

N.M. RAJI & CO.
Chartered Accountants
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Independent Auditor's Report

To the Board of Directors of ITI Proficiency Ltd
Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **ITI Proficiency Ltd** ("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 period 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.

Material Uncertainty Related to Going Concern

We draw attention to note 2(a) to the accompanying financial statements which indicates that the Company has accumulated loss of ILS 10.04 million as at March 31, 2024. 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.



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 April 01, 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


Santesh Burande

Partner

Membership No.: 214451

UDIN : 24214451BKBLUU1812



Place: Bangalore

Date: 06/06/2024

Special purpose
Financial Statements and Auditor's Report

ITI Proficiency Ltd

31 March 2024

ITI Proficiency Ltd
Balance Sheet as at 31 March 2024
(Amount in ILS, unless otherwise stated)

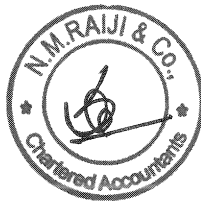
	Notes	As at	
		31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,085	25,905
Other financial assets	5	29,324	29,324
Total non-current assets		35,409	55,229
Current assets			
Financial assets			
Trade receivables	6	161,023	209,830
Cash and cash equivalents	7	290,139	312,689
Other current assets	8	131,537	936,178
Total current assets		582,699	1,458,697
TOTAL ASSETS		618,108	1,513,926
EQUITY			
Equity share capital	9	67	67
Other equity		(10,049,513)	(7,952,277)
TOTAL EQUITY		(10,049,446)	(7,952,210)
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Provisions	10	45,859	64,500
Total non-current liabilities		45,859	64,500
Current liabilities			
Financial liabilities			
Borrowings	11	9,595,820	6,971,187
Trade payables	12	117,618	1,665,992
Other financial liabilities	13	132,541	-
Other current liabilities	14	256,065	186,287
Provisions	10	216,046	207,028
Contract liabilities		303,605	371,142
Total current liabilities		10,621,695	9,401,636
TOTAL LIABILITIES		10,667,554	9,466,136
TOTAL EQUITY AND LIABILITIES		618,108	1,513,926

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

As per our report attached
For NM Rajji & Co.
Chartered Accountants
Firm Registration No.: 108296W

Santosh Burande
Partner
Membership No: 214451

Bengaluru



For and on behalf of the Board of Directors
ITI Proficiency Ltd

S. Srikant
Srikant Godavarti
Director

Rishabh Khemka
Rishabh Khemka
Director

ITI Proficiency Ltd
Statement of Profit and Loss for the year ended 31 March 2024
(Amount in ILS, unless otherwise stated)

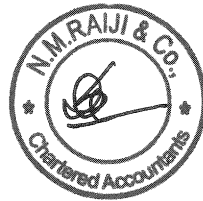
	Notes	For the year ended	
		31 March 2024	31 March 2023
INCOME			
Revenue from operations	15	3,161,940	3,904,474
Other income	16	1,330	-
Total Income		3,163,270	3,904,474
EXPENSES			
Employee benefits expense	17	2,589,028	2,950,642
Finance costs	18	454,044	310,126
Depreciation and amortisation expense	4	19,819	25,098
Sub-contracting / technical fees / third party application		1,156,621	2,196,028
Facility expenses		212,000	4,200
Communication		3,260	469
Legal and professional charges		181,966	19,783
Other Expenses	19	643,769	1,175,964
Total expenses		5,260,507	6,682,310
Profit before tax		(2,097,237)	(2,777,836)
Profit for the year		(2,097,237)	(2,777,836)
Total other comprehensive (loss)/ income for the year, net of taxes		-	-
Total comprehensive income for the year		(2,097,237)	(2,777,836)
Earnings per equity share: (Equity shares of par value ILS 0.10 each)			
Basic and diluted	20	(3,130.20)	(4,146.02)
Weighted average number of shares		670	670

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

As per our report attached
For NM Rajji & Co.
Chartered Accountants
Firm Registration No.: 108296W

Santosh Burande
Partner
Membership No: 214451

Bengaluru



For and on behalf of the Board of Directors
ITI Proficiency Ltd

Srikant Godavarti
Director

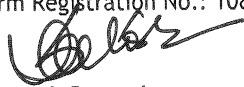
Rishabh Khemka
Rishabh Khemka
Director

ITI Proficiency Ltd
Statement of Cashflow for the year ended 31 March 2024
(Amount in ILS, unless otherwise stated)

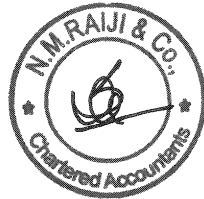
	For the year ended	
	31 March 2024	31 March 2023
Cash flows from operating activities:		
Profit/(Loss) for the year	(2,097,237)	(2,777,836)
Adjustments to reconcile profit for the year to net cash generated from operating activities:		
Depreciation and amortisation expense	19,819	25,098
Assets written off	-	10
Interest Expenses	454,044	310,126
Changes in operating assets and liabilities;		
Trade receivables	48,807	471,649
Other assets	804,641	(755,619)
Trade payables, accrued expenses, other liabilities and provisions	(1,488,186)	1,373,127
Contract liabilities	(67,537)	(183,884)
Cash generated from operating activities before taxes	(2,325,649)	(1,537,330)
Net cash generated from operating activities	(2,325,649)	(1,537,330)
Cash flows from investing activities:		
Purchase of property, plant and equipment	-	(35,217)
Net cash generated from/(used in) investing activities	-	(35,217)
Cash flows from financing activities:		
Proceeds from loans and borrowings	2,624,633	1,578,277
Interest paid	(321,536)	(330,283)
Net cash from in financing activities	2,303,099	1,247,994
Net increase in cash and cash equivalents during the year	(22,550)	(324,553)
Cash and cash equivalents at the beginning of the year	312,689	637,242
Cash and cash equivalents at the end of the year	290,139	312,689

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

As per our report attached
For NM Rajji & Co.
Chartered Accountants
Firm Registration No.: 108296W



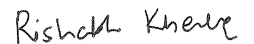
Santosh Burande
Partner
Membership No: 214451



For and on behalf of the Board of Directors
ITI Proficiency Ltd



Srikant Godavarti
Director



Rishabh Khemka
Director

Bengaluru

ITI Proficiency Ltd
Statement of Changes in Equity for the year ended 31 March 2024
(Amount in ILS, unless otherwise stated)

A. EQUITY SHARE CAPITAL

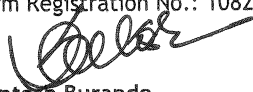
Particulars	31 March 2024		31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Opening number of equity shares	670	67	670	67
Equity share issued during the year	-	-	-	-
Closing number of equity shares	670	67	670	67

B. OTHER EQUITY

Particulars	Retained Earnings		Securities Premium	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Opening balance	(20,148,679)	(17,370,844)	12,196,403	12,196,403
Conversion of Borrowing from Intercompany to equity	-	-	-	-
Total comprehensive income for the period	(2,097,237)	(2,777,836)	-	-
Closing Balance	(22,245,916)	(20,148,679)	12,196,403	12,196,403

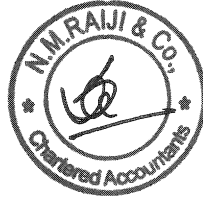
The accompanying notes form an integral part of these standalone financial statements

As per our report attached
For NM Rajji & Co.
Chartered Accountants
Firm Registration No.: 108296W



Santosh Burande
Partner
Membership No: 214451

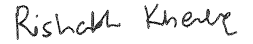
Bengaluru



For and on behalf of the Board of Directors
ITI Proficiency Ltd



Srikant Godavarti
Director



Rishabh Khemka
Director

ITI Proficiency Ltd
Summary of significant accounting policies and other explanatory information
(Amount in ILS, unless otherwise stated)

1. The Company Overview

ITI Proficiency Ltd. provides feature-based data translation software and services to clients throughout the world. Proficiency product of the company helps in design transfer needs achieve accurate and usable models with up to 100% automation. ITI Proficiency Ltd is the subsidiary of International Techne group Incorporated and domiciled in Israel, which was acquired by Wipro IT Services LLC on October 1, 2019.

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.

These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"). 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 Company has accumulated losses of ILS 10,049,513 as on 31 March 2024. In addition, the current liabilities exceed its current assets by ILS 10,038,997 as on 31 March 2024. The financial statement has been prepared on the assumption that the Company will continue as a going concern, based on the continuing financial support by the shareholders / investors. Further, the Company and its holding Company has adequate liquid assets to support the operation of the Company for next 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.

Accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

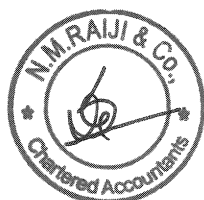
The amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes

The amendments to Ind AS12 clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

The preparation of the special purpose 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 special purpose financial statements are included in the following notes:



ITI Proficiency Ltd
Summary of significant accounting policies and other explanatory information
(Amount in ILS, unless otherwise stated)

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 Israel. 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 realisable, 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.

f) Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term.

The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

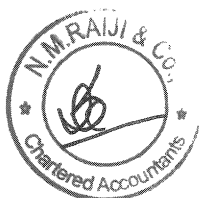
3. Material accounting policies

(i) Functional and presentation currency

These financial statements are presented in ILS, 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. Nonmonetary 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.



ITI Proficiency Ltd
Summary of significant accounting policies and other explanatory information
(Amount in ILS, unless otherwise stated)

(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 and share premium

The authorized share capital of the Company as of 31 March 2024 ILS 67 divided into 670 equity shares of ILS 0.1 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

b) Retained earnings

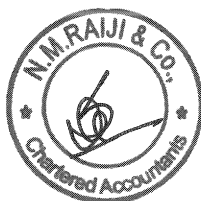
Retained earnings comprises of the Company's undistributed earnings after taxes.

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.



ITI Proficiency Ltd
Summary of significant accounting policies and other explanatory information
(Amount in ILS, unless otherwise stated)

(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 capitalised 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 capitalised 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, fulfilment 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 -

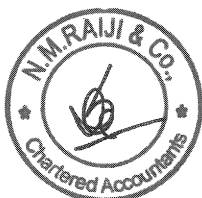
- a) control the use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset, and
- c) direct the use of the identified asset

The Company at the inception 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) and low value assets.

The cost of the right-of-use assets 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 is measured at cost less any accumulated straight-line method from the commencement date over the shorter of lease term or useful life of right-of use assets.

The Company applies IND AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets included as part of our annual financial statements for the year ended March 31, 2024.

For lease liabilities at inception, 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 is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.



ITI Proficiency Ltd
Summary of significant accounting policies and other explanatory information
(Amount in ILS, unless otherwise stated)

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 assets 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 consolidated statement of income. Company has elected not to apply requirements of para 22-49 of Ind AS 116 to short term leases and low value leases. For 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.

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 recognized 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

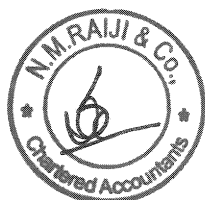
Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits.

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 Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Non-accumulating compensated absences are recognised in the period in which the absences occur.



ITI Proficiency Ltd
Summary of significant accounting policies and other explanatory information
(Amount in ILS, unless otherwise stated)

(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 software development, maintenance of software/hardware and related services, business process services, sale of IT and other products.

a) Services

The Company recognises revenue when the significant terms of the arrangement are enforceable, service have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depend 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

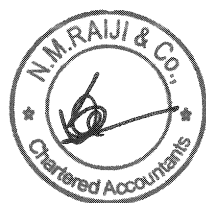
Revenues from fixed-price contracts, including systems development and integration contracts are recognised using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete 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 rateably 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.



ITI Proficiency Ltd
Summary of significant accounting policies and other explanatory information
(Amount in ILS, unless otherwise stated)

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 liabilities:

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. During the year ended March 31, 2024, the Company recognized revenue of ILS 0.54K arising from contract liabilities as at March 31, 2023. During the year ended March 31, 2023, the Company recognized revenue of ILS 0.44K arising from contract liabilities as at March 31, 2022.

Contract assets:

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones. During the year ended March 31, 2024, Nil of contract assets have been reclassified to receivables on completion of milestones. During the year ended March 31, 2023, it is Nil contract assets has been reclassified to receivables.

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. Applying the practical expedient, the Company has not disclosed its right to consideration from customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date which are, contracts invoiced on time and material basis and volume based.

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.

Disaggregation of Revenues (continued)

Particulars	Amount in ILS
Revenue	
Sale of services	3,161,940
Revenue by nature of contract	
Fixed Fee	3,161,940

(xi) Finance cost

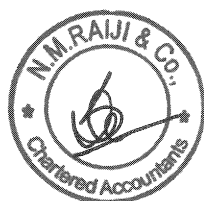
Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing 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.



ITI Proficiency Ltd
Summary of significant accounting policies and other explanatory information
(Amount in ILS, unless otherwise stated)

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

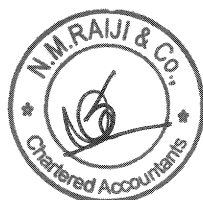
Basic earnings per share is computed using the weighted average number of equities shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using 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.

New Accounting standards adopted by the Company:

- (i) **New amended standards and interpretations**
- (a) Ind AS 37 - Onerous Contracts - Cost of Fulfilling a Contract- The amendment specifies that the cost of fulfilling a contract comprises of the costs that relate directly to the contract. Costs that relate directly to a contract can either be the incremental costs of fulfilling that contract (for example, direct labour and materials); or an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others). The adoption of this amendment has no effect on the financial statement of the company.



ITI Proficiency Ltd
Summary of significant accounting policies and other explanatory information
(Amount in ILS, unless otherwise stated)

(b) Ind AS 109 Financial Instruments - The amendment clarifies which fees an entity should include when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The adoption of amendment to Ind AS 109 did not have any material impact on the financial statements of the Company.

(c) Ind AS 103 Business Combination - 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 statements of the company.

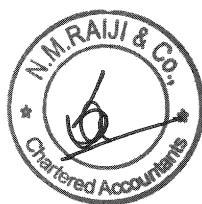
(d) Ind AS 16 - Property, Plant and Equipment - Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the statement of profit and 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 statements of the entity.

(e) Other amendments to the existing standards

None.

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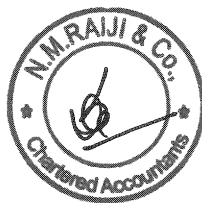


ITI Proficiency Ltd
Notes to the Special Purpose Financial Statements
(Amount in ILS, unless otherwise stated)

4 Property, plant and equipment

	Leasehold Improvements	Plant and machinery	Furniture and fixtures	Total
Gross carrying value:				
As at 1 April 2023	30,494	159,690	5,184	195,368
Additions during the year	-	-	-	-
Disposals/ adjustments	-	(2,643)	-	(2,643)
As at 31 March 2024	30,494	157,047	5,184	192,725
Accumulated depreciation/ impairment:				
As at 1 April 2023	30,493	133,787	5,183	169,463
Depreciation	-	19,819	-	19,819
Disposals/ adjustments	-	(2,642)	-	(2,642)
As at 31 March 2024	30,493	150,964	5,183	186,640
Net book value as at 31 March 2024	1	6,083	1	6,085
Gross carrying value:				
As at 1 April 2022	30,494	237,652	5,184	273,330
Additions during the year	-	35,217	-	35,217
Disposals/ adjustments	-	(113,179)	-	(113,179)
As at 31 March 2023	30,494	159,690	5,184	195,368
Accumulated depreciation/ impairment:				
As at 1 April 2022	30,493	221,858	5,183	257,534
Depreciation	-	25,098	-	25,098
Disposals/ adjustments	-	(113,169)	-	(113,169)
As at 31 March 2023	30,493	133,787	5,183	169,463
Net book value as at 31 March 2023	1	25,903	1	25,905

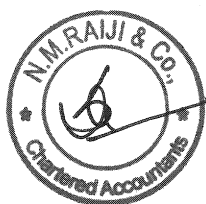
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ITI Proficiency Ltd
Notes to the Special Purpose Financial Statements
(Amount in ILS, unless otherwise stated)

	31 March 2024	31 March 2023
5 Other Financial Assets		
Non Current		
Security deposits	29,324	29,324
	<u>29,324</u>	<u>29,324</u>
6 Trade receivables	31 March 2024	31 March 2023
Receivable from related parties*	104,529	153,336
Unsecured	-	-
Considered good*	56,494	56,494
Total Trade receivables	<u>161,023</u>	<u>209,830</u>
<i>*includes receivable from related parties (refer note 21)</i>		
7 Cash and cash equivalents	31 March 2024	31 March 2023
Balances with banks		
Current accounts	290,139	312,689
	<u>290,139</u>	<u>312,689</u>
8 Other assets	31 March 2024	31 March 2023
Current		
Prepaid expenses	131,537	96,805
Balance with Subsidiaries	-	724,040
Other assets	-	115,332
	<u>131,537</u>	<u>936,177</u>

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ITI Proficiency Ltd
Notes to the Special Purpose Financial Statements
(Amount in ILS, unless otherwise stated)

	As at	As at
	31 March 2024	31 March 2023
9 Equity Share Capital (Values in ILS)		
I. Authorised capital		
1,000 equity shares	100	100
	<u>100</u>	<u>100</u>
II. Issued, subscribed and fully paid-up capital		
670 (2020: 100) equity shares	67	67
	<u>67</u>	<u>67</u>

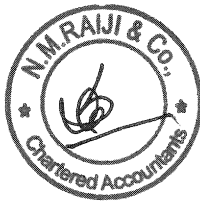
(i.) Shares held by holding company (International Technegroup Inc, the holding company)

Particulars	31 March 2024	31 March 2023
No. of Equity shares of ILS 0.10 each	670	670

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

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% held	No. of Shares	% held
International Technegroup Incorporated	670	100%	670	100%

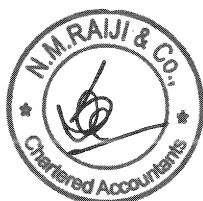
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ITI Proficiency Ltd
Notes to the Special Purpose Financial Statements
(Amount in ILS, unless otherwise stated)

	As at	
	31 March 2024	31 March 2023
10 Provisions		
Non Current		
Provision for employee benefits	45,859	64,500
	45,859	64,500
Current		
Provision for employee benefits	63,546	207,028
Provision for compensated absences	152,500	
	216,046	207,028
Total Provisions	261,905	271,528
11 Borrowings	31 March 2024	31 March 2023
Current		
Unsecured		
Loans from related parties*	9,595,820	6,971,187
	9,595,820	6,971,187
Total Borrowings	9,595,820	6,971,187
<i>*Refer note 21 for related party disclosures</i>		
12 Trade payables	31 March 2024	31 March 2023
Trade payables*	92,268	1,562,391
Accrued expenses	25,350	103,601
	117,618	1,665,992
<i>*includes payable to related parties (refer note 21)</i>		
13 Other current financial liabilities	31 March 2024	31 March 2023
Dues to employees	33	-
Interest accrued and due on borrowings	132,508	-
	132,542	-
14 Other current liabilities	31 March 2024	31 March 2023
Statutory and other liabilities	-	110,766
Other Current Liabilities	117,494	13,266
Balance with Government Authorities	138,571	62,255
	256,065	186,287

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ITI Proficiency Ltd
Notes to the Special Purpose Financial Statements
(Amount in ILS, unless otherwise stated)

	Year ended	
	31 March 2024	31 March 2023
15 Revenue from operations		
Sale of Services	3,161,940	3,904,474
Sale of products	-	-
	<u>3,161,940</u>	<u>3,904,474</u>
16 Other income		
Other Miscll Income	1,330	-
Other foreign exchange gains/(losses), net	-	-
	<u>1,330</u>	<u>-</u>
17 Employee benefits expense		
Salaries and allowances	2,350,562	2,703,177
Bonus and incentives	238,467	188,323
Compensated absences	-	59,143
	<u>2,589,028</u>	<u>2,950,642</u>
18 Finance cost		
Interest on borrowings	454,044	310,126
	<u>454,044</u>	<u>310,126</u>
19 Other Expenses		
Rates and taxes	155,105	71,201
Subscription & Membership Fees	-	193
Audit fees	-	1,112
Software Licence Fees	14,851	1,168
Insurance Expenses	134,512	160,093
Bank Charges	26,276	23,916
Repairs and maintenance	2,752	2,178
Administrative expenses	8,741	8,393
Printing and Stationery	-	265
Other foreign exchange gains/(losses), net	301,532	907,445
	<u>643,769</u>	<u>1,175,964</u>
20 Earnings per equity share		
Profit/(Loss) for the Period	(2,097,237)	(2,777,836)
Weighted average number of equity shares outstanding	670	670
Basic and diluted earnings/(loss) per share	(3,130.20)	(4,146.02)



ITI Proficiency Ltd
Notes to the Special Purpose Financial Statements
(Amount in ILS, unless otherwise stated)

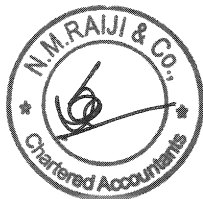
21 Related Party nature and relationships

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

Name of the Party	Relationship	County of Incorporation
Wipro Limited	Ultimate Holding Company	India
International Technegroup Incorporated	Holding Company	USA
Wipro Holdings Hungary Kft	Fellow Subsidiary	Hungary
Wipro Holdings Investment Kft	Fellow Subsidiary	Hungary
Mechworks S.R.L	Fellow Subsidiary	Italy
International Technegroup Ltd.	Fellow Subsidiary	United Kingdom
International TechneGroup S.R.L	Fellow Subsidiary	Italy

ii) The Company had the following transactions with related parties :

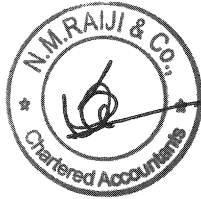
Particulars	Year ended	
	31 March 2024	31 March 2023
Sales and services		
International Technegroup Incorporated	2,228,867	1,997,197
International Technegroup Ltd.	775,051	996,964
Wipro Limited	-	443,208
Subcontracting & technical fees		
International Technegroup Incorporated	81,436	271,336
International Technegroup Ltd.	-	450,574
Interest expense		
Wipro Holdings Investment Kft	100,472	110,965
Wipro Holdings Hungary Kft	185,487	199,961
Wipro IT Services UK Societas	528,743	-
IC Loans		
Wipro IT Services UK Societas	2,726,400	-
Reimbursements		
Wipro Limited	-	3,813



ITI Proficiency Ltd
Notes to the Special Purpose Financial Statements
(Amount in ILS, unless otherwise stated)

iii) Balances with related parties

Particulars	As at	
	31 March 2024	31 March 2023
Payables:		
International Technegroup Incorporated	-	310,399
Wipro Limited	-	22,167
International Technegroup Ltd	-	503,997
Wipro Holdings Hungary Kft	-	724,040
Receivables:		
International Technegroup Ltd	37,159	66,054
Wipro Limited	-	30,264
International Technegroup Incorporated	67,370	57,018
Loan taken:		
Wipro Holdings Investment Kft		
Loan Principal	-	2,355,337
Interest accrued and due on loan	-	94,437
Wipro IT Services UK Societas		
Loan Principal	9,595,820	-
Interest accrued and due on loan	132,508	-
Wipro Holdings Hungary Kft		
Loan Principal	-	4,348,253
Interest accrued and due on loan	-	173,161



ITI Proficiency Ltd
Notes to the Special Purpose Financial Statements
(Amount in ILS, unless otherwise stated)

22 Commitments and contingencies

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

23 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.

24 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2024 were as follows:

Particulars	Note	FVTPL	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Trade receivables	6	-	161,023	161,023	161,023
Cash and cash equivalents	7	-	290,139	290,139	290,139
Other financials assets	5	-	29,324	29,324	29,324
Total financial assets		-	480,486	480,486	480,486
Financial liabilities :					
Borrowings	11	-	9,595,820	9,595,820	9,595,820
Trade payables	12	-	117,618	117,618	117,618
Other financial liabilities	13	-	132,541	132,541	132,541
Total financial liabilities		-	9,845,979	9,845,979	9,845,979

The carrying value and fair value of financial instruments by categories as at 31 March 2023 were as follows:

Particulars	Note	FVTPL	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Trade receivables	6	-	209,830	209,830	209,830
Cash and cash equivalents	7	-	312,689	312,689	312,689
Other financials assets	5	-	29,324	29,324	29,324
Total financial assets		-	551,843	551,843	551,843
Financial liabilities :					
Borrowings	11	-	6,971,187	6,971,187	6,971,187
Trade payables	12	-	1,665,992	1,665,992	1,665,992
Other financial liabilities	13	-	-	-	-
Total financial liabilities		-	8,637,179	8,637,179	8,637,179

Notes to financial instruments

- i. 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. 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.

ii. 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:

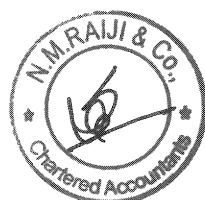
Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

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.



ITI Proficiency Ltd
Notes to the Special Purpose Financial Statements
(Amount in ILS, unless otherwise stated)

25 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.

The table below provides the cumulative details of customers having balance of more than 10% of the total Account receivable of the entity as of 31st March 2024 and 31st March 2023

Particulars	As at 31st March 2024	As at 31st March 2023
No of customers who owed more than 10% of the total receivables	1	4
Contribution of customers in owing more than 10% of total receivables	100%	100%

An impairment Analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low.

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.



ITI Proficiency Ltd
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25 Financial risk management (continued)

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 tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

March 31, 2024	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	9,595,820	-	-	9,595,820
Trade payables	117,618	-	-	117,618
Other financial liabilities	132,541	-	-	132,541
Total	9,845,979	-	-	9,845,979
<hr/>				
March 31, 2023	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	6,971,187	-	-	6,971,187
Trade payables	1,665,992	-	-	1,665,992
Other financial liabilities	-	-	-	-
Total	8,637,179	-	-	8,637,179

C Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. 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.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	31 March 2024	31 March 2023
Variable rate borrowing	9,595,820	6,971,187
Fixed rate borrowing	-	-
	9,595,820	6,971,187

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 March 2024	31 March 2023
Interest rates - increase by 50 basis points (50 bps)	47,979	34,856
Interest rates - decrease by 50 basis points (50 bps)	(47,979)	(34,856)



ITI Proficiency Ltd
Notes to the Special Purpose Financial Statements
(Amount in ILS, unless otherwise stated)

D Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from EUR, ILS. 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.

26 Capital management

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

The Company monitors capital using a gearing ratio, which is net debt divided by total equity :

- Equity includes equity share capital and all other equity components, which attributable to the equity holders
- Net Debt includes trade payables and other financial liabilities, less cash and cash equivalents.

As at			
	Note	31 March 2024	31 March 2023
Borrowings	Financial liabilities	9,595,820	6,971,187
Less: Cash and cash equivalents	Financial assets	(290,139)	(312,689)
Net Debt (i)		9,305,681	6,658,498
Equity share capital	Equity	67	67
Other equity	Equity	(10,049,513)	(7,952,277)
Total capital (ii)		(10,049,446)	(7,952,210)
Capital & net debts (iii) = (i) + (ii)		(743,765)	(1,293,712)
Gearing ratio (i)/ (iii)		-1251%	-515%

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

27 Events occurring after the reporting date

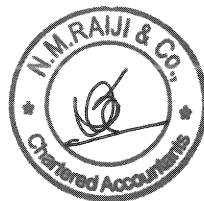
No adjusting or significant non-adjusting events have occurred between 31 March, 2024 and the date of authorization of these financial statements.

As per our report attached
For NM Rajji & Co.
Chartered Accountants
Firm Registration No.: 108296W



Santosh Burande
Partner
Membership No: 214451

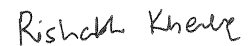
Bengaluru



For and on behalf of the Board of Directors
ITI Proficiency Ltd



Srikant Godavarti
Director



Rishabh Khemka
Director