

Independent Auditor's Report

To the members of C2FO Factoring Solutions Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **C2FO Factoring Solutions Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014 as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, its loss and its cash flows for the year ended on that date.

Basis of opinion

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further as required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the cashflow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

- f) This report does not include a report on the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, as the provisions of clause (i) of subsection (3) of Section 143 are found to be not applicable to the Company, as per Ministry of Corporate Affairs notification GSR 583 (E) dated 13th June 2017 read together with notification GSR 464 (E) dated 5th June 2015..
- g) The provisions of section 197 read with Schedule V of the Act relating to managerial remuneration are not applicable to the Company for the year ended 31 March 2025.
- 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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 (which are material either individually or in the aggregate) 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 entity, including foreign entity ("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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year. Accordingly, rule 11(f) of the Companies (Audit and Auditors) Rules, 2014 is not applicable to the Company.

- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail facility and the same has operated throughout the year for all relevant transactions recorded in the software Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Guru and Jana,
Chartered Accountants
ICAI Firm Registration No.006826S

Heena Kauser A P
Partner
Membership No: 219971

UDIN: 25219971BMMHKB5259
Place: Bengaluru
Date: June 30, 2025

Annexure 'A' to the Independent Auditors Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **C2FO Factoring Solutions Private Limited** of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment:
 - 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 intangibles assets.
 - b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. No material discrepancies were noticed on such verification.
 - c) The Company does not own any immovable property, hence clause 3(i)(c) is not applicable to the Company.
 - d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended 31 March 2025.
 - e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
 - a) The Company does not hold any inventory. Clause 3(ii)(a) is therefore not applicable to the Company.
 - b) The Company has not been sanctioned with working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to Companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to (f) of the Order is not applicable to the Company
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, for the business activities carried out by the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii)

a) According to information and explanations given by the management and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods & Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given by the management and based on audit procedures performed by us, the company has statutory dues as at balance sheet date which were outstanding for more than 6 months from the date they become Payable are as follows:

Name of the statute	Amount	Period to which the amount pertains	Due date	Date of payment
Income tax act, 1961	8,707	FY 2024-25	Various	-
Goods and Services Tax Act, 2017	7,535	FY 2024-25	Various	-

b) According to the information and explanation given by the management, there are no dues of income tax, wealth tax, service tax, custom duty, excise duty, value added tax or cess which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)

a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company did not have any term loans during the year, hence reporting under clause is not applicable.

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

- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x)

- a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi)

- a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii)

- a) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii)(a) of the Order are not applicable to the Company.
- b) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- c) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) In our opinion, all the Related Party Transactions entered into by the company during the year are in compliance with the provisions of Sec-188 of the Act and details thereof have been disclosed in the Financial Statements as required by the applicable accounting standards. Further, in our opinion, the provisions of Sec-177 of the Act are not applicable as the Company is a Private Limited Company.

(xiv) a) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Companies Act, 2013.

b) The internal audit reports of the Company issued till the date of audit report, for the period under audit have been considered by us.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)
- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses during the financial year covered by our audit amounting to Rs. 67,120.81 thousand and Rs. 30,237.94 thousand in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year. There were no issues, objections or concerns raised by the outgoing auditors
- (xix) On the basis of the financial ratios disclosed in Note 21 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable 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) Sec 135 of the Companies act is not applicable. Accordingly, reporting under clause 3 (XX)(a) to (b) of the Order is not applicable for the year.

For **Guru & Jana,**
Chartered Accountants
Firm Registration No: 006826S

Heena Kauser A P
Partner
Membership No: 219971

UDIN: 25219971BMMHKB5259
Place: Bengaluru
Date: June 30, 2025

C2FO Factoring Solutions Private Limited CIN: U67100DL2020FTC362201 Regd. Office: D-26 Basement, Jangpura extn., New Delhi, Delhi, 110014 Balance Sheet as at March 31, 2025 (All amounts are in Indian Rupees Thousands unless other wise stated)			
Particulars	Note	As at 31 March 2025	As at 31 March 2024
Equity and liabilities			
Shareholders' funds			
Share capital	4	2,51,837.82	2,51,837.82
Reserves and surplus	5	(97,392.37)	(23,566.42)
		1,54,445.45	2,28,271.40
Non-current liabilities			
Long-term provisions	6	3,071.44	3,887.02
		3,071.44	3,887.02
Current liabilities			
Trade payables	7		
-Total outstanding dues of micro and small enterprise		1,760.94	16.30
-Total outstanding dues of other than micro and small enterprise		1,211.51	295.92
Other current liabilities	8	12,235.04	7,189.72
Short term provisions	6	1,382.28	38.34
		16,589.77	7,540.28
Total		1,74,106.66	2,39,698.70
Assets			
Non-current assets			
Property, plant and equipment and intangible assets			
- Property, plant and equipment	9(i)	2,170.69	2,195.14
- Intangible assets	9(ii)	55,979.50	-
- Intangible assets under development	9 (iii)	3,616.01	53,520.19
Other non-current assets	10	150.00	-
		61,916.20	55,715.33
Current assets			
Trade receivables	11	2,522.31	-
Cash and bank balances	12	1,02,168.13	1,64,424.63
Short-term loans and advances	13	69.46	42.75
Other current assets	14	7,430.56	19,515.99
		1,12,190.46	1,83,983.37
Total		1,74,106.66	2,39,698.70
Significant accounting policies			
	3		
The accompanying notes are an integral part of the Financial Statements.			
As per our report of even date attached.			
For Guru & Jana Chartered Accountants Firm Registration Number- 006826S		For and on behalf of Board of Directors of C2FO Factoring Solutions Private Limited	
Heena Kauser A P Partner Membership No. : 219971 UDIN: 25219971BMMHKB5259 Place: Bengaluru Date: 30th June 2025		Neha Shanker Bahadur Additional Director DIN: 11034598 Place: Noida Date: 30th June 2025	
		Basant Kaur Director DIN: 09557729 Place: Noida Date: 30th June 2025	
		Sanya Chandela Company Secretary PAN: CBXPC4447F Place: Noida Date: 30th June 2025	

C2FO Factoring Solutions Private Limited CIN: U67100DL2020FTC362201 Regd. Office: D-26 Basement, Jangpura extn., New Delhi, Delhi, 110014			
Statement of Profit and Loss for the year ended March 31, 2025 (All amounts are in Indian Rupees Thousands unless other wise stated)			
Particulars	Note	Year Ended 31 March 2025	Year Ended 31 March 2024
Incomes			
Revenue			
Revenue from operations	15	10,225.78	-
Other income	16	6,605.65	14,740.94
Total income		16,831.43	14,740.94
Expenses			
Employee benefits expense	17	63,592.94	43,600.74
Depreciation	18	6,598.70	869.48
Other expenses	19	23,011.67	14,210.78
Total expenses		93,203.31	58,681.00
Prior period item	20	(4,776.00)	4,449.45
Profit / (Loss) before tax		(71,595.88)	(48,389.51)
Tax expense			
Current tax		-	-
Tax related to earlier years		-	(131.63)
Deferred tax		-	-
Profit / (Loss) for the period		(71,595.88)	(48,257.88)
Earnings per equity share of Rs.10 each			
Basic	22	(2.84)	(1.92)
Diluted		(2.84)	(1.92)
Significant accounting policies 3 The accompanying notes are an integral part of the Financial Statements. As per our report of even date attached.			
For Guru & Jana Chartered Accountants Firm Registration Number- 006826S		For and on behalf of Board of Directors of C2FO Factoring Solutions Private Limited	
Heena Kauser A P Partner Membership No. : 219971 UDIN: 25219971BMMHKB5259		Neha Shanker Bahadur Additional Director DIN: 11034598	
Place: Bengaluru Date: 30th June 2025		Basant Kaur Director DIN: 09557729 Place: Noida Date: 30th June 2025	
		Sanya Chandela Company Secretary PAN: CBXPC4447F Place: Noida Date: 30th June 2025	

C2FO Factoring Solutions Private Limited			
CIN: U67100DL2020FTC362201			
Regd. Office: D-26 Basement, Jangpura extn., New Delhi, Delhi, 110014			
Cash Flow Statement for the year ended March 31, 2025			
(All amounts are in Indian Rupees Thousands unless other wise stated)			
Particulars	Year Ended 31 March 2025	Year Ended 31 March 2024	
Cash flow from operating activities			
Profit / (loss) before tax	(71,595.88)	(48,389.51)	
Adjustments for:			
Depreciation and amortisation expense	6,598.70	869.48	
Interest from banks on deposits	(6,514.06)	(14,740.94)	
Provision for bad and doubtful debts	92.80		
Gain on sale of fixed assets	(40.00)	-	
Expenses on employees stock options	(2,230.07)	17,282.09	
Operating profit before working capital changes	(73,688.51)	(44,978.88)	
Adjustments for:			
Increase / (decrease) in trade payables	2,660.23	(355.75)	
Increase / (decrease) in provisions	528.37	1,991.10	
Increase / (decrease) in other current liabilities	5,045.28	4,303.48	
(Increase) / decrease in trade receivables	(2,615.11)	-	
(Increase) / decrease in other current assets	(1,552.42)	(4,434.25)	
(Increase) / decrease in other non-current assets	(150.00)	-	
Cash generated from operations	(69,772.16)	(43,474.32)	
Less: Income taxes paid	516.07	(1,342.47)	
Net cash from operating activities (A)	(69,256.10)	(44,816.79)	
Cash flow from investing activities			
Purchase of property, plant and equipment	(12,735.44)	(46,279.36)	
Sale of property, plant and equipment	125.90	-	
Fixed deposits made during the year	(9,60,697.00)	-	
Fixed deposits redeemed during the year	10,42,297.00	89,200.00	
Interest received on fixed deposit	19,609.13	5,338.72	
Net cash from investing activities (B)	88,599.60	48,259.36	
Cash flow from financing activities			
Proceeds from issue of equity shares	-	-	
Net cash from financing activities (C)	-	-	
Net increase/(decrease) in cash and cash equivalents	19,343.50	3,442.57	
Cash and cash equivalents as at the beginning of the period	5,524.63	2,082.05	
Cash and cash equivalents as at the end of the period	24,868.13	5,524.63	
Components of cash and cash equivalents as at the end of the period			
Balance with scheduled banks in current accounts	4,368.13	5,524.63	
Bank deposits with original maturity less than 3 months	20,500.00	-	
	24,868.13	5,524.63	
1) The cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 on cash flow statements.			
2) Figures in brackets indicate cash outflow.			
3) See accompanying notes forming part of the financials statements			
As per our report of even date attached.			
For Guru & Jana		For and on behalf of Board of Directors of	
Chartered Accountants		C2FO Factoring Solutions Private Limited	
Firm Registration Number- 006826S			
Heena Kauser A P		Neha Shanker Bahadur	Basant Kaur
Partner		Additional Director	Director
Membership No. : 219971		DIN: 11034598	DIN: 09557729
UDIN: 25219971BMMHKB5259			Sanya Chandela
			Company Secretary
			PAN: CBXPC4447F
Place: Bengaluru		Place: Noida	Place: Noida
Date: 30th June 2025		Date: 30th June 2025	Date: 30th June 2025

Summary of significant accounting policies and other explanatory information

(All amounts are in Indian Rupees Thousands unless other wise stated)

1 Corporate information

C2FO Factoring Solutions Private Limited ('the Company') was incorporated under Companies Act, 2013 on February 20, 2020 with its registered office address at D-26 Basement, Jangpura Extn., New Delhi New Delhi 110014. The Company is a wholly owned subsidiary of Pollen Inc. The main object of the Company is to set up and operate Trade Receivables Discounting System (TReDS) under the provisions of Payment and Settlement Systems Act, 2007.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The financial statements are presented in Indian Rupees.

The Company is a Small and Medium Sized Company ('SMC') as defined in the General Instructions in respect of Accounting Standards notified under the Act. Accordingly, the Company has complied with the Accounting Standards to the extent applicable to a Small and Medium Sized Company.

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification in accordance with Schedule III, Division I of the Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified as current when it is:

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

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

3 Significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the 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 the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Summary of significant accounting policies and other explanatory information

(All amounts are in Indian Rupees Thousands unless other wise stated)

b. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

c. Property, plant and equipment

(i) Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

(ii) Depreciation on property, plant and equipment is calculated on a straight line method (SLM) using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its property, plant and equipment.

Category	Useful Life (years)
Computer and computer equipment	3
Office equipment (Electrical Equipment)	3
Office equipment (Others)	5
Furniture & fixtures	10

(iii) The residual value and the useful life of an asset are reviewed at each financial year-end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

(iv) Gains or losses arising from derecognition 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 derecognized.

d. Intangible assets

An intangible asset arising from development (or from the development phase of an internal project) is recognised if Company demonstrate the following: a). the technical feasibility of completing the intangible asset so that it will be available for use or sale; b). its intention to complete the intangible asset and use or sell it; c). its ability to use or sell the intangible asset; d). how the intangible asset will generate probable future economic benefits; e). the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and f). its ability to measure the expenditure attributable to the intangible asset during its development reliably.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Company has estimated useful life of 10 years to depreciate the software it uses to provide services to its customers.

Summary of significant accounting policies and other explanatory information

(All amounts are in Indian Rupees Thousands unless other wise stated)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

e. Impairment of property, plant and equipment and intangibles

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

f. Revenue Recognition

Revenue from transaction fees are recognised as per the terms of the contract entered with the customer which generally coincides with the triggering of the transactions facilitated between the customer and its vendors.

Revenue from onboarding fees are recognised as per the terms of the contract entered with the customer which generally coincides with the triggering execution of Master Service Agreement with the customers.

When there is uncertainty as to measurement or ultimate recoverability, revenue recognition is postponed until such uncertainty is resolved.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

g. Expense recognition

Expenditure is accounted on accrual basis and provision is made for all known losses and liabilities.

h. Foreign currency transactions and translations

(i) Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

(ii) Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the period-end rates and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items of the Company are carried at historical cost.

(iii) Treatment of exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of all other monetary items are recognized in the statement of profit and loss.

Summary of significant accounting policies and other explanatory information

(All amounts are in Indian Rupees Thousands unless other wise stated)

i. Taxes on income

Income tax expense comprises current and deferred tax. Current income-tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. 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 timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realizability.

As per the latest amendments in Finance act, a new section 115BAA has been introduced under income Tax Act, 1961. As per the said section 115BAA, domestic companies will have an option to pay tax at a reduced rate of 22% plus applicable surcharge and cess. However this benefit shall be available only when total income of a company has been computed without claiming specified deductions, incentives, exemptions and additional depreciation under the Income-tax Act. Moreover the company cannot carry forward its losses & unabsorbed depreciation from earlier assessment years if such loss or depreciation is attributable to any of the deductions referred above.

Further, if a company opts to pay tax under section 115BAA, then it will not be required to pay Minimum Alternate Tax (MAT).

j. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share from continuing ordinary activities or decrease loss per share from continuing ordinary activities. The effects of anti-dilutive potential equity shares are ignored in calculating diluted earnings per share.

k. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

Summary of significant accounting policies and other explanatory information

(All amounts are in Indian Rupees Thousands unless other wise stated)

l. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash.

m. Cash flow statement

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

n. Related party transactions

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of information available with the Company.

o. Employees Stock option Plan

Expenditure on employees stock option plan (ESOP) is recognised as "employee benefit expense" based on the estimated fair values of the options awarded on the grant date.

The fair value of each option award (as estimated on the grant date) is recognised as an expense on a straight line basis over the relevant service period in Statement of Profit & Loss.

The service period for employees transferred within group companies has been considered to commence from the date of their initial employment within the group companies.

Also refer other notes - 30, the options are the shares of holding entity "Pollen Inc." and "Pollen Inc." shall not be charging the cost to Company.

(Space left blank intentionally)

Notes to Financial Statements as at March 31, 2025

(All amounts are in Indian Rupees Thousands unless other wise stated)

4 Share capital

Authorised share capital

3,00,00,000 (March 31, 2024: 3,00,00,000) equity shares of ₹ 10 each

Issued, subscribed and fully paid-up shares

2,51,83,782 (March 31, 2024: 2,51,83,782) equity shares of ₹ 10 each each fully paid up

a. Reconciliation of the shares

Equity shares

Balance as at the beginning of the year

Issued during the year

Balance as at the end of the year

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 (absolute amount) per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by Holding Company or their Subsidiaries

Pollen Inc., United States of America, the holding company along with its nominee

2,51,83,782 (March 31, 2024: 2,51,83,782) equity shares of ₹10 (absolute amount) each

d. Particulars of shareholders holding more than 5% of equity shares in the Company

Equity shares of ₹ 10 each fully paid

Pollen Inc., United States of America, along with its nominee

As per records of the Company, including its register of shareholders / members, the above shareholding represents beneficial ownership of shares.

e. Shares held by Promoters

Equity shares of ₹ 10 each fully paid

Pollen Inc., United States of America, along with its nominee

5 Reserves and surplus

Surplus/ (deficit) in the statement of profit and loss

Balance at the beginning of the year

Add: Profit / (loss) for the year

Closing balance

General Reserve

Balance at the beginning of the year

Add: Addition during the year

Closing balance

Capital contribution from parent-ESOP

Balance at the beginning of the year

Add: Expense/(Reversal) for the year

Less: Transfer to General Reserve

Closing balance

Total

Notes to Financial Statements as at March 31, 2025

(All amounts are in Indian Rupees Thousands unless other wise stated)

6 Provisions

	Long - term		Short - term	
	As at	As at	As at	As at
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Provision for compensated absences	1,065.58	1,976.83	576.62	36.38
Provision for gratuity	2,005.86	1,910.18	805.66	1.96
	3,071.44	3,887.02	1,382.28	38.34

Movement in provisions - Gratuity

	As at	As at
	31 March 2025	31 March 2024
Opening at the beginning of the year	1,912.14	1,269.48
Provision created/(reversed)	983.91	642.66
Paid/Adjusted during the year	(84.53)	-
Closing balance at the end of the year	2,811.52	1,912.14

Movement in provisions - Compensated absences

	As at	As at
	31 March 2025	31 March 2024
Opening at the beginning of the year	2,013.21	618.16
Provision created/(reversed)	777.37	1,604.47
Paid/Adjusted during the year	(1,148.38)	(209.42)
Closing balance at the end of the year	1,642.20	2,013.21

7 Trade payables

	As at	As at
	31 March 2025	31 March 2024
For services received		
- Dues of micro and small enterprise (Refer Note 24)	1,760.94	16.30
- Dues of other than micro and small enterprise	1,211.51	295.92
	2,972.45	312.22

As at March 31, 2025

Ageing of Trade Payables is as below:

Particulars	Not due	< 1 year	1-2 Years	2-3 Years	> 3 Years	Total
(i) MSME	566.93	383.40	-	-	-	950.33
(ii) Others	979.09	232.41	-	-	-	1,211.51
(iii) Disputed dues - MSME	-	810.61	-	-	-	810.61
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,546.02	1,426.43	-	-	-	2,972.45

As at March 31, 2024

Ageing of Trade Payables is as below:

Particulars	Not due	< 1 year	1-2 Years	2-3 Years	> 3 Years	Total
(i) MSME	-	16.30	-	-	-	16.30
(ii) Others	-	295.92	-	-	-	295.92
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	312.22	-	-	-	312.22

8 Other current liabilities

	As at	As at
	31 March 2025	31 March 2024
Statutory dues payable	3,136.15	1,964.97
Dues to employees	2,790.61	3,832.47
Customer advances	34.55	-
Other payable*	6,273.73	1,392.28
	12,235.04	7,189.72

*Includes payable to related parties amounting to Rs. 1572.53 thousands (Rs. 58.08 thousands on 31st March 2024)

Notes to Financial Statements as at March 31, 2025

(All amounts are in Indian Rupees Thousands unless other wise stated)

Note 9

Property, plant and equipment and Intangible assets

(i) Property, plant and equipment

Particulars	Computers and computer equipments	Furniture and fittings	Office equipment	Total
Gross carrying amount				
Balance as at April 01, 2023	982.44	-	-	982.44
Additions	2,063.05	46.14	128.80	2,237.99
Deductions	(91.46)	-	-	(91.46)
Balance as at March 31, 2024	2,954.03	46.14	128.80	3,128.97
Additions	1,026.67	72.29	101.23	1,200.20
Deductions	(172.23)	-	-	(172.23)
Balance as at March 31, 2025	3,808.47	118.43	230.03	4,156.93
Accumulated depreciation				
Balance as at April 01, 2023	118.72	-	-	118.72
Charge for the year	858.27	1.23	9.98	869.48
Deductions	(54.38)	-	-	(54.38)
Balance as at March 31, 2024	922.61	1.23	9.98	933.82
Charge for the year	1,081.19	7.09	50.50	1,138.78
Deductions	(86.35)	-	-	(86.35)
Balance as at March 31, 2025	1,917.45	8.32	60.48	1,986.24
Net carrying amount				
As at March 31, 2024	2,031.41	44.91	118.82	2,195.14
As at March 31, 2025	1,891.01	110.12	169.56	2,170.69

(ii) Intangible assets

Particulars	Software	Total
Gross carrying amount		
Balance as at April 01, 2023	-	-
Additions	-	-
Deductions	-	-
Balance as at March 31, 2024	-	-
Additions	61,439.42	61,439.42
Deductions	-	-
Balance as at March 31, 2025	61,439.42	61,439.42
Accumulated amortization		
Balance as at April 1, 2023	-	-
Charge for the year	-	-
Deductions	-	-
Balance as at March 31, 2024	-	-
Charge for the year	5,459.92	5,459.92
Deductions	-	-
Balance as at March 31, 2025	5,459.92	5,459.92
Net carrying amount		
As at March 31, 2024	-	-
As at March 31, 2025	55,979.50	55,979.50

(iii) Intangible assets under development

Particulars	Software development in Process	Software add-ons in process	Total
Balance as at April 01, 2023	9,441.73	-	9,441.73
Additions during the year	44,078.46	-	44,078.46
Capitalized during the year	-	-	-
Balance as at March 31, 2024	53,520.19	-	53,520.19
Additions during the year	3,408.00	8,127.25	11,535.24
Capitalized during the year	(56,928.19)	(4,511.24)	(61,439.42)
Balance as at March 31, 2025	-	3,616.01	3,616.01

*Refer Note 27 for ageing of Intangible assets under development

Notes to Financial Statements as at March 31, 2025

(All amounts are in Indian Rupees Thousands unless other wise stated)

	As at 31 March 2025	As at 31 March 2024
10 Other non-current assets		
Security deposits	150.00	-
	150.00	-

	As at 31 March 2025	As at 31 March 2024
11 Trade Receivables		
Unsecured		
Undisputed, considered good	2,522.31	-
Undisputed, doubtful	92.80	-
Less: Provision for doubtful debts	(92.80)	-
	2,522.31	-

As at March 31, 2025

Ageing of Trade receivables is as below

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			< 1 year	1-2 Years	2-3 Years	> 3 Years	Total
(i) Undisputed Trade receivables – considered good	124.25	1,443.98	954.07	-	-	-	2,522.31
(ii) Undisputed Trade Receivables – Considered doubtful	-	-	92.80	-	-	-	92.80
(iii) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Considered doubtful	-	-	-	-	-	-	-
Less: Provision for doubtful debts	-	-	(92.80)	-	-	-	(92.80)
Total	124.25	1,443.98	954.07	-	-	-	2,522.31

As at March 31, 2024

Ageing of Trade receivables is as below

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			< 1 year	1-2 Years	2-3 Years	> 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Considered doubtful	-	-	-	-	-	-	-
Less: Provision for doubtful debts	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

	As at 31 March 2025	As at 31 March 2024
12 Cash and bank balances		
Cash and cash equivalents		
Balance with banks:		
- on current accounts	4,368.13	5,524.63
- Bank deposits with original maturity less than 3 months	20,500.00	-
Other bank balances:		
- Bank deposits with original maturity more than 3 months but less than 12 months*	77,300.00	1,58,900.00
	1,02,168.13	1,64,424.63

*Includes balances held as lien for credit card of Rs. 300 thousands (Rs. 300 thousands as on 31st March 2024)

	As at 31 March 2025	As at 31 March 2024
13 Short-term loans and advances		
Advance with vendors	69.46	42.75
	69.46	42.75

	As at 31 March 2025	As at 31 March 2024
14 Other current assets		
Prepaid expenses	1,794.38	1,495.06
Interest accrued on fixed deposit	38.95	13,134.03
Balances with tax authorities		
GST input credit	4,575.31	3,412.81
GST cash balance	63.89	-
Advance income tax and TDS receivable	958.03	1,474.09
(net of provision of ₹ Nil (previous year ₹ Nil))		
	7,430.56	19,515.99

Notes to Financial Statements for the year ended March 31, 2025
(All amounts are in Indian Rupees Thousands unless other wise stated)

	Year Ended 31 March 2025	Year Ended 31 March 2024
15 Revenue from operations		
Sale of services		
Transaction fees	8,873.19	-
Onboarding fees	1,050.16	-
Other fees	302.43	-
	10,225.78	-
16 Other income		
Interest income on fixed deposit	6,514.06	14,740.94
Interest on income tax refund	51.59	-
Gain on sale of fixed assets	40.00	-
	6,605.65	14,740.94
17 Employee benefits expense		
Salaries, wages and bonus	57,209.91	27,201.11
Contribution to provident and other funds	1,825.78	1,073.93
Gratuity expense (Refer note 25)	983.91	642.66
Compensated absences	777.37	1,604.47
Staff welfare expense	250.05	245.93
Expenses on employees stock option plan	2,545.93	12,832.64
	63,592.94	43,600.74
18 Depreciation and amortization expense		
Depreciation on property, plant and equipment	1,138.78	869.48
Amortization on intangible assets	5,459.92	-
	6,598.70	869.48
19 Other expenses		
Legal and professional fees (Refer Note 19.1)	17,769.61	12,454.98
Traveling and conveyance	2,452.58	1,449.38
Recruitment fees	900.00	-
Business promotion	445.48	114.40
Mandate and CERSAI charges	408.64	-
Commission	420.86	-
Telecommunication & internet	223.87	57.63
General repair & maintenance	135.64	51.43
Miscellaneous expenses	128.95	37.34
Provision for bad and doubtful debts	92.80	-
Rates and taxes	33.23	15.03
Loss on sale of fixed assets	-	30.59
	23,011.67	14,210.78
19.1 Legal and professional fees includes payments to auditors		
Statutory audit fees	500.00	50.00
Certification charges	-	-
	500.00	50.00
20 Prior period Item		
Expenses on Employees Stock Option Plan*	(4,776.00)	4,449.45
	(4,776.00)	4,449.45

*Reversal of excess expenditure booked on Employee stock option plan pertaining to FY 2019-20 to FY 2023-24

C2FO Factoring Solutions Private Limited
CIN: U67100DL2020FTC362201
Regd. Office: D-26 Basement, Jangpura extn., New Delhi, Delhi, 110014

Notes to Financial Statements

(All amounts are in Indian Rupees Thousands unless other wise stated)

21 Ratios

Ratio	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	% Variance	Reason for variance
(a) Current ratio (in times) = Current assets / Current liabilities	March 31, 2025 : 1,12,190 (March 31, 2024 : 1,83,983)	March 31, 2025 : 16,590 (March 31, 2024 : 7,540)	6.76	24.40	(72.29%)	Increase in trade payables (Current liabilities) and decrease in fixed deposits (Current assets)
(b) Debt-equity ratio (in times) = Total borrowings / Shareholder's equity	March 31, 2025 : 0 (March 31, 2024 : 0)	March 31, 2025 : 1,54,445 (March 31, 2024 : 2,28,271)	-	-	NA	Not applicable, since the Company has no debt.
(c) Debt service coverage ratio (in times) = Earnings available for debt service/ Debt service	Profit before depreciation, amortisation, finance costs and tax	Interest expense + Principal repayment of long term debt	-	-	NA	Not applicable, since the Company has no debt.
(d) Return on equity ratio % (in %) = Net profit / Average shareholder's equity	March 31, 2025 : -71,596 (March 31, 2024 : -48,258)	March 31, 2025 : 1,91,358 (March 31, 2024 : 1,14,136)	(37.41%)	(42.28%)	(4.87%)	Due to increase in operating expenses compared to previous year which resulted in decline of current year profit.
e) Inventory turnover ratio (in times) = Revenue from operations/ Average inventory	Cost of goods sold	Average inventory	NA	NA	NA	Not applicable, since the Company is not a manufacturing concern.
(f) Trade receivables turnover ratio (in times) = Revenue from operations/ Average trade receivables	March 31, 2025 : 10,226 (March 31, 2024 : 0)	March 31, 2025 : 1,261 (March 31, 2024 : 0)	8.11	-	100.00%	Operations are started in current year and no revenue in previous year
(g) Trade payables turnover ratio (in times) = Net purchases/ Average trade payables	March 31, 2025 : 23,012 (March 31, 2024 : 14,211)	March 31, 2025 : 1,642 (March 31, 2024 : 490)	14.01	29.00	(51.68%)	Due to increase in trade payables during the year
h) Net capital turnover ratio (in times) = Revenue from operations/ Working capital	March 31, 2025 : 1,02,258 (March 31, 2024 : 0)	March 31, 2025 : 1,36,022 (March 31, 2024 : 1,13,804)	0.75	-	100.00%	Operations are started in current year and no revenue in previous year
(i) Net profit ratio % (in %) = Net profit/ Revenue from operations	March 31, 2025 : -71,596 (March 31, 2024 : -48,390)	March 31, 2025 : 10,226 (March 31, 2024 : 0)	(700.14%)	0.00%	100.00%	Operations are started in current year and no revenue in previous year
(j) Return on capital employed % (in %) = EBIT (refer note iii) / Capital employed (refer note i)	March 31, 2025 : -71,596 (March 31, 2024 : -48,390)	March 31, 2025 : 1,54,445 (March 31, 2024 : 2,28,271)	(46.36%)	(21.20%)	(25.16%)	Due to increase in operating expenses compared to previous year which resulted in decline of current year profit.
(k) Return on investment % (in %) = Income from investment / Average investment	March 31, 2025 : 6,514 (March 31, 2024 : 14,741)	March 31, 2025 : 1,28,350 (March 31, 2024 : 2,03,500)	5.08%	7.24%	-30%	Due to reduction in interest rate for lower duration deposits

Notes :

(i) Capital Employed = Tangible Net Worth + Total Borrowings + Deferred Tax Liability

(ii) Tangible Net worth is computed as Total Assets - Total Liabilities

(iii) EBIT = Profit before interest and taxes minus interest income.

Notes to Financial Statements

(All amounts are in Indian Rupees Thousands unless other wise stated)

22 Earnings per share (EPS)	Year Ended 31 March 2025	Year Ended 31 March 2024
Profit / (Loss) after tax attributable to equity shareholders (I)	(71,595.88)	(48,257.88)
Weighted average number of equity shares outstanding during the period (II)	25,183.78	25,183.78
Face value per share	10.00	10.00
Earnings per share - Basic (I) / (II) (in Rs.)	(2.84)	(1.92)
Earnings per share - Diluted (in Rs.)	(2.84)	(1.92)

23 Commitments and contingencies

(i) The estimated amount of contracts remaining to be executed on capital amount and not provided for (net of advances) amount to ₹ Nil (March 31, 2024: ₹ Nil)

(ii) The Company has other commitments, for purchase of goods and services and employee benefits, in normal course of business. The Company does not have any long term commitments/contracts for which there will be any material foreseeable losses.

(iii) The Company does not have any pending litigations which would impact its financial position in its financial statements. Contingent liabilities are ₹ Nil (March 31, 2024: ₹ Nil)

24 Dues to micro and small enterprises as defined under the MSMED Act, 2006	As at 31 March 2025	As at 31 March 2024
a) Amount remaining unpaid at the end of each accounting year:		
- Principal amount to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,760.94	16.30
- Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
	1,760.94	16.30
b) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
c) Interest paid other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
d) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
f) Further interest remaining due and payable for earlier years.	-	-

Dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

25 Employee benefit plans

(i) Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Net employee benefit expense (recognized in Employee benefit expenses)	As at 31 March 2025	As at 31 March 2024
Contribution to provident and other funds	1,825.78	1,073.93

(ii) Defined benefit plan

The Company has a defined benefit gratuity plan. Payment of gratuity is made in accordance with the provisions of the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company does not have a funded plan for gratuity liability.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plan.

Notes to Financial Statements

(All amounts are in Indian Rupees Thousands unless other wise stated)

a) Net employee benefit expense (recognized in Employee benefit expenses)

	As at 31 March 2025	As at 31 March 2024
Current service cost	539.67	1,731.25
Interest cost on benefit obligation	138.63	93.82
Past service cost	-	-
Net actuarial losses / (gains) recognized during the year	305.61	(1,182.41)
Net expense recognized in statement of profit and loss	983.91	642.66

b) Changes in the present value of defined benefit obligation

	As at 31 March 2025	As at 31 March 2024
Present value of obligation as at the beginning of the period	1,912.14	1,269.48
Current service cost	539.67	1,731.25
Interest cost	138.63	93.82
Benefits paid	(84.53)	-
Past service cost	-	-
Actuarial losses / (gains) on obligation	305.61	(1,182.41)
Closing present value of defined benefit obligation	2,811.52	1,912.14

c) Principal assumptions used in determining gratuity obligations for the Company's plans

	As at 31 March 2025	As at 31 March 2024
Discount rate	7.04%	7.25%
Increment rate	5.00%	10.00%
Expected rate of return on assets	NA	NA
Employee turnover:		
Up to 30 Years	38.10%	5.00%
From 31 to 44 years	38.10%	3.00%
Above 44 years	38.10%	2.00%

Compensated absences

	As at 31 March 2025	As at 31 March 2024
Present value of obligations	1,642.20	2,013.22
Expense recognized in statement of profit and loss	777.37	1,604.47
Discount rate	7.04%	7.25%
Increment rate	5.00%	10.00%
Expected rate of return on assets	NA	NA
Employee turnover:		
Up to 30 Years	38.10%	5.00%
From 31 to 44 years	38.10%	3.00%
Above 44 years	38.10%	2.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

26 Related party disclosure

a) Related party where control exists irrespective of whether transactions have occurred or not:

Holding Company and Ultimate Holding Company Pollen Inc.

b) Related parties with whom transactions have taken place during the year and / or there are balances outstanding as at the year end:

Fellow Subsidiary

C2FO India Technologies Private Limited

c) Key Managerial Personnel

Pradeep Gode (until 01.08.2024)
Kunal Agarwal
Basant Kaur (w.e.f. 01.08.2024)
Sanya Chandel

Notes to Financial Statements

(All amounts are in Indian Rupees Thousands unless other wise stated)

d) Disclosure of transactions between the Company and related parties

Nature of transaction	Related Party	Year Ended	Year Ended
		31 March 2025	31 March 2024
Key management personnel compensation	Sanya Chandela	212.50	180.00
Purchase of fixed asset	C2FO India Technologies Private Limited	52.77	407.82
Reimbursement of expenses	C2FO India Technologies Private Limited	1,490.41	-
		1,755.67	2,078.22

e) Disclosure of outstanding balances as at the year end between the Company and related parties

Share Capital	As at	As at
	31 March 2025	31 March 2024
Pollen Inc.	2,51,837.82	2,51,837.82
	2,51,837.82	2,51,837.82
Balances payable		
C2FO India Technologies Private Limited	1,572.53	58.08
	1,572.53	58.08

27 Intangibles under development ageing schedule

As at 31 March 2025

Intangible under development	Amount in Inangibles under development for a period of				Total
	< 1 year	1-2 Years	2-3 Years	> 3 Years	
Projects in progress	3,616.01	-	-	-	3,616.01

As at 31 March 2024

Intangible under development	Amount in Inangibles under development for a period of				Total
	< 1 year	1-2 Years	2-3 Years	> 3 Years	
Projects in progress	44,078.46	9,441.73	-	-	53,520.19

- 28** While recognising deferred tax asset / liability on the tax effect of timing differences, consideration of prudence cannot be ignored. Therefore, deferred tax assets are recognised and carried forward only in case there is virtual certainty that sufficient future taxable income will be available for its set-off.
Hence, no deferred tax asset is being created for loss reported due to lack of evidence of virtual certainty of sufficient future reportable income.

(Space left blank intentionally)

Notes to Financial Statements

(All amounts are in Indian Rupees Thousands unless other wise stated)

29 Additional regulatory information required by Schedule III of Companies Act, 2013

(i) Details of Benami property:

a) does not have any title deeds of Immovable Properties which are not in the name of the company
b) 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 the rules made thereunder.

(ii)

(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a) 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
b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(b)

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a) 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
b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(iii) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) Undisclosed income: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vii) PP&E and intangible asset: The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year, Further no charge exists on property, plant & equipment of the Company.

(viii) The Company has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority

(ix) The Company has not defaulted in repayment of principal and interest during the year and also there are no breaches in financial covenants.

(x) The Company has no borrowings from banks and financial institutions on the basis of security of current assets.

(xi) The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

(Space left blank intentionally)

Notes to Financial Statements

(All amounts are in Indian Rupees Thousands unless other wise stated)

30 Employee Stock Option Plan

The Equity Incentive Plan (the "Plan") is a Global shared based incentives plan of the Company's holding entity, Pollen, Inc. and was adopted by the Board of Directors on October 30, 2012 with subsequent amendments.

Option awards are granted with an exercise price equal to the fair value of the Holding Company's stock at the date of grant and vest within 4 years (25% 1 year Cliff) and 5 years (28% 2 year Cliff)

The Holding Company, Pollen, Inc does not propose to charge the cost of these shared based incentives to the Company.

Movement during the Year

The following table illustrates the number and weighted average exercise price(WAEP) of and and movements in, share options during the

Particulars	Year ended Mar 31, 2025		Year ended Mar 31, 2024	
	Number of Options	Wt. Avg Exercise Price	Number of Options	Wt. Avg Exercise Price
<u>28% Cliff Vesting Schedule</u>				
Outstanding at beginning of the year	9,720	725	10,500	736
Granted during the Year	-	-	-	-
Exercised during the Year	-	-	-	-
Forfeited/Expired during the Year	(2,220)	738	(780)	871
Outstanding at the end of the year	7,500	722	9,720	725
Execrisable	6,260	702	5,860	697

Particulars	Year ended Mar 31, 2025		Year ended Mar 31, 2024	
	Number of Options	Wt. Avg Exercise Price	Number of Options	Wt. Avg Exercise Price
<u>25% 1yr cliff Vesting Schedule</u>				
Outstanding at April, 01	60,000	821	10,500	858
Granted during the Year	31,500	484	44,500	812
Exercised during the Year	-	-	-	-
Forfeited/Expired during the Year	(39,000)	798	5,000	822
Outstanding at the end of the year	52,500	593	60,000	821
Execrisable	8,369	786	3,339	856

31 Prior period comparatives

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached.

For Guru & Jana

Chartered Accountants
Firm Registration Number- 006826S

For and on behalf of Board of Directors of

C2FO Factoring Solutions Private Limited

Heena Kauser A P

Partner
Membership No. : 219971
UDIN: 25219971BMMHKB5259

Place: Bengaluru
Date: 30th June 2025

Neha Shanker Bahadur

Additional Director
DIN: 11034598

Place: Noida
Date: 30th June 2025

Basant Kaur

Director
DIN: 09557729

Place: Noida
Date: 30th June 2025

Sanya Chandela

Company Secretary
PAN: CBXPC4447F

Place: Noida
Date: 30th June 2025