



NIKHIL WARANKAR & CO.

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To

The Members of EFC TechSpace Private Limited
Report on the audit of the Ind AS financial statements

Opinion

We have audited the accompanying Ind AS financial statements of EFC Tech Space Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2024, and the Statement of Profit and Loss and statement including other comprehensive income, statement of cash flows and the statement of changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including its Comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Ind AS on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the 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.

Key audit matters

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



Information other than the Ind AS financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's responsibility for the Ind AS financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Ind AS financial statements

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



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

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

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.

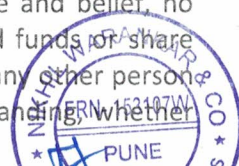
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



Report on Other Legal and Regulatory Requirements

1. The statement on matters specified in 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, is provided in "Annexure" A, statement on the matters specified in paragraph 3 and 4 of the Order.
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 best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by the law have been kept by the Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books.
 - c) The Balance Sheet and the Statement of Profit and Loss including the Statement of Comprehensive income, the cash flow statement and the changes in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS 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 31 March 2024 taken on record by the Board of Directors, none of the existing Directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) In our opinion and the based on the information presented to us, managerial remuneration has been paid for the year ended 31 March 2024 hence reporting under section 197 read with schedule V to the act is required.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entities, 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 and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement

v. Company has not paid any dividend during the year.

vi. 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



CA Nikhil Warankar

Proprietor

M. No: 198983

Date: 29th May 2024, At Pune.

UDIN: 24198983BKFX7641



Annexure - A referred to in our Independent Auditor's Report to the member of EFC Tech Space Private Limited on the Ind AS financial statements for the year ended 31 March 2024

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) Fixed Asset Record:
- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- b) 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 explanation given to us, there are no immovable properties held by the Company hence reporting under this clause is not applicable.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) According to the information and explanation given to us, 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 during the year.
- ii) The company is a service company; accordingly, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of the order is not applicable to the Company.
- iii) According to the information and explanations given to us, the company has made investments during the year. The company has granted unsecured loans to companies, in respect of which the requisite information is as below.
- (a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has given loans or advances in the nature of loans to subsidiaries. The Company does not hold any investment in any joint ventures or associates.
- B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has given unsecured loans to parties other than subsidiaries as listed below. The Company has not stood guarantee or provided security.

Particulars	Loans
Aggregate amount during the year	
Subsidiaries	₹ 30.78 Lakhs
Others	₹ 58.80 Lakhs
Balance outstanding as at balance sheet date	
Subsidiaries	₹ 38.74 Lakhs



- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investment made and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given and in case of advances in the nature of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given and advances in the nature of loan given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment which are as below:

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans:			
-Repayable on demand	₹58.66 Lakhs	-	₹38.74 Lakhs
-Repayable within one year	-	-	-
Percentage of loans/advances in nature of loans to total loans	100%	-	66.04%

- iv) According to the information and explanation given to us, the company has complied with the provisions of Sections 185 and 186 of the companies act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ service. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

- vii) a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);
- ix) According to the information and explanation given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(ix) of the order is not applicable to the Company.
- x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year, further, based on the records examined by us and according to information and explanations given to us, the Company has not raised money by way of term loans during the year. Accordingly, paragraph 3 (x) of the Order is not applicable.
- (b) The Company has made preferential allotment of shares during the year and have complied with the provisions of section 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI Regulations. According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any private placement of shares and has not raised funds by way of issue of fully, partly or optionally convertible debentures during the year. Further, the funds raised to preferential allotment of shares were utilized for the purposes for which such funds were raised.
- xi) (a) According to the information and explanation given to us, any fraud by the company or any fraud on the company has not been noticed or reported during the year;
- (b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company;
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable standards.
- xiv) (a) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the reports of the Internal Auditors for the period under audit;



- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi) According to the information and explanations given to us, we are of the opinion that
- i) The provision of section 45-IA of the Reserve bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause xvi (a) of the order is not applicable to the Company
 - ii) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
 - iii) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company
 - iv) The company do not have any CICs which are registered with the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- xvii) According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year;
- xviii) There has been resignation of the statutory auditors during the year and there were no issues, concerns or objections raised by the outgoing auditors.
- xix) 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 indicating that company is incapable 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) According to explanation and information given to us, company has transferred unspent amount to a fund specified in schedule VIII to the companies Act, within a period of 6 months from the expiry of financial year in accordance with the provision of section 135 of the companies Act 2013.

For NIKHIL WARANKAR & Co

Chartered Accountants

FRN: 153107W


CA Nikhil Warankar

Proprietor

M. No: 198983

Date: 29th May 2024, At Pune.

UDIN: 24198983BKFX7641



Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of EFC Tech Space Private Limited of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of EFC Tech Space Private Limited (“the Company”) as at March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

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

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 in the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of IND AS 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of IND AS 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 (iii) 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 IND AS 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)


CA Nikhil Warankar

Proprietor

Membership Number: 198983

Date: 29th May, 2024 at Pune.

UDIN: 24198983BKFX7641



EFC Techspace Pvt Ltd

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)

1 Company overview

EFC Tech Space Private Limited ('the Company') was incorporated on 27/01/2016 as a Private Company under the Companies Act, 2013. The Company is engaged in the business To carry on the business of renting, acquiring, purchasing, leasing, developing, renovating, improving, maintaining, exchanging or otherwise own property, estate, land, buildings, flats, halls, godowns, shops, warehouses, office premises, serviced and virtual office space, meeting rooms, business executive suites and fully furnished meeting space at affordable prices

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, 2023 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 functional and presentation currency.

(b) 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

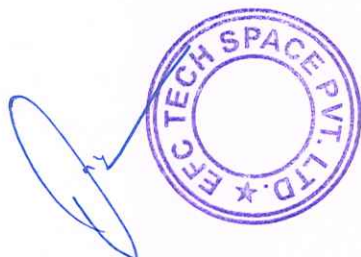
For registered contracts through a sale deed, but the project is not complete, revenue from such contracts is recognised over time. The Company has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. The Company considers 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.

(c) 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 of 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.

(d) **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.

(e) **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 the straight-line method over their estimated useful lives, as estimated by the Management. 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 lives 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*

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.

(f) **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 straight line basis over the estimated useful life. 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

(g) **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 comprehensive income or profit and loss, respectively].

(h) **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.

(i) 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.

(j) 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 classified 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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether the contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

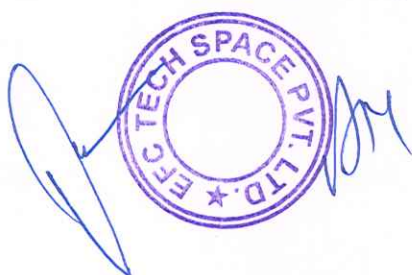
At inception or on reassessment of a contract that contains lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right-of-use assets

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use assets. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment, whenever there is indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in statement of profit and loss.

Lease Liabilities

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



The lease liability is subsequently remeasured by increasing the carrying amount to reflect the interest on lease liability, reducing carrying amount to reflect the lease payment made and remeasuring the carrying amount to reflect any reassessment or lease modifications or reflect revised in-substance fixed lease payments.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(k) 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

(k) Employee benefits expense and retirement (cont'd)

(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.

(l) 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

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 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

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.



(m) **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.

(n) **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**

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**

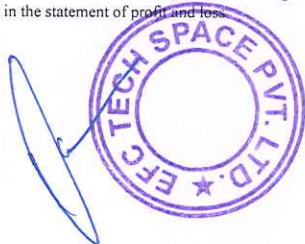
Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

(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.

(o) **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.

(p) **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.

(q) **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.

(r) **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.

(s) **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.



(s) **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 INR [March 31, 2022: INR]. 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.

(iii) **Employee share options**

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 12 (e) & (f).

(iv) **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.

(v) **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.

(t) **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.

Determination of functional currency

The determination of functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. In determining the functional currency, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. This is based on Management's assessment of the economic environment in which the Company operates.



EFC Techspace Pvt Ltd
(CIN:U72100MH2016PTC272388)

Regd Office: 202 CTS-E/859,B-2, 3rd Road, Opposite Simra Plaza, Khar West, Mumbai City, Maharashtra 400052

BALANCE SHEET AS AT 31 March 2024

(₹ in Lakhs)

	Particulars	Note	As at	
			31.03.2024 (Unaudited)	31.03.2023 (Audited)
I	Assets			
1	Non-current assets			
	(a) Property, plant and equipment	9	5.75	36.14
	(b) CWIP		396.08	272.69
	(c) Right of use assets	10	1,652.59	2,291.34
	(d) Intangible Assets		-	-
	(e) Intangible Assets under development		-	-
	(e) Financial assets			
	Investments			
	Other Financial Assets	11	306.10	243.28
	(f) Deferred tax asset (Net)	12	82.46	55.78
	(g) Income tax assets (Net)		-	-
	(h) Other Non-Current Assets		-	-
	Total non-current assets		2,442.98	2,899.23
2	Current assets			
	(a) Inventories	13	146.98	-
	(b) Financial assets		-	-
	(i) Trade receivables	14	126.27	80.60
	(ii) Cash and cash equivalents	15	2.85	6.87
	(iii) Bank Balances other than (ii) above		-	-
	(iv) Loans	16	-	48.31
	(v) Other financial assets		-	-
	(c) Current Tax Assets (net)		-	-
	(d) Other current assets	17	195.86	144.17
	Total current assets		471.96	279.95
	Total assets		2,914.94	3,179.19
II	Equity and liabilities			
1	Equity			
	(a) Equity share capital	18	1.23	1.23
	(b) Other equity		(323.86)	(168.46)
	Total equity		(322.63)	(167.24)
2	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings			
	(ii) Lease liabilities	19	1,469.10	1,985.97
	(iii) Other financial liabilities	20	399.41	132.11
	(b) Other Non current liabilities		-	-
	(c) Provisions	21	0.43	0.43
	Total non-current liabilities		1,868.94	2,118.51
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	22	805.14	597.68
	(ii) Lease liabilities		516.87	444.54
	(iii) Trade payables	23	(51.10)	75.46
	(A) total outstanding dues of micro enterprises and small enterprises			
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises			
	(iv) Other financial liabilities		-	28.61
	(b) Income Tax Liability (net)	24	86.21	77.51
	(c) Other current liabilities		11.52	4.12
	(d) Provisions	25		
	Total current liabilities		1,368.63	1,227.91
	Total equity and liabilities		2,914.94	3,179.19

The accompanying notes form an integral part of the financial statements.
As per our report of even date

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

Nikhil Warankar
Membership Number : 198983
Place: Pune
Date: 29 May 2024
UDIN: 24198983BKFX7641



For and on behalf of the Board of Directors of
EFC TECHSPACE PVT LTD

Pratik Makkar
Director
DIN: 00118533
Place: Pune

Abhishek Narbaria
Director
DIN : 01873087
Place: Pune

EFC TECH SPACE PRIVATE LIMITED

(CIN:U72100MH2016PTC272388)

Regd Office: 202 CTS-E/859,B-2, 3rd Road, Opposite Simra Plaza, Khar West, Mumbai City, Maharashtra 400052

STATEMENT PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2024 .

(₹ in Lakhs, Unless otherwise stated)

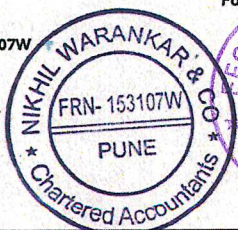
Sr. No.	Particulars	Note	Year Ended	
			March 31, 2024	March 31, 2023
1	Income			
	a) Revenue from operations	3	1,007.58	305.35
	b) Other income	4	53.52	39.44
	Total Income		1,061.09	344.79
2	Expenses			
	a) Cost of services	6	284.52	92.83
	b) Changes in inventories of finished goods	6	(146.98)	-
	c) Employee benefits expense	7	34.12	11.15
	d) Finance costs	5	223.85	1.70
	e) Depreciation and amortisation expense	6	559.01	248.87
	f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	7	144.37	126.15
	Total expenses		1,098.89	480.69
3	Profit/(Loss) before exceptional, Extraordinary items and taxes (1-2)		(37.79)	(135.90)
4	Exceptional item		-	-
5	Profit before extraordinary items and tax		(37.79)	(135.90)
6	Extraordinary Items		-	-
7	Profit before Tax		(37.79)	(135.90)
8	Tax expense			
	Current tax		-	42.51
	Deferred tax	8	(26.67)	(22.41)
	Total Tax Expenses		(26.67)	20.10
9	Net Profit/(loss) for the period (5-6)		(11.12)	(156.00)
10	Other Comprehensive income			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
	Remeasurement (loss)/gain on defined benefit plans		-	(9.17)
	Income tax effect		-	2.31
	Net other Comprehensive income not to be reclassified to profit or loss in subsequent period		-	(6.86)
	Other comprehensive income for the year, net of tax		-	(6.86)
11	Total comprehensive income for the year, net of tax		(11.12)	(162.86)
12	Paid-up equity share capital (face value of ₹ 10/- each)		0.12	0.12
13	Reserve excluding Revaluation Reserves as per Balance sheet of previous accounting year		-	-
14	Earnings Per Share (before extraordinary items)			
	(of Rs. 10/- each)(not annualised):			
	Basic (in ₹)		(90.80)	(1,273.48)
	Diluted (in ₹)		(90.80)	(1,273.48)
15	Earnings Per Share (after extraordinary items)			
	(of Rs. 10/- each)(not annualised):			
	Basic (in ₹)		(90.80)	(1,273.48)
	Diluted (in ₹)		(90.80)	(1,273.48)
	Significant accounting policies	0	1-2	
	Notes to the financial statements	0	3-42	

The accompanying notes form an integral part of the financial statements.

As per our report of even date

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

Nikhil Warankar
Membership Number: 198983
Place: Pune
Date: 29 May 2024
UDIN: 24198983BKFX7641



For and on behalf of the Board of Directors of
EFC TECH SPACE PRIVATE LIMITED

Pratik Makkar
Director
DIN: 00118533
Place: Pune

Abhishek Narberik
Director
DIN: 01873087
Place: Pune

EFC TECH SPACE PRIVATE LIMITED

(CIN:U72100MH2016PTC272388)

Regd Office: 202 CTS-E/859,B-2, 3rd Road, Opposite Simra Plaza, Khar West, Mumbai City, Maharashtra 400052

Standalone Statement of Cash flows for the Period ended 31 MARCH 2024

(₹ in Lakhs)

Particulars	FY 23-24	FY 22-23
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/ (LOSS) BEFORE TAX	(37.79)	(135.90)
Adjustments for:		
Depreciation & amortization expense	931.23	248.87
Finance Cost	223.85	-
Interest income	(53.52)	-
Gain of Sale of Investments	-	-
Other Non Cash Item	2.70	66.23
Operating profit before working capital changes	1,066.47	179.20
Adjustments for changes in working capital:		
(Increase)/Decrease in Inventories	(293.96)	-
(Increase)/Decrease in Trade Receivables	(45.67)	(18.22)
(Increase)/Decrease in Other Assets	(14.51)	-
Increase/ (Decrease) in Trade Payables	(126.56)	6.56
(Increase)/decrease in other current assets	(51.69)	(73.25)
Increase/ (Decrease) in Other Financial Liabilities	-	(240.81)
Increase/ (Decrease) in other Liabilities	8.70	38.85
Increase/ (Decrease) in provisions	7.40	2.36
Operating Profit / (Loss) after working Capital Changes	550.19	(105.31)
Direct taxes (paid)/ refund	(28.61)	(42.51)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	521.58	(147.82)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, Plant & equipment	(385.48)	(8.72)
Increase in Capital Work in Progress	-	(272.69)
Interest received	53.52	-
Proceed from sale of Assets	-	-
Other financial assets	-	-
Investments made in Subsidiaries	-	-
Loans to related parties & Others	-	(18.94)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	(331.96)	(300.35)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Change in equity	-	-
(Repayment)/Proceeds of long term borrowing (net)	(516.87)	(24.86)
(Repayment)/Proceeds of short term borrowing (net)	-	577.46
Borrowings	207.46	-
Money received against issuance of securities	-	-
Lease Liability	72.33	-
Other financial Liability	267.30	-
Proceeds from Issue of Equity Shares	-	0.23
Deposit from clients	-	-
Finance Cost	(223.85)	(5.88)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	(193.63)	546.95
Net Increase/(Decrease) in Cash & Cash equivalents	(4.02)	98.78
Add: Cash and Cash equivalents as at the beginning of the year	6.87	0.95
Cash & Cash equivalents as at the end of the year	2.85	99.73
Reconciliation of cash and cash equivalents as per statement of cash flows		
Cash and cash equivalents [note 7]		
Cash in hand	2.85	6.87
Balances with banks - on current accounts	-	-
Bank Balances other than above	-	-
Balance as per statement of cash flows	-	-

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standard (Ind AS) - 7 on Cash Flow Statements.
- Prior year comparatives have been reclassified to conform with current year's presentation, wherever applicable.
- Figures in brackets represent out flows of cash and cash equivalents.

The accompanying notes are an integral part of these financial statements.

Subject to our separate report of even date

For Nikhil Warankar & Co.

Chartered Accountants

Firm Registration Number: 153107W

Nikhil Warankar
Partner

Membership Number: 198983

Place: Pune

Date: 29 May 2024

For and on behalf of the Board of Directors of

EMF Clinic Private Limited

Pratik Makkar
Director

DIN: 00118533

Place: Pune

Date: 29 May 2024

Abhishek Narbaria
Director

DIN: 01873087

Place: Pune

Date: 29 May 2024

3. Revenue from operations

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Rent Income - Space	1,007.58	300.14
Rent Income - Space Other	-	5.21
Total	1,007.58	305.35

4. Other income

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
(a) Interest	-	-
On bank deposits	-	-
On Interest on Late Payments	-	9.44
On Security Deposit	22.82	-
On Interest Income - IND AS	-	-
(b) Brokerage & Commission Sale	-	30.00
(c) Other Income	30.70	-
Total	53.52	39.44

5. Changes in inventories of finished goods

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Opening stock	-	-
Purchases during the year	-	-
Less :	-	-
Closing stock	148.98	-
Total	(148.98)	-

6. Cost of revenue

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Water Charges	46.21	5.59
Electricity Expenses	99.04	41.11
Housekeeping Expenses	31.83	7.85
Lease Line Expenses	-	8.64
Maintenance Expenses	136.54	22.56
Security Expenses	11.07	7.07
Rent Paid Property	(40.18)	-
Purchase of FA Stock	-	-
Rent Paid - Property - IND AS	-	-
Total	264.52	92.83

7. Employee benefit expenses

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Salaries and allowances	32.13	10.82
Contributions to provident fund and other funds	1.99	0.33
Staff welfare expenses	-	-
Total	34.12	11.15

8. Finance cost

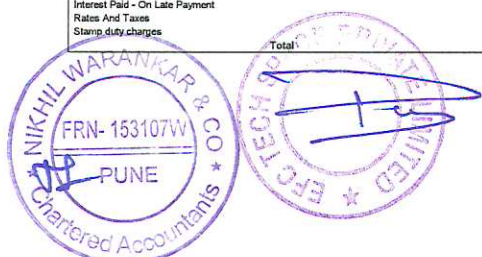
Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Interest expense Ind AS	58.25	1.70
Finance cost Ind AS	165.60	-
Bank Interest	-	-
Total	223.85	1.70

9. Depreciation and Amortisation

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Depreciation of Property, Plant and Equipments	9.37	10.00
Amortization of assets	-	-
Amortization of right of use assets	549.64	238.87
Total	559.01	248.87

10. Other expenses

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Housekeeping Material	-	2.78
Admin Expenses	98.70	5.67
Rent Paid on Equipments	-	3.48
Repair & Maintenance	-	1.32
Amc Charges	-	7.53
Travelling Expense	-	-
Pest Control Service	-	1.40
Telephone Expenses	-	-
Business Promotion Expense	-	2.70
Professional Expenses	39.82	2.50
Interest on Tds	-	-
Printing & Stationery Expenses	-	98.77
Miscellaneous Expense	-	-
Electrical Material	-	-
DG Charge	-	-
Office Expenses	-	-
Rent Paid - Generator	-	-
Drinking Water Expenses	-	-
Audit Fees	-	-
Insurance	-	-
Bank Charges	-	-
Internet Expenses	-	-
Interest Paid - On Late Payment	2.04	-
Rates And Taxes	3.81	-
Stamp duty charges	2.70	-
Total	144.37	126.15



EFC Techspace Pvt Ltd

Notes forming part of the Financial Statements for the year ended March 31, 2023

Non-current assets

9. Property, plant and equipment

Particulars	Office Equipments	Furniture and Fixtures	Computers	Total
	₹ in Lakhs			
Gross Carrying Value				
Balance as at April 01, 2022	76.19	176.12	13.43	265.74
Additions	0.61	8.10		8.71
Deductions/ disposals				-
Balance as at March 31, 2023	76.80	184.22	13.43	274.45
Balance as at April 01, 2023	76.80	184.22	13.43	274.45
Additions	32.11	93.85	-	125.96
Deductions/ disposals	(106.70)	(274.90)	-	(381.60)
Balance as at March 31, 2024	2.20	3.17	13.43	18.80
Accumulated Depreciation				
Balance as at April 01, 2022	72.07	143.79	12.45	228.31
Depreciation charge for the year	0.49	9.06	0.44	9.99
Deductions/ disposals				-
Balance as at March 31, 2023	72.56	152.85	12.89	238.30
Balance as at April 01, 2023	72.56	152.85	12.89	238.30
Depreciation charge for the year	3.40	5.86	0.11	9.37
Deductions/ disposals	(75.93)	(158.69)	-	(234.62)
Balance as at March 31, 2024	0.03	0.02	13.00	13.05
Balance as at March 31, 2023	4.24	31.37	0.54	36.14



EFC Techspace Pvt Ltd
Statement of Changes in Equity for the year ended March 31, 2024

(a) Equity Share Capital	Particulars	₹ in Lakhs	
		As at 31 March 2024	As at 31 March 2023
	Balance as at the beginning of the year	1,225	1,00
	Changes in Equity share capital due to prior period errors	0.00	0.00
	Restated Balance as at the beginning of the year	1,225	1,00
	Changes in Equity share capital due to prior period errors		
	Additions during the year	0.00	0.225
	Balance as at the end of the year	1,225	1,225

(b) Other Equity	Particulars	Reserves and Surplus		Equity Instruments through Other Comprehensive Income	Total Equity attributable to Equity Holders
		General Reserve	Securities Premium Reserve		
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
	Balance as at April 01, 2022	-	-	-	(26.86)
	Changes in accounting policy or prior period errors	-	-	-	14.35
	Restated Balance as at April 01, 2022	-	-	-	(12.51)
	Profit / (Loss) for the year	-	-	-	(156.00)
	Other comprehensive income (net off tax)	-	-	-	-
	Balance as at March 31, 2023	-	-	-	(168.51)
	Balance as at April 01, 2023	-	-	-	(168.51)
	Changes in accounting policy or prior period errors	-	-	0.02	2.72
	Restated Balance as at April 01, 2023	-	-	-	(165.79)
	Profit / (Loss) for the year	-	-	0.02	(165.76)
	Impact Due to conversion of asset into stock in trade	-	-	-	(37.79)
	Other comprehensive income (net off tax)	-	-	-	-
	Balance as at March 31, 2024	-	-	0.02	(323.84)

The accompanying notes form an integral part of the financial statements

0.00

As per our report of even date

For Nikhil Warankar & Co.
Chartered Accountants
Firm Registration Number:

Nikhil Warankar
Nikhil Warankar
Membership Number : 198983
Place: Pune
Date: 23 May 2024
UDIN: 24198983BKFX7641

For and on behalf of the Board of Directors
Pratik Makkar
Pratik Makkar
Director
DIN: 00118533

Abhishek Narbaria
Abhishek Narbaria
Director
DIN: 01873087

Financial assets
9.Capital work in progress

Particulars	₹ in Lakhs
Balance as at April 01, 2022	-
Additions	272.69
Capitalised during the year	-
Balance as at March 31, 2023	272.69
Balance as at April 01, 2023	272.69
Additions	123.39
Capitalised during the year	-
Balance as at March 31, 2024	396.08

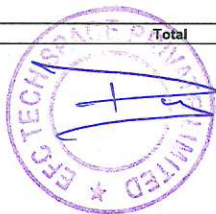
The ageing of Capital work-in-progress is given below as at March 31,2024 and March 31,2023

Capital Work in Progress	Amount of CWIP for a period				₹ in Lakhs
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	123.39	272.69	-	-	396.08
Projects temporarily suspended	-	-	-	-	-
Total	123.39	272.69	-	-	396.08

Capital Work in Progress	Amount of CWIP for a period				₹ in Lakhs
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	272.69	-	-	-	272.69
Projects temporarily suspended	-	-	-	-	-
Total	272.69	-	-	-	272.69

11. Other Non Current financial assets

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Unsecured, considered good Security deposits	306.10	243.28
Total	306.10	243.28



EFC Techspace Pvt Ltd
Notes forming part of the Financial Statements for the year ended March 31, 2024
12. Deferred Tax Assets/ (Liabilities) (Net)

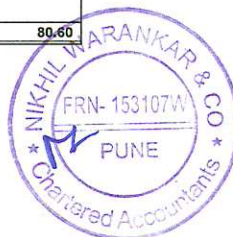
Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ Lakhs	
Opening Deferred Tax Assets/ (Liabilities)	55.78	31.06
Reversal of Deferred Tax on Adoption of IND AS	(14.18)	
Movement due to IND AS adoption	40.86	24.73
Closing Deferred Tax Assets/ (Liabilities)	82.46	55.79
Deferred Tax Assets		
Lease Liability	499.83	611.72
		20.64
		0.11
	499.83	632.46
Deferred Tax Liabilities		
Fair Value of Right of Use	415.92	576.68
Property, Plant & Equipments	1.45	
	417.37	576.68
Deferred Tax Assets/ (Liabilities)	82.46	55.78

13. Closing Inventories

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Closing Stock	146.98	48.31
Total	146.98	48.31

14. Trade receivables

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Trade Receivables		
Unsecured, considered good*	126.27	80.60
Unsecured, considered doubtful		
Less: Provision for expected credit loss		
Total	126.27	80.60



EFC Techspace Pvt Ltd

Notes forming part of the Financial Statements for the year ended March 31, 2024

* Includes receivable from related parties. (Refer Note - 32)

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 are as follow

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Monarch Workspace	33.90	62.29
Rubic Tech Spaces LLP	33.12	35.06
Total	67.02	97.35

Trade receivables aging as on March 31, 2024

Particulars	Outstanding for following periods from due date of payment (at gross)			Total of Trade Receivables (a)	Unbilled (b)
	Less than 6 months	6 months -1 year	2-3 years		
(i) Undisputed Trade receivables-considered good	45.67	41.00	39.60	126.27	-
(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	45.67	41.00	39.60	126.27	-

Trade receivables aging as on March 31, 2023

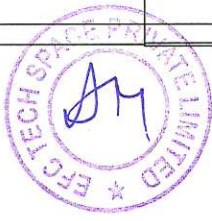
Particulars	Outstanding for following periods from due date of			Total of Trade Receivables	Unbilled (b)
	Less than 6 months	6 months -1 year	2-3 years		
(i) Undisputed Trade receivables-considered good	41.00	30.00	9.60	80.60	-
(ii) Undisputed Trade Receivables – which have significant increase in credit 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	41.00	30.00	9.60	80.60	-
₹ in Lakhs					
Balances with banks					
On current accounts	2.03	5.85			
On Escrow Account	-	-			
Cash on hand	0.82	1.02			
Total	2.85	6.87			

15. Current Loans

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Unsecured, considered good		
Loans to related parties	-	48.31
Total	-	48.31

16. Other current assets

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Unsecured, considered good		
Advance to employees	10.63	1.24
Other Advances	58.66	2.05
Balance with government authorities	110.90	26.92
Advance to Creditors	-	113.94
Pre Operative Expense	-	272.69
Prepaid Expense	15.67	-
Closing Stock	146.98	-
Total	195.86	416.84



EFC Techspace Pvt Ltd
Notes forming part of the Financial Statements for the year ended March 31, 2024
17. Non Current Borrowings

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Borrowings (Unsecured) :		
From Banks	-	-
From Others	-	-
Total	-	-

Note:

The company is not declared as wilful defaulter by any bank or financial institution or other lender during the

19 Lease Liability

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Non Current Lease Liability	1,985.97	2,430.54
Total	1,985.97	2,430.54

20 Other Non Current financial liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Deposits from Client	399.41	132.11
Total	399.41	132.11

21. Non Current Provisions

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Current		
Provision for employee benefits		
Gratuity	0.43	0.43
Other Provision		
Total	0.43	0.43

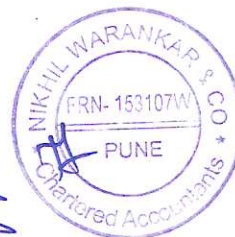
22. Current Borrowings

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Unsecured, Loan from related party*		
EFC Ltd	627.30	353.79
Paragraph Ventures LLP	-	
Pratik Makkar	177.33	243.88
EFC (I) Limited	0.51	
Total	805.14	597.68

* Represent unsecured loans repayable within 1 year in a single bullet payment with interest rate of 0.5% over and above government bond rate, refer Note no.37

Note:

The company is not declared as wilful defaulter by any bank or financial institution or other lender during the year.



23. Trade payables:

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Trade payables	51.10	75.46
Total	51.10	75.46

FY 23-24

Particulars	Outstanding for following periods from due date of			Total
	Less than 1 year	1-2 years	More than 3 years	
(i) MSME	51.10	-	-	51.10
(ii) Others	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
Total	51.10	-	-	51.10

FY 22-23

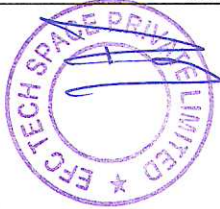
Particulars	Outstanding for following periods from due date of			Total
	Less than 1 year	1-2 years	More than 3 years	
(i) MSME	75.46	-	-	75.46
(ii) Others	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
Total	75.46	-	-	75.46

24. Other current liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Statutory payables	9.46	46.03
Advance received from Debtors	-	4.40
Employee Salary Payable	13.44	13.93
Deferred Income	63.30	13.14
Provision for Income tax 23-24	-	-
Deposit to Landlord - Ind AS	-	-
Total	86.21	77.50

25. Provisions

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
	₹ in Lakhs	
Provision for employee benefits		
Gratuity		
Other Provisions:		
Professional Expense	-	0.04
Audit Fees	0.84	0.50
Electricity Expense	9.79	2.02
Manpower Charges	0.51	1.57
Rent	-	-
Mediclaime Payable	0.30	-
Gratuity Payable	-	0.00
Router Rent Payable	0.08	-
Total	11.52	4.13



26. Income tax expense

i) Income tax recognised in statement of profit and loss

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Current tax expense		
Current year		42.51
Short provision in respect of earlier years		
Deferred tax expense		
Origination and reversal of temporary differences	26.68	(22.41)
Short / (Excess) provision in respect of earlier years		
Total income tax expense		

ii) Income tax recognised in other comprehensive income

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
- Net actuarial gains/(losses) on defined benefit plans	-	2.31

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

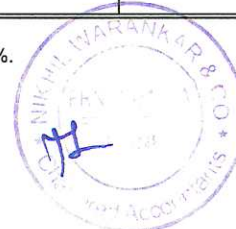
Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Profit before tax	(37.79)	(135.90)
Enacted tax rate in India	0.25	0.25
Computed tax expense at enacted tax rate		(34.20)
Tax effect of:		
Non-deductible tax expenses		84.12
Deductible Expenses		(7.40)
		-
		-
		-
Tax Expense as per statement of Profit & Loss		42.51

The company has opted for section 115 BAA. As such, tax rate applicable to the company is 25.168%. Also, MAT provision is not applicable to the company.

26. Deferred Tax

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Deferred tax for the year		
Total		

The company has opted for section 115 BAA. As such, tax rate applicable to the company is 25.168%.



28 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 2019 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	2,23,482.00	-
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.	-	-
iv) Interest paid other than under section 16 of the MSMED Act, beyond the appointed day during the year.	-	-
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.	-	-

29 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	17.00		
Debt equity ratio (in times)	Total debt	Shareholders equity	-1.24		
Debt service coverage ratio (in times)	Earnings for Debt Services (Profit after tax + Depreciation + Finance cost + profit on sale of property plant and equipment)	Debt services (Interest and lease payments + Principle repayments)	NA		
Return on equity ratio (in %)	Net Profit for the year	Average shareholders equity	0.05		
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	9.74		
Trade payables turnover ratio	Other expenses	Average trade payables	11.86		
Net capital turnover ratio	Revenue from operations	Working capital (current assests-current liabilities)	-1.12		
Net profit ratio (in %)	Net Profit for the year	Revenue from operations	-0.01		
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed (Tangible Net worth + Total debt + Deferred tax liability)	-0.02		
Return on investment (in %)	Income generated from treasury investments	Average Investment funds in treasury investment)	NA		

Explanation for decrease in variance**31 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 occurred that would require adjustment and disclosure in the financial statement.

32 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 attached

for CA Nikhil Warankar & Co

Chartered Accountants

Firm's Registration number:

Nikhil Warankar

Proprietor

Membership number: 198983

Place: Pune

Date: 29 May 2024

For and on behalf of the Board of Directors of
EFC Techspace Pvt Ltd

Pratik Makkar

Director

DIN: D0118533

Place: Pune

Date: 29 May 2024

Abhishek Narbaria

Director

DIN: D1873087

Place: Pune

Date: 29 May 2024

EFC Techspace Pvt Ltd**Notes to the standalone financial statements for the year ended 31 March 2024**

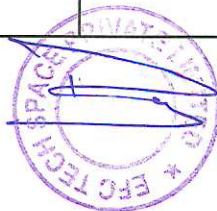
(All amounts in rupees lakhs except share and per share data, unless otherwise stated)

27 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 Limited
(iii) Fellow subsidiary Companies	-
(iv) Key Managerial Personnel	
Director	Abhishek Narbaria
Director	Pratik Makkar
v) Enterprises significantly influenced by directors and/ or their relatives	Monarch Workspace Rubic Tech Space Brantford Ltd

b) Transactions with the related parties are as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
EFC Ltd		
Unsecured Loan Received	673.10	403.64
Unsecured Loan Paid	399.59	-
Purchase of Service		-
Sale of Service		-
Monarch Workspace		
Sale of services		30.54
Unsecured Loan received	20.44	-
Unsecured loan provided	30.79	62.85
Pratik Makkar		
Unsecured Loan received		283.47
Unsecured loan provided	64.50	-
Purchase of Service	17.70	
Brantford Limited		
Purchase of Service		7.84
EFC(I) Ltd		
Purchase of Service	0.51	-



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

Particulars	As at 31 March 2024	As at 31 March 2023
Monarch Workspace		
Unsecured Loan	40.79	30.44
Trade receivables	44.35	44.35
Rubic Tech Space		
Unsecured Loan receivable	1.94	
Trade receivables	33.12	
Pratik Makkar		
Unsecured Loan receivable	181.07	245.57
Trade payables	17.70	
EFC Ltd		
Unsecured Loan receivable	627.30	353.79
Trade receivables		
EFC(I) Ltd		
Trade payables	0.51	-

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 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023:.....). 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.



EFC Techspace Pvt Ltd**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)

24 Financial risk management (cont'd)**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 maturities of financial liabilities	Carrying value	Contractual cash flows			
		Total	Less than 1 year	1-2 years	2-5 years
Trade and other payables					

31 March 2023

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

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.

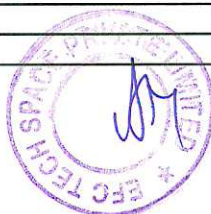
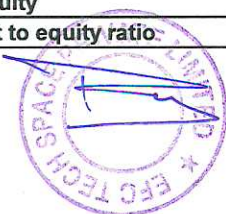
Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

25 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	3,237.57	3,346.42
Less : Cash and cash equivalents	2.85	6.87
Adjusted net debt	3,234.72	3,339.55
Total equity	(322.63)	(167.24)
Net debt to equity ratio:	(10.03)	(19.97)



24 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, unbilled revenue and cash and short-term 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 providing mobile application development 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.

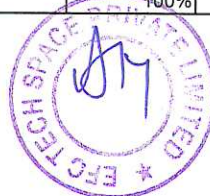
The Company limits its exposure to credit risk from trade receivables by establishing a maximum credit period of 45 days for its customers. An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on historical data.

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.

Since the Company has its customers spread over around the world, geographically there is no concentration of credit risk.

The details of percentage of revenues generated from top customer and top five customers are as follows :

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Revenue from top customer	100%	55%
Revenue from top five customer	100%	93%



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

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	306.10	243.28
Cash and cash equivalents	2.85	6.87
Other current financial assets	-	-
Total	308.95	250.16

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	-	-
Total	-	-

(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:

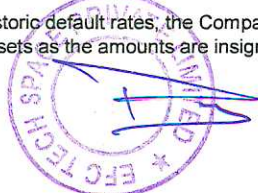
Ageing	Not due	0-60 days past due	61-120 days past due	More than 120 days past due	Total	Provision	Net
Gross carrying amount as 31 March 2023	-	-	-	-	-	-	-
Gross carrying amount as 31 March 2022	-	-	-	-	-	-	-

(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.



Notes forming part of the Financial Statements for the Period ended Mar 31, 2024
(All amounts in ₹ lakhs except equity share and per equity share data, unless otherwise stated)

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, had notified Ind AS 116 - Leases which replaced the erstwhile standard and its interpretations. Ind AS 116 had outlined the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors thereby introducing a single, on-balance sheet lease accounting model for lessees.

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

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. The incremental borrowing rate used was 8.85% depending on the amount involved and tenure of the lease agreement.

Non-current assets

3. Right-of-use assets

Particulars	₹ in Lakhs
Building	
Carrying value	
Balance as at April 01, 2022	374.88
Additions	2,318.57
Deductions / disposals	-
Balance as at March 31, 2023	2,693.45
Balance as at April 01, 2023	2,291.34
Additions	4.25
Deductions / disposals	-
Balance as at Mar 31 2024	2,295.59
Accumulated depreciation / amortisation	
Balance as at April 01, 2022	-
Depreciation for the year	402.11
Deductions due to termination of lease agreement	-
Balance as at March 31, 2023	402.11
Balance as at April 01, 2023	402.11
Depreciation for the year	643.00
Deductions due to termination of lease agreement	-
Balance as at Mar 31 2024	1,045.12
Net carrying value	
Balance as at March 31, 2023	2,291.34
Balance as at March 31, 2024	1,652.59

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	516.87	444.54
Non-current lease liabilities	1,469.10	1,985.97
Total	1,985.97	2,430.51

The following is the movement in lease liabilities:-

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	2,430.54	409.67
Add : New leases during the year	-	2,204.41
Add : Finance cost accrued during the period	185.60	91.47
Less : Cancellation of leases during the year	-	-
Less : Payment of lease liabilities	630.17	275.02
Balance the end of the year	1,985.97	2,430.54

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	-	-
One to five years	1,985.97	2,430.54
More than five years	-	-
Total	1,985.97	2,430.54

Interest Expenses of Lease Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities	185.60	91.47
Total	185.60	91.47



EFC TechSpace Pvt Ltd

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)

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	1,652.59	2,291.34
Building	6	-	-
Total		1,652.59	2,291.34

Lease Liabilities

Particulars		As at March 31, 2024	As at March 31, 2023
Current		516.87	444.54
Non-current		1,469.10	1,985.97
Total		1,985.97	2,430.51

Current maturities of finance lease obligations (Refer note 23)
Lease Liability (Ind AS)**(ii) Amounts recognised in the statement of profit and loss**

The statement of profit or loss shows the following amounts relating to leases:

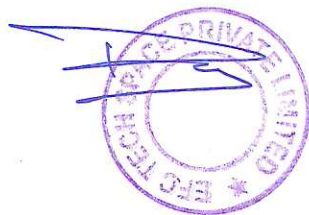
Particulars	Note	As at March 31, 2024	As at March 31, 2023
Depreciation expense on right-of-use assets		549.64	238.87
Interest expense (included in finance costs)		38.25	1.70
Total		587.89	240.57

(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	-	661.65
Between 1 year and 5 years	1,619.35	-
5 years and above	-	-
Total	1,619.35	661.65

(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	-	630.17
Between 1 year and 5 years	2,281.00	-
5 years and above	-	-
Total	2,281.00	630.17



23 Fair value measurements

(a) Financial instruments by category

Financial assets

Particulars	31 March 2024			31 March 2023		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Current investments			-			
Trade receivables			126.27			80.60
Cash and cash equivalents			2.85			6.87
Other financial assets						
Total	-	-	129.12	-	-	87.47

Financial liabilities

Particulars	31 March 2024			31 March 2023		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Trade payables	-	-	(51.10)	-	-	75.46
Other financial liabilities	-	-		-	-	-
Lease liabilities				-	-	
Total	-	-	(51.10)	-	-	75.46

* Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the

- 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
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

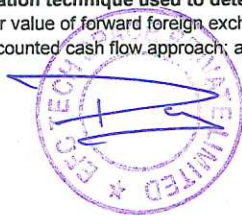
The finance department of the Company includes a team that performs the valuations of financial assets and

The carrying amounts of short term trade receivables, short term loans and advances and cash & cash

The fair values for security deposits was calculated based on cash flows discounted using a current lending

Valuation technique used to determine fair value:

- Fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance
- Discounted cash flow approach; appropriate market borrowing rate of the entity as of each balance sheet date



EFC Techspace Pvt Ltd
FY 23-24

Particulars	Amount
Current Assets	195.86
Current Liability	11.52
Current Ratio	17.00

Particulars	Amount
NP	(11.12)
Avg Shareholders Equity	(244.93)
Return on Equity	0.05

Particulars	Amount
Other Expense	144.37
Avg Trade Payables	12.18
TP T/o Ratio	11.86

Particulars	Amount
Net Profit	(11.12)
Revenue from operation	1,007.58
NP Ratio	(0.01)

Return on Investments NA

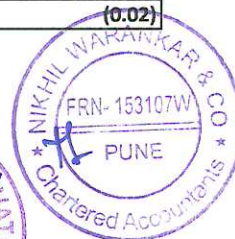
Debt Service Coverage Ratio NA

Particulars	Amount
Total Debt	399.41
Shareholders Equity	(322.63)
Debt Equity Ratio	(1.24)

Particulars	Amount
Revenue from operation	1,007.58
Average Trade Receivables	103.43
TR T/o Ratio	9.74

Particulars	Amount
Revenue from operation	1,007.58
Working Capital	(896.67)
	(1.12)

Particulars	Amount
PBT	(37.79)
Capital Employed	1,546.31
Return on Capital Employed	(0.02)



EFC Techspace Pvt Ltd

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)

1 Company overview

EFC Tech Space Private Limited ('the Company') was incorporated on 27/01/2016 as a Private Company under the Companies Act, 2013. The Company is engaged in the business To carry on the business of renting, acquiring, purchasing, leasing, developing, renovating, improving, maintaining, exchanging or otherwise own property, estate, land, buildings, flats, halls, godowns, shops, warehouses, office premises, serviced and virtual office space, meeting rooms, business executive suites and fully furnished meeting space at affordable prices

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, 2023 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 functional and presentation currency.

(b) 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:

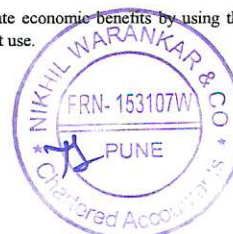
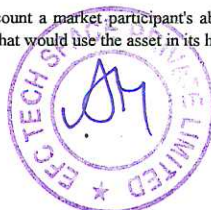
Allocation of transaction price to performance obligation in contracts with customers

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.

(c) 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.

(d) **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.

(e) **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 the straight-line method over their estimated useful lives, as estimated by the Management. 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 lives 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:

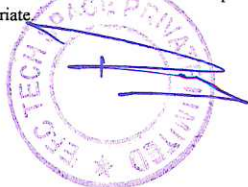
Asset description	Useful life
Computers and servers	5 years
Networking equipments	5 years
Furniture and fittings	7 years
Office equipments	5 years*

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.



(f) **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 straight line basis over the estimated useful life. 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

(g) **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 comprehensive income or profit and loss, respectively].

(h) **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).

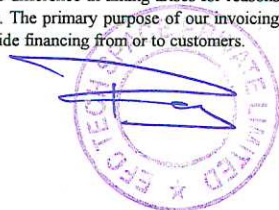
Because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The Company generally use the efforts expended as measure of progress for the Company's contracts because there is a direct relationship between input and 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 classifies contract liability as current or noncurrent based on the timing of when they expect to recognize the revenues. The Company classifies its right to consideration in exchange for deliverables as either as accounts receivable or a contract asset. 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 represent 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.

(i) 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.

(j) 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 transfers 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 payments 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 is 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 lease term are classified 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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether the contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right-of-use assets



The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use assets. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment, whenever there is indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in statement of profit and loss.

Lease Liabilities

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect the interest on lease liability, reducing carrying amount to reflect the lease payment made and remeasuring the carrying amount to reflect any reassessment or lease modifications or reflect revised in-substance fixed lease payments.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(k) 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

(k) Employee benefits expense and retirement (cont'd)

(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.

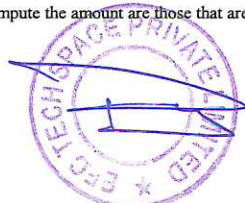
(iv) Share based compensation

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.

(l) 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

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 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

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.

(m) 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.

(n) 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)

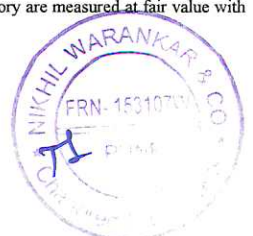
A financial instrument is classified and measured at fair value through OCI if both of the following criteria are met:

- 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
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.

(o) **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

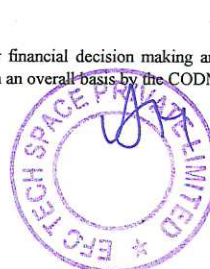
At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order 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.

(p) **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 Directors 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.



(q) **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.

(r) **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.

(s) **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.

(s) **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 INR [March 31, 2022: INR]. 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.

(iii) **Employee share options**

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 12 (e) & (f).

(iv) **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.

(v) **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.

(t) **Judgments made in applying accounting policies**

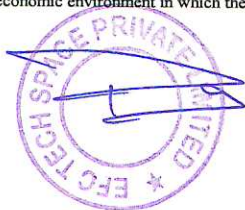
In the process of applying the Company's accounting policies, Management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

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.

Determination of functional currency

The determination of functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. In determining the functional currency, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. This is based on Management's assessment of the economic environment in which the Company operates.



31. Employee benefits expense	Year Ended	
	March 31, 2024	March 31, 2023
Particulars		
	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:

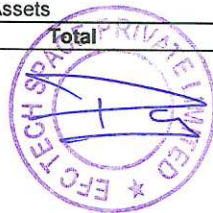
Defined Contribution Plan

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

Particulars	Year Ended	
	March 31, 2024	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	Year Ended	
	March 31, 2024	March 31, 2023
Particulars		
	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	Year Ended	
	March 31, 2024	March 31, 2023
Particulars		
	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



EFC Limited
Notes forming part of the financial statements

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	-

