender 1 (GCC Model)

- CESL floated an Expression of Interest (EoI) to aggregate demand from Public Transport Agencies including State Road Transport Undertakings (SRTUs) on 12 July 2022.
- Upon closing the timeline on 10th August 2022, 6 cities/states subscribed under this EoI. Total demand for 6,465 buses was received from 6 states/cities namely Arunachal Pradesh, Delhi, Haryana, Kerala, Telangana and Surat.
- Unified tender was floated on 21st Sep, 2022 for **6,465 number of buses** and last date of bid submission was 15th Dec, 2022.
- Price bid of NEBP-I was opened on 3rd Jan, 2023 and price discovered were **24% lower than the diesel**

buses and 19% less than the CNG buses. Also prices discovered were without any subsidy.

5. NEBP Tender 2 (Dry Lease Model)

- Demand for new business model was received for deployment of electric buses on Dry lease, i.e., the operations will be managed by the STUs with the existing drivers of STUs. Successful bidder will only supply and maintain the buses. This is mainly to avoid the issue of driver redundancy problem due to deployment of buses on GCC model where the contractor also maintains the operations of buses.
- 3 States have expressed their demand for the Dry lease model namely Delhi, Telangana, and Kerala. CESL has floated tender for Dry Lease under NEBP on 4th January 2023 for **4,675 e-buses** which is currently live.
- Till date CESL has done tendering for **16,590 number of Electric Buses** under Grand Challenge and National Electric Bus Program combined.

6. Current Status

- Currently States/UTs are in the process of issuing LoAs and signing of concession agreements with respective successful bidders under NEBP Phase -1.
- Currently an Expression of Interest for Inviting demand for Electric buses under Gross Cost Contracting/ Dry Lease Model is live. Under which we have received demand for approximately **1,700 electric buses** till date from 5 States/UTs namely Andhra Pradesh, Chandigarh, Goa, Puducherry and Vadodara.

Electric Vehicle Public Charging Infrastructure

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



Business Model and Offerings of CESL:

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

CESL is engaged in managing 441 public charging stations and 590 captive chargers which were installed, across the country, by its holding company, EESL. Below are the state wise Public chargers installed/managed in PAN India by EESL/CESL.



(Pic: Expanding EV charging infrastructure in Delhi! CESL partners with NDMC to boost the number of EV chargers in the capital city)

State	EV Chargers Installed
Uttar Pradesh	66
Tamil Nadu	59
Maharashtra	80
West Bengal	24
Delhi	164
Kerala	18
Haryana	4
Goa	3
Karnataka	1
Gujarat	12
Chhattisgarh	4
Uttarakhand	5
Jharkhand	1
Total	441

Transition to a new model

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

- Honor proposals made in the past – prior to Dec 2021.** A significant number of chargers are required

to be installed as per EESL's Board approval dated 19.09.2020 and however the company strategy has been changed to asset-lite model.

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

Different states under asset lite mode

Currently CESL are in touch with Himachal, Gujarat, Delhi, Maharastra, Gujarat, Kerala, Haryana & Uttar Pradesh to establish Public charging infrastructure.

Charge Point Management System (CPMS):

In EVCI business, all the transactions related to Public charging services provided to EV users are through the IoT based mobile application. End to end transactions of the EV Chargers is enabled through the CPMS using the mobile application.

Therefore, it is proposed to undertake new procurement of services related to Charge Point Management System (CPMS) with CESL branded Mobile Application including the Call Center support for EV users for EVCI business.

Through implementation of a CPMS, CESL aims to integrate all its EV Chargers including of EESL, and even would invite other Charge Point Operators (CPOs), Electric Mobility Service Providers (EMSPs) and Network Service Provider (NSPs) to this platform on a commercial term to enhance EV users' experience.

The tender has been concluded with objective for Charge Point Management System (CPMS) and Development of Exclusive White Labelled Mobile Application for EV Charging Stations of CESL as well as creation of White Labelled Mobile application in both android and IOS, separate to the CESL white labelled mobile application for State agencies through CESL.

3 DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

4 INFORMATION TECHNOLOGY INITIATIVES

Information Technology (IT) department plays a crucial role within an organization that focuses on managing and leveraging technology to support business operations and achieve strategic goals.

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

- **IT infrastructure** – Since the inauguration of its corporate office in New Delhi, the IT team has been diligently engaged in installing, upgrading, and managing various components of the organization's IT infrastructure. These components comprise hardware, software, networking equipment, operating systems (OS), and data storage, which are utilized to deliver IT services and solutions. To ensure that all employees are equipped with the necessary IT resources, desktop computers and laptops have been provided to almost 100% of the staff.

IT team is responsible for maintaining the Tally software, which is being utilized for financial accounting purpose by Finance dept.

- **Security-** IT Security plays a critical role and is the need of the hour in protecting an organization's digital assets, including sensitive information, networks, and systems. CESL has successfully incorporated the required IT security measures into its operations as perimeter security, internal security endpoints, and the implementation of security log monitoring for efficient incident resolution. As CESL is utilizing the EESL network, we are also adopting certain EESL security policies to ensure uniform security standards across the organization.
- **Video Conferencing (VC) solution** - To enhance our organization's internal operations and promote transparency, IT have implemented a suitable Video Conferencing (VC) solution at our corporate office. Additionally, we have connected the major CESL office sites to a more secure and reliable network infrastructure called MPLS.
- **IT help desk** - IT has built an internal IT help desk to assist business users in efficiently and effectively utilizing the IT systems.

- Dashboard/Portal –IT has developed and managed multiple dashboards and portals catering to different business schemes, such as the Gram UJALA Portal and Dashboard. Furthermore, the CESL IT team is responsible for managing several other dashboards, including the solar dashboard, EVCI dashboard, and EV dashboard.

Similarly, portal for an electric two-wheeler and three-wheeler has also been developed. This serves as a one-stop-shop for individuals looking to purchase electric two and three-wheelers.

The Gram UJALA Dashboard and Portal has been selected to participate in the Data Governance Quality Index (DGQI) program under NITI Aayog.

5 HUMAN RESOURCES MANAGEMENT

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

The total employee strength of the company as on March 31, 2023, is given as under:

Location	Number of employees					
	Regular	Contractual	Consultant	Third Party	ESL - FT Regular (econded)	ESL FT / Regular Aligned)
India	5	2	3	38	7	20
Total	5	2	3	38	7	20

6 INSTITUTIONAL STRENGTHENING

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

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

In line with provisions of "Sexual Harassment of women at Work Place (Prevention, Prohibition & Redressal) Act, 2013 an "Internal Complaints Committee" has been constituted for redressal of complaints against sexual harassment of women employees. During the financial year 2022 -23, the Company did not receive any compliant of sexual harassment. Our organization emphasizes on providing a safe working environment for women and in all the training programs, a special stress is given on gender sensitization.

8 FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2022-23, the Foreign Exchange Earnings has been Rs 17,79,153.

During the financial year 2022-23, the Foreign Exchange Outgo has been Rs. 1,03,384.

9 INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your directors state that considering the nature and size of the operations of the company during the financial year 2022-23, the provisions of the Companies Act regarding Formal process of Internal Financial Control and assessment of its adequacy are not applicable on the company.

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

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

10 FOREIGN EXCHANGE AND RISK MANAGEMENT POLICY

As aforementioned, for the financial year 2022-23, the operations of the company are at preliminary stage, which accordingly do not entail involvement of any intricate process for risk management including foreign exchange risk management.

However, with due course of development of operations the management shall oversee risk management and shall

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

11 CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

12 KEY MANAGERIAL PERSONNEL

Key Managerial Personnel as on March 31, 2023, in terms of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

SN	Name	Designation
1.	Shri Vishal Kapoor	Managing Director & Chief Executive Officer w.e.f January 18, 2023
2.	Shri Jagjeet Singh Dadiala	Chief Financial Officer
3.	Shri Abhishek Srivastava	Company Secretary
4.	Ms. Mahua Acharya	Managing Director & Chief Executive Officer upto January 13, 2023

13 BOARD OF DIRECTORS & MEETINGS

During the year, Shri Arun Kumar Mishra ceased to be the director of the company w.e.f November 02, 2022 consequent upon his resignation from the holding company. Furthermore, Ms. Seema Gupta & Shri C.K. Mondol ceased to be the Director of the company w.e.f. June 01, 2022 & January 31, 2023, respectively, upon their superannuation from their respective companies.

The company upon receipt of nomination from EESL, appointed Shri Ravinder Kumar Tyagi and Shri Dillip Kumar Patel as additional director designated as nominee director on the Board of the Company w.e.f. December 07, 2022 & March 18, 2023 respectively.

Ms. Mahua Acharya resigned from the position of Managing Director and CEO of the Company w.e.f. January 13, 2023 and thereafter upon receipt of nomination from EESL (holding company), Shri Vishal Kapoor was appointed as Managing Director and CEO of the Company w.e.f. January 18, 2023.

Shri Vishal Kapoor, Shri Ravinder Kumar Tyagi and Shri Dillip Kumar Patel will be re-appointed by the members of the Company in the ensuing AGM of the Company.

The Board of Directors of the company duly met 6 times during the financial year 2022-2023. The dates on which meetings of the Board were held are as follows:

06.04.2022, 30.05.2022, 13.07.2022, 07.09.2022, 15.12.2022 and 18.01.2023.

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

Details of number of meetings attended by each Director during the financial year 2022-23 are as under:

Sr. No.	Name of Director	No. of Board Meetings	
		Entitled	Attended
1.	Ms. Mahua Acharya	5	5
2.	Shri Arun Kumar Mishra	4	4
3.	Ms. Seema Gupta	2	2
4.	Shri C.K. Mondol	6	6
5.	Shri Shankar Gopal	6	6
6.	Shri Vishal Kapoor	2	2
7.	Shri R.K Tyagi	2	2
8.	Shri D.K Patel	NA	NA

14 DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory auditors, external consultants and the reviews performed by, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of

Directors, to the best of their knowledge and ability, confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no cases of material departures;
- b. They have, in the selection of accounting policies, consulted Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- c. They have taken proper and sufficient care to the best of their knowledge and ability for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;
- d. They have prepared the annual accounts on a going concern basis.
- e. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. (Refer to the point 9 of this Report)
- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15 MAINTENANCE OF COST RECORDS

Considering the nature and size of the operations of the company during the financial year 2022-23, your directors state that the provisions of Companies Act, 2013, regarding the maintenance of cost records are not applicable to the company

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

The Government of India has notified Public Procurement Policy on Micro & Small Enterprises (MSEs) Order, 2012

and subsequent amendments till date. In terms of the said policy, following are the required details:

S.N	Descriptions	FY 2022-23 (In Rs.)
1	*Total annual procurement (in value) including Electric Buses	₹ 5,12,24,09,81,011
2	*Total Procurement for E-buses (Grand Challenge-1 and NEBP-1)	₹ 5,10,76,34,04,600
3	*Total annual procurement (in value) –Excluding Electric Buses	₹ 1,47,75,76,411
4	Total value of goods and services procured from MSEs (including MSEs owned by SC / ST entrepreneurs) including Electric Buses	₹ 14,89,91,11,429
5	Total value of goods and services procured from MSEs (including MSEs owned by SC / ST entrepreneurs) excluding Electric Buses	₹ 69,26,61,829
6	Total value of goods and services procured from MSEs owned only by SC / ST and women entrepreneurs	-
7	% age of procurement from MSEs (including MSEs owned by SC / ST and Women entrepreneurs) out of total procurement(including funding by Multilateral/ Bilateral Agencies) including Electric Buses	2.91
8	% age of procurement from MSEs (including MSEs owned by SC / ST and Women entrepreneurs) out of total procurement(including funding by Multilateral/ Bilateral Agencies) excluding Electric Buses	46.88
9	% age of procurement from MSEs owned only by SC / ST entrepreneurs out of total procurement	-

***The company was the Bid Process coordinator for total procurement of E-Buses under Grand Challenge-1 and NEBP-1 and the tender was floated on behalf of the clients (State Transport Undertakings).**

17 VIGIL MECHANISM & DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

Considering the nature and size of the operations of the company during the financial year 2022-23, your directors state that the provisions of Companies Act, 2013, regarding formal process of Vigil Mechanism are not applicable on the company. Further, the Company, being a wholly-owned subsidiary, the provisions of Section 177

of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013, relating to the constitution of Audit Committee are not applicable.

However, going by its philosophy of providing fair and transparent working environment for all its employees, your company has in place, an informal escalation channel to deal with any such instance requiring attention of the management.

18 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

19 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The company has not given any loans, guarantees or made any investment during the financial year 2022-23, which requires disclosures under section 186 of the Companies Act 2013.

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

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

Under the PLI Scheme, MHI had rejected application of M/s JBM Electric claiming that it does not satisfy one the qualifying criteria mentioned in PLI scheme guidelines. MHI further debarred JBM Electric along with its group companies and instructed CESL to not consider the financial bid of JBM Ecolife Mobility Private Limited (one of the group company of M/s JBM Electric Vehicles Private Limited) in the Grand Challenge tender floated by the company. The bid was rejected by the company in adherence to the communication received from the Ministry w.r.t disqualification. However, JBM Ecolife Mobility Private Limited preferred a Letters Patent Appeal against the said judgment which was allowed by the Division Bench of the Hon'ble High Court of Delhi at New Delhi.

MHI has thereafter filed a Special Leave Petition before the Hon'ble Supreme Court, challenging the judgment by the Hon'ble High Court of Delhi and as on date, the matter is pending in the Hon'ble Supreme Court. The company is adherent of all the orders issued to it by competent authorities and will continue to follow suit in the future.

There are no financial implications of the case on the company.

21 DEPOSITS

The company has not accepted any deposits during the financial year 2022-23.

22 AUDITORS

22.1 STATUTORY AUDITOR

The Comptroller and Auditor General of India (C&AG), in exercise of power conferred under Section 139 of the Companies Act, 2013 had vide letter dated August 29, 2022 appointed **M/s V.G.H.S.R & Associates LLP, Chartered Accountants, New Delhi** as Statutory Auditor of the Company for financial year 2022-23. The Statutory Auditors have not made any qualifications/adverse remarks in the Audit Report for the financial year 2022-2023.

22.2 INTERNAL AUDITORS

Considering the nature and size of operations and financials of the company during the financial year 2021-22, the provisions of the Companies Act, 2013 regarding

the appointment of internal auditor are not applicable on the company.

However, for the financial year 2023-2024, as the provisions of section 138 of the Companies Act, 2013 have become applicable on the Company, the Company will appoint an Internal Auditor to conduct Internal Audit of the Company for financial year 2023-2024 and onwards.

22.3 COST AUDITORS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company. Hence, appointment of Cost Auditor was not required for the financial year 2022-2023

22.4 SECRETARIAL AUDITOR

Pursuant to the provisions of section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board in its meeting held on May 01, 2023, appointed M/s Sinha & Srivastava LLP as the Secretarial Auditor of the Company to the conduct the secretarial audit of the company for the Financial Year 2022-23.

The Secretarial Audit Report in Form MR-3 (attached as Annexure-A to this report) for the financial year 2022-2023 does not contain any adverse remarks/qualifications or reservation.

23 STATUTORY DISCLOSURE

- a) There was no change in nature of business of the Company during the financial year 2022– 23.
- b) The Company maintains an adequate system of Internal Controls including suitable monitoring procedures, which ensures accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies.
- c) There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March 31, 2023 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.

24 WEBLINK TO COMPANY WEBSITE

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

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

During the financial year 2022-23, the company received 08 applications under Right to Information (RTI) Act. All the applications were disposed-off in a time bound manner.

26 TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

27 CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

29DECLARATION OF INDEPENDENT DIRECTORS

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

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

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

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

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company however, the company follows the policies and procedures of the Holding Company relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

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

No applications were made nor any proceedings are pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2022-2023.

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

During the financial year 2022-23, no such event took place necessitating the reporting of details w.r.t. difference between amount of the valuation done at the

time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions.

34STATEMENT PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The provisions of the said rule are not applicable to the Company.

35 ACKNOWLEDGEMENT

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

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

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

---S/D
Shri Vishal Kapoor
Managing Director & CEO
(DIN: 08700132)

---S/D
Shri Shankar Gopal
Director
(DIN: 08339439)

**Date: 23.08.2023
Place: New Delhi**

Form MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members,
CONVERGENCE ENERGY SERVICES LIMITED,
2nd Floor, NFL Building, Core-III SCOPE Complex,
Lodhi Road, New Delhi – 110003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CONVERGENCE ENERGY SERVICES LIMITED [CIN: U40300DL2020PLC372412]** (hereinafter called the "Company") having its Registered Office at **2nd Floor, NFL Building, Core-III SCOPE Complex, Lodhi Road, New Delhi – 110003.**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on **March 31, 2023**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable during the period under review)**

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



- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable during the period under review)**
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable during the period under review)**
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable during the period under review)**
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable during the period under review)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable during the period under review)**
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable during the period under review)**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable during the period under review)** and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the period under review)**

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

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

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

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

We further report that:

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

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

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

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



We further report that during the financial year 2022-23, the company has issued and allotted 4,92,10,000 equity shares of Rs.10/- (Rupees Ten only) each at par to Energy Efficiency Services Limited (Holding Company) as under:

S. No.	Date of Corporate Action	Number of Equity Shares of Rs. 10 each
1.	04.05.2022	3,56,39,700
2.	22.06.2022	65,70,300
3.	08.10.2022	70,00,000

Date: **June 2, 2023**

Place: **Noida**

For, **Sinha & Srivastava LLP**
Company Secretaries




Suman Kumar Verma
(Designated Partner)

FCS No.: 7409; CP No.: 24902

FRN: L2017UP003700

PR: 3487/2023

UDIN: F007409E000448894

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

Annexure-A

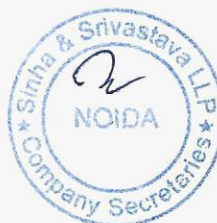
To,

The Members,
CONVERGENCE ENERGY SERVICES LIMITED,
2nd Floor, NFL Building, Core-III SCOPE Complex,
Lodhi Road, New Delhi – 110003

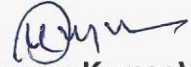
Our Report of even date is to be read along with this letter.

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

Date: **June 2, 2023**
Place: **Noida**



For, **Sinha & Srivastava LLP**
Company Secretaries


Suman Kumar Verma
(Designated Partner)
FCS No.: 7409; CP No.: 24902
FRN: L2017UP003700
PR: 3487/2023
UDIN: F007409E000448894



VGHSR AND ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of

Convergence Energy Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of **M/s Convergence Energy Services Limited** ("the Company"), which comprise the balance sheet as at 31st March 2023, 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 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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
1. Disclosure of Self-generated certified emission reductions (CERs) as contingent asset	<p>Self-generated certified emission reductions (CERs) are covered in guidance note issued by ICAI (GN(A) 31 (Issued 2012)).</p> <ul style="list-style-type: none">CERs when emission reductions are taking place are Contingent Assets of the company.We have perused the agreement entered with coordinating and managing entity.

(Formerly known as VKHS & Associates / VGHSR And Associates)



	<ul style="list-style-type: none"> • We have obtained the Carbon credit projection from the coordinating and managing entity. • Performed the discussion with those charged with governance with regard to the significant management judgement that has been considered in assessing appropriateness and adequacy of the contingent asset made in books in this regard. • Ensured appropriateness of the disclosures in the standalone financial statements in accordance with the relevant requirements of Guidance note on Self-generated certified emission reductions (CERs) issued by ICAI.
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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.

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 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 report that fact. We have nothing to report in this regard.

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
 - h) 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:
 - i. The Company has disclosed pending litigations and the impact on its financial position - refer note 29(a) to the Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other



person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

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

For VGHSR And Associates LLP
Chartered Accountants
FRN: 007915N/N500393

[Handwritten signature]
16/05/2023

(Vinod Kumar Kalra)
Designated Partner
DPIN-00288415
Membership No.: 086690
UDIN: 23086690BGXIWC5914



Place: New Delhi
Date: 01/05/2023

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

- (i)
 - (a)
 - (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - (B) The company has maintained proper records showing full particulars of intangible assets;
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties purchased by the company during the year.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)
 - (a) As explained to us & on the basis of the records examined by us, in our opinion, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on physical verification of stocks by the management as compared to book records.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned during any point of time of the year, working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with



- (v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii)
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 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 on the basis of our examination of the records of the company, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix)
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or other lender;
- (c) According to the information and explanations given to us by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained,
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.
- (x)
- (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis



of our examination of the records of the Company, the Company has utilized funds raised by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) for the purposes for which they were raised.

- (xi)
- (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
 - (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
 - (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
- (xii) The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards;
- (xiv)
- (a) In our opinion and based on our examination, the company does not require to have an internal audit system. Accordingly, clause 3(xiv)(a), of the Order is not applicable
 - (b) Based on information and explanations provided to us, no internal audit had been conducted of the company. Accordingly, clause 3(xiv)(a), of the Order is not applicable
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company
- (xvi)
- (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable.
 - (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
 - (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
 - (d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.



- (xvii) Based on our examination, the company has incurred cash losses in the financial year and in the immediately preceding financial year. Amount of cash loss during current financial year is Rs.8.65 Crores and in the immediately preceding financial year is Rs.9.45 Crores.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) Based on our examination, the provision of section 135 are not applicable on the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

For VGHSR And Associates LLP
Chartered Accountants
FRN: 007915N/N500393

11/5/2023

(Vinod Kumar Kalra)
Designated Partner
DPIN-00288415
Membership No.: 086690
UDIN: 23086690BGXIWC5914



Place: New Delhi
Date: 01/05/2023

Report on Internal Financial Controls with reference to financial statements

Report on the Internal Financial Controls 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, 2023 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 authorisations 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, 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, 2023, 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.

For VGHSR And Associates LLP
Chartered Accountants
FRN: 007915N/N500393

[Handwritten signature]
17/5/2023



(Vinod Kumar Kalra)
Designated Partner
DPIN-00288415
Membership No.: 086690
UDIN: 23086690BGXIWC5914

Place: New Delhi
Date: 01/05/2023

Particulars	Note No.	₹ in hundred	
		As At March 31, 2023	As At March 31, 2022
ASSETS			
Non - current assets			
(a) Property, plant and equipment	4	7,41,452.40	4,93,648.72
(b) Capital work - in - progress	4	-	-
(c) Intangible Assets	4	71,96,551.25	67,35,016.38
(d) Intangible Assets under development	4	-	-
(e) Financial assets			
(i) Investments	5.1	-	-
(ii) Loans	5.2	7,629.27	-
(ii) Other non current financial assets	5.3	28,78,871.17	23,80,360.56
(f) Deferred Tax Assets (net)	13	9,25,415.77	4,10,245.02
Total non-current assets		1,17,49,919.86	1,00,19,270.68
Current assets			
(a) Inventories	6	-	2,20,974.80
(b) Financial assets			
(i) Investments	7.1	-	-
(ii) Trade receivables	7.2	17,90,636.28	1,42,379.95
(iii) Cash and cash equivalents	7.3	39,27,440.42	25,31,545.66
(iv) Bank balances other than (iii) above	7.4	-	-
(v) Loans	7.5	3,943.08	-
(vi) Other current financial assets	7.6	18,43,809.82	9,36,836.72
(c) Current tax assets (net)	8	-	-
(d) Other current assets	9	17,13,783.35	20,17,520.22
Total current assets		92,79,612.95	58,49,257.35
Total assets		2,10,29,532.81	1,58,68,528.03
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10.1	59,21,010.00	10,00,010.00
(b) Other equity	10.2	(28,20,540.02)	(12,30,352.85)
Total equity		31,00,469.98	(2,30,342.85)
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11.1	41,31,811.55	30,00,000.00
(ia) Lease Liabilities		29,95,450.83	23,89,794.08
(ii) Other financial liabilities (other then those specified in item (b))	11.2	-	-
(b) Provisions	12	7,546.27	-
(c) Deferred tax liabilities (net)	13	-	-
Total non-current liabilities		71,34,808.65	53,89,794.08
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14.1	6,76,822.30	-
(ia) Lease Liabilities		6,62,756.25	4,01,855.87
(ii) Trade payables			
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	14.2	1,37,934.72	2,16,533.66
(b) Total outstanding dues of other than Micro Enterprises and Small Enterprises	14.2	35,84,498.27	39,16,982.44
(iii) Other financial liabilities (other then those specified in item (c))	14.3	45,12,849.48	41,46,523.45
(b) Other current liabilities	15	4,11,717.14	6,78,895.01
(c) Provisions	16	8,07,676.02	13,48,286.37
Total current liabilities		1,07,94,254.18	1,07,09,076.80
Total Equity & Liabilities		2,10,29,532.81	1,58,68,528.03
See accompanying notes to the financial statements			

See accompanying notes to the financial statements

As per our Report of even date

For VGHSR & Associates LLP

Chartered Accountants

FRN: 007915N/N500393

(CA. VINOD KUMAR KALRA)

Partner

Membership No. 086690

DPIN: 00288415

Place : New Delhi

Date : 1/5/2023



(Vishal Kapoor)
Managing Director & CEO
DIN-08700132

(Jagjeet Singh Dadiyal)
CFO

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

(Shankar Gopal)
Director
DIN- 08339439

(Abhishek Srivastva)
Company Secretary



Standalone Statement of Profit and Loss for the period March 2023

		₹ in hundred	
Particulars	Note No.	For the period ended March 31, 2023	For the period ended March 31, 2022
I Revenue from operations	17	22,06,696.99	9,88,661.07
II Other income	18	1,33,286.24	31,969.78
III Total income (I + II)		<u>23,39,983.24</u>	<u>10,20,630.85</u>
IV Expenses			
Cost of materials consumed	19	-	-
Purchase of stock-in-trade	19.1	30,622.34	3,37,589.79
Change in inventories of finished goods and work-in-progress	20	2,20,974.80	(2,20,974.80)
Employee benefits expense	21	2,09,715.15	1,97,746.58
Finance costs	22	8,03,850.60	1,78,319.99
Depreciation expense	23	12,89,895.95	3,83,533.82
Other expenses	24	18,90,282.81	15,00,036.86
Total expenses		<u>44,45,341.65</u>	<u>23,76,252.24</u>
V Profit for the year before tax (III-IV)		<u>(21,05,358.41)</u>	<u>(13,55,621.39)</u>
VI Tax Expenses			
(1) Current tax	25	-	-
(2) Deferred tax		(5,15,171.24)	(3,38,522.13)
		<u>(5,15,171.24)</u>	<u>(3,38,522.13)</u>
VII Net Profit for the year after tax (V - VI)		<u>(15,90,187.17)</u>	<u>(10,17,099.26)</u>
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		-	-
		<u>-</u>	<u>-</u>
IX Total comprehensive income for the year (VII + VIII)		<u>(15,90,187.17)</u>	<u>(10,17,099.26)</u>
X Earning per equity share	27		
Nominal value of equity shares (Rs 10.00 each)			
(1) Basic (in Rs)		(3.13)	(84.37)
(2) Diluted (in Rs)		(3.13)	(84.37)

See accompanying notes to the financial statements

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

(CA. VINOD KUMAR KALRA)
Partner
Membership No. 086690
DPIN: 00288415
Place : New Delhi
Date : 1/5/2023



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

(Vishal Kapoor)
Managing Director & CEO
DIN-08700132

(Jagjeet Singh Dadijala)
CFO

(Shankar Gopal)
Director
DIN- 08339439

(Abhishek Srivastva)
Company Secretary



Standalone Cash Flow Statement for the period ended March 31, 2023

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
A. Cash Flow from Operating Activities		
Net Profit before tax	(21,05,358.41)	(13,55,621.39)
Adjustments:		
Depreciation and amortization expense	12,89,895.95	3,83,533.82
Finance Cost	8,03,850.60	1,78,319.99
Interest Income	(1,26,582.85)	(6,748.80)
Financial Guarantee Income	-	-
(Profit)/ Loss on disposal of Property, Plant & Equipment	-	-
Operating Profit before working capital changes	(1,38,194.71)	(8,00,516.38)
Adjustments for working capital changes:		
Inventories	2,20,974.80	(2,20,974.80)
Trade and Other Payables	(5,91,644.92)	98,90,296.37
Trade and Other Receivables	(22,51,492.56)	(30,08,013.44)
Other financial assets	(5,10,082.96)	(23,80,360.56)
Cash Generated from Operations	(32,70,440.35)	34,80,431.19
Income Tax Paid	-	-
Net Cash (used in) /from Operating activities	(32,70,440.35)	34,80,431.19
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and CWIP, Intangible Assets	(19,99,234.50)	(71,67,108.41)
Sale proceeds of Property, Plant & Equipment	-	-
Sale of Current Investments (net)	-	-
Investment in Subsidiaries	-	-
Margin Money/ Fixed Deposits with banks	-	-
Non - current liability & Provisions	7,546.27	-
Interest Received	1,26,582.85	6,748.80
Dividend Received	-	-
Net Cash used in Investing Activities	(18,65,105.37)	(71,60,359.61)
C Cash Flow from Financing Activities		
Proceeds from long term borrowings	18,08,633.85	30,00,000.00
Proceeds from Issue of Share Capital	49,21,000.00	10,00,000.00
Finance Cost	(8,03,850.60)	(1,78,319.99)
Lease Liability	6,05,656.75	23,89,794.08
Dividend Paid (including tax on dividend)	-	-
Net cash from/ (used in) financing activities	65,31,439.99	62,11,474.09
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	13,95,894.26	25,31,545.66
Cash and cash equivalents (Opening Balance)	25,31,545.66	-
Cash and cash equivalents (Closing Balance)	39,27,439.92	25,31,545.66
Change in Cash & Cash Equivalents	13,95,894.26	25,31,545.66

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

Components of Cash & Cash Equivalents

	As At March 31, 2023	As At March 31, 2022
Balances with banks		
- in Current Accounts	87,644.50	10,08,442.79
Gold coins/ Silver Coins/ Stamps	-	-
Deposits with maturity of less than three months	38,39,795.92	15,23,102.87
Net Cash & Cash Equivalents	39,27,440.42	25,31,545.66

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

(CA. VINOD KUMAR KALRA)
Partner
Membership No. 086690
DPIN: 00288415
Place : New Delhi
Date : 15/5/2023



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

(Vishal Kapoor)
Managing Director & CEO
DIN-08700132

(Jagjeet Singh Daddala)
CFO

(Shankar Gopal)
Director
DIN- 08339439

(Abhishek Srivastava)
Company Secretary



(a) Equity Share Capital

₹ in hundred

	As at 31 March 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	As at 31 March 2023
EQUITY SHARES	10,00,010.00	-	-	49,21,000.00	59,21,010.00

	As at 01 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	As at 31 March 2022
EQUITY SHARES	10.00	-	-	10,00,000.00	10,00,010.00

(b) Other equity

(1) Current Reporting Period

Reserves and Surplus

	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluat ion Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehen sive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period (01.04.2022)						(12,30,352.85)								(12,30,352.85)
Changes in accounting policy or prior period errors														-
Restated balance at the beginning of the current reporting period														-
Total Comprehensive Income for the current year														-
Dividends														-
Transfer to retained earnings														-
Any other change (to be specified)														-
Balance at the end of the current reporting period (31.03.2023)						(15,90,187.17)								(15,90,187.17)
						(28,20,540.02)								(28,20,540.02)

₹ in hundred



(1) Previous Reporting Period		Reserves and Surplus					Other items					₹ in hundred		
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation		of Other Comprehensive Income (specify nature)	Money received against share warrants
Balance at the beginning of the current reporting period (01.04.2021)						(2,13,253.59)								(2,13,253.59)
Changes in accounting policy or prior period errors														-
Restated balance at the beginning of the current reporting period														-
Total Comprehensive Income for the current year														-
Dividends														-
Transfer to retained earnings														-
Any other change (to be specified)						(10,17,099.26)								-
Balance at the end of the current reporting period (31.03.2022)						(12,30,352.85)								(10,17,099.26)
														(12,30,352.85)



Note 1 Corporate Information

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

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

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

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

2.1 Basis of preparation, measurement and significant accounting policies

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

Compliance with Ind AS

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

Historical cost convention

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

Functional and presentation currency

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

Current vis-à-vis non-current classification

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

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

An asset is classified as current when it is:

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

A liability is classified as current when it is:

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

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

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

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



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

Note 3 Significant Accounting policies

3.1 Property, plant and equipment

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

Depreciation methods, estimated useful lives and residual value:
Depreciation on Property, Plant and Equipment (PPE) is provided over the useful life of assets as specified in schedule II to the Companies Act, 2013. Property, Plant and Equipment which are added / disposed off during the year, depreciation is provided pro-rata basis with reference to the month of addition / deletion. Electric vehicles purchased and not leased out to customer, shown as PPE under the head electric vehicles and depreciation is not charged due to these assets are for the purpose of financial lease.

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

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

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

3.2 Intangible assets

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

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

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

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

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

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



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

3.3 **Trade Receivables**

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

3.4 **Leases**

The Company as a lessee

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

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

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

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

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

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

The Company as a lessor

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

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

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

3.5 **Borrowing Costs**

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

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

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

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

3.6 **Employee Benefits**

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



3.7 Inventories

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

3.8 Revenue recognition and other income:

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

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

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

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

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

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

The units and value of the CERs shall be recognised in due course as per scheme depending on activities, milestones and other procedural audit and compliances.

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

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

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

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

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

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.

3.9 Foreign Currency Transactions

Foreign currency transactions is disclosed as per note no 36.



3.10 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.

3.11 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.

3.12 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.



3.13 **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, the company did not carry any amount under investments and other financial assets.

(b) **Financial Liabilities & Equity**

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

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

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

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

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

(iii) **Subsequent measurement:**

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

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

(iv) **Derecognition:**

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

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

Offsetting of financial instrument

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

3.14 **Dividend Distribution**

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

3.15 **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.

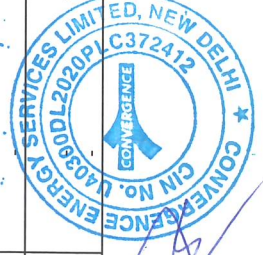


Non-Current Assets:

4 Property, Plant and Equipment

Tangible and Intangible assets

(a) Current Reporting Period	Tangible Assets							Intangible Assets	
	Particulars							Total Tangible Assets	Right to Receive Carbon Credits (LED Bulbs Distributed)
	Land (Free Hold)	Buildings	Computer & Data Processing Units	Office Equipments	Furniture & Fixtures	Electric Vehicles for Lease	Building (Lease Hold)		
Gross Carrying Amount	-	-	24,985.94	17,661.57	5,03,082.46	-	-	5,45,729.97	70,66,451.73
	-	-	700.00	-	-	7,85,911.20	-	22,08,900.97	16,92,988.20
	-	-	1,229.00	-	-	4,79,743.73	-	19,03,262.50	-
	-	-	24,456.94	17,661.57	5,03,082.46	3,06,167.47	-	8,51,368.44	87,59,439.92
Accumulated Depreciation	-	-	2,621.27	2,583.72	46,876.26	-	-	52,081.25	3,31,435.35
	-	-	7,063.89	3,585.90	47,792.83	-	-	58,442.63	12,31,453.33
	-	-	607.83	-	-	-	-	607.83	-
	-	-	9,077.33	6,169.62	94,669.09	-	-	1,09,916.05	15,62,888.68
Net Carrying Amount	-	-	22,364.67	15,077.85	4,56,206.20	-	-	4,93,648.72	67,35,016.38
	-	-	15,379.62	11,491.95	4,08,413.37	3,06,167.47	-	7,41,452.40	71,96,551.25
Capital Work in progress/under development	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
(a) Previous Reporting Period									
Particulars	Tangible Assets							Intangible Assets	
	Particulars							Total Tangible Assets	Right to Receive Carbon Credits (LED Bulbs Distributed)
	Land (Free Hold)	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Electric Vehicles for Lease	Building (Lease Hold)		
Gross Carrying Amount	-	-	-	-	-	-	-	-	-
	-	-	24,985.94	17,838.57	5,03,082.46	-	-	34,80,228.85	70,66,451.73
	-	-	-	177.00	-	-	-	29,34,498.87	-
	-	-	24,985.94	17,661.57	5,03,082.46	-	-	5,45,729.97	70,66,451.73
Accumulated Depreciation	-	-	2,621.27	-	-	-	-	-	-
	-	-	-	2,600.94	46,876.26	-	-	52,098.47	3,31,435.35
	-	-	-	17.22	-	-	-	17.22	-
	-	-	2,621.27	2,583.72	46,876.26	-	-	52,081.25	3,31,435.35
Net Carrying Amount	-	-	-	-	-	-	-	-	-
	-	-	22,364.67	15,077.85	4,56,206.20	-	-	4,93,648.72	67,35,016.38



CWIP aging schedule:

CWIP	Amount in CWIP for a period of FY 2022-23				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

(II) CWIP completion schedule:

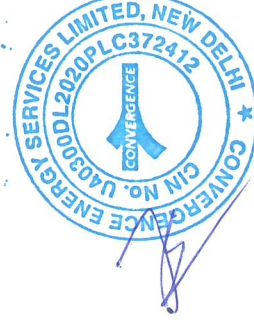
CWIP	To be completed in		
	Less than 1 year	1-2 years	More than 3 years
Project	-	-	-

Intangible assets under development aging schedule:

CWIP	Amount in Intangible assets for a period of FY 2022-23				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development completion schedule:

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



Note No.	Particulars	₹ in hundred	
		As at March 31, 2023	As at March 31, 2022
5	Non- Current Assets: Financial Assets		
5.1	Investments		
A	Unquoted Investments	-	-
B	Quoted Investments	-	-
	Aggregate amount of Non-Current Investments:	-	-
	Particulars		
	Aggregate amount of quoted investments	-	-
	Market value of quoted investments	-	-
	Aggregate amount of unquoted investments	-	-
5.2	Loans		
	Advances to Employees		
	- Unsecured & Good	7,629.27	-
	Security Deposit		
	- Unsecured & Good	-	-
		7,629.27	-
5.3	Other Non Current financial assets		
	Unbilled Revenue	-	-
	Finance Lease Receivable	28,78,871.17	23,80,360.56
		28,78,871.17	23,80,360.56
	Current Assets:		
6	Inventories		
	Raw materials	-	-
	Work - in - progress	-	-
	Finished goods	-	2,20,974.80
	Stock-in-trade	-	-
	Stores and spares	-	-
	Loose tools	-	-
	Goods in transit:		
	Raw materials	-	-
	Stores and spares	-	-
		-	2,20,974.80
7	Current financial assets		
7.1	Current Investments		
	Aggregate Book value of quoted investments	-	-
	Fair value of quoted investments	-	-
		-	-
7.2	Trade Receivables		
	- Trade Receivable considered good - Secured	-	-
	- Trade Receivable considered good - Unsecured	17,90,636.28	1,42,379.95
	- Trade Receivables which have significant increase in Credit Risk	-	-
	- Trade Receivables - credit impaired	-	-
		17,90,636.28	1,42,379.95
	Less: Provision for expected credit loss	-	-
		17,90,636.28	1,42,379.95

Trade Receivables ageing schedule as at 31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	10,83,346.28	6,96,691.35	10,598.64	-	-	17,90,636.28
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
	Less than 6 months	6 months -1 year	1 years to 2 years			
(vii) Unbilled Revenue	4,05,034.18	-	32,786.20	-	-	4,37,820.38



Trade Receivables ageing schedule as at 31.03.2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,38,583.50	3,796.45	-	-	-	1,42,379.95
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
	Less than 6 months	6 months -1 year	1 years to 2 years			
(vii) Unbilled Revenue	1,00,953.23	-	-	-	-	1,00,953.23

7.3 Cash & Cash Equivalents

Balances with banks

- in Current Accounts

Deposits with maturity of less than three months

87,644.50 10,08,442.79

38,39,795.92 15,23,102.87

39,27,440.42 25,31,545.66

7.4 Bank Balances

-Term Deposits with maturity up to 12 months

-

-

7.5 Loans

Advances to Employees

- Unsecured & Good

Amount recoverable from others

- Unsecured & Good

3,943.08 -

-

3,943.08 -

7.6 Other Current Financial Assets

- Interest receivable

- Finance Lease Receivable

- Unbilled Revenue

- Expenses Recoverable

- Grant Recoverable From Ministries

- Security Deposits

- Earnest Money Deposit

10,366.72 3,540.93

12,82,072.74 3,84,666.44

4,37,820.38 1,00,953.23

-

12,809.98 -

1,00,020.00 71,745.00

720.00 720.00

18,43,809.82 9,36,836.72

8 Current Tax Assets (net)

Advance income tax (net of provision for tax)

-

-

9 Other Current Assets

Undistributed Energy Efficient Bulbs

Balance with statutory authorities

Prepaid Expenses

Advance for Expenses

Advance to Staff

Deferred expenditure

5,996.23 8,54,633.97

16,75,612.22 11,56,348.83

3,753.02 4,691.28

8,096.88 1,100.00

1,100.00 746.14

19,225.00 -

17,13,783.35 20,17,520.22

10 Equity:**10.1 Share Capital****Authorised**

10,00,00,000 Equity shares of Rs 10 each

(10,00,00,000 Equity shares of Rs 10 each as on

31st March, 2022)

1,00,00,000.00 1,00,00,000.00

Issued, Subscribed & fully paid up

592,10,100 Equity shares of Rs 10 each

(1,00,00,100 Equity shares of Rs 10 each as on 31st

March, 2022)

59,21,010.00 10,00,010.00



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

Equity Shares				
	Nos	₹ in hundred	Nos	₹ in hundred
At the beginning of the period	1,00,00,100.00	10,00,010.00	100.00	10.00
Issued during the period:- Right issue	4,92,10,000.00	49,21,000.00	1,00,00,000.00	10,00,000.00
Issued during the period:- Bonus Issue	-	-	-	-
Outstanding at the end of the period	5,92,10,100.00	59,21,010.00	1,00,00,100.00	10,00,010.00

Rights, restrictions and preferences attached to each class of shares

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

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

Equity shares of ₹ 10 each fully paid

Energy Efficiency Services Limited through its representative office along with its nominees

As at March 31, 2023		As at March 31, 2022	
Number	% Holding	Number	% Holding
5,92,10,100	100%	1,00,00,100	100%

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

Class- Equity Shares

Shares held by			31.03.2023		31.03.2022		% Change during the year
S. No	Company Name	Relationship	No of shares	% of total shares	No of shares	% of total shares	
1	Energy Efficiency Services Limited	Holding Company	5,92,10,100.00	100%	1,00,00,100.00	100%	492.10%

(iv) Disclosure for Shareholding of Promoters

Shares held by promoters at the			31.03.2023		31.03.2022		% Change during the year
S. No	Promoter Name		No of shares	% of total shares	No of shares	% of total shares	
1	Energy Efficiency Services Limited		5,92,10,100	100%	1,00,00,100	100%	492.095%

10.2 Other Equity

a. Securities Premium Account

Opening and Closing Balance

- -

b. General Reserve

Opening Balance

Opening and Closing Balance

- -

c. Share Based Payments Reserve

Opening and Closing Balance

- -

d. Retained Earnings

Opening balance

(12,30,352.85) (2,13,253.59)

Add: Net Profit for the year

(15,90,187.17) (10,17,099.26)

Less: Appropriations:

- -

Dividend on equity shares

- -

Tax on Dividend

- -

Closing Balance

(28,20,540.02) (12,30,352.85)

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

(28,20,540.02) (12,30,352.85)

11 Non - current liabilities:

11.1 Borrowings

Borrowings from Body Corporate'

41,31,811.55 30,00,000.00

41,31,811.55 30,00,000.00

11.2 Other financial liabilities

Other liability (specify)

- -

- -

- -

12 Provisions

Provision for employee benefits

- Gratuity / Leave Encashment

7,546.27 -

Provision for Deferred Revenue

- -

Provision against asset retirement obligation*

- -

7,546.27 -

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

Opening Balance

- -

Unwinding of discount

- -

Payments

- -

Closing Balance

- -



13 Deferred Tax Asset / Liability

Deferred tax liability

On account of Depreciation Difference in IT and Comp Act
On account of Difference in Lease Rent Exp and Finance Cost

3,76,897.96	2,10,612.94
1,75,774.47	35,907.67
5,52,672.91	2,46,520.61

Deferred tax assets

On account of Losses Carried Forward
On account of Unabsorbed Depreciation
On account of in Lease Rent Income and Finance Income
On account of Unpaid exp u/s 43B Income Tax Act
Net deferred tax Assets

5,08,060.43	3,07,016.76
7,98,141.44	3,07,140.73
1,69,987.56	42,608.13
1,899.25	
9,25,415.77	4,10,245.02

Movement in deferred tax items

FY 22-23

Deferred tax liability / (asset) on account of
Difference in Book value of Tangible and Intangible assets
Expenses allowed on payment basis
Financial Assets and others
Financial Liabilities and others
Recognition of DTA on business losses and accumulated depreciation
Net Deferred tax liability / (asset)

Opening Balance	Recognised in Profit & Loss Account	Recognised in other comprehensive income	Closing balance
2,10,612.94	1,66,285.02	-	3,76,897.96
-	(1,899.25)	-	(1,899.25)
(42,608.13)	(1,27,379.43)		(1,69,987.56)
35,907.67	1,39,866.80		1,75,774.47
(6,14,157.49)	(6,92,044.38)	-	(13,06,201.87)
(4,10,245.01)	(5,15,171.24)	-	(9,25,416.25)

FY 21-22

Deferred tax liability / (asset) on account of
Difference in Book value of Tangible and Intangible assets
Expenses allowed on payment basis
Financial Assets and others
Financial Liabilities and others
Recognition of DTA on business losses and accumulated depreciation
Net Deferred tax liability / (asset)

Opening Balance	Recognised in Profit & Loss Account	Recognised in other comprehensive income	Closing balance
-	2,10,612.94	-	2,10,612.94
-	-	-	-
-	(42,608.13)		(42,608.13)
-	35,907.67		35,907.67
(71,722.88)	(5,42,434.61)	-	(6,14,157.49)
(71,722.88)	(3,38,522.13)	-	(4,10,245.01)

Current liabilities:

14 Financial Liabilities

14.1 Borrowings

Unsecured

Loans from banks repayable on demand

- Cash Credit
- Bill Discounting

Borrowings from Body Corporate'

-	-
-	-
6,76,822.30	
6,76,822.30	-

Unsecured - Loan from Body Corporates

Particulars	Balance as on 31.03.2023	Current	Non- Current	Repayment Schedule
Energy Efficiency Services Limited - Inter Corporate loan	48,08,633.85	6,76,822.30	41,31,811.55	Repayable in seven annual Instalment from March 2023. 31-03-2023 12.557% 31-03-2024 12.557% 31-03-2025 12.557% 31-03-2026 12.557% 31-03-2027 12.557% 31-03-2028 18.609% 31-03-2029 18.609%

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



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

1,37,934.72	2,16,533.66
35,84,498.27	39,16,982.44
37,22,432.99	41,33,516.10

Trade Payables aging schedule as at 31.03.2023

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment				
			Less Than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	1,05,986.55	31,948.17	-	-	1,37,934.72
(ii) Others	-	-	30,64,139.05	5,20,276.18	83.05	-	35,84,498.27
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payables aging schedule as at 31.03.2022

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment				
			Less Than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	2,16,533.66	-	-	-	2,16,533.66
(ii) Others	-	-	39,16,982.44	-	-	-	39,16,982.44
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

* Details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the company. Further, the amount payable to MSME vendors beyond the statutory period represents security deposit, retention money and other payments which are to be paid after such period as per respective contracts conditions and bills which are pending for completion of documentation by the vendors.

Particulars	As at March 31, 2023	As at March 31, 2022
a) Amount remaining unpaid to any supplier		
Principal amount	1,22,358.87	2,16,533.66
Interest due thereon	15,575.85	-
b) Amount of interest paid in terms of section 16 of the MSMED Act along with the amount paid to the supplier beyond the appointed day	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d. Amount of interest accrued and remaining unpaid	15,575.85	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

14.3 Other financial liabilities

Energy Efficiency Services Limited	4,82,664.55	29,88,777.31
Interest accrued and due on borrowings	-	8,654.80
Earnest money deposits	4,08,511.49	26,460.54
Security Deposit Received	8,114.27	3,426.89
Grant for KUSUM	-	88,341.17
SD refundable - EVCI	27,150.00	-
Retention Account	15,38,149.17	10,30,862.74
Security Deposit Received - E Buses	20,48,260.00	-
	45,12,849.48	41,46,523.45

15 Other current liabilities

Statutory Liabilities	1,95,927.86	2,25,192.15
Expenses Payables	3,047.14	2,817.28
Advance From Customers	2,07,451.74	4,44,272.58
Deferred Revenue	5,290.40	6,613.00
	4,11,717.14	6,78,895.01

16 Provisions

- Provision for Launch Expenses	-	-
-Provision For LED Replacement Charges	62,538.17	-
- Provision for maintenance expenses	-	27,035.55
- Provision for Rent	-	2,31,856.02
- Provision for LED Bulb Purchases	-	5,86,843.84
- Provision of Purchase of EV 4 wheeler	1,709.90	30,254.83
- Provision of Purchase of EV Charger	-	44,138.64
- Provision for Other Expenses	7,43,427.95	4,28,157.49
	8,07,676.02	13,48,286.37



Note No.	Particulars	₹ in hundred	
		For the year Ended March 31,2023	For the year Ended March 31,2022
17	Revenue from operations		
	A. Sale of products		
	Sale of Goods	14,114.77	1,36,190.23
		14,114.77	1,36,190.23
	B. Rendering of Services	21,92,582.23	8,52,470.84
	C. Other Operating Revenue	-	-
		22,06,696.99	9,88,661.07
18	Other income		
	Interest - Banks	1,26,582.85	6,748.80
	Dividend income	-	-
	Lease rental income	-	-
	Other non-operating income	-	-
	Tender document fees	6,703.39	20,201.48
	Event Execution Charges	-	5,019.50
		1,33,286.24	31,969.78
19	Cost of Materials consumed		
	Raw Material Consumed	-	-
		-	-
19.1	Purchase of stock-in-trade		
	Purchase of EV 4Wheeler	29,732.07	2,51,229.63
	Purchase of EV Charger	(47.99)	44,138.64
	Solar (House Hold) System Expenses	938.26	42,221.52
		30,622.34	3,37,589.79
20	Change in inventories of finished goods and work-in-progress		
	Inventories at the beginning of the year		
	Work-in-Progress	-	-
	Finished Goods	2,20,974.80	-
		2,20,974.80	-
	Less: Inventories at the end of 31.03.2023		
	Work-in-Progress	-	-
	Finished Goods	-	2,20,974.80
		-	2,20,974.80
	Change in inventories of finished goods and work-in-progress	2,20,974.80	(2,20,974.80)
21	Employee benefits expense		
	Salaries, wages, Allowances & Commission	1,78,783.95	1,72,093.80
	Contribution to Provident & Other funds	12,954.05	10,941.06
	Leave Encashment	8,870.94	1,427.79
	Employee share-based payment expense	-	-
	Gratuity & Pension	-	-
	Staff welfare expense	9,106.21	13,283.93
		2,09,715.15	1,97,746.58
22	Finance costs		
	Interest Expenses	2,93,273.47	9,616.44
	Interest - MSME	15,575.85	-
	Finance Cost EV lease	4,95,001.28	1,68,703.55
		8,03,850.60	1,78,319.99



Note No.	Particulars	₹ in hundred	
		For the year Ended March 31,2023	For the year Ended March 31,2022
23	Depreciation expense		
	Depreciation	12,89,895.95	3,83,533.82
	Amortization of intangible assets		
		12,89,895.95	3,83,533.82
24	Other expenses		
	Payment to the auditors		
	- Statutory Audit fees	1,500.00	1,500.00
	- Tax Audit fees	500.00	500.00
	- Limited Review fees	-	-
	- Certification & Other fees	475.00	-
	- for reimbursement of expenses	-	-
	Advertisement & publicity	6,613.61	32,242.56
	Bank Charges	248.25	237.57
	Commission for 2 Wheeler	-	559.97
	Consultancy charges	1,05,429.67	91,926.59
	Provision for Doubtful Debt	-	-
	Electricity expenses	19,131.96	26,452.50
	Electrical Expenses - EVCI	32,353.03	-
	Entertainment Expenses	5,929.66	6,985.73
	Foreign Travel Expenses	-	313.59
	Loss on Sale of Fixed Assets	313.92	-
	IT Expenses	24,012.95	72,814.73
	Interest on GST / TDS	338.63	446.26
	Launch Expenses	79.36	22,879.95
	Legal & Professional Expenses	67,604.88	1,09,284.23
	Manpower Security & house keeping	43,830.33	41,438.69
	Manpower Expenses - EV	4,81,961.95	-
	Manpower Expenses	74,029.98	60,495.97
	Medical expense reimbursement	2,285.60	2,611.24
	Meeting Expenses	1,494.75	2,018.96
	Office Expenses	7,699.57	7,254.01
	Recruitment Expenses	-	29,700.00
	Rent Expenses	4,52,321.12	6,88,399.80
	Repair & maintenance expenses		
	- Repair & Maintenance - office	49,115.80	52,386.72
	- Repair & Maintenance - EV	160.47	44.92
	Stationery & Printing Expenses	9,785.15	12,697.99
	Survey Expense	-	12,250.00
	Telephone Expenses	2,918.72	2,532.96
	Training Expenses	500.00	472.06
	Travelling & Conveyance	21,253.24	46,812.24
	Website Expense	7,930.00	750.00
	Business promotion	4,959.00	5,615.00
	LED Replacement Charges	63,326.69	-
	Publicity & Printing - Gram Ujala	-	29,173.31
	Solar expenses	-	17,040.00
	Car Port & Other Services	2,61,799.00	-
	PM - Kusum Expenses	1,34,623.18	-
	Rates,taxes & Fees	5,613.49	1,18,803.01
	Misc expenses	143.85	3,396.30
		18,90,282.81	15,00,036.86
25	Tax expense		
	Current tax	-	-
	<u>Deferred tax</u>		
	- Deferred tax credit	(5,15,171.24)	(3,38,522.13)
		(5,15,171.24)	(3,38,522.13)



Note No.	Particulars	₹ in hundred	
		For the year Ended March 31,2023	For the year Ended March 31,2022
	<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	-	-
	Total income tax expense recognised in profit & loss account	(5,15,171.24)	(3,38,522.13)
	Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:		
	Profit before tax	(21,05,358.41)	(13,55,621.39)
	Income tax expense calculated at 25.168% (including surcharge and education cess)	(5,29,876.61)	(3,41,182.79)
	Effect of income that is not chargeable to tax	-	-
	Effect of income chargeable at different rate of tax	-	-
	Impact of change in tax rate	-	-
	Effect of expenses that are deductible in determining taxable profit	-	-
	Effect of expenses that are non-deductible in determining taxable profit	14,705.36	2,660.66
	Total income tax expense recognised in profit & loss account	(5,15,171.25)	(3,38,522.13)
26	Other Comprehensive Income		
	Item that will not be reclassified to profit or loss		
	- Actuarial loss on defined benefit obligation	-	-
	- Income tax relating to Actuarial loss	-	-
	Items that will be reclassified to profit or loss		
	- Fair valuation of equity instruments at FVOCI	-	-
	Total Other Comprehensive Income	-	-
27	Earnings per Share		
	Net profit for the year attributable to Equity Shareholders for Basic EPS	(15,90,187.17)	(10,17,099.26)
	Add: Share based payment (net of tax)	-	-
	Net profit for the year attributable to Equity Shareholders for Diluted EPS	(15,90,187.17)	(10,17,099.26)
	Weighted average number of equity shares outstanding during the year for Basic EPS (in numbers)	5,07,33,156	12,05,579.45
	Weighted average number of equity shares outstanding during the year for Diluted EPS (in numbers)	5,07,33,156	12,05,579.45
	Earnings per share of Rs 10 each		
	Basic (in Rs)	(3.13)	(84.37)
	Diluted (in Rs)	(3.13)	(84.37)
	Face value per equity share		



28 Capital Commitments

Particulars	₹ in hundred	
	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	70,04,402.42	24,00,722.79

29 (a) Contingent Liabilities

S.No Particulars	₹ in hundred	
	As at March 31, 2023	As at March 31, 2022
i Bank guarantees backed by fixed deposit	3,515.40	-
ii Claims against the company not acknowledged as debt and being contested before the appropriate authorities.	-	-
- GST matters	-	-
- Income tax matters	-	-
iii Other Matters:		
<p>(a) The Ministry of Heavy Industries ("MHI") had issued a profit linked incentive scheme ("PLI Scheme") for enhancing India's Manufacturing capabilities for Advanced Automotive Products. MHI also administers the procurement of electric buses under Faster Adoption & Manufacturing of Electric (& Hybrid) Scheme Phase – II ("FAME-II").</p> <p>In pursuance of the FAME-II scheme, MHI had nominated Energy Efficiency Services Limited ("EESL") through its wholly owned subsidiary company, Convergence Energy Services Limited ("CESL" or "the Company") to aggregate demand for E-buses for nine cities in India. Consequently, CESL had aggregated demand for deployment of 5450 electric buses from five cities, for which CESL had floated the Grand Challenge Tender for procurement operation and maintenance of 5450 electric buses and allied electric and civil infrastructure in which M/s JBM Ecolife had placed its bid.</p> <p>Under the PLI Scheme, MHI had rejected application of M/s JBM Electric claiming that it does not satisfy the qualifying criteria mentioned in PLI scheme guidelines. MHI further debarred JBM Electric along with its group companies and instructed CESL to not consider the financial bid of JBM Ecolife Mobility Private Limited (one of the group company of M/s JBM Electric Vehicles Private Limited) in the Grand Challenge tender floated by the Company. The bid was not considered by the Company in adherence to the communication received from the Ministry w.r.t disqualification. However, JBM Ecolife Mobility Private Limited preferred a Letters Patent Appeal against the said judgment which was allowed by the Division Bench of the Hon'ble High Court of Delhi at New Delhi. Hon'ble High Court directed MHI to cancel the debarment of JBM and also directed CESL to consider JBM's bid in the grand challenge.</p> <p>MHI has thereafter filed a Special Leave Petition before the Hon'ble Supreme Court, challenging the judgment by the Hon'ble High Court of Delhi and as on date, the matter is pending in the Hon'ble Supreme Court.</p> <p>There is no specific allegation against the Company and no relief has been sought against the Company. The company is adherent of all the orders issued to it by competent authorities and will continue to follow suit in the future.</p> <p>In view of the aforesaid, it seems that there is no financial implication on the Company except that the revenue inflow may get delayed.</p> <p>(b) Company provides Electric Vehicles on lease with or without drivers to clients. Leases without drivers are termed as dry leases and leases with drivers are termed as Wet leases. The Company has charged 5% GST in respect of wet leasing of the agreements to the clients, which include driver salary and overtime also considering it as a composite bundled services as defined in GST Act. Considering divergent views on the applicability of single GST Rate on electric vehicles and manpower services, management has decided to take opinion from experts on the matter. In view of the aforesaid, there may be an implication of GST on the Company of Rs 62.73 Lakhs depending on the outcome of the opinion.</p>		

(b) Contingent Assets

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. Considering the guidance note and IND AS 37, CERs when emission reductions are taking place are Contingent Assets of the company.

Audit for CERs upto the period of May 2022 has been completed and 8,73,142 number of CERs are projected to be received for the said period, Also based on the projections 14,92,101 CERs are receivable for the period June 22 to March 2023.

30 Provisions

The company has given E-Vehicle 4W to various customers on leases. Company has given warranty for those EVs and their batteries to the customers. For Gram Ujala project, the Company has distributed LED Bulbs 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. Company has given warranty for 3 years for those bulbs to its customers.

Provision is required as per IND AS 37, on those warranties but same warranty is also given by the manufacturer/supplier to the company. Hence provision required is NIL.

Company needs to incur expenses relating to "Distribution Cost on the replacement of bulbs" and "Service Charges of EVs" covered under the warranty, but no provision is made in respect of same and those expenses are to be booked as and when incurred.



31 Segment Information

a General Information

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

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

Gram Ujala: As a part of various operations involving delivery of clean energy, the Company has launched project "GRAM UJALA" with the intent of generating revenue by obtaining 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.

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

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

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

Particulars	Gram Ujala	E-Mobility	Total
For the Year ended 31 March 2023			
Segment revenue	1,56,376.86	20,49,427.53	22,05,804.39
Segment expenses	3,66,676.93	17,58,602.01	21,25,278.94
Segment results	(2,10,300.07)	2,90,825.52	80,525.46
Unallocated corporate interest and other income	-	-	1,34,178.84
Unallocated corporate expenses, finance charges	-	-	10,30,166.75
Profit before tax	-	-	(8,15,462.45)
Income tax (net)	-	-	(5,15,171.24)
Profit after tax	-	-	(15,90,187.17)

Particulars	Gram Ujala	E-Mobility	Total
For the Year ended 31 March 2022			
Segment revenue	6,89,996.03	1,60,316.63	8,50,312.66
Segment expenses	94,503.52	1,68,703.55	2,63,207.07
Segment results	5,95,492.51	(8,386.92)	5,87,105.59
Unallocated corporate interest and other income	-	-	1,70,318.19
Unallocated corporate expenses, finance charges	-	-	21,13,045.17
Profit before tax	5,95,492.51	-	(13,55,621.39)
Income tax (net)	-	-	(3,38,522.13)
Profit after tax	-	-	(10,17,099.26)

As at 31 March 2023

Particulars	Gram Ujala	E-Mobility	Total
Segment Assets	87,59,439.92	41,60,943.90	1,29,20,383.83
Unallocated corporate and other assets	-	-	81,09,148.98
Total assets	87,59,439.92	41,60,943.90	2,10,29,532.81
Segment liabilities	77,90,254.68	64,60,678.58	1,42,50,933.26
Unallocated corporate and other liabilities	-	-	36,78,129.57
Total liabilities	77,90,254.68	64,60,678.58	1,79,29,062.83



As at 31 March 2022

Particulars	Gram Ujala	E-Mobility	Total
Segment Assets	70,66,451.73	27,65,027.00	98,31,478.73
Unallocated corporate and other assets	-	-	60,37,049.30
Total assets	70,66,451.73	27,65,027.00	1,58,68,528.03
Segment liabilities	55,94,939.11	27,91,649.95	83,86,589.06
Unallocated corporate and other liabilities	-	-	77,12,281.82
Total liabilities	55,94,939.11	27,91,649.95	1,60,98,870.88

c Other information about reportable segments:

Particulars	Gram Ujala	E-Mobility	Total
For the Year ended 31 March 2023			
Depreciation and amortisation expense	12,31,453	-	12,31,453
Non Cash expenses other than depreciation	-	-	-
Capital expenditure	70,66,452	-	70,66,452
For the Year ended 31 March 2022	Gram Ujala	E-Mobility	Total
Depreciation and amortisation expense	3,31,435.35	-	3,31,435.35
Non Cash expenses other than depreciation	-	-	-
Capital expenditure	70,66,451.73	-	70,66,451.73

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

e Information about geographical areas:

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

Particulars	As at March 31, 2023	As at March 31, 2022
India	22,06,696.99	9,88,661.07
Outside India	-	-
Total Revenue as per statement of profit and loss	22,06,696.99	9,88,661.07

Disclosure as per Ind AS 116 on 'Leases'

(a) As a lessee

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Right of use assets		
opening balance	-	-
Reclass of leasehold land	-	-
Additions during the year	14,22,289.77	29,34,321.87
Disposals/ Adjustment / Depreciation for the year	(14,22,289.77)	(29,34,321.87)
Closing balance	-	-
Lease Liabilities		
Opening balance	27,91,649.95	-
Additions during the year	14,22,289.77	29,34,321.87
Accretion of interest	4,95,001.28	1,68,703.55
Payments	(10,50,733.94)	(3,11,375.47)
Closing Balance	36,58,207.07	27,91,649.95
Bifurcation of these Liabilities		
Particulars	As at 31 March 2023	As at 31 March 2022
Current	6,62,756.24	4,01,855.87
Non current	29,95,450.83	23,89,794.08
Total	36,58,207.07	27,91,649.95



(b) As a lessor

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

Particulars	As at 31 March 2023	As at 31 March 2022
less than one year	13,97,837.27	7,70,993.31
One to two year	14,00,432.92	7,71,994.69
Two to three Year	14,04,580.86	7,75,626.44
Three to four year	12,43,744.30	7,82,369.00
Four to five year	4,78,945.17	7,59,305.95
more than five years	2,83,362.45	1,67,183.94
Total minimum lease payments	62,08,902.97	40,27,473.34
Less: Unearned Finance income	20,47,959.06	12,62,446.34
Present value of minimum lease payments	41,60,943.91	27,65,027.00

Particulars	As at 31 March 2023	As at 31 March 2022
Present Value of future minimum lease payments due under non-cancellable finance lease are as follows:		
less than one year	12,82,072.74	6,96,573.01
One to two year	10,70,669.98	6,19,928.99
Two to three Year	8,99,613.38	5,37,435.24
Three to four year	6,60,075.91	4,67,705.91
Four to five year	1,67,174.19	3,96,547.70
more than five years	81,337.71	46,836.15
Present value of minimum lease payments	41,60,943.91	27,65,027.00

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Ratios

Particulars	As at 31 March 2023	As at 31 March 2022	% Change in Ratio, if >25%	Reason for Change
Current Ratio	0.86	0.55	57%	Current assets increased due to debtors and cash Bank increased
Debt-Equity Ratio	5.78	-69.89	-108%	Equity infused during the year more than liability increase.
Debt Service Coverage Ratio	-0.01	-91.71	-100%	During the FY 2022-23 EBITDA is positive as compare to previous FY 2021-2
Return on Equity Ratio	-0.51	4.42	-112%	Equity infused during the year hence net equity is positive
Inventory turnover ratio	2.28	-0.94	-342%	No inventory as on 31.03.2023
Trade Receivables turnover ratio	2.42	14.21	-83%	Debtors increased more than turnover increase.
Trade payables turnover ratio	170.45	5.54	2977%	Due to FY 2020-21 is first year of Company.
Net capital turnover ratio	-1.46	-0.200	628%	Working capital increased
Net profit ratio	-72%	-103%	-30%	Turnover increased
Return on Capital employed	-0.13	-0.23	-44%	PBIT decreased
Return on investment	-0.05	-0.06	-17%	

Ratio's Formula

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



34 Share Based Payments

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

35 Related Party Disclosures

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

A. Relationships

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

NIL

ii. Key Managerial Person and Directors

Mahua Acharya	Chief Executive Officer (w.e.f. 16-Nov-2020 up to January 13, 2023)
Mahua Acharya	Managing Director (w.e.f. 20-Nov-2020 up to January 13, 2023)
Arun Kumar Mishra	Director (w.e.f. 11-Oct-2021 up to November 02, 2022)
Shankar Gopal	Director (w.e.f. 29-Oct-2020)
Seema Gupta	Director (w.e.f. 04-Jan-2022 up to June 01, 2022)
Chandan Kumar Mondal	Director (w.e.f. 21-Jan-2022 up to January 31, 2023)
Vishal Kapoor	Additional Director (w.e.f. November 12, 2022 up to January 18, 2023)
Vishal Kapoor	Chief Executive Officer (w.e.f. January 18, 2023)
Vishal Kapoor	Managing Director (w.e.f. January 18, 2023)
Jagjeet Singh Dadijala	Chief Financial Officer (w.e.f. 5-April-2021)
Abhishek Srivastava	Company Secretary (w.e.f. 23-Aug-2021)

iii. Holding Company(ies) of the Company:

Energy Efficiency Services Limited

iv. Other enterprises with whom transaction have taken place

Power Grid Corporation of India Limited

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

Nature of Relationship	Name of Related Party	Nature of Transaction	Presentation of Transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Holding Company	Energy Efficiency Services Limited	Payment on behalf of the Company (net)	Current Financial Liabilities	66,173.00	23,65,437.25
		Payment of amount payable to Holding Company		25,72,285.76	-
		Purchases	Purchases	15,109.97	5,20,455.97
		Manpower expenses	Provision for Other Expenses	73,515.48	-
		Loan Taken	Non Current Financial Liabilities	23,90,000.00	30,00,000.00
		Equity share capital	Equity share capital	49,21,000.00	10,00,010.00
		Interest	Current Financial Liabilities	2,91,676.09	9,616.44
		PMC Charges on Lease Rental	Sale of service	63,286.50	18,170.52
		Expenses Recoverable	Sale of service (Driver Exp)	4,83,694.08	3,24,127.04
		Expenses Recoverable	Sale of service (Tyre Cost)	-	12,539.07
		Expenses Recoverable	Sale of service (EVCI)	57,804.97	38,545.00
		Lease Rent-EV Cost	Other Expenses (Ind AS adjustment)	12,70,850.49	-
		Lease Rent-EV Cost (Provision)	Other Expenses (Ind AS adjustment)	3,11,312.28	4,54,262.96
Other enterprises	Power Grid Corporation of India Limited	Sale of services	Lease Rent - EV	1,65,282.68	13,607.51
Managing Director	Mahua Acharya	Reimbursement of Expenses	Sales	307.25	-
Managing Director	Mahua Acharya	Reimbursement of Expenses	Employee Benefit Expenses & Other expenses	8,133.54	12,179.18
Chief Financial Officer	Jagjeet Singh Dadijala	Compensation & Reimbursement of Expenses	Employee Benefit Expenses & Other expenses	50,937.57	50,674.18
Company Secretary	Abhishek Srivastava	Compensation & Reimbursement of Expenses	Employee Benefit Expenses & Other expenses	26,143.76	14,161.00

C. Balances outstanding at year end:

₹ in hundred					
Nature of Relationship	Name of Related Party	Nature of Transaction	Nature of Transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Holding Company	Energy Efficiency Services Limited	Other liabilities	Current Financial Liabilities	4,82,664.55	29,88,777.31
		Expense recoverable (Driver)	Debtors (excl. GST)	6,93,526.22	-
		Expense recoverable (Driver)	Unbilled	98,138.49	
		Expense recoverable (EVCI)	Debtors (excl. GST)	93,643.19	
		Expense recoverable (EVCI)	Unbilled	2,706.78	
		Expense recoverable (Tyre Cost)	Debtors (excl. GST)	12,539.07	
		Lease Rent-EV	Trade Payable	17,79,208.02	4,47,775.96
		Lease Rent-EV	Provision for Other Expenses	3,05,086.03	-
		Purchases	Trade Payable (LED Bulbs)	4,99,590.00	4,46,062.50
		Purchases	Trade Payable (Chargers)	46,530.64	44,138.64
		Purchases	Trade payable/ provisions(purchase of EV 4W)	47,968.91	30,254.83
		Manpower expenses	Provision for Other Expenses	72,045.17	-
		PMC Charges on Lease Rental	Unbilled	12,452.49	-
		PMC Charges on Lease Rental	Debtors (excl. GST)	69,004.53	18,170.52
		Loans	Financial Liabilities	48,08,633.85	30,00,000.00
		Interest	Other financial liabilities	-	8,654.80
Other enterprises	Power Grid Corporation of India Limited	Sale of services	Revenue from operations	1,44,852.82	3,926.42

36 Foreign Exchange Earnings And Outgo:

Actual foreign exchange out go on account of: ₹ in hundred

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Other expenses-Rates, taxes & Fees	1,033.84	-

Actual foreign exchange earned towards: ₹ in hundred

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advance received - Consultancy	17,791.53	12,073.71

37 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.

38 Dividend

The Board of Directors have not declared any interim dividend.

39 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.

40 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 the Balance Sheet date.



41 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 2022-23 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.

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 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 2023		As at 31 March 2022	
	Up to 6 months	More than 6 months	Up to 6 months	More than 6 months
Gross carrying amount (A)	10,83,346.28	6,96,691.35	1,38,583.50	3,796.45
Expected Credit Losses (B)	-	-	-	-
Net Carrying Amount (A-B)	10,83,346.28	6,96,691.35	1,38,583.50	3,796.45

The carrying amounts of financial instruments as on 31st March, 2023 is NIL as referred in note 40. 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, 2023 is not applicable for the financial year 2022-23.

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 2023	As at 31 March 2022
Total current assets	92,79,612.95	58,49,257.35
Total current liabilities	1,07,94,254.18	1,07,09,076.80
Current ratio	0.86	0.55

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
As at 31 March 2023				
Borrowings	-	-	-	-
Other financial Liabilities	75,08,300	13,39,579	41,31,812	1,29,79,690
Trade and other payables	-	-	-	-
Total	75,08,300	13,39,579	41,31,812	1,29,79,690
As at 31 March 2022				
Borrowings	-	-	-	-
Other financial Liabilities	35,63,436.67	10,00,000.00	20,00,000.00	65,63,436.67
Trade and other payables	-	-	-	-
Total	35,63,436.67	10,00,000.00	20,00,000.00	65,63,436.68

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.



42 Financial Instrument - Disclosure

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

43 Capital Management

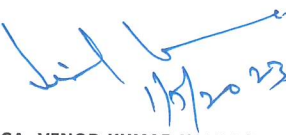
On account of similar considerations mentioned in note 38, the disclosures regarding the approach and guidelines of the company regarding its capital structure, mix of debt and capital

Particulars	As at 31 March 2023	As at 31 March 2022
Debt	71,34,808.65	53,89,794.08
Cash & bank balances	39,27,440.42	25,31,545.66
Net Debt	32,07,368.23	28,58,248.42
Total Equity	31,00,469.98	(2,30,342.85)
Net debt to equity ratio (Gearing Ratio)	1.03	(12.41)


44 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.

45 The Current Year refers to the period from 1st April 2022 to 31st March 2023. (Previous year refers to the period from 1st April 2021 to 31st March 2022. The Previous Year figures have been regrouped, rearranged and reclassified wherever necessary to conform to this year's classification.

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


(CA. VINOD KUMAR KALRA)
Partner
Membership No. 086690
DPIN: 00288415
Place : New Delhi
Date : 01/5/2023


(Vishal Kapoor)
Managing Director & CEO
DIN-08700132


(Jagjeet Singh Dadiala)
CFO

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


(Shankar Gopal)
Director
DIN-08339439


(Abhishek Srivastva)
Company Secretary

