

**Special Purpose Standalone Financial Statements**

**International Technegroup Incorporated**

**31 March 2024**

# INDEPENDENT AUDITORS REPORT

To the Board of Directors of **International Technegroup Incorporated**

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

### Opinion

We have audited the accompanying special purpose financial statements of International Technegroup Incorporated ("the Company"), which comprise the balance sheet as at 31 March 2024, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the special purpose financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements is prepared for inclusion in the annual report of the Ultimate Holding Company ("Wipro Limited") under the requirement of Section 129(3) of the Companies Act, 2013 (Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the special purpose financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the special purpose financial statement.

### Management's and Board of Directors' Responsibility for the Special Purpose Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these special purpose financial statements that give a true and fairview of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 is 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 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 in the special purpose financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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.

### Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the special purpose financial statements, which describes the basis of preparation. This audit opinion has been issued solely for the purpose of inclusion in the annual report of the Ultimate Holding Company (Wipro Limited) under the requirements of Section 129(3) of the Act. These financial statements are not the statutory financial statements of the Company. 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 audit opinion is shown or into whose hands it may come without our prior consent in writing.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018



Seethalakshmi M

Partner

Membership No.: 208545

UDIN: 24208545BKAENE8758

Bengaluru

31 May 2024

**International Technegroup Incorporated**  
**Special Purpose Standalone Balance Sheet as at 31 March 2024**  
(Amount in '000 USD, except share and per share data, unless otherwise stated)

Particulars	Notes	As at	As at
		31 March 2024	31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	58	104
Financial assets			
Investments in subsidiaries	5	4,091	4,091
Deferred tax assets (net)	6	125	211
Other non-current assets	7	4	-
<b>Total non-current assets</b>		<b>4,278</b>	<b>4,406</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	8	4,198	4,233
Unbilled receivables		2,029	1,658
Cash and cash equivalents	9	2,957	5,702
Contract assets		145	471
Other current assets	7	368	493
<b>Total current assets</b>		<b>9,697</b>	<b>12,557</b>
<b>TOTAL ASSETS</b>		<b>13,975</b>	<b>16,963</b>
<b>EQUITY</b>			
Equity share capital	10	261	261
Other equity		8,300	9,690
<b>TOTAL EQUITY</b>		<b>8,561</b>	<b>9,951</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	469	82
<b>Total non-current liabilities</b>		<b>469</b>	<b>82</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	12	855	1,634
Other financial liabilities	13	15	118
Contract liabilities		2,507	3,387
Other current liabilities	14	183	477
Provisions	11	485	412
Current tax liabilities (net)		900	902
<b>Total current liabilities</b>		<b>4,945</b>	<b>6,930</b>
<b>TOTAL LIABILITIES</b>		<b>5,414</b>	<b>7,012</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,975</b>	<b>16,963</b>

Summary of significant accounting Policies 1-3

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

As per our report attached

For PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm Registration No.: 0039905/S200018

Seethalakshmi M  
Partner  
Membership No: 208545

Bengaluru  
31 May 2024

For and on behalf of the Board of Directors  
International Technegroup Incorporated

Srikant Godavarti  
Director

Plano, Tx  
31 May 2024

Rishabh Khemka  
Director

Central Blvd, NY  
31 May 2024

**International Technegroup Incorporated**  
**Special Purpose Standalone Statement of Profit and Loss for the year ended 31 March 2024**  
(Amount in '000 USD, except share and per share data, unless otherwise stated)

<u>Particulars</u>	<u>Notes</u>	<u>Year ended 31 March 2024</u>	<u>Year ended 31 March 2023</u>
<b>INCOME</b>			
Revenue from operations	15	21,913	22,104
Other income	16	234	37
<b>Total Income</b>		<b>22,147</b>	<b>22,141</b>
<b>EXPENSES</b>			
Employee benefits expense	17	11,261	11,280
Depreciation expense	4	59	107
Sub-contracting and technical fees		4,711	4,257
Travel		69	80
Facility expenses		78	112
Communication		65	62
Legal and professional charges		578	824
Marketing and brand building		73	58
Other expenses	18	1,888	1,782
<b>Total expenses</b>		<b>18,782</b>	<b>18,563</b>
<b>Profit before tax</b>		<b>3,365</b>	<b>3,578</b>
<b>Tax expense</b>			
Current tax	21	669	597
Deferred tax	21	86	165
<b>Total tax expense</b>		<b>755</b>	<b>762</b>
<b>Profit for the year</b>		<b>2,610</b>	<b>2,816</b>
<b>Other comprehensive income (OCI)</b>			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income for the year, net of taxes</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>2,610</b>	<b>2,816</b>
<b>Earnings per equity share: (Equity shares of par value \$0.60 each)</b>			
Basic and diluted	20	5.99	6.46
Weighted average number of shares		435,601	435,601

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

As per our report attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.: 003990S/S200018



Seethalakshmi M

Partner

Membership No: 208545

Bengaluru

31 May 2024

For and on behalf of the Board of Directors

International Technegroup Incorporated

Srikant Godavarti  
Director

Plano, Tx  
31 May 2024

Rishabh Khemka  
Director

Central Blvd, NY  
31 May 2024

**International Technegroup Incorporated**  
**Special Purpose Standalone Cashflow Statement for the year ended 31 March 2024**  
(Amount in '000 USD, except share and per share data, unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Cash flows from operating activities:</b>		
Profit for the year	2,610	2,816
<b>Adjustments</b>		
Interest (income)/expenses, net	(234)	(37)
Depreciation expense	53	107
Income tax expense	-	762
<b>Changes in operating assets and liabilities;</b>		
Trade receivables	34	1,892
Unbilled receivables and contract assets	(665)	(459)
Other assets	447	(49)
Trade payables, other liabilities and provisions	(422)	(116)
Contract liabilities	(890)	134
<b>Cash generated from operating activities before taxes</b>	<b>943</b>	<b>5,051</b>
Income taxes (paid), net of refunds	84	(672)
<b>Net cash generated from operating activities</b>	<b>1,027</b>	<b>4,379</b>
<b>Cash flows from investing activities:</b>		
Payment for property, plant and equipment	(6)	(44)
Interest received	234	37
<b>Net cash generated from/(used in) investing activities</b>	<b>228</b>	<b>(7)</b>
<b>Cash flows from financing activities:</b>		
Payment of dividend	(4,000)	(3,000)
<b>Net cash from in financing activities</b>	<b>(4,000)</b>	<b>(3,000)</b>
<b>Net increase in cash and cash equivalents during the year</b>	<b>(2,745)</b>	<b>1,372</b>
Cash and cash equivalents at the beginning of the year	5,702	4,330
<b>Cash and cash equivalents at the end of the year (Refer Note No.9)</b>	<b>2,957</b>	<b>5,702</b>

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

As per our report attached

For PKF Sridhar & Santhanam LLP  
Chartered Accountants

Firm Registration No.: 003990S/S200018

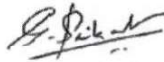


Seethalakshmi M  
Partner  
Membership No: 208545

Bengaluru  
31 May 2024



For and on behalf of the Board of Directors  
International Technegroup Incorporated

 Rishabh Khemka

Srikant Godavarti      Rishabh Khemka  
Director                      Director

Plano, Tx  
31 May 2024

Central Blvd, NY  
31 May 2024

**International Technegroup Incorporated**  
**Special Purpose Standalone Statement of Changes in Equity for the year ended 31 March 2024**  
(Amount in '000 USD, except share and per share data, unless otherwise stated)

**A. Equity share capital**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Opening number of equity shares	435,601	261	435,601	261
Closing number of equity shares	<b>435,601</b>	<b>261</b>	<b>435,601</b>	<b>261</b>

**B. Other equity**

Particulars	As at	
	31 March 2024	31 March 2023
Opening balance	9,690	9,874
Total comprehensive income for the period	2,610	2,816
Less: Dividend paid	(4,000)	(3,000)
Closing balance	<b>8,300</b>	<b>9,690</b>

As per our report attached

**For PKF Sridhar & Santhanam LLP**  
**Chartered Accountants**

Firm Registration No.: 003990S/S200018

  
**Seethalakshmi M**  
Partner  
Membership No: 208545

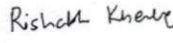
Bengaluru  
31 May 2024



**For and on behalf of the Board of Directors**  
International Technegroup Incorporated

  
**Srikant Godavarti**  
Director

Plano, Tx  
31 May 2024

  
**Rishabh Khemka**  
Director

Central Blvd, NY  
31 May 2024



## **International TechneGroup Incorporated**

Notes to the special purpose standalone financial statements for the year ended 31 March 2024  
(Amount in '000 USD, except share and per share data, unless otherwise stated)

### **1. The Company overview**

International TechneGroup Incorporated (ITI or the Company), a global leader in interoperability, validation and migration of product data and related systems, helps clients streamline processes and reduce the amount of downstream changes caused by inaccurate, outdated or incomplete data. ITI solutions for CAD/CAM/CAE/PLM interoperability, data validation and reliability, operate within a framework for secure, traceable exchange and distribution. These solutions apply across a client's product lifecycle, enabling more efficient product design, supply chain and manufacturing processes. ITI's subject matter experts deliver solutions to solve complex issues allowing clients to spend more time engineering and less time searching for, validating and reworking data. Through strong partnerships with industry, government and technology vendors, ITI has developed and commercialized many leading technologies which provide significant impact to United States and global manufacturing companies.

The company is domiciled in USA and it was acquired by Wipro IT Services LLC on 1 October 2019. The Company's Board of Directors authorized these financial statements for issue on 31 May 2024.

### **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. The comparative financial information is provided for the period 1 April 2023 to 31 March 2024 for which the Company was subsidiary of Wipro Limited.

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

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

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

All amounts included in the financial statements are reported in thousands of USD Currency, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

Amounts below rounding off norm adopted by the Company been disclosed as nil in the financial statement

#### **(ii) Basis of measurement**

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

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





## **International TechneGroup Incorporated**

Notes to the special purpose standalone financial statements for the year ended 31 March 2024  
(Amount in '000 USD, except share and per share data, unless otherwise stated)

### **(ii) New amendments adopted by the Company effective from April 1, 2023**

#### **Amendments to Ind AS 1 – Presentation of Financial Statements**

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. This amendment requires the 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 adoption of these amendments to Ind AS 1 did not have any material impact on the financial statements.

#### **Amendments to Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help companies distinguish changes in accounting policies from changes in accounting estimates. The adoption of these amendments to Ind AS 8 did not have any material impact on the financial statements.

#### **Amendments to Ind AS 12 – Income Taxes**

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

### **(iii) 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 applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost-plus margin approach in estimating the stand-alone selling price. 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 labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term





## **International TechneGroup Incorporated**

Notes to the special purpose standalone financial statements for the year ended 31 March 2024  
(Amount in '000 USD, except share and per share data, unless otherwise stated)

of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

- b) **Income taxes:** The major tax jurisdictions for the Company is in United States of America. 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.

### **3. Material accounting policies**

#### **(i) Functional and presentation currency**

These financial statements are presented in USD, 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.





## **International TechneGroup Incorporated**

Notes to the special purpose standalone financial statements for the year ended 31 March 2024  
(Amount in '000 USD, except share and per share data, 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 and Share Capital**

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

The authorised share capital of the Company as of 31 March 2024 USD 600,000 divided into 1,000,000 equity shares of USD 0.60 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**





## **International TechneGroup Incorporated**

Notes to the special purpose standalone financial statements for the year ended 31 March 2024  
(Amount in '000 USD, except share and per share data, unless otherwise stated)

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

### **c) Dividend**

**The company has paid dividend of 4,000,000 USD for the year ended 31 March 2024.**

### **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 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:

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 Company evaluates each contract or arrangement, whether it qualifies as lease as defined under IND AS 116

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

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves-

- 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.



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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.

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





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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. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. 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 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, 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:





## **International TechneGroup Incorporated**

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(Amount in '000 USD, except share and per share data, unless otherwise stated)

### **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.

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.

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. Unbilled revenues on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time.

### **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.

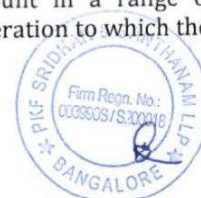
In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term. Revenue recognition is done on straight line basis over the term of performance obligation using the output method (with respect to time)

### **D) Products**

Revenue on product sales are recognized when the customer obtains control of the specified asset.

### **E. Others**

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price. The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company





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may be entitled. Revenues are shown net of value added tax and applicable discounts and allowances. The Company accrues the estimated cost of warranties at the time when the revenue is recognized.

The accruals are based on the Company's historical experience of material usage and service delivery costs. Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term. The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence.

### **(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.

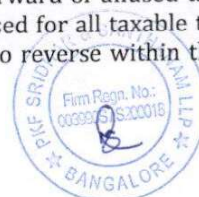
#### **a) Current income tax**

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,



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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) Cash flow statement**

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

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**International Technegroup Incorporated**

**Notes to the special purpose standalone financial statements for the year ended 31 March 2024**

(Amount in '000 USD, except share and per share data, unless otherwise stated)

**4 Property, plant and equipment**

	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Total
<b>Gross carrying value:</b>					
As at 1 April 2023	1	1,739	136	176	2,052
Additions	-	12	-	-	12
Disposals	-	(6)	-	-	(6)
<b>As at 31 March 2024</b>	<b>1</b>	<b>1,745</b>	<b>136</b>	<b>176</b>	<b>2,058</b>
<b>Accumulated depreciation:</b>					
As at 1 April 2023	1	1,634	136	176	1,946
Depreciation	-	59	-	-	59
Disposals	-	(6)	-	-	(6)
<b>As at 31 March 2024</b>	<b>1</b>	<b>1,687</b>	<b>136</b>	<b>176</b>	<b>1,999</b>
<b>Net book value as at 31 March 2024</b>	<b>0</b>	<b>57</b>	<b>(0)</b>	<b>0</b>	<b>58</b>
<b>Gross carrying value:</b>					
As at 1 April 2022	1	1,695	136	176	2,008
Additions	-	44	-	-	44
Disposals	-	-	-	-	-
<b>As at 31 March 2023</b>	<b>1</b>	<b>1,739</b>	<b>136</b>	<b>176</b>	<b>2,052</b>
<b>Accumulated depreciation:</b>					
As at 1 April 2022	1	1,527	136	176	1,841
Depreciation	-	107	-	-	107
Disposals	-	-	-	-	-
<b>As at 31 March 2023</b>	<b>1</b>	<b>1,634</b>	<b>136</b>	<b>176</b>	<b>1,948</b>
<b>Net book value as at 31 March 2023</b>	<b>0</b>	<b>104</b>	<b>0</b>	<b>0</b>	<b>104</b>

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## International Technegroup Incorporated

### Notes to the special purpose standalone financial statements for the year ended 31 March 2024

(Amount in '000 USD, except share and per share data, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
<b>5 Investments in subsidiaries</b>		
<b>Investments in subsidiaries measured at cost</b>		
<b>Non current</b>		
International TechneGroup Ltd. 554,436 (2023:554,436 equity shares)	3,776	3,776
International TechneGroup S.r.l. 2,60,000 (2023:260,000 equity shares)	315	315
ITI Proficiency Ltd. 670 (2023: 670 equity shares)	3,689	3,689
	<u>7,780</u>	<u>7,780</u>
Less: Impairment in value of investments in subsidiaries	<u>(3,689)</u>	<u>(3,689)</u>
	<u>4,091</u>	<u>4,091</u>

	As at 31 March 2024	As at 31 March 2023
<b>6 Deferred tax (net)</b>		
Employee related liabilities	62	210
Provisions	62	-
Others	1	1
	<u>125</u>	<u>211</u>

	As at 31 March 2024	As at 31 March 2023
<b>7 Other assets</b>		
<b>Non current</b>		
Prepaid expenses	4	-
	<u>4</u>	<u>-</u>
<b>Current</b>		
Prepaid expenses	342	452
Dues from government authorities	15	15
Salary advances	9	25
Others	2	1
	<u>368</u>	<u>493</u>

	As at 31 March 2024	As at 31 March 2023
<b>8 Trade receivables</b>		
<b>Unsecured</b>		
Considered good	3,725	3,043
Receivable from related parties*	473	1,190
Credit impaired	213	62
Gross trade receivables	4,411	4,295
Less: Allowance for expected credit loss	<u>(213)</u>	<u>(62)</u>
<b>Total Trade receivables</b>	<u>4,198</u>	<u>4,233</u>

\* Refer Note No. 22 for related party disclosure

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

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	62	63
Additions during the year	151	1
Charged against allowance	-	(2)
<b>Closing balance</b>	<u>213</u>	<u>62</u>

	As at 31 March 2024	As at 31 March 2023
<b>9 Cash and cash equivalents</b>		
Balances with banks		
Current accounts	533	2,795
Deposits*	2,424	2,907
	<u>2,957</u>	<u>5,702</u>

\*Balances with bank in overnight deposits.

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**International Technegroup Incorporated****Notes to the special purpose standalone financial statements for the year ended 31 March 2024**

(Amount in '000 USD, except share and per share data, unless otherwise stated)

**10 Equity Share Capital**

	As at 31 March 2024	As at 31 March 2023
<b>I. Authorised capital</b>		
1,000,000 equity shares of \$0.60 each	600	600
	<b>600</b>	<b>600</b>
<b>II. Issued, subscribed and fully paid-up capital</b>		
435,601 equity shares of \$0.60 each	261	261
	<b>261</b>	<b>261</b>

**(i.) Shares held by holding company (Wipro IT Services LLC, the holding company)**

Particulars	As at 31 March 2024	As at 31 March 2023
No. of Equity shares of \$0.60 each	435,601	435,601

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

Name of the Shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	% held	No. of Shares	% held
Wipro IT Services LLC	435,601	100	435,601	100

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**International Technegroup Incorporated**

Notes to the special purpose standalone financial statements for the year ended 31 March 2024  
(Amount in '000 USD, except share and per share data, unless otherwise stated)

	As at	As at
	31 March 2024	31 March 2023
<b>11 Provisions</b>		
<b>Non Current</b>		
Provision for employee benefits expenses	401	-
Provision for compensated absences	68	82
	<u>469</u>	<u>82</u>
<b>Current</b>		
Provision for employee benefits expenses	331	262
Provision for compensated absences	154	150
	<u>485</u>	<u>412</u>
	<u>954</u>	<u>494</u>
<b>12 Trade payables</b>	As at	As at
	31 March 2024	31 March 2023
Trade payables	107	1,410
Payables to related parties*	605	18
Accrued expenses	143	206
	<u>855</u>	<u>1,634</u>
	As at	As at
	31 March 2024	31 March 2023
Other payables	15	118
	<u>15</u>	<u>118</u>
<b>14 Other current liabilities</b>	As at	As at
	31 March 2024	31 March 2023
Statutory dues payable	183	477
	<u>183</u>	<u>477</u>

\* Refer Note No. 22 for related party disclosure

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## International Technegroup Incorporated

### Notes to the special purpose standalone financial statements for the year ended 31 March 2024

(Amount in '000 USD, except share and per share data, unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>15 Revenue from operations</b>		
Sale of services	21,913	22,104
	<u>21,913</u>	<u>22,104</u>
<b>Revenue by nature of contract</b>		
Fixed price and volume based	5,021	5,924
Time and materials	16,892	16,180
	<u>21,913</u>	<u>22,104</u>

#### 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. The Company presents such receivables as part of unbilled receivables at their net estimated realizable value.

#### A) 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 USD 3 millions arising from contract liabilities as at 31 March 2023.

#### B) 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 31 March 2024, USD 145 of contract assets have been reclassified to receivables on completion of milestones. During the year ended 31 March 2023, it is USD 471 contract assets has been reclassified to receivables.

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

	Year ended 31 March 2024	Year ended 31 March 2023
<b>16 Other income</b>		
Interest income	234	37
	<u>234</u>	<u>37</u>

	Year ended 31 March 2024	Year ended 31 March 2023
<b>17 Employee benefits expense</b>		
Salaries and allowances	11,272	11,527
Paid time off provision	(11)	(247)
	<u>11,261</u>	<u>11,280</u>

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## International Technegroup Incorporated

### Notes to the special purpose standalone financial statements for the year ended 31 March 2024

(Amount in USD, unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>18 Other expenses</b>		
Rent	344	344
Rates and taxes	9	33
Allowance for expected credit loss	160	-
Subscription and membership fees	307	244
Software licence fees	647	655
Insurance expenses	293	364
Recruitment expenses	-	41
Bank charges	73	45
Business meeting expenses	4	5
Repairs and maintenance	15	18
Miscellaneous onsite claims	17	5
Other foreign exchange gains/(losses), net	2	10
Technology expenses	-	11
Miscellaneous expenses	17	6
	<b>1,888</b>	<b>1,782</b>

#### 20 Earnings per equity share

Basic: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period, excluding equity shares purchased by the Company. Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	Year ended 31 March 2024	Year ended 31 March 2023
Profit/(loss) for the year	2,610	2,816
Weighted average number of equity shares	435,601	435,601
Basic and diluted earnings/(loss) per share	5.99	6.46
Nominal value - per equity share	0.60	0.60

#### 21 Income tax

Income tax expense has been allocated as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Income tax expense</b>		
<b>Domestic</b>		
Current taxes	669	597
Deferred taxes	86	165
<b>Total income taxes</b>	<b>755</b>	<b>762</b>

	Year ended 31 March 2024	Year ended 31 March 2023
Profit/(loss) before tax	3,365	3,578
Enacted income tax rate	28%	28%
Computed expected tax expense	942	1,002
Effect of:		
Prior year current tax impact	(131)	(203)
Permanent differences	(57)	(37)
Tax effect on expenses disallowed for tax computation	1	-
<b>Total income taxes expenses</b>	<b>755</b>	<b>762</b>

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## International Technegroup Incorporated

Notes to the special purpose standalone financial statements for the year ended 31 March 2024  
(Amount in '000 USD, except share and per share data, unless otherwise stated)

### 22 Related Party Relationships, Transactions and Balances

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

Name of the Party	Relationship with the company	Country of Incorporation
Wipro Limited	Ultimate Holding Company	India
Wipro IT Services LLC	Holding company	USA
Wipro Holdings Hungary Kft	Fellow Subsidiary	Hungary
Wipro Holdings Investment Kft	Fellow Subsidiary	Hungary
ITI Proficiency Limited	Subsidiary	Israel
Mechworks S.R.L.	Subsidiary	Italy
International Technegroup Limited	Subsidiary	UK
<b>Key managerial personnel</b>		
Srikant Godavarti	Director	
Rishabh Khemka	Director	

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

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Sales and services</b>		
Wipro Limited	2,508	1,854
ITI Proficiency Limited	22	824
International Technegroup Limited	297	458
<b>Subcontracting and technical fees</b>		
Wipro Limited	3,218	3,635
ITI Proficiency Limited	599	568
International Technegroup Limited	613	494
Wipro Travel Services Limited	-	592

iii) Closing balances with related parties

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Payables:</b>		
Wipro Limited	-	1,208
Wipro IT Services, Inc.	587	-
ITI Proficiency Limited	18	16
International Technegroup Limited	-	67
Wipro Travel Services Limited	-	1
<b>Receivables:</b>		
International Technegroup Limited	292	533
Wipro Limited	181	570
ITI Proficiency Limited	-	87

### 23 Commitments and contingencies

There are no contingent liabilities, capital and other commitments as at 31 March 2024 and 31 March 2023.

### 24 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.

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## International Technegroup Incorporated

### Notes to the special purpose standalone financial statements for the year ended 31 March 2024

(Amount in '000 USD, except share and per share data, unless otherwise stated)

#### 25 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
<b>Financial assets :</b>					
Investments	5	-	4,091	4,091	4,091
Trade receivables	8	-	4,198	4,198	4,198
Cash and cash equivalents	9	-	2,957	2,957	2,957
Unbilled revenues		-	2,029	2,029	2,029
<b>Total financial assets</b>		-	<b>13,275</b>	<b>13,275</b>	<b>13,275</b>
<b>Financial liabilities :</b>					
Trade payables	12	-	855	855	855
Other financial liabilities	13	-	15	15	15
<b>Total financial liabilities</b>		-	<b>870</b>	<b>870</b>	<b>870</b>

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
<b>Financial assets :</b>					
Investments	5	-	4,091	4,091	4,091
Trade receivables	8	-	4,233	4,233	4,233
Cash and cash equivalents	9	-	5,702	5,702	5,702
Unbilled revenues		-	1,658	1,658	1,658
<b>Total financial assets</b>		-	<b>15,684</b>	<b>15,684</b>	<b>15,684</b>
<b>Financial liabilities :</b>					
Trade payables	12	-	1,634	1,634	1,634
Other financial liabilities	13	-	118	118	118
<b>Total financial liabilities</b>		-	<b>1,752</b>	<b>1,752</b>	<b>1,752</b>

##### 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 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.

##### 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.



## International Technegroup Incorporated

### Notes to the special purpose standalone financial statements for the year ended 31 March 2024

(Amount in '000 USD, except share and per share data, unless otherwise stated)

#### 26 Financial risk management

##### 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.

<u>Risk</u>	<u>Exposure arising from</u>	<u>Measurement</u>
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.

##### Concentration Risk

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

	<u>Year ended</u> <u>31 March 2024</u>	<u>Year ended</u> <u>31 March 2023</u>
No of customers who owed more than 10% of the total receivables	3	3
Contribution of customers in owing more than 10% of total receivables	48%	57%

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## International Technegroup Incorporated

### Notes to the special purpose standalone financial statements for the year ended 31 March 2024

(Amount in '000 USD, except share and per share data, unless otherwise stated)

#### 26 Financial risk management (continued)

##### 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 tables below analyse 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.

As at 31 March 2024	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Trade payables	855	-	-	855
Other Financial liabilities	15	-	-	15
<b>Total</b>	<b>870</b>	<b>-</b>	<b>-</b>	<b>870</b>

As at 31 March 2023	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Trade payables	1,634	-	-	1,634
Other Financial liabilities	118	-	-	118
<b>Total</b>	<b>1,752</b>	<b>-</b>	<b>-</b>	<b>1,752</b>

##### 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 31 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 EUR, CAD, GBP. 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.

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**International Technegroup Incorporated**

**Notes to the special purpose standalone financial statements for the year ended 31 March 2024**

(Amount in '000 USD, except share and per share data, unless otherwise stated)

**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.

**28** Previous year's figure have been regrouped / rearranged wherever necessary to confirm to the current year's classification.

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As per our report attached

**For PKF Sridhar & Santhanam LLP**

**Chartered Accountants**

Firm Registration No.: 003990S/S200018



**Seethalakshmi M**

Partner

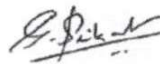
Membership No: 208545

Bengaluru  
31 May 2024



**For and on behalf of the Board of Directors**

International Technegroup Incorporated



**Srikant Godavarti**  
Director

Piano,Tx  
31 May 2024

*Rishabh Khemka*

**Rishabh Khemka**  
Director

Central Blvd,NY  
31 May 2024