

**D Prasanna & Co.**

*Chartered Accountants*

No.192, S.C. Road, Basavanagudi,

Bangalore, 560 004

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# Special Purpose Financial Statements and Independent Auditor's Report

**RIZING PHILIPPINES INC.**

**31 March 2023**

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of Rizing Philippines Inc.

### **Report on the Audit of the Special Purpose Financial Statements**

#### **Opinion**

We have audited the accompanying special purpose financial statements of Rizing Philippines Inc. ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period 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(a) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited ("the Parent") solely for inclusion in the annual report of Wipro limited for the year ended 31 March 2023 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and 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 presentation referred to in Note 2(a) to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2023, and loss and other comprehensive income, changes in equity and its 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 Standards 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) 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.

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## **Material Uncertainty Related to Going Concern**

We draw attention to note 2(a) to the accompanying financial statements which indicates that the Company has incurred loss of USD 1,250,790. as at 31 March 2023. These events or conditions indicate that a material uncertainty exists which 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 financial statements to be appropriate. Our opinion is not modified in respect of this matter.

## **Basis of Accounting and Restriction on Use**

Without modifying our opinion, we draw attention to Note 2(i) to the Special Purpose Financial Statements. The Special Purpose Financial Statements are prepared for inclusion in the annual report of Ultimate Holding Company under the requirements of section 129(3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for any other purpose. Our report is intended solely for the company and Wipro Limited and should not be distributed to or used by parties other than the company and Wipro Limited.

## **Management Responsibility for the Special Purpose Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance and total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, management and 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.

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- 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.

Bengaluru  
May 23, 2023

For **D. Prasanna & Company**  
Chartered Accountants  
Firm's Registration No.009619S

Sd/-  
Proprietor: D Prasanna Kumar  
Membership No. 211367

**RIZING PHILIPPINES INC.**

**SPECIAL PURPOSE FINANCIAL STATEMENTS UNDER IND AS  
AS AT AND FOR THE PERIOD ENDED MARCH 31, 2023**

**Rizing Philippines Inc.**  
**BALANCE SHEET**  
(Amount in PHP, except share and per share data, unless otherwise stated)

	<b>Notes</b>	<u>As at</u> <b>March 31, 2023</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4	4,426,075
Right-of-Use assets	5	7,280,237
Other non-current assets	7	11,806
<b>Total non-current assets</b>		<b>11,718,118</b>
<b>Current assets</b>		
<b>Financial assets</b>		
Trade receivables	6	55,658,658
Unbilled receivables		3,704,498
Cash and cash equivalents	8	58,958,641
Other financial assets	15	5,262,402
Current tax assets (net)		2,840,562
Contract assets		4,933,132
Other current assets	7	3,667,326
<b>Total current assets</b>		<b>135,025,218</b>
<b>TOTAL ASSETS</b>		<b>146,743,337</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	9	22,504,000
Other equity		(615,959,652)
<b>TOTAL EQUITY</b>		<b>(593,455,652)</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	13.1	166,668,515
Lease liabilities	10	7,212,394
Trade payables	11	535,753,735
Other financial liabilities	12	14,803,399
Contract liabilities		10,807,314
Other current liabilities	13	3,374,533
Provisions	14	1,579,099
<b>Total current liabilities</b>		<b>740,198,989</b>
<b>TOTAL LIABILITIES</b>		<b>740,198,989</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>146,743,337</b>

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

**for D Prasanna & Company**  
Chartered Accountants  
Firm's Registration No: 009619S

For and on behalf of the Board of Directors

Sd/-  
**D. Prasanna Kumar**  
Proprietor  
Membership No. 211367

Sd/-  
Aseem Roy  
Director

Sd/-  
Phil Wheatley  
Director

Sd/-  
Jericho Dujua  
Director

Bengaluru  
May 23, 2023

**Rizing Philippines Inc.**  
**STATEMENT OF PROFIT AND LOSS**  
**(Amount in PHP, except share and per share data, unless otherwise stated)**

	<b>Notes</b>	<b>Period ended</b>
		<b>March 31, 2023</b>
<b>INCOME</b>		
Revenue from operations	16	135,595,145
<b>Total Income</b>		<b>135,595,145</b>
<b>EXPENSES</b>		
Purchases of stock-in-trade		10,330,010
Employee benefits expense	17	181,290,265
Finance costs	18	12,087,707
Depreciation, amortisation and impairment expense		9,363,065
Sub-contracting and technical fees		33,236,879
Facility expenses		1,754,667
Travel		2,052,346
Communication		4,966,407
Legal and professional charges		3,106,777
Marketing and brand building		278,446
Other expenses	19	24,704,467
<b>Total expenses</b>		<b>283,171,036</b>
<b>Profit before tax</b>		<b>(147,575,891)</b>
<b>Total tax expense</b>		-
<b>Profit for the period</b>		<b>(147,575,891)</b>
<b>Other comprehensive income (OCI)</b>		
<b>Items that will not be reclassified to profit or loss:</b>		-
<b>Items that will be reclassified to profit or loss:</b>		-
<b>Total other comprehensive income / (loss) for the period, net of taxes</b>		-
<b>Total comprehensive income for the period</b>		<b>(147,575,891)</b>
<b>Earnings per equity share</b>		
(Equity shares of par value 1000 PHP each)	20	
Basic		(6,558.93)
Diluted		(6,558.93)
<b>Weighted average number of equity shares used in computing earnings per equity share</b>		
Basic		22,500
Diluted		22,500

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

**for D Prasanna & Company**  
Chartered Accountants  
Firm's Registration No: 009619S

For and on behalf of the Board of Directors

Sd/-  
**D. Prasanna Kumar**  
Proprietor  
Membership No. 211367

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Director

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Jericho Dujua  
Director

Bengaluru  
May 23, 2023



**Rizing Philippines Inc.**  
**STATEMENT OF CHANGES IN EQUITY**  
**(Amount in PHP, except share and per share data, unless otherwise stated)**

**A. EQUITY SHARE CAPITAL**

Particulars	31 March 2023	
	No. of shares	Amount
Equity shares acquired on acquisition	22,501	22,501,000
Changes in equity share capital during the current year	3	3,000
<b>Closing number of equity shares</b>	<b>22,504</b>	<b>22,504,000</b>

**B. OTHER EQUITY**

Particulars	Retained Earnings
	31 March 2023
<b>Balance at the time of acquisition (20th May 2022)</b>	(468,383,761)
Total comprehensive income for the period	(147,575,891)
<b>Closing Balance</b>	<b>(615,959,652)</b>

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

**for D Prasanna & Company**  
Chartered Accountants  
Firm's Registration No: 009619S

For and on behalf of the Board of Directors

Sd/-  
**D. Prasanna Kumar**  
Proprietor  
Membership No. 211367

Sd/-  
Aseem Roy  
Director

Sd/-  
Phil Wheatley  
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Jericho Dujua  
Director

Bengaluru  
May 23, 2023

**Rizing Philippines Inc.**  
**STATEMENT OF CASH FLOWS**  
**(Amount in PHP, except share and per share data, unless otherwise stated)**

	<b>For the period ended</b>
	<b>March 31, 2023</b>
<b>Cash flows from operating activities</b>	
Profit for the period	(147,575,891)
<b>Adjustments to reconcile profit for the period to net cash generated from operating activities</b>	
Depreciation, amortisation and impairment expense	9,363,065
Issuance of shares to directors	3,000
<b>Changes in operating assets and liabilities, net of effects from acquisitions</b>	
Trade receivables	6,206,541
Unbilled receivables and contract assets	(2,683,362)
Other assets	3,313,519
Trade payables, other liabilities and provisions	27,541,202
Contract liabilities	(4,016,497)
<b>Cash generated from operating activities before taxes</b>	<b>(107,848,423)</b>
Income taxes paid, net	(2,840,562)
<b>Net cash generated from operating activities</b>	<b>(110,688,985)</b>
<b>Cash flows from investing activities</b>	
Payment for purchase of property, plant and equipment	(18,743,510)
<b>Net cash used in investing activities</b>	<b>(18,743,510)</b>
<b>Cash flows from financing activities</b>	
Loan from subsidiary	166,668,515
Payment of lease liabilities	7,212,394
<b>Net cash generated from/(used in) financing activities</b>	<b>173,880,909</b>
<b>Net decrease in cash and cash equivalents during the period</b>	<b>44,448,415</b>
Effect of exchange rate changes on cash and cash equivalents	
Cash and cash equivalents at the time of acquisition	14,510,228
<b>Cash and cash equivalents at the end of the period (Note 8)</b>	<b>58,958,641</b>

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

**for D Prasanna & Company**  
Chartered Accountants  
Firm's Registration No: 009619S

For and on behalf of the Board of Directors

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Bengaluru  
May 23, 2023

## RIZING PHILIPPINES INC.

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

#### 1. The Company overviews

Rizing Philippines Inc. is a SAP solutions and services partner in Philippines and Internationally. Service offerings include Enterprise Asset Management, Human Capital Management, SAP retail solution suite and Geospatial.

Rizing Philippines Inc. which is domiciled in Philippines is part of Rizing group of subsidiaries which was acquired by Wipro IT Services LLC on 20th May 2022.

#### 2. Basis of preparation of financial statements

##### (i) Statement of compliance and basis of preparation

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. Since, the Company was acquired on May 20, 2022 the financial statement is provided only for the period May 20, 2022 to March 31, 2023 for which the Company was the subsidiary of Wipro Limited. The comparative financial information has not been presented as the Company was not part of the Wipro Limited Group for the year ended March 31, 2022.

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other relevant provisions of the Act. **New amendments adopted by the Company effective from April 1, 2022**

##### **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 labor 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). The adoption of this amendment has no effect on the financial statement of the company

##### **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 financial statement of the company

##### **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 derecognize a financial liability. The adoption of amendments to Ind AS 109 did not have any material impact the financial statement of the entity

##### **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 recognized 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 financial statement of the entity

##### (a) Other amendments to the existing standards

None

##### (b) New standards notified and yet to be adopted by the Company

##### **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 on the financial statement of the company.

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.

## **(ii) Consolidation**

These financial statements represent the separate financial statements of the Company. The Ministry of Corporate Affairs (MCA) through its circular dated 27 July 2016 has exempted a company from preparing and filing of consolidated financial statements if its ultimate or intermediate holding company is filing consolidated financial statements. Further Sub - Para (iv) to Para 4 of Ind AS 110 - Consolidated Financial Statements exempts a company from consolidation if its ultimate parent produces Ind AS complied consolidated financial statement, which are available for public use. In view of above exemptions, the Company is not required to file the consolidated financial statements. The Company has complied with Ind AS 27: Separate financial statements whereby investments in subsidiaries, joint ventures and associates are to be valued either

- at cost; or
- in accordance with Ind AS 109.

The Company has elected to measure its investment in subsidiaries and associates at cost determined in accordance with Ind AS 27 at original cost of investment in subsidiaries and associates.

## **(iii) Basis of measurement**

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS:

- a) Derivative financial instruments;
- b) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and
- c) The defined benefit asset/(liability) is recognized as the present value of defined benefit obligation less fair value of plan assets.

## **(iv) Use of estimates and judgment**

The preparation of the financial statements in conformity with Ind AS requires 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. Revenue is recognized on net basis in scenario where the company is not the primary obligor.

- b) **Income taxes:** The major tax jurisdictions for the Company is in Philippines. 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:** 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 of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.
- e) **Useful lives of property, plant and equipment:** The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

### 3. Significant accounting policies

#### (i) Functional and presentation currency

These financial statements are presented in PHP, which is the functional currency of the Company.

#### (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 and qualifying net investment hedges. Gains/(losses), net, 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 fair value through other comprehensive income 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 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.
- 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.

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**

a) **Share capital and share premium.**

The authorized share capital of the Company as of March 31, 2023 is PHP 45,000,000 divided into 45,000 equity shares of 1,000 PHP each

b) **Retained earnings**

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

c) **Dividend**

A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

d) **Other reserves**

Changes in the fair value of financial instruments measured at fair value through other comprehensive income, other than impairment loss, and actuarial gains and losses on defined benefit plans is 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
Computer equipment and software	2 to 7 years
Furniture, fixtures and equipment	3 to 10 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 such date are disclosed under capital work- in-progress.

## **(vi) Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### **a) Arrangements where the Company is the 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.

### **b) Arrangements where the Company is the lessor**

In certain arrangements, the Company recognizes revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned income and the estimated residual value of the leased equipment on consummation of such leases. Unearned income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognizes unearned income as finance income over the lease term using the effective interest method.

## **(vii) Impairment**

### **A) Financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit

losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### B) Non - financial assets

The Company assesses long-lived assets such as property, plant and 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 of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. 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) Provident fund

Eligible employees receive benefits under the De Minimis, Employer HDMF, Employer PhilHealth, Employer Social Security and Employer Social Security EC scheme in which both the employer and employees make periodic contributions.

##### b) Termination benefits

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

##### c) 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.

##### d) 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. Non-accumulating compensated absences are recognized in the period in which the absences occur.

#### (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 Enterprise Asset Management, Human Capital Management, SAP retail solution suite and Geospatial.



## **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 cost**

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, 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), net, on disposal of investments. 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 that is expected to reverse within the tax holiday period, 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.

#### 4. Property, plant and equipment

##### Gross carrying value:

As at May 20, 2022

Additions

Disposals

As at March 31, 2023

##### Accumulated depreciation/ impairment:

As at May 20, 2022

Depreciation and impairment

Disposals

As at March 31, 2023

Net carrying value as at March 31, 2023

	Office equipments	Total
As at May 20, 2022	4,183,036	4,183,036
Additions	6,818,939	6,818,939
Disposals	-	-
As at March 31, 2023	<b>11,001,975</b>	<b>11,001,975</b>
As at May 20, 2022	4,493,072	4,493,072
Depreciation and impairment	2,082,828	2,082,828
Disposals	-	-
As at March 31, 2023	<b>6,575,900</b>	<b>6,575,900</b>
Net carrying value as at March 31, 2023	<b>4,426,075</b>	<b>4,426,075</b>

#### 5. Right-of-Use assets

##### Gross carrying value:

As at May 20, 2022

Additions

Disposals

As at March 31, 2023

##### Accumulated depreciation

As at May 20, 2022

Depreciation

Disposals

As at March 31, 2023

Net carrying value as at March 31, 2023

	Buildings	Total
As at May 20, 2022	-	-
Additions	14,560,474	14,560,474
Disposals	-	-
As at March 31, 2023	<b>14,560,474</b>	<b>14,560,474</b>
As at May 20, 2022	-	-
Depreciation	7,280,237	7,280,237
Disposals	-	-
As at March 31, 2023	<b>7,280,237</b>	<b>7,280,237</b>
Net carrying value as at March 31, 2023	<b>7,280,237</b>	<b>7,280,237</b>

#### 6. Trade Receivables

##### Unsecured

Considered good

Related parties\*

Ultimate Holding Company

Holding Company

Group Company

As at
March 31, 2023
4,603,073
435,920
7,877,968
42,741,697
<b>55,658,658</b>

\* Refer related party note no 22

## 6.1 Trade receivables

	<u>As at</u> <u>March 31, 2023</u>
<b>Unsecured</b>	
Considered good	55658658
Considered doubtful	796,479
	<u>56455137</u>
Less: Allowance for lifetime expected credit loss	<u>(796,479)</u>
	<u>55658658</u>
Included in the balance sheet as follows:	
Non-current	-
Current	55,658,658

The activity in the allowance for lifetime expected credit loss is given below:

	<u>As at</u> <u>March 31, 2023</u>
Balance at the time of acquisition	2,338,762
Additions during the period, net	<u>(1,542,283)</u>
<b>Balance at the end of the period</b>	<u>796,479</u>

## 7. Other assets

	<u>As at</u> <u>March 31, 2023</u>
<b>Non-current</b>	
Prepaid expenses	11,806
	<u>11,806</u>
<b>Current</b>	
Prepaid expenses	2,613,409
Balances with government authorities	1,053,917
	<u>3,667,326</u>
<b>Total</b>	<u>3,679,132</u>

## 8. Cash and cash equivalents

Cash and cash equivalents consists of the following:

	<u>As at</u> <u>March 31, 2023</u>
Balances with banks	
Current accounts	58,958,641
	<u>58,958,641</u>

## 9. Equity share capital

	<u>As at</u> <u>March 31, 2023</u>
<b>Authorised capital</b>	
45,000 (May 20, 2022: 45,000) equity shares [Par value of 1000 PHP per share]	45,000,000
	<u>45,000,000</u>
<b>Issued, subscribed and fully paid-up capital</b>	
22,504 (May 20, 2022: 22,500) equity shares of 1000 PHP each	22,504,000
	<u>22,504,000</u>

### i. Reconciliation of number of shares

	<u>March 31, 2023</u>	
	No. of Shares	Amount
Opening number of equity shares outstanding	22,501	22,501,000
Additional Paid in capital	3	3,000
<b>Closing number of equity shares outstanding</b>	<b>22,504</b>	<b>22,504,000</b>

### ii. Details of shareholders holding more than 5% of the total equity shares of the Company

Name of the Shareholder	<u>March 31, 2023</u>	
	No. of Shares	% held
Rizing Pte Ltd	22,499	100%

	<u>As at</u> <u>March 31, 2023</u>
<b>10. Lease liabilities</b>	
<b>Current</b>	
Lease liabilities	7,212,394
	<u>7,212,394</u>
<b>Total Lease liabilities</b>	<u>7,212,394</u>

### i. Amounts recognised in statement of profit and loss:

	<u>Period ended</u> <u>March 31, 2023</u>
Depreciation of right-of-use assets	7,280,237
Interest on lease liabilities	415,365
<b>Total recognised in the income statement</b>	<u>7,695,602</u>

### ii. Details of undiscounted contractual payments under non-cancellable leases are given below:

Particulars	<u>March 31, 2023</u>
Not later than 1 year	7,327,814
	<u>7,327,814</u>

Cash and non-cash changes in liabilities arising from financing activities:

	<u>Non-Cash Changes</u>				
	<u>May 20, 2022</u>	<u>Cash flow</u>	<u>Additions to lease liabilities</u>	<u>Foreign exchange movements</u>	<u>March 31, 2023</u>
Lease Liabilities	-	(7,217,137)	14,429,531	-	7,212,394
<b>Total</b>	-	<b>(7,217,137)</b>	<b>14,429,531</b>	-	<b>7,212,394</b>

#### 11. Trade Payables

	<u>As at March 31, 2023</u>
<b>Unsecured</b>	
Creditors	160,352
Related parties*	
Holding Company	327,176,885
Group Company	195,021,956
Others	13,394,542
	<u>535,753,735</u>

\* Refer related party note no 22

#### 12. Other financial liabilities

	<u>As at March 31, 2023</u>
<b>Current</b>	
Salary Payable	14,803,399
<b>Total</b>	<u>14,803,399</u>

#### 13. Other liabilities

	<u>As at March 31, 2023</u>
<b>Current</b>	
Statutory and other liabilities	3,374,533
<b>Total</b>	<u>3,374,533</u>

#### 14. Provisions

	<u>As at March 31, 2023</u>
<b>Current</b>	
Provision for employee benefits	1,579,099
<b>Total</b>	<u>1,579,099</u>

#### 15. Other financial assets

	<u>As at March 31, 2023</u>
<b>Current</b>	
Security Deposits	3,812,402
Time deposit with bank	1,450,000
<b>Total</b>	<u>5,262,402</u>

## 16. Revenue from operations

	<u>Period ended</u> <u>March 31, 2023</u>
Rendering of Services	126,234,418
Sales of Products	9,360,727
	<u>135,595,145</u>

### A. Contract Asset and Liabilities

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset.

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. We present such receivables as part of Trade receivables at their net estimated realizable value.

Contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period.

### B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized which includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods.

### C. Disaggregation of Revenues

The table below presents disaggregated revenues from contracts with customers by business segment and contract-type. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

#### Revenue by business segment

	<u>Period ended</u> <u>March 31, 2023</u>
Rendering of services	126,234,418
Sale of products	9,360,727
	<u>135,595,145</u>

#### Revenue by nature of contract

	<u>Period ended</u> <u>March 31, 2023</u>
Fixed Price	55,665,350
Time and Material	70,569,068
Products	9,360,727
	<u>135,595,145</u>

## 17. Employee benefits expenses

### Employee costs includes

	<u>Period ended</u> <u>March 31, 2023</u>
Salaries and bonus	172,810,996
Employee benefits plans	8,479,269
	<u>181,290,265</u>

**18. Finance costs**

	<u>Period ended</u>
	<u>March 31, 2023</u>
Interest expense	12,087,707
	<u>12,087,707</u>

**19. Other Expenses**

	<u>Period ended</u>
	<u>March 31, 2023</u>
Rates, taxes and insurance	4,279,543
Lifetime expected credit loss / (write-back)	564,517
Miscellaneous expenses	19,860,407
	<u>24,704,467</u>

**20. Earnings per equity share**

	<u>Period ended</u>
	<u>March 31, 2023</u>
Profit attributable to equity holders of the Company	(147,575,891)
Weighted average number of equity shares outstanding	22,500
<b>Basic earnings per share</b>	<u><b>(6,558.93)</b></u>

Profit attributable to equity holders of the Company	(147,575,891)
Weighted average number of equity shares outstanding	22,500
Effect of dilutive equivalent share options	-
Weighted average number of equity shares for diluted earnings per share	22,500
<b>Diluted earnings per share</b>	<u><b>(6,558.93)</b></u>

**21. Financial instruments**

	<u>As at</u>
	<u>March 31, 2023</u>
<b>Financial assets</b>	
Cash and cash equivalents	58,958,641
Other financial assets	
Trade receivables	55,658,658
Unbilled receivables	3,704,498
Other assets	3,679,132
	<u>122,000,929</u>
<b>Financial liabilities</b>	
Trade payables and other payables	
Trade payables	535,753,735
Other financial liabilities	14,803,399
	<u>550,557,134</u>



**Notes to financial instruments:**

- a. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has measured investments in equity shares of subsidiaries and joint ventures at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost.

- b. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

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

Level 3: Unobservable inputs for the asset or liability.

**Measurement of fair value of financial instruments**

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

**22. Related party relationship and transactions**

- i. Following are the entities with which company has related party transactions

Name of the party	Relationship with the company
Rizing Consulting Ireland Limited	Group Company
Rizing Consulting Pty Ltd	Group Company
Rizing LLC	Intermediate Holding Company
Rizing New Zealand Ltd	Group Company
Rizing Pte Ltd	Immediate Holding Company
Rizing SDN BHD	Group Company
Rizing Solutions Canada Inc	Group Company
Rizing Solutions Pty Ltd	Group Company
Wipro Limited	Ultimate Holding Company
Rizing GmbH	Group Company
Wipro Philippines Inc	Group Company
Rizing Intermediate Holdings, Inc.	Intermediate Holding Company
Rizing B.V.	Group Company
Rizing Lanka Pvt Ltd	Group Company

ii. The Company has the following related party transactions for the year ended March 31, 2023

	<b>March 31, 2023</b>
<b>Transactions / balances</b>	
Sales of goods and services	70,569,068
Purchase of services	9,993,862
Interest expenses	11,775,506
<b>Balance as at the year end</b>	
Receivables	51,055,584
Loans Payable	166,668,515
Payables	522,198,841

iii. The following are the significant related party transactions during the period ended March 31, 2023 :

	<b>Period ended</b>
	<b>March 31, 2023</b>
<b>Sale of services</b>	
Rizing Consulting Ireland Limited	3,155,691
Rizing Consulting Pty Ltd	3,285,449
Rizing LLC	22,212,542
Rizing New Zealand Ltd	1,822,837
Rizing Pte Ltd	4,873,309
Rizing SDN BHD	1,661,822
Rizing Solutions Canada Inc	8,480,333
Rizing Solutions Pty Ltd	24,375,107
Wipro Limited	435,920
Rizing Gmbh	266,058
<b>Interest expenses</b>	
Wipro Philippines Inc	11,775,506
<b>Purchase of services</b>	
Rizing LLC	2,050,366
Rizing New Zealand Ltd	5,164
Rizing Pte Ltd	1,070,382
Rizing SDN BHD	1,163,900
Rizing Lanka Pvt Ltd	185,107
Rizing Solutions Pty Ltd	5,518,942
<b>Receivables</b>	
Wipro Limited	435,920
Rizing Consulting Ireland Limited	813,296
Rizing Consulting Pty Ltd	3,227,079
Rizing Gmbh	266,058
Rizing LLC	2,326,309
Rizing New Zealand Ltd	9,840,519
Rizing Pte Ltd	5,551,659
Rizing SDN BHD	3,280,604
Rizing Solutions Canada Inc	1,254,497
Rizing Solutions Pty Ltd	24,059,645
<b>Payables</b>	
Rizing Intermediate Holdings, Inc.	24,197,765

Rizing B.V.	5,915,044
Rizing Consulting Ireland Limited	5,968,475
Rizing Consulting Pty Ltd	152,862,814
Rizing LLC	135,703,612
Rizing New Zealand Ltd	5,164
Rizing Pte Ltd	167,275,508
Rizing SDN BHD	1,771,772
Rizing Solutions Pty Ltd	28,313,579
Rizing Lanka Pvt Ltd	185,107
<b>Loans Payables</b>	
Wipro Philippines Inc	166,668,515

### 23. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk -Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

#### A. Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

##### **Credit risk management**

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

## B. 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.

## Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts include estimated interest payments and exclude the impact of netting agreements, if any.

March 31, 2023							
Contractual cash flows	Less than 1 year	1-2 years	2-4 years	Beyond 4 years	Total cash flows	Interest included in total cash flows	Carrying value
Lease liabilities	7,327,814	-	-	-	7,327,814	(115,420)	7,212,394
Trade payables	535,753,735	-	-	-	535,753,735	-	535,753,735
Other financial liabilities	14,803,399	-	-	-	14,803,399	-	14,803,399

## C. 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 exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities.

## D. Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company has inter-company borrowings, the interest of which is based on the movement in PH BVAL rate. If interest rates were to increase by 100 bps from August, 2022 (date of borrowing) additional net annual interest expense (net) on floating lending rate would approximately amount to PHP 2,691,835.61.

## E. Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from AUD, SGD, USD, EUR, MYR and SGD. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The management evaluates rate exposure arising from these transactions and enters into foreign currency derivative instruments to mitigate such exposure. The company follows risk management policies, including use of derivatives like foreign currency exchange forward options etc.

## 24. Commitments and contingencies

There are no Contingent Liabilities, Capital and Other Commitments as at 31 March 2023

## 25. Segment Reporting

The Company operates in one business segment, namely sale of software services. In line with IND-AS 108, as the relevant information is available from balance sheet and the statement of profit and loss itself, and keeping in view the objective of segment reporting, the Company is not required to disclose segment information as per IND AS -108.

## 26. 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.

As per our report of even date attached

### for D Prasanna & Company

Chartered Accountants

Firm's Registration No: 009619S

Sd/-

**D. Prasanna Kumar**

Proprietor

Membership No. 211367

Bengaluru

May 23, 2023

For and on behalf of the Board of Directors

Sd/-

Aseem Roy

Director

Sd/-

Phil Wheatley

Director

Sd/-

Jericho Dujua

Director