



INDEPENDENT AUDITORS' REPORT

To
The Members of Scaleworx Technologies Private Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Scaleworx Technologies Private Limited which comprises the Balance Sheet as at December 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2024, and its profit for the year ended on that date.

Basis for opinion

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

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

Information other than the financial statements and auditors' report thereon

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

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

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

Responsibilities of Management and Those Charged with Governance for the financial statements

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

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

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

Auditor's responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order”.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on December 31, 2024 taken on record by the board of directors, none of the directors is disqualified as on December 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, the reporting is not applicable to the company.

(g) We report that the books of accounts of the Company are maintained at the following location other than the registered office:

3rd Floor AG Trade Centre, Plot No 18 NDA Road Bavdhan Pune, Bavdhan, Pune, Haveli, Maharashtra, India, 411021.

The Board of Directors passed a resolution on 19th July 2024 for maintaining the books of accounts at this location, and the Company has duly informed the Registrar of Companies in compliance with Section 128(1) of the Companies Act, 2013.

We have verified that proper books of accounts are maintained at the above-mentioned branch and are accessible for inspection.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. The Company was not required to transfer any amount to the Investor Education and Protection Fund
- iv.


(a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi. Based on our examination, which included test checks, the Company has used single accounting software for maintaining its books of accounts. In respect of the core accounting software used by the Company, the accounting software had a feature of audit trail (edit log) facility and the audit trail had operated during the audit period or was not tampered with.

For Baheti & Somani LLP
Chartered Accountants
FRN: 0124298W


Jayesh Baheti
Partner
M. No: 111154
Place: Pune
Date: February 13, 2025
UDIN: 25111154BMHZDH9453





ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Scaleworx Technologies Private Limited of even date)

Report on the Internal Financial Controls with reference to Standalone Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to standalone financial statements of Scaleworx Technologies Private Limited (the “Company”) as of December 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at December 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Baheti & Somani LLP
Chartered Accountants
FRN: 0124298W



Jayesh Baheti
Partner

M. No: 111154

Place: Pune

Date: February 13, 2025

UDIN: 25111154BMHZDH9453





ANNEXURE `B` TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date as required by the Companies (Auditor's Report) Order, 2020 and amendments thereto and according to the information and explanations given to us during the course of audit and on the basis of such audit we report that:

- (i) In respect of its Property, Plant and Equipment:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and location of property, plant and equipment
 - (b) The property, plant and equipment are verified by the management according to the phased program, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. The frequency of verification is reasonable, and no material discrepancies have been noticed.
 - (c) The Company does not have any immovable properties of freehold or leasehold land and building as of the year end and hence reporting under paragraph 3 (i) (c) of the Order is not applicable.
 - (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and hence, reporting under paragraph 3 (i) (d) of the Order is not applicable.
 - (e) The company has no pending proceedings for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence, reporting under paragraph 3 (i) (e) of the Order is not applicable.
- (ii) The Company is a service company. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there were no instances of transactions under the provisions of section 186 of The Act, with respect to the loans and investments made. Further there were no instances of transactions covered under the provisions of section 185 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly paragraph 3(v) of the order is not applicable.
- (vi) The Central Government has not prescribed for maintenance of cost records under sub section (1) of section 148 of Companies Act, 2013.
- (vii) In respect of Statutory dues:
 - (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employee' State Insurance,

Income Tax, Goods and Services Tax and any other statutory dues with the appropriate authorities during the year. The Company was not required to deposit any amounts with the Investor Education and Protection Fund.

- (b) According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Income Tax, Goods and Services Tax which were in arrears as on 31st December, 2024 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no dues outstanding as on 31st December, 2024 in respect of Goods and Services Tax and Income tax, which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, there were no instances of transactions that were recorded by the company in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix)
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
 - (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix) (c) of the Order is not applicable.
 - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix) (d) of the Order is not applicable.
 - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix) (e) of the Order is not applicable.
 - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix) (f) of the Order is not applicable.
- (x)
- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any private placement of equity shares during the year. Since the company has not undertaken any private placement, the provisions of Section 42 and Section 62 of the Companies Act, 2013 are not applicable.
- (xi)
- (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on

Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv)
- (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company does not have an internal audit system commensurate with the size and nature of its business
 - (b) Internal audit reports of the Company were not prepared as there was not system of internal audit and hence were not considered by the statutory auditor.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable.
 - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (b) of the Order is not applicable
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable
 - (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi) (d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing

at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) There are no adverse remarks or qualifications reported in the auditor's report and hence clause 3(xxi) of Companies (Auditor's Report) Order, 2020 is not applicable.

For Baheti & Somani LLP
Chartered Accountants
FRN: 0124298W



Jayesh Baheti
Partner

M No: 111154

Place: Pune

Date: 13/02/2025

UDIN: 25111154BMHZDH9453



Scaleworx Technologies Private Limited
Company Identification Number (CIN) : U72900DL2020PTC434013
Reg. Office : GF-1-A, 6, Devika Tower, Nehru Place, Nehru Place, South Delhi, New Delhi, Delhi, India, 110019

Balance Sheet as at December 31, 2024

(Rs. in Thousand)

| Particulars | Note No. | As at December 31, 2024 | As at December 31, 2023 |
|--|----------|----------------------------|----------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 732.31 | 1,154.23 |
| Deferred tax assets | 24 | 4,331.23 | 2,773.93 |
| Non Current tax asset (net) | 4 | 2,287.94 | 2,471.15 |
| Total non-current assets | | 7,351.47 | 6,399.31 |
| Current assets | | | |
| Financial assets | | | |
| Trade receivables | 5 | 13,397.74 | 10,932.54 |
| Cash and cash equivalents | 6 | 15,451.53 | 40,013.13 |
| Bank balances other than cash and cash equivalents | 7 | - | 3,279.02 |
| Other financial assets | 8 | 38,920.57 | 158.29 |
| Other current assets | 9 | 7,554.53 | 5,279.67 |
| Total current assets | | 75,324.37 | 59,662.65 |
| Total assets | | 82,675.84 | 66,061.96 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 10 | 146.66 | 146.66 |
| Other equity | 11 | 63,146.13 | 44,919.66 |
| Total equity | | 63,292.79 | 45,066.32 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Provisions | 12 | 3,939.83 | 2,154.60 |
| Total non-current liabilities | | 3,939.83 | 2,154.60 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | 13 | 701.79 | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 13 | 4,038.16 | 3,326.03 |
| Other current financial liabilities | 14 | 6,551.47 | 11,379.17 |
| Other current liabilities | 15 | 2,480.49 | 3,805.63 |
| Provisions | 12 | 1,671.31 | 330.21 |
| Total current liabilities | | 15,443.22 | 18,841.04 |
| Total equity and liabilities | | 82,675.84 | 66,061.96 |

See accompanying notes to the financial statements

1 to 25

As per our attached report of even date

For Baheti and Somani LLP

Chartered Accountant

FRN No.: 124298W

JAYESH
KEDARNATH
BAHETI

Digitally signed by
JAYESH KEDARNATH
BAHETI
Date: 2025.02.13
14:39:58 +05'30'

Jayesh Baheti

Partner

M.No.: 111154

Place: Pune

Date: February 13, 2025

For and on behalf of the Board

Scaleworx Technologies Private Limited

AVIRAG
JAIN

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AVIRAG JAIN

Avirag Jain

Director

DIN : 00004801

Place: NOIDA

Date: February 13, 2025

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SARDANA

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Nand Sardana

Director

DIN : 09592752

Place: NOIDA

Date: February 13, 2025

Scaleworx Technologies Private Limited

Company Identification Number (CIN) :U72900DL2020PTC434013

Reg. Office : GF-1-A, 6, Devika Tower, Nehru Place, Nehru Place, South Delhi, New Delhi, Delhi, India, 110019

Statement of Profit and Loss for the twelve months period ended December 31, 2024

(Rs. in Thousand)

| Particulars | Note No. | For the year ended December 31, 2024 | For 9 months ended December 31, 2023 |
|---|----------|---|---|
| Income | | | |
| Revenue from operations | 16 | 117,280.75 | 82,190.46 |
| Other income | 17 | 1,579.93 | 367.23 |
| Total income | | 118,860.67 | 82,557.69 |
| Expenses | | | |
| Employee benefits expense | 18 | 70,348.09 | 69,385.27 |
| Depreciation and amortisation expense | 3 | 730.76 | 2,271.98 |
| Other expenses | 19 | 24,766.45 | 14,961.39 |
| Total expenses | | 95,845.30 | 86,618.64 |
| Profit/Loss before tax | | 23,015.37 | (4,060.95) |
| Tax expense: | | | |
| - Current tax | | 5,612.09 | 2,103.99 |
| - Prior period tax | | - | 22.03 |
| - Deferred tax | | (1,372.54) | (2,665.04) |
| Total tax expense | | 4,239.56 | (539.02) |
| Profit/Loss for the year | | 18,775.82 | (3,521.93) |
| Other comprehensive expense/(income): | | | |
| Items that will not be reclassified to profit and loss: | | | |
| i) Remeasurement of defined benefit plans | | 734.10 | 309.17 |
| ii) Income tax relating to items that will not be reclassified to profit and loss | | (184.76) | (77.81) |
| Total other comprehensive loss for the year | | 549.34 | 231.36 |
| Total comprehensive (loss)/Profit for the year | | 18,226.47 | (3,753.29) |
| Earnings per Share | 19 | | |
| - Basic and diluted (in ₹) | | 1,280.23 | (240.14) |

See accompanying notes to the financial statements 1 to 25

As per our attached report of even date
For Baheti and Somani LLP
Chartered Accountant
FRN No.: 124298W

For and on behalf of the Board
Scaleworx Technologies Private Limited

JAYESH
KEDARNA
TH BAHETI

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JAYESH KEDARNATH
BAHETI
Date: 2025.02.13
14:40:47 +05'30'

Jayesh Baheti
Partner
M.No.: 111154
Place: Pune
Date: February 13, 2025

AVIRA
G JAIN

Digitally
signed by
AVIRAG
JAIN

Avirag Jain
Director
DIN : 00004801
Place: NOIDA
Date: February 13, 2025

NAND LAL
SARDANA

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NAND LAL
SARDANA

Nand Sardana
Director
DIN : 09592752
Place: NOIDA
Date: February 13, 2025

Scaleworx Technologies Private Limited

Cash Flow Statement for the Period ending on 31st December 2024

Reg. Office : GF-1-A, 6, Devika Tower, Nehru Place, Nehru Place, South Delhi, New Delhi, Delhi, India, 110019

| Particulars | For the period ended December 31, 2024 | For the period ended December 31, 2023 |
|---|--|--|
| A. Cash flows from operating activities | | |
| Profit for the period | 18,775.82 | (3,521.93) |
| Adjustments for Non Cash and Non Operating Items: | | |
| Tax expense | 4,239.56 | (539.02) |
| Depreciation and amortisation expense | 730.76 | 2,271.98 |
| Unrealised foreign exchange loss / (gain) | (191.13) | (24.00) |
| Interest income | (1,579.93) | (347.38) |
| (Profit)/Loss on sale of assets | - | 113.58 |
| Operating profit before working capital changes | 21,975.07 | (2,046.77) |
| Movements in working capital: | | |
| (Increase) / Decrease in trade receivables | (2,274.07) | 18,177.32 |
| (Increase) / Decrease in other assets | (2,284.86) | (4,166.80) |
| Increase / (Decrease) in Trade payables and other liabilities | (4,738.92) | 8,514.66 |
| Increase / (Decrease) in Provisions | 3,126.33 | (3,028.89) |
| Cash generated from operations | 15,803.55 | 17,449.52 |
| Direct taxes paid, net of refunds | (6,162.99) | (5,778.12) |
| Net cash from operating activities (A) | 9,640.57 | 11,671.40 |
| B. Cash flows from investing activities | | |
| Purchase of Property, plant and equipment | (308.84) | (830.59) |
| Proceeds from sale of Property, plant and equipment | - | 11,068.71 |
| (Investment)/Redemption of fixed deposits with scheduled banks (net) | (34,191.56) | 10,121.26 |
| Interest received | 598.23 | 204.33 |
| Net cash from investing activities (B) | (33,902.17) | 20,563.71 |
| C. Cash flows used in financing activities | | |
| Loan paid to employees | (300.00) | - |
| Net cash used in financing activities (C) | (300.00) | - |
| Net increase / (decrease) in cash and cash equivalents (A + B + C) | (24,561.60) | 32,235.11 |
| Add: Cash and cash equivalents at the beginning of the period | 40,013.13 | 7,778.02 |
| Cash and cash equivalents at the end of the period | 15,451.53 | 40,013.13 |

See accompanying notes to financial statements

As per our attached report of even date
For Baheti and Somani LLP
Chartered Accountant
FRN No.: 124298W

For and on behalf of the
Scaleworx Technologies Private Limited

JAYESH
KEDARNA
TH BAHETI

Digitally signed by
JAYESH KEDARNATH
BAHETI
Date: 2025.02.13
14:41:36 +0530'

Jayesh Baheti
Partner
M.No.: 111154
Place: Pune
Date: February 13, 2025

AVIRA
G JAIN

Digitally signed by
AVIRAG
JAIN

Avirag Jain
Director
DIN : 00004801
Place: NOIDA
Date: February 13, 2025

NAND LAL
SARDANA

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by NAND LAL
SARDANA

Nand Sardana
Director
DIN : 09592752
Place: NOIDA
Date: February 13, 2025

Scaleworx Technologies Private Limited
Company Identification Number (CIN) :U72900DL2020PTC434013
Reg. Office : GF-1-A, 6, Devika Tower, Nehru Place, Nehru Place, South Delhi, New Delhi, Delhi, India, 110019

Statement of Changes in equity for the year ended December 31, 2024

A. Share Capital

| Particulars | Balance as at April 01, 2023 | Change during the year | Balance as at December 31, 2023 | Change during the period | Balance as at December 31, 2024 |
|----------------------|------------------------------|------------------------|---------------------------------|--------------------------|---------------------------------|
| Equity share capital | 146.66 | - | 146.66 | - | 146.66 |

B. Other equity

| Particulars | (₹ in 000's) | | |
|--|--------------------|-------------------|------------------|
| | Securities premium | Retained earnings | Total |
| Balance as at April 1, 2023 | 9,953.33 | 38,719.62 | 48,672.95 |
| Loss for the period | - | (3,521.93) | (3,521.93) |
| Remeasurement of defined benefit plans transferred to retained earnings (net of tax) | - | (231.36) | (231.36) |
| Balance as at December 31, 2023 | 9,953.33 | 34,966.33 | 44,919.66 |
| Profit for the year | - | 18,775.82 | 18,775.82 |
| OCI reclassified to equity and not to be reclassified in P&L A/c | - | (549.34) | (549.34) |
| Balance as at December 31, 2024 | 9,953.33 | 53,192.80 | 63,146.13 |

As per our attached report of even date
For Baheti and Somani LLP
Chartered Accountant
FRN No.: 124298W

For and on behalf of the Board
Scaleworx Technologies Private Limited

JAYESH
KEDARNATH
H BAHETI

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JAYESH KEDARNATH
BAHETI
Date: 2025.02.13
14:55:34 +05'30'

Jayesh Baheti
Partner
M.No.: 111154
Place: Pune
Date: February 13, 2025

AVIRA
G JAIN

Digitally signed by
AVIRAG JAIN

Avirag Jain
Director
DIN : 00004801
Place: NOIDA
Date: February 13, 2025

NAND LAL
SARDANA

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by NAND LAL
SARDANA

Nand Sardana
Director
DIN : 09592752
Place: NOIDA
Date: February 13, 2025

Scaleworx Technologies Private Limited
Notes to Accounts

1 Nature of Operations

Scaleworx Technologies Private Limited was incorporated on 7th November, 2020. It is a private unlisted company and is classified as 'company limited by shares'.

The company is working in the field of Information technology & Software development, and to undertake all such activities connected, linked or associated with software development, Software Product Incubation, Software Prototyping, Software Solutions, Software Consultancy, Website Development, IT Management, Networking, IT Services, e-Commerce Activities, BPO, Trainings, technical processes and other related services.

Material Accounting Policies

2 a Statement of compliance

These financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standard) Rules as amended from time to time.

These financial statements comply in all material aspects with Indian accounting standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian accounting standards) Rules, 2015] and other relevant provisions of the Act.

b Functional and presentation currency

These financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency. All amounts have been presented in thousands, unless otherwise indicated.

c Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared under the historical cost convention on an accrual basis, net defined benefit obligations and other long-term employee benefits which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Based on the nature of services rendered to customers and the time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration of the services rendered, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

d Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of property, plant and equipment that are not ready to be put to use.

When part of an item of property plant and equipment has different useful lives, they are accounted for as separate items (major component) of property plant and equipment. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing property, plant and equipment, including day-today repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from disposal or retirement of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed. Amounts paid towards the acquisition of property, plant and equipment not received till the reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work-in-progress (CWIP) respectively.

Scaleworx Technologies Private Limited
Notes to Accounts

e Depreciation

Depreciation is calculated on cost of items of property, plant and equipment and Investment Property, less their estimated residual values using the straight line method over the useful lives of the assets estimated by the management. The assets residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets and are in align with Part C of Schedule II of the Companies Act 2013.

| Assets | Method | Life (in years) |
|------------------|--------|-----------------|
| Computers | SLM | 3 |
| Office Equipment | SLM | 5 |
| Motor Vehicle | SLM | 8 |

f Impairment

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

g Impairment

(i). Financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

(ii). Non-financial assets

The Company's non-financial assets, excluding deferred tax assets, are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

h Revenue

The Company derives revenue primarily from software development and related services and business process outsourcing services. The Company recognises revenue when the performance obligations as promised have been satisfied with a transaction price and when there is no uncertainty as to measurement or collectability of the consideration.

The Company has applied the guidance in Ind AS 115, "Revenue from Contracts with Customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering these services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company collects Goods and Service Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Arrangements with customers for services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed-price and fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred as unearned revenues).

Unbilled revenue for fixed price contracts are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones. Unbilled revenue on contracts other than above is classified as a financial asset.

i Other income

Other income is comprised primarily of interest income, net gain on foreign exchange fluctuations, rental income and gain on investments. Interest income is recognised on a time proportion basis taking into account the carrying amount and the effective interest rate.

j Foreign currency transactions and balances

Foreign currency transactions are recorded in the functional currency of the Company, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined.

Exchange differences

Exchange differences arising on conversion / settlement of foreign currency monetary items, exchange gain / loss on forward contracts and on foreign currency liabilities relating to Property, Plant and Equipment acquisition are recognised as income or expenses in the statement of profit and loss in the period in which they arise.

k Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all related employee benefits. The related risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

The present value of the defined benefit obligations is calculated using the projected unit credit method.

(i) The Company's contribution to social security plans such as provident fund, employee state insurance scheme, etc. are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(ii) The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date and are charged to the statement of profit and loss except for the re-measurements comprising of actuarial gains and losses which are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Re-measurements are not reclassified to statement of profit and loss subsequently.

The provision for gratuity recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets.

(iii) **Compensated absences**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment.

The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. The actuarial gains and losses are recognised in the statement of profit and loss. Non-accumulating compensated absences are recognised in the period in which the absences occur.

The Company presents the entire Compensated absences liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

l Income taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday. The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit

will be available against which such deferred tax assets can be realised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

m Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources. The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

n Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

p Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

Scaleworx Technologies Private Limited

Notes to Accounts

q Use of estimates and judgement

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of year. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

r Critical accounting estimates

(i) Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to

estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

(ii) Income taxes

The Company's only tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes.

The Company reviews carrying amount of deferred tax assets at the end of each reporting period.

(iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(v) Impairment of investments

The Company reviews its carrying value of investments at each Balance Sheet date, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(vi) Employee benefit plans

The present value of provision for gratuity and compensated absence is based on actuarial valuation using the projected unit credit method. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, provision for gratuity and compensated absence is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

s Maintenance of Books of Accounts

In accordance with Section 128(1) of the Companies Act, 2013, the Company maintains its books of accounts and other relevant financial records at the following location:

3rd Floor AG Trade Centre, Plot No 18 NDA Road Bavdhan Pune, Bavdhan, Pune, Haveli, Maharashtra, India, 411021.

The Board of Directors approved the maintenance of books of accounts at this location through a resolution passed on July 19, 2024. The Company ensures compliance with all statutory requirements, including accessibility for inspection by Directors during business hours.

The financial records are regularly updated and maintained in an organized manner at the aforementioned location. However, copies of relevant documents are made available at the registered office as and when required for audit, inspection, or verification purposes.

This disclosure is made in compliance with the provisions of the Companies Act, 2013 and relevant accounting standards.

t The previous year financials are not comparable as those were prepared for the period of nine months ended 31 December 2023 while the current financials are prepared for period twelve months ended 31 December 2024.

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

3 Property, Plant and Equipment

| Particulars | Office Equipment | Computers | Vehicles | Total |
|--|------------------|-----------|-----------|-----------|
| Gross Carrying Value | | | | |
| Balance as at April 1, 2023 | 99.03 | 2,227.06 | 12,838.99 | 15,165.08 |
| Additions | 131.36 | 449.23 | 250.00 | 830.59 |
| Disposals | 27.00 | 216.24 | 13,088.99 | 13,332.23 |
| Balance as at December 31, 2023 | 203.39 | 2,460.05 | - | 2,663.44 |
| Additions | - | 308.84 | - | 308.84 |
| Disposals | - | - | - | - |
| Balance as at December 31, 2024 | 203.39 | 2,768.89 | - | 2,972.28 |
| Accumulated depreciation/amortisation | | | | |
| Balance as at April 1, 2023 | 42.70 | 847.69 | 496.78 | 1,387.17 |
| Depreciation/amortisation charge | 8.33 | 781.36 | 1,482.29 | 2,271.98 |
| Adjustment/Disposals | 8.15 | 162.72 | 1,979.07 | 2,149.94 |
| Balance as at December 31, 2023 | 42.88 | 1,466.33 | - | 1,509.21 |
| Depreciation/amortisation charge | 40.68 | 690.08 | - | 730.76 |
| Adjustment/Disposals | - | - | - | - |
| Balance as at December 31, 2024 | 83.56 | 2,156.41 | - | 2,239.97 |
| Net Block | | | | |
| Balance as at December 31, 2023 | 160.51 | 993.72 | - | 1,154.23 |
| Balance as at December 31, 2024 | 119.83 | 612.48 | - | 732.31 |

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

4 Non Current tax asset (net)

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|--------------------|----------------------------|----------------------------|
| Advance Income Tax | 2,287.94 | 2,471.15 |
| Total | 2,287.94 | 2,471.15 |

5 Trade receivables (current)

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|-----------------------------------|----------------------------|----------------------------|
| Unsecured and Considered Good | 13,397.74 | 10,932.54 |
| Unsecured, credit impaired | 4,176.50 | - |
| Less: Allowance for doubtful debt | -4,176.50 | - |
| Total | 13,397.74 | 10,932.54 |

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--------------------------------|---|-----------------------|----------------------|-------------|-------------|----------------------|-----------|
| | Not Due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| As at December 31, 2024 | | | | | | | |
| Undisputed - considered good | 8,895.45 | 3,630.29 | 872.01 | - | - | - | 13,397.74 |
| Undisputed - credit impaired | - | - | 606.01 | 3,570.49 | - | - | 4,176.50 |
| As at December 31, 2023 | | | | | | | |
| Undisputed - considered good | - | 8,242.29 | 2,690.25 | - | - | - | 10,932.54 |

| Movement in expected credit loss allowance | Year ended December 31, 2024 |
|---|---------------------------------|
| Balance at the beginning of the year-1 Jan 24 | - |
| Provision for doubtful debts (net) | 4,109.26 |
| Effect of foreign exchange fluctuation | 67.24 |
| Balance at the end of the year- 31 Dec 24 | 4,176.50 |

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

6 Cash and cash equivalents

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|--|----------------------------|----------------------------|
| Cash on hand | - | - |
| Balances with scheduled banks: in current account | 15,451.53 | 40,013.13 |
| in deposits with original maturity of less than three months | | - |
| Total | 15,451.53 | 40,013.13 |

7 Bank balances other than cash and cash equivalents

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|---|----------------------------|----------------------------|
| Deposits with original maturity of more than three months but less than twelve months | - | 3,279.02 |
| Total | - | 3,279.02 |

8 Other current financial assets

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|--|----------------------------|----------------------------|
| Interest accrued on bank deposits | 1,139.99 | 158.29 |
| Loan to Employees | 300.00 | - |
| Deposits with original maturity of more than twelve months | 37,470.58 | - |
| NSDL Security Deposit | 10.00 | - |
| Total | 38,920.57 | 158.29 |

9 Other Current assets

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|--------------------|----------------------------|----------------------------|
| Prepaid expenses | 137.58 | 196.68 |
| Advance to vendors | - | 384.55 |
| Unbilled revenue | 7,416.95 | 4,698.44 |
| Total | 7,554.53 | 5,279.67 |

Scaleworx Technologies Private Limited

Notes to Financial Statements for the year ended December 31, 2024

10 Share Capital

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|---|-------------------------------|-------------------------------|
| Authorised share capital (50,000 Equity Shares of Face value Rs. 10 each) | 500.00 | 500.00 |
| Total | 500.00 | 500.00 |
| Issued, subscribed and paid-up share capital (14,666 Equity Shares of Face value Rs. 10 each) | 146.66 | 146.66 |
| Total | 146.66 | 146.66 |

**a. Reconciliation of the shares outstanding
Equity Shares**

| Particulars | As at December 31, 2024 | | As at December 31, 2023 | |
|---|-------------------------|-----------------|-------------------------|-----------------|
| | No. of shares | (₹ in Thousand) | No. of shares | (₹ in Thousand) |
| At the beginning of the year | 14,666 | 146.66 | 14,666 | 146.66 |
| Add : Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 14,666 | 146.66 | 14,666 | 146.66 |

b. Description of the rights, preferences and restrictions attached to equity shares

(i) Equity shares

The Company has only one class of equity shares having the par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. All shareholders are equally entitled to dividends. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets of the Company, after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shares held by the Holding Company / ultimate holding company and shareholders holding more than 5% shares in the Company:

Equity shares

| Name of the entity | As at December 31, 2024 | | As at December 31, 2023 | |
|------------------------------|-------------------------|--------------|-------------------------|--------------|
| | No. of shares | % of Holding | No. of shares | % of Holding |
| Velotio Technologies Pvt Ltd | 14,666 | 100.00% | 14,666 | 100.00% |

d. Shareholding of promoters

| Name of promoter | As at December 31, 2024 | | As at December 31, 2023 | |
|---|-------------------------|--------------|-------------------------|--------------|
| | No. of shares held | % of Holding | No. of shares held | % of Holding |
| Promoters: Velotio Technologies Private Limited | 14,666 | 100.00% | 14,666 | 100.00% |

As per secretarial records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

11 Other equity

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|--|----------------------------|----------------------------|
| a) Reserves and surplus | | |
| i) Securities premium The amount received in excess of face value of the equity shares or Instruments entirely equity in nature is recognised in securities premium. This is utilised in accordance with the provisions of the Companies Act 2013. | 9,953.33 | 9,953.33 |
| ii) Retained earnings Retained earnings represents the cumulative profit/(loss) of the Company and effects of remeasurements of defined benefits obligations routed through other comprehensive income. | 53,192.80 | 34,966.33 |
| Total | 63,146.13 | 44,919.66 |

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

12 Provisions

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|--|----------------------------|----------------------------|
| Non-current | | |
| Provision for gratuity (refer note 18.1) | 3,939.83 | 2,154.60 |
| | 3,939.83 | 2,154.60 |
| Current | | |
| Provision for gratuity (refer note 18.1) | 5.03 | 3.18 |
| Provision for Leave Encashment | 1,666.29 | 327.03 |
| | 1,671.31 | 330.21 |
| Total | 5,611.14 | 2,484.81 |

13 Trade payables (current)

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|--|----------------------------|----------------------------|
| - Total outstanding dues of micro enterprises and small enterprises | 701.79 | |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 4,038.16 | 3,326.03 |
| Total | 4,739.95 | 3,326.03 |

| Particulars | As at December 31, 2024 | | | | |
|-----------------------|-----------------------------------|-------------|-------------|----------------------|-----------------|
| | Outstanding for following periods | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| i. MSME | 701.79 | - | - | - | 701.79 |
| ii. Others | 1,681.39 | - | - | - | 1,681.39 |
| iii. Accrued expenses | - | - | - | - | 2,356.77 |
| | | | | | 4,739.95 |

| Particulars | As at December 31, 2023 | | | | |
|-----------------------|-----------------------------------|-------------|-------------|----------------------|-----------------|
| | Outstanding for following periods | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| i. MSME | - | - | - | - | - |
| ii. Others | 3,326.03 | - | - | - | 3,326.03 |
| iii. Accrued expenses | - | - | - | - | - |
| | | | | | 3,326.03 |

Dues to micro, small and medium enterprises

Based upon the information and the supplier profile available with the Company, the management believes that there are no dues to such suppliers.

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|--|----------------------------|----------------------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | 701.79 | Nil |
| The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | Nil | Nil |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006 | Nil | Nil |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | Nil |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | Nil | Nil |

14 Other current financial liabilities

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|--------------------------|----------------------------|----------------------------|
| Employee Benefit Payable | 6,551.47 | 11,379.17 |
| Total | 6,551.47 | 11,379.17 |

15 Other current liabilities

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|-------------------------|----------------------------|----------------------------|
| Statutory dues payable: | | |
| Tax Deducted at Source | 1,323.94 | 2,844.94 |
| Provident Fund Payable | 49.08 | 63.75 |
| Goods and Service Tax | 771.46 | 864.54 |
| Other Payables | 336.01 | 32.40 |
| Total | 2,480.49 | 3,805.63 |

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

16 Revenue from operations

| Particulars | For the year ended December 31, 2024 | For the period ended December 31, 2023 |
|-------------------------------------|---|---|
| Sale of services - consultancy fees | 117,280.75 | 82,190.46 |
| Total | 117,280.75 | 82,190.46 |

Disaggregation of revenue

The table below presents disaggregated revenues from the Company's contracts with customers by geography.

| Revenue by geography: | | |
|------------------------------|-------------------|------------------|
| India | 71,827.42 | 50,218.49 |
| North America | 45,453.32 | 31,971.97 |
| | 117,280.75 | 82,190.46 |

Trade receivables and contract balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue. A receivable is right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time. Invoicing in excess of earnings is classified as unearned revenue.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognise these amounts as revenue. Applying the practical expedients as given in IND AS 115, the Company has not disclosed the remaining performance obligations related disclosures where the revenue recognised corresponds directly with the value to customer of the entity's performance completed to date, typically those contracts where invoicing is on the basis of time-and-material basis.

17 Other income

| Particulars | For the year ended December 31, 2024 | For the period ended December 31, 2023 |
|----------------------|---|---|
| Interest income on: | | |
| Bank deposits | 1,579.93 | 347.38 |
| Miscellaneous income | - | 19.85 |
| Total | 1,579.93 | 367.23 |

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

18 Employee benefits expense

| Particulars | For the year ended December 31, 2024 | For the period ended December 31, 2023 |
|---|---|---|
| Salaries, wages and bonus | 68,879.27 | 48,404.80 |
| Director Remuneration (refer Note 20) | - | 19,078.21 |
| Gratuity (refer Note 18.1 below) | 1,052.98 | 670.40 |
| Contribution to Provident Fund and other fund | 342.21 | 294.91 |
| Staff welfare expenses | 73.63 | 936.95 |
| Total | 70,348.09 | 69,385.27 |

18.1 Defined benefit plan (Gratuity)

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet for the respective plans.

The amount recognised in the statement of profit and loss is as follows:

| Particulars | For the year ended December 31, 2024 | For the period ended December 31, 2023 |
|--|---|---|
| Service cost | 895.36 | 604.62 |
| Net interest cost | 157.62 | 65.78 |
| Net gratuity expense recognised in the statement of profit and loss | 1,052.98 | 670.40 |
| Re-measurement loss / (gain) recognised in other comprehensive income | 734.10 | 309.17 |
| Total cost recognised in total comprehensive income | 1,787.08 | 979.57 |

The amount recognised in other comprehensive income is as follows:

| Particulars | For the year ended December 31, 2024 | For the period ended December 31, 2023 |
|--|---|---|
| Actuarial changes arising from changes in financial assumptions | 577.88 | 30.03 |
| Actuarial changes arising from changes in experience adjustments | 156.23 | 279.14 |
| Total | 734.10 | 309.17 |

Changes in the present value of the defined benefit obligations :

| Particulars | For the year ended December 31, 2024 | For the period ended December 31, 2023 |
|--|---|---|
| Opening defined benefit obligation | 2,157.78 | 1,178.21 |
| Service cost | 895.36 | 604.62 |
| Interest cost | 157.62 | 65.78 |
| Remeasurements on obligation - loss / (gain) | 734.10 | 309.17 |
| Total Closing defined benefit obligation | 3,944.86 | 2,157.78 |
| Closing defined benefit obligation - Current | 5.03 | 3.18 |
| Closing defined benefit obligation - Non Current | 3,939.83 | 2,154.60 |

The principal assumptions used in determining gratuity

| Particulars | For the year ended December 31, 2024 | For the period ended December 31, 2023 |
|------------------------|---|---|
| Discount rate | 6.90% | 7.31% |
| Salary escalation rate | 10.00% | 8.00% |
| Withdrawal Rate | 10.00% | 10.00% |

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonable possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. Sensitivity analysis for each significant actuarial assumption is given below:

| Particulars | For the year ended December 31, 2024 | For the period ended December 31, 2023 |
|--------------------------------|---|---|
| Discount rate | | |
| a. Rate + 100 basis points | 3,602.51 | 1,056.65 |
| b. Rate - 100 basis points | 4,341.70 | 1,321.13 |
| Rate of salary increase | | |
| a. Rate + 100 basis points | 4,163.04 | 2,344.84 |
| b. Rate - 100 basis points | 3,721.67 | 1,975.45 |

19 Other expenses

| Particulars | For the year ended December 31, 2024 | For the period ended December 31, 2023 |
|---|---|---|
| Rates and taxes | 15.26 | 146.00 |
| Rent | 90.00 | - |
| Repairs and maintenance | 113.79 | 229.85 |
| Repairs and maintenance-Softwares | 822.08 | 382.16 |
| Travelling and conveyance | 2,868.47 | 3,348.18 |
| Legal and professional charges | 15,101.09 | 10,296.42 |
| Payment to auditor | 372.00 | 270.00 |
| Foreign Exchange Gain or Loss | 164.29 | 131.31 |
| Loss on disposal of property, plant and equipment (net) | - | 113.58 |
| Provision for Doubtful debts | 4,109.26 | - |
| Insurance Expense | 823.10 | - |
| Miscellaneous expenses | 287.10 | 43.89 |
| Total | 24,766.45 | 14,961.39 |

19.1 Payment to Auditors

| Particulars | For the year ended December 31, 2024 | For the period ended December 31, 2023 |
|-----------------|---|---|
| Statutory Audit | 372.00 | 270.00 |
| Total | 372.00 | 270.00 |

19 Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during year. The Company did not have any potentially dilutive securities in any of the years presented.

| Particulars | For the year ended December 31, 2024 | For the period ended December 31, 2023 |
|--|---|---|
| Net profit/(Loss) after tax (Rs. in thousands) | 18,775.82 | (3,521.93) |
| Weighted average number of equity shares for calculating Basic and Diluted EPS | 14,666 | 14,666 |
| Earnings per share (Equity share of par value of Re. 10/- each) | | |
| Basic and Diluted (Rs.) | 1,280.23 | (240.14) |

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

20 Related party disclosures

20.1 List of related parties where control exists and related parties with whom transactions have taken place and relationships:

- (a) **Holding company**
Velotio Technologies Private Limited
- (b) **Key managerial personnel**
Chirag Jog
Rohan Gupta (resigned w.e.f. December 01, 2023)
Avirag Jain (appointed w.e.f. December 01, 2023)
Nand Sardana (appointed w.e.f. December 01, 2023)
- (c) **Intermediate Holding Company**
R Systems International Limited.

20.2 Related party transactions:

Details of transactions with related parties for the year ended Dec 31, 2024 and nine months ended December 31, 2023:

| Particulars | For the period ended December 31, 2024 | For the period ended December 31, 2023 |
|--|---|---|
| Sale of services - consultancy fees | | |
| Velotio Technologies Pvt Ltd | 69,963.86 | 50,218.49 |
| R Systems International Limited. | 1,863.54 | - |
| | 71,827.40 | 50,218.49 |
| Technical fees | | |
| Velotio Technologies Pvt Ltd | 612.39 | - |
| R Systems International Limited. | 1,411.20 | - |
| | 2,023.59 | - |
| Remuneration to directors | | |
| Rohan Gupta | - | 19,078.21 |
| | - | 19,078.21 |
| Rent paid | | |
| Velotio Technologies Pvt Ltd | 90.00 | - |
| | 90.00 | - |
| Sale of Fixed Asset | | |
| Rohan Gupta | - | 11,159.75 |
| | - | 11,159.75 |

20.3 Balance outstanding

Outstanding balances of related parties as at December 31, 2024 and December 31, 2023:

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|----------------------------------|----------------------------|----------------------------|
| Trade Receivables | | |
| Velotio Technologies Pvt Ltd | 5,265.17 | - |
| | 5,265.17 | - |
| Unbilled Asset | | |
| Velotio Technologies Pvt Ltd | 7,033.28 | - |
| R Systems International Limited. | 383.67 | - |
| | 7,416.95 | - |
| Provision for Expense | | |
| Velotio Technologies Pvt Ltd | 612.39 | - |
| R Systems International Limited. | 144.00 | - |
| | 756.39 | - |
| Trade Payables | | |
| R Systems International Limited. | 141.84 | - |
| | 141.84 | - |

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

21 Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to foreign currency risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Foreign currency risk

The Company's exchange risk arises from its foreign currency revenues (in U.S. Dollars). Since the export revenues are generally realised in cash over a short span of time therefore there is no significant gain/loss on account of change in the exchange rates. Significant portion of the Company's revenues and costs are in Indian rupees.

The following table analyses Company's foreign currency exposure from non-derivative financial instruments as of December 31, 2024 and December 31, 2023:

| Trade receivables | Currency - USD | Total |
|-------------------------|----------------|--------|
| As at December 31, 2024 | 140.53 | 140.53 |
| As at December 31, 2023 | 131.53 | 131.53 |

Foreign currency sensitivity analysis

For the period ended December 31, 2024, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would decrease / increase Company's profit before tax margin by approximately 0.52% , respectively. For the period ended December 31, 2023, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would decrease / increase Company's profit before tax margin by approximately 2.69% , respectively.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and bank deposits. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

| Particulars | For the period ended December 31, 2024 | For the period ended December 31, 2023 |
|------------------------------|---|---|
| Revenue from top customer | 67,629.05 | 54,916.93 |
| Revenue from top 5 customers | 117,280.75 | 81,543.43 |

Credit risk on cash and bank balances is limited as the Company generally invests in deposits with scheduled banks.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The investment of surplus cash is governed by the Company's investment policy approved by the Board of Directors. The Company believes that the working capital is sufficient to meet its current requirements.

As at December 31, 2024, the Company had a working capital of Rs.59,881.15 including cash and cash equivalents of Rs.15,451.53. As at December 31, 2023, the Company had a working capital of Rs. 43,292.76 including cash and cash equivalents of Rs. 40,013.15. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities:

| Particulars | As at December 31, 2024 | As at December 31, 2023 |
|-----------------------------|----------------------------|----------------------------|
| Less than 1 year | | |
| Trade payables | 4,739.95 | 3,326.03 |
| Other financial liabilities | 6,551.47 | 11,379.17 |
| More than 1 year | | |
| Trade payables | - | - |
| Other financial liabilities | - | - |

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

22 Financial instruments

The carrying values and fair values of financial instruments by categories are as follows:

| Particulars | Note reference | Basis of measurement | As at December 31, 2024 | | As at December 31, 2023 | |
|-----------------------------|----------------|----------------------|-------------------------|------------------|-------------------------|------------------|
| | | | Carrying value | Fair value | Carrying value | Fair value |
| Assets | | | | | | |
| Trade receivables | 5 | Amortised cost | 13,397.74 | 13,397.74 | 10,932.54 | 10,932.54 |
| Cash and cash equivalents | 6 | Amortised cost | 15,451.53 | 15,451.53 | 40,013.13 | 40,013.13 |
| Other bank balances | 7 | Amortised cost | - | - | 3,279.02 | 3,279.02 |
| Other financial assets | 8 | Amortised cost | 38,920.57 | 38,920.57 | 158.29 | 158.29 |
| Total | | | 67,769.84 | 67,769.84 | 54,382.98 | 54,382.98 |
| Liabilities | | | | | | |
| Trade payables | 13 | Amortised cost | 4,739.94 | 4,739.94 | 3,326.03 | 3,326.03 |
| Other financial liabilities | 14 | Amortised cost | 6,551.47 | 6,551.47 | 11,379.17 | 11,379.17 |
| Total | | | 11,291.41 | 11,291.41 | 14,705.20 | 14,705.20 |

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

23 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor as well as creditor confidence and to sustain future development of the business. The Company is debt-free and the entire share capital is held by the holding company. The Company's objective, when managing capital, is to maintain an optimal structure so as to maximise shareholder value.

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

| Particulars | For the period ended December 31, 2024 | For the period ended December 31, 2023 |
|---|---|---|
| 24 Income tax | | |
| Current income tax | | |
| In respect of the current year | 5,612.09 | 2,103.99 |
| In respect of the prior periods | - | 22.03 |
| Deferred tax | -1,372.54 | -2,665.04 |
| Income tax expense recognised in the statement of profit and loss | 4,239.56 | -539.02 |
| Income tax recognised in other comprehensive income | | |
| Deferred tax arising on income and expense recognised in other comprehensive income | | |
| Net loss / (gain) on re-measurement of defined benefit plan | -184.76 | -77.81 |
| | 4,054.80 | -616.83 |

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

| | | |
|--|-----------------|-----------------|
| Profit before tax | 23,015.37 | (4,060.95) |
| Enacted income tax rate in India | 25.17% | 25.17% |
| Computed expected tax expense | 5,792.51 | (1,022.06) |
| Tax effect of: | | |
| Expenses that are not deductible in determining taxable profit | - | 374.52 |
| Tax pertaining to prior years | - | 22.03 |
| Others | (1,552.95) | 86.49 |
| Income tax expense recognised in the statement of profit and loss | 4,239.56 | (539.02) |

Deferred tax

Deferred tax assets / (liabilities) as at December 31, 2024 in relation to:

| Particulars | As at Jan 01, 2024 | Credited / (Charged) to profit and loss | Credited / (Charged) in other comprehensive | As at December 31, 2024 |
|--|-----------------------|---|---|----------------------------|
| Difference between accounting base and tax base for depreciable assets | -130.38 | 91.60 | | -38.78 |
| Provision for gratuity | 808.56 | 265.01 | 184.76 | 1,258.33 |
| Other employee benefits | 2,095.75 | -35.21 | | 2,060.54 |
| Provision for doubtful debts | - | 1,051.14 | | 1,051.14 |
| | 2,773.93 | 1,372.54 | 184.76 | 4,331.23 |

Deferred tax assets / (liabilities) as at December 31, 2023 in relation to:

| Particulars | As at April 01, 2023 | Credited / (Charged) to profit and loss | Credited / (Charged) in other comprehensive income | As at December 31, 2023 |
|--|-------------------------|---|---|----------------------------|
| Difference between accounting base and tax base for depreciable assets | -265.49 | 135.11 | - | -130.38 |
| Provision for gratuity | 296.53 | 434.22 | 77.81 | 808.56 |
| Other employee benefits | - | 2,095.75 | - | 2,095.75 |
| | 31.04 | 2,665.08 | 77.81 | 2,773.93 |

Scaleworx Technologies Private Limited
Notes to Financial Statements for the year ended December 31, 2024

25. Approval of Financial Statements

The Financial statements have been approved by the Board of Directors at its meeting held on February 13, 2025

For and on behalf of the Board
Scaleworx Technologies Private Limited

AVIRA Digitally
signed by
G JAIN AVIRAG JAIN

Avirag Jain
Director
DIN : 00004801
Place: NOIDA
Date: February 13, 2025

NAND LAL Digitally signed
by **NAND LAL**
SARDANA SARDANA

Nand Sardana
Director
DIN : 09592752
Place: NOIDA
Date: February 13, 2025