BAJAJ AUTO SPAIN, S.L.
(Sociedad Unipersonal)
INDEPENDENT AUDIT REPORT
ON THE FINANCIAL STATEMENTS
31ST DECEMBER 2022

PROTOCOL NUMBER 1.826

AUDITIA
Audit, Tax and Advisory

The following audit report is a translation of the original. In case of discrepancy, the Spanish version prevails.

AUDIT REPORT ON FINACIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

To the sole shareholder of BAJAJ AUTO SPAIN, S.L. (Sociedad Unipersonal):

Opinion

We have audited the financial statements of BAJAJ AUTO SPAIN, S.L. Unipersonal, (the Company), which comprise the balance sheet as at December 31, 2022, the income statement, the statement of changes in equity, the statement of cash flows and the annual report, for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying annual report) and, specifically, the accounting principles and policies contained therein.

Basis for the Opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described later 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 ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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Related party transactions

The Company is the Spanish subsidiary of a multinational group and its management is subject to the economic policies established by the group's parent company. Note 14 of the notes to the financial statements shows the balances and transactions carried out with its parent company. Among other transactions, the Company has provided all of its services to its parent company, which is why we consider that the proper recording of related party transactions is one of the most relevant aspects of auditing.

Our audit procedures to address this issue have included obtaining and analysing documentation to support the reasonableness of the terms applied in relation to those that might apply between independent parties. Among others, we have applied analytical procedures on the evolution of the margin and substantive procedures to confirm the balances and volume of transactions performed with its parent company.

We have also verified that the related disclosures required by the applicable financial reporting framework are included in the related notes to the accompanying financial statements.

Except for the most relevant aspect of the audit which is described in this section, we have determined that there are no other more significant risks found in the audit that should be disclosed in this report.

Other matters

The Company did not submit the previous year's annual accounts to audit as it is not obliged to do so. Consequently, the comparative figures have not been audited. Our opinion relates exclusively to the accompanying financial statements for the financial year 2022.

Other Information: Director's Report

Other information refers exclusively to the 2022 Director's report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the financial statements.

Our audit opinion on the financial statements does not encompass the Director's report. Our responsibility in terms of the Director's report, as required by prevailing audit regulations, is to assess and report on the consistency of the Director's report with the financial statements, based on the knowledge of the entity we obtained while auditing the aforementioned accounts, as well as assess and report on whether the content and presentation of the Director's report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose them.

Based on the work carried out, as described in the above paragraph, we have verified that the specific information contained in the Director's report is consistent with that provided in the financial statements for the year 2022 and their content and presentation are in conformity with the applicable regulations.

Directors' Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of the accompanying financial statements in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the business as a going concern, unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 audit report that contains our opinion. Reasonable assurance is a high degree of certainty, but does not guarantee that an audit conducted in accordance with auditing regulations currently in force in Spain always detects a material misstatement when it exists. Misstatements may be due to 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 made on the basis of these financial statements.

As part of an audit in accordance with auditing regulations currently in force in Spain, we exercise our professional judgment and maintain an attitude of professional scepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response 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 due to fraud is higher than one resulting from error, as fraud may involve collusion, forgery, deliberate omissions, intentionally erroneous statements, or the override of internal control.

- We 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 the effectiveness of the entity's internal control.

- We assess the appropriateness of accounting policies applied and the reasonability of accounting estimates and related disclosures made by the Directors.

- We conclude on the appropriateness of the Directors' 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 does exist we are required to draw attention in our audit 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 issue of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We 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.

We communicate with the entity's Directors 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.

From the significant risks that have been reported to the entity's Directors, we determine those risks that were of most significance in the audit of the financial statements of the current period and that are, therefore, the key audit risks.

We describe these risks in our audit report unless legal or regulatory provisions preclude public disclosure about the matter.

COL·LEGI DE CENSORS JURATS DE COMPTES DE CATALUNYA
AUDITIA INTERNATIONAL, S.L.P.
ROAC Núm. S0776
BARCELONA

AUDITIA INTERNATIONAL, S.L.P. (S0776)
Lluís Guerra Vidiella (15606)
Barcelona, April 13, 2023

BAJAJ AUTO SPAIN, S.L.U.

Financial statements and directors’ report for the year ended 31 December 2022

BAJAJ AUTO SPAIN, S.L.U.

Notes to the Financial Statements

BAJAJ AUTO SPAIN, S.L.U.

Balance sheet for the financial years ended 31 December 2022 (in Euros and INR)

ASSETS		NOTE	2023 Euro	(non-audited) 2022 Euro	2023 INR	2022 INR
A)	**NON-CURRENT ASSETS**		**452,566.53**	**-**	**40,478,681.86**	**-**
II,	**property, plant and equipment**	**5**	**410,670.13**	**-**	**36,731,363.10**	**-**
2,	Technical facilities and other property, plant and equipment		5,289.16	-	473,075.69	-
3,	Fix assets under construction and advances paid		405,380.97	-	36,258,287.41	-
V,	**Long-term financial investments**	**7**	**41,896.40**	**-**	**3,747,318.76**	**-**
5,	Other financial assets		41,896.40	-	3,747,318.76	-
B)	**CURRENT ASSETS**		**341,108.69**	**600,000.00**	**30,509,614.00**	**53,665,500.00**
III,	**trade and other receivables**	**7**	**(70,104.59)**	**-**	**(6,270,329.80)**	**-**
2,	Trade receivables, group and associated companies		(144,873.82)	-	(12,957,876.65)	-
6,	Other credits with Public Administrations		74,769.23	-	6,687,546.85	-
VI,	**Short term accruals**	**7**	**5,385.33**	**-**	**481,677.38**	**-**
VII,	**Cash and other liquid assets**	**7**	**405,827.95**	**600,000.00**	**36,298,266.42**	**53,665,500.00**
1,	Cash		405,827.95	600,000.00	36,298,266.42	53,665,500.00
TOTAL ASSETS (A + B)			**793,675.22**	**600,000.00**	**70,988,295.86**	**53,665,500.00**

EQUITY AND LIABILITIES		NOTE	2023 Euro	(non-audited) 2022 Euro	2023 INR	2022 INR
A)	**EQUITY**	**7**	**624,802.82**	**572,105.80**	**55,883,926.23**	**51,170,573.02**
A-1)	**Shareholders' equity**	**7**	**624,802.82**	**572,105.80**	**55,883,926.23**	**51,170,573.02**
I,	**Share capital**	**7**	**600,000.00**	**600,000.00**	**53,665,500.00**	**53,665,500.00**
1,	Authorised capital		600,000.00	600,000.00	53,665,500.00	53,665,500.00
V,	**Negative results from previous years**	**7**	**(27,894.20)**	**-**	**(2,494,926.98)**	**-**
2,	(Negative results from previous years		(27,894.20)	-	(2,494,926.98)	-
VII,	**Profit (loss) for the year**	**3, 7**	**52,697.02**	**(27,894.20)**	**4,713,353.21**	**(2,494,926.98)**
B)	**NON-CURRENT LIABILITIES**		**-**	**-**	**-**	**-**
C)	**CURRENT LIABILITIES**		**168,872.40**	**27,894.20**	**15,104,369.63**	**2,494,926.98**
V,	**Trade and other payables**	**7**	**168,872.40**	**27,894.20**	**15,104,369.63**	**2,494,926.98**
3,	Sundry accounts payable		113,199.43	-	10,124,840.01	-
4,	Staff (remuneration payable)		-	21,598.72	-	1,931,843.51
5,	Current tax liabilities		8,267.61	-	739,475.71	-
6,	Other accounts payable to Public Authorities		47,405.36	6,295.48	4,240,053.91	563,083.47
TOTAL EQUITY AND LIABILITIES (A + B + C)			**793,675.22**	**600,000.00**	**70,988,295.86**	**53,665,500.00**

BAJAJ AUTO SPAIN, S.L.U.

Income statement for the financial years ended 31 December 2022 (in Euros and INR)

		NOTE	2023 Euro	(non-audited) 2022 Euro	2023 INR	(non-audited) 2022 INR
A)	**CONTINUING OPERATIONS**					
1,	**Turnover**	**11**	**931,887.99**	**-**	**83,350,391.55**	**-**
b)	Provision of services		931,887.99	-	83,350,391.55	-
6,	**Staff costs**	**11**	**(756,305.87)**	**(27,894.20)**	**(67,645,887.78)**	**(2,494,926.98)**
a)	Wages, salaries and similar payments		(702,063.77)	(26,909.72)	(62,794,338.75)	(2,406,872.63)
b)	Employee benefit costs		(54,242.10)	(984.48)	(4,851,549.03)	(88,054.35)
7,	Other operating expenses	**11**	**(114,375.61)**	**-**	**(10,230,040.50)**	**-**
a)	External services		(114,375.61)	-	(10,230,040.50)	-
8,	Amortisation and depreciation	**11**	**(962.76)**	**-**	**(86,111.66)**	**-**
A,1)	**PROFIT (LOSS) FROM OPERATIONS**		**60,243.75**	**(27,894.20)**	**5,388,351.61**	**(2,494,926.98)**
14,	**Financial income**	11	**720.88**	**-**	**64,477.31**	**-**
b)	From trade securities and other equity instruments		720.88	**-**	64,477.31	**-**
b1)	Group and associated companies		720.88	**-**	64,477.31	**-**
A,2)	**FINANCIAL PROFIT**		**720.88**	**-**	**64,477.31**	
A,3)	**PROFIT (LOSS) BEFORE TAXES**		**60,964.63**	**(27,894.20)**	**5,452,828.92**	**(2,494,926.98)**
20,	**Profit tax**		**(8,267.61)**	**-**	**(739,475.71)**	**-**
A,5)	**PROFIT (LOSS) FOR THE YEAR**	3	**52,697.02**	**(27,894.20)**	**4,713,353.21**	**(2,494,926.98)**

BAJAJ AUTO SPAIN, S.L.U.

Statement of changes in equity for the year ended 31 December 2022

A) Statement of recognised income and expenses (in Euros and INR)

		2023 Euro	2022 Euro
A)	**PROFIT/LOSS PER INCOME STATEMENT**	**52,697.02**	**(27,894.20)**
Income and expense recognised directly in equity			
B)	**TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY**	**-**	**-**
Transfers to the income statement			
C)	**TOTAL TRANSFERS TO THE INCOME STATEMENT**	**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENSE		**52,697.02**	**(27,894.20)**

		2023 INR	2022 INR
A)	**PROFIT/LOSS PER INCOME STATEMENT**	**4,713,353.21**	**(2,494,926.98)**
Income and expense recognised directly in equity			
B)	**TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY**	**-**	**-**
Transfers to the income statement			
C)	**TOTAL TRANSFERS TO THE INCOME STATEMENT**	**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENSE		**4,713,353.21**	**(2,494,926.98)**

BAJAJ AUTO SPAIN, S.L.U.

Statement of changes in equity for the year ended 31 December 2022

B) Statement of changes in total equity (in euros)

In Euro

		Share capital	Negative results	Profit (loss) for the year	
		Authorised capital	**From previous years**		**TOTAL**
A)	**BALANCE AT END OF 2020**	**-**	**-**	**-**	**-**
B)	**ADJUSTED BALANCE AT BEGINNING OF 2021**	**-**	**-**	**-**	**-**
I,	Total income and expense during the year	-	-	(27,894.20)	(27,894.20)
II,	Transactions with shareholders or owners	600,000.00	-	-	600,000.00
1,	*Capital increases*	600,000.00	-	-	*600,000.00*
C)	**BALANCE AT END OF 2021**	**600,000.00**	**-**	**(27,894.20)**	**572,105.80**
D)	**ADJUSTED BALANCE AT BEGINNING OF 2022**	**600,000.00**	**-**	**(27,894.20)**	**572,105.80**
I,	Total recognised income and expense	-	-	52,697.02	52,697.02
II,	*Other variations of net worth*	-	(27,894.20)	(27,894.20)	-
E)	**BALANCE AT END OF 2022**	**600,000.00**	**(27,894.20)**	**52,697.02**	**624,802.82**

IN INR

		Share capital	Negative results	Profit (loss) for the year	
		Authorised capital	**From previous years**		**TOTAL**
A)	**BALANCE AT END OF 2020**	**-**	**-**	**-**	**-**
B)	**ADJUSTED BALANCE AT BEGINNING OF 2021**	**-**	**-**	**-**	**-**
I,	Total income and expense during the year	-	-	(2,494,926.98)	(2,494,926.98)
II,	Transactions with shareholders or owners	53,665,500.00	-	-	53,665,500.00
1,	*Capital increases*	*53,665,500.00*	-	-	*53,665,500.00*
C)	**BALANCE AT END OF 2021**	***53,665,500.00***	**-**	**(2,494,926.98)**	**51,170,573.02**
D)	**ADJUSTED BALANCE AT BEGINNING OF 2022**	***53,665,500.00***	**-**	**(2,494,926.98)**	**51,170,573.02**
I,	Total recognised income and expense	-	-	4,713,353.21	4,713,353.21
III,	*Other variations of net worth*	-	(2,494,926.98)	(2,494,926.98)	-
E)	**BALANCE AT END OF 2022**	**53,665,500.00**	**(2,494,926.98)**	**4,713,353.21**	**55,883,926.23**

BAJAJ AUTO SPAIN, S.L.U.

Cash Flow Statements for the financial years ended 31 December 2022

(in Euros and INR)

		NOTE	2023 Euro	(non-audited) 2022 Euro	2023 INR	(non-audited) 2022 INR
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**					
1,	**Profit (loss) for the year before taxes**		**60,964.63**	**(27,894.20)**	**5,452,828.92**	**(2,494,926.98)**
2,	**Adjustments of the result**		**241.88**	**-**	**21,634.35**	**-**
a)	Depreciation of fixed assets		962.76	-	86,111.66	-
g)	Financial income		(720.88)	-	(64,477.31)	-
3,	**Changes in working capital**		**197,429.85**	**27,894.20**	**17,658,619.36**	**2,494,926.98**
b)	Debtors and other receivable accounts		70,104.59	-	6,270,329.79	-
c)	Other acurrent assets		(5,385.33)	-	(481,677.38)	-
d)	Trade and other payables		132,710.59	27,894.20	11,869,966.95	2,494,926.98
4,	**Other cash flows from operations**		**720.88**	**-**	**64,477.31**	**-**
e)	Other payments (receipts)		720.88	-	64,477.31	-
5,	**Cash flows from operating activities (+/-1+/-2+/-3+/-4)**		**259,357.24**	**-**	**23,197,559.94**	**-**
B)	**CASH FLOWS FROM INVESTING ACTIVITIES**					
6,	**Payment for investment**		**(453,529.29)**	**-**	**(40,564,793.52)**	**-**
c)	Tangible fixed assets		(411,632.89)	-	(36,817,474.76)	-
e)	Other financial assets		(41,896.40)	-	(3,747,318.76)	-
8,	**Cash flows from investing activities**		**(453,529.29)**	**-**	**(40,564,793.52)**	**-**
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**					
9,	**Maturity dates and payments for equity instruments,**		**-**	**600,000.00**	**-**	**53,665,500.00**
a)	Issue of equity instruments		-	600,000.00	-	53,665,500.00
12,	**Cash flows from financing activities (+/-9+/-10-11)**		**-**	**600,000.00**	**-**	**53,665,500.00**
D)	**Effect of foreign exchange rate changes**		**-**	**-**	**-**	**-**
E)	**NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS**		**(194,172.05)**	**600,000.00**	**(17,367,233.58)**	**53,665,500.00**
Cash and cash equivalents at beginning of year			600,000.00	-	53,665,500.00	-
Cash and cash equivalents at end of year			405,827.95	600,000.00	**36,298,266.42**	53,665,500.00

BAJAJ AUTO SPAIN, S.L.U.

Notes to the financial statements for the financial year ended 31 December 2022

The Financial statements have been prepared in Euro. Also the audit report is based on figures in Euro. For the purpose of user, the financial statements and notes have been converted in Indian Rupees at following exchange rate as on 31 March 2023.

1 Euro = Rs. 89.4425

1. COMPANY'S BUSINESS ACTIVITY

Bajaj Auto Spain, S,L,U, (hereinafter, the Company) was incorporated in Spain on 5 August 2021 as a limited company for an indefinite period, Its registered office and residence for tax purposes is at calle Pont Reixat, número 3, planta 1B, Sant Just Desvern (08960) (Barcelona), It is registered in the Trade Registry of Barcelona in Volume 47,991, Folio 115 and Page B 568600, It holds Tax ID number B-16854481, The financial year ends on 31 December each year,

The corporate purpose of the company is as follows:

a) For the benefit of its corporate group and third parties, the company provides automotive and engineering services, specialising in engineering design, graphic design, product design, sketches, digital models or mock-ups, research and development activities, as well as product innovation and development for two, three and four-wheel motorised or non-motorised vehicle models, as well as their parts,

b) The company undertakes studies, works, measurements, inspections, tests and market studies; it identifies and executes projects, including, but not limited to, projects designed to identify areas for improvement; it provides support services for product design and development, and renders other auxiliary services in the automotive and engineering industry for all manner of entities, both public and private, both in Spain and abroad,

c) The company provides a range of support services for businesses in the automotive industry such as market research, market analysis, sales promotion, marketing, distribution, supply chain management, organisation, promotion and/or management of events, exhibitions, trade fairs, conferences, meetings, campaign management, training programmes, advertising services and all manner of technical, advisory, consultancy, administrative and management services, both for the benefit of its corporate group and third parties, both in Spain and abroad,

d) Any auxiliary and preparatory service linked to the aforementioned services, including the purchase, sale, import and export of parts, components, automotive products and engineering products; or any kind of goods or services required to render the aforementioned services within the corporate purpose of the Company,

On 5 August 2022, Soymen Ray, Ravi Kumar Srinivasan and Gianandrea Fabbro were appointed to the Company's Board of Directors, Soumen Ray was ceased on February 7th 2023, according to the Public deed of the Notary Mr Miquel Tarragona Coromina o May 31st, 2023, with number of its protocol 552, On 31 May 2022 Mr Dinesh Thapar was appointed as new member of the Board of Directors,

The parent of the group to which the Company belongs is BAJAJ AUTO LTD, with Tax ID No, (N,I,F,) N0098938-D and registered office at 51ª, Corporate Building, Mumbai Pune Road, Akurdi, Pune, 411035 Maharashtra (India); the parent is the Company's Single Member and prepares its consolidated financial statements in India,

At 31 December 2022, the Company does not form a decision-making unit with other companies registered in Spain, pursuant to the provisions of Standard 13 of the Rules for the Preparation of Consolidated Financial Statements, The financial year ends on 31 December each year,

The financial statements are presented in euros, as this is the Company's functional and reporting currency,

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 FAIR PRESENTATION

According to the Governing Body, the 2022 financial statements, which were prepared on 31 March 2023, will be approved by the General Shareholders' Meeting without changes,

The financial statements were prepared on the basis of the 2022 accounting records, The financial statements for 2022 have been prepared in accordance with commercial legislation currently in force and with the standards of the Spanish National Chart of Accounts and its sector-related adjustments, based on Royal Decree 1/2022, of 12 January, amending the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November, as amended subsequently by Royal Decree 602/2016 of 2 December, in order to present a true and fair view of its net worth and financial position as of December 31, 2022 and of the results of its operations, changes in shareholders' equity and cash flows for the year then ended,

2.2 NON-OBLIGATORY ACCOUNTING PRINCIPLES APPLIED

No non-obligatory accounting principles were applied,

2.3 KEY ISSUES IN RELATION TO THE MEASUREMENT AND ESTIMATION OF RELEVANT UNCERTAINTY AND JUDGEMENTS IN THE APPLICATION OF ACCOUNTING POLICIES

The preparation of these financial statements requires the application of relevant accounting estimates and the undertaking of judgements, estimates and assumptions in the process of applying the Company's accounting policies, In this regard, summarised below is the detail of the aspects which have implemented a greater degree of judgement, complexity or which are significant in the assumptions and estimates for the preparation of the financial statements,

In the preparation of the accompanying financial statements, estimates made by the Board of Directors have been used to value some of the assets, liabilities, income, expenses and commitments recorded therein and the situation of the year 2022, the increase in costs derived from inflation and the war in Ukraine, as well as their possible effects on the economy in general and on the Company in particular, and there is no risk of continuity in its activity,

Although these estimates were based on the best information available at 2022 year-end, future events might make it necessary to modify these estimates (upwards or downwards) in the coming reporting periods, Changes in accounting estimates would be applied prospectively,

2.4 COMPARATIVE INFORMATION

The annual accounts present for comparative purposes, with each of the items of the balance sheet, the profit and loss account, the statement of changes in equity, the cash flow statement and the notes to the financial statements, in addition to the figures for fiscal year 2022, those corresponding to the previous year, which were part of the annual accounts for fiscal year 2021 approved by the Sole Shareholder on June 13, 2022,

It is indicated that the information corresponding to fiscal year 2021 has not been audited,

2.5 GROUPING OF ITEMS

Certain items on the statement of financial position, income statement, statement of changes in equity, statement of recognised income and expense, and statement of cash flows are shown as an aggregate in order to facilitate comprehension thereof, However, if an item is material, broken down information is included in the relevant notes to the financial statements,

2.6 ITEMS SHOWN IN SEVERAL SECTIONS

No asset or liability was simultaneously accounted for or included in two or more lines of the balance sheet,

2.7 CORRECTION OF ERRORS

No error arose during the reporting period,

3 DISTRIBUTION OF PROFIT

The distribution of the Company's profit for the year ended December 31, 2021 was approved by the Sole Shareholder on June 13, 2022, The proposed distribution of the profit for the year ended December 31, 2022 made by the Company's Management Body and to be submitted to the Sole Shareholder for approval is as follows (in euros and INR):

Basis for distribution	**Amount Euro**	**Amount INR**
Balance per income statement, , , , , , , , , , , ,	52,697,02	4,713,353.21
Total, ,	**52,697,02**	**4,713,353.21**
Basis for distribution	**Amount**	**Amount**
Legal reserve	5,269,70	471,335.14
Voluntary reserve	19,533,12	1,747,091.09
To losses from previous years, , , ,	27,894,20	2,494.926.98
Total, ,	**52,697,02**	**4,713,353.21**

4 RECOGNITION AND MEASUREMENT

4.1 FIXED ASSETS

Initial recognition

Assets included in property, plant and equipment are recorded at acquisition or production cost, following the same principles as those established for determining the production cost of inventories, Property, plant and equipment assets incorporated prior to January 1, 2013 include the revaluations made in accordance with Law 16/2012, of December 27, adopting various tax measures aimed at consolidating public finances and boosting economic activity,

Advances on account of fixed assets are initially recognized at cost, In subsequent years, provided that the period between payment and receipt of the asset exceeds one year, advances accrue interest at the supplier's incremental rate,

The capitalization of the cost of production is made through the caption "Work performed by the company for its assets" in the income statement, Ancillary revenues obtained during the testing and start-up period are recognized as a reduction of the costs incurred, Property, plant and equipment are shown in the balance sheet at cost value less accumulated depreciation and impairment losses,

Property, plant and equipment received as a non-monetary capital contribution are valued at their fair value at the time of the contribution,

Investments are depreciated over the shorter of their useful lives or the term of the lease contract,

Depreciation

Property, plant and equipment are depreciated by distributing their depreciable amount on a systematic basis over their useful lives, For these purposes, the depreciable amount is understood to be the acquisition cost less the residual value, The Company determines the depreciation expense separately for each component that has a significant cost in relation to the total cost of the asset and a useful life different from the rest of the asset,

Depreciation of property, plant and equipment is determined by applying the following criteria:

	Depreciation method	Years of estimated useful life
Equipment for information processing	Lineal	4line

The Company reviews the residual value, useful life and depreciation method of property, plant and equipment at the end of each reporting period, Changes in the initially established criteria are recognized as a change in estimate,

Subsequent costs

Subsequent to the initial recognition of the asset, only those costs incurred to the extent that they lead to an increase in capacity, productivity or a lengthening of the useful life of the asset are capitalized, and the carrying amount of the replaced items is derecognized, In this respect, the costs derived from the daily maintenance of property, plant and equipment are expensed as incurred,

Replacements of items of property, plant and equipment subject to capitalization result in a reduction in the carrying amount of the items replaced, In those cases in which the cost of the replaced items has not been depreciated independently and it is not practicable to determine their book value, the cost of the replacement is used as an indication of the cost of the items at the time of their acquisition or construction,

Impairment of assets

The Company evaluates and determines impairment losses and reversals of impairment losses on property, plant and equipment, at least at year-end,

4.2 LEASES

Lessee's accounting

Lease agreements, which, at the inception of the lease, transfer to the Company substantially all the risks and rewards incidental to ownership of the assets, are classified as finance leases, otherwise they are classified as operating leases,

a) Operating leases

Lease payments under operating leases, net of incentives received, are recognized as an expense on a straight-line basis over the lease term unless another systematic basis of allocation is more representative and more appropriately reflects the time pattern of the lease benefits,

Contingent lease payments are expensed when it is probable that they will be incurred,

4.3 FINANCIAL INSTRUMENTS

In the financial instrument chapter, the Company has registered any contracts that give rise to a financial asset of one company and, at the same time, to a financial liability or equity instrument of another company, This standard is therefore applicable to the following financial instruments:

a) Financial assets:

- Cash and cash equivalents,
- Trade receivables: customer receivables and sundry receivables;
- Loans to third parties: these may be loans and financial credits granted, including those stemming from the sale of non-current assets;
- Debt securities of other companies that have been acquired: i,e, bonds and promissory notes;
- Equity instruments of other companies that have been acquired: shares, interests in collective investment funds and other equity instruments;
- Derivatives with favourable value for the company: these include futures or forward transactions, options, financial swaps, and currency forwards; and
- Other financial assets: such as deposits with credit entities, advances and loans to employees, guarantees and security deposits, dividends receivable and capital calls,

b) Financial liabilities:

- Trade payables: suppliers payable and sundry accounts payable;
- Bank borrowings;
- Debt instruments and other marketable securities: these include bonds and promissory notes;
- Derivatives with unfavourable value for the company: these include futures or forward transactions, options, financial swaps, and currency forwards; and
- Special payables; and
- Other financial liabilities: debts to third parties, such as financial loans and credits received from persons or companies which are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits given and capital payments payable by third parties,

c) Own equity instruments: all the financial instruments included in the own equity, such as ordinary shares issued or equity interests in the registered capital,

Classification of Financial Assets:

a) - Financial assets at fair value with changes posted to profit or loss,

This category includes all financial assets except for those that it is convenient to classify in any of the remaining categories, It shall be mandatory for this category to include financial assets held for trading,

In respect of equity instruments that are not held for trading or valued at cost, the Company may choose, at the time of their initial recognition, irrevocably to present the subsequent changes to the fair value directly in net equity,

In any event, the Company may, at the time of initial recognition, irrevocably measure a financial asset at fair value with changes posted to profit or loss if such a practice eliminates or significantly reduces measurement inconsistency or accounting mismatch,

- Initial recognition: They are valued at their fair value, Directly attributable transaction costs are recognised in the income statement for the reporting period,
- Subsequent measurement: Fair value with changes in the income statement,
- Impairment: They are not impaired since they are always valued at their fair value and value variations are charged to the result from the year,

b) Financial assets at amortised cost

A financial asset is included in this category, even if it is admitted to trading on an organised market, if the Company maintains the investment for the purpose of receiving cash flows from the performance of the agreement, and the contractual terms of the financial asset give rise, on specified dates, to cash flows which exclusively take the form of principal and interest collected on the amount of the outstanding principal, The contractual cash flows that are solely collections of principal and interest on the amount of pending principal are inherent to an agreement that has the nature of a common or ordinary loan, regardless of whether the transaction is agreed upon at a zero interest rate or below the market rate, By and large, this category includes trade receivables (financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business with deferred collection), and non-trade receivables covering financial assets which are not equity instruments or derivatives and are not therefore of a commercial nature and have fixed or determinable payments arising from loan transactions or lines of credit granted by the Company), In other words, this category would include loans and receivables and any debt securities with a fixed maturity date, with fixed or determinable payments, traded on an active market and which the Company has the real intention and ability to keep until their maturity date,

- Initial recognition: They are initially measured at fair value plus any directly attributable costs, However, trade receivables maturing in no more than one year and not bearing an explicit interest rate set by contract, and any loans to staff, dividends receivable and capital calls on equity instruments expected to be received in the short term may be measured at their nominal value when the effect of not updating the cash flows is not significant,

- Subsequent recognition: They are subsequently measured at amortised cost and the interest earned is recognised in the income statement using the effective interest method,

  However, receivables maturing in less than one year which, in accordance with the provisions of the previous paragraph, are initially measured at their nominal value, will continue to carried at this amount unless they are impaired,
  When contractual cash flows of a financial asset are modified due to the financial difficulties experienced by the issuer, the Company shall determine whether it is convenient to recognise a loss due to value impairment,

- Impairment: The Company recognises the difference between the recoverable amount of the accounts receivable and their recorded carrying amount as an impairment loss,

  At least at the end of the reporting period, the required valuation adjustments shall be made whenever there is objective evidence that the fair value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has become impaired as a result of one or more events that have occurred since initial recognition that have led to a reduction of or a delay in receiving the estimated future cash flows, which could be caused by the insolvency of the debtor,

  Impairment losses on these financial assets shall be measured as the difference between their carrying amount and the present value of the future cash flows including, if necessary, those arising from the execution of collateral or personal guarantees, that they are expected to generate, discounted at the effective interest rate calculated at the time of initial recognition,

  Impairment losses, as well as their reversal when the amount of such loss decreases due to a subsequent event, shall be recognised respectively as expenditure or income in the income statement, The limit of any reversal of impairment losses is the carrying amount of the asset that would be recognised at the date of reversal had no impairment loss been recognised,

c) *Financial assets at cost,*

This category includes, but is not limited to, investments in the equity of group or multi-group companies and associates, and all remaining investments in equity instruments whose fair value cannot be determined by reference to a price quoted in an active market for an identical instrument, or cannot be estimated reliably,

This category shall also include participation loans that accrue contingent interest and any other financial asset that must initially be classified in the fair value through profit or loss category when it is not possible to reliably estimate its fair value,

- Initial recognition: They are recognised at cost, which is equivalent to the fair value of the consideration given, plus any directly attributable transaction costs,
- Subsequent measurement: The equity instruments included in this category are valued at cost less, as the case may be, any accumulated valuation adjustments due to impairment,
- Impairment: At least at the end of the reporting period, where there is objective evidence that the carrying amount of an investment will not be recoverable, the required valuation adjustments are made, The Company records the relevant impairment in view of the difference between the carrying amount and the recoverable amount, which is defined as the higher of the fair value less the cost of sales and the present value of future cash flows derived from the investment; for equity instruments, this is calculated either by estimating the flows expected to be received as a result of the dividends distributed by the investee and the disposal or derecognition of the investment in the investee, or by estimating the share of cash flows expected to be generated by the investee as a result of its ordinary business activities and its disposal or derecognition,

  Unless there is better evidence of the recoverable amount of investments in equity instruments, impairment losses of this type of assets are calculated on the basis of the net equity of the investee and the unrealised gains existing at the date of measurement, net of tax effects, Provided that the investee has in turn invested in another, this value is determined on the basis of the net equity included in the consolidated financial statements prepared according to the criteria of the Commercial Code and its implementing regulations,

  The recognition of impairment losses and, where applicable, reversals thereof, are stated as expenses or income, respectively, on the income statement, Any reversal of impairment losses shall be limited to the carrying amount of the investment that would be recognised at the date of reversal had no impairment loss been recognised,

d) *Fair value financial assets with changes posted to net equity,*

A financial asset is included in this category when the contractual terms of the financial asset give rise, on specified dates, to cash flows which exclusively take the form of principal and interest collected on the amount of the outstanding principal, and is neither held for trading nor suitable for classification in the category of amortised cost financial assets, This category also includes investments in equity instruments for which, since they should have been included in the category of financial assets at fair value with changes in profit and loss, the irrevocable option of classifying them in this category has been exercised,

- Initial recognition: Fair value, which, in the absence of evidence to the contrary, is the transaction price equating to the fair value of the consideration given plus the directly attributable transaction costs,
- Subsequent measurement: Fair value, without deducting such transaction costs as might be incurred in their disposal, Changes in fair value are recognised directly in the net equity until the financial asset is transferred or impaired; this is the time when the recognised amount is charged to the income statement,

- Impairment: At least at the end of the reporting period, the required valuation adjustments are made where there is objective evidence that the value of a financial asset has been impaired as a result of one or more events that occur after its initial recognition, and cause:

  - delay in future estimated cash flows; or
  - failure to recover asset carrying amount evidenced, for instance, by a persistent or significant decrease in its fair value,

  The valuation adjustment due to the impairment of the value of these financial assets is the difference between its cost or amortised cost less, as applicable, any valuation adjustment due to impairment previously recognised in the income statement and the fair value at the time of the valuation, Accumulated losses recognised in the net equity due to a reduction in the fair value, whenever there is objective evidence that the value of the asset has been impaired, are recognised in the income statement,

  If the fair value increases in subsequent financial years, the valuation adjustment recognised in previous years is reversed and charged to the income statement of the year in question, However, if the fair value of an equity instrument increases, the valuation adjustment recognised in previous years shall not be reversed and charged to the income statement, Instead, the fair value increase is recognised directly in net equity,

Re-classification of financial assets

Whenever the company changes its approach to its financial asset management in order to generate cash flows, it shall re-classify all affected assets in accordance with the criteria established under the previous sections of this standard, Re-classification does not represent derecognition, It reflects a change in valuation criteria,

Re-classification make take the following forms:

- Amortised cost financial assets re-classified in the fair value financial assets category with changes in the income statement, and vice versa,
- Amortised cost financial assets re-classified in the fair value financial assets category with changes in net equity, and vice versa,
- Fair value financial assets with changes in the income statement re-classified in the fair value financial assets category with changes in net equity, and vice versa,
- Equity instrument investments valued at cost re-classified in the fair value financial assets category with changes in the income statement, and vice versa,

Interest and dividends received on financial assets

Interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the income statement, Interest of financial assets valued at amortised cost is recognised by the effective interest rate method and the income from dividends arising from investments in equity instruments are recognised as and when the Company is entitled to collect them,

Financial assets are initially recognised separately, based on their maturity, the amount of the accrued explicit interest which is unmatured on that date, and the amount of the dividends declared by the competent body on the acquisition date,

Moreover, if the distributed dividends undoubtedly come from profits generated prior to the date of acquisition, because the distributed amounts are greater than the profits generated by the investee since acquisition, they will not be recognised as income and will reduce the carrying amount of the investment,

The judgement about whether the investee has generated profits is based exclusively on the profits recognised in the individual income statement as of the acquisition date, unless the distribution charged to these profits should undoubtedly be classified as an investment recovery from the perspective of the entity in receipt of the dividend,

Derecognition of financial assets

The Company derecognises financial assets when the rights on the cash flows from the related financial asset expire or have been transferred and when, substantially, all the risks and rewards of ownership of the financial asset are transferred, In the specific case of receivables, this is deemed to occur generally when the default and delinquency risks have been transferred,

When a financial asset is de-recognised, the difference between the consideration received, net of the attributable transaction costs, and the carrying amount, plus any accumulated amount recognised directly in equity, determines the gain or loss on de-recognition of the financial asset, which is part of the profit/loss from the year in which this occurs,

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received in transfers of financial assets in which substantially all the risks and rewards of ownership are retained,

e) - Cash and cash equivalents

This section of the attached balance sheet records cash, demand deposits and other short-term, highly liquid investments with a maturity within three months that are readily convertible into cash and that are subject to any risks of changes in value,

Classification of Financial Liabilities

The financial liabilities are classified for valuation purposes in the following categories:

a) Financial liabilities at amortised cost or cost,

This category includes all financial liabilities unless they must be measured at fair value through profit or loss, In general, trade payables and non-trade payables are included in this category,

Participation loans that have the characteristics of an ordinary or common loan are also included in this category, even if the transaction is arranged at an interest-free or below market rate,

- Initial recognition: They are initially measured at fair value, which, in the absence of evidence to the contrary, is the transaction price which equates to the fair value of the consideration received, adjusted by directly attributable transaction costs, However, debits from trade operations due in less than one year, where there is no contractual interest rate, as well as disbursements required by third parties on equity instruments, the amount of which is expected to be paid in the short term, may be measured at their nominal value when the effect of not discounting the cash flows is not significant,
- Subsequent recognition: at amortised cost, The accrued interest is recognised in the income statements, using the effective interest rate method, However, debits due in less than one year which, in accordance with the provisions of the previous paragraph, are initially measured at their nominal value, will continue to be carried at this amount,

b) Financial liabilities at fair value with changes in the income statement,

This category includes financial liabilities that meet any of the following criteria:

- Liabilities held for trading;
- Liabilities which have been recognised by the entity, from the point of initial recognition, and irrevocably, at their fair value with changes to the income statement, provided that the recognition fulfils the objective set out in the accounting standards,
- Optionally and irrevocably, this category may include all hybrid financial liabilities subject to the requirements of the PGC,

- Initial recognition: Fair value, which, in the absence of evidence to the contrary, is the transaction price which equates to the fair value of the consideration received, Directly attributable transaction costs are recognised in the income statement for the reporting period,
- Subsequent measurement: Fair value with changes in the income statement,

Derecognition of financial liabilities

The Company will derecognise a financial liability, or part thereof, when the obligation terminates; i,e,, when it has been fulfilled, cancelled or expired,

Guarantees paid and received

Deposits or securities constituted as a guarantee for some obligations are measured by the effectively settled amount, which does not significantly differ from their fair value,

In the case of guarantees provided or received for operating leases or for the rendering of services, the difference between their fair value and the amount paid is considered to be an advance payment or collection for the lease or provision of the service, which is charged to the income statement over the lease term or the period in which the service is rendered, in accordance with the standard on income from sales and services rendered,

In estimating the fair value of guarantees, the remaining period is deemed to be the minimum contractually established period during which it is not possible to return the amount, without considering the statistical behaviour of returns,

In the case of short-term guarantees, cash flows need not be discounted if their effect is insignificant,

Fair value

The fair value is the amount for which an asset may be exchanged or a liability settled between interested and duly informed parties of an arm's length transaction,

In general, when valuing financial instruments measured at their fair value, the Company calculates this in reference to a reliable market value, by constituting the price listed on an active market as the benchmark of this fair value, For any instruments for which there is no active market, the fair value is obtained, where appropriate, through the application of valuation models and techniques,

The carrying amount of trade payables and receivables is assumed to be near their fair value,

c) *Financial derivatives and hedge accounting*

The Company classifies hedging transactions in the following categories:

a) Fair value hedge: hedges exposure to changes in the fair value of recognised assets and liabilities or of firm commitments not yet recognised, or a specific part thereof, attributable to a specific risk that may affect the income statement (for instance, when a financial swap is contracted to hedge the risk of financing at a fixed interest rate),

   Changes in the value of hedging instruments and of the hedged item attributable to the hedged risk shall be recognised in the income statement,

   When the headed item is a firm commitment not yet recognised or a part thereof, the accumulated change in the fair value of the hedged item subsequent to its designation shall be recognised as an asset or a liability, and the corresponding profit or loss shall be expressed in the income statement,

   Changes to the carrying amount of hedged items measured at amortised cost shall adjust the effective interest rate of the instrument, either from the time of the change or (later) from the point at which the hedge is no longer recognised,

b) Cash flow hedging: hedges exposure to variations in cash flows attributed to a specific risk related to all or part of a recognised asset or liability (for instance, when a financial swap is contracted to hedge the risk of financing at a variable interest rate) or to a highly probable projected transaction (for instance, the hedging of the exchange rate risk related to projected purchases and sales of property, goods and services in foreign currencies) and which may affect the income statement, The hedging of the exchange rate risk of a firm commitment may be recognised as a cash flow hedge or a fair value hedge, The Company is exposed to the fluctuations that affect the exchange rates of the various countries in which it is active, In a bid to mitigate this risk, on the basis of forecasts and assumptions, contracts are formalised to hedge the risk of the variation in the exchange rate according to market prospects,

Similarly, it continues to be exposed to exchange rates due to potential variations in the various currencies in which it holds debt with financial institutions, which is why it hedges this kind of transaction according to market prospects,

On the other hand, it is exposed to variations in interest rate curves as it holds all its debt with financial institutions at variable interest rates, In this respect, the Company formalises contracts to hedge interest rate risks, fundamentally by way of contracts with institutions which guarantee maximum interest rates,

At the end of the financial year, contracts in force have been valued by comparing, for every individual contract, the agreed price with the quote of every currency and, as applicable, with the year-end benchmark interest rate, and their changes in value are recognised in the income statement,

Compound financial instruments

The exchangeable notes issued by the Company in accordance with the requirements established under the General Accounting Plan qualify as financial liabilities, That is why the amount relating to the liability of the net equity component is differentiated from the net amount received since the issuance of the bonds, which represents the fair value of the option incorporated into this instrument,

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4.4 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions, balances and flows

Foreign currency transactions were converted to euros by applying the spot exchange rate prevailing on the transaction date to the foreign currency amount,

Foreign currency transactions were converted to euros by applying the average exchange rate for the period to the foreign currency amount of all transactions conducted within such period,

Monetary assets and liabilities denominated in a foreign currency were converted to euros at the exchange rate prevailing at year-end, while non-monetary assets and liabilities measured at historical cost were converted at the exchange rate prevailing on the transaction date,

Non-monetary assets measured at fair value were converted to euros at the exchange rate prevailing on the date of measurement,

In preparing the cash flow statement, flows arising from foreign currency transactions were converted to euros by applying the spot exchange rate prevailing on the date the flows arise to the foreign currency amount,

In preparing the cash flow statement, flows arising from foreign currency transactions were converted to euros by applying the average exchange rate for the period (specify period) to the foreign currency amount for all the flows arising within such period,

The effect of exchange rate fluctuations on cash and cash equivalents denominated in a foreign currency are reported separately in the cash flow statement under “Effect of foreign exchange rate changes”,

Positive and negative differences arising from settlement of foreign currency transactions and from conversion of monetary assets and liabilities denominated in a foreign currency to euros are recognised under profit and loss, Monetary financial assets classified as available for sale, denominated in a foreign currency and carried at fair value are considered to be registered at amortised cost in the foreign currency, and therefore, exchange differences arising from changes in the amortised cost are recognised under profit and loss, and the remaining portion of the change in fair value is recognised as described in section 4,

Gains or losses on exchange differences of non-monetary financial assets and liabilities carried at fair value are recognised together with the change in fair value, Nevertheless, the component of the exchange rate change in non-monetary financial assets denominated in a foreign currency, classified as available for sale and as hedged items under the component fair value hedging is recognised under profit/loss, The remaining portion of the change in fair value is recognised as described in section 4,

4.5 INCOME TAX

The expense or payment for income tax expense comprises both current tax expense and deferred tax expense,

Current income tax assets and liabilities are measured by the quantities expected to be paid or recovered from the tax authorities, using the regulations and the tax rates which are in force or substantively enacted at the close of the financial year,

Current or deferred income tax is recognised in results, with the exception that it might arise from a transaction or financial event which has been recognised in the same year or in a different one, against net equity or of a business consolidation,

Recognition of deferred tax liabilities

The Company always recognises deferred tax liabilities, unless they arise from initial measurement of goodwill or of an asset or liability in a transaction which is not a business combination and which, on the date of the transaction, does not affect the accounting profit/loss or the tax base,

Recognition of deferred tax assets

The Company recognises deferred tax assets when it is likely that future taxable profits will be obtained to offset them, or when tax regulations provide for the possibility of turning deferred tax assets into a credit payable by the Public Administration,

The Company turns a deferred tax asset into an account receivable from the Tax Authority when such credit is enforceable under current tax regulations, For these purposes, the Company writes off a deferred tax asset by charging it to the deferred income tax expense and recognises the account receivable by crediting it to the current income tax, Similarly, the Company recognises the swap of a deferred tax asset for public debt securities when ownership of the securities is acquired,

The Company recognises the payment obligation derived from the transaction as an operating expense, crediting it to the accounts payable with the Public Administration when incurred in accordance with the Corporate Tax Act,

However, the assets that arise from initial recognition of assets or liabilities in a transaction which is not a business combination and which, on the date of the transaction, does not affect the accounting profit/loss or the tax base are not recognised,

Unless there is evidence to the contrary, it is considered unlikely that the Company will have future taxable profits if future recovery is expected to take place within a term longer than ten years since the end of the reporting period, regardless of the nature of the deferred tax asset, or, in the case of tax credits derived from deductions and other tax benefits pending application due to insufficient tax charge, if the Company has performed the required activity or obtained the required profits to become eligible for the tax deduction or credit, but there is reasonable doubt as to fulfilment of the requirements to make them effective, The Company only recognises deferred tax assets derived from tax losses carried forward if it is likely that future taxable profits will be obtained to offset them within a term not longer than that set under the applicable tax regulations, subject to a maximum of ten years, unless there is evidence that recovery is likely to occur within a longer term, if the tax regulations allow offsetting them in a longer term or establishes no time limit for offsetting,

Conversely, the Company is considered likely to have sufficient taxable profits to recover deferred tax assets provided there are enough taxable temporary differences, relating to the same tax authority and the same taxpayer, the reversal of which is expected within the same reporting period as in which the deductible temporary differences are expected to be reversed, or in any reporting period in which a tax loss, arising from a deductible temporary difference, may be offset with past or future profits,

The Company recognises deferred tax assets yet to be recognised due to having exceeded the ten-year recovery term if future reversal is expected within less than ten years as from the balance sheet date, or if there is a sufficient amount of taxable temporary differences,

In order to determine future taxable profits, the Company takes into account its tax planning opportunities, provided it intends or is likely to adopt them,

Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the assets are realised or the liabilities are settled, based on the tax laws in force or those which have been approved and are pending publishing and after considering the tax consequences that would follow from the manner in which the Company expects to recover the assets or settle the liabilities, To that end, the Company considered the deduction for reversal of temporary measures established in the thirty-seventh temporary provision of Act 27/2014, of 27 November, on Corporate Tax, as an adjustment to the tax rate applicable to the deductible temporary difference arising from the non-deductible amortisations performed in reporting periods 2013 and 2014,

Offsetting and classification

The Company only offsets income tax assets and liabilities if there is a legally enforceable right to offsetting before the tax authorities and the Company intends to settle them at their net amount or to realise the assets and settle the liabilities simultaneously,

Deferred tax assets and liabilities are recognised in the balance sheet as non-current assets and liabilities, regardless of their expected realisation or settlement date,

4.6 INCOME AND EXPENSES

The company recognises income in the normal course of its activity upon the transfer of control of goods or services agreed with customers, This is the point at which the company will assess income according to the amount of the consideration that it expects to receive in exchange for these goods or services,

Income is not recognised in exchanges of homogeneous elements such as exchanges of finished products, or exchangeable goods between two companies with a view to increasing the efficiency of their commercial operation of delivering the product to their respective customers,

- Recognition,

The company recognises income from a contract when (or as) control of the contractual goods or services (i,e,, the obligation(s) that must be fulfilled) is transferred to the customer,

Control of a good or service (an asset) refers to the capacity to determine the full extent to which the asset will be used and to substantially obtain all remaining benefits, Control includes the capacity to prevent other entities from determining how to use the asset and obtaining its benefits, In respect of every identified obligation that must be fulfilled (delivery or goods or provision of services), the company determines the start date of the contract if the assumed commitment will be fulfilled over time or at a specific point in time,

Income from commitments (in general, provision of services or sale of goods) fulfilled over time are recognised according to the degree to which contractual obligations have been fulfilled, provided that the company has access to reliable information by which to measure the corresponding progress,

The company reviews and, if necessary, modifies the estimated income to be recognised as the assumed commitment is fulfilled, The need for such reviews does not necessarily mean that the outcome or result of the operation cannot be reliably estimated,

If, on a specific date, the company is unable to reasonably measure the degree to which the obligation has been fulfilled (for instance, in the initial stages of a contract), although it expects to recover the costs incurred in connection with the fulfilment of the commitment, only income and the corresponding consideration are recognised at an amount equivalent to the costs incurred to date,

As for contractual obligations that are fulfilled at a specific point in time, the income arising from their performance is recognised on that date, Until such a circumstance comes to pass, the costs incurred in the production or manufacture of the product (goods or services) are recognised as inventories,

If there is any uncertainty surrounding the collection of the credit claim previously recognised as income from a sale or service rendered, the loss due to impairment will be recorded as an expense due to an impairment value adjustment and not as a revenue shortfall,

- Fulfilment of obligation over time,

The company is deemed to transfer control of an asset (in general, a service or product) over time when one of the following criteria is met:

a) The customer receives and simultaneously consumes the benefits provided by the company's activity (generally, the provision of a service) as it is carried out by the entity, as in the case of some recurring services (security or cleaning), In this case, if another company were to assume the contract it would not need to redo the substance of the work completed to date,

b) The company produces or enhances an asset (tangible or intangible) controlled by the customer as the activity is carried out (for instance, a construction service provided on the customer's land),

c) The company produces a particular asset for the customer (generally, a service or a complex technical installation or a particular asset with unique characteristics) without an alternative use and the company has an enforceable right to charge for the activity carried out to date (for instance, consultancy services giving rise to a professional opinion for the customer),

If control of the asset is not transferred over time, the company recognises the income in accordance with the criteria established for obligations fulfilled at a specific point in time,

- Indicators of fulfilment of obligation at a specific point in time,

To identify the precise moment at which the customer takes control of the asset (generally an asset), the company considers the following indicators, among others:

a) The customer assumes the significant risks and benefits inherent to ownership of the asset, The company's assessment of this point excludes any risk that gives rise to a separate obligation other than the commitment to transfer the asset, For instance, the company may have transferred control of the asset, but not have fulfilled the obligation to provide maintenance services during the useful life of the asset,

b) The company has transferred physical possession of the asset, However, physical possession may not coincide with control of the asset, For instance, under some repurchase agreements and deposit agreements, as a customer or consignee may take physical possession of an asset that is controlled by the transferring company, the asset cannot be deemed to be transferred, On the other hand, under agreements where delivery takes place subsequent to billing, the company may hold physical possession of an asset controlled by the customer,

c) The customer has received (accepted) the asset in accordance with contractual specifications, If a company is able to objectively determine that control of the asset or service has been transferred to the customer in accordance with established specifications, acceptance of the asset is a formality that would not affect the determination of the transfer of control, For instance, if the acceptance clause is based on compliance with specified characteristics of size or weight, the company could determine whether these criteria have been met before receiving confirmation of the customer's acceptance,

However, if the company is unable to objectively determine that the product or service supplied to the customer meets the specifications established in the agreement, it cannot conclude that the customer has taken control until the customer's acceptance is received,

When products (goods or services) are delivered to a customer on a trial basis or for assessment purposes, and the customer has not undertaken to pay the consideration until the trial period is over, control of the product is not transferred to the customer until it is accepted or the aforementioned period expires without disapproval being expressed,

d) The company is entitled to charge for the transfer of the asset,

e) The customer has ownership of the asset, However, when the company retains the property right merely as protection against a breach by the customer, this circumstance would not prevent the customer from taking control of the asset,

- Valuation,

Ordinary income earned from the sale of goods or services is recognised by the monetary amount of, if applicable, at the fair value of the balancing item received or expected to be received, resulting from it, which, except otherwise stated, is the price agreed for the assets to be transferred to the customer less: the amount of any discount, price reduction or similar that may be granted by the company, as well as interest added to the nominal value of the loans, However, the Company may include the interests incorporated in the commercial credits with expiry no greater than one year which have no type of contractual interest rate when the effect of not updating the cash flow is not significant,

Taxes levied on deliveries of goods and services that the company is required to pass on to third parties, such as value added tax and special taxes, as well as amounts received on behalf of third parties, do not form part of the income,

The company's valuation of income takes into consideration the best estimate of the variable consideration if it is highly likely that it does not result in a significant reversal of the amount of the recognised income when the uncertainty surrounding the aforementioned consideration is resolved,

As an exception to the general rule, the variable consideration related to licence agreements, in the form of a share of sales or use of these assets, is only recognised when (or as) the latter of the following events takes place:

a) The sale or subsequent use; or

b) The obligation assumed by the company under the contract and to which all or part of the variable consideration is assigned is fulfilled (or partially fulfilled),

4.7 PROVISIONS AND CONTINGENCIES

General criteria

The Company recognises a provision only when it has a present obligation (legal, contractual, implicit or tacit) as a result of a past event; it is probable that an outflow of resources embodying future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation, The amounts reported in the balance sheet are the best estimate available at year-end of the disbursements required to cancel a present obligation, after considering the risks and uncertainties related to the provision, and, if deemed significant, the financial effect of discounting them, provided the disbursements to be made in each period can be estimated with certainty, The discount rate is calculated before taxes, by considering the time value of money and the specific risks which were not considered in the future flows relating to the provision at each year-end,

Separate obligations are measured according to their most likely individual outcome, If an obligation implies a large group of homogeneous items, the obligation is measured by weighting its possible outcomes according to their likelihood, If there is a continuous range of possible outcomes and each point along the range has the same likelihood of occurrence than the rest, then the obligation is measured at the average amount,

The financing effect of the allowances is recognised as finance costs in the income statement,

Provisions do not include the tax effect or the expected proceeds from disposing of or neglecting assets,

The reimbursements payable by third parties to settle a provision are recognised as a separate asset when there is no doubt that they will be effectively collected, Reimbursements are recognised as income in the income statement based on the nature of the expense, up to the provision amount,

When the Company has externalised the hedged risk to a third party through a legal arrangement or contract, the provision will be recognised only for the portion of the assumed risk,

Provisions are reversed against profit and loss when it is unlikely that there will be an outflow of resources to settle the obligation,

Provisions for taxes

The amount of provisions for taxes is the estimated amount of tax payables determined by applying the general criteria described above, Provisions are recognised by charging the tax charge for the reporting period to the income tax, the late payment interest to finance costs, and the penalties to other profit/loss, The effects of changing estimates of provisions from previous years is accounted for according to their nature, unless they involve correction of an error,

Provisions for onerous contracts

The amount of provisions for onerous contracts is determined according to the market value of inevitable costs, which are calculated as the lesser cost between the costs to be incurred under the contract, net of any income that may be obtained, and the costs of any compensation or penalties relating to a breach, However, prior to the recognition of the provision, the Company recognises the value impairment loss of non-current assets directly linked to the contracts,

Termination and restructuring benefit provisions

Benefits for voluntary termination are recognised when a formal and detailed plan is made and there is a valid expectancy among the personnel affected that the employment relationship is to be terminated, whether due to the fact that the plan is already underway or that an announcement has been made on its main characteristics,

The benefits to be paid over a period in excess of 12 months are discounted at the interest rate determined based on the bond market rates or on high-quality corporate bonds,

During a short period of time, the Company made certain groups of employees offers through early retirement plans, Said plans have been accounted for as benefits, as they are not available to all the groups of employees currently active, Voluntary termination benefits are recognised once announced, without there being a realistic possibility of the offer being withdrawn, and are measured at the best estimate of the group of employees that is going to accept the plan,

The provisions related to restructuring processes are recognised when the Company is under an implicit obligation due to the existence of a formal and detailed plan and when there is a valid expectancy among those affected that the process is going to be carried out, whether due to the fact that the plan is already underway or that an announcement has been made on its main characteristics,

The restructuring provisions only include payments directly related to the restructuring, which are not associated with the continuous operations of the Company,

Provisions for dismantling, refurbishment or similar activities

The provisions referred to in this section are recognised under the general prevision recognition criteria, They are registered at the maximum value of the cost of the fixed assets they are related to when arising due to the corresponding acquisition or construction, However, if the provisions are incurred due to stock production, they are recognised in the income statement,

Variations in the provision arising from changes in the amount, temporary structure of payments or in the discount rate at year-end, increase or reduce the fixed asset cost value, limited at the carrying value of such component, with surplus recognised in the income statement,

Changes in the provision amount that are disclosed at the end of the useful life of the fixed asset are recognised in the income statement as they occur,

The Company has formalised certain operating lease agreements under which it is contractually obliged to undertake large periodic repairs, At the end of the financial year, the Company recognises on such date a provision to the estimated sum of the obligation, which is to be charged to the income statement,

4.8 STAFF COSTS

Defined benefit plans

The Company includes in the defined benefit plans those financed through the payment of insurance premiums in which the Company has the legal or constructive obligation to pay to the employees directly the agreed-upon benefits when they become due or to pay additional amounts if the insurance company does not disburse the benefits relating to the services rendered by employees during the year or in prior years,

The defined benefit liability recognised in the balance sheet relates to the present value of the commitments assumed at year-end, less the fair value at the aforementioned date of the plan assets, less the unrecognised past service costs, The Company recognises in recognised income and expense the actuarial gains and losses in the year in which they take place,

If a loss arises from the performance of the transactions mentioned in the previous paragraph, i,e, an asset is generated, the Company recognises it up to the limit of the cost for unrecognised past services, plus the current value of any economic benefit available as plan reimbursements or reductions from future contributions thereto, As a result, the Company recognises immediately the cost of past services for the current year to the extent that it exceeds any reduction in the present value of the economic benefits previously mentioned, If there is no change or there is an increase in the present value of the economic benefits, the past service cost for the current year is recognised immediately,

The Company recognises cancellable past service costs as an expense for the year for the total amount divided between the average period remaining until the full vesting of the employees’ rights, unless the comments mentioned in the previous paragraph apply, If the benefits are immediately irrevocable after the plan introduction or modification, the past service cost is recognised immediately under profit or loss, The present value of the defined benefit obligations, the cost of services rendered and past service costs are calculated annually by independent actuaries in accordance with the projected unit credit method,

The discount interest rate is determined based on the market rates of high-credit quality corporate bonds or debentures denominated in the currency in which the benefits will be paid and with terms and maturities similar to those of the related benefits,

The fair value of plan assets is assessed, in the case of real property, based on the appraisals of independent experts and, for the remaining assets, based on available market prices or through the discount of future cash flows if no market can be identified, The insurance policies deemed plan assets whose cash flows match exactly, both in relation to amounts and the payment schedule, with part or all of the benefits payable under the plan are stated at the present value of the related payment obligations,

Reimbursement rights related to part or all of the payment obligations for defined benefits are recognised as separate assets when their collection is virtually certain,

The Company does not offset assets and liabilities between different plans, except if there is a legally enforceable right to offset the surplus and deficit generated by the different plans and there is an intention to settle obligations at their net amounts or to materialise the surplus to settle simultaneously the deficit plan obligations,

The assets or liabilities for defined benefits are recognised as current or non-current based on the realisation period or maturity of the related benefits,

Defined contributions

The Company recognises the contributions to be made to defined contribution pension plans as employees provide their services, The amount of the accrued contributions is recognised as an expense for remuneration to employees and as a liability once any amounts already paid have been deducted, If the amounts paid exceed the expense accrued, the related assets are only recognised to the extent that they may be used to reduce future payments or reimbursed in cash,

If the contributions are to be paid in a period of more than twelve months, they are discounted using the market rates corresponding to high-quality corporate bond and debenture issues,

Other long-term employee benefits

The obligations assumed for long-term benefits are recognised as established for defined benefit plans, except that the past service cost and actuarial gains and losses are recognised in the income statement when they occur,

Short-term employee benefits

The Company recognises the expected cost of short-term payments made in the form of paid leave, for which rights are accumulated as the employees render the services that entitle them to receive this benefit, In the case of non-cumulative paid leave, the cost is recognised when the leave is taken,

The Company recognises the expected cost of profit sharing or employee incentive plans when there is a present, legal or constructive obligation as a result of a past event, and the amount of the obligation can be estimated reliably,

4.9 RELATED-PARTY TRANSACTIONS

Transactions between Group companies, excluding those involving mergers, spin-offs, and non-monetary business contributions, are carried at the fair value of the consideration given or received, The difference between this value and the amount agreed, is recorded in accordance with the underlying economic substance,

5 PROPERTY, PLANT AND EQUIPMENT

The composition and movements in the accounts included in Property, plant and equipment were as follows:

In Euro

2022	Equipment for information processing	Tangible fixed assets in progress	Advance payments for tangible fixed assets	Total
Cost				
Acquisitions	6,251.92	258,769.72	146,611.25	**411,632.89**
Final balance	6,251.92	258,769.72	146,611.25	**411,632.89**
Accumulated depreciation				
Initial Balance	-	-	-	-
Allocations / Reversals	(962.76)	-	-	**(962.76)**
Final balance	(962.76)	-	-	**(962.76)**
Accumulated impairment losses				
Net Value	**5,289.16**	**258,769.72**	**146,611.25**	**410,670.13**

In INR

2022	Equipment for information processing	Tangible fixed assets in progress	Advance payments for tangible fixed assets	Total
Cost				
Acquisitions	559,187.35	23,145,010.68	13,113,276.73	**36,817,474.76**
Final balance	559,187.35	23,145,010.68	13,113,276.73	**36,817,474.76**
Accumulated depreciation				
Initial Balance	-	-	-	-
Allocations / Reversals	(86,111.66)	-	-	**(86,111.66)**
Final balance	(86,111.66)	-	-	**(86,111.66)**
Accumulated impairment losses				
Net Value	**473,075.69**	**23,145,010.68**	**13,113,276.73**	**36,731,363.10**

General

Details of the residual depreciation period, depreciation for the year, accumulated depreciation and net book value of individually significant property, plant and equipment as of December 31, 2022 are as follows:

2022 Asset	Remaining useful life (years)	Depreciation year	Accumulated depreciation	Net book value
Computer	4	543.78	543.78	2,356.14
Laptop	4	238.38	238.38	1,668.62
Tablet	4	180.60	180.60	1,264.40
Total		**962.76**	**962.76**	**5,289.16**

2022 Asset	Remaining useful life (years)	Depreciation year	Accumulated depreciation	Net book value
Computer	4	48,637.04	48,637.04	210,739.05
Laptop	4	21,321.30	21,321.30	149,245.54
Tablet	4	16,153.32	16,153.32	113,091.10
Total		**86,111.66**	**86,111.66**	**473,075.69**

6 LEASES AND OTHER SIMILAR OPERATIONS

6.1 OPERATIVE LEASES

Lessee

The Company has leased premises and four parking spaces at 3, Pont Reixat Street, Sant Just Desvern (Barcelona) under operating leases,

A description of the most relevant lease agreements is as follows:

Under a lease agreement dated May 11, 2022, the lease was signed for a period of 10 years which began to run on the day of signing, ending on May 11, 2032,

The first three years of the lease term, until May 11, 2025, are binding on the lessee, Consequently, if the lessee unilaterally terminates or cancels the lease before the end of this mandatory term, it must pay the lessor an amount equivalent to the amount of the rents and expenses until the end of the three-year period, even in the event that the lessor regains possession of the premises and leases it back, This is without prejudice to any compensation that may be due to the lessor for damage to the premises,

Upon expiration of this mandatory term, i,e,, as from May 11, 2025, the lessee may terminate the lease by giving the lessor four months' prior notice in writing before the date on which the lessor intends to terminate the lease,

The future minimum payments for non-cancelable operating leases, as well as the minimum payments for non-cancelable operating sublease payments, are as follows:

	2022 Euro	**(non auditded) 2021 Euro**	**2022 INR**	**(non auditded) 2021 INR**
Until 1 year	*98,928.00*	-	*8,848,367.64*	-
Between 1 y 5 years	*395,712.00*	-	*35,393,470.56*	-
More than 5 years	*431,710.80*	-	*38,613,293.23*	-
Total future minimal payments for leases	**926,350.80**	-	**82,855,131.43**	-
Total	**926,350.80**	**-**	**82,855,131.43**	**-**

The amount of operating lease payments recognized as expenses is as follows:

	2022 Euro	**(non-audited) 2021 Euro**	**2022 INR**	**(non-audited) 2021 INR**
Lease payments	63,292,45	-	5,661,034.96	-
Total	**63,292,45**	**-**	**5,661,034.96**	**-**

7 FINANCIAL INSTRUMENTS

7.1 GENERAL CONSIDERATIONS

A financial instrument is a contract that gives rise to a financial asset in one company and, simultaneously, to a financial liability or equity instrument in another companyThis applies to the following financial instruments:

Financial assets

- Cash and cash equivalents, as defined in rule 9 on preparation of financial statements;

- Trade receivables: customer receivables and sundry receivables;

- Loans to third parties: these may be loans and financial credits granted, including those stemming from the sale of non-current assets;

- Debt securities of other companies that have been acquired: i,e, bonds and promissory notes;

- Equity instruments of other companies that have been acquired: shares, interests in collective investment funds and other equity instruments;

- Derivatives with favourable value for the company: these include futures, options, financial swaps, and currency forwards; and

- Other financial assets: such as deposits with credit entities, advances and loans to employees, guarantees and security deposits, dividends receivable and capital calls,

Financial liabilities

- Trade payables: suppliers payable and sundry accounts payable;

- Bank borrowings;

- Debt instruments and other marketable securities: these include bonds and promissory notes;

- Derivatives with unfavourable value for the company: including futures, options, financial swaps, and currency forwards;

- Special payables; and

- Other financial liabilities: debts to third parties, such as financial loans and credits received from persons or companies which are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits given and capital payments payable by third parties,

Equity instruments

A financial derivative is a financial instrument with the following features:

- Its value changes in response to changes in variables, such as interest rates, the prices of financial instruments and commodities, exchange rates, credit ratings, and related indexes, which, if not being a financial variable, they are not specific to any of the parties to the contract,

- It requires no initial investment, or else a lower investment than that required for other types of contracts having a similar response to changes in market conditions,

- It is settled on a future date,

The foregoing rule also applies to hedge accounting and transfers of financial assets, including trade discounts, factoring arrangements, temporary assignments and financial asset securitisation,

Recognition

The Company will recognise a financial instrument in its balance sheet when it becomes a party to the contract or legal act according to its own provisions,

7.2 INFORMATION ON THE RELEVANCE OF FINANCIAL INSTRUMENTS TO THE COMPANY'S FINANCIAL POSITION AND PROFIT/LOSS

Information relating to the balance sheet

a) Financial asset and liability categories

(i) Classification of financial assets by categories

Details of changes for every kind of non-current financial asset during the financial year are analysed below:

Categories	types	Long-term financial instruments Credits, derivatives and others Euro	Long-term financial instruments Credits, derivatives and others INR
Balance at the beginning of the year	2021*	-	-
Balance at the end of the year	2021*	-	-
Additions		*41,896.40*	*3,747,318.76*
Saldo al final del ejercicio	2022	41,896.40	*3,747,318.76*

The classification of long-term financial assets by category and class, except for investments in the equity of group, multigroup and associated companies, is as follows:

Classes	Long-term financial instruments		Long-term financial instruments	
	Credits, derivatives and others		Credits, derivatives and others	
Categories	2022 Euro	(no auditado) 2021 Euro	2022 INR	(no auditado) 2021 INR
Reasonable value assets with changes in profit and loss	41,896.40	-	*3,747,318.76*	-
Others	*41,896.40*	-	*3,747,318.76*	
Total	**41,896.40**	**-**	***3,747,318.76***	**-**

The item "Assets at fair value through profit and loss" in the amount of 41,896,40 euros

(INR 3,747,318.76) corresponds to long-term guarantees,

This table does not include balances with Public Administrations, The classification of short-term financial assets by category and class is as follows:

Classes / Categories	Short-term financial instruments		Short-term financial instruments	
	Credits, derivatives and others		Credits, derivatives and others	
	2022 Euro	(non-audited) 2021 Euro	2022 INR	(non-audited) 2021 INR
Financial assets at depreciation cost	260,954.13	600,000.00	23,340,389.77	53,665,500.00
Total	**260,954.13**	**600,000.00**	**23,340,389.77**	**53,665,500.00**

(ii) Classification of financial liabilities by categories

The classification of financial liabilities by category and class is as follows:

Classes / Categories	Current financial instruments Derivatives and other		Current financial instruments Derivatives and other	
	2022 Euro	(non-audited) 2021 Euro	2022 INR	(non-audited) 2021 INR
Financial liabilities at amortised cost or cost	113,199.43	21,598.72	10,124,858.01	2,494.926.98
Total	**113,199.43**	**21,598.72**	**10,124,858.01**	**2,494.926.98**

The item "Financial liabilities at amortized cost or cost" amounting to 113,199,43 euros (INR 10,124,858.01) corresponds to supplier invoices and invoices pending receipt,
This table does not include balances with Public Administrations,

b) Classification by maturity

The amounts of debts with fixed or determinable maturity classified by year of maturity are as follows:

In Euro

Categories	1 year	Total
Trade and other payables	113,199,43	113,199,43
Staff (remuneration payable)	113,199,43	113,199,43
Total	**113,199,43**	**113,199,43**

In INR

Categories	1 year	Total
Trade and other payables	10,124,858.01	10,124,858.01
Staff (remuneration payable)	10,124,858.01	10,124,858.01
Total	**10,124,858.01**	**10,124,858.01**

c) Transfers of financial assets

There was no transfer of financial assets during the reporting period, nor was any assignment of accounts receivable executed during the period,

d) Impairment adjustments due to credit risk

No financial asset was reported as impaired during the period, *e) Default and breach of contractual conditions*

The Company had no overdue contractual obligation in relation to the financial liabilities reported in the balance sheet at year-end,

Other information to be included in the notes to the financial statements

a) Hedge accounting

At year-end, the Company did not have balances relating to hedging financial instruments,

b) Reasonable value

The carrying value of financial instruments is an acceptable approximation of fair value,

c) Other kinds of information

(i) Purchase and sale commitments

There were no purchase and sale commitments related to financial investments,

(ii) Financial investments in litigation

There were no financial investments in litigation,

(iii) Attachments

At year-end, there were no attachments on marketable securities, loans and other financial investments,

7.3 INFORMATION ON THE NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS

Qualitative information

Management of the Company's financial risks is centralised in the Finance Department, which has mechanisms in place to control exposure to fluctuation in interest rates and exchange rates, and to credit and liquidity risks, The main financial risks affecting the Company are detailed below:

a) Credit risk:

In general, the Company keeps its cash and cash equivalents at financial institutions with a high credit rating, Additionally, there is not a significant concentration in transactions with customers,

b) Liquidity risk:

In order to guarantee liquidity and meet all the payment obligations arising from its activities, the Company has the cash on hand reported in its balance sheet,

c) Market risk (including interest rate risk, foreign currency risk and other price risks):

Both the Company's cash and its bank borrowings are exposed to interest rate risk, which could have an adverse effect on financial profit or loss and cash flows,

Quantitative information

The maximum exposure of the main risks at 31 December 2022, excluding the foreign exchange risk exposure, was as follows:

Equity group	2022 Euro	(non-audited) 2021 Euro	2022 INR	(non-audited) 2021 INR
Borrowings				
Long-term financial investments	41,896.40	-	3,747,318.76	-
Trade debotrs and other receivables	(70,104.59)	-	6,270,329.80	-
Cash and other liquid assets	405,827.95	600,000.00	36,298,266.42	53,665,500.00
Liquidity				
Trade and other payables	168,872.40	27,894.20	15,104,369.63	2,494.926.98
Market				
Property, plant and equipment and real estate investments	410,670.13	-	36,731,363.10	-
Total	**957,162.29**	**627,894.20**	**98,151,647.71**	**56,160,426.98**

The exposure to the foreign currency risk occurs to the extent that the Company performs operations in foreign currency or holds assets or liabilities stated in a currency other than the presentation currency,

Thus, the Company is not exposed to the foreign currency risk because it does not perform any transactions in foreign currency,

7.4 SHAREHOLDERS' EQUITY

The breakdown and movement of net equity are presented in the statement of changes in equity,

Share capital

At 31 December 2022, the share capital of Bajaj Auto Spain, S,L,U, was represented by 6,000 fully paid-up shares, each with a face value of EUR 100,

At 31 December 2022, Bajaj Auto LTD owned 100% of the share units; therefore, the Company is therefore classified as a Single-Member Company,

Reserves

a) Legal reserve

The Company has allocated funds to the legal reserve in accordance with article 274 of the Revised Text of the Companies Act, which requires that 10% of the profits for each reporting period be allocated to the legal reserve until the latter reaches, at least, 20% of share capital,

This reserve cannot be distributed to the members, and can only be used to offset losses in profit and loss, provided that there is no other reserve available to that end, The balance of this reserve can be used to increase share capital,

At 31 December 2022, the Company's legal reserve did not reach the minimum threshold set by the Revised Text of the Companies Act,

b) By-law reserve

No by-law reserve was allocated,

c) Revaluation reserves

No revaluation reserve was recognised,

d) Goodwill reserve

The Company does not have any goodwill,

e) Treasury shares and reserve for parent company's shares

The Company does not have any treasury stock or any reserves for shares of the dominant company,

f) Reserve for differences in the re-denomination of the capital in Euros

This reserve is unavailable,

g) Capitalisation reserve

No capitalisation reserve was recognised,

h) Voluntary reserves

Voluntary reserves are unrestricted, There were no voluntary reserves at 31 December 2022,

8 INVENTORIES

The Company does not have any inventories,

9 FOREIGN CURRENCY

The Company does not have any assets or liabilities denominated in a foreign currency,

10 TAX MATTERS

The breakdown of balances with Public Authorities is as follows:

Details of the payables and receivables between group companies as a consequence of the tax effect produced by the consolidated tax arrangements are set out below:

In Euro

	2022		(non-audited) 2021	
	Receivable balance	**Payable balance**	**Receivable balance**	**Payable balance**
Value-added tax	74,769.23	-	-	-
Social security	-	6,275.36	-	1,182.63
Withholdings done	-	41,130.00	-	5,112.85
Deferred tax	-	8,267.61	-	-
Total saldos con las Administraciones Públicas	**74,769.23**	**55,672.97**	**-**	**6,295.48**

In INR

	2022		(non-audited) 2021	
	Receivable balance	**Payable balance**	**Receivable balance**	**Payable balance**
Value-added tax	6,687,546.85	-	-	-
Social security	-	561,283.89	-	105,777.38
Withholdings done	-	3,678,770.03	-	457,306.09
Deferred tax	-	739,475.71	-	-
Total saldos con las Administraciones Públicas	**6,687,546.85**	**4,979,529.63**	**-**	**563,083.47**

Under current legislation, taxes cannot be considered to be definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired, At 31 December 2022, the Company had all the following periods pending review by the tax authorities in connection with the main applicable taxes:

	Period
Value Added Tax	2021 – 2022
Personal income tax	2021 – 2022
Business Taxes	2021 – 2022
Social security	2021 – 2022

However, the Public Authority's right to review or inspect tax loss carry-forwards offset or yet to be offset, tax credits for double taxation, and tax credits promoting performance of certain activities applied or yet to be applied expires after 10 years since the day following the end of the deadline to file the tax return or self-assessment for the fiscal period in which the right to offsetting or application arose, After expiration of such term, the Company will have to provide evidence of the tax loss carry-forwards or credits by producing the tax return or self-assessment and accounting records, showing proof of their filing with the Commercial Registry within such term,

As a result of the differing interpretations that could be made of current tax legislation, among other reasons, additional liabilities could arise as a result of an inspection, At any rate, the parent company's Governing Body believes that said liabilities, should they arise, would not significantly affect the financial statements,

10.1 INCOME TAX

Reconciliation between the net amounts of income and expenses for the reporting period and the tax base that the Company expects to declare after timely approval of the financial statements is the following:

2022	**Income statement**	
	Euro	**INR**
Income and expenses for the year	52,697.02	4,713,353.21
	Aumentos	Aumentos
Corporate income tax	8,267.61	739,475.71
Tax loss carryforwards compensation	(27,894.20)	(2,494.926.98)
Tax base (taxable profit/loss)	33,070.43	2,957,901.94
Tax rate:	25.00%	25.00%
Total tax payable	8,267.61	739,475.71
Total tax due minus tax credits, taxes withheld and advanced:	8,267.61	739,475.71
Net tax charge:	8,267.61	739,475.71
Net tax payable (refundable)	**8,267.61**	**739,475.71**

11 INCOME AND EXPENSES

11.1 NET INCOME

The net turnover at the end of the current fiscal year amounts to 931,887,99 euros (0 euros in 2021) and corresponds to the following activities:

	2022 Euro	**(non-audited) 2021 Euro**	**2022 INR**	**(non-audited) 2021 INR**
Service fee – Tranfer Pricing	931,887.99	-	83,350,391.55	-
Total	**931,887.99**	**-**	**83,350,391.55**	**-**

General considerations and objective (section included for information purposes)

The objective of the disclosure requirements to be included in this note to the annual accounts in relation to revenues is for the Company to provide sufficient information to enable users of the annual accounts to understand the nature, amount, timing and uncertainty of revenues from ordinary activities and cash flows arising from contracts with customers, To achieve this objective, the Company provides qualitative and quantitative information on the following aspects applicable to it:

(a) Contracts with customers,

b) Significant judgments, and changes in such judgments, made on such contracts, and

c) Assets recognized for the costs of obtaining or fulfilling a contract with a customer,

A, Information on contracts with customers

1, Disclosure of revenues from ordinary activities,

a) The Company shall disaggregate revenue recognized from ordinary activities from contracts with customers into categories that represent how the nature, amount and uncertainty of revenue and cash flows are affected by economic factors,

b) In selecting the type of category (or categories) to be used to disaggregate revenue from ordinary activities, the Company considers the manner in which information about revenue from ordinary activities has been presented for other purposes, including the following:

1,º Disclosures presented outside the annual accounts,

Information regularly reviewed by the chief decision maker to assess the financial performance of the operating segments,

Other information that is similar to the types of information identified in the preceding paragraphs and that is used to evaluate the financial performance of the Company or to make decisions on resource allocation,

c) Some of the categories that may be appropriate to include could be the following:

1, type of good or service

2, Geographic region

3, Market or type of customer

Type of contract

5, Duration of contract

6,º Schedule of transfer of goods or services

7,º Sales channels

a) El desglose del importe neto de la cifra de negocios en función del tipo de bien o servicio, del ejercicio 2022 y del ejercicio 2021, es el siguiente:

Net income by Good or service	**2022 Euro**	**(non-audited) 2021 Euro**	**2022 INR**	**(non-audited) 2021 INR**
Service fee – Tranfer Pricing	931,887.99	-	83,350,391.55	-
Total Services	931,887.99	-	83,350,391.55	-
Total NI	**931,887.99**	**-**	**83,350,391.55**	**-**

b) The breakdown of net sales by geographic region for fiscal 2022 and fiscal 2021 is as follows:

Net Income by Geographical Market	**2022 Euro**	**(no auditado) 2021 Euro**	**2022 INR**	**(no auditado) 2021 INR**
Outside of the EU	931,887.99	-	83,350,391.55	-
Total NI	**931,887.99**	**-**	**83,350,391.55**	**-**

c) The breakdown of net sales by type of customer for fiscal year 2022 and fiscal year 2021 is as follows:

Net Income by client Category	**2022 Euro**	**(no auditado) 2021 Euro**	**2022 INR**	**(no auditado) 2021 INR**
Foreign clients	931,887,99	-	83,350,391.55	-
Total NI	**931,887,99**	**-**	**83,350,391.55**	**-**

d) The breakdown of net sales by type of contract for fiscal year 2022 and fiscal year 2021 is as follows:

Net Income by Type of Contract	**2022 Euro**	**(no auditado) 2021 Euro**	**2022 INR**	**(no auditado) 2021 INR**
Variable contracts	931,887,99	-	83,350,391.55	-
Total NI	**931,887,99**	**-**	**83,350,391.55**	**-**

e) The breakdown of net sales by type of contract, based on the term of the contract, for fiscal year 2022 and fiscal year 2021, is as follows:

Net Income by duration of contract	**2022 Euro**	**(no auditado) 2021 Euro**	**2022 INR**	**(no auditado) 2021 INR**
Long-term contracts	931,887,99	-	83,350,391.55	-
Total NI	**931,887,99**	**-**	**83,350,391.55**	**-**

f) The breakdown of net sales based on the timing of the transfer of goods or services for fiscal 2022 and fiscal 2021 is as follows:

Net Income on Transfer calendar	**2022 Euro**	**(no auditado) 2021 Euro**	**2022 INR**	**(no auditado) 2021 INR**
Services transfered during the year	931,887,99	-	83,350,391.55	-
Total NI	**931,887,99**	**-**	**83,350,391.55**	**-**

g) The breakdown of net sales by type of contract, based on the sales channel, for fiscal year 2022 and fiscal year 2021, is as follows:

Net Income by sales channel	**2022 Euro**	**(no auditado) 2021 Euro**	**2022 INR**	**(no auditado) 2021 INR**
Transfer pricing	931,887,99	-	83,350,391.55	-
Total NI	**931,887,99**	**-**	**83,350,391.55**	**-**

2, Contract balances,

The opening and closing balances of accounts receivable, contract assets and contract liabilities arising from agreements with customers for fiscal year 2022 and prior years are as follows:

Amounts related to the contracts derived from agreements with clients	**2022 Euro**	**(no auditado) 2021 Euro**	**2022 INR**	**(no auditado) 2021 INR**
Balance of closing of receivables	246,073.73	-	22,009,449.60	-

In accordance with article 24 of the Resolution of February 10, 2021 of the ICAC, when the Company sells a product with a right of return, the following criteria shall be applied:

a) Revenue will be recognized for the products transferred for the amount of the consideration that the Company expects to receive, Therefore, no revenue is recognized for products that are expected to be returned to the Company,

b) A liability for reimbursement (a provision) will be recognized, and

c) An asset (and a corresponding adjustment to the change in inventories) is recognized for the right to recover products from customers, The asset (an inventory) will be valued by reference to the carrying value of the product sold less any expected costs to recover such products (including the potential decrease in the value of returned products),

3, Obligations to be fulfilled,

a) The Company fulfills the obligations towards the customer including the obligations in a post-invoicing delivery agreement at the following times:

> a,1) The Company at the time it ships/delivers the product to the customer fulfills the conditions with the customer,
>
> a,2) The Company as it renders/at the time the service is completed fulfills the obligations to the customer, That is to say, the transfer of control occurs over time and therefore revenue will be recognized according to the degree of progress of the service,
>
> a,3) In post-invoicing delivery agreements, the Company invoices the customer for a product and retains physical possession of the asset, In these contracts, the customer obtains control of the asset (even if the product remains in the physical possession of the Company) if it has the full ability to determine the use and obtain substantially all the benefits of the product, In such a case, on the date such circumstances are met (which may be the date of invoicing), the Company derecognizes the asset and recognizes the related revenue without prejudice to providing a custody or deposit service to the customer,

In particular, a customer obtains control of a product in a post-invoicing delivery arrangement when all of the following requirements are met:

i, There is evidence of the customer's willingness to acquire the asset,

ii, The product is separately identified as belonging to the customer,

iii, The proceeds are currently ready for physical transfer to the customer, and

iv, The Company cannot use the product nor does it have the power of disposition to deliver it to another customer,

b) The significant payment terms have been:

> b,1) The Company requires payment for its products at the time of delivery of the products; or
>
> b,2) The Company's contracts have a significant financing component due to the time that elapses between the time the customer pays for the asset and the time the Company transfers the asset to the customer and the magnitude of market interest rates; or
>
> b,3) The consideration is variable, whereby the amount is estimated and only included in the transaction price if it is highly probable that a significant reversal of the amount of revenue

recognized will not occur or when the uncertainty associated with the variable consideration is subsequently resolved,

c) The nature of the goods or services that the Company has committed to transfer, highlighting any obligation to arrange for a third party to transfer goods or services, i,e, whether the Company is acting as an agent or commission agent,

d) The obligations of return, reimbursement and other similar obligations,

	2022 Euro	(no auditado) 2021 Euro	2022 INR	(no auditado) 2021 INR
Amount of reimbursement liability (provision)	390,947.55	-	34,967,326.24	-
Total NI	**390,947.55**	**-**	**34,967,326.24**	**-**

e) Types of guarantees and related obligations

B, Information on significant judgments in the application of the recording and valuation standard,

1, The timetable in which it is estimated to meet the obligations assumed by the Company with the customer,

a) For the obligations assumed that the Company satisfies over time, the Company shall disclose the following aspects:

1st The methods used to determine the stage of completion and recognize revenue from ordinary activities have been:

Product method: revenues are recognized based on direct measurements of the value to the customer of the goods or services transferred up to the, in relation to the outstanding goods or services, Product methods include, but are not limited to, methods such as identification of units produced or delivered, milestones achieved or time elapsed,

If a fixed consideration is agreed that corresponds to the value of the activity that has been completed to date, revenue is recognized for the amount that is entitled to be invoiced,

Resource method: revenue is recognized on the basis of the cost of the production factors used by the entity, (i,e, labor hours accrued, other accrued expenses, elapsed time or machinery hours used) in relation to the total costs that the Company expects to incur to satisfy the obligation, In this case, straight-line revenue recognition may be appropriate when the Company's efforts or resources are expended evenly over the period,

b) For obligations that are satisfied at a point in time, significant judgments made to assess when a customer obtains control of the committed goods or services have been:

a, The customer assumes the significant risks and rewards incidental to ownership of the asset,

b, The Company has transferred physical possession of the asset,

c, The customer has received (accepted) the asset in accordance with contractual specifications,

d, The Company has a right of collection for transferring the asset,

e, The customer has ownership of the asset

2, The transaction price and the amounts allocated to each obligation,

a) The transaction price, which includes the adjustment to the consideration for the effects of the time value of money and the measurement of the consideration other than cash, have been as follows:

	2022 Euro	(no auditado) 2021 Euro	2022 INR	(no auditado) 2021 INR
Sales of godos and provison of services of variable price	931,887,99	-	83,350,391.55	-

C, Information on assets recognized for costs to obtain or fulfill a contract with a customer,

a) Incremental costs of obtaining a contract,

These are the disbursements incurred by the Company to obtain a contract with a customer and which would not have been incurred had the contract not been obtained,

These costs are charged to the income statement on a systematic basis consistent with the transfer of the goods and services to which they relate and are therefore accrued if the amount is expected to be recovered through the consideration received for the performance of the contract,

The costs of obtaining a contract that would have been incurred regardless of whether or not the contract is obtained are recorded as an expense when accrued unless the Company has a collection right against the customer for having incurred such disbursements,

b) Costs arising from the performance of a contract,

These are costs that relate directly to a contract in force or to an expected contract that can be specifically identified; that is, they are disbursements that generate or improve an asset that will be used to fulfill the obligation committed to with the customer,

These costs are classified as inventories when they constitute a production factor linked to the operating cycle, Otherwise they are treated as intangible fixed assets,

The subsequent allocation of these costs to the profit and loss account is carried out systematically and consistently with the transfer of the goods and services to which they relate,

11.2 EMPLOYEE BENEFIT COSTS AND PROVISIONS

The detail of the employee benefit costs and provisions is as follows:

Description	**2022 Euro**	**(no auditado) 2021 Euro**	**2022 INR**	**(no auditado) 2021 INR**
Wages and salaries	702,063.77	26,909.72	62,794,338.75	2,406,872.63
Employer social security costs	54,242.10	984.48	4,851,549.03	88,054.35
Total	**756,305.87**	**27,894.20**	**67,645,887.78**	**2,494.926.98**

11.3 OTHER EXPENSES

The composition of the caption "Other operating expenses" in the income statement for the years 2022 and 2021 is as follows:

Description	**2022 Euro**	**(no auditado) 2021 Euro**	**2022 INR**	**(no auditado) 2021 INR**
External services	**114,375.61**	**-**	**10,230,040.50**	**-**
Leases and taxes	64,013.33	-	5,725,512.27	-
Services of independent profesionals	9,825.40	-	878,808.33	-
Insurance premiums	2,224.54	-	198,968.42	-
Bank services and similars	1,961.82	-	175,470.09	-
Other services	36,350.52	-	3,251,281.39	-
Total	**114,375.61**	**-**	**10,230,040.50**	**-**

11.4 OTHER PROFIT/LOSS

There have been no movements in this item during the year,

12 INFORMATION ON THE ENVIRONMENT

At 31 December 2022 and 2021, there are no important assets dedicated to the protection and improvement of the environment, nor have any significant expenses been incurred of this nature during the financial year,

The Company's Governing Body does not expect any material contingencies to arise in relation to the protection and improvement of the environment and did not consider it necessary to recognise any provision for risks and expenses in this regard at 31 December 2022,

During the financial years ending in December 31st 2022 and 2021, no environmental grants were received,

13 EMPLOYEE REMUNERATION

During the financial years ended 31 December 2022 and 2021, the Administrative Body did not receive remuneration, its members were not granted advances or loans and they did not take on any obligations as surety bonds, At 31 December 2022 and 2021, there were no accrued liabilities in terms of pensions or similar with the members of the Board of Directors, nor were there debit or credit balances with them,

During the financial years ended 31 December 2022 and 2021, the Company's Board of Directors did not perform any transactions with the Company that were outside the ordinary course of business or in conditions other than those of the market,

The members of the Company's Board of Directors and those related to them were not involved in any conflict of interest which had to be reported in accordance with the provisions of Art, 229 of the Consolidated Text of the Spanish Capital Company Law (TRLSC),

There were no employees with a disability greater than or equal to thirty-three per cent during the financial year ended 31 December 2022,

The average number of employees of the Company during the financial year ending 31 December 2022, broken down by categories, is as follows:

Categories	Number of employees	
	Men	Women
Permanent employee	3	
Total	**3**	**-**

The gender of staff at the end of the financial year is categorised as follows:

Categories	2022		(non audited) 2021	
	Men	Women	Men	women
Address	3	-	3	-
Total	**3**	**-**	**3**	**-**

14 EVENTS AFTER THE REPORTING PERIOD

On January 19, 2023, the decision taken by the Board of Directors of the Company on September 29, 2022 to transfer the registered office to Sant Just Desvern (08960), Pont Reixat street, number 3, floor 1B, was notarized before the notary public of Barcelona, Mr, Miquel Tarragona Coromina, by means of deed number 101 of his protocol, In the opinion of the Board of Directors, no relevant event has come to light subsequent to the closing of the fiscal year except for the one indicated in the preceding paragraph,

15 RELATED-PARTY TRANSACTIONS

15.1 RELATED-PARTY BALANCES

Details of the balances receivable from and payable to group companies, including senior management personnel and the Administrative Body, and their main characteristics, are shown in Note 6,

At December 31, 2022 there is a balance with the Sole Shareholder amounting to 246,073,73 euros for an invoice issued to the Sole Shareholder pending collection,

At December 31, 2022, there is a balance with the Sole Shareholder in the amount of 390,947,55 euros corresponding to a provision for a rectifying invoice to this company,

The breakdown of the balances at the end of 2022 by category is as follows (in 2021 there were no balances with related parties):

Company name	Type of connection	Concept	Balance end of the year 2022 Euro	Balance end of the year 2022 INR
Bajaj Auto Limited	Sole shareholder	Issued invoice (Mark-up)	246,073.73	22,009,449.60
Bajaj Auto Limited	Sole Shareholder	Provision of rectificatve invoice	(390,947.55)	(34,967,326.25)
Total			**(144,873.82)**	**(12,957,876.65)**

15.2 TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

The amounts of the Company's transactions with related parties are as follows:

2022 Concept	Type of connection	Amount by type of transaction Euro	Amount by type of transaction INR
Income from services (Mark-up)	Sole Shareholder	931,887.99	83,350,391.55
Total		**931,887.99**	**83,350,391.55**

In 2021 there were no transactions of the Company with related parties,

Transactions of the Company with the Sole Shareholder

The contracts entered into between the Shareholder and the Company shall be recorded in writing or in the documentary form required by law in accordance with their nature, and shall be transcribed in a Company record book, which shall be legalized in accordance with the provisions of the Company's minute books, The annual report shall make express and individualized reference to these contracts, indicating their nature and conditions,

Information relating to the Company's Board of Directors and senior management personnel

During the fiscal years ended December 31, 2022 and 2021, the members of the Board of Directors have not received any remuneration, nor have they been granted any advances or credits and no obligations have been assumed on their behalf by way of guarantee, As of December 31, 2022 and 2021, there are no accrued pension or similar liabilities to the members of the Board of Directors of the Company, nor are there any debit or credit balances with them, During the year ended December 31, 2022 and 2021, the members of the Company's Board of Directors have not carried out any transactions with the Company outside the ordinary course of business or under conditions other than market conditions,

The directors or persons related to them have not reported any situation of conflict, direct or indirect, that they may have with the Company, as established in Article 229 of the Capital Companies Act,

16 OTHER DISCLOSURES

The nature and business purpose of the company's resolutions not presented in the balance sheet, and about which no information has been included in another note of the report, and their potential financial impact, provided that this information is significant and useful for the purposes of determining the company's financial position,

The EU Directive referenced the following under this kind of transaction:

- Special purpose vehicles
- Factoring and reverse factoring agreements
- Sales with repurchase agreements
- Consignment stock
- Securitization
- Operating leases
- Agreements with minimum penalty clauses
- Outsourcing agreements

Information must therefore be furnished in relation to these agreements, in so far as they have not been appropriately addressed in other sections,

Moreover, the tables of note 16 should be used as a reference to describe the number of employees (if any) and classify them by category, sex and, if applicable, degree of disability,

The auditing firm Auditia International, S,L,P, of the Company's financial statements has billed during the years ended December 31, 2022 and 2021, fees and expenses (net fees if we bill the expenses separately) for professional services, as follows:

	2022 Euro	**(non-audited) 2021 Euro**	**2022 INR**	**(non-audited) 2021 INR**
For Audit services of the accounts	4,000.00	-	357,770.00	-
Total	**4,000.00**	**-**	**357,770.00**	**-**

17 INFORMACIÓN SEGMENTADA

In this item, the Company will report the distribution of net revenues corresponding to its ordinary activities by categories of activities, as well as by geographic markets to the extent that, from the point of view of the organization of the sale of products and the provision of services or other revenues corresponding to the Company's ordinary activities, these categories and markets differ from each other in a significant manner,

The breakdown of net sales by category of activity and geographic market is as follows:

In Euro

2022	National	European Union	Outside of the EU	Total
Income for provision of servcies	-	-	931,887.99	-
Total	**-**	**-**	**931,887.99**	**-**

In INR

2022	National	European Union	Outside of the EU	Total
Income for provision of servcies	-	-	83,350,391.55	-
Total	**-**	**-**	**83,350,391.55**	**-**

18 REPORTING ABOUT GREENHOUSE GAS EMISSION ALLOWANCES

There have been no greenhouse gas emission allowances,

19 INFORMATION ABOUT DEFERRALS ON PAYMENTS TO SUPPLIERS: "DUTY TO REPORT" UNDER THE THIRD ADDITIONAL PROVISION OF ACT 15/2010, OF 5 JULY

Detailed below is the information required by the third additional provision of Act 15/2010, of 5 July, prepared in accordance with the resolution of the ICAC (Spanish Accounting and Audit Institute) of 29 January 2016, regarding the information to incorporate in the notes to financial statements regarding the average period of payment to suppliers in commercial transactions, The information on the average period of payment to suppliers is shown below:

	2022	2022
Item	**days**	**days**
Average period of payment to suppliers	18.76	18.76
Ratio of paid operations	99%	99%
Ratio of operations pending to be paid	1%	1%
	amount (euros)	**amount (INR)**
Total payments done	473,470.25	42,348,362.84
Total pending payments	7,009.71	626,965.99

In compliance with Law 18/2022, of September 28, on the Creation and Growth of Companies, the monetary volume and number of invoices paid in a period lower than the maximum established in the late payment regulations and the percentage that they represent over the total number of invoices and over the total monetary payments to its suppliers is as follows:

Monetary volume and number of invoices paid in a period lower than the maximum established in the late payment regulations,	**2022**	
		%
Monetary Volume	434,248,72 €	91,72
Number of invoices	28	8,28

Directors' Report for the year ended 31 December 2022,

For the year ended December 31, 2022, the profit and loss account shows a "Net turnover" of 931,887.99 euros (INR 83,350,391.55), which represents an increase compared to the previous year, The result for the year amounts to 52,697.02 euros profit (27,894.20 euros loss in 2021) –

INR 4,713,353.21 profit (INR 2,494.926.98 loss in 2021).

Company outlook

For the 2023 financial year, a significant increase in the Company's activity and business is expected compared with 2022, arising from the increase in income on the previous year,

Financial risk management and use of financial instruments

The Company faces the risks and uncertainty inherent to the sector in which it is active, as detailed in Note 4 to the financial statements,

Research and development activities

The Company has not performed any research and development activities, either in the present financial year or in previous years,

Acquisition of treasury stock

At 31 December 2022, the Company has not carried out any transaction with treasury stock in the financial year,

Significant events occurring after the reporting date

No further significant events have occurred after the reporting date,

BAJAJ AUTO SPAIN, S.L.U.

Preparation of the Financial Statements for financial year 2022

STATEMENT ON PREPARATION OF FINANCIAL STATEMENTS:

On 31 March 2023, and in accordance with the provisions of Article 253 of the Law on Capital Companies and Article 37 of the Code of Commerce, the Governing Body prepared the financial statements for the reporting period relating to 5 August 2022 to 31 December 2022, The financial statements comprise the accompanying documents preceding this certification,

Barcelona, 31 March 2023

Mr, Gianandrea Fabbro	**Mr, Ravi Kumar Srinivasan**	**Mr, Dinesh Thapar**