

**N.M. RAIJI & CO.**  
*Chartered Accountants*  
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45/1, Palace Road  
Bangalore - 560 001, INDIA  
Telephone: 22289918 / 22260674  
E-mail : nmr.bgl@nmraiji.com

## **Independent Auditor's Report**

**To the Board of Directors of Attune Italia S.R.L**

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

### **Opinion**

We have audited the accompanying Special Purpose Financial Statements of **Attune Italia S.R.L** ("the Company"), which comprise the Balance Sheet as at **March 31, 2024**, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the Year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Special Purpose Financial Statements").

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(i) to the Special Purpose Financial Statements of the state of affairs of the Company as at March 31, 2024 and Loss and Other Comprehensive Income, Changes in Equity and its Cash Flows for the Year ended March 31, 2024.

### **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 Special Purpose Financial Statements* section of our report. We are independent of the Company, in accordance with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements in India, in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 2013 ("the Act"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Management and Those Charged with Governance 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(i) of the Special Purpose Financial Statements. 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 Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so. The Board of Directors of the Company are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements.

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

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the 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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

The audit of previous period was conducted by Appaji & Co, Chartered Accountants, who had expressed an unmodified opinion on those Special Purpose Financial Statements. Accordingly, we do not express any opinion on the comparative figures reported in the Special Purpose Financial Statements for the period from May 20, 2022 to March 31, 2023.

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

We draw attention to note 2(i) to the Special Purpose Financial Statements, which describes the basis of accounting. The Special Purpose Financial Statements are prepared for the inclusion in the annual report of Wipro Limited 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, except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose, or to any other person to whom this report is shown, or into whose hands it may come without our prior consent in writing.

For N. M. Raiji & Co.  
Chartered Accountants  
Firm Registration No.: 108296W



Santosh Burande  
Partner  
Membership No.: 214451  
UDIN : 24214451BKBLUX1115



Place: Bangalore  
Date: 28/05/2024

**ATTUNE ITALIA S.R.L**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS UNDER IND AS**  
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2024**

Attune Italia S.R.L  
BALANCE SHEET  
(Amount in EUR, except share and per share data, unless otherwise stated)

	Notes	As at	
		March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	-	-
<b>Total non-current assets</b>		-	-
<b>Current assets</b>			
Financial assets			
Trade receivables	5	316,430	1,340,098
Cash and cash equivalents	8	1,035,379	225,213
Other financial assets	7	1,488	1,490
Current tax assets (net)		6,304	6,304
Other current assets	9	73,347	29,273
<b>Total current assets</b>		<b>1,432,948</b>	<b>1,602,378</b>
<b>TOTAL ASSETS</b>		<b>1,432,948</b>	<b>1,602,378</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	10	10,000	10,000
Other equity	10.1	372,341	517,335
<b>TOTAL EQUITY</b>		<b>382,341</b>	<b>527,335</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Provisions	12	492,190	465,369
<b>Total non-current liabilities</b>		<b>492,190</b>	<b>465,369</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	6	42,644	41,108
Other financial liabilities	11	313,560	96,815
Other current liabilities	13	95,546	332,823
Provisions	12	106,667	138,928
<b>Total current liabilities</b>		<b>558,417</b>	<b>609,674</b>
<b>TOTAL LIABILITIES</b>		<b>1,050,607</b>	<b>1,075,043</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,432,948</b>	<b>1,602,378</b>

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

As per our report of even date attached  
for NM Rajji & Co.  
Chartered Accountants  
Firm's Registration No: 108296W

Santosh Burande  
Partner  
Membership No.: 214451

Bengaluru  
May 28, 2024



For and on behalf of the Board of Directors

  
Stefano Atzei  
Director

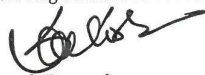
  
Sushil Agrawal  
Director

Attune Italia S.R.L.  
STATEMENT OF PROFIT AND LOSS  
(Amount in EUR, except share and per share data, unless otherwise stated)

	Notes	Year ended March 31, 2024	Period ended March 31, 2023
<b>INCOME</b>			
Revenue from operations	15	1,856,012	1,840,923
<b>Total Income</b>		<b>1,856,012</b>	<b>1,840,923</b>
<b>EXPENSES</b>			
Employee benefits expense	16	1,812,368	1,540,380
Depreciation, amortisation and impairment expense		-	1,110
Travel		86,990	84,355
Communication		8,551	9,906
Legal and professional charges		80,003	97,579
Other expenses	17	13,094	11,960
<b>Total expenses</b>		<b>2,001,006</b>	<b>1,745,290</b>
<b>Profit / (loss) before tax</b>		<b>(144,994)</b>	<b>95,633</b>
<b>Tax expense</b>			
Current tax	14	-	8,718
<b>Total tax expense</b>		<b>-</b>	<b>8,718</b>
<b>Profit / (loss) for the year / period</b>		<b>(144,994)</b>	<b>86,915</b>
<b>Total comprehensive income for the year / period</b>		<b>(144,994)</b>	<b>86,915</b>
<b>Earnings per equity share</b>			
(Equity shares of par value EUR 1 each)	18		
Basic		10,000	10,000
Diluted		(14.50)	8.69
<b>Weighted average number of equity shares used in computing earnings per equity share</b>			
Basic		10,000	10,000
Diluted		10,000	10,000

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

As per our report of even date attached  
for NM Raiji & Co.  
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Firm's Registration No: 108296W

  
**Santosh Burande**  
Partner  
Membership No.: 214451

Bengaluru  
May 28, 2024



For and on behalf of the Board of Directors

  
**Stefano Atzei**  
Director

  
**Sushil Agrawal**  
Director

Attune Italia S.R.L  
STATEMENT OF CHANGES IN EQUITY  
(Amount in EUR, except share and per share data, unless otherwise stated)

**A. EQUITY SHARE CAPITAL**

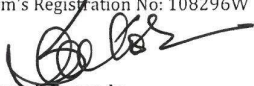
Particulars	March 31, 2024		March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares acquired on acquisition	1	10,000	1	10,000
Changes in equity share capital during the current year / period	-	-	-	-
<b>Closing number of equity shares</b>	<b>1</b>	<b>10,000</b>	<b>1</b>	<b>10,000</b>

**B. OTHER EQUITY**

Particulars	Retained Earnings	Retained Earnings
	March 31, 2024	March 31, 2023
Balance at the time of acquisition / beginning of the year	517,335	430,420
Total comprehensive income for the year / period	(144,994)	86,915
<b>Closing Balance</b>	<b>372,341</b>	<b>517,335</b>

The accompanying notes form an integral part of these financial statements

As per our report of even date attached  
for **NM Raiji & Co.**  
Chartered Accountants  
Firm's Registration No: 108296W

  
**Santosh Burande**  
Partner  
Membership No.: 214451

Bengaluru  
May 28, 2024



For and on behalf of the Board of Directors

  
**Stefano Atzei**  
Director

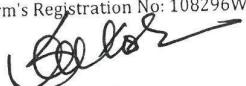
  
**Sushil Agrawal**  
Director

Attune Italia S.R.L.  
STATEMENT OF CASH FLOWS  
(Amount in EUR, except share and per share data, unless otherwise stated)

	For the year ended March 31, 2024	For the period ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit / (loss) for the year / period	(144,994)	86,915
<b>Adjustments to reconcile profit for the year / period to net cash generated from operating activities</b>		
Depreciation, amortisation and impairment expense	-	1,110
Income tax expense	-	8,718
<b>Changes in operating assets and liabilities</b>		
Trade receivables	1,023,668	(1,465)
Other assets	(44,074)	274
Trade payables, other liabilities and provisions	(24,434)	85,231
<b>Cash generated from operating activities before taxes</b>	<b>810,166</b>	<b>180,783</b>
Income taxes paid, net	<b>810,166</b>	<b>180,783</b>
<b>Net cash generated from operating activities</b>	<b>810,166</b>	<b>180,783</b>
<b>Net increase in cash and cash equivalents during the year / period</b>	<b>225,213</b>	<b>44,430</b>
Cash and cash equivalents at the beginning of the year / period	1,035,379	225,213
<b>Cash and cash equivalents at the end of the year (Note 8)</b>	<b>1,035,379</b>	<b>225,213</b>

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

As per our report of even date attached  
for NM Raiji & Co.  
Chartered Accountants  
Firm's Registration No: 108296W

  
Santosh Burande  
Partner  
Membership No.: 214451

Bengaluru  
May 28, 2024



For and on behalf of the Board of Directors

  
Stefano Atzei  
Director

  
Sushil Agrawal  
Director



**ATTUNE ITALIA S.R.L**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**  
**(Amount in EUR, except share and per share data, unless otherwise stated)**

**1. The Company overviews**

Attune Italia S.R.L. is a SAP solutions and services partner in Italy and Internationally. Service offerings include Enterprise Asset Management, Human Capital Management and SAP retail solution suite.

Attune Italia S.R.L. which is domiciled in Italy 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 comparative 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. Previous year figures have been regrouped / reclassified wherever necessary.

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. Accounting policies have been applied consistently to all periods presented in these financial statements, except for new accounting standards adopted by the Company.

The financial statement has been prepared on the assumption that the Company will continue as a going concern. Further, the Company and its holding Company has adequate liquid assets to support the operation of the Company for next one 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.

**New Accounting standards, amendments and interpretations adopted by the Company effective from April 1, 2023:**

**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 recognising deferred tax when they recognise 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 recognise deferred tax on such transactions. The adoption of these amendments to Ind AS 12 did not have any material impact on the standalone financial statements.

New Accounting standards, amendments and interpretations not yet adopted by the Company:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**(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 recognised 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 recognised 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 recognised 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, recognised 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 Italy. 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 EUR, 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 recognised 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 derecognised 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 derecognised 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 recognised 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 recognised at fair value and subsequently measured at amortised 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 recognised at fair value, and subsequently carried at amortised 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

The authorised share capital of the Company as of March 31, 2024 EUR 10000 divided into 10000 equity shares of EUR 1 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 amortised over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortised 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 recognises 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 recognises 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 recognised 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 recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.



**(viii) Employee benefits**

**a) Termination benefits**

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

**b) 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 recognised 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.

**c) Compensated absences**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. Non-accumulating compensated absences are recognised in the period in which the absences occur.

**(ix) Provisions**

Provisions are recognised 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 recognised 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 recognised 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 recognised 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 and SAP retail solution suite.

**a) Services**

The Company recognises 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 recognised as the related services are rendered.

**B. Fixed-price contracts**

Revenues from fixed-price contracts, including systems development and integration contracts are recognised 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 recognised 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 recognised 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 recognised. 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 recognised 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 recognised 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 recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.

#### b) Products

Revenue from products are recognised 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.

#### 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>Year ended</u>	<u>Period ended</u>
	<u>March 31, 2024</u>	<u>Mar 31, 2023</u>
Rendering of services	1,856,012	1,840,923
	<u>1,856,012</u>	<u>1,840,923</u>

#### (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 recognised 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 recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

**(xiii) Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognised 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 recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

**b) Deferred income tax**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised 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 recognised 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 utilised.

Deferred income tax liabilities are recognised 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 utilised.

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

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 realised 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

	Furniture and fixtures	Computers	Total
<b>Gross carrying value:</b>			
As at May 20, 2022	2,364	28,895	31,259
Additions	-	-	-
Transfer in	-	2,364	2,364
Disposals	(2,364)	(20,701)	(23,065)
As at March 31, 2023	-	10,558	10,558
<b>Accumulated depreciation/ impairment:</b>			
As at May 20, 2022	1,255	28,895	30,149
Depreciation and impairment	39	1,071	1,110
Transfer in	-	1,294	1,294
Disposals	(1,294)	(20,701)	(21,995)
As at March 31, 2023	-	10,558	10,558
Net carrying value as at March 31, 2023	-	-	-
<b>Gross carrying value:</b>			
As at April 1, 2023	-	10,558	10,558
Additions	-	-	-
Transfer in	-	-	-
Disposals	-	-	-
As at March 31, 2024	-	10,558	10,558
<b>Accumulated depreciation/ impairment:</b>			
As at April 1, 2023	-	10,558	10,558
Depreciation and impairment	-	-	-
Transfer in	-	-	-
Disposals	-	-	-
As at March 31, 2024	-	10,558	10,558
Net carrying value as at March 31, 2024	-	-	-



**5. Trade Receivables****Unsecured**

Related parties\*

<u>As at</u>	<u>As at</u>
<u>March 31, 2024</u>	<u>March 31, 2023</u>
316,430	1,340,098
<u>316,430</u>	<u>1,340,098</u>

\* Refer related party note no 19

**6. Trade Payables****Unsecured**

Creditors

Related parties\*

Others

<u>As at</u>	<u>As at</u>
<u>March 31, 2024</u>	<u>March 31, 2023</u>
17,514	5,907
7,304	5,817
17,826	29,384
<u>42,644</u>	<u>41,108</u>

\* Refer related party note no 19

**7. Other financial assets****Current**

Others

**Total**

<u>As at</u>	<u>As at</u>
<u>March 31, 2024</u>	<u>March 31, 2023</u>
1,488	1,490
<u>1,488</u>	<u>1,490</u>

**8. Cash and cash equivalents**

Cash and cash equivalents consists of the following:

Balances with banks  
Current accounts

<u>As at</u>	<u>As at</u>
<u>March 31, 2024</u>	<u>March 31, 2023</u>
1,035,379	225,213
<u>1,035,379</u>	<u>225,213</u>

**9. Other current assets****Current**

Advances to suppliers

Balance with statutory authorities

**Total**

<u>As at</u>	<u>As at</u>
<u>March 31, 2024</u>	<u>March 31, 2023</u>
2,523	259
70,824	29,014
<u>73,347</u>	<u>29,273</u>



10. Equity share capital

	As at March 31, 2024	As at March 31, 2023
<b>Issued, subscribed and fully paid-up capital</b>		
1 equity shares of 10,000 EUR each	10,000	10,000
	<b>10,000</b>	<b>10,000</b>

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

Name of the Shareholder	March 31, 2024		March 31, 2023	
	No. of Shares	% held	No. of Shares	% held
Attune Netherlands, BV	1	100.00	1	100.00

10.1 OTHER EQUITY

Particulars	Retained Earnings	Retained Earnings
	March 31, 2024	March 31, 2023
Balance at the time of acquisition / beginning of the year	517,335	430,420
Total comprehensive income for the year / period	(144,994)	86,915
<b>Closing Balance</b>	<b>372,341</b>	<b>517,335</b>

11. Other financial liabilities

	As at March 31, 2024	As at Mar 31, 2023
<b>Current</b>		
Salary Payable	313,560	96,815
<b>Total</b>	<b>313,560</b>	<b>96,815</b>

12. Provisions

	As at March 31, 2024	As at Mar 31, 2023
<b>Non-current</b>		
Provision for employee benefits	492,190	465,369
	<b>492,190</b>	<b>465,369</b>
<b>Current</b>		
Provision for employee benefits	106,667	138,928
	<b>106,667</b>	<b>138,928</b>
<b>Total</b>	<b>598,857</b>	<b>604,297</b>

13. Other liabilities

	As at March 31, 2024	As at Mar 31, 2023
<b>Current</b>		
Statutory and other liabilities	95,546	332,823
<b>Total</b>	<b>95,546</b>	<b>332,823</b>



#### 14. Income tax

Income tax expense has been allocated as follows:

	<u>Year ended</u> <u>March 31, 2024</u>	<u>Period ended</u> <u>Mar 31, 2023</u>
Income tax expense		
Current taxes	-	8,718
	-	<u>8,718</u>

Income tax expense consists of the following:

	<u>Year ended</u> <u>March 31, 2024</u>	<u>Period ended</u> <u>Mar 31, 2023</u>
<b>Current taxes</b>		
Domestic	-	8,718
	-	<u>8,718</u>

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

	<u>Year ended</u> <u>March 31, 2024</u>	<u>Period ended</u> <u>March 31, 2023</u>
Profit/(Loss) before taxes	(144,994)	95,633
Enacted income tax rate in Italy	24%	24%
Computed expected tax expense	(34,799)	22,952
Effect of:		
Current year loss for which no deferred tax asset is recognized	34,799	-
Loss utilized for previous years	-	(22,952)
Others	-	8,718
	-	<u>8,718</u>

#### 15. Revenue from operations

	<u>Year ended</u> <u>March 31, 2024</u>	<u>Period ended</u> <u>Mar 31, 2023</u>
Rendering of Services	1,856,012	1,840,923
	<u>1,856,012</u>	<u>1,840,923</u>

#### 16. Employee benefits expenses

##### a) Employee costs includes

	<u>Year ended</u> <u>March 31, 2024</u>	<u>Period ended</u> <u>Mar 31, 2023</u>
Salaries and bonus	1,812,368	1,540,380
	<u>1,812,368</u>	<u>1,540,380</u>

#### 17. Other Expenses

	<u>Year ended</u> <u>March 31, 2024</u>	<u>Period ended</u> <u>Mar 31, 2023</u>
Rates, taxes and insurance	25	621
Miscellaneous expenses	13,069	11,339
	<u>13,094</u>	<u>11,960</u>



18. Earnings per equity share

	Year ended March 31, 2024	Period ended Mar 31, 2023
Profit attributable to equity holders of the Company	(144,994)	86,915
Weighted average number of equity shares outstanding	10,000	10,000
<b>Basic earnings per share</b>	<b>(14.50)</b>	<b>8.69</b>

	Year ended March 31, 2024	Period ended Mar 31, 2023
Profit attributable to equity holders of the Company	(144,994)	86,915
Weighted average number of equity shares outstanding	10,000	10,000
Weighted average number of equity shares for diluted earnings per share	10,000	10,000
<b>Diluted earnings per share</b>	<b>(14.50)</b>	<b>8.69</b>

19. Related party relationship and transactions

i) The following are the entities with which the Company has related party transactions:

Name of the Party	Relationship with the Company	Relationship with the Company
Rizing Lanka Pvt Ltd	Holding Company	Holding Company
Rizing Germany Gmbh	Group Company	Group Company

ii) The Company has the following related party transactions for the year / period ended :

Transactions / balances	March 31, 2024	Mar 31, 2023
Sales of goods and services	1,856,012	1,840,923
<b>Balance as at the year / period end</b>		
Receivables	316,430	1,340,098
Payables	7,304	5,817

iii) The following are the significant related party transactions during the :

Transactions / balances	Year ended March 31, 2024	Period ended Mar 31, 2023
	<b>Sale of services</b>	
Rizing Germany Gmbh	1,856,012	-
Rizing Lanka Pvt Ltd	-	1,840,923
<b>Receivables</b>		
Rizing Lanka Pvt Ltd	-	1,340,098
Rizing Germany Gmbh	316,430	-
<b>Payables</b>		
Rizing Germany Gmbh	7,304	5,817



## 20. Financial instruments

	<u>As at</u> <u>March 31, 2024</u>	<u>As at</u> <u>Mar 31, 2023</u>
<b>Financial assets</b>		
Cash and cash equivalents	1,035,379	225,213
Other financial assets		
Trade receivables	316,430	1,340,098
Other assets	1,488	1,490
	<u>1,353,297</u>	<u>1,566,801</u>
<b>Financial liabilities</b>		
Trade payables and other payables		
Trade payables	42,644	41,108
Other financial liabilities	313,560	96,815
	<u>356,204</u>	<u>137,923</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.

## 21. Commitments and contingencies

There are no Contingent Liabilities, Capital and Other Commitments as at 31 March 2024 and 31 March 2023.

## 22. 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.



### 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.

Risk	Exposure arising from	Measurement
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.

Mar 31, 2024							
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
Trade payables	42,644	-	-	-	42,644	-	42,644
Other financial liabilities	313,560	-	-	-	313,560	-	313,560

Mar 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
Trade payables	41,108	-	-	-	41,108	-	41,108
Other financial liabilities	96,815	-	-	-	96,815	-	96,815

#### 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

The Company has no borrowings as at 31st March, 2024. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### E. Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from USD, EUR, INR. Foreign exchange risk arises when future commercial transactions or recognised 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. Events occurring after the reporting date**

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorization of these financial statements.

As per our report of even date attached  
for **NM Raiji & Co.**  
Chartered Accountants  
Firm's Registration No: 108296W



**Santosh Burande**  
Partner  
Membership No.: 214451

Bengaluru  
May 28, 2024



For and on behalf of the Board of Directors



**Stefano Atzei**  
Director



**Sushil Agrawal**  
Director