add-solution GmbH
Balance Sheet as at 31 March 2024
All amounts in EUR unless otherwise stated

	Notes	As at 31 March 2024	As at 31 July 2023
Assets			
Non-current assets			
Property, plant and equipment	4	4,34,557.01	4,83,205.70
Intangible Assets	4A	8,410.00	1,230.25
ROU	15	37,08,467.36	38,88,271.84
		41,51,434.37	**43,72,707.79**
Deferred Tax Asset	3	17,852.24	-
Current assets			
Financial assets			
- Trade receivables	5	12,22,720.14	13,69,980.67
- Cash and cash equivalents	6	2,99,562.58	16,90,216.68
- Other financial assets	7	3,11,787.46	6,111.48
Other current assets	8	1,17,889.04	86,207.20
		19,51,959.22	**31,52,516.03**
Total assets		**61,21,245.83**	**75,25,223.82**
Equity and liabilities			
Equity			
Equity share capital	9	2,01,000.00	2,01,000.00
Other equity	10	13,15,347.14	25,26,433.47
		15,16,347.14	**27,27,433.47**
Liabilities			
Non- current liabilities			
Lease Libility - non-current	15	35,93,386.27	37,11,577.02
Provisions	11	-	-
		35,93,386.27	**37,11,577.02**
Current liabilities			
Financial liabilities			
- Borrowings	12	57,368.45	93,311.56
- Trade payables	13	2,40,794.37	4,94,422.62
- Lease Libility - current	15	1,77,874.74	1,76,694.82
Provisions	11	1,47,383.20	1,51,408.00
Other current liabilities	14	3,88,091.66	1,70,376.33
		10,11,512.42	**10,86,213.33**
Total liabilities		**46,04,898.69**	**47,97,790.35**
Total equity and liabilities		**61,21,245.83**	**75,25,223.82**
Summary of material accounting policies	2.1		

The Accompaning notes are intergal Part of Standalone Ind AS financial statements

As per our report of even date

Chhapolika and Company
Chartered Accountants
ICAI Firm Registration Number: 030728N

Ankur Chhapolika

Ankur Chhapolika
Partner
Membership No: 224277

Place: Bengaluru
Date : 17 May 2024

CHHAPOLIKA & COMPANY INDIA Chartered Accountants

For and on behalf of the Board of Directors of add-solution GmbH

Arunkrishnamurthi

Arun Krishnamurthi
Managing Director

add solution GmbH

Place: Bengaluru
Date : 17 May 2024

add-solution GmbH
Statement of Profit and Loss for the year ended 31 March 2024
All amounts in EUR unless otherwise stated

	Notes	For the period 1 August 2023 to 31 March 2024	For the period 1 January 2023 to 31 July 2023
Income			
Revenue from operations	16	49,46,746.09	51,50,694.13
Other income	17	49,632.35	65,227.90
Total income		**49,96,378.44**	**52,15,922.03**
Expenses			
Employee benefits expense	18	38,83,118.37	36,95,183.17
Finance costs	19	1,08,478.54	5,489.04
Depreciation and amortisation expense	20	2,29,994.34	47,433.53
Other expenses	21	6,30,754.08	8,18,506.99
Total expenses		**48,52,345.33**	**45,66,612.73**
Profit before tax		**1,44,033.11**	**6,49,309.30**
Tax expense:			
Current tax		1,22,971.68	1,37,618.15
Deferred tax		(17,852.24)	-
Total tax expense		**1,05,119.44**	**1,37,618.15**
Profit for the year		**38,913.67**	**5,11,691.15**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income tax effect		-	-
Other comprehensive income for the year		-	-
Total comprehensive income of the year, net of tax		**38,913.67**	**5,11,691.15**
Profit per share	22		
Basic and diluted		0.19	2.55
Summary of material accounting policies	2.1		

The Accompaning notes are intergal Part of Standalone Ind AS financial statements

As per our report of even date

Chhapolika and Company
Chartered Accountants
ICAI Firm Registration Number: 030728N

Ankur Chhapolika

Ankur Chhapolika
Partner
Membership No: 22427

Place: Bengaluru
Date : 17 May 2024

CHHAPOLIKA & COMPANY
CA INDIA
INDIA
Chartered Accountants

For and on behalf of the Board of Directors of
add-solution GmbH

Arun Krishnamurthi

Arun Krishnamurthi
Managing Director

add solution GmbH

Place: Bengaluru
Date : 17 May 2024

add-solution GmbH
Statement of Changes in Equity for the year ended 31 March 2024
All amounts in EUR unless otherwise stated

a. Equity Share Capital:

Particulars	As at 31 March 2024		As at 31 July 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares of EURO 1 each issued, subscribed and fully paid up				
Balance at the beginning of the year	2,01,000	2,01,000.00	2,01,000	2,01,000.00
Changes in Equity Share Capital during the current year	-	-	-	-
Balance at the end of the year	**2,01,000**	**2,01,000.00**	**2,01,000**	**2,01,000.00**

b. Other Equity:

Particulars	Retained earnings	Other Revenue reserves	Total
As at 31st July 2023	9,21,963.02	16,04,470.45	25,26,433.47
Add: Other comprehensive income for the year (net of tax)	-	-	-
Add: Profit for the year	38,913.67	-	38,913.67
Less: Dividend Paid	(12,50,000.00)	-	(12,50,000.00)
As at 31 March 2024	**(2,89,123.31)**	**16,04,470.45**	**13,15,347.14**

Summary of material accounting policies (refer to note 2.1)

The Accompaning notes are intergal Part of Standalone Ind AS financial statements

As per our report of even date

Chhapolika and Company
Chartered Accountants
ICAI Firm Registration Number: 030728N

Ankur Chhapolika

Ankur Chhapolika
Partner
Membership No: 224277

Place: Bengaluru
Date : 17 May 2024

CHHAPOLIKA & COMPANY * Chartered Accountants * CA INDIA INDIA

For and on behalf of the Board of Directors of
add-solution GmbH

Arun Krishnamurthi

Arun Krishnamurthi
Managing Director

add solution GmbH

Place: Bengaluru
Date : 17 May 2024

add-solution GmbH
Statement of Cash Flows for the year ended 31 March 2024
All amounts in EUR unless otherwise stated

	For the period 1 August 2023 to 31 March 2024
Cash flow from operating activities	
Profit before tax	1,44,033.11
Adjustments to reconcile Profit before tax to net cash flows:	
Interest income	(1,393.20)
Interest expenses	1,05,722.05
Depreciation and amortisation expense	2,29,994.34
Operating profit before working capital changes	**4,78,356.29**
Movements in working capital :	
Decrease in trade receivables	1,47,260.53
(Increase) in financial assets	(3,05,675.98)
(Increase) in other assets	(31,681.84)
(Decrease) in trade payable	(2,53,628.25)
(Decrease) in provisions	(4,024.80)
Increase in financial liabilities and other liabilities	2,17,715.33
Cash used in operations	**2,48,321.28**
Income taxes paid	(1,22,971.68)
Net cash used in operating activities	**1,25,349.60**
Cash flows from investing activities	
Purchase of Property plat and equipment and intangibles	(8,720.92)
Interest received	1,393.20
Net cash generated from investing activities	**(7,327.72)**
Cash flows from financing activities	
Lease payments including Interest	(2,19,339.76)
Repayments of borrowings	(35,943.11)
Dividend Paid	(12,50,000.00)
Interest paid	(3,393.11)
Net cash generated from financing activities	**(15,08,675.98)**
Net increase/(decrease) in cash and cash equivalents	**(13,90,654.10)**
Cash and cash equivalents at the beginning of the year	16,90,216.68
Cash and cash equivalents at the end of the year	**2,99,562.58**
Components of cash and cash equivalents	
Balance with banks	
- On current accounts	2,99,562.58
Total cash and cash equivalents (refer note 6)	**2,99,562.58**

Summary of material accounting policies 2.1

The Accompaning notes are intergal Part of Standalone Ind AS financial statements

As per our report of even date

Chhapolika and Company
Chartered Accountants
ICAI Firm Registration Number: 030728N

Ankur Chhapolika

Ankur Chhapolika
Partner
Membership No: 224277

Place: Bengaluru
Date : 17 May 2024

CHHAPOLIKA & COMPANY CA INDIA Chartered Accountants

For and on behalf of the Board of Directors of add-solution GmbH

Arun Krishnamurthi

Arun Krishnamurthi
Managing Director

add solution GmbH

Place: Bengaluru
Date : 17 May 2024

1. Corporate information

add-solution GmbH, ('the Company') is incorporated in Germany and operates in the Business of Engineering Design Services.

2. Basis of preparation of Financial Statements

These special purpose financial statements are prepared for inclusion in the annual report of the Holding Company AXISCADES Technologies Limited under the requirements of section 129 (3) of the Companies Act 2013. The Company was acquired by AXISCADES Technologies Limited on July 31, 2023 and accoridngly Initial transition from Local GAAP to IND AS is done and reported accoridngly from July 31, 2023.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified).

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The functional currency of the Company is Euro and the financial statements are also presented in Euro. All amounts included in the financial statements are reported in Euro, unless otherwise stated. Accounting policies have been applied consistently to all periods presented in these financial statements 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 Comparative Standalone Ind AS Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

2.1 Summary of material accounting policies

The significant accounting policies applied in preparation and presentation of the Ind-AS Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Revenue from contracts with customers

As per Ind-AS 115, Revenue from operations is recognised when the Company satisfies a performance obligation by transferring the promised goods to the customer, which is when the customer obtains control of the goods. A performance obligation is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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2.1 Summary of material accounting policies (continued)

b. Revenue from contracts with customers (continued)

The following is the list of activities from which the Company generates its revenue :

Sale of Services

The Company derives its revenues primarily from engineering design services. Service income comprises of income from time-and-material and fixed-price contracts. Revenue from time-and-material contracts is recognised in accordance with the terms of the contracts with clients. Revenue from fixed price contracts is recognised using the percentage of completion method, calculated as the proportion of the efforts incurred up to the reporting date to the estimated total efforts. Provisions for estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent revenues recognised on services rendered as per contractual terms, for which amounts are to be billed in subsequent periods. The related billings are expected to be performed as per milestones provided in the contracts.

'Unearned revenues' included in other liabilities represent billings in excess of revenues recognised. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Interest income:

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

Contract balances

Contract asset

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of performance obligation. Upon completion of the obligation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (h) Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (h) Financial instruments – initial recognition and subsequent measurement.

Contract liability

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company render service. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., completion of performance obligation).

c. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For all assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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2.1 **Summary of material accounting policies (continued)**

e. **Income Taxes**

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in which the Company operates and generates its taxable income.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except :
i) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i) when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information is received or circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date.

f. **Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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CHHAPOLIKA & COMPANY INDIA Chartered Accountants

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2.1 Summary of significant accounting policies (continued)

f. Leases (continued)

Where company is a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (f) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Where company is a lessor

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

g. Fair value measurement of financial instruments

The Company measures financial instruments at fair value at each Balance Sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

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CHHAPOLIKA & COMPANY INDIA Chartered Accountants

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2.1 Summary of significant accounting policies (continued)

g. Fair value measurement of financial instruments (continued)

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Ind-AS Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Ind-AS Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind-AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following two categories:

1. Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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CHHAPOLIKA & COMPANY INDIA Chartered Accountants

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2.1 Summary of significant accounting policies (continued)

h. Financial instruments (continued)

2. Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Statement of Profit and Loss.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(d) Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:
a) Disclosures for significant assumptions - Refer note 2.2
b) Trade receivables - Refer note 5

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

(a) Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(b) Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:
1. Financial liabilities at fair value through profit or loss
2. Financial liabilities at amortised cost (debt instruments)

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2.1 **Summary of significant accounting policies (continued)**

h. Financial instruments (continued)

1. Financial liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the standalone balance sheet at fair value with net changes in fair value recognised in the standalone statement of profit and loss.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. Financial liabilities at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

i. Foreign currencies

The Ind-AS Financial Statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income ("OCI") or the statement profit and loss are also recognised in OCI or the Statement of Profit and Loss, respectively).

j. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

k. Profit or Loss per share

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

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

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2.1 Summary of significant accounting policies (continued)

l. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

m. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company does not distinguish revenues, costs and expenses between different businesses in its internal reporting, reports costs and expenses by nature as a whole. The Board of Directors reviews the results when making decisions about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment. The Company operates and manages its business as a single segment mainly through the sale of services. As the Company's long-lived assets are located in Gernamy and most of the Company's revenues are derived from Gernamy, no geographical information is presented.

n. Retirement and other employee benefits

Leave Encashment / Compensated Absences
Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The Company presents the entire leave 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.

2.2 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

(b) Useful lives of property, plant and equipment

The charge in respect of periodic 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 at each financial year end. The lives are based on technical advice, prior asset usage experience and the risk of technological obsolescence.

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2.2 Significant Accounting Judgements, Estimates and Assumptions (continued)

(c) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next ten years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

(d) Income Taxes

The Company has exposure to income taxes in Indian jurisdiction. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant managements judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Considering the cumulative tax positions and considering the loss for the period, the Company has not recognised deferred tax assets on the losses.

(f) Other estimates

The preparation of Financial Statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of Financial Statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

(g) Leases

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The management while evaluating lease periods have not considered the renewal periods of real estate as well as non-real estate leases as the management is not reasonably certain of exercising the renewal options available as on the Balance Sheet date. Further, the management is reasonably certain of not exercising any termination options available as part of the contract as on the Balance Sheet date for all such leases and hence have not considered them in evaluation of lease periods.

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4. Property, plant and equipment

4A.1 Disclosures regarding gross block of Property, plant and equipment, accumulated depreciation and net block are as given below:

	Land and Buildings	Other assets, operating and business equipment	Total
Cost			
As at 01 August 2023	**4,11,747.44**	**9,28,333.01**	**13,40,080.45**
Additions		357.07	**357.07**
Disposals		1,716.76	**1,716.76**
As at 31 March 2024	**4,11,747.44**	**9,26,973.32**	**13,38,720.76**
Depreciation			
As at 01 August 2023	**1,81,182.50**	**6,75,692.25**	**8,56,874.75**
Depreciation	6,784.18	42,220.58	49,004.76
Disposals		1,715.76	1,715.76
As at 31 March 2024	**1,87,966.68**	**7,16,197.07**	**9,04,163.75**
Net block			
As at 01 August 2023	**2,30,564.94**	**2,52,640.76**	**4,83,205.70**
As at 31 March 2024	**2,23,780.76**	**2,10,776.25**	**4,34,557.01**

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4A. Intangible assets

4.1 Disclosures regarding gross block of intangible assets, accumulated amortisation and net block are as given below:

	Rights and Licenses	Total
Cost		
As at 01 August 2023	**6,61,158.12**	**6,61,158.12**
Additions	8,364.85	**8,364.85**
Disposals	-	-
As at 31 March 2024	**6,69,522.97**	**6,69,522.97**
Amortisation		
As at 01 August 2023	**6,59,927.87**	**6,59,927.87**
Amortisation	1,185.10	**1,185.10**
Disposals	-	-
As at 31 March 2024	**6,61,112.97**	**6,61,112.97**
Net book value		
As at 01 August 2023	**1,230.25**	**1,230.25**
As at 31 March 2024	**8,410.00**	**8,410.00**

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3. Income tax assets (net)

(A) Reconciliation of tax expenses and accounting loss :

	As at 31 March 2024	As at 31 July 2023
Accounting losses before income taxes	1,44,033.11	-
At Statutory income tax rate of 28.425%	40,941.41	-
Adjustments:	-	-
Tax Expenses	**40,941.41**	-

(B) Deferred tax :

Reconciliation of tax expenses and accounting loss :

	As at 31 March 2024	As at 31 July 2023
Excess of Lease libility over ROU	**17,852.24**	-
		-
Deferred Tax	**17,852.24**	-

5. Trade receivables

	As at 31 March 2024	As at 31 July 2023
Trade receivables	12,22,720.14	13,69,980.67
Total trade receivables	**12,22,720.14**	**13,69,980.67**

Break-up of security details:		
Trade receivables		
Unsecured, considered good	12,26,540.14	13,73,260.67
Less: Allowance for impairment of trade receivables	3,820.00	3,280.00
Total trade receivables	**12,22,720.14**	**13,69,980.67**

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6. Cash and cash equivalents

	As at 31 March 2024	As at 31 July 2023
Balance with banks:		
On current accounts	2,98,539.44	16,88,926.86
Cash on hand	1,023.14	1,289.82
	2,99,562.58	**16,90,216.68**

7. Other financial assets

	Current	
	As at 31 March 2024	As at 31 July 2023
Unsecured, considered good		
Other Receivables	3,11,787.46	6,111.48
	3,11,787.46	**6,111.48**

Breakup of financial assets carried at amortised cost:

	Current	
	As at 31 March 2024	As at 31 July 2023
Trade receivables (Note 5)	13,69,980.67	14,54,234.08
Cash and cash equivalents (Note 6)	16,90,216.68	17,24,579.31
Other financial assets (Note 7)	6,111.48	2,985.86
Total financial assets carried at amortised cost	**30,66,308.83**	**31,81,799.25**

8. Other assets

	Non- current		Current	
	As at 31 March 2024	As at 31 July 2023	As at 31 March 2024	As at 31 July 2023
Unsecured, considered good				
Prepaid expenses	-	-	1,17,889.04	86,207.20
	-	-	**1,17,889.04**	**86,207.20**

9. Share capital

Details of equity share capital is as follows:

	As at 31 March 2024	As at 31 July 2023
Authorised share capital	2,01,000.00	2,01,000.00
201,000 (31 July 2023: 201,000) Equity shares of EUR 1 each		
	2,01,000.00	**2,01,000.00**
Issued, subscribed and fully paid up capital		
201,000 (31 July 2023: 201,000) Equity shares of EUR 1 each	2,01,000.00	2,01,000.00
	2,01,000.00	**2,01,000.00**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2024	As at 31 July 2023
Balance at the beginning of the year(No of Shares :201 000 (PP:201 000))	2,01,000.00	2,01,000.00
Issued during the year		
Outstanding at the end of the year (No of Shares :201 000 (PP:201 000))	**2,01,000.00**	**2,01,000.00**

b) Terms/ rights attached to Equity shares of EUR 1 each

Equity shares have a par value of EUR 1 per share. Each holder of Equity shares is entitled to one vote per share. The Company declares and pays dividends in EUR. The dividend proposed by the Board of Directors ("Board") is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of Equity shares held by the shareholders.

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

Name of the shareholder	As at 31 March 2024	
	No. of shares	% holding
AXISCADES GmbH	1,88,940	94.00%
BrideConT GmbH	12,060	6.00%
	2,01,000.00	**100.00%**

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

e) There are no equity shares issued as bonus, shares issued for consideration other than cash or shares bought back during the period of five years.

10. Other equity

i) Other Reserve

	EUR
As at 01 August 2023	16,04,470.45
Add: Premium on issue of share capital	-
As at 31 March 2024	**16,04,470.45**

ii) Retained earnings

	EUR
As at 01 August 2023	9,21,963.02
Less : Profit for the year	38,913.67
Less : Other comprehensive income/(loss) for the year	-
As at 31 March 2024	**9,60,876.69**
Total other equity (i+ii)	**25,65,347.14**

Nature and purpose of reserves:

1. Other Reserve

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Act.

2. Retained earnings

Retained earnings are the loss that the Company has incurred till date.

11. Provisions

	Non- current		Current	
	As at 31 March 2024	As at 31 July 2023	As at 31 March 2024	As at 31 July 2023
Provision for employee benefits				
- Provision for corporate tax and trade taxes	-	-	1,20,283.20	1,37,208.00
- Provision for warranty and others	-	-	27,100.00	14,200.00
	-	-	**1,47,383.20**	**1,51,408.00**

12. Borrowings

	Current	
	As at 31 March 2024	As at 31 July 2023
Unsecured		
Term loan from bank	57,368.45	93,311.56
	57,368.45	93,311.56

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13. Trade payables

	As at 31 March 2024	As at 31 July 2023
Trade payables	2,40,794.37	4,94,422.62
	2,40,794.37	**4,94,422.62**

14. Other current liabilities

	As at 31 March 2024	As at 31 July 2023
Payable to statutory authorities and others	3,88,091.66	1,70,376.33
	3,88,091.66	**1,70,376.33**

15. Right-of-use assets and lease liabilities

Company as lessee

The Company has taken non-cancellable leases for buildings for a period of 5 years with an option to renew for minimum period based on mutual agreement. The Company also has certain leases with lease term of 12 months or less. The Company applies the 'short-term lease' recognition exemption for these leases.

a. The carrying amounts of right-of-use assets and the movements during the period are as follows :

As at 31 March 2024

	Building
Opening Balance on July 31, 2023	38,88,271.84
Add : Additions during the year	-
Less: Deletions during the year	-
Less : Depreciation during the year	(1,79,804.48)
	37,08,467.36

b. The carrying amounts of lease liabilities and the movements during the period is as follows :

As at 31 March 2024

	Building
Opening Balance on July 31, 2023	38,88,271.84
Add : Additions during the year	-
Add : Accretion of interest during the year	1,02,328.94
Less : Payment of lease liabilities	(2,19,339.76)
	37,71,261.01
Current	1,77,874.74
Non Current	35,93,386.27

As at 31 July 2023

	Building
Opening Balance on July 31, 2023	38,88,271.84
	38,88,271.84
Current	1,76,694.82
Non Current	37,11,577.02

c. Maturity analysis :

As at 31 March 2024

	As at 31 March 2024	As at 31 July 2023
Less than 1 year	3,29,009.64	3,29,009.64
1 to 5 years	13,24,263.80	13,16,038.56
More than 5 years	33,11,482.03	35,39,047.03
	49,64,755.47	**51,84,095.23**

d. The following are the amounts recognised in profit or loss :

As at 31 March 2024

	For the period 1 August 2023 to 31 March 2024
Depreciation expense of right-of-use assets	1,79,804.48
Interest expense on lease liabilities	1,02,328.94
Expense relating to short-term leases (included in other expenses)	66,266.22
	3,48,399.63

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16. Revenue from contracts with customers

	For the period 1 August 2023 to 31 March 2024	For the period 1 January 2023 to 31 July 2023
Sale of Services		
Engineering services	49,46,746.09	51,50,694.13
Total revenue from contracts with customers	**49,46,746.09**	**51,50,694.13**

Performance obligations

Information about the Company's performance obligations are summarised below:

Sale of Services

The Company derives its revenues primarily from engineering design services. Service income comprises of income from time and-material and fixed-price contracts. Revenue from time-and-material contracts is recognised in accordance with the terms of the contracts with clients. Revenue from fixedprice contracts is recognised using the percentage of completion method, calculated as the proportion of the efforts incurred up to the reporting date to the estimated total efforts.

(i) Contract balances

	For the period 1 August 2023 to 31 March 2024	For the period 1 January 2023 to 31 July 2023
Trade receivables (Note 5)	12,22,720.14	1369980.67
	12,22,720.14	**13,69,980.67**

17. Other income

	For the period 1 August 2023 to 31 March 2024	For the period 1 January 2023 to 31 July 2023
Other non-operating income		
Interest income		
- Others	1,393.20	1580.08
Other Income	48,239.15	63647.82
	49,632.35	**65,227.90**

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18. Employee benefits expense

	For the period 1 August 2023 to 31 March 2024	For the period 1 January 2023 to 31 July 2023
Salaries, wages and bonus	31,04,941.42	31,15,543.28
Contribution to pensions and other benefits	7,78,176.95	5,79,639.89
	38,83,118.37	**36,95,183.17**

19. Finance costs

	For the period 1 August 2023 to 31 March 2024	For the period 1 January 2023 to 31 July 2023
Interest expense on :		
Term loans and others	1,05,722.05	2,292.23
Bank charges	2,756.49	3,196.81
	1,08,478.54	**5,489.04**

20.Depreciation and amortisation expense

	For the period 1 August 2023 to 31 March 2024	For the period 1 January 2023 to 31 July 2023
Depreciation and amortisation expense	2,29,994.34	47,433.53
	2,29,994.34	**47,433.53**

21. Other expenses

	For the period 1 August 2023 to 31 March 2024	For the period 1 January 2023 to 31 July 2023
Rent	66,266.22	2,46,242.86
Third-party services (distribution)	45,668.63	57,225.50
Communication expenses	39,458.16	33,484.20
Legal and professional fees	34,126.91	11,097.52
Rates and taxes	2,361.49	1,703.13
Travelling and conveyance	23,731.47	9,041.37
Repairs and maintenance	17,828.21	6,081.02
Staff Welfare	(2,560.00)	5,950.00
Miscellaneous expenses	4,03,872.99	4,47,681.39
	6,30,754.08	**8,18,506.99**

22. Earning per share	For the period 1 August 2023 to 31 March 2024	For the period 1 January 2023 to 31 July 2023
a)Profit after tax attributable to equity shares (in EUR)	38,913.67	5,11,691.15
b)Weighted average number of shares outstanding	2,01,000	2,01,000
c)Basic and diluted profit per share (in EUR)	0.19	2.55

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23. First time adoption of Ind AS

These special-purpose financial statements, for the period ended 31 March 2024, represent the first financial statements the acquired entity has prepared in accordance with Ind AS, subsequent to its acquisition by the holding company on July 31, 2023.

For periods up to and including the year ended 31 December 2022, the acquired entity prepared its financial statements following its local accounting standards. With the acquisition on July 31, 2023, and the holding company's mandate, the entity transitioned to align its financial reporting with Ind AS.

The entity has accordingly prepared these special-purpose financial statements to comply with Ind AS for the period ending on 31 March 2024. The statements also include comparative period data as at and for the year ended 31 July 2023, which has been restated to adhere to Ind AS, as detailed in the summary of significant accounting policies.

In the process of this transition to Ind AS for the special-purpose financial statements, the acquired entity's opening balance sheet was prepared as of August 1, 2023, marking its date of transition to Ind AS post-acquisition. This note elucidates the principal adjustments the entity undertook in transitioning its financial statements from its local accounting standards to Ind AS, encompassing the balance sheet as of August 1, 2023, and the financial statements for the period ended 31 March 2024.

Ind AS optional exemptions

A1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to fair value for all of its property, plant and equipment and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Ind AS 101, First-time adoption of Indian Accounting Standards, also permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as on the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its Intangibles and property, plant and equipment at their carrying value as at the transition date and use that as deemed cost as on the date of transition.

A3. Lease

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, Leases, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101, First-time Adoption of Indian Accounting Standards, provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

B. Ind AS mandatory exemptions

B1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except for impairment of financial assets based on ECL and recognition of asset retirement obligation on the date of transition as they were not required as per previous GAAP.

B2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109, Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

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Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable; or

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or

c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

B3. De-recognition of financial assets and liabilities

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101, First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1 Reconciliation of other equity

As at 31 July 2023

	As at 31 July 2023
Total Equity as per previous GAAP	27,27,433.47
Impact due to Ind As trnsistion	-
	27,27,433.47

C2 Reconciliation of Balance sheet as at 31 July 2023 (date of transition to Ind AS)

As at 31 July 2023

	Note	**Previous GAPP**	**Adjustments**	**IND AS**
Non-current assets				
Intangible Assets	1	1,230.25	-	1,230.25
Property, plant and equipment	1	4,83,205.70	-	4,83,205.70
ROU	2	-	38,88,271.84	38,88,271.84
		4,84,435.95	**38,88,271.84**	**43,72,707.79**
Current assets				
Financial assets				
- Trade receivables		13,69,980.67	-	13,69,980.67
- Cash and cash equivalents		16,90,216.68	-	16,90,216.68
- Other financial assets		6,111.48	-	6,111.48
Other current assets		86,207.20	-	86,207.20
		31,52,516.03	-	**31,52,516.03**
Total assets		**36,36,951.98**	**38,88,271.84**	**75,25,223.82**
Equity and liabilities				
Equity				
Equity share capital		2,01,000.00		2,01,000.00
Other equity	3	25,26,433.47	-	25,26,433.47
Total equity		**27,27,433.47**	-	**27,27,433.47**

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C2 Reconciliation of Balance sheet as at 31 July 2023 (date of transition to Ind AS) Contd.

As at 31 July 2023	Note	Previous GAAP	Adjustments	IND AS
Liabilities				
Non- current liabilities				
Lease Libility - non-current	2	-	37,11,577.02	37,11,577.02
Provisions		-		-
		-	**37,11,577.02**	**37,11,577.02**
Current liabilities				
Financial liabilities				
- Borrowings		93,311.56		93,311.56
- Trade payables		4,94,422.62		4,94,422.62
- Lease Libility - current	2	-	1,76,694.82	1,76,694.82
Provisions		1,51,408.00		1,51,408.00
Other current liabilities		1,70,376.33		1,70,376.33
		9,09,518.51	**1,76,694.82**	**10,86,213.33**
Total liabilities		**9,09,518.51**	**38,88,271.84**	**47,97,790.35**
Total equity and liabilities		**36,36,951.98**	**38,88,271.84**	**75,25,223.82**

Notes

1. As per IND AS 101, the Company has opted for the deemed cost exemption, measuring intangible assets and property, plant, and equipment at their carrying amounts on the transition date.

2. Right of Use Assets (ROU) not recognised as per the previous GAAP have been identified and recognised as at July 31, 2023 in line with IND AS 116. Coreesponding lease liability is also recognised and classifed lease liability current portion and non current portion.

3. Net impact of point no 1 and 2 in this notes is given impact in other equity as required by Ind AS 101.

C3 Reconciliation of profit or loss and cashflow for the year ended 31 July 2023 does not apply as 31 July 2023 is the data of transition to Ind AS.

The Accompaning notes are intergal Part of Standalone Ind AS financial statements

As per our report of even date

Chhapolika and Company
Chartered Accountants
ICAI Firm Registration Number: 030728N

Ankur Chhapolika

Ankur Chhapolika
Partner
Membership No: 224277

Place: Bengaluru
Date : 17 May 2024

CHHAPOLIKA & COMPANY
CA INDIA
INDIA
Chartered Accountants

For and on behalf of the Board of Directors of
add-solution GmbH

Arun Krishnamurthi
Managing Director

Place: Bengaluru
Date : 17 May 2024

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