Special Purpose Financial Statements

Designit Germany GmbH

31 March 2023

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of **Designit Germany GmbH**

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of **Designit Germany GmbH** ("the Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Special Purpose Financial Statements"). As explained in Note 2 to the Special Purpose Financial Statements, these include limited information and have been prepared for inclusion in the annual report of the Ultimate Holding Company Wipro Limited under the requirements of section 129 (3) of the Companies Act 2013, in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS").

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 basis of preparation referred to in Note 2 to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2023, its loss, total comprehensive loss, its changes in equity and cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 1(b) to the accompanying special purpose financial statements which describes that the Company incurred net loss of EUR 1.59 million for the year ended 31 March 2023 and, as of that date, the Company accumulated losses amounts to EUR 4.5 million These events or conditions indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as going concern. However, basis the ongoing support of the Ultimate Holding Company and the ongoing assessment of business opportunities, the management considers going concern basis of accounting for preparation of accompanying special purpose financial statements to be appropriate. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Board of Directors are 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, changes in equity and cash flows of the Company in accordance with the basis described in Note 2 of the special purpose financial statement. This responsibility also includes maintenance of adequate accounting records 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 special purpose 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, the Company's Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities 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 auditors' 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the company has adequate internal financial controls with reference to the special purpose financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Basis of Accounting

We draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting. As a result, the special purpose financial statements may not be suitable for another purpose.

Restriction on Use and distribution

The report is issued to the Board of Directors of the Company solely for the above purpose and should not be distributed to or used by any other parties.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

S/d

Seethalakshmi M
Partner
Membership No.: 208545

Bengaluru
23 May 2023

Designit Germany GmbH

Special Purpose Balance Sheet as at 31 March 2023

(All amounts in euros except otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	325,969	439,824
Right of use asset	5	805,004	1,116,608
Total non-current assets		**1,130,973**	**1,556,432**
Current assets			
Financial assets			
Trade receivables	6	1,150,579	689,379
Cash and cash equivalents	7	262,504	307,409
Contract assets		33,691	55,560
Other current assets	8	12,718	18,664
Total current assets		**1,459,492**	**1,071,012**
TOTAL ASSETS		**2,590,465**	**2,627,444**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	25,000	25,000
Other equity	10	(4,528,077)	(2,936,659)
Total equity		**(4,503,077)**	**(2,911,659)**
Non-current liabilities			
Financial liabilities			
Lease liabilities	24	525,923	848,803
Total non-current liabilities		**525,923**	**848,803**
Current liabilities			
Financial labilities			
Short term borrowings	11	3,618,990	2,908,990
Trade payables	12	2,207,238	1,329,390
Contract Liabilities		31,313	-
Lease liabilities	24	322,879	315,851
Other financial liabilities	13	224,456	41,160
Other current liabilities	14	65,369	44,186
Provisions	15	97,374	50,723
Total current liabilities		**6,567,619**	**4,690,300**
TOTAL EQUITY AND LIABILITIES		**2,590,465**	**2,627,444**
Summary of significant accounting policies	**1-3**		

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

S/d
Seethalakshmi M
Partner
Membership No.: 208545
23 May 2023
Bengaluru

For and on behalf of the Board
Designit Germany GmbH

S/d
Danusch Mahmoudi
Director

23 May 2023
Munich, Germany

Designit Germany GmbH

Special Purpose statement of profit and loss for the year ended 31 March 2023

(All amounts in euros except otherwise stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from operations	16	3,588,885	3,110,046
Other income	17	768,505	437,121
Total income		**4,357,390**	**3,547,167**
EXPENSES			
Employee benefits expense	18	3,508,777	2,207,275
Finance costs	19	131,014	201,117
Depreciation expenses	20	475,519	461,370
Other expenses	21	1,833,498	1,878,984
Total expenses		**5,948,808**	**4,748,746**
Profit/(loss) before tax		**(1,591,418)**	**(1,201,579)**
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		-	-
Profit/(loss) for the year		**(1,591,418)**	**(1,201,579)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total other comprehensive income / (loss) for the year, net of taxes		**(1,591,418)**	**(1,201,579)**
Total comprehensive income for the year			
Earnings per share			
Basic and diluted	22	-64	-48
Face value per equity share		10	10

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
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23 May 2023
Bengaluru

For and on behalf of the Board
Designit Germany GmbH

S/d
Danusch Mahmoudi
Director

23 May 2023
Munich, Germany

Designit Germany GmbH
Special Purpose Statement of changes in equity for the year ended 31 March 2023

A. Equity share capital

	Note	Balance
As at 1 April 2021	9	25,000
Changes in equity share capital		-
As at 31 March 2022	9	25,000
Changes in equity share capital		-
As at 31 March 2023	9	25,000

B. Other equity

	Other equity		
	Conversion of debt into equity	Retained earnings	Total other equity
As at 1 April 2021	-	(5,235,080)	(5,235,080)
Debt coversion	3,500,000	-	3,500,000
Profit/(loss) for the year	-	(1,201,579)	(1,201,579)
As at 31 March 2022	**3,500,000**	**(6,436,659)**	**(2,936,659)**
Profit/(loss) for the year	-	(1,591,418)	(1,591,418)
As at 31 March 2023	**3,500,000**	**(8,028,077)**	**(4,528,077)**

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

S/d
Seethalakshmi M
Partner
Membership No.: 208545
23 May 2023
Bengaluru

For and on behalf of the Board
Designit Germany GmbH

S/d
Danusch Mahmoudi
Director

23 May 2023
Munich, Germany

Designit Germany GmbH
Special purpose cash flow statement for the year ended 31 March 2023

(All amounts in euros except otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Profit before tax	(1,591,418)	(1,201,579)
Adjustments for:		
Depreciation expenses	475,519	461,370
Finance costs on borrowings	131,014	201,117
Loss on sale of property	(614)	(4,246)
	605,919	658,241
Operating profit/(loss) before working capital changes	(985,499)	(543,338)
Movements in working capital:		
Trade receivable	(461,200)	(198,303)
contract assets	21,869	87,277
loans & advances and other assets	5,946	-
Trade payables, other liabilities	1,082,327	3,692,231
Contract Liabilities	31,313	-
Increase in provision	46,651	50,723
Cash generated in operations	(258,593)	3,088,590
Direct tax paid	-	-
Net cash from operating activities	(258,593)	3,088,590
B. Cash flows from investing activities		
Purchase of tangible and intangible assets	(54,032)	(333,907)
Sale of tangible and intangible assets	4,586	0
Net cash (used in) from investing activities	(49,446)	(333,907)
C. Cash flow from financing activities		
Interest paid on borrowings	(131,014)	(201,117)
Short term borrowings	710,000	-
Repayment of lease liability	(315,852)	83,495
Proceeds of loans and borrowings	0	(2,450,000)
Net cash generated from/(used in) financing activities	**263,134**	(2,567,622)
Net increase in cash and cash equivalents (A+B+C)	(44,905)	187,061
Cash and cash equivalents at the beginning of the year	307,409	120,348
Cash and cash equivalents at the end of the year	**262,504**	**307,409**
Components of cash and cash equivalents		
Balance with banks in current accounts	262,504	307,409
	262,504	**307,409**

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Firm's Registration No.: 003990S/S 200018
Chartered Accountants

S/d
Seethalakshmi M
Partner
Membership No.: 208545
23 May 2023
Bengaluru

For and on behalf of the Board of
Designit Germany GmbH

S/d
Danusch Mahmoudi
Director

23 May 2023
Munich, Germany

1. (a) The Company overview

Design Germany GmbH is a subsidiary of Designit A/S ('the holding company'). The Company is incorporated in Germany and is engaged in design services. The functional Currency of the company is EUR and the reporting currency for these financial statements is EUR. These financial statements have been prepared and audited to attach with the accounts of the holding company, to comply with the provisions of Indian Companies Act, 2013.

(b) Operational outlook

The Company has incurred net loss of EUR 1.59 million for the year ended 31 March 2023 and has accumulated losses amounting EUR 8.02 million as on 31 March 2023. The financial statement has been prepared on the assumption that the Company will continue as a going concern, based on the continuing financial support by the shareholders / investors. Further, the Company and its holding Company has adequate liquid assets to support the operation of the Company for next year. Accordingly, the Company will be able to realise its assets and discharge its liabilities as recorded in these financial statements in the normal course of business.

2. Statement of compliance

This special purpose financial statement is prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013.

The special purpose financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(i) <u>New amended standards and interpretations</u>

Amendments to Ind AS 37 – Onerous Contracts – Cost of Fulfilling a Contract
The amendments specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be the incremental costs of fulfilling that contract (for example, direct labour and materials); or an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others).

Amendments to Ind AS 103 – Business Combinations – Reference to Conceptual Framework
The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The adoption of amendments to Ind AS 103 did not have any material impact on the interim condensed consolidated financial statements.

Amendments to Ind AS 109 – Financial Instruments
The amendments clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The adoption of amendments to Ind AS 109 did not have any material impact on the interim condensed consolidated financial statements.

Amendments to Ind AS 16 – Property, Plant and Equipment – Proceeds before intended use
The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The adoption of amendments to Ind AS 16 did not have any material impact on the interim condensed consolidated financial statements.

None of the amendments has any material impact on the financial statements for the current year.

New amendments not yet adopted-

Amendments to Ind AS 12 – Income Taxes
On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. The amendments to Ind AS 12 clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. The amendments clarify that this exemption does not apply to transactions such as leases and decommissioning obligations and companies are required to recognize deferred tax on such transactions. The adoption of amendments to Ind AS 12 is not expected to have any material impact in the interim condensed consolidated financial statements.

None of the amendments has any material impact on the financial statements for the current year.

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statement of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

Basis of preparation
These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.;

- Certain financial assets and Liabilities that are measured at fair value;
- Defined benefits plan – Plan assets measured at fair value

The financial statements are presented in EURO (EUR), being the functional and presentation currency, being the currency of the primary economic environment in which the company operates.

(ii) Fair value measurement

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:

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

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed in line with the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(iii) Current versus non-current classification

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

- An asset as current when it is:
  - Expected to be realized within twelve months after the reporting period, or within the normal operating cycle of the company.
  - Cash or cash equivalent 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 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.

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

(iv) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

a) Revenue recognition: The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

b) Income taxes: The tax jurisdiction for the Company is Germany. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

c) Deferred taxes: Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

d) Expected credit losses on financial assets: On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Significant accounting policies

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which this entity operates (i.e. the "functional currency"). The functional currency of the company is EURO and these financial statements are also presented in EUR.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges. Gains/(losses) relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as FVTOCI are included in other comprehensive income, net of taxes.

(iii) Financial instruments

a) Non-derivative financial instruments:

Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases

where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

A. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the Balance Sheet, bank overdrafts are presented under borrowings within current liabilities.

B. Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled revenues, cash and cash equivalents and other assets.

C. Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

(iv) Equity and share capital

a) Share capital and share premium

The authorized share capital of the Company as of March 31, 2023 and March 31, 2022 is 25,000 Equity shares of 1 EUR per share. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

b) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

c) Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is presented within equity in the FCTR.

d) Other reserves

Changes in the fair value of financial instruments measured at fair value through other comprehensive income and actuarial gains and losses on defined benefit plans are recognized in other comprehensive income (net of taxes) and presented within equity in other reserves.

(v) Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

b) Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortized over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Buildings	Useful Life or Lease Term whichever is lower
Furniture, fixtures and equipment	3 to 10 years
Office equipment.	2 to 7 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost of property, plant and equipment not available for use before each reporting date are disclosed under capital work- in-progress. Deposits & advances paid towards acquisition of fixed assets, outstanding at each balance sheet date are shown as capital advances under the head of other non-current assets.

(vi) Leases
The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

a) control the use of an identified asset,
b) obtain substantially all the economic benefits from use of the identified asset, and
c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

(vii) Impairment

Non - financial assets

The Company assesses long-lived assets such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost to sell (FVLCTS) and its value-in-use (VIU). If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs 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 recognized in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

(viii) Employee benefits

a) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits.

c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize 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.

(ix) 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 economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(x) Revenue

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products.

a) Services

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

A. Time and materials contracts

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

B. Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

C. Maintenance contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

b) Products

Revenue from products are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(xi) Finance Costs

Finance Costs comprise interest cost on borrowings, impairment losses recognized on financial assets, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

(xii) Other income

Other income comprises interest income on deposits, dividend income and gains / (losses) on disposal of financial assets that are measured at FVTPL, and debt instruments classified as FVTOCI. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

(xiii) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent 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 utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income 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 income tax asset to be utilized.

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

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(xiv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

(xv) Cash flow statement

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

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(All amounts in euros except otherwise stated)

4 Property, plant and equipment

Particulars	Tablets & Cell Phones	Buildings	Furniture and fixtures	Office equipments	Total
Gross block					
Balance as at 1 April 2021	**-**	**863,498**	**101,821**	**141,441**	**1,106,760**
Additions	4,139	-	-	20,802	24,941
Disposals	-	-	-	32,737	32,737
Balance as at 31 March 2022	**4,139**	**863,498**	**101,821**	**129,506**	**1,098,964**
Additions	3,430	-	-	50,603	54,032
Disposals	2,670	-	-	82,785	85,455
Balance as at 31 March 2023	**4,899**	**863,498**	**101,821**	**97,324**	**1,067,541**
Accumulated depreciation					
Balance as at 1 April 2021	-	345,714	56,752	137,006	539,472
Depreciation charge for the year	1,152	123,357	20,364	4,893	149,766
Disposals	-	-	-	30,098	30,098
Balance as at 31 March 2022	**1,152**	**469,071**	**77,116**	**111,801**	**659,140**
Depreciation charge for the year	2,561	123,357	20,364	17,633	163,915
Disposals	1,842	-	-	79,641	81,483
Balance as at 31 March 2023	**1,871**	**592,428**	**97,480**	**49,793**	**741,572**
Net block					
Balance as at 31 March 2023	**3,028**	**271,070**	**4,341**	**47,531**	**325,969**
Balance as at 31 March 2022	**2,987**	**394,427**	**24,705**	**17,705**	**439,824**

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5 Right of use assets:

Particulars	Building	Total
Gross block at cost		
At 1 April 2021	2,051,422	2,051,422
Additions	-	-
Disposals	-	-
As at 31 March 2022	**2,051,422**	**2,051,422**
Additions	-	-
Disposals	-	-
As at 31 March 2023	**2,051,422**	**2,051,422**
Accumulated depreciation		
At 1 April 2020	623,210	623,210
Charge for the year	311,604	311,604
Disposals	-	-
As at 31 March 2022	**934,814**	**934,814**
Charge for the year	311,604	311,604
Disposals	-	-
As at 31 March 2023	**1,246,418**	**1,246,418**
Net Block		
As at 31 March 2023	**805,004**	**805,004**
As at 31 March 2022	**1,116,608**	**1,116,608**

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6 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured		
Considered good	491,876	411,216
Related parties*	658,703	278,163
	1,150,579	689,379
Less: allowance for credit impaired	-	-
	1,150,579	**689,379**

*Refer note 23 for related party
Refer note 25 for ageing schedule

7 Cash and cash equivalents

Balances with bank in current accounts	262,504	307,409
	262,504	**307,409**

8 Other assets

	As at 31 March 2023	As at 31 March 2022
Current		
Prepaid expenses	12,718	18,664
	12,718	**18,664**

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	As at 31 March 2023	As at 31 March 2022
10 Other equity		
Retained earnings		
a) Statement of profit and loss account		
Balance at the beginning of the year	(6,436,659)	(5,235,080)
Add: a) Net profit/(loss) for the year	(1,591,418)	(1,201,579)
Balance at the end of the year	**(8,028,077)**	**(6,436,659)**
Add: b) Conversion of debt into equity	3,500,000	3,500,000
Total (a+b)	**(4,528,077)**	**(2,936,659)**

Nature and purpose of reserves:

Capital Reserves: These amounts represent loans from holding company which have been converted to equity.

11 Borrowings

	As at 31 March 2023	As at 31 March 2022
Short-term borrowings		
Borrowing from related parties*	3,618,990	2,908,990
	3,618,990	**2,908,990**

It carries an interest rate of 3.02% repayable after the expiry of one year from disbursement.

*Refer note 23 for related party

12 Trade payables

	As at 31 March 2023	As at 31 March 2022
Vendor payables	31,317	105,145
Related parties *	1,337,129	343,296
Other liabilities	645,000	680,176
Accrued expenses	193,792	200,773
Total	**2,207,238**	**1,329,390**

*Refer note 23 for related party

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(All amounts in euros except otherwise stated)

9 Share capital	As at 31 March 2023	As at 31 March 2022
Authorised capital		
25,000 (31 March 2022: 25,000) equity shares of EURO 1 each	25,000	25,000
	25,000	**25,000**
Issued, subscribed and paid up capital		
25000 (31 March 2022: 25000) Equity shares of EURO 1 each fully paid-up	25,000	25,000
	25,000	**25,000**

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

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Balance at the beginning of the year	25,000	25,000	25,000	25,000
Add :Issued during the year.	-	-	-	-
Balance at the end of the year	**25,000**	**25,000**	**25,000**	**25,000**

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of EURO 1 per share. Each shareholder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2023		As at 31 March 2022	
	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares
Equity shares of EURO 1 each fully paid-up				
Designit A/c	100%	25,000	100%	25,000

d) There has been no issue of shares for consideration other than cash during the 5 years preceding 31 March 2023.

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13 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
Employee related liabilities	197,407	41,160
Interest accrued and due	27,049	-
	224,456	**41,160**

14 Other liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory dues	65,369	44,186
	65,369	**44,186**

15 Provisions

	As at 31 March 2023	As at 31 March 2022
Current provisions		
Provision for employee benefits		
Compensated absences	97,374	50,723
	97,374	**50,723**

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16 Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of services	3,588,885	3,110,046
	3,588,885	**3,110,046**
Revenue by type of contract		
Fixed price and volume based	2,669,333	3,110,046
Time and materials	919,552	-
	3,588,885	**3,110,046**

17 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Rent income	292,298	-
Iintercompany cost recharge	474,665	436,216
Profit`on sale of property plant equipment	-	905
Interest income	1,420	-
Others	122	-
	768,505	**437,121**

18 Employee benefits expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and bonus	3,435,381	2,146,189
Staff welfare expenses	73,396	61,086
	3,508,777	**2,207,275**

19 Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on borrowings	108,584	171,827
Interest on finance lease	22,430	29,290
	131,014	**201,117**

20 Depreciation

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property plant and equipment	163,915	149,766
Depreciation on right to use assets	311,604	311,604
	475,519	**461,370**

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16 Revenue from operations

21 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Sub-contracting / technical fees / third party application	798,798	545,150
Intercompany corporate overheads	433,640	555,368
Management fee	181,028	480,334
Communication	119,505	87,543
Travel	70,763	20,469
Facility expenses	41,579	21,533
Legal and professional charges	76,785	45,590
Marketing and brand building	64,775	66,208
Repairs and maintenance	42,173	44,969
Power and fuel	3,838	11,328
Loss on sale of property plant equipment	614	-
Exchange rate (net)	-	492
	1,833,498	**1,878,984**

22 Earnings per share (EPS)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit/(loss) for the year	(1,591,418)	(1,201,579)
Weighted average number of shares	25,000	25,000
Earnings per share		
Basic and diluted	(63.66)	(48.06)
Nominal value - per equity share	10.00	10.00

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23 A. Names of related parties and nature of relationship

Nature of relationship	Name of the related party	Country of incorporation
Ultimate Holding Company	Wipro Limited	India
Holding Company	Designit A/S	Denmark
Fellow Subsidiaries	Designit A/S	Denmark
	Designit Sweden AB	Sweden
	Designit Spain Digital S.L.	Spain
	Designit North America Inc.	USA
	Designit Denmark A/S	Denmark
	Designit Denmark A/S Branch in London	London
	Designit A/S (Australia & New Zealand)	Australia
	Designit Germany GmbH	Germany
	Designit TLV Ltd	Israel
	Designit Oslo A/S	Norway
	Designit A/S (Dubai AS)	Dubai
Key managerial personnel		
	Nic Parmaksizian	Director
	Rishabh Khemka	Director
	Danusch Mahmoudi	Director

*Related parties with whom transactions have taken place during the year.

B. Transactions with related parties for the year ended 31 March 2023

Particulars	Relationship	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations			
Designit TLV Ltd	Fellow subsidiary	-	343
Designit Denmark A/S Branch in London	Fellow subsidiary	103,663	206,486
Designit Sweden AB	Fellow subsidiary	-	26,193
Designit Oslo A/S	Fellow subsidiary	80,525	146,773
Appirio Ltd	Fellow subsidiary	-	9,240
Wipro Limited (UK)	Fellow subsidiary	-	2,476
Wipro Limited (India)	Ultimate Holding Company	-	873,542
Wipro Technologies GmbH	Fellow subsidiary	875,162	335,378
Designit A/S (Dubai)	Fellow subsidiary	-	55,448
Subcontracting & intercompany recharges			
Designit TLV Ltd	Fellow subsidiary	(33,862)	-
Designit North America Inc.	Fellow subsidiary	32,167	23,633
Designit Denmark A/S	Fellow subsidiary	(45,860)	16,196
Designit A/S	Holding company	-	480,334
Designit Spain Digital S.L.	Fellow subsidiary	441,800	234,607
Designit Denmark A/S Branch in London	Fellow subsidiary	105,487	4,016
Designit Oslo A/S	Fellow subsidiary	144,438	38,179
Designit Sweden AB	Fellow subsidiary	57,458	63,641
Designit Tokyo Co., Ltd.	Fellow subsidiary	(3,011)	-
Designit A/S (Australia & New Zealand)	Fellow subsidiary	(8,494)	-
Interest expenses			
Designit A/S	Holding company	96,590	165,823

C. Closing balance of related parties

Name of the Company	Nature	As on 31 March 2023	As on 31 March 2022
Payables:			
Designit A/S	Fellow Subsidiary	482,182	297,330
Designit Spain Digital S.L.	Fellow Subsidiary	290,035	24,510
Designit North America Inc.	Fellow Subsidiary	53,925	9,619
Designit Denmark A/S Branch in London	Fellow Subsidiary	194,308	5,641
Designit Denmark A/S	Fellow Subsidiary	-	6,195
Designit Oslo A/S	Fellow Subsidiary	46,844	-
Wipro Limited (India)	Ultimate Holding Company	265,733	-
Designit Sweden AB	Fellow Subsidiary	495	-
Designit TLV	Fellow Subsidiary	30,656	-
Receivables:			
Designit Oslo A/S	Fellow Subsidiary	92,675	6,976
Designit Tokyo Co., Ltd.	Fellow Subsidiary	3,011	-
Designit Denmark A/S Branch in London	Fellow Subsidiary	106,029	-
Designit North America Inc.	Fellow Subsidiary	21,758	-
Designit Spain Digital S.L.	Fellow Subsidiary	89,793	-
Designit Sweden AB	Fellow Subsidiary	42,529	-
Wipro Technologies GmbH	Fellow Subsidiary	134,421	101,080
Designit Denmark A/S	Fellow Subsidiary	45,860	-
Designit TLV	Fellow Subsidiary	64,518	-
Wipro Limited (India)	Fellow Subsidiary	49,617	170,107
Designit A/S (Australia & New Zealand)	Fellow Subsidiary	8,494	-
Loan taken			
Designit A/S	Holding Company	3,618,990	2,908,990

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24 **IND AS 116 leases related disclosures**

i) Total lease liabilities are analysed as follows:

	As at 31 March 2023	As at 31 March 2022
Denominated in the following currencies:		
EURO	848,802	1,164,654
Total	**848,802**	**1,164,654**
Analysed as:		
Current	322,879	315,851
Non current	525,923	848,803
	848,802	**1,164,654**

ii) Amounts recognised in statement of profit and loss:
The following amounts were recognised as expense in the year:

	As at 31 March 2023	As at 31 March 2022
Depreciation of right-of-use assets	311,604	311,604
Interest on lease liabilities	22,430	29,290
Total recognised in the statement of profit and loss	**334,034**	**340,894**

iii) Exposure to future cash flows:
The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

Maturity analysis:	As at 31 March 2023	As at 31 March 2022
Less than 1 year	338,280	338,280
Between 1 and 2 years	338,280	338,280
Between 2 and 5 years	197,330	535,610
More than 5 years	-	-
Total	**873,890**	**1,212,170**

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25 Trade receivables and trade payables ageing schedule
Trade receivables ageing schedule
As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months - 1 year**	**1- 2 years**	**2- 3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	1,150,579	-	-	-	-	1,150,579
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**1,150,579**	**-**	**-**	**-**	**-**	**1,150,579**
Less : Allowance for credit impaired	-	-	-	-	-	-
Net trade receivables	**1,150,579**	**-**	**-**	**-**	**-**	**1,150,579**

Trade receivables ageing schedule
As at 31 March 2022

Particulars	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	689,379	-	-	-	-	689,379
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**689,379**	**-**	**-**	**-**	**-**	**689,379**
Less : Allowance for credit impaired	-	-	-	-	-	-
Net trade receivables	**689,379**	**-**	**-**	**-**	**-**	**689,379**

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25 Trade payables ageing schedule
As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Unbilled and not due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) Trade Payables - MSME	-	-	-	-	-	-
(ii) Trade Payables - Others	1,408,424	575,123	29,899	-	-	2,013,446
(iii) Accrued Expenses	193,792	-	-	-	-	193,792
(iv) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,602,216**	**575,123**	**29,899**	**-**	**-**	**2,207,238**

Trade payables ageing schedule
As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Unbilled and not due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) Trade Payables - MSME	-	-	-	-	-	-
(ii) Trade Payables - Others	1,098,640	29,977	-	-	-	1,128,617
(iii) Accrued Expenses	200,773	-	-	-	-	200,773
(iv) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,299,413**	**29,977**	**-**	**-**	**-**	**1,329,390**

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26 Financial instruments measurement and disclosure

a) Financial instruments by category

			As at 31 March 2023	
Particulars	FVTOCI	FVTPL	Amortised cost	Total
Financial assets:				
Investments	-	-	-	-
Trade receivables	-	-	1,150,579	1,150,579
Cash and cash equivalents	-	-	262,504	262,504
Unbilled revenue	-	-	33,691	33,691
Other financial assets	-	-	-	-
Total	**-**	**-**	**1,446,774**	**1,446,774**
Financial liabilities:				
Borrowings	-	-	3,618,990	3,618,990
Lease liabilities	-	-	848,802	848,802
Trade payables	-	-	2,207,238	2,207,238
Other financial liabilities	-	-	224,456	224,456
Total	**-**	**-**	**6,899,486**	**6,899,486**

			As at 31 March 2022	
Particulars	FVTOCI	FVTPL	Amortised cost	Total
Financial assets:				
Investments	-	-	-	-
Trade receivables	-	-	689,379	689,379
Cash and cash equivalents	-	-	307,409	307,409
Unbilled revenue	-	-	55,560	55,560
Other financial assets	-	-	-	-
Total	-	-	-	-
Financial liabilities:	**-**	**-**	**1,052,348**	**1,052,348**
Borrowings	-	-	2,908,990	2,908,990
Lease liabilities	-	-	1,164,654	1,164,654
Trade payables	-	-	1,329,390	1,329,390
Other financial liabilities	-	-	41,160	41,160
Total	**-**	**-**	**5,444,194**	**5,444,194**

The fair values of assets and liabilities approximates its carrying value.
The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, other financials assets, borrowings etc. because their carrying amounts are a reasonable approximation of fair value.

27 Financial risk management

The Company's principal financial liabilities, comprises of trade and other payables. The Company's principal financial assets include trade receivables, and cash and bank balances and other balances that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The Company is not exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities as the Company's transactions are carried out in Euro and it does not hold any investments or financial instruments in currency other than Euro.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

i) Cash and cash equivalents

Credit risk from balances with banks is managed in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components as at the Balance sheet date are the carrying amounts as furnished in Note 7.

ii) Trade receivables

Customer Credit Risk is managed as per Company's established policy, procedures and controls relating to customer credit risk management which interalia involves obtaining credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in normal course of business.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

28. Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable
to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity as below:
- Equity includes equity share capital and all other equity components, which attributable to the equity holders
- Net Debt includes borrowings, less cash and cash equivalents.

	Note	As at 31 March 2023	As at 31 March 2022
Borrowings	11	3,618,990	2,908,990
Lease liabilities	24	848,802	1,164,654
Less: Cash and cash equivalents	7	262,504	307,409
Net debt (a)		4,205,288	3,766,235
Equity share capital	9	25,000	25,000
Other equity	10	(4,528,077)	(2,936,659)
Total capital (b)		(4,503,077)	(2,911,659)
Gearing ratio (a/b)		(0.93)	(1.29)

In order to achieve the objective of maximising shareholders value, the Company's capital management, amongst other things, aims to manage its capital structure and makes adjustments in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

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29 **Events occurring after the reporting date**

No adjusting or significant non-adjusting events have occurred between 31 March 2023 and the date of authorization of these financial statements.

30 Previous years figures have been registered rearranged wherever necessary to confirm to the current year classification

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As per our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

S/d
Seethalakshmi M
Partner
M No:. 208545
23 May 2023
Bengaluru

For and on behalf of the Board
Designit Germany GmbH

S/d
Danusch Mahmoudi
Director

23 May 2023
Munich, Germany