

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS

To The Board of Directors of Velotio Technologies Private Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of **Velotio Technologies Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 December, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information. These special purpose financial statements are prepared solely for inclusion in the annual report of R Systems International Limited for the year ended 31 December, 2024 under the requirements of section 129(3) of the Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the special purpose 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also expressing our opinion on whether the Company has adequate internal financial controls with reference to special purpose financial statements in place and the operating effectiveness of such controls in our separate Report in "Annexure A".
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 special purpose 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Deloitte Haskins & Sells LLP

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 financial controls 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.

Other Matters

- The Special Purpose Financial Statements are prepared for inclusion in the annual report of R Systems International Limited ("the Parent Company") under the requirements of Section 129(3) of the Companies Act, 2013. As a result, the Special Purpose Financial Statements may not be suitable for any other purpose. The Special Purpose Financial Statements cannot be referred to or distributed or included or used for any other purpose except with our prior consent in writing. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior written consent.
- The company's comparative financial information presented in the Statement of Profit and Loss is for the period of nine months i.e., 1 April, 2023 to 31 December, 2023, as part of this Special Purpose Financial statements. Refer to Note 32 of financial statements.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Jitendra Agarwal
Partner
Membership No. 87104
UDIN: 25087104BMJGUA5317

Place: Gurugram
Date: 13 February, 2025

Annexure "A" to The Independent Auditor's Report On Special Purpose Financial Statements

Report on the Internal Financial Controls with reference to Special Purpose Financial Statements

We have audited the internal financial controls with reference to financial statements of **Velotio Technologies Private Limited** ("the Company") as at December 31, 2024 in conjunction with our audit of the special purpose financial statements of the Company for the period 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 special purpose financial statements based on "the internal control with reference to financial statements 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". 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 the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to 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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2024, based on "the criteria for internal financial control with reference to 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 Institute of Chartered Accountants of India".

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



A handwritten signature in blue ink that reads "Jitendra Agarwal".

JITENDRA AGARWAL
Partner
Membership No. 87104
UDIN: 25087104BMJGUA5317

Place: Gurugram
Date: 13 February, 2025

Velotio Technologies Private Limited
Balance Sheet as at December 31, 2024
CIN: U72100DL2016PTC434014

Particulars	Note No.	(Rs. in million)	
		As at December 31, 2024	As at December 31, 2023
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	3a	23.55	26.21
(b) Goodwill	3b	1.23	1.23
(c) Other Intangible assets	3c	7.64	11.06
(d) Right-of-use assets	3d	3.06	17.72
(e) Financial assets			
(i) Investments	4	52.51	52.51
(ii) Other financial assets	5	8.15	51.86
(f) Deferred tax assets (net)	26	57.50	49.28
(g) Non-current tax assets (net)	6	-	8.59
Total non-current assets (A)		153.64	218.46
B. Current assets			
(a) Financial assets			
(i) Trade receivables	7	240.97	257.27
(ii) Cash and cash equivalents	8a	229.14	79.13
(iii) Bank balances other than cash and cash equivalents	8b	30.50	-
(iv) Other financial assets	9	46.87	9.09
(b) Other current assets	10	40.75	41.34
Total current assets (B)		588.23	386.83
Total assets (A+B)		741.87	605.29
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	11.1	0.11	0.11
(b) Convertible preference shares	11.2	0.12	0.12
(c) Other equity	12	387.20	234.89
Total equity (A)		387.43	235.12
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	13	-	3.40
(b) Provisions	14	48.49	33.81
Total non-current liabilities (B)		48.49	37.21
C. Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	13	3.40	15.55
(ii) Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		2.60	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		20.40	19.68
(iii) Other financial liabilities	16	222.44	253.46
(b) Other current liabilities	17	21.51	24.56
(c) Provisions	18	27.16	19.71
(d) Current tax liabilities (net)	19	8.44	-
Total current liabilities (C)		305.95	332.96
Total liabilities (B+C)		354.44	370.17
Total equity and liabilities (A+B+C)		741.87	605.29

Notes forming integral part of the special purpose financial statements

1-35

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants


Jitendra Agarwal
Partner
Membership No. 087104

Place : Gurugram
Date : February 13, 2025

For and on behalf of the Board of Directors of
Velotio Technologies Private Limited


Kalpak Shah
Director & Chief Executive Officer
DIN: 2940976

Place : Pune
Date : February 13, 2025


Nand Sardana
Director
DIN : 09592752

Place : NOIDA
Date : February 13, 2025

Velotio Technologies Private Limited
Statement of Profit and Loss for the year ended December 31, 2024
CIN: U72100DL2016PTC434014

Particulars	Notes	(Rs. in million, except per share data)	
		Year ended December 31, 2024	Period ended December 31, 2023
Income			
I Revenue from operations	20	1,455.90	1,005.78
II Other Income	21	12.37	8.50
III Total Income (I+II)		1,468.27	1,014.28
IV Expenses			
(i) Employee benefits expense	22	793.12	751.74
(ii) Finance costs	23	1.11	3.16
(iii) Depreciation and amortisation expenses	24	30.07	22.74
(iv) Other expenses	25	231.30	275.47
Total expenses (IV)		1,055.60	1,053.11
V Profit/(Loss) before tax (III-IV)		412.67	(38.83)
VI Tax expense			
(i) Current tax	26	109.12	57.90
(ii) Deferred tax credit		(6.05)	(38.27)
Total tax expense		103.07	19.63
VII Profit/(Loss) for the year/period (V-VI)		309.60	(58.46)
VIII Other comprehensive Income/(loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurements of the defined benefit plans		(9.42)	(3.33)
Deferred tax relating to re-measurements of the defined benefit plans		2.17	0.84
Total other comprehensive loss		(7.25)	(2.49)
IX Total comprehensive income/(loss) for the year/period (VII+VIII)		302.35	(60.95)
X Earning per share (EPS)			
Equity share of par value of Re 1/- each	27		
Basic		2,793.90	(527.56)
Diluted		1,319.34	(527.56)

Notes forming integral part of the special purpose financial statements

1-35

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants


Jitendra Agarwal
Partner
Membership No. 087104

Place : Gurugram
Date : February 13, 2025



For and on behalf of the Board of Directors of
Velotio Technologies Private Limited


Kalpak Shah
Director & Chief Executive Officer
DIN: 2940976

Place : Pune
Date : February 13, 2025


Nand Sardana
Director
DIN : 09592752

Place : NOIDA
Date : February 13, 2025

Velotio Technologies Private Limited
Statement of cash flows for the year ended December 31, 2024
CIN: U72100DL2016PTC434014

Particulars	(Rs in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
A. Cash flows from operating activities		
Profit/(loss) for the year/period	309.60	(58.46)
Adjustments for:		
Tax expense	103.07	19.63
Depreciation and amortisation expenses	30.07	22.74
Provision for/ (reversal from) doubtful debts (net)	5.37	(0.62)
Assets written off/ (Liabilities) written back	0.02	(2.30)
Unrealised foreign exchange gain	(4.25)	-
Unrealised gain on derivative instruments	(0.46)	(4.00)
Interest income	(8.20)	(3.79)
Loss on sale of property, plant and equipment (net)	-	0.29
Interest expenses	1.11	3.16
Operating profit/(loss) before working capital changes	436.33	(23.35)
Movements in working capital:		
(Increase) / Decrease in trade receivables	15.18	(21.08)
(Increase) / Decrease in other assets	(17.50)	14.92
Increase / (Decrease) in provisions	12.70	10.78
Increase / (Decrease) in trade payables and other liabilities	(29.65)	88.26
Cash generated from operations	417.06	69.53
Direct taxes paid, net of refunds	(92.18)	(97.11)
Net cash from/ (used in) operating activities (A)	324.88	(27.58)
B. Cash flows from investing activities		
Purchase of Property, plant and equipment	(9.98)	(5.68)
Proceeds from sale of Property, plant and equipment	-	0.09
Investment in fixed deposits with scheduled banks (net)	(5.50)	-
Interest received	7.21	2.94
Acquisition of Subsidiary company (Refer to Note no. 4)	-	(42.50)
Net cash used in investing activities (B)	(8.27)	(45.15)
C. Cash flows from financing activities		
Payment of lease rental (refer to Note 13)	(16.56)	(11.94)
Payment of Interim dividend	(150.04)	-
Net cash used in financing activities (C)	(166.60)	(11.94)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	150.01	(84.67)
Add: Cash and cash equivalents at the beginning of the year/period	79.13	163.80
Cash and cash equivalents at the end of the year/period	229.14	79.13

Notes forming integral part of the special purpose financial statements

1-35

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants


Jitendra Agarwal
Partner
Membership No. 087104



Place : Gurugram
Date : February 13, 2025

**For and on behalf of the Board of Directors of
Velotio Technologies Private Limited**


Kalpak Shah
Director & Chief Executive Officer
DIN : 2940976

Place : Pune
Date : February 13, 2025


Nand Sardana
Director
DIN : 09592752

Place : NOIDA
Date : February 13, 2025

Velotio Technologies Private Limited
Statement of Changes in Equity for the year ended December 31, 2024
CIN: U72100DL2016PTC434014

A. 1. Equity share capital

(Rs. in million)

Balance as at January 01, 2024	Changes in equity share capital during the year	Balance as at December 31, 2024
0.11	-	0.11

Balance as at April 01, 2023	Changes in equity share capital during the period	Balance as at December 31, 2023
0.11	-	0.11

2. Optionally convertible redeemable preference shares (OCRPS) classified as Equity

(Rs. in million)

Balance as at January 01, 2024	Changes in OCRPS during the year	Balance as at December 31, 2024
0.12	-	0.12

Balance as at April 01, 2023	Changes in OCRPS during the period	Balance as at December 31, 2023
-	0.12	0.12

B. Other equity

(Rs. in million)

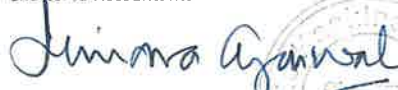
Particulars	Retained earnings	Amount
Balance as at January 01, 2024	234.89	234.89
Profit for the year	309.60	309.60
Other comprehensive loss for the year	(7.25)	(7.25)
Interim dividend paid	(150.04)	(150.04)
Balance as at December 31, 2024	387.20	387.20
Balance as at April 01, 2023	295.96	295.96
Loss for the period	(58.46)	(58.46)
Other comprehensive loss for the period	(2.49)	(2.49)
Issue of optionally convertible redeemable preference shares (refer to Note 11.2)	(0.12)	(0.12)
Balance as at December 31, 2023	234.89	234.89

Loss of Rs. 7.25 million and Rs. 2.49 million on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for the year ended December 31, 2024 and period ended December 31, 2023, respectively.

Notes forming integral part of the special purpose financial statements 1-35


In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants



Jitendra Agarwal
Partner
Membership No. 087104

Place : Gurugram
Date : February 13, 2025

For and on behalf of the Board of Directors of
Velotio Technologies Private Limited


Kalpik Shah
Director & Chief Executive Officer
DIN: 2940976

Place : Pune
Date : February 13, 2025


Nand Sardana
Director
DIN : 09592752

Place : NOIDA
Date : February 13, 2025

Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

1. Nature of operations

Velotio Technologies Private Limited (the 'Company') is a private company domiciled in India and incorporated under the provisions of the Companies Act, 2013 since 2016 having its registered office at New Delhi. The Company specializes in helping technology companies build massive engineering teams. With the aim of helping the startups the Company has built a massive high performing offshore team, with the thrust on applying proven processes and latest technologies. The Company strives to solve complex tech problems and have a specialised skillset in Cloud and DevOps, Data Engineering, Media and Streaming and development of Web and Mobile Applications.

2. Summary of material accounting policies

(a). Basis of preparation and presentation

These special purpose financial statements (hereinafter referred to as "special purpose financial statements" or "financial statements") are prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules as amended from time to time and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The special purpose financial statements have been prepared on accrual and going concern basis and under the historical cost convention except for certain financial instruments, 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.

(b) Functional and presentation currency

These special purpose financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency. All amounts have been presented in million and rounded-off upto two decimal places, unless otherwise indicated.

(c) 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.

When significant parts of an item of property plant and equipment have 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



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

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-to-day 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 retirement i.e. 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 recognised in the statement of profit and loss.

Amounts paid towards the acquisition of property, plant and equipment not received till the reporting date and the cost of property, plant and equipment received but not ready for intended use before such date are disclosed under capital advances and capital work-in-progress (CWIP), respectively.

(d) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values using the straight line method ('SLM') over the useful lives of the assets estimated by the management. The assets residual values and useful lives are reviewed at each reporting 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 are in align with Part C of Schedule II of the Companies Act 2013.

The management estimates the useful lives are as follows:

Category	Useful life up to
Leasehold improvements	Lower of lease period or useful life
Office Equipment (other than end user devices)	5 years
Computer hardware and network installations (other than end user devices)	6 years
End-user devices such as desktop, laptop, mobile phones etc.	3 years
Furniture and fittings	10 years
Vehicles	8 years.
Building	30 years

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The management estimates the useful life as follows:

Category	Useful life
Licences and franchise (Customer Relationship)	5 years

(f) Financial instruments

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.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amounts are presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

- (i) Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
 - the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

(iii) Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

(iv) Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments, other than investment in subsidiary, are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(v) Investment in subsidiary company

Investment in subsidiary company is measured at cost.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- (i) For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- (ii) Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

- (iii) For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(h) Financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as:

- Financial liabilities at amortised cost
Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. The change in measurements is recognised as finance costs in the statement of profit and loss.
- Financial liabilities at fair value through profit or loss (FVTPL)
Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all change recognised in the statement of profit and loss.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(i) 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. Further, the Company considers information developed internally or obtained from external sources indicating that the debtor is unlikely to pay as constituting an event indicating credit impairment.

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. Impairment of investment in subsidiary:

The Company assesses investments in subsidiary for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary. The recoverable amount of such investment is the higher of its fair value less cost of disposal and its value-in-use (VIU). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

iii. 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.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

(j) Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

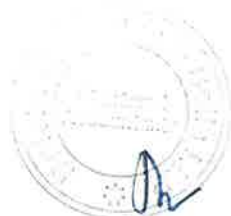
Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the years when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(k) Leases

Where the Company is a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and furniture. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activity under cash flows statements.

(I) Revenue

The Company derives revenue primarily from information technology. 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.

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. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

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

(m) 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 are recognised as income or expenses in the statement of profit and loss.

(n) Other income

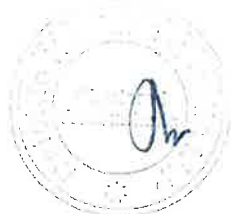
Other income is comprised primarily of interest income, net gain on foreign exchange fluctuations. Interest income is recognised on a time proportion basis taking into account the carrying amount and the effective interest rate. Dividend income is recognised when the Company's right to receive dividend is established.

(o) 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 risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

- (i) Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences and performance incentives are recognised on undiscounted basis in the year in which the employee renders the related service.
- (ii) 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.
- (iii) Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Company Gratuity Scheme. 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. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

(iv) 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.

(p) Income taxes

Tax expense comprises current and deferred tax. It is recognised in statement of 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 tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. 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.

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.

(q) 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.

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.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

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.

(r) 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.

(s) 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.

(t) Business Combination, Goodwill and Intangible assets

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs incurred in connection with a business combination are expensed as incurred.

a. Goodwill

The excess of the cost of acquisition over the company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the excess is negative, a bargain purchase gain is recognised in capital reserve.

b. Intangible assets

Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

(u) Cash and cash equivalents

Cash and cash equivalents comprises bank balances, cash on hand and short term deposits with an original maturity period of three months or less.

(v) Use of estimates and judgements

The preparation of the special purpose 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 year in which the estimates are revised and in any future years affected.

Critical accounting estimates and judgements

i. Useful life of property, plant and equipment

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



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

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.

ii. Impairment of investments

The Company reviews its carrying value of investments at each Balance Sheet date, or more frequently when there is an indication that the carrying amount may not be recoverable. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

iii. 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.

----- This space is intentionally left blank -----



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

3 (a) Property, plant and equipment

(Rs. in million)

Particulars	Furniture and fittings	Computer Hardware	Vehicles	Office equipment	Total
At cost					
Gross Block					
As at April 1, 2023	3.02	38.77	14.42	1.80	58.01
Additions	-	6.27	-	0.22	6.49
Disposals	(0.96)	(9.89)	-	(0.91)	(11.76)
As at December 31, 2023	2.06	35.15	14.42	1.11	52.74
Additions	-	9.28	-	0.05	9.33
Disposals	-	-	-	-	-
As at December 31, 2024	2.06	44.43	14.42	1.16	62.07
Accumulated Depreciation					
As at April 1, 2023	1.29	23.28	2.84	1.32	28.73
Charge for the period	0.24	7.38	1.36	0.19	9.17
Disposals	(0.83)	(9.63)	-	(0.91)	(11.37)
As at December 31, 2023	0.70	21.03	4.20	0.60	16.53
Charge for the year	0.21	9.73	1.81	0.24	11.99
Disposals	-	-	-	-	-
As at December 31, 2024	0.91	30.76	6.01	0.84	38.52
Net block					
As at December 31, 2023	1.36	14.12	10.22	0.51	26.21
As at December 31, 2024	1.15	13.67	8.41	0.32	23.55

3 (b) Goodwill

(Rs. in million)

Particulars	Total
As at December 31, 2023	1.23
As at December 31, 2024	1.23



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

3 (c) Other Intangible assets		(Rs. in million)
Particulars	Total	
At cost		
Licences and franchise		
Gross Block		
As at April 1, 2023	17.05	
As at December 31, 2023	17.05	
As at December 31, 2024	17.05	
Accumulated amortisation		
As at April 1, 2023	3.42	
Charge for the period	2.57	
As at December 31, 2023	5.99	
Charge for the year	3.42	
As at December 31, 2024	9.41	
Net Block		
As at December 31, 2023	11.06	
As at December 31, 2024	7.64	

3 (d) Right-of-use assets		(Rs. in million)
Particulars	Total	
At cost		
Building		
Gross block		
As at April 1, 2023	43.38	
As at Dec 31, 2023	43.38	
As at December 31, 2024	43.38	
Accumulated depreciation		
As at April 1, 2023	14.66	
Charge for the period	11.00	
As at Dec 31, 2023	25.66	
Charge for the year	14.66	
As at December 31, 2024	40.32	
Net Block		
As at Dec 31, 2023	17.72	
As at December 31, 2024	3.06	



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

Particulars	(Rs. in million)	
	As at December 31, 2024	As at December 31, 2023
4 Investments		
Non Current Investment		
Investment in subsidiary, measured at cost		
Investment in Scaleworx Technologies Private Limited		
14,666 (December 31, 2023: 14,666) shares of Rs 10 each	52.51	52.51
Total investment in subsidiary	52.51	52.51
Note:		
During the previous period, the Company held 40% equity share capital of Scaleworx Technologies Private Limited ("Scaleworx"), an erstwhile associate of the Company till November 30, 2023. On December 1, 2023, the Company has acquired the remaining 60% equity share capital of Scaleworx at a purchase consideration of Rs. 42.50 million. Subsequent to the aforesaid acquisition, Scaleworx had become a wholly-owned subsidiary of the Company.		
5. Other non-current financial assets		
Unsecured, considered good		
Security deposits	0.03	8.20
Margin money deposits (refer to Note 8b)	8.00	43.00
Interest accrued on bank deposits	0.12	0.66
	8.15	51.86
6. Non-current tax assets (net)		
Unsecured, considered good		
Advance income tax	-	8.59
	-	8.59
7. Trade receivables		
Unsecured, considered good	240.97	257.27
Unsecured, credit impaired	15.87	10.22
Less: Allowance for doubtful debts (expected credit loss allowance)	(15.87)	(10.22)
	240.97	257.27

Particulars	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at December 31, 2024							
Undisputed, considered good	105.69	132.81	1.53	0.94	-	-	240.97
Undisputed, credit impaired	0.04	0.84	4.91	2.61	7.47	-	15.87
As at December 31, 2023							
Undisputed, considered good	133.93	120.89	2.45	-	-	-	257.27
Undisputed, credit impaired	0.06	0.13	2.31	7.72	-	-	10.22

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

Particulars	Ageing*				
	Not due	0-90 days	90-180 days	180-365 days	More than 365 days
Default rate as at December, 31, 2024	0.04%	0.07%	0.54%	1.04%	2.00%
Default rate as at December, 31, 2023	0.04%	0.07%	0.54%	1.04%	2.00%

* In case of probability of non-collection, credit loss rate is 100%

Movement in expected credit loss allowance	(Rs. in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
Balance at the beginning of the year/period	10.22	10.84
Provision for/ (reversal from) doubtful debts (net)	5.37	(0.62)
Effect of foreign exchange fluctuation	0.28	-
Balance at the end of the year/period	15.87	10.22



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

Particulars	(Rs. in million)	
	As at December 31, 2024	As at December 31, 2023
8a. Cash and cash equivalents		
(a) Cash on hand	0.03	-
(b) Balances with scheduled banks		
(i) in current accounts	151.35	43.90
(ii) in EEFC accounts	0.24	-
(iii) in deposit accounts with original maturity of less than 3 months	77.52	35.23
Cash and cash equivalents	229.14	79.13
8b. Bank balances other than cash and cash equivalents		
(a) In other deposit accounts		
(i) original maturity more than 12 months - current	10.00	-
(ii) original maturity more than 3 months but less than 12 months	30.50	-
(iii) held as margin money	8.00	43.00
Deposits with banks carried at amortised costs	48.50	43.00
Less: Bank deposits with original maturity of more than 12 months- current disclosed under Note 9	(10.00)	-
Less: Margin money deposit disclosed under Note 5	(8.00)	(43.00)
Bank balances other than cash and cash equivalents	30.50	-
9. Other current financial assets		
Security deposits	8.99	-
Staff advance	3.29	2.86
Unbilled revenue (refer to note 20)	23.76	6.21
Bank deposits with original maturity of more than 12 months (refer to Note 8b)	10.00	-
Interest accrued on bank deposits	0.74	0.02
Other receivables	0.09	-
	46.87	9.09
10. Other current assets		
Balance with indirect tax authorities	19.37	33.54
Unbilled revenue (refer to note 20)	14.86	2.24
Prepaid expenses	6.27	5.56
Advance to vendors	0.25	-
	40.75	41.34



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

Particulars	(Rs. in million)	
	As at December 31, 2024	As at December 31, 2023
11.1 Equity Share capital		
Authorised		
375,000 (December 31, 2023: 375,000) equity shares of Re. 1 each	0.38	0.38
	0.38	0.38
Issued, subscribed and fully paid		
110,813 (December 31, 2023: 110,813) equity shares of Re. 1 each	0.11	0.11
	0.11	0.11

Notes:

(a) Reconciliation of number of shares and amount of share capital outstanding at the beginning and at the closing of the year/period:

Particulars	As at December 31, 2024		As at December 31, 2023	
	Number of shares	Rs in million	Number of shares	Rs in million
At the beginning of the year/period	110,813	0.11	110,813	0.11
Issue of shares during the year/period	-	-	-	-
Cancellation of shares during the year/period	-	-	-	-
Outstanding at the closing of the year/period	110,813	0.11	110,813	0.11

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company:

Particulars	As at December 31, 2024	As at December 31, 2023
R Systems International Limited	110,813	110,813

No shares are held by the ultimate holding company. Refer to Note 31 with respect to ultimate holding company.

(d) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at December 31, 2024		As at December 31, 2023	
	No. of shares held	% of Holding	No. of shares held	% of Holding
R Systems International Limited	110,813	100.00%	110,813	100.00%

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

(e) Shareholding of promoters

Name of promoter	As at December 31, 2024		As at December 31, 2023		Percentage change during the year ended December, 31, 2024
	No. of shares held	% of Holding	No. of shares held	% of Holding	
R Systems International Limited	110,813	100.00%	110,813	100.00%	-

(f) Aggregate number of 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:

Nil



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

Particulars	(Rs. in million)	
	As at December 31, 2024	As at December 31, 2023
11.2 Convertible preference Share capital		
Authorised		
125,000 (December 31, 2023: 125,000) Preference Shares known as optionally convertible redeemable preference shares (OCRPS) of Re. 1 each	0.13	0.13
	0.13	0.13
Issued, subscribed and fully paid up		
0.0001% Non cumulative optionally convertible redeemable preference Shares (OCRPS) 123,850 (December 31, 2023: 123,850) OCRPS of Re. 1 each	0.12	0.12
	0.12	0.12

Notes:

(a) Reconciliation of number of shares and amount of share capital outstanding at the beginning and at the closing of the year/period:

Particulars	As at December 31, 2024		As at December 31, 2023	
	Number of shares	Rs in million	Number of shares	Rs in million
At the beginning of the year/period	123,850	0.12	-	-
Issue of shares during the year/period	-	-	123,850	0.12
Cancellation of shares during the year/period	-	-	-	-
Outstanding at the closing of the year/period	123,850	0.12	123,850	0.12

(b) Terms/rights attached to optionally convertible redeemable preference shares:

The Company has only one class of 0.0001% Non cumulative optionally convertible and redeemable preference shares having par value of Re. 1 per share. The OCRPS may be converted into equity shares. The holders of the OCRPS shall not have the right to participate in dividend along with the holders of Equity Share.

(c) Details of optionally convertible redeemable preference shareholders holding more than 5% shares in the Company

Name of shareholder	As at December 31, 2024		As at December 31, 2023	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Kalpak Shah	55,881	45.12%	55,881	45.12%
Chirag Jog	55,881	45.12%	55,881	45.12%
Madhur Nawandhar	10,527	8.50%	10,527	8.50%

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

(d) Aggregate number of 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:

Bonus Issue:

On June 02, 2023, the Company has allotted bonus shares in the form of Optionally convertible redeemable preference shares ("OCRPS") of Re. 1/- each in ratio of 1.12:1 [i.e. 1.12 fully paid up Optionally Convertible Redeemable Preference Shares for every 1 equity share held.]. The OCRPS are allocated by capitalization of profits transferred from retained earnings amounting to Rs 0.12 million.

Particulars	(Rs. in million)	
	As at December 31, 2024	As at December 31, 2023
12. Other equity		
Retained earnings	387.20	234.89
	387.20	234.89

Note:

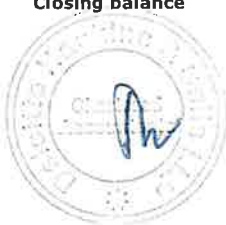
Year/period-wise movement of the individual line items above is given in the Statement of Changes in Equity.

13. Lease liabilities

Non-current	-	3.40
Current	3.40	15.55

Movement schedule of lease liabilities is as follows:

Particulars	(Rs. in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
Opening balance	18.95	29.22
Interest accrued on lease liabilities	1.01	1.67
Payment of lease rentals	(16.56)	(11.94)
Closing balance	3.40	18.95



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

Particulars	(Rs. in million)	
	As at December 31, 2024	As at December 31, 2023
14. Provisions (non-current)		
Provision for employee benefits		
- Gratuity	48.49	33.81
	48.49	33.81

Refer to Note 22 for detailed disclosures for gratuity.

15. Trade payables

Trade payables ageing schedule:

(Rs. in million)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
As at December 31, 2024					
Micro enterprises and small enterprises	2.60	-	-	-	2.60
Others	6.05	-	-	-	6.05
Disputed dues- Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
	8.65	-	-	-	8.65
Accrued expenses	-	-	-	-	14.35
					23.00

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
As at December 31, 2023					
Micro enterprises and small enterprises	-	-	-	-	-
Others	2.16	-	-	-	2.16
Disputed dues- Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
	2.16	-	-	-	2.16
Accrued expenses	-	-	-	-	17.52
					19.68

Dues to micro, small and medium enterprises

Based upon the information and the supplier profile available with the Company, following are the dues to such suppliers.

(Rs. in million)

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 period	2.60	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 period	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 period) 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 period; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding periods, 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



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

Particulars	(Rs. in million)	
	As at December 31, 2024	As at December 31, 2023
16. Other current financial liabilities		
Payable to Related parties (Refer to note 31)	14.25	4.80
Mark-to-market loss on derivative instruments	-	0.46
Employee benefits payable	208.19	247.55
Capital Creditors	-	0.65
	222.44	253.46
17. Other current liabilities		
Statutory dues payable	21.47	11.76
Unearned Revenues (Refer Note 20)	0.04	12.80
	21.51	24.56
18. Provisions (current)		
Provision for employee benefits		
- Gratuity	7.68	4.66
- Compensated absences	19.07	13.29
Provision for CSR	0.41	1.76
	27.16	19.71
Refer to Note 22 for detailed disclosures for gratuity.		
19. Current tax liabilities (net)		
Current tax liability	8.44	-
	8.44	-



Velotio Technologies Private Limited**Notes to the special purpose financial statements for the year ended December 31, 2024**

Particulars	(Rs. in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
20. Revenue from operations		
Sale of services	1,455.90	1,005.78
	1,455.90	1,005.78

Disaggregate revenue information

The table below presents disaggregated revenues from the Company's contracts with customers by geography. The Company believes this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Revenue by geography:

India	210.52	86.82
North America	1,216.85	890.55
South East Asia	15.66	24.64
Europe	12.87	3.77
	1,455.90	1,005.78

Trade receivables and contract balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue.

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.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in the contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

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. The company has applied the practical expedients as given in IND AS 115, accordingly 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. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment of revenue that has not materialised and adjustments for currency.

Disclosure relating to remaining performance obligation relating to fixed bid price contracts require the aggregate amounts of transaction price yet to be recognised as revenue at the reporting date and expected timelines to recognise these amounts. In view of the fact that all outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

Particulars	(Rs. in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
21. Other income		
Interest income on		
- Bank deposit	7.39	3.12
- Financial instruments measured at amortised cost	0.81	0.56
- Income tax refund	-	0.11
Rental Income	0.89	1.79
Foreign exchange fluctuation (net)	3.22	-
Liabilities written back	-	2.30
Provision reversed from doubtful debts (net)	-	0.62
Miscellaneous income	0.06	-
Total other income	12.37	8.50



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

Particulars	(Rs. in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
22. Employee benefits expense		
Salaries, wages and bonus	749.88	720.20
Gratuity expenses	13.08	9.42
Contribution to provident and other funds	14.29	7.84
Staff welfare expenses	15.87	14.28
	793.12	751.74

(a) The Code on Social Security, 2020 (the 'Code')

The Code relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and was published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and corresponding rules, and will record any related impact in the year when they become effective.

(b) Gratuity

The Company has a defined benefit gratuity plan that provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment in accordance with "Payment of Gratuity Act, 1972". The amount is based on the respective employee's last drawn salary and the tenure of employment with the Company.

Amount recognised in the statement of profit and loss in respect of gratuity cost (defined benefit obligation) is as follows:

Particulars	(Rs. in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
Service cost	10.48	8.01
Net interest cost	2.60	1.41
Net gratuity expense recognised in profit and loss	13.08	9.42
Re-measurement loss / (gain) recognised in other comprehensive income	9.42	3.33
Total Cost Recognised in total comprehensive income	22.50	12.75

Details of defined benefit gratuity plan:

Particulars	(Rs. in million)	
	As at December 31, 2024	As at December 31, 2023
Defined benefit obligation	56.17	38.47
Net defined benefit obligation	56.17	38.47

Changes in the defined benefit obligation are as follows:

Particulars	(Rs. in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
Opening defined benefit obligation	38.47	26.44
Service cost	10.48	8.01
Interest cost	2.60	1.41
Benefits paid	(4.80)	(0.72)
Actuarial (gains) / losses on obligation	9.42	3.33
Closing defined benefit obligation	56.17	38.47



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

Amounts recognised in other comprehensive income (OCI):		(Rs. in million)	
Particulars	Year ended December 31, 2024	Period ended December 31, 2023	
Actuarial (gain) / loss due to change in financial assumption of defined benefit obligation	0.94	0.18	
Actuarial (gain) / loss from change in experience adjustment of defined benefit obligation	8.48	3.15	
Re-measurement loss / (gain) recognised in OCI	9.42	3.33	

Sensitivity Analysis

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions is given below:

Defined Benefit Obligation		(Rs. in million)	
Particulars	As at December 31, 2024	As at December 31, 2023	
Discount rate			
a. Discount rate - 100 basis points	58.86	40.41	
b. Discount rate + 100 basis points	53.70	36.69	
Salary increase rate			
a. Rate - 100 basis points	54.01	36.80	
b. Rate + 100 basis points	58.38	40.20	

Maturity Profile of Defined Benefit Obligation

Expected Future Cash flows (undiscounted)		(Rs. in million)	
Particulars	As at December 31, 2024	As at December 31, 2023	
Year 1	7.68	4.65	
Year 2	8.43	5.25	
Year 3	9.14	5.62	
Year 4	8.35	6.20	
Year 5	7.48	5.59	
Year 6 to 10	23.68	17.76	
Above 10 years	16.45	12.95	

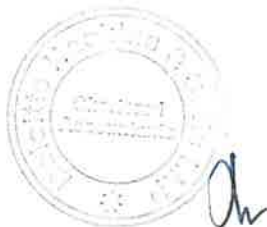
The principal assumptions used in determining gratuity are shown below:

(A) Financial Assumptions

Particulars	As at December 31, 2024	As at December 31, 2023
Discount rate	6.83%	7.20%
Salary Increment rate	10.00%	10.00%

(B) Demographic Assumptions

Particulars	As at December 31, 2024	As at December 31, 2023
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate	22%	22%
Retirement age	60 Yrs	60 Yrs



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

Particulars	(Rs. in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
23. Finance costs		
Interest expense on lease liabilities (Refer to note 13)	1.01	1.67
Interest expense under income tax	0.10	1.49
	1.11	3.16
24. Depreciation and amortisation expenses		
Depreciation of property, plant and equipment	11.99	9.17
Depreciation on right-of-use assets	14.66	11.00
Amortisation of intangible assets	3.42	2.57
	30.07	22.74
25. Other expenses		
Power and fuel	2.49	1.57
Rent - equipment	0.03	-
Software subscription charges	9.11	0.35
Repair and maintenance- others	2.73	1.55
Traveling and conveyance	3.63	5.00
Communication costs	1.03	0.71
Legal and professional fees (including subcontracting expenses)	192.54	247.14
Auditors' remuneration (refer detail below)	3.94	3.89
Foreign exchange fluctuation (net)	-	0.77
Provision for doubtful debts (net)	5.37	-
Loss on sale / disposal of property, plant and equipment (net)	-	0.29
Contribution towards corporate social responsibility	2.51	1.76
Miscellaneous expenses	7.92	12.44
	231.30	275.47

Detail of auditors remuneration

Particulars	(Rs. in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
As auditor:		
- Statutory audit fee	1.00	-
- Quarterly audit fee	2.61	3.50
- Tax audit fee	-	0.18
- Out-of-pocket expenses	0.33	0.11
- Others	-	0.10
	3.94	3.89



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

Particulars	(Rs. in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
26. Income tax		
Current income tax		
In respect of the current year	109.12	57.90
Deferred tax credit	(6.05)	(38.27)
Income tax expense recognised in the statement of profit and loss	103.07	19.63
Income tax recognised in other comprehensive income		
Deferred tax credit relating to re-measurements of the defined benefit plans	(2.17)	(0.84)
	100.90	18.79

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	412.67	(38.83)
Enacted income tax rate in India	25.168%	25.168%
Computed expected tax expense	103.86	(9.77)
Tax effect of:		
Expenses that are not deductible in determining taxable profit	0.81	29.55
Others	(1.60)	(0.15)
Income tax expense recognised in the statement of profit and loss	103.07	19.63

Deferred tax

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

Particulars	As at January 01, 2024	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	As at December, 31, 2024
Property, plant and equipment and Intangible assets	(0.21)	0.83	-	0.62
Right-of-use assets and lease liabilities	0.56	(0.43)	-	0.13
Provision for/ (reversal from) doubtful debts (net)	2.57	1.42	-	3.99
Provision for gratuity	9.68	2.29	2.17	14.14
Other employee benefits	36.57	2.05	-	38.62
Mark-to-market loss/ (gain) on derivative instruments	0.11	(0.11)	-	-
Total	49.28	6.05	2.17	57.50

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

Particulars	As at April 01, 2023	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	As at December 31, 2023
Property, plant and equipment and Intangible assets	(1.15)	0.94	-	(0.21)
Right-of-use assets and lease liabilities	0.52	0.04	-	0.56
Provision for/ (reversal from) doubtful debts (net)	2.95	(0.38)	-	2.57
Provision for gratuity	6.65	2.19	0.84	9.68
Other employee benefits	5.17	31.40	-	36.57
Mark-to-market loss/ (gain) on derivative instruments	1.12	(1.01)	-	0.11
Other temporary difference	(5.09)	5.09	-	-
Total	10.17	38.27	0.84	49.28



Velotio Technologies Private Limited**Notes to the special purpose financial statements for the year ended December 31, 2024****27. Earning per share (EPS)**

The reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share is as follows:

Particulars	Year ended December 31, 2024	Period ended December 31, 2023
Net profit after tax (Rs. in million)	309.60	(58.46)
Weighted average number of equity shares for calculating Basic earning per share	110,813	110,813
Add: Dilutive potential equity shares (Refer to Note 11.2)	123,850	-
Weighted average number of equity shares for calculating Diluted earning per share	234,663	110,813
Earnings per share (Equity share of par value of Re. 1/- each)		
Basic (Rs.)	2,793.90	(527.56)
Diluted (Rs.)	1,319.34	(527.56)

Note:

The EPS is not annualised for the period ended December 31, 2023

----- This space is intentionally left blank -----



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

28. Financial instruments

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

Particulars	Note reference	Basis of measurement	(Rs. in million)				Fair value hierarchy
			As at December 31, 2024		As at December 31, 2023		
			Carrying value	Fair value	Carrying value	Fair value	
Assets							
Investments	4	At cost	52.51	52.51	52.51	52.51	
Trade receivables	7	Amortised cost	240.97	240.97	257.27	257.27	
Cash and cash equivalents	8a	Amortised cost	229.14	229.14	79.13	79.13	
Other bank balances	8b	Amortised cost	30.50	30.50	-	-	
Other financial assets (Other than derivative instruments)	5,9	Amortised cost	55.02	55.02	60.95	60.95	
Total			608.14	608.14	449.86	449.86	
Liabilities							
Lease liabilities	13	Amortised cost	3.40	3.40	18.95	18.95	
Trade payables	15	Amortised cost	23.00	23.00	19.68	19.68	
Mark-to-market loss on derivative instruments	16	FVTPL	-	-	0.46	0.46	Level 2
Other financial liabilities (Other than derivative instruments)	16	Amortised cost	222.44	222.44	253.00	253.00	
Total			248.84	248.84	292.09	292.09	

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.



29. 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:

Market risk

The primary market risks to the Company are foreign exchange risk and Credit risk. For foreign exchange risk, the Company generally uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by team that has the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

Foreign currency risk

The Company's exchange risk arises from its foreign currency revenue i.e. in U.S. Dollars. A significant portion of the Company's revenues are in US Dollar, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues measured in Rupees may decrease or vice versa.

Derivative financial instruments

The Company generally holds foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Company has not applied hedge accounting as these forward contracts do not qualify for hedge accounting. As at December 31, 2024, the Company has recognised mark-to-market liability of Rs Nil (December 31, 2023: Rs 0.46 million) relating to aforesaid foreign currency forward contracts resulting in to mark-to-market gain of Rs. 0.46 million for the year ended December 31, 2024 and mark-to-market gain of Rs 4.00 million for the period ended December 31, 2023 recorded as foreign exchange fluctuation.

The following table gives details in respect of outstanding foreign currency forward contracts:

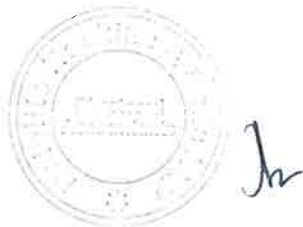
Particulars	As at December 31, 2024	As at December 31, 2023
USD		
Foreign currency- USD (million)	-	2.45
Average rate	-	83.27
Rupees (million)	-	204.01

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

Particulars	(Rs. in million)	
	As at December 31, 2024	As at December 31, 2023
Designated in USD:		
Trade receivables	230.89	241.89
Cash and cash equivalents	0.24	-
Trade and other payable	1.21	1.52

Foreign currency sensitivity analysis

For the year ended December 31, 2024 and 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/(loss) before tax margin by approximately 0.56% and 0.94% respectively.



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the year ended December 31, 2024

29. Financial risk management (contd.)

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 investment securities. Credit risk arises from deposits held with banks, investments with financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. 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	(Rs. in million)	
	Year ended December 31, 2024	Period ended December 31, 2023
Revenue from top customer	166.51	123.35
Revenue from top 5 customers	464.55	325.82

Revenue from one customer account more than 10% revenue for year ended December 31, 2024 and period ended December 31, 2023. Further, receivable from one customer also account for more than 10% receivable as at December 2024 and as at December 31, 2023.

Investments including bank deposits

Credit risk on cash and bank balances is limited as the Company generally invests in deposits with banks. Investments primarily includes investment in fixed deposit.

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. 282.28 million including cash and cash equivalents of Rs. 229.14 million. As at December 31, 2023, the Company had a working capital of Rs. 53.87 million including cash and cash equivalents of Rs. 79.13 million. Accordingly, no liquidity risk is perceived.

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

Particulars	(Rs. in million)					
	As at December 31, 2024					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	Total
Lease liabilities	3.42	-	-	-	-	3.42
Trade payables	23.00	-	-	-	-	23.00
Other financial liabilities	222.44	-	-	-	-	222.44
Total	248.86	-	-	-	-	248.86

Particulars	(Rs. in million)					
	As at December 31, 2023					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	Total
Lease liabilities	16.56	3.42	-	-	-	19.98
Trade payables	19.68	-	-	-	-	19.68
Other financial liabilities	253.46	-	-	-	-	253.46
Total	289.70	3.42	-	-	-	293.12

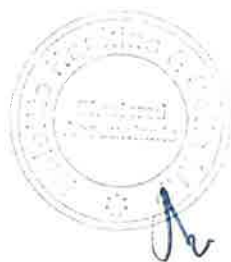


Velotio Technologies Private Limited**Notes to the special purpose financial statements for the year ended December 31, 2024****30. Capital Management****Risk management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective, when managing capital, is to maintain an optimal structure so as to maximise shareholder value. The capital structure is as follows:

Particulars	(Rs. in million)	
	As at December 31, 2024	As at December 31, 2023
Total equity attributable to the equity share holders of the Company	387.43	235.12
As percentage of total capital	99.13%	92.54%
Lease liabilities (including current maturities)	3.40	18.95
Total lease liabilities	3.40	18.95
As percentage of total capital	0.87%	7.46%
Total capital (equity and lease liabilities)	390.83	254.07

The Company is predominantly equity financed which is evident from the capital structure table above.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

31. Related Party Disclosure

i) Names of related parties:

Ultimate holding company	BCP Asia II Holdco II Pte. Ltd (w.e.f. July 03, 2023)
Intermediate holding company	BCP Asia II TOPCO II Pte. Ltd (w.e.f. July 03, 2023)
Immediate holding company	R Systems International Limited. (w.e.f. July 03, 2023)
Subsidiary	Scaleworx Technologies Private Limited (w.e.f. December 01, 2023)
Fellow Subsidiaries	<p>R Systems (Singapore) Pte Ltd, Singapore (w.e.f. July 03, 2023)</p> <p>R Systems, Inc., USA (w.e.f. July 03, 2023)</p> <p>R Systems Technologies Limited, USA (w.e.f. July 03, 2023)</p> <p>R Systems Consulting Services Limited, Singapore (w.e.f. July 03, 2023)</p> <p>R Systems Computaris International Limited, UK (w.e.f. July 03, 2023)</p> <p>RSYS Technologies Limited, Canada (w.e.f. July 03, 2023)</p> <p>RSIL Mexico, S. de R.L. de C.V., United Mexican States (w.e.f. October 09, 2024)</p> <p>Following are the subsidiaries of R Systems (Singapore) Pte Ltd, Singapore:</p> <ul style="list-style-type: none"> ➤ R Systems IBIZCS Pte. Ltd., Singapore with the following step down subsidiaries: ➤ IBIZ Consulting Services Pte Ltd, Singapore (strike off w.e.f. January 08, 2024) ➤ R Systems IBIZCS Sdn. Bhd., Malaysia ➤ PT RSYSTEMS IBIZCS International, Indonesia ➤ IBIZ Consulting (Thailand) Co. Ltd, Thailand ➤ IBIZ Consulting Services Limited, Hong Kong (IBIZ HK) <ul style="list-style-type: none"> ○ IBIZ Consulting Services (Shanghai) Co., Ltd, People's Republic of China (wholly owned subsidiary of IBIZ HK) <p>Following are the subsidiaries of R Systems Consulting Services Ltd, Singapore:</p> <ul style="list-style-type: none"> ➤ R Systems Consulting Services (M) Sdn. Bhd., Malaysia ➤ R Systems Consulting Services (Thailand) Co., Ltd., Thailand ➤ R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China ➤ R Systems Consulting Services (Hong Kong) Limited, Hong Kong ➤ R Systems Consulting Services Kabushiki Kaisha, Japan ➤ R Systems Consulting Services Company Limited, Vietnam <p>Following are the subsidiaries of R Systems Computaris International Limited, UK:</p> <ul style="list-style-type: none"> ➤ R Systems Computaris Europe S.R.L., Romania ➤ R Systems Computaris Poland sp z o.o, Poland ➤ R Systems Computaris S.R.L., Moldova ➤ R Systems Computaris Malaysia Sdn. Bhd., Malaysia ➤ R Systems Computaris Philippines Pte. Ltd. Inc., Phillipines ➤ R Systems Computaris Suisse Sàrl, Switzerland



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

Key Management Personnel	<ul style="list-style-type: none"> a) Kalpak Shah, Chief Executive Officer and Director b) Chirag Jog, Chief Technology Officer and Director c) Nitesh Bansal, Director (w.e.f. July 03, 2023) d) Aviraj Jain, Director (w.e.f. July 03, 2023) e) Nand Sardana, Director (w.e.f. July 03, 2023) f) Kapil Dhameja, Independent Director (w.e.f. September 29, 2023) g) Ruchica Gupta, Independent Director (w.e.f. September 29, 2023)
Close family member of Key Management Personnel	<ul style="list-style-type: none"> a) Komal Shah (Related to Kalpak Shah)

ii) Details of transactions with related parties for the year ended December 31, 2024 and period ended December 31, 2023:

(Rs. in million)

Particulars	Year ended December 31, 2024	Period ended December 31, 2023
Revenue from information technology and other services rendered to		
R Systems International Limited	106.00	8.65
Scaleworx Technologies private limited	0.61	-
Total	106.61	8.65
Rental income from		
R Systems International Limited	0.80	1.79
Scaleworx Technologies private limited	0.09	-
Total	0.89	1.79
Travel and other expenses reimbursed by the Company to		
R Systems International Limited	5.85	1.26
Travel and other expenses reimbursed to the Company by		
R Systems International Limited	0.33	0.52
Professional fees for technical services		
R Systems International Limited	21.24	0.10
Scaleworx Technologies private limited	69.96	54.92
Total	91.20	55.02
Dividend paid		
R Systems International Limited	150.04	-
Remuneration		
Short term employee benefits	19.03	12.77
Post-employment benefits	0.29	1.36
Other long-term employee benefits	(0.01)	0.28
Sitting fee to independent directors	0.20	0.10
Total	19.51	14.51



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

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

Particulars	(Rs. in million)	
	As at December 31, 2024	As at December 31, 2023
Trade Receivables		
R Systems International Limited	-	0.53
Other current financial assets		
R Systems International Limited	14.20	2.30
Scaleworx Technologies private limited	0.61	-
Total	14.81	2.30
Other current financial liabilities		
R Systems International Limited	1.95	0.10
Scaleworx Technologies private limited	12.30	4.70
Total	14.25	4.80
Balance payable to KMP		
Kalpak Shah	1.36	-
Chirag Jog	0.62	0.15
Total	1.98	0.15

32. The special purpose financial statements are prepared for the purpose of consolidation with its immediate holding company i.e. R Systems International Limited ("R Systems").

These special purpose financial statements are prepared for the year ended December 31, 2024 i.e. January to December 2024 while the prior period comparative figures are for the period of nine months ended December 31, 2023 i.e. April to December 2023. Therefore comparative figures are not comparable.

33. During the year ended December 31, 2024, the Company has paid the interim dividend of Rs. 1,354/- per equity share of face value of Re. 1/- each aggregating to Rs 150.04 million.

34. Subject to the approvals from Stock exchanges, Shareholders, Creditors, Hon'ble National Company Law Tribunal, New Delhi ("NCLT"), and such other regulatory/governmental authorities or persons, as may be required under applicable law, the Board of Directors of Velotio Technologies Private Limited ("Velotio" or "Amalgamating Company 1"), has approved the Composite Scheme of Amalgamation of Velotio and Scaleworx Technologies Private Limited ("Scaleworx" or "Amalgamating Company 2") with R Systems International Limited ("R Systems" or "Amalgamated Company"), on September 11, 2024 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Act").

----- This space is intentionally left blank -----



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the year ended December 31, 2024

35. Approval of Financial Statements.

The special purpose 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 of Directors of
Velotio Technologies Private Limited**

Kalpak Shah
Director & Chief Executive Officer
DIN: 2940976

Place: Pune
Date: February 13, 2025

Nand Sardana
Director
DIN: 09592752

Place: NOIDA
Date: February 13, 2025

