BAJAJ AUTO SPAIN, S.L.
(Sociedad Unipersonal)
INDEPENDENT AUDIT REPORT
ON THE FINANCIAL STATEMENTS
31ST DECEMBER 2024

PROTOCOL NUMBER 1.998

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, 2024, 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, 2024, 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.

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 Information: Director's Report

Other information refers exclusively to the 2024 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 2024 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.

AUDITIA INTERNATIONAL, S.L.P. (S0776)
Lluís Guerra Vidiella (15606)
Barcelona, April 23, 2025

BAJAJ AUTO SPAIN. S,L, (Sole-Shareholder Company)

Annual accounts and management report for the year ended 31 December 2024,

BAJAJ AUTO SPAIN, S.L. (Sole-Shareholder Company)

Notes to the annual accounts

BAJAJ AUTO SPAIN, S.L. (Sole-Shareholder Company)

Balance sheet for the years ended 31 December 2024

	ASSETS	NOTES	2024 Euro	2023 Euro	2024 INR	2023 INR
A)	**NON-CURRENT ASSETS**		**663,598.09**	**683,858.02**	**61,110,748**	**62,976,485**
II	**Tangible fixed assets**	**5**	**621,972.35**	**641,963.73**	**57,277,434**	**59,118,440**
2	Technical installations and other tangible fixed assets		621,972.35	205,735.72	57,277,434	18,946,203
3	Fixed assets under construction and advances		-	436,228.01	-	40,172,237
V	**Long-term financial investments**		**41,625.74**	**41,894.29**	**3,833,314**	**3,858,045**
5	Other financial assets		41,625.74	41,894.29	3,833,314	3,858,045
B)	**CURRENT ASSETS**		**254,964.57**	**105,309.53**	**23,479,688**	**9,697,954**
III	**Trade and other receivables**		**150,950.36**	**(31,847.93)**	**13,901,019**	**(2,932,876)**
2	Customers, group companies and associates		34,784.87	(141,412.99)	3,203,339	(13,022,722)
5	Current tax assets		10,251.77	-	944,085	-
6	Other receivables from general government		105,913.72	109,565.06	9,753,595	10,089,846
VI	**accruals**		**45,925.95**	**23,340.70**	**4,229,321**	**2,149,445**
VII	**Cash and cash equivalents**	**7**	**58,088.26**	**113,816.76**	**5,349,348**	**10,481,385**
TOTAL ASSETS (A + B)			**918,562.66**	**789,167.55**	**84,590,436**	**72,674,439**

	EQUITY AND LIABILITIES	NOTES	2024 Euro	2023 Euro	2024 INR	2023 INR
A)	**NET WORTH**		**787,874.18**	**697,099.28**	**72,555,334**	**64,195,874**
A-I)	**Own funds**		**787,874.18**	**697,099.28**	**72,555,334**	**64,195,874**
I	**Capital**		**600,000.00**	**600,000.00**	**55,254,000**	**55,254,000**
1	Assessed capital		600,000.00	600,000.00	55,254,000	55,254,000
III	**Reservations**		**97,099.28**	**24,802.82**	**8,941,874**	**2,284,092**
1	Legal and statutory		12,499.35	5,269.70	1,151,066	485,287
2	Other reservations		84,599.93	19,533.12	7,790,808	1,798,805
VII	**Result for the year**		**90,774.90**	**72,296.46**	**8,359,460**	**6,657,782**
B)	**NON-CURRENT LIABILITIES**		**-**	**-**	**-**	**-**
C)	**CURRENT LIABILITIES**		**130,688.48**	**92,068.27**	**12,035,102**	**8,478,565**
III	**Short-term debts**	**7**	**356.01**	**2,988.31**	**32,785**	**275,191**
2	Amounts owed to credit institutions		356.01	2,988.31	32,785	275,191
V	**Trade and other payables**	**7**	**130,332.47**	**89,079.96**	**12,002,317**	**8,203,374**
3	Sundry creditors		26,918.10	3,066.51	2,478,887	282,396
5	Current tax liabilities		32,054.55	21,122.48	2,951,904	1,945,169
6	Other debts to public administrations		71,359.82	64,890.97	6,571,526	5,975,809
TOTAL EQUITY AND LIABILITIES (A + B + C)			**918,562.66**	**789,167.55**	**84,590,436**	**72,674,439**

BAJAJ AUTO SPAIN, S.L. (Sole-Shareholder Company)

Profit and Loss Account for the years ended 31 December 2024

PROFIT AND LOSS ACCOUNT

		NOTES	2024 Euro	2023 Euro	2024 INR	2023 INR
A)	**CONTINUING OPERATIONS**					
1	**Net turnover**	**11**	**1,881,316.15**	**1,473,427.92**	**173,250,404**	**135,687,977**
b)	Service provision		1,881,316.15	1,473,427.92	173,250,404	135,687,977
6	**Staff costs**		**(1,099,867.19)**	**(1,050,094.17)**	**(101,286,770)**	**(96,703,172)**
a)	Wages. salaries and similar	11	(1,011,999.71)	(980,935.33)	(93,195,054)	(90,334,334)
b)	Social charges		(87,867.48)	(69,158.84)	(8,091,716)	(6,368,838)
7	**Other operating expenses**	**11**	**(593,768.73)**	**(275,766.95)**	**(54,680,162)**	**(25,395,378)**
a)	External services	11	(593,768.73)	(275,766.95)	(54,680,162)	(25,395,378)
8	**Depreciation of fixed assets**	**5**	**(60,117.01)**	**(51,274.83)**	**(5,536,175)**	**(4,721,899)**
13	**Other results**	**11**	**(5,144.23)**	**(978.01)**	**(473,732)**	**(90,065)**
A.1)	**OPERATING INCOME**		**122,418.99**	**95,313.96**	**11,273,565**	**8,777,463**
14	**Financial income**	**7**	**812.76**	**1,081.32**	**74,847**	**99,579**
b)	Marketable securities and other financial instruments		812.76	1,081.32	74,847	99,579
b1)	*From group and associated companies*		*812.76*	*1,081.32*	*74,847*	99,579
17	**Exchange rate differences**		**(157.80)**	**-**	**(14,532)**	**-**
A.2)	**FINANCIAL RESULT**		**654.96**	**1,081.32**	**60,315**	**99,579**
A.3)	**PROFIT BEFORE TAX**		**123,073.95**	**96,395.28**	**11,333,880**	**8,877,042**
20	**Taxation of profits**		**(32,299.05)**	**(24,098.82)**	**(2,974,420)**	**(2,219,260)**
A.5)	**RESULT FOR THE YEAR**	**3**	**90,774.90**	**72,296.46**	**8,359,460**	**6,657,782**

STATEMENT OF RECOGNISED INCOME AND EXPENDITURE

		NOTES	2024 Euro	2023 Euro	2024 INR	2023 INR
A)	**PROFIT AND LOSS ACCOUNT RESULT**	3	**90,774.90**	**72,296.46**	**8,359,460**	**6,657,782**
Income and expenses recognised directly in equity						
B)	**TOTAL INCOME AND EXPENSES CHARGED DIRECTLY TO NET ASSETS**		-	-	-	
Transfers to the profit and loss account						
C)	**TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT**		-	-	-	
TOTAL RECOGNISED INCOME AND EXPENDITURE			**90,774.90**	**72,296.46**	**8,359,460**	**6,657,782**

BAJAJ AUTO SPAIN, S.L. (Sole-Shareholder Company)

Statement of changes in equity for the years ending 31 December 2024

STATEMENT OF CHANGES IN TOTAL EQUITY

(In Euro)

		Capital Deeded	Reservations	Result previous years	Result for the year	TOTAL
A)	**BALANCE, END OF FINANCIAL YEAR 2022**	**600,000.00**	**-**	**(27,894.20)**	**52,697.02**	**624,802.82**
B)	**ADJUSTED BALANCE, START OF FINANCIAL YEAR 2023**	**600,000.00**	**-**	**(27,894.20)**	**52,697.02**	**624,802.82**
I,	Total recognised income and expenses	-	-	-	72,296.46	72,296.46
III,	Other changes in equity	-	-	27,894.20	(52,697.02)	(24,802.82)
C)	**BALANCE, END OF FINANCIAL YEAR 2023**	**600,000.00**	**-**	**-**	**72,296.46**	**672,296.46**
D)	**ADJUSTED BALANCE, START OF FINANCIAL YEAR 2024**	**600,000.00**	**-**	**-**	**72,296.46**	**672,296.46**
I,	Total recognised income and expenses	-	-	-	90,774.90	90,774.90
III,	Other changes in equity		97,099.28	-	(72,296.46)	24,802.82
E)	**BALANCE, END OF FINANCIAL YEAR 2024**	**600,000.00**	**97,099.28**	**-**	**90,774.90**	**787,874.18**

BAJAJ AUTO SPAIN, S.L. (Sole-Shareholder Company)

Statement of Changes in equity for the years ending 31 December 2024

STATEMENT OF CHANGES IN TOTAL EQUITY

(In INR)

		Capital Deeded	Reservations	Result previous years	Result for the year	TOTAL
A)	**BALANCE, END OF FINANCIAL YEAR 2022**	**55,254,000**	**-**	**(2,568,777)**	**4,852,869**	**57,538,092**
B)	**ADJUSTED BALANCE, START OF FINANCIAL YEAR 2023**	**55,254,000**	**-**	**(2,568,777)**	**4,852,869**	**57,538,092**
I	Total recognised income and expenses	-	-	-	6,657,782	6,657,782
III	Other changes in equity	-	-	2,568,777	(4,853,869)	(2,284,092)
C)	**BALANCE, END OF FINANCIAL YEAR 2023**	**55,254,000**	**-**	**-**	**6,657,782**	**61,911,782**
D)	**ADJUSTED BALANCE, START OF FINANCIAL YEAR 2024**	**55,254,000**	**-**	**-**	**6,657,782**	**61,911,782**
I	Total recognised income and expenses	-	-	-	8,359,460	8,359,460
III	Other changes in equity		8,941,873	-	(6,657,782)	2,284,092
E)	**BALANCE, END OF FINANCIAL YEAR 2024**	**55,254,000**	**8,941,873**	**-**	**8,359,460**	**72,555,334**

BAJAJ AUTO SPAIN, S.L. (Sole-Shareholder Company)

Statement of cashflow for the years ending 31 December 2024

		NOTES	2024 Euro	2023 Euro	2024 INR	2023 INR
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**					
1,	**Profit for the year before tax**	**10**	**123,073.95**	**96,395.28**	**11,333,880**	**8,877,041**
2,	**Adjustments to the result**		**59,304.25**	**50,193.51**	**5,461,328**	**4,622,320**
a)	Depreciation of fixed assets		60,117.01	51,274.83	5,536,175	4,721,899
g)	Financial income		(812.76)	(1,081.32)	(74,847)	(99,579)
3,	**Changes in working capital**		**(164,811.33)**	**(148,859.34)**	**(15,177,475)**	**(13,708,457)**
b)	Debtors and other receivables		(172,546.52)	(38,256.66)	(15,889,809)	(3,523,056)
c)	Other current assets		(22,585.25)	(17,955.37)	(2,079,876)	(1,653,510)
d)	Creditors and other accounts payable		30,320.44	(92,647.31)	2,792,210	(8,531,891)
4,	**Other cash flows from operating activities**		**(30,805.99)**	**(10,162.63)**	**(2,836,924)**	**(935,876)**
c)	Interest charges		812.76	-	74,847	-
d)	Payments (receipts) Profit taxes		(31,618.75)	(11,243.95)	(2,911,771)	(1,035,455)
e)	Other payments (receipts)			1,081.32		99,579
5,	**Cash flows from operating activities (+/- 1 +/-2 +/-3 +/-4)**		**(13,239.12)**	**(12,433.18)**	**(1,219,191)**	**(1,144,972)**
B)	**CASH FLOWS FROM INVESTING ACTIVITIES**		-	-	-	-
6,	**Investment payments**		**(40,125.63)**	**(282,568.43)**	**(3,695,169)**	**(26,021,727)**
c)	Tangible fixed assets		(40,125.63)	(282,568.43)	(3,695,169)	(26,021,727)
7,	**Divestment proceeds**		**268.55**	**2.11**	**24,732**	**195**
e)	Other financial assets		268.55	2.11	24,732	195
8,	**Cash flows from investing activities (6+7)**		**(39,857.08)**	**(282,566.32)**	**(3,670,437)**	**(26,021,532)**
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**		-	-	-	-
10,	**Proceeds and payments for financial liability instruments**		**(2,632.30)**	**2,988.31**	**(242,409)**	**275,193**
a)	Broadcast		(2,632.30)	2,988.31	(242,409)	275,193
2,	*Amounts owed to credit institutions*		*(2,632.30)*	*2,988.31*	(242,409)	275,193
12,	**Cash flows from financing activities (+/-9 +/-10 -11)**		**(2,632.30)**	**2,988.31**	**(242,409)**	**275,193**
D)	**Effect of exchange rate changes**		-	-	-	-
E)	**NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS**		**(55,728.50)**	**(292,011.19)**	**(5,132,037)**	**(26,891,311)**
Cash or cash equivalents at beginning of the year			113,816.76	405,827.95	10,481,385	37,372,696
Cash or cash equivalents at year end			58,088.26	113,816.76	5,349,348	10,481,385

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 2025.

1 EURO = Rs. 92.09

1. ACTIVITY OF THE COMPANY

Bajaj Auto Spain, S.L. Sociedad Unipersonal (hereinafter the Company) was incorporated in Spain on 5 August 2021 as a limited company for an unlimited period of time. Its registered office and tax domicile is located in Sant Just Desvern (08960), calle Pont Reixat, number 3, floor 1B. It is registered in the Mercantile Register of Barcelona, in Volume 47991, Folio 115, Page B 568600. Its tax identification number is B-16854481.

Its corporate purpose is as follows:

a) The provision of services to its group of companies and to third parties, related to the automotive and engineering sector in the field of engineering design, graphic design, product design, sketches, digital models or mock-ups, research and development activities, as well as innovation and product development of models of two, three and four-wheeled vehicles, motorised or not, as well as their parts.

b) The performance of studies, works, measurements, inspections, tests, market studies, identification and execution of projects, including but not limited to projects for the identification of areas for improvement, support services in the area of product design and development, as well as other auxiliary services in the automotive and engineering sector for all types of entities, both public and private, both in Spain and abroad.

c) The provision of various business support services in the automotive sector 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, organisation of campaigns, organisation of training, advertising services and all kinds of technical, advisory, consultancy, administrative and management services, both to its group of companies and to third parties both in Spain and abroad.

d) Any ancillary and preparatory services related to the aforementioned services, including the purchase, sale, import, export of parts, components, automotive products, engineering products, or any type of goods or services necessary for the execution of the aforementioned services within the Company's corporate purpose.

On 5 August 2021, Soumen Ray. Ravi Kumar Srinivasan and Gianandrea Fabbro were appointed as members of the Board of Directors of the Company. In turn, Soumen Ray was removed on 7 February 2022, according to a deed executed before the notary public of Barcelona Mr. Miquel Tarragona Coromina dated 31 May 2022, number 552 of his protocol. On 31 May 2022, Mr. Dinesh Thapar was appointed as a new member of the Board of Directors of the Company.

On 19 January 2023, the decision taken by the Board of Directors of the Company on 29 September 2022 to transfer the registered office to Sant Just Desvern (08960), calle Pont Reixat, number 3, floor 1B, was notarised before the notary public of Barcelona, Mr. Miquel Tarragona Coromina, by means of deed number 101 of his protocol.

The Company belongs to a group whose parent company is BAJAJ AUTO LTD. with registered office at 51st, Corporate Building, Mumbai Pune Road, Akurdi, Pune, 411035 Maharashtra (India), which is also the Sole Shareholder of the Company and files consolidated financial statements in India.

At 31 December 2024, the Company does not form a decision-making unit in accordance with Rule 13 of the Rules for the Preparation of Consolidated Financial Statements with other companies domiciled in Spain

The end of the fiscal year is 31 December of each year.

The annual accounts are presented in euro, which is the Company's functional and presentation currency.

2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

2.1. FAITHFUL IMAGE

The Board of Directors is of the opinion that the annual accounts for the financial year 2024, which have been prepared on 31 March 2025, will be approved by the General Meeting of Shareholders without modification.

The annual accounts have been prepared on the basis of the accounting records for 2024. The annual accounts for the financial year 2024 have been prepared in accordance with current mercantile legislation and with the rules established in the General Accounting Plan and its sectorial adaptations based on Royal Decree 1/2021, of 12 January, amending the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November and subsequent amendment by Royal Decree 602/2016 of 2 December, in order to give a true and fair view of the Company's equity and financial position at 31 December 2024 and of the results of its operations, changes in equity and cash flows for the year then ended.

2.2. NON-MANDATORY ACCOUNTING PRINCIPLES APPLIED

No non-mandatory accounting principles have been applied.

2.3. CRITICAL ASPECTS OF VALUATION AND ESTIMATION OF SIGNIFICANT UNCERTAINTIES AND JUDGEMENTS IN THE APPLICATION OF ACCOUNTING POLICIES

The preparation of the annual accounts requires the application of significant accounting estimates and the making of judgements, estimates and assumptions in the process of applying the Company's accounting policies. In this regard, the following is a summary of the aspects that have involved a greater degree of judgement, complexity or in which the assumptions and estimates are significant for the preparation of the annual accounts.

In preparing the accompanying financial statements, estimates made by the Board of Directors have been used to assess some of the assets, liabilities, income, expenses and commitments recorded therein and the situation in 2024, the increase in costs arising from inflation and armed conflicts, as well as their possible effects on the economy in general and on the company in particular, there being no risk of continuity in its activity.

Although these estimates have been made on the basis of the best information available at year-end 2024, it is possible that future events may make it necessary to change these estimates (upwards or downwards) in future years, which would be done prospectively.

2.4. COMPARISON OF 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 the financial year 2024, the figures for the previous financial year, which formed part of annual accounts for the financial year 2023, approved by the Sole Shareholder on 10 May 2024.

2.5. GROUPING OF ITEMS

Certain items in the balance sheet, income statement, statement of changes in equity, statement of recognised income and expense and cash flow statement are grouped together for ease of understanding, although, to the extent material, the information is disclosed in the relevant notes to the financial statements.

2.6. ELEMENTS COLLECTED UNDER VARIOUS HEADINGS

There are no assets and liabilities recorded or included in two or more balance sheet items.

2.7. CORRECTION OF ERRORS

There were no errors during the year.

3 IMPLEMENTATION OF RESULTS

The distribution of the Company's profit for the year ended 31 December 2023 was approved by the Sole Shareholder on 10 May 2024. The proposed appropriation of the profit for the year ended 31 December 2024 made by the Company's Management Body and to be submitted to the Sole Shareholder for approval is as follows (in Euro):

Delivery basis	**Amount Euro**	**Amount INR**
Balance of the profit and loss account.	90,774.90	8,359,460
Total.	**90,774.90**	**8,359,460**
Delivery basis	**Amount Euro**	**Amount INR**
A legal reserve	9,077.49	8,359,46
To voluntary reserves.	81,697.41	7,523,514
Total.	**90,774.90**	**8,359,460**

4 RECORDING AND VALUATION RULES

4.1 TANGIBLE FIXED ASSETS

Initial recognition

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

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

The capitalisation of the cost of production is made through the heading "Capitalised costs" in the profit and loss account. Ancillary income earned during the testing and commissioning period is recognised as a reduction of the costs incurred. Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

Fixed assets received as a non-monetary capital contribution are measured at their fair value at the time of the contribution.

Investments are amortised over the shorter of their useful life or the term of the lease contract.

Depreciation

Property, plant and equipment are depreciated by allocating their depreciable amount on a systematic basis over their useful lives. For these purposes, the depreciable amount is taken 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 item and a useful life that differs from that of the rest of the item.

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

	Depreciation method	Years of estimated useful life
Information processing equipment	Linear	4
Furniture	Linear	10

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 recognised as a change in estimate.

Subsequent costs

Subsequent to initial recognition of the asset, costs incurred are capitalised only to the extent that they result in increased capacity, productivity or a lengthening of the useful life of the asset, and the carrying amount of the replaced items is written off. In this respect, the costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Replacements of items of property, plant and equipment eligible for capitalisation result in a reduction in the carrying amount of the replaced items. Where the cost of the replaced items has not been depreciated separately and it is not practicable to determine their carrying amount, the cost of the replacement is used as an indication of the cost of the items at the time of acquisition or construction.

Impairment of assets

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

4.2. LEASES

Lessee's accounts

Lease contracts, which, at inception, transfer substantially all the risks and rewards incidental to ownership of the assets to the Company, 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 recognised as an expense on a straight-line basis over the lease term unless another systematic basis of allocation is more representative of the time pattern of the lease's benefits.

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

4.3. FINANCIAL INSTRUMENTS

The Company records under financial instruments those contracts that give rise to a financial asset in one company and, simultaneously, to a financial liability or equity instrument in another company. Therefore, this standard applies to the following financial instruments:

a) Financial assets:

- Cash and cash equivalents.
- Trade receivables: trade receivables and sundry debtors;
- Receivables from third parties: such as financial loans and receivables, including those arising from the sale of non-current assets;
- Debt securities of other companies purchased: such as bonds, debentures and notes;
- Equity instruments of other companies acquired: shares, units in collective investment undertakings and other equity instruments;
- Derivatives with favourable valuation for the company: including futures or forward transactions, options, swaps and forward foreign exchange contracts; and
- Other financial assets: such as deposits with credit institutions, advances and loans to staff, guarantees and deposits given, dividends receivable and calls on own equity instruments.

b) Financial liabilities:

- Trade payables: suppliers and sundry creditors;
- Debts to credit institutions;

- Bonds and other negotiable securities issued: such as bonds and notes;
- Derivatives with an unfavourable valuation for the company: these include futures or forward transactions, options, swaps and forward foreign exchange contracts;
- Debts with special features, and
- Other financial liabilities: liabilities to third parties, such as financial loans and credits received from persons or companies other than credit institutions, including those arising on the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on equity investments.

(c) own equity instruments: all financial instruments that are included in own funds, such as issued ordinary shares or equity participations.

Classification of Financial Assets:

a) *Financial assets at fair value through profit or loss.*

All financial assets are included in this category unless they are classified in one of the other categories. Financial assets held for trading are mandatorily included in this category.

For equity instruments that are neither held for trading nor measured at cost, the Company may make an irrevocable election at initial recognition to present subsequent changes in fair value directly in equity.

In any case, the Company may, on initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a valuation inconsistency or asymmetry.

- Initial measurement: they are measured at fair value. Transaction costs directly attributable to them are recognised in the income statement for the year.
- Subsequent valuation: Fair value through profit and loss.
- Impairment: They are not impaired as they are at all times valued at fair value, with changes in value being taken to profit or loss for the year.

b) *Financial assets at amortised cost*

A financial asset is included in this category, even when it is admitted to trading on an organised market, if the Company holds the investment for the purpose of receiving cash flows from the performance of the contract and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding. Contractual cash flows that are solely collections of principal and interest on the principal amount outstanding are inherent in an arrangement that is in the nature of a regular or ordinary loan, notwithstanding that the transaction is arranged at a zero or below-market interest rate. In general, this category includes trade receivables (financial assets arising from the sale of goods and the rendering of services in connection with the Company's business transactions with deferred payment) and non-trade receivables (financial assets which, not being equity instruments or derivatives, are not of a commercial nature and whose collections are of a determined or determinable amount and which arise from loans or credit operations granted by the Company). In other words, this category includes loans and receivables, as well as debt securities with a fixed maturity date and fixed or determinable payments that are traded in an active market and that the Company intends and has the ability to hold to maturity.

- Initial measurement: They are initially measured at fair value plus directly attributable transaction costs. However, trade receivables maturing in less than one year and which do not have an explicit contractual interest rate, as well as receivables from personnel, dividends receivable and payments due on equity instruments, the amount of which is expected to be received in the short term, may be measured at nominal value when the effect of not discounting cash flows is not material.
- Subsequent measurement: at amortised cost and accrued interest is recognised in the profit and loss account using the effective interest method.

  However, loans and advances falling due in less than one year which, in accordance with the provisions of the preceding paragraph, are initially valued at their nominal value shall continue to be valued at that amount, unless they are impaired.
  When the contractual cash flows of a financial asset change due to the issuer's financial difficulties, the Company assesses whether an impairment loss should be recognised.

- Impairment: The Company records impairment losses for the difference between the recoverable amount of receivables and the carrying amount at which they are recorded.

  At least at the end of each reporting period, impairment losses are recognised whenever there is objective evidence that a financial asset in this category, or a group of financial assets with similar risk characteristics measured collectively, is impaired as a result of one or more events that occurred after initial recognition and that result in a reduction or delay in the estimated future cash flows, which may be caused by the debtor's insolvency.

  The impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows, including, where applicable, those arising from the enforcement of collateral and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition.

  Impairment losses, and their reversal when the amount of the impairment loss decreases due to a subsequent event, are recognised as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the asset that would have been recognised at the date of reversal had no impairment loss been recognised.

c) *Financial assets at cost*

This category includes, inter alia, equity investments in Group companies, jointly controlled entities and associates, as well as other equity investments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or a reliable estimate thereof cannot be obtained.

Also included in this category are participating loans whose interest is contingent and any other financial assets that were initially classified in the fair value through profit or loss portfolio when it is not possible to obtain a reliable estimate of their fair value.

Initial measurement: they are measured at cost, which is the fair value of the consideration given plus directly attributable transaction costs.

- Subsequent measurement: equity instruments included in this category are measured at cost less any accumulated impairment losses.
- Impairment: At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the carrying amount of an investment is not recoverable. The Company recognises impairment losses for the difference between the carrying amount and

the recoverable amount, the latter being the higher of fair value less costs to sell and the present value of the future cash flows arising from the investment, which in the case of equity instruments is calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee from its ordinary activities and from the disposal or derecognition of the investment.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this type of asset is calculated on the basis of the equity of the investee and the unrealised gains existing at the valuation date, net of the tax effect. In determining this value, and provided that the investee has in turn invested in another investee, the equity included in the consolidated annual accounts prepared using the criteria of the Commercial Code and its implementing regulations is taken into account.

The recognition of impairment losses and, where applicable, their reversal, are recognised as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the investment that would have been recognised at the date of reversal had no impairment loss been recognised.

d) *Financial assets at fair value through equity.*

A financial asset is included in this category when the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding, and it is not held for trading or classified as a financial asset at amortised cost. Also included in this category are investments in equity instruments that should have been included in the fair value through profit or loss category but for which an irrevocable option to classify them in this category has been exercised.

- Initial valuation: Fair value, which, in the absence of evidence to the contrary, is the transaction price, which is the fair value of the consideration given, plus directly attributable transaction costs.

- Subsequent measurement: fair value, without deducting any transaction costs that may be incurred on disposal. Changes in fair value are recognised directly in equity until the financial asset is derecognised or impaired, at which time the amount so recognised is taken to the income statement.

- Impairment: At least at the end of the reporting period, impairment write-downs are made whenever there is objective evidence that a financial asset is impaired as a result of one or more events that occurred after its initial recognition and that cause the asset to become impaired:
  - delay in estimated future cash flows; or
  - the lack of recoverability of the carrying amount of the asset, as evidenced, for example, by a prolonged or significant decline in its fair value.

  The impairment loss on these financial assets is the difference between their cost or amortised cost less any impairment loss previously recognised in the income statement and the fair value at the time of measurement. Cumulative losses recognised in equity due to a decrease in fair value, provided that there is objective evidence of impairment in the value of the asset, are recognised in the income statement.

  If the fair value is increased in subsequent periods, the valuation adjustment recognised in prior periods is reversed with a credit to the profit and loss account of the period. However, if the fair value of an equity instrument increases, the fair value adjustment recognised in prior periods is not reversed with a credit to the income statement and the increase in fair value is recognised directly in equity.

Reclassification of financial assets

When the Company changes the way in which it manages its financial assets to generate cash flows, it shall reclassify all affected assets in accordance with the criteria set out in the preceding sections of this standard. A reclassification is not a derecognition but a change in measurement basis.

The following reclassifications are possible:

- Reclassification of financial assets at amortised cost to the category of financial assets at fair value through profit or loss and vice versa.
- Reclassification of financial assets at amortised cost to the category of financial assets at fair value through equity and vice versa.
- Reclassification of financial assets at fair value through profit or loss to the category of financial assets at fair value through equity and vice versa.
- Reclassification of investments in equity instruments measured at cost to financial assets at fair value through profit or loss and vice versa.

Interest and dividends received from financial assets

Interest and dividends on financial assets accrued after the time of acquisition are recognised as income in the income statement. Interest on financial assets measured at amortised cost is recognised using the effective interest method and dividend income from investments in equity instruments is recognised when the Company's rights to receive it have arisen.

In the initial measurement of financial assets, the amount of explicit interest accrued but not yet due at that time and the amount of dividends declared by the competent body at the time of acquisition are recognised separately on the basis of their maturity.

Also, if the dividends distributed clearly arise from profits generated prior to the acquisition date because amounts in excess of the profits generated by the investee since acquisition have been distributed, they are not recognised as income and reduce the carrying amount of the investment.

The judgement as to whether profits have been generated by the investee is made solely on the basis of the profits recognised in the individual profit and loss account since the date of acquisition, unless it is clear that the distribution out of those profits is to be regarded as a recovery of the investment from the perspective of the entity receiving the dividend.

Derecognition of financial assets

The Company derecognises financial assets when the rights to the cash flows from the financial asset expire or have been transferred and the risks and rewards of ownership have been substantially transferred. In the specific case of receivables, this is generally considered to be the case if the risks of insolvency and default have been transferred.

When the financial asset is derecognised, the difference between the consideration received net of attributable transaction costs and the carrying amount of the asset, plus any cumulative amount recognised directly in equity, determines the gain or loss arising on derecognition, which forms part of the profit or loss for the period in which the gain or loss arises.

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

e) *Cash and cash equivalents*

This item in the accompanying balance sheet includes cash on hand and at banks, demand deposits and other short-term, highly liquid investments with a maturity of less than three months, which are readily realisable in cash and are not subject to a risk of changes in value.

Classification of financial liabilities

Financial liabilities, for valuation purposes, are included in one of the following categories:

a) *Financial liabilities at amortised cost or cost.*

All financial liabilities are classified in this category except when they are to be measured at fair value through profit or loss. In general, trade payables and non-trade payables are included in this category.

Participating loans having the characteristics of an ordinary or common loan are also included in this category without prejudice to the fact that the transaction is agreed at a zero or below- market interest rate.

- Initial measurement: They are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is the fair value of the consideration received adjusted for directly attributable transaction costs. However, trade payables maturing in less than one year and not bearing a contractual interest rate, as well as disbursements required by third parties on equity investments, the amount of which is expected to be paid in the short term, may be measured at nominal value when the effect of not discounting cash flows is not material.
- Subsequent measurement: at amortised cost. Accrued interest is recognised in the profit and loss account using the effective interest rate method. However, debts maturing in less than one year which, in accordance with the provisions of the previous paragraph, are initially valued at their nominal value, continue to be valued at that amount.

b) *Financial liabilities at fair value through profit or loss.*

Financial liabilities that meet some of the following conditions are classified in this category:

- They are liabilities that are held for trading;
- These are liabilities that, from initial recognition, have been irrevocably designated by the entity to be carried at fair value through profit or loss, provided that the designation meets the objective set out in the accounting policy.
- Optionally and irrevocably, hybrid financial liabilities may be included in their entirety in this category subject to the requirements of the PGC.

- Initial measurement: fair value, which, in the absence of evidence to the contrary, is the transaction price, which is the fair value of the consideration received. Directly attributable transaction costs are recognised in the income statement for the year.
- Subsequent valuation: Fair value through profit and loss.

Derecognition of financial liabilities

The Company derecognises a financial liability, or part of a financial liability, when the obligation is extinguished, ie when it is discharged, cancelled or expires.

Bonds given and received

Deposits or guarantees provided as security for certain obligations are measured at the amount actually paid, which does not differ significantly from their fair value.

For deposits given or received under operating leases or for the provision of services, the difference between their fair value and the amount paid is treated as an advance payment or collection for the lease or the provision of the service, which is taken to profit or loss during the period of the lease or during the period in which the service is provided, in accordance with the standard on revenue from sales and services.

In estimating the fair value of the collateral, the remaining period is taken as the minimum committed contractual period during which the collateral cannot be repaid, without taking into account the statistical behaviour of repayment.

When the bond is short-term, discounted cash flows are not required if their effect is not material.

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

In general, in the valuation of financial instruments measured at fair value, the Company calculates fair value by reference to a reliable market value, with the quoted price in an active market being the best reference for fair value. For those instruments for which there is no active market, fair value is obtained, where appropriate, by applying valuation models and techniques.

The carrying amount of trade receivables and payables is assumed to approximate fair value.

c) *Derivative financial instruments and hedge accounting*

The Company classifies hedging transactions into the following categories:

a) Fair value hedge: hedges the exposure to changes in the fair value of recognised assets or liabilities or unrecognised firm commitments, or a specific portion thereof, attributable to a particular risk that could affect the profit and loss account (e.g. entering into a swap to hedge the risk of fixed rate financing).

   Changes in the value of the hedging instrument and the hedged item attributable to the hedged risk shall be recognised in the profit and loss account.

   When the hedged item is an unrecognised firm commitment or a component of a firm commitment, the cumulative change in the fair value of the hedged item subsequent to its designation shall be recognised as an asset or a liability and the related gain or loss shall be reflected in the profit or loss account.

   Changes in the carrying amount of hedged items that are measured at amortised cost shall imply an adjustment, either from the time of the change or (at the latest) from the time hedge accounting ceases, to the effective interest rate of the instrument.

b) Cash flow hedge: hedges the exposure to variability in cash flows that is attributable to a particular risk associated with all or a component of a recognised asset or liability (such as entering into a swap to hedge the risk of floating rate financing), or to a highly probable forecast transaction (for example, hedging the foreign currency risk associated with forecast purchases and sales of foreign currency property, plant and equipment, goods and services), and that may affect the profit and loss account. A hedge of the foreign currency risk of a firm commitment may be accounted for as a cash flow hedge or as a fair value hedge.

   The Company is exposed to fluctuations in exchange rates in the various countries in which it operates. In order to mitigate this risk, it follows the practice of formalising, on the basis of its forecasts and budgets, hedging contracts for exchange rate risk when the outlook for market trends so advises.

   It is also exposed to exchange rate fluctuations in the different currencies in which it has debt with financial institutions, and therefore hedges this type of transaction when the outlook for the market so advises.

   On the other hand, it is exposed to variations in interest rate curves as it maintains all its debt with financial institutions at variable interest rates. In this regard, the Company enters into interest rate hedging contracts, basically through contracts with structures that guarantee maximum interest rates.

   At year-end the contracts in force have been valued by comparing, for each contract individually, the agreed price with the quotation of each currency and, where applicable, with the reference interest rate at the closing date, with changes in value being recognised in the income statement.

Compound financial instruments

The issue of exchangeable bonds by the Company meets the requirements established by the Spanish National Chart of Accounts to be considered as financial liabilities. For this reason, the amount corresponding to the liability element of the equity component, which represents the fair value of the embedded option of this instrument, is distinguished from the net amount received from the issue of the bonds.

4.4. FOREIGN CURRENCY TRANSACTIONS

Transactions, balances and flows in foreign currencies

Transactions in foreign currencies have been translated into euro by applying to the foreign currency amount the spot exchange rate at the dates of the transactions.

Transactions in foreign currencies have been translated into euro by applying to the foreign currency amount the average exchange rate of the period for all transactions that have taken place during that interval.

Monetary assets and liabilities denominated in foreign currencies have been translated into euro at the year-end rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the date on which the transactions took place.

Non-monetary assets measured at fair value have been translated into euro at the exchange rate at the date of their measurement.

In the presentation of the cash flow statement, cash flows from foreign currency transactions have been translated into euro by applying to the foreign currency amount the spot exchange rate at the dates on which they occur.

In the presentation of the cash flow statement, flows from foreign currency transactions have been translated into euro by applying to the foreign currency amount the average exchange rate for the period (indicate periodicity) for all flows occurring during that interval.

The effect of exchange rate changes on cash and cash equivalents denominated in foreign currencies is presented separately in the cash flow statement as "Effect of exchange rate changes".

Positive and negative differences arising on the settlement of foreign currency transactions and on the translation of monetary assets and liabilities denominated in foreign currencies into euro are recognised in profit or loss.

Monetary financial assets denominated in foreign currencies classified as available-for-sale and measured at fair value are deemed to be carried at amortised cost in the foreign currency and therefore exchange differences associated with changes in amortised cost are recognised in profit or loss and the remaining change in fair value is recognised as described in section 4.

Foreign exchange gains or losses on non-monetary financial assets and liabilities measured at fair value are recognised together with the change in fair value. However, the foreign exchange component of the change in the exchange rate of non-monetary financial assets denominated in foreign currencies classified as available-for-sale and qualifying as hedged items in fair value hedges of that component is recognised in profit or loss. The remainder of the change in fair value is recognised as described in section 4.

4.5. PROFIT TAX

Income tax expense or income comprises both current tax and deferred tax.

Current income tax assets or liabilities are measured at the amounts expected to be paid to or recovered from the taxation authorities, using tax rates and tax laws in force or enacted and pending publication at the reporting date.

Current or deferred income tax is recognised in profit or loss, unless it arises from a transaction or economic event that is recognised in the same or a different period, against equity or from a business combination.

Recognition of deferred tax liabilities

The Company recognises deferred tax liabilities in all cases, except when they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the date of the transaction affects neither accounting profit nor taxable profit or tax loss.
Recognition of deferred tax assets

The Company recognises deferred tax assets whenever it is probable that sufficient future taxable profit will be available against which the deferred tax asset can be utilised or when tax legislation provides for the possibility of future conversion of deferred tax assets into a receivable from the tax authorities.

The Company recognises the conversion of a deferred tax asset into a receivable from the tax authorities when it is due in accordance with current tax legislation. For this purpose, the deferred tax asset is derecognised with a charge to deferred income tax expense and the receivable with a credit to current income tax. Similarly, the Company recognises the exchange of a deferred tax asset for government debt securities when ownership is acquired.

The Company recognises the payment obligation arising from the provision of the asset as an operating expense with a credit to the receivable from public authorities when it is accrued in accordance with the Corporate Income Tax Act.

However, assets arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and at the date of the transaction affects neither accounting profit nor taxable profit or tax loss are not recognised.

In the absence of evidence to the contrary, it is not considered probable that future taxable profits will be available to the Company when their future recovery is expected to take place more than ten years from the year-end date, regardless of the nature of the deferred tax asset, or in the case of credits arising from tax credits and other tax benefits not yet available for tax purposes due to insufficient taxable profit, when the activity has been carried out or the income has been obtained that gives rise to the right to the tax credit or tax relief and there are reasonable doubts as to whether the requirements to claim the tax credit or tax relief have been met.

The Company only recognises deferred tax assets arising from tax loss carryforwards to the extent that it is probable that future taxable profits will be available against which they can be utilised within a period not exceeding that established by the applicable tax legislation, subject to a maximum limit of ten years, unless there is evidence that their recovery is probable within a longer period, when the tax legislation allows them to be utilised within a longer period or does not establish time limits on their offset.

Conversely, it is considered probable that the Company has sufficient taxable profits to recover the deferred tax assets, provided that there are sufficient taxable temporary differences relating to the same tax authority and the same taxable entity, the reversal of which is expected in the same tax year in which the deductible temporary differences are expected to reverse or in years in which a tax loss arising from a deductible temporary difference can be offset against earlier or later taxable profits.

The Company recognises deferred tax assets that have not been recognised because they exceed the ten-year recovery period, to the extent that the future reversal period does not exceed ten years from the end of the reporting period or when there are sufficient taxable temporary differences.

In determining future taxable profits, the Company takes into account tax planning opportunities where it intends to adopt or is likely to adopt them.

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that will apply in the years in which the assets are expected to be realised or the liabilities are expected to be settled, based on tax rates and tax laws in force or approved and pending publication, taking into account the tax consequences that will arise from the manner in which the Company expects to recover the assets or settle the liabilities. For these purposes, the Company has considered the deduction for reversal of temporary measures developed in the thirty-seventh transitory provision of Law 27/2014, of 27 November, on Corporate Income Tax, as an adjustment to the tax rate applicable to the deductible temporary difference associated with the non- deductibility of the depreciations made in 2013 and 2014.

Compensation and classification

The Company only offsets income tax assets and liabilities if there is a legal right to set them off against the tax authorities and it intends either to settle the resulting amounts on a net basis 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 or liabilities, regardless of the expected date of realisation or settlement.

4.6. INCOME AND EXPENDITURE

A company recognises revenue in the ordinary course of business when control of the goods or services committed to customers is transferred. At that time, the company measures revenue at the amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services.

Revenue is not recognised on exchanges of homogeneous items such as exchanges of finished goods, or goods that are interchangeable between two companies in order to be more efficient in their commercial efforts to deliver the product to their respective customers.

Acknowledgement

A company recognises revenue from a contract when (or as) control over the committed goods or services (ie the obligation(s) to be performed) is transferred to the customer.

Control of a good or service (an asset) refers to the ability to decide fully on the use of that item of property, plant and equipment and to obtain substantially all of its remaining benefits. Control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment undertaken will be fulfilled over time or at a specific point in time.

Revenue from commitments (generally for the rendering of services or the sale of goods) that are fulfilled over time is recognised by reference to the stage of completion or progress towards complete fulfilment of the contractual obligations, provided that the company has reliable information to measure the stage of completion.

The company reviews and, if necessary, revises estimates of revenue to be recognised as it fulfils its commitment. The need for such revisions does not necessarily indicate that the outcome of the transaction cannot be estimated reliably.

When, at a given date, the company is unable to reasonably measure the extent to which the obligation has been fulfilled (for example, in the early stages of a contract), but expects to recover the costs incurred to fulfil the commitment, only revenue and consideration equal to the costs incurred up to that date are recognised .

In the case of contractual obligations that are to be performed at a specific point in time, revenue from their performance is recognised at that date. Until such time, costs incurred in the production or manufacture of the product (goods or services) are recognised as inventories.

When there are doubts regarding the collectibility of the receivable previously recognised as revenue from sales or services, the impairment loss is recognised as an impairment expense rather than as a reduction in revenue.

Fulfilment of the obligation over time

A firm transfers control of an asset (usually a service or product) over time when one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the company's activity (usually the provision of a service) as the entity performs it, as is the case with some recurring services (security or cleaning). In such a case, if another company were to take over the contract it would not need to substantially re-perform the work completed to date.

(b) The company produces or improves an asset (tangible or intangible) that the customer controls as the activity is performed (eg a construction service performed on the customer's land).

(c) The enterprise produces a specific asset for the customer (typically a complex technical facility or service or a particular good with unique specifications) without an alternative use and the enterprise has an enforceable right to payment for the activity that has been completed to date (for example, consultancy services that result in a professional opinion for the customer).

If the transfer of control over the asset does not occur over time, the enterprise recognises revenue using the criteria for obligations that are discharged at a point in time.

Indicators of compliance with the obligation at a moment in time

In order to identify the specific point in time at which the customer obtains control of the asset (usually an asset), the company considers, among others, the following indicators:

(a) The customer assumes the significant risks and rewards of ownership of the asset. In assessing this, the entity excludes any risk that gives rise to a separate obligation other than a commitment to transfer the asset. For example, the company may have transferred control of the asset but not satisfied the obligation to provide maintenance services for 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 an asset. For example, in some repurchase agreements and some warehouse agreements, a customer or consignee may have physical possession of an asset that is controlled by the company transferring the asset and, therefore, the asset cannot be considered transferred. Conversely, in post-invoicing delivery arrangements, the company may have physical possession of an asset that is controlled by the customer.

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

However, if the company cannot objectively determine that the good or service provided to the customer meets the specifications agreed in the contract, it cannot conclude that the customer has obtained control until it receives the customer's acceptance.

When products (goods or services) are delivered to a customer on a trial or evaluation basis and the customer has not committed to pay the consideration until the trial period expires, control of the product has not been transferred to the customer until the customer accepts the product or the trial period expires without a statement of non-conformance.

(d) The company has a receivable for transferring the asset.

(e) The customer has ownership of the asset. However, where the firm retains ownership only as protection against default by the customer, this would not prevent the customer from gaining control of the asset.

Valuation

Revenue from the sale of goods and the rendering of services is measured at the monetary amount or, where appropriate, the fair value of the consideration received or expected to be received, which, unless there is evidence to the contrary, is the agreed price of the assets to be transferred to the customer, less: the amount of any discounts, rebates or other similar items that the company may grant; and interest included in the nominal amount of the receivables. However, embedded interest on trade receivables maturing within one year that do not have a contractual interest rate may be included when the effect of not discounting cash flows is not material.

Taxes levied on the delivery of goods and services which the company must pass on to third parties, such as value added tax and excise duties, as well as amounts received on behalf of third parties, do not form part of income.

The company takes into account the best estimate of the variable consideration in measuring revenue if it is highly probable that there will not be a material reversal of the amount of revenue recognised when the uncertainty associated with the consideration is subsequently resolved.

By way of exception to the general rule, variable consideration related to licensing arrangements, in the form of a share of the sales or use of those assets, is recognised only when (or as) the later of the following events occurs:

(a) the sale or subsequent use takes place; or

(b) the obligation assumed by the undertaking under the contract and to which some or all of the variable consideration has been allocated is satisfied (or partially satisfied).

4.7. PROVISIONS AND CONTINGENCIES

General criteria

Provisions are recognised when the Company has a present legal, contractual, constructive or constructive obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amounts recognised in the balance sheet are the best estimate at the reporting date of the expenditure required to settle the present obligation after taking into account the risks and uncertainties related to the provision and, where material, the financial effect of discounting, provided that the expenditure to be made in each period can be reliably determined. The discount rate is determined on a pre-tax basis, taking into account the time value of money as well as the specific risks that have not been considered in the future flows related to the provision at each reporting date.

Single obligations are valued by the most likely individual outcome. If the obligation involves a large population of homogeneous items, the obligation is valued by weighting the possible outcomes by their probabilities. If there is a continuous range of possible outcomes and each point in the range has the same probability as the others, the obligation is valued at the average amount.

The financial effect of provisions is recognised as financial expenses in the profit and loss account.

Provisions do not include the tax effect, nor expected gains on the disposal or abandonment of assets.

Reimbursement claims receivable from third parties to settle the provision are recognised as a separate asset when there are no doubts about their effective collection. The reimbursement is recognised as income in the profit and loss account in accordance with the nature of the expense, up to the amount of the provision.

In those cases where the Company has externalised the hedged risk to a third party through a legal or contractual agreement, the provision is recognised only for the portion of the risk assumed.

Provisions are reversed through profit or loss when it is not probable that an outflow of resources will be required to settle the obligation.

Provisions for taxes

The amount of provisions for taxes corresponds to the estimated amount of tax liabilities determined in accordance with the general criteria set out above. Provisions are charged to income tax for the tax payable for the year, to financial expenses for late payment interest and to other income for the penalty. The effects of changes in the estimate of provisions for prior years are recognised in the items by their nature, unless it is a correction of an error.

Provisions for onerous contracts

The amount of provisions for onerous contracts is determined on the basis of the present value of the unavoidable costs, which are calculated as the lower of the costs to be incurred in relation to the contract, net of any revenue that might be earned, and the costs of any compensation or penalties relating to non-performance. However, prior to the recognition of the provision, the Company recognises the impairment loss on non-current assets directly related to the contracts.

Provisions for severance payments and restructurings

Involuntary termination benefits are recognised at the point where a detailed formal plan exists and a valid expectation has been generated among the affected staff that the termination of employment will occur, either by having started to implement the plan or by having announced its main features.

Compensation to be paid over a period of more than 12 months is discounted at the interest rate determined on the basis of market rates for high quality corporate bonds.

The Company has made offers in the form of short term early retirement plans to selected groups of employees. These plans have been accounted for as severance payments as they are not available to all current employees.

Voluntary severance payments are recognised when they have been announced, with no realistic possibility of withdrawing the offer, and are assessed on the basis of the best estimate of the group of employees who will benefit from the plan.

Provisions related to restructuring processes are recognised when the Company has a constructive obligation due to the existence of a detailed formal plan and the generation of valid expectations among those affected that the process will be carried out, either by having started to implement the plan or by having announced its main features.

Restructuring provisions only include disbursements directly related to restructuring that are not associated with the Company's continuing operations.

Provisions for decommissioning, restoration and similar activities

The provisions referred to in this section are recognised in accordance with the general criteria for the recognition of provisions and are recorded as an increase in the value of cost of the items of property, plant and equipment to which they relate when they arise from the acquisition or construction thereof. However, if provisions are incurred for the production of inventories, they are recognised in the profit and loss account.

Changes in the provision arising from changes in the amount, timing of disbursements or discount rate at year-end increase or decrease the cost value of fixed assets up to the limit of the carrying amount of this component and the excess is recognised in the profit and loss account.

Changes in the amount of the provision that have become apparent after the useful life of the asset are recognised in the profit and loss account as they occur.

The Company has entered into certain operating leases for which it has a contractual obligation to carry out major repairs on a regular basis. The Company recognises a provision at each year end for the estimated amount of the obligation incurred at that date with a charge to the profit and loss account.

1.1. STAFF COSTS

Defined benefit plans

The Company includes in defined benefit plans those funded by the payment of insurance premiums where there is a legal or constructive obligation to pay the committed benefits directly to employees when they become due or to pay additional amounts if the insurer fails to pay benefits for services rendered by employees in the year or in prior years.

The defined benefit liability recognised in the balance sheet corresponds to the present value of vested obligations at the balance sheet date, less the fair value at that date of plan assets, less unrecognised past service costs. The Company recognises actuarial gains and losses in recognised income and expense in the period in which they arise.

Where the result obtained as a result of the transactions referred to in the preceding paragraph is negative, i.e. an asset arises, the Company recognises the asset up to the amount of the unrecognised past service cost plus the present value of any available economic benefits in the form of refunds from the plan or reductions in future contributions to the plan. As a result, the Company recognises past service cost immediately in the current period to the extent that it exceeds any reduction in the present value of the economic benefits referred to above. If there is no change or an increase in the present value of the economic benefits, the amount of the past service cost for the current period is recognised immediately.

The Company recognises revocable past service cost as an expense for the year at the amount of the total past service cost divided by the average remaining period until the employees' rights vest, unless the provisions of the preceding paragraph apply. If the benefits become vested immediately upon the introduction or amendment of the plan, the past service cost is recognised immediately in profit or loss.

The present value of the defined benefit obligation, the service cost and the past service cost are calculated annually by independent actuaries using the projected unit credit method.

The discount rate is determined on the basis of market rates for bonds or corporate bonds of high credit quality, denominated in the currency in which the benefits will be paid and with maturities similar to those of the corresponding benefits.

The fair value of plan assets is determined in the case of real estate on the basis of independent expert appraisals and for all other assets on the basis of available market prices or, if no market can be identified, by discounting future cash flows. Insurance policies considered as plan assets, the cash flows of which correspond exactly, both in amounts and timing of payments, to some or all of the benefits payable under the plan, are measured at the present value of the related payment obligations.

Rights to reimbursement of some or all of the defined benefit obligation are recognised as a separate asset when collection of the obligation is virtually certain.

The Company does not offset assets and liabilities between different plans except where there is a legally enforceable right to set off the surpluses and deficits generated by the different plans and it intends to settle the obligations on a net basis or to realise the surplus to settle simultaneously the obligations of the plans with deficits.

Defined benefit assets or liabilities are recognised as current or non-current depending on the term to realisation or maturity of the related benefits.

Defined contributions

The Company records contributions to be made to defined contribution plans as employees render services. The amount of accrued contributions is recognised as an employee benefits expense and as a liability after deducting any amounts already paid. In the event that amounts paid exceed the accrued expense, the corresponding assets are only recognised to the extent that they can be applied to reductions in future payments or result in a cash refund.

If the contributions are to be paid over a period of more than twelve months, they are discounted using market yields on high quality corporate bonds and notes.

Other long-term employee benefits

Long-term benefit obligations are recognised as for defined benefit plans, except that past service cost and actuarial gains and losses are recognised in the profit and loss account when they arise.

Short-term employee benefits

The Company recognises the expected cost of short-term employee benefits in the form of accrued paid leave entitlements as employees render the services that entitle them to the benefits. If the leave is not accrued, the expense is recognised as the leave is taken.

The Company recognises the expected cost of profit-sharing or employee incentive plans when a present legal or constructive obligation exists as a result of past events and a reliable estimate of the obligation can be made.

1.2. RELATED PARTY TRANSACTIONS

Transactions between group companies, except those related to mergers, spin-offs and non- monetary contributions of businesses, are recognised at the fair value of the consideration given or received. The difference between this value and the agreed amount is recognised in accordance with the underlying economic substance.

TANGIBLE FIXED ASSETS

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

In Euros

2024	Technical installations	Machinery	Furniture	Information processing equipment	Tangible fixed assets under constructio n	Advances for tangible fixed assets	Total
Cost							
Opening balance	-	-	47,823.10	210,150.21	394,070.21	42,157.80	694,201.32
Procurement	-	15,231.00	-	457.00	19,725.81	4,711.82	40,125.63
Transfers	394,363.91	66,301.73	-		(413,796.02)	(46,869.62)	(0.00)
Closing balance	394,363.91	81,532.73	47,823.10	210,607.21	-	-	734,326.95
Accumulated depreciation							
Opening balance	-	-	(3,437.47)	(48,800.12)	-	-	(52,237.59)
Allocations / Reversals	(720.16)	(1,987.26)	(4,782.24)	(52,627.35)	-	-	(60,117.01)
Closing balance	(720.16)	(1,987.26)	(8,219.71)	(101,427.47)	-	-	(112,354.60)
Net value	**393,643.75**	**79,545.47**	**39,603.39**	**109,179.74**	**-**	**-**	**621,972.35**

In Euros

2023	Furniture	Information processing equipment	Tangible fixed assets under construction	Advances for tangible fixed assets	Total
Cost					
Opening balance	-	6,251.92	258,769.72	146,611.25	411,632.89
Procurement	34,593.67	203,898.29	1,918.67	42,157.80	282,568.43
Transfers	13,229.43		133,381.82	(146,611.25)	-
Closing balance	47,823.10	210,150.21	394,070.21	42,157.80	694,201.32
Accumulated depreciation					
Opening balance	-	(962.76)	-	-	(962.76)
Allocations / Reversals	(3,437.47)	(47,837.36)	-	-	(51,274.83)
Closing balance	(3,437.47)	(48,800.12)	-	-	(52,237.59)
Net value	**44,385.63**	**161,350.09**	**394,070.21**	**42,157.80**	**641,963.73**

In INR

2024	Technical installations	Machinery	Furniture	Information processing equipment	Tangible fixed assets under constructio n	Advances for tangible fixed assets	Total
Cost							
Opening balance	-	-	4,404,029	19,352,734	36,289,925	3,882,312	63,929,000
Procurement	-	1,402,623	-	42,085	1,816,550	433,911	3,695,169
Transfers	36,316,972	6,105,726	-		(38,106,475)	(4,316,223)	(0)
Closing balance	36,316,972	7,508,349	4,404,029	19,394,819	-	-	67,624,169
Accumulated depreciation							
Opening balance	-	-	(316,557)	(4,494,003)	-	-	(4,810,560)
Allocations / Reversals	(66,319)	(183,007)	(440,396)	(4,846,453)	-	-	(5,536,175)
Closing balance	(66,319)	(183,007)	(756,953)	(9,340,456)	-	-	(10,346,735)
Net value	**36,250,653**	**7,325,342**	**3,647,076**	**10,054,363**	**-**	**-**	**57,277,434**

In INR

2023	Furniture	Information processing equipment	Tangible fixed assets under construction	Advances for tangible fixed assets	Total
Cost					
Opening balance	-	575,739	23,830,104	13,501,430	37,907,273
Procurement	3,185,731	18,776,994	176,690	3,882,312	26,021,727
Transfers	1,218,298		12,283,132	(13,501,430)	-
Closing balance	4,404,029	19,352,733	36,289,926	3,882,312	63,929,000
Accumulated depreciation					
Opening balance	-	(88,661)	-	-	(88,661)
Allocations / Reversals	(316,557)	(4,405,342)	-	-	(4,721,899)
Closing balance	(316,557)	(4,494,003)	-	-	(4,810,560)
Net value	**4,087,472**	**14,858,730**	**36,289,926**	**3,882,312**	**59,118,440**

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 at 31 December 2024 and 2023 are as follows:

In Euro

2024 **Active**	**Remaining useful life (Years)**	**Amortisation year**	**Accumulated depreciation**	**Net book value**
Technical installations	10	720.16	720.15	393,643.76
Furniture	10	4,409.76	7,823.77	36,274.33
Rexel Momentum XP422+ Paper Shredder	10	77.52	79.67	695.33
Magnetic white board 150cm x 250cm	10	294.96	316.27	2,633.73
Fra 22C1-00014051 Microin Services	4	725.04	1,993.86	906.06
22C1-00023564 Semic	4	361.20	903.00	542.00
22C1-00023600 Semic	4	476.76	1,191.90	715.10
323907 - Metronic	4	11,587.56	23,175.12	23,174.88
Vessel NV	4	30,127.56	60,255.12	60,254.88
Vessel NV	4	3,347.52	6,416.08	6,973.92
Semic Fac monitors 23c1-00009834	3	793.92	1,427.78	1,748.02
HP E27m G4 Conferencing Monitor FAC 9915	3	88.56	159.03	195.35
Toshiba Canvio Basics FAC 10243	4	21.42	38.36	47.09
HP EliteOne 870 G9	4	315.00	547.75	712.18
23C1-00029776 SEMIC	4	1,310.76	1,736.76	3,506.36
Interactive and Videoconferencing System (elements, installation, training and maintenance)	4	1,327.92	1,438.58	3,873.03
HP Workstation Z8G5XEON Computer	4	2,054.52	2,054.52	6,163.48
HP G5 E-Series 27" Monitor & Keyboard & Mouse Kit	4	89.62	89.62	367.38
HS 950 Oscillating Edge Sander - 90° tiltable	10	43.50	43.50	1,696.50
Bandsaw FB740 Industrial EURO-CE - 3 Kw	10	223.74	223.74	8,726.26
Suction unit AF14 50Hz 2.0 PS (1,5KW)	10	62.49	62.49	2,437.51
Solar CNC-Procut 4 axis CNC Router Machine	10	1,657.53	1,657.53	64,644.20
DENIOS_Modular parts cleaner G50-1	10	-	-	799.00
MITSUBISHI_Cutting tools	10	-	-	1,242.00
Total		**60,117.01**	**112,354.60**	**621,972.35**

In Euro

2023 **Active**	**Remaining useful life (Years)**	**Amortisation year**	**Accumulated depreciation**	**Net book value**
Furniture	10	3,414.01	3,414.01	40,684.09
Rexel Momentum XP422+ Paper Shredder	10	2.15	2.15	772.85
White magnetic whiteboard 150cm x 250cm	10	21.31	21.31	2,928.69
Computer	3	725.04	1,268.82	1,631.10
Laptop Computer	3	476.76	715.14	1,191.86
Tablet	3	361.20	541.80	903.20
Scanner	4	11,587.56	11,587.56	34,762.44
Projector	4	33,196.12	33,196.12	100,703.88
Monitors	4	633.85	633.85	2,541.94
HP E27m G4 Laptop Computer	4	70.47	70.47	283.91
Toshiba Canvio Basics	4	16.94	16.94	68.51
HP EliteOne 870 G9	4	232.75	232.75	1,027.18
Laptop Computers	4	426.00	426.00	4,817.12
Interactive and videoconferencing panel	4	110.67	110.67	5,200.95
HP Work station Z8G5XEON Laptop Computer	4	-	-	8,218.00
Total		**51,274.83**	**52,237.59**	**205,735.72**

In INR

2024 **Active**	**Remaining useful life (Years)**	**Amortisation year**	**Accumulated depreciation**	**Net book value**
Technical installations	10	66,320	66,320	36,250,653
Furniture	10	406,095	720,489	3,340,503
Rexel Momentum XP422+ Paper Shredder	10	7,139	7,337	64,033
Magnetic white board 150cm x 250cm	10	27,163	29,125	242,540
Fra 22C1-00014051 Microin Services	4	66,769	183,615	83,439
22C1-00023564 Semic	4	33,263	83,157	49,913
22C1-00023600 Semic	4	43,905	109,762	65,854
323907 - Metronic	4	1,067,098	2,134,197	2,134,175
Vessel NV	4	2,774,447	5,548,894	5,548,872
Vessel NV	4	308,273	590,857	642,228
Semic Fac monitors 23c1-00009834	3	73,112	131,484	160,975
HP E27m G4 Conferencing Monitor FAC 9915	3	8,155	14,645	17,990
Toshiba Canvio Basics FAC 10243	4	1,973	3,533	4,337
HP EliteOne 870 G9	4	29,008	50,442	65,585
23C1-00029776 SEMIC	4	120,708	159,938	322,901
Interactive and Videoconferencing System (elements, installation, training and maintenance)	4	122,288	132,479	356,667
HP Workstation Z8G5XEON Computer	4	189,201	189,201	567,595

HP G5 E-Series 27" Monitor & Keyboard & Mouse Kit	4	8,253	8,253	33,832
HS 950 Oscillating Edge Sander - 90° tiltable	10	4,006	4,006	156,231
Bandsaw FB740 Industrial EURO-CE - 3 Kw	10	20,604	20,604	803,601
Suction unit AF14 50Hz 2.0 PS (1,5KW)	10	5,755	5,755	224,470
Solar CNC-Procut 4 axis CNC Router Machine	10	152,642	152,642	5,953,084
DENIOS_Modular parts cleaner G50-I	10	-	-	73,580
MITSUBISHI_Cutting tools	10	-	-	114,376
Total		**5,536,177**	**10,346,735**	**57,277,434**

In INR

2023 **Active**	**Remaining useful life (Years)**	**Amortisation year**	**Accumulated depreciation**	**Net book value**
Furniture	10	314,396	314,396	3,746,599
Rexel Momentum XP422+ Paper Shredder	10	198	198	71,172
White magnetic whiteboard 150cm x 250cm	10	1,962	1,962	269,703
Computer	3	66,769	116,847	150,208
Laptop Computer	3	43,905	65,857	109,758
Tablet	3	33,263	49,894	83,176
Scanner	4	1,067,098	1,067,098	3,201,273
Projector	4	3,057,031	3,057,031	9,273,820
Monitors	4	58,371	58,371	234,087
HP E27m G4 Laptop Computer	4	6,490	6,490	26,145
Toshiba Canvio Basics	4	1,560	1,560	6,309
HP EliteOne 870 G9	4	21,434	21,434	94,593
Laptop Computers	4	39,230	39,230	443,609
Interactive and videoconferencing panel	4	10,192	10,192	478,955
HP Work station Z8G5XEON Laptop Computer	4	-	-	756,796
Total		**4,721,899**	**4,810,560**	**18,946,203**

5. LEASES AND OTHER TRANSACTIONS OF A SIMILAR NATURE

5.1. OPERATING LEASES

Tenant

The Company has leased premises and four parking spaces at calle Pont Reixat 3, Sant Just Desvern (Barcelona) under an operating lease.

A description of the most relevant leases is as follows:

Pursuant to a lease agreement dated 11 May 2022, the lease was signed for a period of 10 years, commencing on the date of signature and expiring on 11 May 2032.

The first three years of the contract, until 11 May 2025, are mandatory for the lessee. Consequently, if the lessee unilaterally terminates or withdraws from the contract before the end of this mandatory period, she 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 them back. This is without prejudice to any compensation that may be due to the lessor for damage to the premises.

After the expiry of this mandatory term, i.e. from 11 May 2025, the lessee may terminate the lease by giving the lessor four months' notice before the date on which the lessee intends to terminate the lease.

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

	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Up to 1 year	*105,019.44*	*9,671,240*	*102,331.44*	*9,423,703*
Beten 1 and 5 years	*409,325.76*	*37,694,809*	*409,325.76*	*37,694,809*
More than 5 years	*241,900.15*	*22,276,585*	*344,231.59*	*31,700,287*
Total future minimum lease payments	756,245.35	69,642,634	855,888.79	78,818,799
Total	**756,245.35**	**69,642,634**	**855,888.79**	**78,818,799**

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

	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Lease payments	104,125.44	9,588,912	102,170.40	9,408,872
Total	**104,125.44**	**9,588,912**	**102,170.40**	**9,408,872**

7 FINANCIAL INSTRUMENTS

7.1. GENERAL CONSIDERATIONS

A financial instrument is a contract that gives rise to a financial asset in one enterprise and, simultaneously, to a financial liability or equity instrument in another enterprise.

It shall apply to the following financial instruments:

Financial assets

- Cash and cash equivalents, as defined in Rule 9 on the preparation of the annual accounts;
- Trade receivables: trade receivables and sundry debtors;
- Receivables from third parties: such as financial loans and receivables, including those arising from the sale of non-current assets;
- Debt securities of other companies purchased: such as bonds, debentures and notes;
- Equity instruments of other companies acquired: shares, units in collective investment undertakings and other equity instruments;
- Derivatives with favourable valuation for the company: including futures, options, swaps and forward foreign exchange contracts, and
- Other financial assets: such as deposits with credit institutions, advances and loans to staff, guarantees and deposits given, dividends receivable and calls on own equity instruments.

Financial liabilities

- Trade payables: suppliers and sundry creditors;
- Debts to credit institutions;
- Bonds and other negotiable securities issued: such as bonds and notes;
- Derivatives with unfavourable valuation for the company: including futures, options, swaps and forward foreign exchange contracts;

- Debts with special features, and

- Other financial liabilities: liabilities to third parties, such as financial loans and credits received from persons or companies other than credit institutions, including those arising on the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on equity investments.

Own equity instruments

A financial derivative is a financial instrument that meets the following characteristics:

- Their value changes in response to changes in variables such as interest rates, prices of financial instruments and commodities, exchange rates, credit ratings and indices on them and which, if they are not financial variables, need not be specific to a party to the contract.
- It requires no or less upfront investment than other types of contracts where a similar response to changes in market conditions could be expected.
- It is settled at a future date.

This standard also applies to the treatment of accounting hedges and transfers of financial assets, such as trade discounts, factoring and repurchase agreements and securitisations of financial assets.

Acknowledgement

An entity recognises a financial instrument on its balance sheet when it becomes an obligor under the terms of the contract or legal transaction.

7.2. INFORMATION ON THE RELEVANCE OF FINANCIAL INSTRUMENTS TO THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

Balance sheet related information

a) *Categories of financial assets and financial liabilities*

(i) Classification of financial assets by category

The analysis of the movement during the year for each class of non-current financial assets is as follows:

Classes Categories		Long-Term Financial Instruments		Total	
		Loans, Derivatives and Other			
		Euro	INR	Euro	INR
Balance at the beginning of the year	**2023**	***41,894.29***	***3,858,045***	***41,894.29***	***3,858,045***
Balance at year-end	2023	41,894.29	*3,858,045*	*41,894.29*	*3,858,045*
Altas		812.76	*74,847*	*812.76*	*74,847*
Exits and reductions		*(1,081.31)*	*(99,578)*	*(1,081.31)*	*(99,578)*
Balance at year-end	**2024**	**41,625.74**	***3,833,314***	***41,625.74***	***3,833,314***

The movement during the year was due to the restatement of guarantees.

The classification of long-term financial assets by category and class except for equity investments in Group companies, jointly controlled entities and associates is as follows:

Classes	**Long-Term Financial Instruments**			
	Loans, Derivatives and Other			
Categories	**2024 (Euro)**	**2024 (INR)**	**2023 (Euro)**	**2023 (INR)**
Assets at fair value through profit or loss	**41,625.74**	**3,833,314**	**41,894.29**	**3,858,045**
Other	*41,625.74*	*3,833,314*	*41,894.29*	*3,858,045*
Total	**41,625.74**	**3,833,314**	**41,894.29**	**3,858,045**

The item "Fair value assets through profit and loss" in the amount of 41,625.74 euros corresponds to long-term deposits

This table does not include balances with general government.

The classification of short-term financial assets by category and class is as follows:

Classes	**Short-Term Financial Instruments**			
	Loans, Derivatives and Other			
Categories	**2024 (Euro)**	**2024 (INR)**	**2023 (Euro)**	**2023 (INR)**
Financial assets at amortised cost	34,784.87	3,203,339	(141,412.99)	(13,022,722)
Cash and cash equivalents	58,088.26	5,349,348	113,816.76	10,481,385
Total	**92,873.13**	**8,552,687**	**(27,596.23)**	**(2,541,337)**

(ii) Classification of financial liabilities by category

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

Classes	**Short-Term Financial Instruments**			
	Derivatives and Others			
Categories	**2024 (Euro)**	**2024 (INR)**	**2023 (Euro)**	**2023 (INR)**
Financial liabilities at amortised cost or cost	27,274.11	2,511,672	3,066.51	282,396
Liabilities at fair value through profit or loss	-	-	2,988.31	275,191
Other			*2,988.31*	*275,191*
Total	**27,274.11**	**2,511,672**	**6,054.82**	**557,587**

The item "Financial liabilities at amortised cost or cost" for an amount of 27,274.11 euros includes 26,918.10 euros for invoices from suppliers and invoices pending receipt and the amount of 356.01 euros corresponding to payments made with the Company's credit card from Banco La Caixa.

This table does not include balances with general government.

a) Financial assets and liabilities measured at fair value through profit or loss

The amount of the change in fair value during the year and the cumulative change since designation of financial assets and liabilities measured at fair value through profit or loss is as follows

Liabilities at fair value through profit or loss	**Change in fair value**		
	2024	**Since his Appointment**	
		Euro	**INR**
Other	-	*(2,988.31)*	*(275,191)*
Total	**-**	**(2,988.31)**	**(275,911)**

(b) Maturity classification

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

Categories	1 year (In Euro)	1 year (In INR)
Debts	*356.01*	*32,785*
Amounts owed to credit institutions	*356.01*	*32,785*
Trade and other payables	*26,918.10*	*2,478,887*
Sundry creditors	*26,918.10*	*2,478,887*
Total	**27,274.11**	**2,511,672**

c) Transfers of financial assets

There were no transfers of financial assets during the year, nor were there any contracts for the assignment of receivables during the year.

d) Impairment losses arising from credit risk

No financial assets were impaired during the year.

e) Non-payment and non-compliance with contractual conditions

The Company is up to date with its contractual obligations in respect of the financial liabilities reflected in the balance sheet at year-end.

Other information to be included in the report

a) Hedge accounting

At year-end, the Company has no hedging instrument balances.

b) Fair value

The carrying amount of financial instruments is an acceptable proxy for fair value.

(In Euro)

Asset categories	2024		2023	
	Fair value	Book value	Fair value	Book value
Loans, derivatives and other	41,625.74	41,625.74	-	41,894.29
Total	**41,625.74**	**41,625.74**	**-**	**41,894.29**

(In INR)

Asset categories	2024		2023	
	Fair value	Book value	Fair value	Book value
Loans, derivatives and other	3,833,314	3,833,314	-	3,858,045
Total	**3,833,314**	**3,833,314**	**-**	**3,858,045**

c) Other information

(i) Purchase and sale commitments

There have been no commitments to purchase and sell financial investments.

(ii) Disputed financial investments

There are no financial investments in dispute.

(iii) Embargos

At the balance sheet date there were no liens on marketable securities, loans and other financial investments.

7.3. INFORMATION ON THE NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Qualitative information

The Company's financial risk management is centralised in the Finance Department, which has established the necessary mechanisms to control exposure to interest rate and exchange rate fluctuations, as well as credit and liquidity risks. The main financial risks affecting the Company are set out below:

a) *Credit risk:*

In general, the Company maintains its cash and cash equivalents with financial institutions with high credit ratings. In addition, there is no significant concentration in the volume of customer transactions.

b) *Liquidity risk:*

In order to ensure liquidity and to be able to meet all payment commitments arising from its activity, the Company has the cash and cash equivalents shown in its balance sheet.

c) *Market risk (including interest rate, exchange rate and other price risks):*

Both the Company's cash and financial debt are exposed to interest rate risk, which could have an adverse effect on financial results and cash flows.

Quantitative information

The maximum exposure to the main risks as at 31 December 2024, excluding foreign exchange exposure, was as follows:

Patrimonial group	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Credit				
Long-term financial investments	41,625.74	3,833,314	41,894.29	3,858,045
Trade and other receivables	150,950.36	13,901,019	(31,847.93)	(2,932,876)
Cash and cash equivalents	58,088.26	5,349,348	113,816.76	10,481,385
Liquidity				
Trade and other payables	130,688.48	12,035,102	92,068.27	8,478,565
Market				
Fixed assets and investment property	621,972.35	57,277,434	641,963.73	59,118,440
Total	**1,003,325.19**	**92,396,217**	**854,907.81**	**79,003,559**

Exposure to foreign currency risk arises to the extent that the Company enters into transactions in foreign currencies or holds assets or liabilities denominated in currencies other than the presentation currency.

Therefore, the Company is not exposed to foreign exchange risk as it does not engage in foreign currency transactions.

7.4. OWN FUNDS

The composition and movement of equity are presented in the statement of changes in equity.

Capital

At 31 December 2024, the share capital of Bajaj Auto Spain, S.L. Sociedad Unipersonal is represented by 6,000 fully paid-up shares of 100 euros par value each.

As at 31 December 2024, Bajaj Auto LTD holds 100% of the shares and therefore the Company is considered as a Sole Proprietorship.

	Ordinary shares			
	2024 (Euro)	**2024 (INR)**	**2023 (Euro)**	**2023 (INR)**
Opening balance	600,000.00	55,254,000	600,000.00	55,254,000
Total	**600,000.00**	**55,254,000**	**600,000.00**	**55,254,000**

Reservations

a) Legal reserve

The legal reserve has been appropriated in accordance with Article 274 of the Consolidated Text of the Spanish Companies Act, which stipulates that, in any event, an amount equal to 10 per cent of the profit for the year shall be allocated to this reserve until it reaches at least 20 per cent of the share capital.

This reserve is not distributable to members and may only be used to cover, if no other reserves are available, the debit balance of the profit and loss account. The balance of this reserve may be used to increase the share capital.

The Company has a legal reserve amounting to 12,499.35 euros (5,269.70 euros in 2023). At 31 December 2024 the Company has not set up this reserve with the minimum limit established in the Consolidated Text of the Spanish Companies Act

b) Statutory Reserve

There is no statutory reserve of any kind.

c) Statutory revaluation reserves

There are no statutory revaluation reserves.

d) Goodwill reserve

The Company has no goodwill.

e) Treasury shares and parent company share reserve

The Company does not hold any treasury shares and has no reserve for shares in the parent company.

f) Reserve for differences in the redenomination of capital in euros

This reservation is unavailable.

g) Capitalisation reserve

No capitalisation reserve has been created.

h) Voluntary reserves

The voluntary reserves are freely distributable. As at 31 December 2024, the voluntary reserves amount to EUR 84,599.93 (EUR 19,533.12 in 2023).

8 STOCKS

The Company does not hold stocks.

9 FOREIGN CURRENCY

The Company has no assets or liabilities denominated in foreign currencies.

10 FISCAL SITUATION

The detail of balances with general government is as follows:

The breakdown by company of the credits and debits between group companies as a result of the tax effect generated by the consolidated taxation system is as follows:

(In Euro)

	2024		2023	
	Debit balances	**Credit balances**	**Debit balances**	**Credit balances**
Value Added Tax	105,913.72	-	109,565.06	-
Social security	-	9,111.08	-	6,923.04
Withholding taxes	-	62,248.74	-	57,967.93
tax	-	21,802.78	-	21,122.48
Total balances with general government	**105,913.72**	**93,162.60**	**109,565.06**	**86,013.45**

(In INR)

	2024		2023	
	Debit balances	**Credit balances**	**Debit balances**	**Credit balances**
Value Added Tax	9,753,595	-	10,089,846	-
Social security	-	839,039	-	637,543
Withholding taxes	-	5,732,486	-	5,338,267
tax	-	2,007,818	-	1,945,169
Total balances with general government	**9,753,595**	**8,579,343**	**10,089,846**	**7,920,979**

Under current legislation, taxes cannot be considered definitively settled until the returns filed have been inspected by the tax authorities or the four-year statute of limitations period has elapsed. At 31 December 2024, the Company has all years of the main taxes applicable to it pending inspection by the tax authorities for the following years:

	Exercise
Value Added Tax	2021 - 2024
Personal income tax	2021 - 2024
Tax on Economic Activities	2021 - 2024
Social Security	2021 - 2024

However, the right of the tax authorities to check or investigate tax losses offset or pending offset, double taxation deductions and deductions to encourage the performance of certain activities applied or pending application, expire 10 years after the day following the end of the period established for filing the tax return or self-assessment corresponding to the tax period in which the right to offset or apply them arose. Once this period has elapsed, the Company must prove the tax losses or deductions by presenting the tax return or self-assessment and the accounts, with proof that they have been deposited with the Mercantile Register during the aforementioned period.

As a result, among others, of the different possible interpretations of current tax legislation, additional liabilities could arise as a result of an inspection. In any case, the Parent's Board of Directors considers that such liabilities, should they arise, would not significantly affect the annual accounts.

10.1. PROFIT TAX

The reconciliation between the net amount of income and expenses for the year and the taxable income that the Company expects to report after approval of the annual accounts is as follows:

2024	**Profit and loss account**			
	Euro	**INR**	**Euro**	**INR**
Balance of income and expenditure for the year	90,774.90	8,359,460	-	-
	Increases	Increases	Decreases	Decreases
Corporate income tax	32,299.05	2,974,420	-	-
Permanent differences	5,144.23	473,732		
Tax base (taxable income)	128,218.18	11,807,612	-	-
Tax rate:	25.00%	25.00%	25.00%	25.00%
Full quota	32,054.55	2,951,904	-	-
Semi-liquid quota:	32,054.55	2,951,904	-	-
Liquid quota:	32,054.55	2,951,904	-	-
Withholdings and payments on account			(10,251.77)	(944,085)
Liquid to be paid/ (to be returned)	**21,802.78**	**2,007,818**	**-**	**-**

2023	**Profit and loss account**		
	Euro	**INR**	
Balance of income and expenditure for the year	72,296.46	6,657,782	-
	Increases	Increases	Decreases
Corporate income tax	24,098.82	2,219,260	-
Tax base (taxable income)	96,395.28	8,877,041	-
Tax rate:	25,00%	25,00%	25,00%
Full quota	24,098.82	2,219,260	-
Semi-liquid quota:	24,098.82	2,219,260	-
Liquid quota:	24,098.82	2,219,260	-
Liquid payable/ (to be returned)	**24,098.82**	**2,219,260**	**-**

11 INCOME AND EXPENDITURE

11.1. NET TURNOVER

The net turnover at the end of the current financial year amounts to 1,881,316.15 euros (1,473,427.92 euros in 2023) and corresponds to the following activities:

	2024 (Euro)	**2024 (INR)**	**2023 (Euro)**	**2023 (INR)**
Service Fee	1,881,316.15	173,250,404	1,473,427.92	135,687,977
Total	**1,881,316.15**	**173,250,404**	**1,473,427.92**	**135,687,977**

General considerations and objective (section included for information purposes)

The objective of the disclosure requirements to be included in this note to the financial statements in relation to revenue is for the Company to provide sufficient information to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. To achieve this objective, the Company provides qualitative and quantitative disclosures on the following matters applicable to it

a) Contracts with customers,

(b) significant judgements, and changes in such judgements, made about such contracts; and

(c) assets recognised for the costs of obtaining or fulfilling a contract with a customer.

A. Information on contracts with customers

1. Disaggregation of revenue from ordinary activities.

(a) The Company disaggregates revenue recognised from revenue 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 use to disaggregate revenue, the Company considers how revenue information has been presented for other purposes, including the following:

1. Information to be disclosed outside the annual accounts.

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

3. Other information that is similar to the types of information identified in the preceding paragraphs and that is used to assess the Company's financial performance or make decisions on the allocation of resources.

c) Some of the categories that may be appropriate to include could be the following: 1st

Type of good or service
2nd Geographical region
3rd Market or type of customer 4th
Type of contract
5th Duration of the contract
6th Schedule for the transfer of goods or services 7th
Sales channels

a) The breakdown of net turnover by type of good or service for the financial year 2024 and the financial year 2023 is as follows:

Turnover per good and/or service	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Service Fee	1,881,316.15	173,250,404	1,473,427.92	135,687,977
Total Services	1,881,316.15	173,250,404	1,473,427.92	135,687,977
Total INCN	**1,881,316.15**	**173,250,404**	**1,473,427.92**	**135,687,977**

b) The breakdown of revenue by geographical region for the financial year 2024 and the financial year 2023 is as follows:

Turnover by Geographic Market	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Outside the EU	1,881,316.15	173,250,404	1,473,427.92	135,687,977
Total INCN	**1,881,316.15**	**173,250,404**	**1,473,427.92**	**135,687,977**

c) The breakdown of revenue by type of customer for the financial year 2024 and the financial year 2023 is as follows:

Turnover by Customer Category	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Foreign Customers	1,881,316.15	173,250,404	1,473,427.92	135,687,977
Total INCN	**1,881,316.15**	**173,250,404**	**1,473,427.92**	**135,687,977**

d) The breakdown of revenue by type of contract for the financial year 2024 and 2023 is as follows:

Turnover by type of contract	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Long-term contracts	1,881,316.15	173,250,404	1,473,427.92	135,687,977
Total INCN	**1,881,316.15**	**173,250,404**	**1,473,427.92**	**135,687,977**

e) The breakdown of the net turnover according to the timing of the transfer of the goods or services for the financial year 2024 and the financial year 2023 is as follows:

Turnover according to the transfer schedule	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Services transferred during the year	1,881,316.15	173,250,404	1,473,427.92	135,687,977
Total INCN	**1,881,316.15**	**173,250,404**	**1,473,427.92**	**135,687,977**

f) The breakdown of net revenue by type of contract according to sales channel for the financial year 2024 and the financial year 2023 is as follows:

Turnover by sales channel	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Transfer pricing	1,881,316.15	173,250,404	1,473,427.92	135,687,977
Total INCN	**1,881,316.15**	**173,250,404**	**1,473,427.92**	**135,687,977**

2. Contract balances.

The opening and closing balances of receivables, contract assets and contract liabilities arising from customer agreements for the financial year 2024 and prior are as follows:

Amounts related to Contracts arising from customer agreements	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Opening balances of accounts receivable	(141,412.99)	(13,022,722)	-	-
Closing balances of accounts receivable	34,784.87	3,203,339	(141,412.99)	(13,022,722)

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

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

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

c) An asset (and a corresponding adjustment to the change in inventories) is recognised for the right to recover products from customers. The asset (an inventory) shall be measured by reference to the carrying amount of the product sold less any expected costs to recover those products (including the potential diminution in value of returned products).

3. Obligations to be fulfilled.

a) The Company fulfils its obligations to the customer by including the obligations in a post- invoicing delivery agreement at the following times:

a.1) The Company at the time it sends/delivers the product to the customer complies with the conditions with the customer.

a.2) The Company fulfils its obligations to the customer as the service is provided/completed. In other words, the transfer of control occurs over time and revenue is recognised as the service progresses.

a.3) In post-invoicing delivery arrangements, the Company invoices the customer for a product and retains physical possession of the asset. In such contracts, the customer obtains control of the asset (even if the product remains in the Company's physical possession) if it has the full ability to determine the use and obtain substantially all of 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 derecognises the asset and recognises the related revenue without prejudice to providing a custodial or depository service to the customer.

a.4) 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 product is currently ready for physical transfer to the customer, and
iv. The Company may not use the product nor has the power of disposal to deliver it to another customer.

b) Significant payment terms have been:

b.1) The Company requires payment for its products at the time of delivery, or

b.2) The Company's contracts have a significant financing component due to the time between the time the customer pays for the asset and the time the Company transfers the asset to the customer, as well as the magnitude of market interest rates, or

b.3) The consideration is variable, so the amount is estimated and included in the transaction price only if it is highly probable that a significant reversal of the amount of revenue recognised 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 undertaken 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) Repayment, reimbursement and other similar obligations.

	2024 (Euro)	**2024 (INR)**	**2023 (Euro)**	**2023 (INR)**
Amount of reimbursement liability (provision)	(40,134.56)	(3,695,992)	27,881.41	2,567,599
Total INCN	**(40,134.56)**	**(3,695,992)**	**27,881.41**	**2,567,599**

e) The types of guarantees and related obligations.

B.Information about significant judgements in applying the recognition and measurement standard.

1. The timetable in which the obligations assumed by the Company vis-à-vis the customer are expected to be fulfilled.

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

1. The methods used to determine the stage of completion and recognise revenue from ordinary activities were as follows:

Product method: revenue is recognised on the basis of direct measurements of the value to the customer of the goods or services transferred to the customer, relative to the goods or services outstanding. Output 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 recognised for the amount that is entitled to be invoiced.

Resource method: revenue is recognised on the basis of the cost of the factors of production employed by the entity (e.g. cumulative labour hours, other accrued expenses, elapsed time or machinery hours used) in relation to the total costs that the Company expects to incur in satisfying the obligation. In this case, revenue recognition on a straight-line basis 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 judgements 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 of ownership of the asset.
b. The Company has transferred the physical possession of the asset
c. The customer has received (accepted) the asset in accordance with the contractual specifications.
d. The Company has a receivable for the transfer of the asset.
e. The customer has ownership of the asset

2. The price of the transaction 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 non-cash consideration, has been:

	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Sales of goods and provision of services for a variable consideration	1,881,316.15	173,250,404	1,473,427.92	135,687,977

C. Information about assets recognised for the costs of obtaining or fulfilling a customer contract.

a) Incremental costs of winning a contract.

These are expenditures incurred by the Company to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

These costs are taken to the profit and loss account on a systematic basis consistent with the transfer of the related goods and services 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 whether or not the contract is obtained are recognised as an expense when incurred unless the Company has a claim against the customer for incurring such expenditure.

(b) Costs arising from the performance of a contract.

These are those that relate directly to an existing or expected contract that can be specifically identified, i.e. they are expenditures that generate or enhance an asset that will be used to fulfil the obligation committed to the customer.

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

These costs are subsequently taken to the profit and loss account on a systematic basis consistent with the transfer of the goods and services to which they relate.

11.2. STAFF COSTS

Details of social charges and provisions are as follows:

Description	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Wages and salaries	1,011,999.71	93,195,054	980,935.33	90,334,335
Social security to be paid by the company	87,867.48	8,091,716	69,158.84	6,368,837
Total	**1,099,867.19**	**101,286,770**	**1,050,094.17**	**96,703,172**

11.3. OTHER OPERATING EXPENSES

The composition of "Other operating expenses" in the profit and loss account for the years 2024 and 2023 is as follows:

Description	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
External services	**593,768.73**	**54,680,162**	**275,766.95**	**25,395,378**
Leases and royalties	105,527.39	9,718,016	103,251.72	9,508,450
Repairs and maintenance	7,075.95	651,624	430.00	39,599
Independent professional services	153,573.51	14,142,585	14,942.39	1,376,045
Transport	500.00	46,045	-	-
Insurance premiums	7,155.02	658,906	7,042.90	648,581
Banking and similar services	4,089.04	376,560	4,051.21	373,076
Supplies	563.56	51,898	195.04	17,961
Other services	315,284.26	29,034,527	145,853.69	13,431,666
Total	**593,768.73**	**54,680,162**	**275,766.95**	**25,395,378**

11.4. OTHER RESULTS

The composition of the heading "Other results" in the profit and loss account for the years 2024 and 2023 is as follows:

Description	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
Other extraordinary expenses	5,144.23	473,732	978.01	90,065
Total	**5,144.23**	**473,732**	**978.01**	**90,065**

12 ENVIRONMENTAL INFORMATION

At 31 December 2024 and 2023 there are no significant assets dedicated to the protection and improvement of the environment, nor have any significant expenses of this nature been incurred during the year.

The Company's Board of Directors considers that there are no significant contingencies related to the protection and improvement of the environment and does not consider it necessary to record any provision for environmental risks and expenses at 31 December 2024 and 2023.

During the year ended 31 December 2024 and 2023 no grants of an environmental nature have been received.

13 REMUNERATION OF STAFF

During the years ended 31 December 2024 and 2023, the members of the Board of Management have not received any remuneration, nor have they been granted any advances or loans, and no obligations have been assumed on their behalf by way of guarantee. As at 31 December 2024 and 2023, there are no accrued pension or similar liabilities to the members of the Board of Directors, nor are there any receivables or payables from or payable to them.

During the years ended 31 December 2024 and 2023, the members of the Board of Directors of the Company have not entered into any transactions with the Company outside the ordinary course of business or on other than arm's length terms.

The members of the Board of Directors of the Company and the persons related to them have not incurred in any situation of conflict of interest that has had to be notified in accordance with the provisions of Article 229 of the TRLSC.

There are no employees with a disability of thirty-three percent or more during the year ended 31 December 2024.

The average number of employees of the Company during the year ended 31 December 2024, broken down by category, is as follows:

Average number of employees

Category	No. of persons	
	Men	Women
Fixed	**4.83**	**-**
Total	**4.83**	**-**

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

Category	2024		2023	
	Men	Women	Men	Women
Address	5.00	-	4.00	-
Total	**5.00**	**-**	**4.00**	**-**

14 SUBSEQUENT EVENTS

In the opinion of the Governing Body, no significant events have come to light since the end of the financial year.

15 RELATED PARTY TRANSACTIONS

15.1. BALANCES WITH RELATED PARTIES

Details of the balances receivable from and payable to Group companies, including senior management and the Board of Directors, and their main characteristics, are shown in Note 7.

As at 31 December 2024 there is a balance with the Sole Shareholder amounting to EUR 74,919.43 for an outstanding invoice issued to the Sole Shareholder

At 31 December 2024 there is a balance with the Sole Shareholder amounting to 40,134.56 euros corresponding to a provision for a rectifying invoice to the Sole Shareholder.

The breakdown of the balances at year-end 2024 and 2023 by category is as follows:

Company name	Type of linkage	Concept	Closing balance financial year 2024 (Euro)	Closing balance financial year 2024 (INR)
Bajaj Auto Limited	Partner	Invoice issued (Mark-up)	74,919.43	6,899,330
Bajaj Auto Limited	Partner	Provision for invoice amendment	(40,134.56)	(3,695,991)
Total			**34,784.87**	**3,203,339**

Company name	Type of linkage	Concept	Closing balance financial year 2023 (Euro)	Closing balance financial year 2023 (INR)
Bajaj Auto Limited	Partner	Invoice issued (Mark-up)	(113,531.58)	(10,455,124)
Bajaj Auto Limited	Partner	Provision for invoice amendment	(27,881.41)	(2,567,598)
Total			**(141,412.99)**	**(13,022,722)**

15.2. COMPANY TRANSACTIONS WITH RELATED PARTIES

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

2024 **Concept**	Type of linkage	Amount per type of transaction (Euro)	Amount per type of transaction (INR)
Income from services (Mark-up)	Sole Partner	1,881,316.15	173,250,404
Total	**-**	**1,881,316.15**	**173,250,404**

2023 **Concept**	Type of linkage	Amount per type of transaction (Euro)	Amount per type of transaction (INR)
Service income (Mark-up)	Sole Partner	1,473,427.92	135,687,977
Total	**-**	**1,473,427.92**	**135,687,977**

Transactions of the Company with the Sole Shareholder

Contracts entered into between the Shareholder and the company shall be recorded in writing or in such documentary form as may be required by law in accordance with their nature, and shall be transcribed in a company record book which shall be legalised in accordance with the provisions for company minute books. The annual report shall refer expressly and individually to these contracts, indicating their nature and conditions.

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

During the financial years ended 31 December 2024 and 2023, the members of the Board of Management have not received any remuneration, nor have they been granted any advances or loans, and no obligations have been assumed on their behalf by way of guarantee. As at 31 December 2024 and 2023, there are no accrued pension or similar liabilities to the members of the Board of Directors of the Company, nor are there any receivables or payables from or payables to them.

During the year ended 31 December 2024 and 2023 the members of the Board of Directors of the Company have not entered into any transactions with the Company outside the ordinary course of business or on other than arm's length terms.

The Directors or persons related to them have not reported any direct or indirect conflicts of interest that they may have with the Company, as required by Article 229 of the Spanish Companies Act.

16 OTHER INFORMATION

The auditing firm Auditia International, S.L.P. of the Company's annual accounts has invoiced fees and expenses (net fees if expenses are invoiced separately) for professional services during the years ended 31 December 2024 and 2023, as follows:

	2024 (Euro)	2024 (INR)	2023 (Euro)	2023 (INR)
For auditing services of the accounts	4,300.00	395,987	4,190.00	385,857
Total	**4,300.00**	**395,987**	**4,190.00**	**385,857**

17 SEGMENTED INFORMATION

In this item, the Company shall report the distribution of revenue from its ordinary activities by category of activity, as well as by geographic market to the extent that, from the point of view of the organisation of the sale of products and the provision of services or other income from the Company's ordinary activities, these categories and markets differ significantly from each other.

The breakdown of net turnover by business category and geographical market is as follows:

(In Euro)

2024	National	European Union	Outside the EU	Total
Income from the provision of services	-	-	1,881,316.15	1,881,316.15
Total	**-**	**-**	**1,881,316.15**	**1,881,316.15**

(In Euro)

2023	National	European Union	Outside the EU	Total
Income from the provision of services	-		1,473,427.92	1,473,427.92
Total	**-**	**-**	**1,473,427.92**	**1,473,427.92**

(In INR)

2024	National	European Union	Outside the EU	Total
Income from the provision of services	-	-	173,250,404	173,250,404
Total	**-**	**-**	**173,250,404**	**173,250,404**

(In INR)

2023	National	European Union	Outside the EU	Total
Income from the provision of services	-		135,687,977	135,687,977
Total	**-**	**-**	**135,687,977**	**135,687,977**

18 INFORMATION ON GREENHOUSE GAS EMISSION ALLOWANCES

There are no greenhouse gas emission allowances.

19 INFORMATION ON PAYMENT DEFERRALS MADE TO SUPPLIERS THIRD ADDITIONAL PROVISION "DUTY OF INFORMATION" OF LAW 15/2010 OF 5 JULY 2010

The information required by the third additional provision of Law 15/2010, of 5 July, prepared in accordance with the Resolution of the ICAC of 29 January 2016, on the information to be included in the notes to the annual accounts in relation to the average period of payment to suppliers in commercial transactions, is detailed below. The information on the average supplier payment period is as follows:

	2024	2024	2023	2023
Concept	**Days**	**Days**	**Days**	**Days**
Average supplier payment period	81.36	81.36	38.62	38.62
Ratio of paid transactions	91.94%	91.94%	99.12%	99.12%
Ratio of transactions outstanding	8.06%	8.06%	0.88%	0.88%
	Amount (EURO)	**Amount (INR)**	**Amount (EURO)**	**Amount (INR)**
Total payments made	688,540.00	63,407,650	768,314.16	70,754,052
Total outstanding payments	60,365.38	5,559,049	6,839.15	629,818

In compliance with Law 18/2022, of 28 September, 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 regulations on late payment and the percentage that they represent of the total number of invoices and of the total monetary payments to its suppliers is as follows:

Monetary volume and number of invoices paid in a period shorter than the maximum established in the late payment regulations.	**2024**			**2023**		
	(Euro)	**(INR)**	%	**(Euro)**	**(INR)**	%
Total payments made	444,792.91	40,960,980	64.60	625,491.29	57,601,494	81.41
Total outstanding payments	127.13	11,708	35.40	30.12	2,775	18.59

Management report for the year ended 31 December 2024.

For the year ending 31 December 2024, the profit and loss account shows a "Net turnover" of EUR 1,881,316.15, which is an increase compared to the previous year. The result for the year amounts to a profit of 90,774.90 euros (72,296.46 euros in 2023).

Foreseeable development of the Company

A significant improvement in the Company's activity and business is expected for 2025 compared to 2024, mainly due to the increase in revenues compared to the previous year.

Financial risk management and use of financial instruments

The Company faces the risks and uncertainties inherent to the industry in which it operates, as described in Note 7 of the Notes to the Financial Statements.

Research and development activities

The Company has not carried out any research and development activities during the current or previous years.

Acquisition of own shares

As at 31 December 2024, the Company did not carry out any transactions with own shares during the year.

Significant developments after the closure

No further significant events have occurred since the end of the year.

BAJAJ AUTO SPAIN, S.L. (SOLE-SHAREHOLDER COMPANY)

Formulation of the annual accounts for the financial year 2024

DILIGENCE OF FORMULATION OF ANNUAL ACCOUNTS:

On 31 March 2025 and in compliance with the requirements of Article 253 of the Spanish Companies Act and Article 37 of the Spanish Commercial Code, the Board of Directors has drawn up the annual accounts for the financial year from 1 January 2024 to 31 December 2024. The annual accounts consist of the documents annexed hereto.

Barcelona,

Don Gianandrea Fabbro	Mr Ravi Kumar Srinivasan	Mr Dinesh Thapar