

May 15, 2024

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001
Scrip Code: 512008

Sub.: Monitoring Agency Report on the utilization of proceeds raised through preferential issue, for quarter ended 31 March, 2024.

Dear Sir/Ma'am,

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Regulation 162A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), please find enclosed herewith Monitoring Agency Report issued by CARE Ratings Limited, in respect of utilisation of proceeds raised through the preferential issue of equity shares to non-promoters, for the quarter ended 31 March, 2024.

Kindly take the same on record.

Thanking You,
For EFC (I) Limited

Aman Gupta
Company Secretary

Encl.: As above

EFC (I) Limited

(Formerly known as Amani Trading and Exports Limited)

Regd. Office: 6th Floor, VB Capitol Building, Range Hill Road, Opp. Hotel Symphony, Bhoslenagar, Shivajinagar,
Pune-411007, Maharashtra | CIN: L74110PN1984PLC216407

Tel.: 020 3502 0912 | Email Id: compliance@efclimited.in | Website: www.efclimited.in

Final Monitoring Agency Report



No. CARE/HO/GEN/2024-25/1030

The Board of Directors

EFC(I) Limited

6th Floor, VB capitol building, Range Hill Road,
Opp. Hotel Symphony, Bhoslenagar, Shivajinagar,
Pune – 411007, Maharashtra, India.

May 15, 2024

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended March 31, 2024 - in relation to the Preferential Issue of EFC(I) Limited ("the Company")

We write in our capacity of Monitoring Agency for the Preferential Issue of Equity Shares for the amount aggregating to Rs. 242.44 crore and refer to our duties cast under Regulation 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2024, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated December 06, 2023.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

A handwritten signature in black ink, appearing to read "Darshan Shah".

Darshan Shah

Assistant Director

Darshan.shah@careedge.in

Final Monitoring Agency Report



Report of the Monitoring Agency

Name of the issuer: EFC(I) Ltd

For quarter ended: March/31/2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Utilization of proceeds towards Objects was routed from Current Account (CA) instead of dedicated account and further, transferred to other CAs of the company and its subsidiaries which had numerous other transactions resulting in co-mingling of funds. The account statements of various current accounts of its subsidiaries were submitted by the company wherein classification of the part transactions towards the objects was given by the management. MA observed that in some transaction utilization was different from the object. Thus, MA is unable to track end utilization of these funds.

(b) Range of Deviation: Not ascertainable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an 'expert' as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

A handwritten signature in black ink, appearing to read "Darshan Shah".

Signature:

Name of the Authorized Signatory: Darshan Shah

Designation of Authorized person/Signing Authority: Assistant Director

1) Issuer Details:

Name of the issuer : EFC(I) Limited
Name of the promoter : Umesh Kumar Sahay, Abhishek Narbaria and Aditi Umesh Sahai
Industry/sector to which it belongs : Realty

2) Issue Details

Issue Period : Not Applicable
Type of issue (public/rights) : Preferential Issue
Type of specified securities : Equity Shares
IPO Grading, if any : Not applicable
Issue size (in ` crore) : Rs. 242.44 crore (Note 1)

Note 1:

The company had offered 97,07,383 Equity Shares under the Preferential Issue, at Rs. 282 per share (including share premium of Rs. 280 per share) aggregating to ₹ 273.75 crore. The issue was Subscribed to the extent of 88.56% and the company has allotted 85,97,318 Equity Shares to the applicants.

Particulars	Remarks
Total shares issued and subscribed as part of Preferential Issue	85,97,318
Total subscriptions towards Preferential issue (in Rs. Crore)	242.44
Details of expenses incurred related to issue (in Rs. crore)	-
Net Proceeds of Preferential Issue (Rs. Crores)	242.44

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	No	Bank Statement, Management Certificate, Auditor's Certificate, Board Resolution, PAS-4	Utilization of proceeds towards Objects was routed from Current Account (CA) instead of dedicated account and further, transferred to other CAs of the company and its subsidiaries which had numerous other transactions resulting in co-mingling of funds. The account statements of various current accounts of its subsidiaries were submitted by the company wherein classification of the part transactions towards the objects was given by the management. MA observed that in some transaction utilization was different from the object. Thus, MA is unable to track end utilization of these funds.	Refer Note 1
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No	-	-	Nil
Whether the means of finance for the disclosed objects of the issue have changed?	No	-	-	Nil
Is there any major deviation observed over the earlier monitoring agency reports?	Not Applicable	-	First monitoring agency report	Nil
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not Applicable	-	-	Nil
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not Applicable	-	-	Nil
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	-	-	Nil
Is there any other relevant information that may materially affect the decision making of the investors?	No	-	-	Nil

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

Note 1:

Comments of the Audit Committee

The Company has raised capital through Preferential Issue for the purposes; 1) To grow businesses of the Company through backward or forward integration, direct or indirect activities, in an organic or inorganic manner; 2) To invest in technology, human resources and other supporting infrastructure to achieve

the targeted growth and 3) to provide adequate working capital, including to fund trade and other liabilities, if any.

The Company has raised total capital of Rs. 242.44 crores and out the same in the first quarter, it utilized an amount of Rs. 81.92 crores, bifurcated as under:

Sr.	Object	Description of Investment	Amount (In Crores)
1	To grow businesses of the Company through backward or forward integration, direct or indirect activities, in an organic or inorganic manner	Investment of Rs. 59.81 crores into wholly owned subsidiary, EFC Limited (flagship entity) for growth of Company's business activities of Serviced / Managed Office Spaces development and leasing business	59.81
2	To grow businesses of the Company through backward or forward integration, direct or indirect activities, in an organic or inorganic manner	Investment of Rs. 10.32 crores into another subsidiary and business unit, Whitehills Interior Ltd for growth of Company's business activities in the Design & Build / Interior Fit Out Business.	10.32
3	To provide adequate working capital, including to fund trade and other liabilities, if any	An amount of Rs. 11.34 crores were utilized for working capital purposes of the Company	11.34
4	To grow businesses of the Company through backward or forward integration, direct or indirect activities, in an organic or inorganic manner	Further, an amount of Rs. 0.11 crores were utilized for investment in growing business of the Company, specifically for backward integration of the businesses	0.11
5	To invest in technology, human resources and other supporting infrastructure to achieve the targeted growth	Balance amount of Rs. 0.34 crores were utilized for investing in technology and other supporting infrastructure purposes	0.34
Total			81.92

It may be observed from the above that total fund utilized of Rs. 81.92 crores is for the objects only and there is no ambiguity of whatsoever nature for the same. Further, the Statutory Auditor has also issued Certificate for Utilization of Funds of the Preferential Issue and confirmed the utilization as mentioned above for the objects of the Company. There are numerous transactions which are conducted through various project bank accounts of the Company but utilization is clearly traceable for the objects of the Preferential Issue.

The Monitoring Agency has a difference of opinion on whether investment in subsidiaries means utilization of funds for growth of business or not? However, it is clear beyond doubt that funds invested in material subsidiaries which contribute the major revenue and profitability for the Company and its shareholders are for the purposes of growth of the business of the Company only.

With the above background, the facts of the case clearly establish that there is no deviation in utilization of funds from the objects of the issue and the same is traceable entirely.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of - firm arrangements made
1	To grow businesses of the Company through backward or forward integration, direct or indirect activities in an organic or inorganic manner;	PAS-4	242.44	-	Not Applicable	Nil	Nil	Nil
2	To invest in technology, human resources and other supporting infrastructure to achieve the targeted growth.	PAS-4		-	Not Applicable	Nil	Nil	Nil
3	To provide adequate working capital, including to fund trade and other liabilities, if any.	PAS-4		-	Not Applicable	Nil	Nil	Nil
Total			242.44					

**Sourced from Page 8 of the Prospectus and Allotment Securities form-4 passed at Board Meeting held on December 01, 2023.*

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	To grow businesses of the Company through backward or forward integration, direct or indirect activities in an organic or inorganic manner;	PAS-4*, Bank Statement, CA Certificate**	242.44	-	70.24	70.24	160.52	The company had transferred proceeds from HDFC capital account to HDFC Current Account (CA) and further, transferred to another CAs of the company and its subsidiaries which had numerous other transactions not pertaining to preferential issue resulting in co-mingling of funds. Due to this, MA is unable to track end utilization of these funds. The amount to the tune of Rs.10.00 crore at subsidiary level is unutilized and parked in FD with Axis Bank.		It is hereby clarified for the sake of better clarity, the Company will further specify the objects of the Issue by including "investment in subsidiaries" as one of the purposes of growth of the Company in the ensuing Board Meeting / Members' Meeting.
2	To invest in technology, human resources and other supporting infrastructure to achieve the targeted growth.	PAS-4*, Bank Statement, Invoices, CA Certificate**		-	0.34	0.34		Utilized towards deposit for acquisition of land for leasing		Nil
3	To provide adequate working capital, including to fund trade and other liabilities, if any.	PAS-4*, Bank Statements, Invoices, CA Certificate**		-	11.34	11.34		Utilized towards issue related expenses, statutory dues, vendor payments and director remuneration		Nil
Total			242.44	-	81.92	81.92	160.52			

*Sourced from Page 8 of the Prospectus and Allotment Securities form-4 passed at Board Meeting held on December 01, 2023.

**The above details are verified by Mehra Goel & Co vide its CA certificate dated May 12, 2024

(iii) Deployment of unutilized public issue proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs. Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1	Fixed Deposit with HDFC Bank	25.00	11-07-2024	-	7.16%	-
2	Fixed Deposit with HDFC Bank	25.00	11-07-2024	-	7.16%	-
3	Fixed Deposit with HDFC Bank	25.00	11-07-2024	-	7.16%	-
4	Fixed Deposit with HDFC Bank	25.00	11-07-2024	-	7.16%	-
5	Fixed Deposit with HDFC Bank	02.00	05-04-2024	-	4.75%	-
6	Fixed Deposit with HDFC Bank	03.50	18-04-2024	-	6.50%	-
7	Fixed Deposit with HDFC Bank	05.00	09-08-2024	-	6.61%	-
8	Fixed Deposit with HDFC Bank	05.00	10-04-2024	-	5.50%	-
9	Fixed Deposit with HDFC Bank	05.00	19-04-2024	-	5.50%	-
10	Fixed Deposit with HDFC Bank	05.00	06-04-2024	-	4.75%	-
11	Fixed Deposit with HDFC Bank	05.00	06-04-2024	-	4.75%	-
12	Fixed Deposit with HDFC Bank	05.00	06-04-2024	-	4.75%	-
13	Fixed Deposit with Kotak Bank	25.00	01-06-2024	-	7.25%	-
14	Bank Balance with HDFC Bank	0.025	-	-	-	-
	Total Funds	160.525				

iv) Delay in implementation of the object(s) – Not applicable, as the same is not mentioned in PAS-4

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
-	-	-	-	-	-

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document: Not applicable

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
-	-	-	-	-	-

Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.