NIKHIL WARANKAR & CO.
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Members of EFC Limited
Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the accompanying standalone financial statements of **EFC Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, statement of Changes in Equity 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 standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules 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.

3. Emphasis of Matter

We draw attention to the following matter:

a) During the year, the company had redeemed its preference shares of Rs. 246.04 lakhs as per the terms and conditions approved at the time of issuing preference share.

b) The company had disinvested its holding in Rubic Tech Space LLP on Nov 30th, 2023. Our opinion is not modified in respect of this matter.

4. 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

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a whole, and in forming our opinion thereon, and i do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, key audit matters are not applicable to the company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors and the Report on the Corporate Governance but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 Standalone Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the Standalone 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.
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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7. **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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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.

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

8. Other Matter Paragraph:

When a Key Audit Matters section is presented in the auditor's report and an Other Matter paragraph is also considered necessary, the auditor may add further context to the heading "Other Matter", such as "Other Matter – Scope of the Audit", to differentiate the Other Matter paragraph from the individual matters described in the Key Audit Matters section.

When an Other Matter paragraph is included to draw users' attention to a matter relating to Other Reporting Responsibilities addressed in the auditor's report, the paragraph may be included in the Report on Other Legal and Regulatory Requirements section.

When relevant to all the auditor's responsibilities or users' understanding of the auditor's report, the Other Matter paragraph may be included as a separate section following the Report on the Audit of the Financial Statements and the Report on Other Legal and Regulatory Requirements.

a) The company has capitalised the expenses incurred for development of project sites, which are contracted on leasehold terms, till they are ready for commercial use or operation under Capital Work in Progress. Once the sites are commercially ready to use, these capital work in progress amount will be transferred to leasehold improvements and the same will be amortised over the remaining lease period.
b) The company has met all the conditions prescribed under section 129 (3) read with rule 6 and its ultimate parent company is preparing consolidated financial statements for the year ended 31st March 2024. As such, the company has availed exemption to prepare consolidated financial statements.

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9. **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1," a statement on the matters specified in paragraphs 3 and 4 of the said 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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

(e) On the basis of the written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 over financial reporting of the Company and the operating effectiveness of such controls, our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting, refer "Annexure 2" to this report.

(g) The managerial remuneration has been paid and provided in accordance with the provisions of Section 197 and Schedule V of the Act.

(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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

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

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

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

a. The management has represented that to the best of its knowledge or 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 its knowledge or belief no funds have been received by the company to or in any other 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;

c. Based on the audit procedures considered reasonable and appropriate in the circumstances carried out by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatements.

iv. The Company has neither declared nor paid any dividend during the year.

v. As proviso to rule 3(1) of the Companies (accounts) Rules, 2014 is applicable for the Company only w.e.f April 1, 2024, reporting under this clause is not applicable.

For NIKHIL WARANKAR & CO.
Chartered Accountants
(FRN: 153107W)

NIKHIL WARANKAR & CO. FRN- 153107W PUNE Chartered Accountants

CA Nikhil Warankar
Proprietor
Membership Number: 198983
Pune, May 29, 2024
UDIN: 24198983BKFXYT9653

Annexure 1 referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2024 of EFC Limited:

Based on the audit procedures performed for the purpose of reporting a true and fair view on the IND AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, 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 as on balance sheet date.

(B) The company has maintained proper records showing full particulars of intangible assets.

(b) The major Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the basis of examination of the records of the company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company

(d) According to the information and explanation given to us and on the basis of 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.

(e) According to the information and explanations given to us and based on the examination of the records of the company 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) According to the information and explanations provided to us and based on our examination of the records of the company, the management has conducted physical verification of inventory at reasonable intervals during the year, and no material discrepancies were noticed on such verification. In our opinion, the valuation of

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inventory is fair and proper, in accordance with the generally accepted accounting principles, and is on the same basis as in the previous year.

(b) According to the information and explanations given to us and based on the examination of the records of the company, the company has not been sanctioned new working capital limits from banks or financial institutions during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. As such, reporting under paragraph 3 (ii)(b) of the order is not applicable to the company.

(iii) (a) (A) In our opinion and according to the information and explanations given to us, the company has made investments in/ provided any guarantee or security/ granted any loans or advances in the nature of loans, secured or unsecured to Subsidiaries, joint ventures and associates are as follows:

Particulars	Amount (In Lakhs)
Aggregate amount during the year	8961.77
Balance outstanding as at balance sheet date	923.41

(B) According to the information and explanations given to us and based on the audit procedures carried on by us, the company has provided loans, advances in the nature of loans to parties other than Subsidiaries, joint ventures and associates are as follows:

Particulars	Amount (In Lakhs)
Aggregate amount during the year – Others	1913.74
Balance outstanding as at balance sheet date – Others	1413.93

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made during the year and the terms and conditions of loans given are, prima facie, not prejudicial to the company's interest.

(c) According to the information and explanations given to us and based on the examination of the records of the company, the loans and advances in the nature of loans granted by the company are repayable after 3 years in a single bullet payment with interest rate of 12%p.a. and no loan was fallen due during the period.

(d) According to the information and explanations given to us and based on the examination of the records of the company, since the loans and advances in the nature of loans granted by the company are repayable after 3 years in a single bullet payment with interest rate of 12%p.a. and no loan was fallen due during the period. As such, there is no amount overdue for the period.

(e) According to the information and explanations given to us and based on the examination of the records of the company, no loan or advance in the nature of

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loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to the information and explanations given to us and based on the examination of the records of the company, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. As such, reporting under paragraph 3 (iii)(f) of the order is not applicable to the company.

(iv) Based on the audit procedures conducted by us and according to the information and explanations given to us, in our opinion, the Company has not given any loans to its Directors or to any other persons in whom the Director is interested under Section 185. The Company has complied with the provisions of Section 185 of the Act in respect of loans or advances provided to the parties covered under Section 185. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantees provided to the parties covered under Section 186.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public or any amount which deemed to be deposit as per the provisions of the Act and rules made thereunder and accordingly paragraph 3 (v) of the order is not applicable for the company.

(vi) The maintenance of cost records is not applicable to the company pursuant to the provisions of Section 148 (1) of the companies Act, 2013.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund and other material statutory dues applicable to it. However, company is not regular in depositing with appropriate authorities undisputed statutory dues of Provident Funds and professional tax. According to the information and explanations given to us and from the records of the Company, there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they became payable except the following:

Sr No	Name of the Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which amount relates
1	Professional Tax Act, 1975	Professional Tax	0.72	FY 2018-2019
2	Professional Tax Act, 1975	Professional Tax	0.85	FY 2019-2020
3	Professional Tax Act, 1975	Professional Tax	0.16	FY 2021-2022
4	Professional Tax Act, 1975	Professional Tax	4.09	FY 2023-2024

(b) According to the information and explanations given to us and from the examination of books of account and records of the company, there are no dues in respect of Income tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value added tax, Goods and services tax or Cess which have not been deposited on account of any dispute.

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(viii) In our opinion and according to the information and explanations given to us, the Company does not have any transaction which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) 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 audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) During the year 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) In our opinion and according to the information and explanations given to us, there has been no whistle-blower complaints received during the year by the company.

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(xii) According to the explanations given to us, the Company is not a Nidhi Company within the meaning of Section 406 of the Act. As such, reporting under clause 3 (xii) (a) to (c) is not applicable.

(xiii) Based upon the audit procedures performed and as per the information and explanations given to us, we report that the transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details as required by the applicable Indian Accounting Standards have been disclosed in the Financial Statements.

(xiv) (a) In our opinion and based on our examination, the company is not required to have an internal audit system as per the provisions of the Companies Act 2013. As such, reporting under 3(xiv)(a) and (b) is not applicable.

(xv) Based upon the audit procedures performed and as per the information and explanations given to us, we report that the Company has not entered into any non-cash transactions of the nature as described in Section 192 (1) of the Act.

(xvi) (a) Based on the audit procedures performed by us and as per the information and explanations given to us, we report that the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi)(a) of the order is not applicable for the company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company would not be classified as a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d)According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and 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 realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable

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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) (a) In our opinion and according to information and explanation provided to us and based on the audit procedures carried out by us, we report that the Company is not required to incur expenditure on Corporate Social Responsibility (CSR) under section 135 of the Act, since the Company does not satisfy any of the criteria of applicability of CSR provisions as specified under section 135 of the Act. Accordingly reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

For NIKHIL WARANKAR & CO.
Chartered Accountants
(FRN: 153107W)

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CA Nikhil Warankar
Proprietor
M. No: 198983
Pune, May 29, 2024
UDIN:24198983BKFXYT9653

Annexure-2 referred to in paragraph 9(2)(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of EFC Limited

We have audited the internal financial controls over financial reporting of **EFC Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's 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 as specified under Section 143(10) of the Companies Act, 2013, to the extent 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 were 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 internal financial controls system over financial reporting.

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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 unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Disclaimer of Opinion

The system of internal financial controls over financial reporting of the Company were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2024.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

For NIKHIL WARANKAR & CO.
Chartered Accountants
(FRN:153107W)

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CA Nikhil Warankar
Proprietor
Membership Number: 198983
Pune, May 29, 2024
UDIN:24198983BKFXYT9653

1 **Company overview**

EFC Limited ('the Company') was incorporated on 19/02/2014 as a Public Limited Company under the Companies Act, 2013. The Company is engaged in the business of renting of immovable property (Co-working spaces), Building Work Contracts projects, Business management services, Brokerage & Commission and Project Manageemnt Services. The address of its corporate office is Unit No 1,2,3 and 4, 6th Floor,VB Capital S No 209(P), CTS Pune, Maharashtra - 411007.

2 **Summary of significant accounting policies**

(a) **Statement of compliance and basis of preparation**

The financial statements as at and for the year ended March 31, 2024 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time), and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities which are measured at fair value. The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00000), except when otherwise indicated.

(b) **Functional and presentation currency**

The company's financial statements are presented in Indian Rupees (INR), which is the fundctional and presentation currency.

(c) **New and amended standards adopted by the Company**

Ind AS 115 - Revenue from contracts with customers

MCA has notified Ind AS 115 - Revenue from contracts with customer, mandatorily applicable from 01 April 2018 either based on a full retrospective or modified retrospective application. The standard requires the Company to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

The application of the new accounting policy has required management to make the following judgments:

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Company has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. In these circumstance the Company recognises revenue over time. Where this is not the case revenue is recognised at a point in time.

Determination of transaction prices

The Company is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Company assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract. In determining the impact of variable consideration the Company uses the "most-likely amount" method in IndAS 115, whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Transfer of control in contracts with customers

In cases where the Company determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the assets that is the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets this is generally when the unit has been registered through a sale deed and legal enforceable right to collect payment is established.

In addition, the application of Ind AS 115 has resulted in the following estimation process:

Allocation of transaction price to performance obligation in contracts with customers

For registered contracts through a sale deed , but the project is not complete, revenue from such contracts is recognised over time. The Company has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. The Company considers that the use of the input method which requires revenue recognition on the basis of the Company's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method the Company estimates the cost to complete the projects in order to determine the amount of revenue to be recognised. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

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(d) Fair value measurements

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 at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or the transfer the liability takes place either: in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 3: Valuation techniques for which the lowest input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The assets measured at fair value on a non-recurring basis, primarily consists of non-financial assets such as intangible assets.

For the purpose of fair value disclosures, the Company has determined the class of assets and liabilities on the basis of the nature, characteristic and risks of the assets and liability and the level of fair value hierarchy as explained above.

(e) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

(i) An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

(ii) All other assets are classified as non-current.

(iii) A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, cost directly attributable to bring the assets to its working condition for the intended use and borrowing costs, if capitalization criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

The Company identifies and determines cost of asset significant to total cost of the asset having useful life that is materially different from that of the remaining life.

Property, plant and equipment under installation or construction as at balance sheet date are shown as capital work-in-progress and the related advances are shown as other assets.

Depreciation on property, plant and equipment is provided on WDV basis over the useful life prescribed under Division II of Companies Act, 2013. The identified components, if any, are depreciated on their useful lives; the remaining asset is depreciated over the life of the principal asset. Schedule II of the Companies Act, 2013, prescribes useful life for fixed assets. Further schedule II also allows companies to use higher/lower useful live and residual value if such useful live and residual values can be technically supported and justification for differences is disclosed in the financial statements. The Management believes that depreciation rate currently used fairly reflects the estimate of the useful lifes and residual value of property plant and equipments, though these rates in certain cases are different from lives prescribed under

The Company has estimated the following useful lives to provide depreciation on its Property, plant and equipment, as follows:

Asset description	Useful life
Computers and servers	5 years
Networking equipments	5 years
Furniture and fittings	7 years
Office equipments	5 years*

* Telephone equipment are depreciated over a period of 3 years as per internal technical evaluation

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital advances' under other non-current assets in situations where the work for development of that asset has not commenced or the asset, being a standard/ shelf product, is not delivered and ready for intended use as decided by the Group. In situations where the work for development of the asset has commenced, the cost of asset incurred till the reporting date is disclosed under 'Capital work-in-progress'

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Lease-hold improvements are amortised over the useful life of assets or the primary period of lease, whichever is shorter. Pro-rata depreciation is provided from / upto the date of purchase / disposal for assets purchased or sold during the year. Assets individually costing INR 5 or less are depreciated over a period of one year.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if

Non-current assets held for sale

Non-current assets are classified as held for sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable and sale is expected to be completed within one year from date of classification.

Non-current assets held for sale are presented separately in the current section of the consolidated balance sheet Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, unless these items presented in the disposal group are deferred tax assets, assets arising from employee benefits and financial assets that are specifically exempt from the requirements. Non-current assets are not depreciated or amortised while they are classified as held for sale

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a WDV basis over the useful life prescribed under Division II of Companies Act, 2013. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.
The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of another asset.
Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

The Company has estimated the following useful lives to provide amortisation on intangible assets, as follows:

Asset description	Useful life
Software	5 years

(h) Foreign currency transactions and translations

These financial statements are presented in Indian rupees ('INR'), the currency of India, which is the functional currency of the Company.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Foreign currency non-monetary assets / liabilities, measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary items measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. The gain / loss arising on translation of non-monetary item measured at fair value are treated in [illegible]

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(i) Revenue recognition

In March 2018, Ministry of Corporate Affairs ("MCA") had notified Ind AS 115, 'Revenue from Contract with Customers', replacing the existing revenue recognition standards Ind AS 18, 'Revenue'. As per the new standard, revenue is recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the fair value of the consideration received or receivable which the entity expects to be entitled in exchange for those goods or services. Ind AS 115 establishes a five-step model that is applied to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry. The standard is effective for annual periods beginning on or after 1 April, 2018. The Company has adopted to the extent applicable this standard using the modified retrospective approach.

Revenue is recognized when, or as, control of a promised service transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

Revenue recognition for time-and-material

Revenues related to time-and-materials are recognized over the period the services are provided using an input method (efforts expended).

Because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The Company generally use the efforts expended as measure of progress for the Company's contracts because there is a direct relationship between input and productivity.

Revenue recognition for fixed price contracts

Fixed price contracts are often modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of contract modifications are for services that are not distinct from the existing contract due to the significant service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

Revenue is recognized net of discounts and allowances, goods and services taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

The Company extend credit to clients based upon Management's assessment of their creditworthiness. The Company assess the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company do not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or the Company, no financing component is deemed to exist. The primary purpose of our invoicing terms is to provide customers with simplified and predictable ways of purchasing our services, not to receive or provide financing from or to customers.

Incentive revenues, volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of anticipated performance and all information that is reasonably available to the Company.

Contract liabilities consist of advance payments and billings in excess of revenues recognized. The Company classify contract liability as current or noncurrent based on the timing of when they expect to recognize the revenues. The Company classify it's right to consideration in exchange for deliverables as either as accounts receivable or a contract assets. Accounts receivable are recorded at the invoiced amount and do not bear interest. Revenue recognized but not billed to customers is classified as contract assets in the statements of financial position. Contract assets represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due)

Finance income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but

Dividend income

Revenue is recognised when the Company's right to receive dividend is established, which is generally the shareholders' approval date.

(j) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the statement of profit and loss. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

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(k) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Policy applicable before April 01, 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains lease, if fulfilment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys the right to use the asset or assets, even if that right is explicitly in an arrangement.

A lease is classified at the inception date as finance lease or operating lease.

Finance lease

Finance lease, which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of leased property and present value of minimum lease payments.

Lease payment are apportioned between the finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of lease liability. Finance charge are recognised as finance costs in the statement of profit and loss. Lease management fee, legal charges and other initial direct costs of lease are capitalized as they are directly attributable to the asset.

A leased asset is depreciated on straight line basis over the useful life of the asset. However if there are no reasonable certainty that the Company will obtain the ownership by the end of the lease term the capitalized asset is depreciated on straight line basis over the shorter of the useful life of the asset or the lease term.

Operating lease

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leases term are classifies as operating leases. Operating lease payments are recognised as expense in statement of profit and loss on a straight-line basis over the lease term.

Policy applicable with effect from April 01, 2019

Company as a lessee

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the Cuse of an identified asset for a period of time in exchange for

consideration. To assess whether a contract conveys the right to control the use of

an identified asset, the Company assesses whether: i) the contract involves the use

of an identified asset, ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the Company has the right to direct the use of the asset.

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(l) Employee benefits expense and retirement

(i) Gratuity liability

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment. The liability is determined based on an actuarial valuation carried out by an independent actuary as at the balance sheet date using the projected unit credit method. Actuarial gains / losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive

(ii) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash as per the Company policy. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur.

The Company presents the liability as current liability in the balance sheet, to the extent it does not have an unconditional legal and contractual right to defer its settlement for twelve months after the reporting date.

(iii) Provident fund

The Company's contribution to provident fund is charged to the statement of profit and loss. The Company's contributions towards provident fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

(iv) Share based compensation

Stock-based compensation represents the cost related to stock-based awards granted to employees of the Company by its ultimate holding Company. In accordance with Ind AS 102, 'Accounting for share based payment', the Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) over the requisite service period. The Company estimates the fair value of stock options and the cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in "Share Based Payment Reserve".

(v) Short-term employee benefits comprising employee costs including performance bonus is recognized in the statement of profit and loss on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(m) Tax expense

Tax expense comprises current and deferred income 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 and tax laws prevailing in the respective tax

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or

Deferred income taxes reflect the impact of temporary differences between taxable income and accounting income originating during the current year and reversal of

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

The carrying amount of deferred tax assets is 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 or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Current and deferred tax are recognised in profit or loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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(n) Provision and contingent liability

A provision is recognized when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation that can be reliably estimated. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(o) Financial instruments

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

I. Financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at

(i) Financial instruments at amortized cost

A financial instrument is measured at the amortized cost if both the following conditions are met:

a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

(ii) Financial instrument at Fair Value through Other Comprehensive Income (OCI)

A financial instrument is classified and measured at fair value through OCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial instruments included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss

(iii) Financial instrument at Fair Value through Profit and Loss

Any financial instrument, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included in the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

(iv) De-recognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

II. Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The subsequent measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

(ii) Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate [EIR] method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss

(iii) De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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.

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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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(p) Impairment

(i) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

(ii) Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable, amount provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss has been recognised for the asset in prior years.

(q) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Company's Board of Director's has been identified as the CODM who is responsible for financial decision making and assessing performance. The Company has a single operating segment as the operating results of the Company are reviewed on an overall basis by the CODM.

(r) Earnings per share ('EPS')

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

(s) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

(t) Government Grants

The Company recognizes grants in the financial statements as a reduction from cost of sales to match them with the expenditures for which they are intended to compensate or as other income in cases where grants is not linked to expenditure incurred. Grants are recognized in the financial statements when there is reasonable assurance that the Company will comply with the conditions for their receipt and a reasonable expectation that the funds will be received. In certain circumstances, the receipt of an grant may not be subject to any condition or requirement to incur further costs, in which case the grant is recognized in the financial statements for the period in which it becomes receivable after claim is filed or company has finalized amounts that would be available.

(u) Use of estimates and judgments

The preparation of the Company's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they

(i) Useful lives of property, plant and equipment

Management estimates the useful lives of these property, plant and equipment to be within 5 to 7 years. The carrying amount of the Company's property, plant and equipment at March 31, 2023 was Rs.3,629.58 lakhs [March 31, 2022: Rs. 779.25 lakhs]. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, Management must estimate the expected future cash flows from the asset or cash generating unit and chose a suitable discount rate in order to calculate the present value of those cash flows.

EFC LIMITED

NIKHIL WARANKAR & CO. FRN- 153107W PUNE Chartered Accountants

(iii) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

(iv) Percentage of completion of contracts

The Company uses the percentage of completion method using the input (effort expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method relies on estimates of total expected efforts to complete the project. These estimates are assessed continually during the term of the contracts and the recognized revenue and profit are subject to revision as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

Contracts with customers often include promises to transfer multiple services to a customer. Determining whether services are considered distinct performance obligations that should be accounted for separately or together requires significant judgment based on nature of the contract, transfer of control over the service, ability of the service to benefit the customer on its own or together with other readily available resources and the ability of service to be separately identifiable from other promises

(v) Judgments made in applying accounting policies

In the process of applying the Company's accounting policies, Management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Income taxes

Significant judgment is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

EFC LIMITED

NIKHIL WARANKAR & CO
FRN- 153107W
PUNE
Chartered Accountants

EFC LIMITED

(CIN:U70200PN2014PLC150686)

Reg Office: Unit No.1,2,3 & 4, 6th Floor, V B Capitol, S No.209(P), CTS, Pune - 411007

Balance Sheet as at March 31, 2024

(₹ in Lakhs, Unless otherwise stated)

Sr No	Particulars	Note	As at March 31, 2024	As at March 31, 2023
I.	**Assets**			
1.	**Non-current assets**			
	(a) Property, plant and equipment	3	7,730.69	3,629.58
	(b) Capital work in progress	4	2,257.45	1,142.96
	(c) Right of use assets	5	23,190.22	21,356.80
	(d) Intangible assets	6	1.60	0.55
	(e) Intangible assets under development	7	46.63	15.25
	(f) Financial assets			
	i) Investments	8	421.57	172.93
	ii) Loans	9	-	155.79
	iii) Other financial assets	10	3,630.78	1,493.41
	(g) Deferred tax asset (net)	11	-	314.77
	Total Non-Current Assets		**37,278.93**	**28,282.04**
2.	**Current assets**			
	(a) Financial assets			
	(i) Trade receivables	12	5,570.19	1,538.26
	(ii) Cash and cash equivalents	13	1,637.81	169.89
	(iii) Other balances with Banks	14	-	2.03
	(iv) Loans	15	20.00	-
	(b) Current tax assets (net)		-	-
	(c) Other current assets	16	5,203.23	6,211.87
	Total current assets		**12,431.23**	**7,922.05**
	Total assets		**49,710.16**	**36,204.09**
II.	**Equity & liabilities**			
1.	**Equity**			
	(a) Share capital	17	6.25	252.29
	(b) Other equity		4,858.62	582.77
	Total Equity		**4,864.87**	**835.06**
2.	**Liabilities**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	9,010.54	3,085.74
	(ii) Lease liabilities	19	17,647.70	18,263.65
	(iii) Other financial liabilities	20	2,881.19	2,507.43
	(iv) Deferred Tax Liabilities		256.99	-
	(b) Provisions	21	43.76	13.52
	Total Non-Current Liabilities		**29,840.19**	**23,870.34**
3.	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	22	9,354.37	3,872.12
	(ii) Lease liabilities	23	4,661.21	4,362.06
	(iii) Trade payables	24	-	-
	(A) total outstanding dues of micro enterprises and small enterprises		-	-
	(B) total outstanding dues of creditors other than micro and small enterprises		3.30	617.34
	(iv) Other financial liabilities	25	21.51	680.69
	(b) Income tax liabilities (net)		430.03	358.72
	(c) Other current liabilities	26	439.46	1,542.15
	(d) Provisions	27	95.21	65.60
	Total current liabilities		**15,005.10**	**11,498.68**
	Total equity & liabilities		**49,710.16**	**36,204.09**
	Summary of significant accounting policies	1,2		

The accompanying notes form an integral part of the financial statements

As per our report of even date
FOR NIKHIL WARANKAR & CO
Chartered Accountants
FRN: 153107W

NIKHIL WARANKAR & CO
FRN- 153107W
PUNE
Chartered Accountants

CA Nikhil Warankar
Proprietor
Membership No.: 198983
Pune, May 29, 2024
UDIN: 24198983BKFXYT9653

For and on behalf of the Board of Directors EFC Limited

EFC LIMITED

Umesh Kumar Sahay
Director
DIN:01733060
May 29, 2024 At

EFC LIMITED

Abhishek Narbaria
Director
DIN:01873087
May 29, 2024 At Pune.

EFC LIMITED
(CIN:U70200PN2014PLC150686)
Reg Office: Unit No.1,2,3 & 4, 6th Floor, V B Capitol, S No.209(P), CTS, Pune - 411007

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2024

Sr. No.	Particulars	Note	Rs. In Lakhs,Except per share data	
			As at March 31, 2024	As at March 31, 2023
1	**Income**			
	a) Revenue from operations	28	22,771.81	11,917.57
	b) Other income	29	505.05	97.02
	Total Income		**23,276.86**	**12,014.59**
2	**Expenses**			
	a) Cost of services	30	2,576.19	3,795.33
	b) Employee benefits expense	31	898.21	495.64
	c) Finance costs	32	3,424.65	1,651.05
	d) Depreciation and amortisation expense	33	5,774.07	4,510.74
	e) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	34	2,085.67	612.53
	f) Changes in Inventories of Finished Goods		3,406.07	-
	Total expenses		**18,164.85**	**11,065.30**
3	**Profit before Tax**		**5,112.01**	**949.29**
4	**Tax expense**			
	Current tax		430.03	535.51
	Deferred tax		571.77	(131.43)
	Tax expenses related to earlier years		(181.54)	
	Total Tax Expenses		820.26	404.08
5	**Net Profit/(loss) for the period (5-6)**		**4,291.74**	**545.21**
6	**Other Comprehensive income**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
	Remeasurement (loss)/gain on defined benefit plans	35	(15.31)	0.36
	Income tax effect		3.85	0.11
	Net other Comprehensive income not to be reclassified to profit or loss in susequent period		(11.46)	0.24
	Other comprehensive income for the year, net of tax			0.49
7	**Total comprehensive income for the year, net of tax**		**4,280.28**	**545.45**
8	**Paid-up equity share capital (face value of ₹ 10/- each)**		6.25	6.25
9	**Reserve excluding Revaluation Reserves as per Balance sheet of previous accounting year**			
10	**Earnings Per Share (before extraordinary items) (of Rs. 10/- each)(not annualised):**	36		
	Basic (in ₹)		6,848.45	906.08
	Diluted (in ₹)		6,848.45	906.08
11	**Earnings Per Share (after extraordinary items) (of Rs. 10/- each)(not annualised):**			
	Basic (in ₹)		6,848.45	906.08
	Diluted (in ₹)		6,848.45	906.08

As per our report of even date
FOR NIKHIL WARANKAR & CO
Chartered Accountants
FRN: 153107W

NIKHIL WARANKAR & CO
FRN- 153107W
PUNE
Chartered Accountants

CA Nikhil Warankar
Proprietor
Membership No.: 198983
Pune, May 29, 2024
UDIN: 24198983BKFXYT9653

For and on behalf of the Board of Directors EFC Limited

EFC LIMITED

Umesh Kumar Sahay
Director
DIN:01733060
May 29, 2024 At Pune.

EFC LIMITED

Abhishek Narbaria
Director
DIN:01873087
May 29, 2024 At Pu

EFC LIMITED
(CIN:U70200PN2014PLC150686)
Reg Office: Unit No.1,2,3 & 4, 6th Floor, V B Capitol, S No.209(P), CTS, Pune - 411007
CASHFLOW STATEMENT

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/ (LOSS) BEFORE TAX	**5,112.01**	**949.29**
Adjustments for:		
Depreciation & amortization expense	5,774.07	4,510.74
Dividend received	-	(0.05)
Interest income	(505.05)	(0.08)
Finance Cost	3,424.65	1,403.79
Gain on sale of asset	(11.01)	-
Prior Period Adjustments	(4.44)	-
Other Non Cash Item	181.54	1,139.93
Operating profit before working capital changes	**13,971.76**	**8,003.61**
Adjustments for changes in working capital:		
(Increase)/Decrease in Trade Receivables	(4,031.93)	(1,427.22)
(Increase)/ Decrease in Other Financial Assets	-	(1,107.93)
(Increase)/Decrease in Other current assets	1,008.64	(4,165.41)
Increase/ (Decrease) in Trade Payables	(614.03)	100.36
Increase/ (Decrease) in Other Financial Liabilities	(975.97)	1,421.51
Increase/ (Decrease) in Other Current Liabilities	(1,102.70)	490.63
Increase/ (Decrease) in Provisions	119.70	356.26
Operating Profit / (Loss) after working Capital Changes	**8,375.46**	**3,671.80**
Direct taxes (paid)/ refund	(430.03)	(535.51)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**7,945.43**	**3,136.29**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, Plant & equipment	(6,889.15)	(6,016.86)
Proceeds from sale of property, Plant & equipment	116.56	-
Interest received	505.05	0.08
Dividend Received	-	-
Investments made in Subsidiaries	(248.64)	(50.55)
Invesment in Fixed Deposit	2.03	(2.03)
Lease Liability	-	-
Increase/(Decrease) in Non Current Other financial liabilities	373.76	-
Increase In Other Non Current Financials assets	(2,137.36)	-
Loans to related parties & Others	135.79	(31.52)
NET CASH GENERATED FROM /(USED IN) INVESTING ACTIVITIES	**(8,141.96)**	**(6,100.88)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loans from related parties	5,482.25	-
Loan from bank	5,924.80	6,644.41
Lease payments	(6,071.91)	-
Increase in Share Capital	-	1,000.00
Redemption of preference shares	(246.04)	(108.97)
Bank Interest and charges	(3,424.65)	(4,542.85)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**1,664.45**	**2,992.59**
Net Increase/(Decrease) in Cash & Cash equivalents	**1,467.92**	**28.01**
Add: Cash and Cash equivalents as at the beginning of the year	169.89	141.88
Cash & Cash equivalents as at the end of the year	**1,637.81**	**169.89**
Reconciliation of cash and cash equivalents as per statement of cash flows		
Cash and cash equivalents [note 7]		
Cash in hand	**67.53**	**29.07**
Balances with banks - on current accounts	**462.73**	**140.82**
Bank Balances other than above		
Balance as per statement of cash flows	**1,637.81**	**169.89**

Note:
(i) The standalone statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, 'Statement of Cash Flows'.

As per our report of even date
FOR NIKHIL WARANKAR & CO
Chartered Accountants
FRN: 153107W

NIKHIL WARANKAR & CO FRN- 153107W PUNE Chartered Accountants

CA Nikhil Warankar
Proprietor
Membership No.: 198983
Pune, May 29, 2024
UDIN: 24198983BKFXYT9653

For and on behalf of the Board of Directors EFC Limited

EFC LIMITED

Umesh Kumar Sahay
Director
DIN:01733060
May 29, 2023 At Pune.

EFC LIMITED

Abhishek Narbaria
Director
DIN:01873087
May 29, 2023 At Pune.

EFC Limited

Statement of changes in equity for the year ended March 31, 2024

17. (a) Equity share capital

₹ in Lakhs

Pariculars	As at 31 March 2024	As at 31 March 2023
Balance as at the beginning of the year	**6.25**	**6.25**
Changes in equity share capital due to prior period errors		-
Restated balance as at the beginning of the year	6.25	6.25
Shares Issued during the year	0.00	0.00
Changes in equity share capital due to prior period errors		-
Balance as at the end of the year	**6.25**	**6.25**

(b) Preference share capital

₹ in Lakhs

Pariculars	As at 31 March 2023	As at 31 March 2023
Balance as at the beginning of the year	**246.04**	**355.00**
Changes in equity share capital due to prior period errors	-	-
Restated balance as at the beginning of the year	246.04	355.00
Shares issued during the year		
Shares redeemed during the year	(246.04)	(108.96)
Changes in equity share capital due to prior period errors	-	-
Balance as at the end of the year	**0.00**	**246.04**

(c) Other equity

Particulars	Reserves and Surplus				Other Items of Other Comprehensive Income	Total Equity attributable to Equity Holders
	General Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings		
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Balance as at April 01, 2022		-		-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance as at April 01, 2022	-	-	-	-	-	-
Addition during the year		998.75	-	-	-	998.75
Prior period adjustments				-		
Profit / (loss) for the year	-	-	-	-	-	-
Items that will not be reclassified to profit & loss (net of tax)	-	-	-	-	-	-
Balance as at March 31, 2023	**-**	**998.75**	**-**	**(416.73)**	**0.75**	**582.78**
Balance as at April 01, 2023	-	**998.75**	-	**(416.73)**	**0.75**	**582.78**
Changes in accounting policy or prior period errors	-	-	-	14.72	-	**14.72**
Restated balance as at April 01, 2023	-	**998.75**	-	**(402.01)**	**0.75**	**597.50**
Addition during the year		-	-	-	-	-
Profit / (loss) for the year		-	-	4,280.28	-	**4,280.28**
Items that will not be reclassified to profit & loss (net of tax)	-	-	-	-	(19.16)	(19.16)
Balance as at March 31, 2024	**-**	**998.75**	**-**	**3,878.27**	**(18.41)**	**4,858.62**

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

Nikhil Warankar & Co
Chartered Accountants
Firm Registration Number: 153107W

NIKHIL WARANKAR & CO
FRN- 153107W
PUNE
Chartered Accountants

CA Nikhil Warankar
Proprietor
Membership No.: 198983
Pune, May 29, 2024
UDIN: 24198983BKFXYT9653

For and on behalf of the Board of Directors EFC Limited
CIN:U70200PN2014PLC1506862

EFC LIMITED

Umesh Kumar Sahay
Director
DIN:01733060
May 29, 2024 Pune

EFC LIMITED

Abhishek Narbaria
Director
DIN:01873087
May 29, 2024 Pune

EFC Limited

Notes forming part of the financial statements for the year ended March 31, 2024

Non-current assets

3. Property, plant and equipment

(₹ in Lakhs, Unless otherwise stated)

Particulars	Land & Building	Furniture & Fixtures	Office Equipments	Computers & Data Processing Units	Vehicles	Total
Gross carrying value						
Balance as at April 01, 2022	-	900.69	514.29	44.60	-	1,459.58
Additions	3,554.27	1,076.32	187.34	0.28	140.50	4,958.71
Deductions/ disposals	-	1,977.01	701.63	44.88	-	2,723.52
Balance as at March 31, 2023	**3,554.27**	**-**	**-**	**-**	**140.50**	**3,694.77**
Balance as at April 01, 2023	**3,554.27**	-	-	-	**140.50**	3,694.77
Additions	4,315.55	-	-	-	297.49	4,613.04
Deductions/ disposals	-	-	-	-	140.50	140.50
Balance as at March 31, 2024	**7,869.82**	**-**	**-**	**-**	**297.49**	**8,167.31**
Accumulated depreciation						
Balance as at April 01, 2022	-	392.85	279.26	8.22	-	680.33
Depreciation charge for the year	47.57	-	-	-	17.62	65.19
Deductions/ disposals	-	392.85	279.26	8.22	-	680.33
Balance as at March 31, 2023	**47.57**	**-**	**-**	**-**	**17.62**	**65.19**
Balance as at April 01, 2023	**47.57**	-	-	-	**17.62**	65.19
Depreciation charge for the year	331.77			-	74.62	406.39
Deductions/ disposals	-	-	-	-	34.97	34.97
Balance as at March 31, 2024	**379.34**	**-**	**-**	**-**	**57.27**	**436.62**
Net carrying value						
Balance as at April 01, 2022	**-**	**507.84**	**235.03**	**36.38**	**-**	**779.25**
Balance as at March 31, 2023	**3,506.70**	**-**	**-**	**-**	**122.88**	**3,629.58**
Balance as at March 31, 2024	**7,490.47**	**-**	**-**	**-**	**240.22**	**7,730.69**

EFC LIMITED

PUNE Chartered Accountants

EFC LIMITED

5. Right to use Assets (ROU)

Particulars	₹ in Lakhs
Building	
Carrying value	
Balance as at April 01, 2022	10,406.15
Additions	17,752.13
Deductions/ disposals	-
Balance as at March 31, 2023	**28,158.28**
Balance as at April 01, 2023	**28,158.28**
Additions	11,328.10
Deductions/ disposals	-
Balance as at March 31, 2024	**39,486.38**
Accumulated depreciation / amortisation:	
Balance as at April 01, 2022	2,531.69
Amortisation charge for the year	4,269.79
Deductions due to termination of lease agreement	-
Balance as at March 31, 2023	**6,801.48**
Balance as at April 01, 2023	6,801.48
Amortisation charge for the year	5,365.66
Deductions due to termination of lease agreement	4,129.02
Balance as at March 31, 2024	**16,296.15**
Net carrying value	
Balance as at March 31, 2023	**21,356.80**
Balance as at March 31, 2024	**23,190.22**

Note : Refer significant accounting policies referred to in note No 2.

a) All the title deed of immovable properties are held in the name of the company. Further, the title deeds are not held jointly with others.

b) No prodceedings have been initiated or pending against the company for holding Benami Property under the Benami transactions (Prohibition) Act 1988 (45 of 1988) and the Rules made thereunder.

EFC LIMITED

NIKHIL WARANKAR & CO FRN-153107W PUNE Chartered Accountants

EFC LIMITED

6. Other Intangible Assets

Particulars	₹ in Lakhs
Software	
Carrying value	
Balance as at April 01, 2022	
Additions	0.65
Deductions/ disposals	-
Balance as at March 31, 2023	**0.65**
Balance as at April 01, 2023	**0.65**
Additions	3.07
Deductions/ disposals	-
Balance as at March 31, 2024	**3.72**
Accumulated depreciation / amortisation:	
Balance as at April 01, 2022	-
Depreciation charge for the year	0.10
Deductions/ disposals	-
Balance as at March 31, 2023	**0.10**
Balance as at April 01, 2023	0.10
Depreciation charge for the year	2.02
Deductions/ disposals	-
Balance as at Mar 31, 2024	**2.12**
Net carrying value	
Balance as at March 31, 2023	**0.55**
Balance as at March 31, 2024	**1.60**

EFC LIMITED

NIKHIL WARANKAR & CO FRN- 153107W PUNE Chartered Accountants

EFC LIMITED

EFC Limited
Notes forming part of the financial statements for the year ended March 31, 2024

4. Capital work in progress

Particulars	₹ in Lakhs
Balance as at April 01, 2022	96.82
Additions	1,046.14
Capitalised during the year	-
Balance as at March 31, 2023	**1,142.96**
Balance as at April 01, 2023	**1,142.96**
Additions	1,114.49
Capitalised during the year	-
Balance as at March 31, 2024	**2,257.45**

There are neither any projects overdue nor projects with cost over-run.

The ageing of Capital work-in-progress is given below as at March 31,2024 and March 31,2023

Ageing Shcedule as at 31st March 2024

₹ in Lakhs

Capital Work in Progress	Amount of CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1114.49	1,142.96	-	-	2,257.45
Projects temporarily suspended	-	-	-	-	-
Total	**1,114.49**	**1,142.96**	**-**	**-**	**2,257.45**

Ageing Shcedule as at 31st March 2023

₹ in Lakhs

Capital Work in Progress	Amount of CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,046.14	96.82	-	-	1,142.96
Projects temporarily suspended	-	-	-	-	-
Total	**1,046.14**	**96.82**	**-**	**-**	**1,142.96**

7. Intangible assets under development

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Balance at the beginnig of the year	15.25	3.90
Additions	31.38	11.35
Capitalised during the year	-	-
Balance at the end of the year	**46.63**	**15.25**

There are neither any projects overdue nor projects with cost over-run.
The ageing of intangibles under development is given below as at March 31,2024 and March 31,2023

Ageing Shcedule as at 31st March 2024

₹ in Lakhs

Intangible Assets Under Development	Amount of CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	31.38	11.35	3.90	-	46.63
					-
Total	**31.38**	**11.35**	**3.90**	**-**	**46.63**

Ageing Shcedule as at 31st March 2023

₹ in Lakhs

Intangible Assets Under Development	Amount of CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11.35	3.90	-	-	15.25
					-
Total	**11.35**	**3.90**	**-**	**-**	**15.25**

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Notes forming part of the financial statements for the year ended March 31, 2024
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8. Investments - Non Current

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	₹ Lakhs
I. Investment in subsidiaries		
(a) Investments in Equity Shares (Trade, Unquoted) - (At Cost)		
EFC Tech Sapce Private Limited		
No of shares: 62,500 (40,000 as at March 31, 2023) Equity shares of Rs.10 each fully paid up. (extent of holding 51.00% (31st March 2023 - 49%))	0.63	0.63
(b) Investments in Limited Liability Partnership (at cost)		
Paragraph Ventures LLP	34.39	34.39
Till 30.11.2023 EFC Ltd Holds 50% Of Capital		
There was no retaian holding From 01/12/2023 to 31/03/2024		
(c) Investments in Partnership Firms (at cost)		
Rubic Smart Office	0	47.23
From 01/07/2022 to 30/03/2023 Efc Limited Hold 90% of capital		
Monarch Workspace	228.02	89.29
(Extent of holding 50%) (31 March 2023 : 50%)		
Sprint Workspace	1.00	-
(Extent of holding 99.90%) (31 March 2023 : Nil)		
EFC Prime	-	-
(Extent of holding 99.99%%) (31 March 2023 : Nil)		
II. Other Investments (Unquoted)		
(at amortised cost)		
EFC Office Infra-Airoli	-	0.10
EFC Office Infra-Chennai	-	0.10
EFC Prime	-	0.10
Rubic Workspaces LLP	0.06	0.50
EFC Office Spaces LLP	0.10	0.10
EMF Helathcare LLP	-	0.25
Equity shares of Saraswat Banks	-	0.25
EFC Reality LLP	0.05	-
Sprint Workspace	157.33	-
Total	**421.57**	**172.93**
a. i. Aggregate book value of quoted investments	-	-
ii. Market Value of quoted investments	-	-
b. Aggregate book value of unquoted investments	**421.57**	**172.93**

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9. Other Non-Current Loans

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Unsecured, considered good (at amortized cost)		
Loans to realted parties*	-	155.79
Total	**-**	**155.79**

*Loans due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member during FY 2023-24 is NIL (In the FY 2022-23 Rs.155.79 lakhs).

10. Other non-current financial assets

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Unsecured, considered good (at amortized cost)		
Security deposits(Landowner)	3630.78	1493.41
Total	**3630.78**	**1493.41**

11. Deferred tax assets/ (liabilities) (net)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Opening deferred tax assets/ (liabilities)	**314.77**	**217.25**
Reversal of deferred tax on adoption of IND AS	(718.80)	(33.92)
Movement due to IND AS adoption	147.03	131.43
Closing deferred tax assets/ (liabilities)	**(257.00)**	**314.77**
Deferred tax assets		
Lease liability	5,614.71	6,588.61
Provision for employee benefits(Gratuity)	11.01	4.12
Deposit (Ind AS Impact)	148.09	-
Deferred Income (Deposit)	96.39	-
Gratuity Payable (Provisions - Current Liab)	0.42	-
Total	**5,870.62**	**6,592.73**
Deferred tax liabilities		
Fair value of right of use	4,419.22	6,219.10
Property, plant & equipments	156.85	58.86
Investment in Sub Lease	1,417.30	-
Defferred Loan Processing Charges	2.96	-
Deposit from Client (Ind AS Impact)	131.29	-
	6,127.61	**6,277.96**

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Financial assets

12. Trade receivables

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Trade receivables		
Unsecured, considered good*	5570.19	1538.26
Unsecured, considered doubtful		-
Less: Provision for expected credit loss		-
Total	**5,570.19**	**1,538.26**

Note:

Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member is Rs.14.26 lakhs (for last year - Rs.736.86 lakhs)

* Includes receivable from related parties. (Refer Note - 46)

Trade receivables ageing as on March 31, 2024

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Toal
(i) Undisputed trade receivables–considered good	4,002.61	338.52	1,229.06	-	-	5,570.19
(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	-	-	-	-	-	-
Total	**4,002.61**	**338.52**	**46.04**	-	-	**5,570.19**

Trade receivables ageing as on March 31, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Toal
(i) Undisputed trade receivables–considered good	1,472.90	19.32	46.04	-	-	1,538.26
(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	-	-	-	-	-	-
Total	**1,472.90**	**19.32**	-	-	-	**1,538.26**

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13. Cash and Cash Equivalents

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Balances with Banks		
On current accounts	444.48	119.32
On Escrow Account	18.25	21.50
Other Bank Balance	1107.55	
Cash on Hand	67.53	29.07
Total	**1,637.81**	**169.89**

14. Other bank balances

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Deposits having original maturity more than 3 months and upto 12 months	-	2.03
Total		**2.03**

15. Current loans

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Unsecured, considered good		
Loan to related parties.	20.00	0.00
Total	**20.00**	-

Loans due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member during FY 2023-24 is Rs. 20 Lakhs (in the FY 2022-23 Rs.NIL).

16. Other current assets

Particulars	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022	As at April 01, 2021
	₹ Lakhs			
Unsecured, considered good				
Balance with statutory authorities	760.93	19.06	40.23	67.11
Other deposit	1419.58	3291.46	496.59	286.78
Advance to supplier for services	1943.90	769.71	267.74	34.90
Other advances*	0.00	766.45	763.70	150.89
Advance to employees	0.15	0.77	-	5.68
Assets held for sale	1046.64	475.43	-	-
Prepaid expenses	20.28	889.00	2.78	0.04
Defferred Loan Processing Charges	11.75			
Total	**5203.23**	**6211.87**	**1571.03**	**545.40**

Other advances includes advances provided to subsidiaries, associates, Joint Ventures and other related parties for business purpose
(Refer note no- 46)

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Financial Liabilities

18. Borrowings

Particulars	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2022	As at April 01, 2021
	₹ Lakhs			
Non-current:				
Secured - at amortized cost				
*From banks	9010.71	1,562.83	15.51	155.33
Unsecured - at amortized cost				
*From banks, financial institutions & others	(0.16)	1,522.91	25.32	28.14
Total	**9,010.54**	**3,085.74**	**40.83**	**183.47**

Loans secured by banks:

1. The term loan of Rs.1700 lakhs was sanctioned on 05th January, 2023 by ICICI Bank, repayable within 132 months with the interest rate of 8.50% p.a. secured against the mortgate of property situated at Office Premises 202, 2nd Floor, Marisoft 3 Building, Vadgaon Sheri, Pune.

2. The term loan of Rs.2000 lakhs was sanctioned on 05th December, 2022 by HDFC Bank, repayable within 132 months with the interest rate of 8.75% p.a. secured against receivables arising from premise situated at 4th Floor, West Tower, Marisoft 3, Marie Gold, S.No. 15, Near D-Mart,Cybage Tower Road, Kalyani Nagar, Vadgaon Sheri, Pune.

4. The term loan of Rs.1574 lakhs was sanctioned on 30th August, 2022 by HDFC Bank, repayable within 144 months with the interest rate of 8.40% p.a. secured against receivables arising from premise situated at 1st Floor, West Tower, Marisoft 3, Marie Gold, S.No. 15, Near D-Mart,Cybage Tower Road, Kalyani Nagar, Vadgaon Sheri, Pune.

6. The New Car Loan of Rs. 280 lakhs was sanctioned on 22nd August 2023 by HDFC Bank, repayable within 60 months with the interest rate of 8.50% p.a. secured against the motor vehicle.

6. The Term Loan of Rs. 2350 Lakhs was sanctioned on 05th July, 2023 by HDFC Bank, repayble within 120 months with the interest rate of 9.10% p.a. secured against the 3rd Floor Office, Marisoft IT Park, East Wing, Marigold Complex, Kalyani Nagar, Pune- 411014 .

The company has not been declared as a wilful defaulter by any of the banks.

The company has used the borrowings from the banks for the purpose for which the same was sanctioned.

The charge has been registered with the ROC amounting to Rs 9,868.95 (March 31, 2023 : 1,888.95)

19. Lease liability

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Non current lease liability	17,647.70	18,263.65
Total	**17,647.70**	**18,263.65**

Note:

The effective interest rate for lease liabilities is 8.85% p.a.
The Company had total cash outflows for leases of Rs. 70.41

20. Other non-current financial liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
At amortized cost:		
*Security deposits	2,613.84	2,390.15
*Other deposits	267.35	117.27
Total	**2,881.19**	**2,507.43**

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21. Non current provisions

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Current	₹ in Lakhs	
Provision for employee benefits		
*Gratuity	43.76	13.52
Other provision	-	-
Total	**43.76**	**13.52**

22. Current borrowings

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Secured - at amortized cost		
From banks	-	3,772.22
Unsecured - at amortized cost		
From banks, financial institutions & others	-	99.90
Loan to related parties	9,354.37	-
Total	**9,354.37**	**3,872.12**

* Represent unsecured loans repayable after 3 years in a single bullet payment with interest rate of 12% p.a., refer Note no.46

23. Lease liability

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Current lease liability	4,661.21	4,362.06
Total	**4,661.21**	**4,362.06**

Note:

Lease liability payable during the next financial year is shown separatly under current lease liability

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24. Trade payables:

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Trade payables*	3.30	617.34
Total	**3.30**	**617.34**

The average credit period for the creditors ranges between 30 to 90 days. The interest payment on MSME payments did not arise during the year.

* Includes payables to related parties. (Refer Note - 46)

FY 23-24

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					-
(ii) Others	3.30	-	-		3.30
(iii)Disputed dues - MSME					-
(iv)Disputed dues - Others					-
Total	**3.30**	**-**	**-**	**-**	**3.30**

FY 22-23

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					-
(ii) Others	529.08	62.42	25.84		617.34
(iii)Disputed dues - MSME					-
(iv)Disputed dues - Others					-
Total	**529.08**	**62.42**			**617.34**

25. Other Current financial liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Creditors for capital expenditure	21.51	680.69
Total	**21.51**	**680.69**

26. Other current liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Statutory payables	-	682.98
Accrued payroll	-	37.67
Advance from debtors	56.49	406.38
Deferred income	382.97	415.13
Other advances	-	-
Total	**439.46**	**1,542.15**

27. Current provisions

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Provision for employee benefits		
Gratuity	-	0.64
Other provisions		
Provisions for expense	95.21	64.96
Total	**95.21**	**65.60**

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28. Revenue from operations	Year Ended	
Particulars	**March 31, 2024**	**March 31, 2023**
	Rs in Lakhs	
Rent income	17,454.40	8,124.06
Interior designing	1,101.24	1,217.31
Brokerage & commission	-	95.00
Other operating revenue	4,216.17	2,481.20
Total	**22,771.81**	**11,917.57**

29. Other income	Year Ended	
Particulars	**March 31, 2024**	**March 31, 2023**
	Rs in Lakhs	
(a) Interest		
On other financial assets	218.39	96.92
On income tax refund	-	0.05
Other interest income	286.66	-
(b) Dividend income		
Dividend from investments in shares of bank	-	0.05
C) Other non-operating income		
Other non-operating income	-	0.00
Total	**505.05**	**97.02**

30. Cost of services	Year Ended	
Particulars	**March 31, 2024**	**March 31, 2023**
	Rs in Lakhs	
Electricity charges	1,138.86	864.89
Housekeeping manpower charges	443.94	353.65
Interior fitout expenses	69.63	300.35
Maintenance charges	670.97	430.98
Rent expense	(253.93)	49.66
Security charges	357.79	283.08
Conversion in stock in trade	-	1,375.47
Other expenses	148.92	137.25
Total	**2,576.19**	**3,795.33**

30. Changes in Stock	Year Ended	
Particulars	**March 31, 2024**	**March 31, 2023**
	Rs in Lakhs	
Opening Stock	400.00	-
Conversion in stock in trade	4,452.71	-
Closing Stock	1,446.64	-
Total	**3,406.07**	-

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31. Employee benefits expense

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
	Rs in Lakhs	
Salaries and allowances	864.14	477.17
Contributions to provident fund and other funds	25.53	6.65
Staff welfare expenses	23.85	11.83
Total	**913.52**	**495.64**

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognised as expenses for the year is as under:

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
	Rs in Lakhs	
Employer's contribution to provident fund	16.65	11.30
Employer's contribution to superannuation fund		
Employer's contribution to pension scheme		

32. Finance costs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
	Rs in Lakhs	
Interest on lease liability	1,709.15	1,403.18
Interest expense - others	1,058.59	247.53
Other borrowing costs	641.81	0.35
Finance IND-AS	15.10	-
Total	**3,424.65**	**1,651.05**

33. Depreciation & amortisation expense

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
	Rs in Lakhs	
Depreciation of property, plant & equipments	408.42	240.95
Amortisation of right of use assets	4,212.97	4,269.79
Depreciation of RoU Assets	1,152.68	-
Total	**5,774.07**	**4,510.74**

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34. Other expenses

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
	Rs in Lakhs	
Brokerage charges	171.91	97.50
Fuel expenses	17.52	18.60
Housekeeping material	94.74	67.21
Internet expenses	125.36	47.75
Marketing expenses	26.61	12.55
Office expenses	132.13	64.16
Pest control charges	9.70	11.57
Rent paid	65.50	27.18
Repair & maintenance	75.90	44.21
Stamp duty and other charges	30.91	28.30
Travelling expenses	78.73	50.47
Audit fees	5.00	7.00
Insurance	20.41	9.61
Water Charges	60.38	0.00
Sundry balance w/off	0.00	1.11
Professional & legal expenses	316.59	83.14
Reimbursement	11.82	
Rates & taxes	92.85	35.23
Sub-Contracting	700.00	
Miscellaneous expenses	49.60	6.94
Total	**2,085.67**	**612.53**

35. Income tax expense

Income tax recognised in statement of profit and loss		
Particulars	**March 31, 2024**	**March 31, 2023**
Current tax expense		
Current year	-	535.51
Short provision in respect of earlier years		
Deferred tax expense		
Origination and reversal of temporary differences	(32.60)	(131.43)
Short / (excess) provision in respect of earlier years		
Total income tax expense	**(32.60)**	**404.07**

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Income tax recognised in other comprehensive income		
Particulars	**March 31, 2024**	**March 31, 2023**
- Net actuarial gains/(losses) on defined benefit plans	3.85	0.11
	3.85	**0.11**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Particulars	**March 31, 2024**	**March 31, 2023**
Profit before tax	1,662.31	949.29
Enacted tax rate in India	25.17%	29.12%
Computed tax expense at enacted tax rate	418.37	276.43
Tax effect of:		
Non-deductible tax expenses	-	408.48
Deductible tax expenses	11.66	(149.41)
Tax Expense reported in statement of profit & Loss	**430.03**	**535.51**

36. Earnings per share		
Particulars	**March 31, 2024**	**March 31, 2023**
Basic and diluted earnings per share		
Basic earnings per share (In Rs)	6,848.45	906.08
Diluted earnings per share (In Rs)	6,848.45	906.08
Nominal value per share (In Rs.)	10.00	10.00
(a) Profit attributable to equity shareholders (used as numerator)		
Profit attributable to equity holders for basic earnings	4,280.28	545.45
Profit attributable to equity holders	4,280.28	545.45
(b) Weighted average number of equity shares (used as denominator)		
Opening balance of issued equity shares	6.25	6.25
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares for Basic EPS	**6.25**	**6.25**
Effect of dilution	-	-
Weighted average number of equity shares for Diluted E	**6.25**	**6.25**

Note:

1. Basic EPS amounts are calculated by dividing the Net profit attributable to the equity shareholders of the company by the Weighted average number of equity shares outstanding during the year

2. Diluted EPS amounts are calculated by adjusting the Weighted average number of equity shares outstanding, for effects of all dilutive potential ordinary shares.

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38 Fair value measurements

(a) Financial instruments by category

Financial assets

Particulars	31 March 2024				31 March 2023			
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Trade receivables	-	-	5,570.19	5,570.19	-	-	1,538.26	1,538.26
Cash and cash equivalents	-	-	1,637.81	1,637.81	-	-	169.89	169.89
Bank Deposits			-	-			2.03	2.03
Investments (other than in subsidiary)			20.00	20.00			-	-
Other financial assets	-	-	3,630.78	3,630.78	-	-	-	-
Total	-	-	**10,858.77**	**10,858.77**	-	-	**1,710.18**	**1,710.18**

Financial liabilities

Particulars	31 March 2024				31 March 2023			
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Trade payables	-	-	3.30	3.30	-	-	-	-
Lease liabilities		-	4,661.21	4,661.21	-	-	4,362.06	4,362.06
Borrowings			9,354.37	9,354.37			3,872.12	3,872.12
Other financial liabilities	-	-	21.51	21.51	-	-	1,542.15	1,542.15
Total	-	-	**14,040.40**	**14,040.40**	-	-	**9,776.33**	**9,776.33**

The carrying amounts of cash & cash equivalents, trade receivables, loans and trade payables as at 31st March 2024 and 2023 approximate the fair value due to their nature.
Carrying amounts of bank deposits, other financial assets, borrowings and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is Rs. 1.40 lakhs and Rs.1.40 lakhs as at March 31, 2024 and 2023.

39 Fair value hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value of financial

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months.

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

The fair values for security deposits was calculated based on cash flows discounted using a current lending rate/borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable market inputs.

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Valuation technique used to determine fair value:

- Discounted cash flow approach; appropriate market borrowing rate of the entity as of each balance sheet date used for

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Trade receivables	-	-	5,570.19	5,570.19
Cash and cash equivalents	-	-	1,637.81	1,637.81
Bank Deposits	-	-	-	-
Investments (other than in subsidiary)	-	-	20.00	20.00
Other financial assets	-	-	3,630.78	3,630.78
Total	-	-	**10,858.77**	**10,858.77**
Financial Liabilities				
Trade payables	-	-	3.30	3.30
Lease liabilities	-	-	4,661.21	4,661.21
Borrowings	-	-	9,354.37	9,354.37
Other financial liabilities	-	-	21.51	21.51
Total	-	-	**14,040.40**	**14,040.40**

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Trade receivables	-	-	1,538.26	1,538.26
Cash and cash equivalents	-	-	169.89	169.89
Investments (other than in subsidiary)	-	-	2.03	2.03
Other financial assets	-	-	-	-
Total	-	-	**1,710.18**	**1,710.18**
Financial Liabilities				
Trade payables	-	-	-	-
Lease liabilities	-	-	4,362.06	4,362.06
Borrowings	-	-	3,872.12	3,872.12
Other financial liabilities	-	-	1,542.15	1,542.15
Total	-	-	**9,776.33**	**9,776.33**

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Notes to the standalone financial statements for the year ended 31-March 2024

(All amounts in rupees lakhs except share and per share data, unless otherwise stated)

46 Related Party Disclosures

(a) List of related parties with whom there are transactions during the year:

Particulars	Entity Name
(i) Ultimate holding company	EFC (I) Limited
(ii) Holding Company	EFC (I) Limited
(iii) Key Managerial Personnel	
Director	Umesh Kumar Sahay
Director	Abhishek Narbaria
Director	Amit Narbaria
Independent Director	Gayathri Srinivasan Iyer as on 31-03-2024
Independent Director	Mr. Kunaal Agaste
Preference Shareholder	Pratik Makkar
iv) Enterprises significantly infliuenced by directors and/ or their relatives	
	Brantford Ltd
	Whitehills Interior Limited
	Pragraph Ventures LLP
	EFC Tech Space Pvt Ltd
	EFC (I) Limited
	TCC Concepts Ltd
	EFC Prime
	Sprint Workspace
	Monarch Workspace
	Altr Software Services Limited
	EMF Clinic Private Limited

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(All amounts in rupees lakhs except share and per share data, unless otherwise stated)

47 Dues to Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the "Entrepreneurs Memorandum Number" as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('the Act') is not expected to be material. The Company has not received any claim for interest from any supplier in this regard.

Particulars	As at 31 March 2024	As at 31 March 2023
i) Principal amount due to suppliers registered under the MSMED Act as remaining unpaid as at 31 March	-	-
ii) Interest due thereon due to suppliers registered under the MSMED Act as remaining unpaid on 31 March	-	-
iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	179.03	-
iv) Interest paid other than under section 16 of the MSMED Act, beyond the appointed day during the year.	2.65	-
v) Interest paid under section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	-	-
vii) Further interest remaining due and payable for earlier years.	-	-

48 Additional regulatory information

Analytical Ratios

Ratios	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	% of Variance
Current ratio (in times)	Current assets	Current liability	1.20	1.04	15.56
Debt equity ratio (in times)	Total debt	Shareholders equity	1.85	0.00	100.00
Debt service coverage ratio (in times)	Earnings for Debt Services (Profit after tax +Depreceation +Finance cost +profit on sale of property plan and equipment)	Debt services (Interest and lease payments + Principle repayments)	0.86	0.00	100.00
Return on equity ratio (in %)	Net Profit for the year	Average shareholders equity	0.88	4.31	(0.80)
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	6.41	0.00	100.00
Trade payables turnover ratio	Other expenses	Average trade payables	6.72	0.00	100.00
Net capital turnover ratio	Revenue from operations	Working capital (current assests-current liabilities)	10.91	0.00	100.00
Net profit ratio (in %)	Net Profit for the year	Revenue from operations	0.19	0.00	100.00
Return on capital employed (in %	Profit before tax and finance cost	Capital employed (Tangible Net worth + Total debt + Deferred tax liability)	0.36	0.12	2.01
Return on investment (in %)	Income generated from treasury investments	Average Investment funds in treasury investment)	0.09	0.00	100.00

Explanation for variance

1. Current Ratio: The ratio has been impacted due to increase in security deposits and trade receivables
2. Debt Equity Ratio: The ratio has been impacted due to increase in debt
3. Debt Service Coverage Ratio: The ratio has been impacted due to repayment of bank loan and increase in EBIDTA
4. Return on Equity: The ratio has been impacted due to profit of current year
5. Trade receivables Turnover Ratio: The ratio has been impacted due to increase in average trade receivables and turnover.
6. Trade payables turnover ratio: The ratio has been impacted due to increase in average trade payables and turnover.
7. Net Capital turnover ratio: The ratio has been impacted due to increase in turnover
8. Net Profit Ratio: The net profit is increased due to increase in turnover
9. Return on Capital Employed: The ratio has been impacted due to increase in profit
10. Return on Investment: The ratio has been impacted due to increase in Investment during the year

49 Subsequent Event

The Company has evaluated subsequent event from the balance sheet date through May 17, 2023, the date at which financial statments were available to be issued and determined no event has occured that would require adjustment and disclosure in the financial statement.

50 Previous year comparatives

Previous year's figures have been reclassified/rearranged/regrouped wherever necessary to conform to current year's presentation.

As per our report of even date
Nikhil Warankar & Co
Chartered Accountants
Firm Registration Number: 153107W

Nikhil Warankar
Proprietor
Membership number: 198983
Pune, May 29,2024
UDIN:24198983BKFXYT9653

For and on behalf of the Board of Directors of EFC Ltd
CIN: U70200PN2014PLC1506860

Umesh Kumar Sahay
Director
DIN:
Place: Pune, May 29, 2024

Abhishek Narbaria
Director
DIN: 01873087

EFC Limited

Notes to the standalone financial statements for the year ended 31 March 2024

(All amounts in rupees lakhs except share and per share data, unless otherwise stated)

46 Related Party Disclosures

(a) List of related parties with whom there are transactions during the year:

Particulars	Entity Name
(i) Ultimate holding company	EFC (I) Limited
(ii) Holding Company	EFC (I) Limited
(iii) Key Managerial Personnel	
Director	Umesh Kumar Sahay
Director	Abhishek Narbaria
Director	Amit Narbaria
Additional Independent Director Gayathri Srinivasan Iyer Was Independent Director As on 31-03-2024	
Also Mr. Kunaal Agaste Was Independent Director	
Preference Shareholder	Pratik Makkar
iv) Enterprises significantly infliuenced by directors and/ or their relatives	Brantford Ltd
	Whitehills Interior Limited
	Pragraph Ventures LLP
	EFC Tech Space Pvt Ltd
	EFC (I) Limited
	TCC Concepts Ltd
	EFC Prime
	Sprint Workspace
	Monarch Workspace
	Altr Software Services Limited
	EMF Clinic Private Limited

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b) **Transactions with the related parties are as follows:**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sales		
Brantford Limited	**2,064.31**	2,187.96
Whitehills Interior Limited	**25.24**	8.70
Altr Software Services Limited	**151.05**	
Expenses		
Brantford Limited	**673.62**	13.61
Whitehills Interior Limited	**700.00**	
TCC Concepts Limited	**110.73**	
Pratik Makkar	**75.78**	183.56
Directors' Remuneration		
Amit Narbaria	**24.00**	6.00
Abhishek Narbaria	**36.00**	36.00
Umesh Sahay	**36.00**	36.00
Purchases of Fixed Assets		
Sprint Workspace	250.00	-
EFC Prime	250.00	
Investments		
EFC Tech Space Pvt Ltd	-	0.23
Sprint Workspace	**1.00**	-
EFC Prime	**0.10**	-
Monarch	**0.05**	-
Loans & Advances taken/(Repaid):		
Abhishek Narbaria(Business Advance)	-	306.59
EFC Tech Space Pvt Ltd	**273.95**	403.42
Paragraph Ventures LLP	**(41.83)**	114.46
TCC Concepts Limited	**80.52**	2.54
Amit Narbaria	-	12.61
Monarch Workspaces	**138.58**	202.50
Altrr Software	**158.62**	-
Brantford LTD	**150.69**	-
Sprint Workspace	**156.26**	-
EFC Prime	**(319.33)**	-
Whitehills Interior Limited	**39.81**	-
Borrowings		
EFC (I) Limited	**9,577.80**	1,918.99
Umesh Sahai	-	176.49
Abhishek Narbaria	-	-
Advances & Security Deposits		
EMF Clinic Private Limited	**30.07**	64.60

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c) **Outstanding balances with the related parties are as follows:**

Particulars	As at 31 March 2024	As at 31 March 2023
Loans & Advances		
EFC Tech Space Pvt Ltd	**627.30**	353.34
Paragraph Ventures LLP	**328.93**	336.88
TCC Concepts Ltd	**83.55**	2.54
Monarch Workspace	**227.97**	221.18
Sprint Workspace	**156.26**	-
EFC Prime	**(302.73)**	-
Brantford Limited	**150.69**	-
Altrr Software	**158.62**	-
Investments		
EFC Tech Space Pvt Ltd	**0.63**	0.63
Rubic Smart Office	-	47.05
Rubic Tech Space LLP	**0.50**	0.50
Monarch Workspace	0.05	89.29
Sprint Workspace	**1.00**	-
Trade Receivables		
Rubic Smart Office	-	253.63
Brantford Limited	-	737.25
Whitehills Interior Limited	14.26	
Trade Payables		
TCC Concepts Ltd	86.36	-
Borrowings		
EFC (I) Limited	**11,081.70**	1,503.89
Advances & Security Deposits		
Whitehills Interior Limited	**(0.09)**	39.90
Brantford Limited	**60.00**	-
EFC Clinic Private Limited	**51.27**	-

d) **Terms and conditions of transactions with the related parties**
Transactions with the related parties are made on normal commercial terms and

Outstanding balances of related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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(All amounts in rupees lakhs except share and per share data, unless otherwise stated)

Note 36: Leases
This note explains the impact of the Ind AS 116, Leases on the Company's financial statements.

(i) Amounts recognised in balance sheet
The balance sheet shows the following amounts relating to leases:

Right-of-use assets

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Leasehold land	6	-	-
Leasehold land and Building	6	23,190.22	21,356.80
Building	6	-	-
Total		**23,190.21**	**21,356.80**

Lease Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current	4,661.21	2,507.43
Non-current	17,647.70	18,263.65
Total	**17,647.70**	**2,507.43**

(ii) Amounts recognised in the statement of profit and loss
The statement of profit or loss shows the following amounts relating to leases:

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation expense on right-of-use assets	4,212.97	4,269.79
Interest expense (included in finance costs)	2,178.95	1,403.18
Total	**6,391.92**	**5,672.97**

(iii) Maturities of lease liabilities as at March 31, 2024: (Excluding Interest) -Undiscounted value

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	6,225.74
Between 1 year and 5 years	16,909.63	-
5 years and above	1,966.81	
Total	**18,876.43**	**6,225.74**

(iii) Maturities of lease liabilities as at March 31, 2023: (Excluding Interest) -Undiscounted value

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	6,071.91
Between 1 year and 5 years	19,029.05	-
5 years and above	2,758.58	
Total	**21,787.62**	**6,071.91**

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Note 37: Employee benefit plans

37.1 Defined contribution plan

The Company operates defined contribution retirement benefit plans for all qualifying employees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company's contribution to provident fund and employee state insurance scheme are determined under the relevant schemes and / or statute and charged to the statement of profit or loss.

37.2 Defined benefit plans

(a) Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the higher of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting. The gratuity plan is funded plan.

(b) Risk exposure to defined benefit plans

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk
For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Interest risk
A decrease in the bond interest rate will increase the plan liability.

Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out at 31st March, 2023. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(c) Significant assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.22%	7.52%
Salary escalation rate	8.00%	6.00%

(d) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan

	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	45.41	14.16
Fair value of plan assets	-	-
Net (asset) / liability	**45.41**	**14.16**

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Notes to the standalone financial statements for the year ended 31 March 2024
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(e) Expenses recognised for defined benefit plan and movement of plan assets and liabilities
Following is the amount recognised in statement of profit and loss, other comprehensive income and movement in defined benefit liability:

	Particluars	As at March 31, 2024	As at March 31, 2023
(1)	**Movements in the present value of the defined benefit obligation:**		
	Obligation at the beginning of the year	14.16	-
	Current service cost	14.87	14.16
	Interest cost	1.07	-
	Actuarial (gains) / losses arising changes in financial assumptions	15.31	-
	Actuarial (gains) / losses from experience adjustments	-	-
	Benefits Paid	-	-
	Obligation at the end of the year	**45.41**	**14.16**

Reconciliation of plan assets	As at March 31, 2024	As at March 31, 2023
Plan assets at the beginning of the year, at fair value	-	-
Interest income	-	-
Return on plan assets (excluding interest income)	-	-
Contributions By Employer	-	-
Benefits paid	-	-
Plan assets at the end of the year, at fair value	-	-

	Gratuity cost recognized in the statement of profit and loss	As at March 31, 2024	As at March 31, 2023
(3)	Current service cost	14.87	14.16
	Interest cost (Net)	1.07	-
	Net gratuity cost recognized in the statement of profit and loss	**15.93**	**14.16**

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(4) Gratuity cost recognized in the other comprehensive income (OCI)	As at March 31, 2024	As at March 31, 2023
Actuarial (gains) / losses on obligation for the year		
Due to Change in financial assumptions	13.58	-
Due to change in demographic assumption	-	-
Due to experience adjustments	1.73	-
Return on Plan Assets, Excluding Interest	-	-
Net (income) / expense for the period recognized in OCI	**15.31**	-

Category wise plan assets

No contribution has been made toward plan assets

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis given below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	As at March 31, 2024	As at March 31, 2023
Impact on defined benefit obligation of gratuity		
Discount Rate+100 Basis Points	40.15	-
Discount Rate-100 Basis Points	51.75	-
Salary Growth +100 Basis Points	51.25	-
Salary Growth -100 Basis Points	40.45	-
Attrition Rate +100 Basis Points	44.31	-
Attrition Rate -100 Basis Points	46.61	-
Mortality Rate 10% Up	45.39	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Data related to 2023 is not available in acturial report, so same has been reported as Nil

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The weighted average duration of the projected benefit obligation of gratuity is 15.33 years as at March 31, 2024 (March 31, 2023 - 14.51 years).

Cash flow projection from the fund

Projected benefits payable in future years from the date of reporting

Funded Plan - Gratuity

	Present Values	Actual Values
	-	-
1st following year	1.81	1.91
2nd following year	1.57	1.77
3rd following year	1.39	1.69
4th following year	1.28	1.67
5th following year	1.05	1.46
sum of years 6 to 10th	4.44	7.63

37.3 Other long-term employee benefit obligation

The leave obligation covers the Company's liability for earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation; at the rate of daily salary, as per accumulation of leave days as at the end of relevant period. Refer notes 21 and 31 with respect to item of balance sheet and profit or loss where such provision / charge has been presented.

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(All amounts in rupees lakhs except share and per share data, unless otherwise stated)

44 Financial risk management

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to The Company's finance team is responsible for liquidity and funding. In addition, processes and policies related to such risks are overseen by the senior management.

Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

31 March 2024

		Contractual cash flows			
Contractual maturities of financial liabilities	Carrying value	Total	Less than 1 year	1-2 years	2-5 years
Trade and other payables	3.30	3.30	3.30	-	-

31 March 2023

		Contractual cash flows			
Contractual maturities of financial liabilities	Carrying value	Total	Less than 1 year	1-2 years	2-5 years
Trade and other payables	617.34	617.34	529.08	62.42	25.84

Market risk

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

Currency risk

The Company is not exposed to foreign currency risk as all transactions are denominated in a Indian currency, which is its functional and reporting currency.

45 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

	As at 31 Mar 2024	As at 31 Mar 2023
Total liabilities	44,845.28	35,369.02
Less : Cash and cash equivalents	1,637.81	169.89
Adjusted net debt	**43,207.47**	**35,199.13**
Total equity	**4,864.87**	**835.06**
Net debt to equity ratio	**8.88**	**42.15**

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NIKHIL WARANKAR & CO
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PUNE
Chartered Accountants

EFC LIMITED
(CIN:U70200PN2014PLC150686)
Reg Office: Unit No.1,2,3 & 4, 6th Floor, V B Capitol, S No.209(P), CTS, Pune - 411007

Standalone Segment information for the Quarter ended 30th September, 2023

Additional information pursuant to Regulation 52(4) and Regulation 54 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations. 2015. as amended as at and for the quarter and half year ended September 30 , 2023

Sr No	Particulars	Quarter ended			Year Ended	
		31.03.2024 (Unaudited)	31.12.2023 (Unaudited)	31.03.2023 (Unaudited)	31.03.2024 (Unaudited)	31.03.2023 (Audited)
1	Debt equity ratio (in times) (Refer Note a)	11.42	12.04	(152.64)	11.42	(152.64)
2	Debt service coverage ratio (in times) (Refer Note b)	11.86	13.52	130.15	12.66	147.55
3	Interest service coverage ratio (in times) (Rerer Note c)	1.98	1.34	(0.33)	1.58	0.62
4	Capital redemption reserve (Rs Lakhs)	NA	NA	NA	NA	NA
5	Debenture redemption reserve (Rs Lakhs)	NA	NA	NA	NA	NA
6	Net worth (Rs Lakhs) (Refer Note n)	1,461.55	1,068.06	(16.01)	1,461.55	(16.01)
7	Net profit after tax (excluding Other comprehensive income)(Rs Lakhs)	449.19	341.91	(419.61)	791.10	(306.60)
8	Current Ratio (in times) (Refer Note d)	1.38	1.36	0.43	1.38	0.43
9	Long term debt to working Capital (in times) (Refer Note e)	2.06	1.92	10.89	2.06	10.89
10	Bad debts to Accounts Receivable Ratio(%) (Refer Note f) (not annualised)	0%	0%	0%	0%	0%
11	Current Liability Ratio (in times) (Refer Note g)	0.21	0.20	0.32	0.21	0.32
12	Total debts to Total Assets (in times) (Refer Note h)	0.35	0.31	0.12	0.35	0.12
13	Debtors turnover (in number of days) (Refer Note i)	17.44	31.28	46.60	18.98	44.29
	Average Debtor	1,035.56	1,612.72	1,035.56	1,035.56	1,035.56
14	Inventory turnover (in number of days) (Refer Note j)	NA	NA	NA	NA	NA
15	Operating Margin(%) (Refer Note k)	19%	25%	-5%	22%	7%
16	Net Profit Margin(%) (Refer Note l) including exceptional item	8%	7%	-21%	8%	-7%
16a	Net Profit Margin(%) (Refer Note m) excluding exceptional item	8%	7%	-21%	8%	-7%

Notes :

The following definitions have been considered for the purpose of compulation of ratios and other information:

Sr No	Ratios	Formulae
a)	Debt Equity Ratio	Total Debt(1) / Total Equity(2)
b)	Debt Service Coverage Ratio	Profit before exceptional items & tax + interest expenses + depreciation & amortisation - current tax expense / Interest expense+ scheduled principal repayment of long-term debt and lease liabilities during the period(3)
c)	Interest Service Coverage Ratio	Profit before exceptional items & tax + interest expenses / Interest expense
d)	Current Ratio	Curent Assets(4) / Current Liabilities(5)
e)	Long term debt to working Capital	Long term debt / working Capital(6)
f)	Bad debts to Accounts Receivable Ratio	Bad debts(7) / Average trade receivable
g)	Current Liability Ratio	Curent liabilities(5) / Total Liabilities(8)
h)	Total Debts to Total Assets Ratio	Total Debt (1) / Total Asstes(9)
i)	Debtors Turnover	Average trade receivable(including Regulatory balances wherever applicable) x no of days / Gross Sales
j)	Inventory Turnover	Average Inventory / Cost of goods sold(10)
k)	Operating Margin(%)	Operating Profit (Profit before tax and exceptional item + interest - other income) / Revenue from operation
l)	Net Profit Margin including exceptional item(%)	Net Profit after Tax (including exceptional item) / Revenue from operation
m)	Net Profit Margin excluding exceptional item(%)	Net Profit after Tax (excluding exceptional item) / Revenue from operation
n)	Net Worth has been computed on the basis as stated In Clause 2 of the Securities and Exchange Board of India (Listing Obigations and Disclosure Requirements) Regulations. 2015 i e Net worth as defined in sub-section (57) of section 2 of the Companies Act. 2013.	

Notes :

(1) Total Debt Long term borrowings (including current maturities of long term borrowings) , lease liabilities (current and non current), short term borrowings and interest accrued on debts
(2) Total Equity : Issued share capital, other eaulty, unsecured perpetual securities and non-controling Interest .
(3) For the purpose of computation scheduled principal repayment of long term borrowings does not Include prepayments (including prepayment by exercise of call/put option)
(4) Current Assets as per balance sheet , assets held for sale and current portion of regulatory Assets
(5) Current Liabilities as per balance sheet liabilities classified as held for sale and current portion of regulatory liabilities
(6) Working Capital : Current assets - Current liabilities (excluding current maturities of long term debt, lease liability and interest accrued on long term borrowings)
(7) Bad debts include provision for doubtful debts
(8) Total liabilities as per balance sheet, liabilities classified held for sale and requlatory liabilities
(9) Total Assets as per balance sheet, assets held for sale and requlatory assets
(10) Cost of Goods Sold: Coslof Fuel, Raw Material Consumed, Purchase Of Finished Goods and Spares (Increase)/decrease in Stock-in-Trade and Work In Progress

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(All amounts in rupees lakhs except share and per share data, unless otherwise stated)

43 Financial Risk Management

The Company's principal financial liabilities comprise trade payables and other borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits, trade & other receivables and cash and deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, unbilled revenue, cash & cash equivalents and deposits with banks.

Trade receivables and unbilled revenue
The Company earns its revenue from customers by renting out properties, business management service,

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed necessary, but generally requires no collateral. The Company also maintains allowances for potential credit losses. In estimating the required allowances, the Company takes into consideration the overall quality and ageing of the receivable portfolio, the existence of a limited amount of credit insurance and specifically identified customer and vendor risks.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum credit period of **45 days** for its customers. An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on historical data.

Based on the business environment in which the Company operates, management considers that there is significant increase in credit risk for trade receivables if the payments are more than 30 days past due and the trade receivables are in default (credit impaired) if the payments are more than 90 days past due. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years.

Cash and cash equivalents and deposits with banks
The Company held cash and cash equivalents and bank deposits with scheduled/nationalised banks in India.

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

Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Other non-current financial assets	3,630.78	1,493.41
Cash and cash equivalents	1,637.81	169.89
Other current financial assets	-	-
Total	**5,268.59**	**1,663.30**

Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Trade receivables	5,570.19	1,538.26
Total	**5,570.19**	**1,538.26**

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(ii) Provision for expected credit losses:

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is low.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers with strong capacity to meet the obligations and therefore the risk of default is negligible. On account of the adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss. The Company uses a provision matrix to compute the ECL allowance for trade receivables. Below mentioned is the movement of impairment loss recognised on financial assets using lifetime expected credit loss method.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing	Not due	0-60 days past due	61-120 days past due	More than 120 days past due	Total	Provision	Net
Gross carrying amount as 31 March 2024	-	1,723.95	1,538.98	2,307.26	**5,570.19**	-	**5,570.19**
Gross carrying amount as 31 March 2023	-	1,472.90	-	65.36	**1,538.26**	-	**1,538.26**

(iv) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

Particulars	Trade receivables
Balance as at 31 March 2022	-
Impairment loss recognised	-
Amounts written off	-
Balance as at 31 March 2023	-
Impairment loss recognised	-
Amounts written off	-
Balance as at 31 March 2024	-

Based on historic default rates, the Company believes that no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

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1 Company overview

EFC Limited ('the Company') was incorporated on 19/02/2014 as a Public Limited Company under the Companies Act, 2013. The Company is engaged in the business of renting of immovable property (Co-working spaces), Building Work Contracts projects, Business management services, Brokerage & Commission and Project Manageemnt Services. The address of its corporate office is Unit No 1,2,3 and 4, 6th Floor,VB Capital S No 209(P), CTS Pune, Maharashtra - 411007.

2 Summary of significant accounting policies

(a) Statement of compliance and basis of preparation

The financial statements as at and for the year ended March 31, 2024 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time), and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities which are measured at fair value. The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00000), except when otherwise indicated.

(b) Functional and presentation currency

The company's financial statements are presented in Indian Rupees (INR), which is the fundctional and presentation currency.

(c) New and amended standards adopted by the Company

Ind AS 115 - Revenue from contracts with customers

MCA has notified Ind AS 115 - Revenue from contracts with customer, mandatorily applicable from 01 April 2018 either based on a full retrospective or modified retrospective application. The standard requires the Company to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

The application of the new accounting policy has required management to make the following judgments:

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Company has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. In these circumstance the Company recognises revenue over time. Where this is not the case revenue is recognised at a point in time.

Determination of transaction prices

The Company is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Company assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract. In determining the impact of variable consideration the Company uses the "most-likely amount" method in IndAS 115, whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Transfer of control in contracts with customers

In cases where the Company determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the assets that is the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets this is generally when the unit has been registered through a sale deed and legal enforceable right to collect payment is established.

In addition, the application of Ind AS 115 has resulted in the following estimation process:
Allocation of transaction price to performance obligation in contracts with customers

For registered contracts through a sale deed , but the project is not complete, revenue from such contracts is recognised over time. The Company has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. The Company considers that the use of the input method which requires revenue recognition on the basis of the Company's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method the Company estimates the cost to complete the projects in order to determine the amount of revenue to be recognised. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

(d) Fair value measurements

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 at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or the transfer the liability takes place either: in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest 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 input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognized in the financial statements on recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The assets measured at fair value on a non-recurring basis, primarily consists of non-financial assets such as intangible assets.

For the purpose of fair value disclosures, the Company has determined the class of assets and liabilities on the basis of the nature, characteristic and risks of the assets and liability and the level of fair value hierarchy as explained above.

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(e) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

(i) An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

(ii) All other assets are classified as non-current.

(iii) A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of service, the Company has ascertained its operating cycle as twelve months for all assets and liabilities.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, cost directly attributable to bring the assets to its working condition for the intended use and borrowing costs, if capitalization criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

The Company identifies and determines cost of asset significant to total cost of the asset having useful life that is materially different from that of the remaining life.
Property, plant and equipment under installation or construction as at balance sheet date are shown as capital work-in-progress and the related advances are shown as other assets.
Depreciation on property, plant and equipment is provided on WDV basis over the useful life prescribed under Division II of Companies Act, 2013. The identified components, if any, are depreciated on their useful lives; the remaining asset is depreciated over the life of the principal asset. Schedule II of the Companies Act, 2013, prescribes useful life for fixed assets. Further schedule II also allows companies to use higher/lower useful live and residual value if such useful live and residual values can be technically supported and justification for differences is disclosed in the financial statements. The Management believes that depreciation rate currently used fairly reflects the estimate of the useful lifes and residual value of property plant and equipments, though these rates in certain cases are different from lives prescribed under Schedule II.

The Company has estimated the following useful lives to provide depreciation on its Property, plant and equipment, as follows:

Asset description	Useful life
Computers and servers	5 years
Networking equipments	5 years
Furniture and fittings	7 years
Office equipments	5 years*

* Telephone equipment are depreciated over a period of 3 years as per internal technical evaluation

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital advances' under other non-current assets in situations where the work for development of that asset has not commenced or the asset, being a standard/ shelf product, is not delivered and ready for intended use as decided by the Group. In situations where the work for development of the asset has commenced, the cost of asset incurred till the reporting date is disclosed under 'Capital work-in-progress'

Lease-hold improvements are amortised over the useful life of assets or the primary period of lease, whichever is shorter. Pro-rata depreciation is provided from / upto the date of purchase / disposal for assets purchased or sold during the year. Assets individually costing INR 5 or less are depreciated over a period of one year.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Non-current assets held for sale

Non-current assets are classified as held for sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable and sale is expected to be completed within one year from date of classification.

Non-current assets held for sale are presented separately in the current section of the consolidated balance sheet Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, unless these items presented in the disposal group are deferred tax assets, assets arising from employee benefits and financial assets that are specifically exempt from the requirements. Non-current assets are not depreciated or amortised while they are classified as held for sale

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a WDV basis over the useful life prescribed under Division II of Companies Act, 2013. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of another asset.

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

The Company has estimated the following useful lives to provide amortisation on intangible assets, as follows:

Asset description	Useful life
Software	5 years

(h) Foreign currency transactions and translations

These financial statements are presented in Indian rupees ('INR'), the currency of India, which is the functional currency of the Company.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Foreign currency non-monetary assets / liabilities, measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary items measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. The gain / loss arising on translation of non-monetary item measured at fair value are treated in line with the recognition of the gain / loss on the change in the fair value of the item [other comprehensice income or profit and loss, respectively].

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(i) Revenue recognition

In March 2018, Ministry of Corporate Affairs ("MCA") had notified Ind AS 115, 'Revenue from Contract with Customers', replacing the existing revenue recognition standards Ind AS 18, 'Revenue'. As per the new standard, revenue is recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the fair value of the consideration received or receivable which the entity expects to be entitled in exchange for those goods or services. Ind AS 115 establishes a five-step model that is applied to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry. The standard is effective for annual periods beginning on or after 1 April, 2018. The Company has adopted to the extent applicable this standard using the modified retrospective approach.

Revenue is recognized when, or as, control of a promised service transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

Revenue recognition for time-and-material

Revenues related to time-and-materials are recognized over the period the services are provided using an input method (efforts expended).

Because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The Company generally use the efforts expended as measure of progress for the Company's contracts because there is a direct relationship between input and productivity.

Revenue recognition for fixed price contracts

Fixed price contracts are often modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of contract modifications are for services that are not distinct from the existing contract due to the significant service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

Revenue is recognized net of discounts and allowances, goods and services taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

The Company extend credit to clients based upon Management's assessment of their creditworthiness. The Company assess the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company do not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or the Company, no financing component is deemed to exist. The primary purpose of our invoicing terms is to provide customers with simplified and predictable ways of purchasing our services, not to receive or provide financing from or to customers.

Incentive revenues, volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of anticipated performance and all information that is reasonably available to the Company.

Contract liabilities consist of advance payments and billings in excess of revenues recognized. The Company classify contract liability as current or noncurrent based on the timing of when they expect to recognize the revenues. The Company classify it's right to consideration in exchange for deliverables as either as accounts receivable or a contract assets. Accounts receivable are recorded at the invoiced amount and do not bear interest. Revenue recognized but not billed to customers is classified as contract assets in the statements of financial position. Contract assets represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Finance income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Revenue is recognised when the Company's right to receive dividend is established, which is generally the shareholders' approval date.

(j) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the statement of profit and loss. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

(k) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Policy applicable before April 01, 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains lease, if fulfilment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys the right to use the asset or assets, even if that right is explicitly in an arrangement.

A lease is classified at the inception date as finance lease or operating lease.

Finance lease

Finance lease, which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of leased property and present value of minimum lease payments.

Lease payment are apportioned between the finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of lease liability. Finance charge are recognised as finance costs in the statement of profit and loss. Lease management fee, legal charges and other initial direct costs of lease are capitalized as they are directly attributable to the asset.

A leased asset is depreciated on straight line basis over the useful life of the asset. However if there are no reasonable certainty that the Company will obtain the ownership by the end of the lease term the capitalized asset is depreciated on straight line basis over the shorter of the useful life of the asset or the lease term.

Operating lease

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leases term are classifies as operating leases. Operating lease payments are recognised as expense in statement of profit and loss on a straight-line basis over the lease term.

Policy applicable with effect from April 01, 2019

Company as a lessee

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the Cuse of an identified asset for a period of time in exchange for

consideration. To assess whether a contract conveys the right to control the use of

an identified asset, the Company assesses whether: i) the contract involves the use

of an identified asset, ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the Company has the right to direct the use of the asset.

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(l) Employee benefits expense and retirement

(i) Gratuity liability

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment. The liability is determined based on an actuarial valuation carried out by an independent actuary as at the balance sheet date using the projected unit credit method. Actuarial gains / losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur.

(ii) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash as per the Company policy. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur.

The Company presents the liability as current liability in the balance sheet, to the extent it does not have an unconditional legal and contractual right to defer its settlement for twelve months after the reporting date.

(iii) Provident fund

The Company's contribution to provident fund is charged to the statement of profit and loss. The Company's contributions towards provident fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act.

(iv) Share based compensation

Stock-based compensation represents the cost related to stock-based awards granted to employees of the Company by its ultimate holding Company. In accordance with Ind AS 102, 'Accounting for share based payment', the Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) over the requisite service period. The Company estimates the fair value of stock options and the cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in "Share Based Payment Reserve".

(v) Short-term employee benefits comprising employee costs including performance bonus is recognized in the statement of profit and loss on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(m) Tax expense

Tax expense comprises current and deferred income 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 and tax laws prevailing in the respective tax jurisdictions where the Company operates. 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 relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. 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 income taxes reflect the impact of temporary differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

The carrying amount of deferred tax assets is 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 or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Current and deferred tax are recognised in profit or loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

(n) Provision and contingent liability

A provision is recognized when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation that can be reliably estimated. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(o) Financial Instruments

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

I. Financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

(i) Financial instruments at amortized cost

A financial instrument is measured at the amortized cost if both the following conditions are met:

a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

(ii) Financial instrument at Fair Value through Other Comprehensive Income (OCI)

A financial instrument is classified and measured at fair value through OCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial instruments included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

(iii) Financial instrument at Fair Value through Profit and Loss

Any financial instrument, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included in the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

(iv) De-recognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

II. Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The subsequent measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

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(ii) Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate [EIR] method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(iii) De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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.

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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(p) Impairment

(i) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

(ii) Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable, amount provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss has been recognised for the asset in prior years.

(q) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Company's Board of Director's has been identified as the CODM who is responsible for financial decision making and assessing performance. The Company has a single operating segment as the operating results of the Company are reviewed on an overall basis by the CODM.

(r) Earnings per share ('EPS')

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

(s) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

(t) Government Grants

The Company recognizes grants in the financial statements as a reduction from cost of sales to match them with the expenditures for which they are intended to compensate or as other income in cases where grants is not linked to expenditure incurred. Grants are recognized in the financial statements when there is reasonable assurance that the Company will comply with the conditions for their receipt and a reasonable expectation that the funds will be received. In certain circumstances, the receipt of an grant may not be subject to any condition or requirement to incur further costs, in which case the grant is recognized in the financial statements for the period in which it becomes receivable after claim is filed or company has finalized amounts that would be available.

(u) Use of estimates and judgments

The preparation of the Company's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of property, plant and equipment

Management estimates the useful lives of these property, plant and equipment to be within 5 to 7 years. The carrying amount of the Company's property, plant and equipment at March 31, 2023 was Rs.3,629.58 lakhs [March 31, 2022: Rs. 779.25 lakhs]. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, Management must estimate the expected future cash flows from the asset or cash generating unit and chose a suitable discount rate in order to calculate the present value of those cash flows.

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(iii) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

(iv) Percentage of completion of contracts

The Company uses the percentage of completion method using the input (effort expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method relies on estimates of total expected efforts to complete the project. These estimates are assessed continually during the term of the contracts and the recognized revenue and profit are subject to revision as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

Contracts with customers often include promises to transfer multiple services to a customer. Determining whether services are considered distinct performance obligations that should be accounted for separately or together requires significant judgment based on nature of the contract, transfer of control over the service, ability of the service to benefit the customer on its own or together with other readily available resources and the ability of service to be separately identifiable from other promises in the contract.

(v) Judgments made in applying accounting policies

In the process of applying the Company's accounting policies, Management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Income taxes

Significant judgment is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.