

RIZING LANKA (PRIVATE) LIMITED
FINANCIAL STATEMENTS (USD)
TOGETHER WITH AUDITOR'S REPORT
FOR THE YEAR ENDED
31 MARCH 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RIZING LANKA (PRIVATE) LIMITED

Report on the audit of the financial statements

Opinion

We have audited the separate financial statements (herein after referred to as financial statements) of Rizing Lanka (Private) Limited ("the Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics for Professional Accountants* issued by CA Sri Lanka ("Code of Ethics"), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information generally comprises the information included in the Directors report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As management does not present any other information and we were not provided with any, we have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Sri Lanka Auditing Standards 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Company.

RIZING LANKA (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 USD	2023 USD
Revenue from contracts with customers	3	16,796,786	43,080,206
Direct costs	4.1	(11,076,108)	(25,725,466)
Gross profit		5,720,678	17,354,740
Distribution expenses	4.2	(501,983)	(868,284)
Administrative expenses	4.3	(2,636,638)	(11,218,482)
Other income / (loss)		7,304	(475,919)
Other gains / (losses) – net		(338,327)	89,529
Profit from operations	5	2,251,034	4,881,584
Finance cost	6	(176,940)	(165,897)
Profit before income tax		2,074,094	4,715,687
Tax expense	7.1	(10,300)	68,552
Profit for the year		2,063,794	4,784,239
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post employment benefit obligations - gratuity	18	(938)	(71,422)
Tax effect on actuarial gains on defined benefit plans	7.1	87	3,321
Other comprehensive income for the year, net of tax		(851)	(68,101)
Total comprehensive income for the year		2,062,942	4,716,137
Earnings per share for profits attributable to the ordinary equity holders of the Company			
Basic earnings per share	8	0.01	0.02

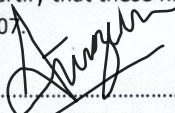


The accounting policies and notes from 1 to 29 form an integral part of these financial statements.

RIZING LANKA (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

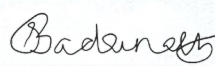
	Note	31.03.2024 USD	31.03.2023 USD
Assets			
Non-current assets			
Property, plant and equipment	9	125,205	284,931
Right of use of assets	11	253,928	423,213
Deferred tax assets	12	168,649	74,563
Investments in subsidiaries	13	9,907,297	9,907,297
Total non-current assets		<u>10,455,079</u>	<u>10,690,004</u>
Current assets			
Trade receivables	14	3,046,435	20,128,957
Contract assets	3.2	599,720	33,163
Other receivables	15	506,539	442,589
Prepayments	16	53,017	24,053
Cash and cash equivalents	17	7,849,790	1,675,249
Total current assets		<u>12,055,501</u>	<u>22,304,011</u>
Total assets		<u>22,510,580</u>	<u>32,994,015</u>
Equity and Liabilities			
Equity			
Stated capital	18	18,000,753	18,000,753
Accumulated profit / (losses)		864,693	(1,198,250)
Total equity		<u>18,865,446</u>	<u>16,802,503</u>
Non-current liabilities			
Leave Provision	21.3	204,566	147,255
Employee benefit obligations	19	1,363,112	1,175,003
Lease liabilities	20	-	98,561
Total non-current liabilities		<u>1,567,678</u>	<u>1,420,819</u>
Current liabilities			
Trade and other payables	21	1,787,876	14,543,213
Leave provision	21.3	73,721	22,998
Current tax payable		104,299	-
Contract liabilities	3.2	5,457	91,107
Lease liabilities	20	106,103	113,376
Total current liabilities		<u>2,077,456</u>	<u>14,770,694</u>
Total liabilities		<u>3,645,134</u>	<u>16,191,512</u>
Total Equity and Liabilities		<u>22,510,580</u>	<u>32,994,015</u>

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.

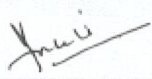


 Finance Director

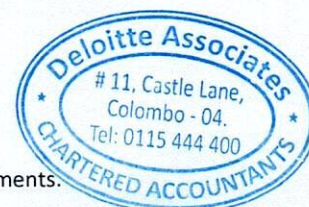
The Board of Directors is responsible for the preparation and presentation of these financial statements.
 Approved and signed for and on behalf of the Board of Directors on 31 May 2024.



 Director



 Director



The accounting policies and notes from 1 to 29 form an integral part of these financial statements.

**RIZING LANKA (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Stated capital USD	Accumulated gain/(loss) USD	Total equity USD
Balance at 1 April 2022		18,000,753	(6,133,946)	11,866,807
Adjustment for lease and ROU opening balances	21	-	219,558	219,558
Balance at 1 April 2022 as adjusted		18,000,753	(5,914,388)	12,086,365
Profit for the year		-	4,784,239	4,784,239
Other comprehensive income		-	(68,101)	(68,101)
Total comprehensive income for the year		<u>-</u>	<u>4,716,138</u>	<u>4,716,138</u>
Balance at 31 March 2023		<u>18,000,753</u>	<u>(1,198,250)</u>	<u>16,802,503</u>
Profit for the year		-	2,063,794	2,063,794
Other comprehensive income		-	(851)	(851)
Total comprehensive income for the year		<u>-</u>	<u>2,062,943</u>	<u>2,062,943</u>
Balance at 31 March 2024		<u>18,000,753</u>	<u>864,693</u>	<u>18,865,446</u>

The accounting policies and notes from 1 to 29 form an integral part of these financial statements.



RIZING LANKA (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 USD	2023 USD
Profit before income tax		2,074,094	4,715,686
<i>Adjustment for:</i>			
Depreciation	9	163,519	170,703
Amortisation	10 & 11	169,285	225,608
Lease Interest	19	18,369	27,255
Provision for retirement benefit	18	257,096	235,490
Loss on disposal of property, plant and equipment		-	456,466
Provision for Leave		118,908	-
Net exchange differences	22.1	122,766	(214,152)
Operating profit before working capital changes		<u>2,924,037</u>	<u>5,617,056</u>
Changes in working capital			
Decrease / (Increase) in trade and other receivables		16,423,053	(12,591,209)
(Decrease) / Increase in trade and other payables		<u>(12,840,987)</u>	<u>7,923,175</u>
Cash generated from operations		6,506,103	949,022
Retirement benefits obligations paid	18	(167,741)	(180,082)
Leave provision paid		(25,974)	-
Net cash inflow from operating activities		<u>6,312,388</u>	<u>768,940</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(3,794)	(201,594)
Proceeds from disposal of property, plant and equipment		-	3,703
Net cash outflow used in investing activities		<u>(3,794)</u>	<u>(197,891)</u>
Cash flows from financing activities			
Lease rentals paid	19	(134,053)	(112,997)
Net cash outflow used in financing activities		<u>(134,053)</u>	<u>(112,997)</u>
Net increase in cash and cash equivalents		6,174,541	458,052
Cash and cash equivalents at beginning of year	22.2	1,675,249	1,217,197
Cash and cash equivalents at end of year	22.3	<u>7,849,790</u>	<u>1,675,249</u>

The accounting policies and notes from 1 to 29 form an integral part of these financial statements.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. General information

1.1 Legal and domicile form

Rizing Lanka (Pvt) Ltd) is a limited liability Company incorporated and domiciled in Sri Lanka. The Company was incorporated and registered in Sri Lanka on 1 April 2002, under the Companies Act, No. 17 of 1982, as a Private limited liability Company and re-registered under the Companies Act, 07 of 2007.

The registered office and principal place of business of the Company is located at No. 19, Dudley Senanayake Mw, Colombo 8, Sri Lanka.

1.2 Principal activities and nature of operations

Rizing Lanka (Private) Limited is a leading global software solution provider, serving entirely towards companies operating in the sports, apparel, footwear fashion and consumer industry using SAP business solutions as well as providing appropriate customized developments and training to operate the solutions.

1.3 Parent entity

The Company is a fully owned subsidiary of Rizing Intermediate Holding Inc and the ultimate controlling party of the group is Wipro Limited, India. (Wipro Limited has acquired 100% of the issued shares in Rizing Intermediate Holding Inc. which is the immediate parent Company of Rizing Lanka (Private) Limited on the 20 May 2022).

1.4 Date of authorisation for issue

The financial statements were authorised for issue by the Board of Directors on 31 May 2024.

2. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out hereunder. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

Compliance with Sri Lanka Accounting Standards (SLFRS)

The statement of financial position, total comprehensive income, changes in equity, cash flow and notes together with the summary of material accounting policies (being the "Separate Financial Statements" herein referred as "Financial statements") of the Company have been prepared in accordance with Sri Lanka Accounting Standards comprising of SLFRS and LKAS commonly referred to as SLFRS and in compliance with the requirements of the Companies Act No. 07 of 2007.

The financial statements have been prepared on the historical cost basis, except for the gratuity planned asset is measured at fair value, and retirement benefit obligation is measured at the present value, Trade receivables are valued net of bad debt allowances, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (contd)

2.1 Basis of preparation - (contd.)

Compliance with Sri Lanka Accounting Standards (SLFRS) (contd.)

The Company does not prepare consolidated financial statements since Wipro Limited being the ultimate parent of Rizing Lanka (Private) Limited consolidates its subsidiary companies including Rizing Lanka for the financial period ended 31 March 2024 and prepares consolidated financial statements under International Financial Reporting Standards and its interpretation Accounting Standards as issued by the International Accounting Standards Board which are converged with SLFRS/LKAS.

Wipro Limited is incorporated in India - Bangalore and it is listed on the National Stock Exchange and Bombay Stock Exchange in India and New York Stock Exchange in the US. Their financial statements can be obtained from the below provided website link.

<https://www.wipro.com/investors/annual-reports/>

2.2 Foreign currency translations

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the monthly exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss. Monetary assets and liabilities appearing in the statement of financial position are translated at year end exchange rate.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalent are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within "Other gains (losses) – net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (contd)

2.3 Revenue recognition

(i) Recognising revenue from major business activities

Revenue is recognised for the major business activities using the methods outlined below.

Sale of services

The Company provides services under fixed-price and variable price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the percentage of completion as at the end of the reporting period. For variable price contracts, revenue is recognised based on the actual service provided to the end of the reporting period. This is determined based on the actual labour hours spent in relation to the service provided.

Revenue from consultancy fees on SAP customization comprise of revenue earned from the services provided to related companies during the period. Related party revenue is based on interCompany agreements and main services are IT Consulting services. IT Consulting services includes onsite/ off site consultations, manage accelerated implementations, support services and customer support and general administration.

In addition to inter-Company revenue, revenue from implementations, managed services, non SAP, licenses and reimbursements are the other revenue types which contributed to the Company's total revenue.

Provision of IT consulting services to interCompany entities undertake as per the agreed terms where the margins are determined being in line with the group transfer pricing policy maintained by Wipro Limited. A margin of 8% on the fully loaded cost is maintained across all the companies.

(ii) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

(iii) Other income

Other income is recognised on an accrual basis. Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (contd)

2.4 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current tax

Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and amendment thereto. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

A deferred tax asset or liability is recognised for tax recoverable or payable in future periods as a result of past transactions or events. Deferred tax arises from differences (known as temporary differences) between the carrying amounts of assets and liabilities in the statement of financial position and their corresponding tax bases. The tax bases of assets are determined by the consequences of sale of the assets.

Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future except those associated with goodwill. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future and any unused tax losses.

Deferred tax assets are measured at the highest amount that is more likely than not to be recovered, based on current or estimated future taxable profit. The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which management expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (contd)

2.5 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company leases offices and the contracts are typically entered into for a term of more than 12 months.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rates mentioned in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (Contd)

2.5 Leases - (contd.)

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options

Extension and termination options are included in the leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the lessor and not by the Company.

2.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (contd)

2.7 Trade receivables

Trade and other receivables are stated at the amounts they are estimated to realise net of impairment. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Classification as trade and other receivables

Trade receivables are amounts due from SBUs for services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts are expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore all are classified as current. The Company's impairment and other accounting policies for trade and other receivables are outlined in notes 17 (h) .

(ii) Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

2.8 Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (contd)

2.8 Investments and other financial assets (contd.)

(ii) Reclassification

The Company may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Company may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Company has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

(iii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iv) Measurement

- Initial measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

- Subsequent measurement - Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (Contd)

2.8 Investments and other financial assets (contd.)

(iv) Measurement - (contd.)

- ☐ **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- ☐ **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- ☐ **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

- Subsequent measurement - Equity instruments

The Company subsequently measures all equity investments at cost less impairment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments are established.

Impairment losses (and reversal of impairment losses) on equity investments measured at cost are recognised in profit or loss.

(v) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (Contd)

2.9 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used for more than a year.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

● Computers	3 Years
● Communication equipment	5 Years
● Office equipment	5 Years
● Furniture and fittings	5 Years
● Plant and machinery	10 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (contd)

2.14 Employee benefits

2.14.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2.14.2 Defined benefit plan - gratuity

A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that which have terms to maturity approximating to the terms of the related pension obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and included in employee benefit expense in the profit or loss.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past service costs are recognised immediately in the income.

Gains and losses on remeasurement and changes in assumptions are charged or credited to equity in other comprehensive income for the period in which they arise.

The assumptions based on which the results of the valuation was determined, are included in Note 5 (e) to the financial statements.

2.14.3 Defined contribution plan

For defined contribution plans, such as the Employees' Provident Fund and Employees' Trust Fund, the Company contributes 12% and 3% respectively, of the employees' basic or consolidated wage or salary. The Company has no further payment obligations once the contributions have been paid. The Company and the employees are members of these defined contribution plans.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (contd)

2.14 Employee benefits - (contd.)

2.14.4 Termination benefits

Termination benefits are payable whenever an employee's service is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognised termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The termination benefits include the gratuity payment along with the annual leave encashment which is paid based on the number of annual leave accumulated till the date of resignation.

2.14.5 Leave encashment

Leave unutilised by an eligible employee may be carried forward up to 28 days. Encashment will be maximum of 28 days by them / their nominees in the event of death or permanent disablement or resignation. The liability recognised in the statement of financial position in respect of leave encashment is the present value of the leave encashment obligation at the end of the reporting period. These encashment obligations are calculated annually by independent actuaries.

2.15 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.16 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.17 Going concern

Whilst preparing the financial statements the Directors have assessed the ability of the Company to continue as a going concern. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company does not foresee a need for liquidation or cessation of trading, taking into account all available information about the future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Summary of material accounting policies (contd)

2.18 Cash flow statement

The cash flow statement is prepared using the indirect method in accordance with LKAS No. 7 - Statement of Cash Flows.

2.19 Critical Judgment and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with Sri Lanka Accounting Standards (SLFRS) requires the management to make judgments, estimates, and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances and assumptions based on such knowledge and expectation of future events. Hence, actual experience and results may differ from these judgments and estimates. Please refer note 23.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

(In the notes all amounts are shown in United States Dollars unless otherwise stated)

3. Revenue from contracts with customers

The Company generates the following types of revenue:

	2024	2023
	USD	USD
Consultancy fees on SAP customization	16,777,528	43,076,496
Revenue - others	19,258	3,710
Total revenue	<u>16,796,786</u>	<u>43,080,206</u>

3.2 Contract assets / (contract liabilities)

The Company has recognised the following assets and liabilities related to contracts with customers:

	2024	2023
	USD	USD
Contract assets (unbilled revenue)	599,720	33,163
Contract liabilities (deferred revenue)	5,457	91,107

Contract liability at the beginning of the year has been fully recognized to revenue during the year and ending balance is realised to revenue within a year.

4. Expenses

4.1 Direct costs

Staff related costs	7,751,888	8,332,401
Intercompany costs	345,807	13,617,338
Subcontractor costs	2,403,545	2,695,969
Travel and transport expenses	51,767	892,034
Customer and internal project related expenses	253,504	106,045
Communication expenses	-	69,578
Other direct expenses	269,597	12,101
	<u>11,076,108</u>	<u>25,725,466</u>

4.2 Distribution expenses

Staff related costs	433,173	754,944
Travel and transport expenses	63,922	99,766
Bad debt provision / (reversals)	-	(2,161)
Other expenses	4,888	15,735
	<u>501,983</u>	<u>868,284</u>

4.3 Administrative expenses

Staff related costs	1,512,412	1,685,761
Intercompany costs	-	2,703,936
Professional and legal fees	49,460	5,427,972
Travel and transport expenses	55,574	244,563
Depreciation and amortization	332,804	396,271
Maintenance expense	118,938	416,999
Other expense	567,450	342,980
	<u>2,636,638</u>	<u>11,218,482</u>



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. Profit from operations is stated after charging / (crediting) the following

		2024	2023
		USD	USD
Employee benefit expenses	Note 5.1	9,489,312	10,374,713
Audit fees		5,050	3,625
Depreciation and amortization		332,804	396,271
Provision / (reversal) for impairment for trade receivables		-	(2,161)

5.1 Employee benefit expenses

Salaries	8,317,336	7,357,700
Bonus	372,591	2,165,349
Defined benefit obligations (gratuity)	98,524	96,848
Defined contribution plans (EPF and ETF)	581,953	579,121
Leave provision	118,908	175,695
	<u>9,489,312</u>	<u>10,374,713</u>

6. Finance income and costs - net

Finance costs:

Interest expense on leases	18,369	27,255
Interest expense on gratuity	158,571	138,642
Finance costs	<u>176,940</u>	<u>165,897</u>

7. Tax expense

This note provides an analysis of the Company's income tax expense, shows what amounts are recognised directly in profit or loss and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

7.1 Income tax expense

	2024	2023
	USD	USD
Current tax		
Current income tax on profits for the year	104,299	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	<u>104,299</u>	<u>-</u>
Deferred tax		
Increase in deferred tax assets- OCI	(87)	(3,321)
Increase in deferred tax assets- P & L	(93,999)	(68,552)
Total deferred tax expense / (benefit)	<u>(94,086)</u>	<u>(71,873)</u>
Income tax expense	<u>10,300</u>	<u>(68,552)</u>



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. Tax expense - (contd.)

7.2 Numerical reconciliation of income tax expense to prima facie tax payable

	2024	2023
	USD	USD
Profit / (loss) from operations before income tax expense	2,074,094	4,715,687
- Expenses not deductible for tax purposes	1,398,982	9,937,335
- Expenses deductible for tax purposes	(1,054,174)	(2,495,969)
- Income not subject to tax	Note 7.3 (1,671,788)	(12,143,767)
- Income subject to tax	747,114	13,286
- Carried forward business loss set-off	(399,452)	(13,286)
- Total assessable income from business	347,662	-
Tax rates	30%	30%
Total current tax expense	104,299	-

7.3 Applicability of tax rates

Profits earned by providing services which are utilized outside Sri Lanka (As per Para u (iii) of the Third Schedule of Inland revenue Act No 24 of 2017) are exempted from income tax. All other income including assessable charges are liable at 30%.

7.4 Deferred tax expense / provision

In accordance with proposed changes to the Inland Revenue Act No 24 of 2017, the exemption applicable for IT and enabled services will be removed thus with effect from 01.04.2023 the local profits earned by the company will be liable for Income tax at 30%. Current period 30.88% revenue from local profits hence the effective tax rate for Deferred tax is 9.27% (30.88%*30%).

8. Earnings per share

Earnings per share is calculated by dividing the net profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the year and is calculated as follows;

	2024	2023
Profits attributable to ordinary shareholders of the Company	2,063,794	4,784,239
Weighted average number of ordinary shares	241,327,550	241,327,550
Basic earnings per share (USD)	0.01	0.02

The diluted earnings per share is equal to the basic earnings per share.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

9. Property and equipment

	Computers and communication equipment	Furniture and fittings	Machinery	Total
	USD	USD	USD	USD
Cost				
Balance as at 01/04/2022	1,139,190	528,725	18,926	1,686,841
Additions during the year	201,488	106	-	201,594
Disposals during the year	(481,208)	(21,109)	-	(502,317)
Balance as at 31/03/2023	859,470	507,722	18,926	1,386,118
Additions during the period	3,794	-	-	3,794
Disposals/write off during the period	(5,220)	(2,551)	-	(7,771)
Balance as at 31/03/2024	858,044	505,171	18,926	1,382,141
Accumulated depreciation				
Balance as at 01/04/2022	894,320	520,066	17,133	1,431,519
Charged during the period	167,327	3,021	356	170,704
Removed during the period	(479,927)	(21,109)	-	(501,036)
Balance as at 31/03/2023	581,720	501,978	17,489	1,101,187
Charged during the period	160,845	2,378	297	163,519
Depreciation on disposals/write-offs	(5,220)	(2,551)	-	(7,771)
Balance as at 31/03/2024	737,345	501,805	17,786	1,256,935
Net book value				
At 31 March 2023				
Cost	859,470	507,722	18,926	1,386,118
Accumulated depreciation	(581,720)	(501,978)	(17,489)	(1,101,187)
Net book amount	277,750	5,744	1,437	284,931
At 31 March 2024				
Cost	858,044	505,171	18,926	1,382,141
Accumulated depreciation	(737,345)	(501,805)	(17,786)	(1,256,936)
Net book amount	120,699	3,366	1,140	125,205

Property, plant and equipment include fully depreciated assets with a cost of USD 887,166 still in use as at 31 March 2024.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Intangible assets

	Computer Software USD
Cost	
Balance as at 01/04/2022	2,946,259
Disposal / write-off of assets	<u>(2,946,259)</u>
Balance as at 31/03/2023	-
Disposal / write-off of assets	<u>-</u>
Balance as at 31/03/2024	<u>-</u>
 Amortization	
Balance as at 01/04/2022	2,431,049
Charged during the year	56,323
Disposals / write-offs	<u>(2,487,372)</u>
Balance as at 31/03/2023	-
Charged during the year	<u>-</u>
Balance as at 31/03/2024	<u>-</u>
 Carrying value	
Carrying value as at 31/03/2023	<u>-</u>
Carrying value as at 31/03/2024	<u>-</u>

11. Right-of-use assets

	Building USD
Cost	
Balance as at 01/04/2022	<u>357,640</u>
Adjustment	488,786
Balance as at 01/04/2022	846,426
Additions during the year	-
Balance as at 31/03/2023	<u>846,426</u>
Additions during the year	-
Balance as at 31/03/2024	<u>846,426</u>
 Depreciation	
Balance as at 01/04/2022	<u>175,584</u>
Adjustment	78,344
Balance as at 01/04/2022 - Adjusted	253,928
Charged during the year	169,285
Balance as at 31/03/2023	<u>423,213</u>
Charged during the year	169,285
Balance as at 31/03/2024	<u>592,498</u>
 Carrying value	
Carrying value as at 31/03/2023	<u>423,213</u>
Carrying value as at 31/03/2024	<u>253,928</u>



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

	31.03.2024 USD	31.03.2023 USD
12. Deferred tax asset		
Balance at the beginning of the year	74,563	-
Deferred tax expense -Reversal	94,086	71,873
Foreign exchange difference	-	2,690
Balance at the end of the year	168,649	74,563

The deferred tax liability is arrived at by applying the effective income tax rate of 9.27% applicable for the year of assessment 2023/2024 to the temporary difference as at 31 March 2024.

				31.03.2024 USD	31.03.2023 USD
Asset/ Liability	Accounting base	Tax base	Temporary difference	Deferred tax asset/ (liability)	Deferred tax asset/ (liability)
Provision for Gratuity	1,363,112	-	1,363,112	126,305	54,638
Provision for Bonus	350,474	-	350,474	32,475	29,353
Provision for Leave provision	278,287	-	278,287	25,786	7,917
Property Plant & Equipment	125,205	101,250	(23,955)	(2,220)	(6,331)
ROU	147,825	-	(147,825)	(13,697)	(9,824)
	2,264,903	101,250	1,820,093	168,649	74,563

13. Investments in subsidiaries

Investments in subsidiaries in this separate financial statements are measured at cost less accumulated impairment provision.

	31.03.2024 USD	31.03.2023 USD
At the beginning of the year	9,907,297	9,907,297
Additional investments during the year	-	-
At the end of the year	9,907,297	9,907,297

Name of Company	Percentage holding		Value
	31.03.2024	31.03.2023	31.03.2024 USD
Rizing Netherlands B.V.	100%	100%	9,907,297

Details of the principal activities of the subsidiary are set out below;

Name of the subsidiary	Principal activities	Country of incorporation and place of business
Rizing Netherlands B.V. (Formerly known as Attune Netherlands B.V.)	Investment holding company of Attune subsidiaries	Herikerbergweg 88, Jupiter Building, 1101 CM Amsterdam



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

		31.03.2024	31.03.2023
		USD	USD
14. Trade receivables			
Amounts due from related parties	Note 14.1	1,966,163	19,439,180
Trade receivables - Others		1,080,272	689,777
Less: Loss allowance	Note 14.2	-	-
		1,080,272	689,777
		3,046,435	20,128,957
14.1 Amounts due from related parties			
Attune UK Ltd		887	233,426
Rizing Consulting Pty Ltd		6,576	10,734,906
Rizing Consulting USA, Inc		1,025,057	8,190,047
Rizing Germany Gmbh		464,108	27,485
Rizing LLC		387,477	230,639
Rizing Philippines Inc		1,498	19,317
Rizing Pte Ltd		488	3,360
Rizing Sdn Bhd		23	-
Rizing Solutions Canada Inc		19,018	-
Rizing Solutions Pty Ltd		6,390	-
Wipro Limited India		54,641	-
		1,966,163	19,439,180
14.2 Loss allowance			
Opening balance		-	2,161
Provision / (reversals) during the year		-	(2,161)
Closing balance		-	-
15. Other receivables			
		31.03.2024	31.03.2023
		USD	USD
Deposits and advances		22,362	22,881
Other receivables		484,177	419,708
		506,539	442,589
16. Prepayments			
		31.03.2024	31.03.2023
		USD	USD
Prepayments		53,017	24,053
		53,017	24,053
17. Cash and cash equivalents			
Cash at bank consists of current account balances held at local banks.			
		31.03.2024	31.03.2023
		USD	USD
Cash at bank			
Hongkong and Shanghai Bank - LKR		477,316	974,960
Hongkong and Shanghai Bank - FCBU - USD		6,769,612	370,377
Hongkong and Shanghai Bank - FCBU - GBP		-	14
Hongkong and Shanghai Bank - FCBU - EURO		602,862	329,898
		7,849,790	1,675,249



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

18. Stated capital

	Value of shares
At 31 March 2023	18,000,753
At 31 March 2024	18,000,753

(i) Movements in ordinary shares:

	2024			2023	
	Class - A	Class - B	Total	Class - A	Class - B
Number of shares	241,319,050	8,500	241,327,550	241,319,050	8,500
Closing number of shares	241,319,050	8,500	241,327,550	241,319,050	8,500
Value of shares (USD)	18,000,000	753	18,000,753	18,000,000	753
Total value of shares (USD)	18,000,000	753	18,000,753	18,000,000	753

(ii) Ordinary shares

Class - A and Class - B shares rank pari passu in all respect except regarding voting rights. Class A shares are entitled for voting rights and Class B share are not entitled for voting rights.

Ordinary shares are entitled to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

19. Employee benefit obligations

	31.03.2024	31.03.2023
	USD	USD
Post-employment benefits (gratuity)	1,363,112	1,175,003
	1,363,112	1,175,003

The amounts recognised in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:

	31.03.2024	31.03.2023
	USD	USD
Opening balance at 1 April	1,175,003	1,221,859
Current service cost	98,524	96,848
Interest cost	158,572	138,642
Total amount recognised in profit or loss	257,096	235,490
Re-measurements		
- (Losses) / gains from change in financial assumptions	938	71,422
- Experience (gains) / losses	-	-
Total amount recognised in other comprehensive income	938	71,422
Currency translation difference	97,816	(173,686)
Benefit payments	(167,741)	(180,082)
Transfer to / (from) related companies	-	-
Closing balance at 31 March	1,363,112	1,175,003



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. Employee benefit obligations - (contd.)

19.1 Significant estimates: actuarial assumptions and sensitivity

19.1.1 Actuarial assumptions

The gratuity liability of the company is based on an actuarial valuation carried out by Messrs. KP Actuaries and Consultants LLP, as at 31 March 2024 whose principal place of the business is located at Unit - 608, Time tower, MG road, Gurugram, Haryana, India. The principle actuarial valuation assumptions used were as follows;

	31.03.2024	31.03.2023
Discount rate	12.5% p a	13.82% p a
Retirement age	60 years	60 years
Mortality rate	100% (GA 1983 mortality table)	100% (GA 1983 mortality table)
Salary growth rate	10.1% p.a.	9.08% p.a.
Attrition rate	18.5% p.a.	8% p.a.

19.1.2 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	31.03.2024 USD	31.03.2023 USD
Discount Rate as at 31 March		
Effect on DBO due to a change in the discount rate by 1%	(51,939)	(73,672)
Effect on DBO due to a change in the discount rate by -1%	55,867	82,098
Salary growth rate as at 31 March		
Effect on DBO due to a change in the salary growth rate by 1%	71,674	85,050
Effect on DBO due to a change in the salary growth rate by -1%	(67,351)	(77,371)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the employee benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

19.2 Risk exposure

The Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields	A decrease in government bond yields will increase plan liabilities.
Inflation risks	The Company's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).
Life expectancy	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

20. Lease liabilities

		31.03.2024 USD	31.03.2023 USD
Balance as at the beginning of the year		211,937	144,571
Adjustment	Note 21	-	190,885
Balance as at the beginning of the year - adjusted		<u>211,937</u>	<u>335,455</u>
New leases obtained		-	-
Interest charge		18,369	27,255
Leases paid		(134,053)	(112,997)
Exchange difference		9,850	(37,776)
Balance as at the end of the year		<u>106,103</u>	<u>211,937</u>
Lease liabilities			
Current		106,103	98,561
Non-current		-	113,376
		<u>106,103</u>	<u>211,937</u>

20.1 Undiscounted future lease payments

	31.03.2024 USD	31.03.2023 USD
Operating lease liability		
Less than 1 year	110,509	102,654
1 year to 5 years	-	131,398
	<u>110,509</u>	<u>234,052</u>

20.2 Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	31.03.2024 USD	31.03.2023 USD
Depreciation charge of right-of-use assets	169,285	169,285
Interest expense (included in finance cost)	18,369	27,255

21. Trade and other payables

	Note	31.03.2024 USD	31.03.2023 USD
Amounts due to related companies		108,434	11,798,819
Trade payables - other		74,655	116,389
Payroll tax and other statutory liabilities		997,527	853,599
Staff bonus payable		350,474	631,251
Other payables		256,786	1,143,153
		<u>1,787,876</u>	<u>14,543,212</u>



Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

21. Trade and other payables

21.1 Amounts due to related companies

	31.03.2024 USD	31.03.2023 USD
Attune UK Limited	-	1,751,656
Attune Italia S.R.L	-	1,457,732
Attune Consulting India (Private) Limited	67,268	1,787,173
Rizing Management LLC	-	946,406
Rizing Netherlands B.V	-	197,781
Rizing LLC	23,110	4,466,427
Rizing Consulting Pty Ltd	7,132	1,194,661
Attune Australia Pty. Limited	-	(10,951)
Rizing Sdn Bhd	10,924	-
Rizing Germany GmbH	-	7,935
	<u>108,434</u>	<u>11,798,819</u>

21.2 Staff bonus payable

	31.03.2024 USD	31.03.2023 USD
Opening provision	631,251	324,698
Provision for the period	372,591	2,050,035
Payments	(653,368)	(1,743,482)
Closing balance	<u>350,474</u>	<u>631,251</u>

21.3 Leave provisions

	31.03.2024 USD	31.03.2023 USD
Opening provision	170,253	-
Provisions for the period	118,908	175,695
Payments	(25,974)	(23,793)
Exchange differences	15,100	18,351
Closing balance	<u>278,287</u>	<u>170,253</u>
Leave provision		
Current	73,721	22,998
Non current	204,566	147,255
	<u>278,287</u>	<u>170,253</u>

Actuarial assumptions

The gratuity liability of the Company is based on an actuarial valuation carried out by Messrs. KP Actuaries and Consultants LLP, as at 31 March 2024 whose principal place of the business is located at Unit - 608, Time tower, MG road, Gurugram, Haryana, India. The principle actuarial valuation assumptions used were as follows;

	31.03.2024	31.03.2023
Discount rate	12.5% p a	13.82% p a
Retirement age	60 years	60 years
Mortality rate	100% (GA)	100% (GA)
Salary growth rate	1983 mortality	1983 mortality
Attrition rate	10.1% p.a.	9.08% p.a.
	18.5% p.a.	8% p.a.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

21. Trade and other payables - (contd.)

21.3 Leave provision - (contd.)

The sensitivity of the Earned Leave Plan to changes in the weighted principal assumptions is:

	2024 USD	2023 USD
Discount Rate as at 31 March		
Effect on ELP due to a change in the discount rate by 1%	(10,208)	(10,232)
Effect on ELP due to a change in the discount rate by -1%	10,208	10,232
Salary growth rate as at 31 March		
Effect on ELP due to a change in the salary growth rate by 1%	13,870	12,231
Effect on ELP due to a change in the salary growth rate by -1%	(13,048)	(11,094)

22. Current Tax payable

	31.03.2024 USD	31.03.2023 USD
Payable balance at the beginning of the year	-	-
Provisions for the year	104,299	-
	<u>104,299</u>	<u>-</u>
Payments made during the year	-	-
Balance at the end of the year	<u>104,299</u>	<u>-</u>

22. Adjustments

The lease liability and the right of use asset was understated due to an error in the present value computation. The error was immaterial to the financial statements hence no restatement was made. Rectifications were made in the prior financial year (YE 31.03.2023).

	31.03.2024 USD	31.03.2023 USD
Adjustment done to opening balance of Right of use asset - Cost	-	488,786
Adjustment done to opening balance of Right of use asset - Accumulated Depreciation	-	(78,344)
Adjustment done to opening balance of Lease liability	-	(190,885)
Adjustment done to opening balance of retaining earnings	-	(219,558)
	<u>-</u>	<u>-</u>

23. Notes to cash flow statement

23.1 Net Exchange difference

	31.03.2024 USD	31.03.2023 USD
Employee benefit obligations	97,816	(173,686)
Lease liabilities	9,850	(37,776)
Leave Provisions	15,100	-
Deferred Assets	-	(2,690)
	<u>122,766</u>	<u>(214,152)</u>

23.2 Cash and cash equivalents at beginning of year

Cash at bank	1,675,249	1,217,197
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23.3 Cash and cash equivalents at end of year

Cash at bank	7,849,790	1,675,249
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RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

23. Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in the respective notes in these financial statements together with information about the basis of calculation for each affected line items. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

(a) Significant estimates and judgements

The areas involving significant estimates or judgements are:

Notes to the financial statements

- Estimated useful life of intangible assets	Note 10
- Estimated useful life of property, plant and equipment	Note 9
- Estimation of defined benefit obligations	Note 19
- Assessment of impairment of investment in subsidiaries	Note 13

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(b) Retirement benefit obligations

The present value of the defined retirement benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefit plan include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit plan. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit plan. In determining the appropriate discount rate, the Company considers the yield rates of government bonds that are denominated in the currency in which the benefits will be paid and that which have terms to maturity approximating the terms of the related employee benefit obligations.

(c) Provisions

The Company recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each balance statement of financial position and adjusted to reflect the Company's current best estimate.

(d) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on the management's view of the expected outcome of the applicable contingency. The Company consults with legal counsels (lawyers) on matters related to litigation and other experts both within and outside the Company with respect to matters in the ordinary course of business.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. Financial risk management

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance. Current year profit or loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in (presentation currency) units.	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Credit risk	Cash and cash equivalents, trade receivables	Aging analysis Credit ratings	Diversification of bank deposits, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

(a) Market risk

(i) Foreign exchange risk

The Company is sensitive to the fluctuations in exchange rates and is principally exposed to fluctuations in the value of the US Dollar (USD) against the Euro (EUR), the UK Pound (GBP), the Sri Lankan Rupee (LKR), the Indian Rupee (INR), and the Australian Dollar (AUD). The Company's functional currency is USD in which most of the transactions are carried out, and all other currencies are considered foreign currencies for reporting purposes. Certain bank balances, trade and other receivables, trade and other payables and borrowings are denominated in foreign currencies. Foreign currencies are used to settle purchases of services and certain other expenses.

The Company's financial statements which are presented in US Dollars (USD), are affected by foreign exchange fluctuations through both translation risk and transaction risk. Changes in foreign currency exchange rates may affect the Company's pricing of services sold and purchases made in foreign currencies. In particular, strengthening of the certain currencies against the US Dollar can have adverse effects on the Company's operating results.

Exposure

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in (USD) currency units, was as follows:

	31.03.2024 USD	31.03.2023 USD
Trade receivables		
US Dollars (reporting currency)	1,080,272	630,218
Sri Lankan rupees	-	59,559
	<u>1,080,272</u>	<u>689,777</u>



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. Financial risk management (contd)

(a) Market risk (contd)

(i) Foreign exchange risk (contd)

Exposure (contd)

	31.03.2024 USD	31.03.2023 USD
<i>Amounts due from related companies</i>		
Australian Dollars	-	261,529
Euro	-	10,692,816
UK Pounds	-	33,792
US Dollars (reporting currency)	1,966,163	8,451,043
	<u>1,966,163</u>	<u>19,439,180</u>

The Company's principal subsidiaries at 31 March 2024 are disclosed in Note 26.1. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

	31.03.2024 USD	31.03.2023 USD
<i>Trade payables</i>		
US Dollars (Reporting currency)	47,591	100,192
Sri Lankan Rupees	(8,455)	16,197
Euro	35,519	
	<u>74,655</u>	<u>116,389</u>
<i>Amounts due to related companies</i>		
Australian Dollars	7,133	29,868
UK pounds	-	2,816,786
Malaysian Ringgit	10,924	-
Euro	-	1,424,173
US Dollars (reporting currency)	90,378	5,423,249
Indian Rupees	-	2,104,743
	<u>108,434</u>	<u>11,798,819</u>

During the year, the following foreign-exchange related amounts were recognised in profit or loss :

	2024 USD	2023 USD
Net foreign exchange gain / (loss) included in other gains / (losses)	(338,327)	89,529
Total net foreign exchange gain recognised in profit before income tax for the year	<u>(338,327)</u>	<u>89,529</u>

(ii) Cash flow and fair value interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates.

Exposure

The company is not exposed to market interest rate as the company does not have borrowings during 2024



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. Financial risk management (contd)

(b) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried out at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

If trade customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

(ii) Impairment of financial assets

The Company has following financial assets that are subject to the expected credit loss model:

- trade receivables from the provision of consulting services

The Company holds the following financial assets:

	Note	31.03.2024 USD	31.03.2023 USD
Financial assets			
Financial assets at amortised cost			
Trade receivables	14	3,046,435	20,128,957
Other financial assets at amortised cost	15	506,539	442,589
Cash and cash equivalents	17	7,849,790	1,675,249
		<u>11,402,764</u>	<u>22,246,796</u>

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

The implication on transition to IFRS 9 as a result of applying the expected credit risk model was immaterial.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company applies the IFRS 9 simplified approach where for receivables with no significant financing component, which means generally with less than 12 months life, an entity can directly calculate life time expected losses. This means entities do not compute 12 month expected credit losses (ECL), but simply recognize lifetime expected losses upfront. Entity may use provision matrix to calculate ECL. The norms are revisited every year and the number of invoices are considered from the date of the invoice.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. Financial risk management (contd)

Provision matrix for accounts receivables

Ageing	Expected default rate based on past trend
1 - 180 days	NIL
181 - 360 days	35%
> 360 days	100%

Age analysis of trade receivables is given below.

	Trade receivables	
	Related party receivable	Other receivables
1 - 180 days	1,966,163	1,080,272
181 - 360 days	-	-
> 360 days	-	-
Total	1,966,163	1,080,272
Loss allowance	-	-

On that basis, the loss allowance as at 31 March 2024 was not determined as follows no any receivables exceeding 180 days

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indications that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of more than 180 days from the date of the invoice. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(iii) Credit quality

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	31.03.2024	31.03.2023
	USD	USD
Counterparties without external credit rating *		
Group 1	-	-
Group 2	1,080,272	689,777
Group 3	-	-
Total trade receivables	1,080,272	689,777

- * ● Group 1 – new customers (less than 6 months)
- Group 2 – existing customers (more than 6 months) with no defaults in the past
- Group 3 – existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Other receivables

Related parties **	1,966,163	19,439,180
Receivables from one-off transactions with third parties		
- Other third parties ***	-	-
	1,966,163	19,439,180



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. Financial risk management (contd)

Cash at bank and short-term bank deposits

		31.03.2024	31.03.2023
		USD	USD
Bank	Credit rating (Fitch)		
HSBC	AAA(Ika)	7,849,790	1,675,249
Standard Chartered Bank	AAA(Ika)	-	-
Peoples Bank	AA-(Ika)	-	-
		7,849,790	1,675,249

** None of the amounts receivable from related parties are past due or impaired and repayments have been received regularly and on time historically.

*** The Company has procedures in place to assess whether to enter into one-off transactions with third parties, including mandatory credit checks.

The Company has procedures in place to assess whether to enter into once-off transactions with third parties, including mandatory credit checks.

(iv) Impaired trade receivables

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is an objective evidence that an impairment has incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The Company considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 60 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	2024	2023
	USD	USD
At 1 April	-	-
Increase (decrease) in loss allowance	-	-
Receivables written off during the year as uncollectible	-	-
At 31 March	-	-

During the year, the following losses (gains) were recognised in profit or loss in relation to impaired receivables.

	2024	2023
	USD	USD
Impairment losses		
- Impairment recognised / (reversed) in profit or loss	-	-



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. Financial risk management (contd)

(v) Past due but not impaired

As at 31 March 2024 and 31 March 2023 there are no trade receivables that are past due and not impaired. All past due receivables were impaired based on the company impairment policy.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Company does not hold any collateral in relation to these receivables.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating of the Company in accordance with practice and limits set by the Company. These limits vary by location to take 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.

(i) Financing arrangements

The Company hasn't had any borrowing facilities at the end of March 2024

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

	Less than 6 months	6 – 12 months	Over 1 year	Total contractual cash flows	Carrying amount liabilities
	USD	USD	USD	USD	USD
At 31 March 2023					
Trade payables	116,389	-	-	116,389	116,389
Loans from related parties	-	-	-	-	-
Lease liabilities*	65,698	65,698	102,653	234,048	211,937
	182,087	65,698	102,653	350,437	328,326

	Less than 6 months	6 – 12 months	Over 1 year	Total contractual cash flows	Carrying amount liabilities
	USD	USD	USD	USD	USD
At 31 March 2024					
Trade payables	74,655	-	-	74,655	74,655
Lease liabilities	73,673	36,836	-	110,509	106,103
	148,328	36,836	-	185,164	180,758



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

25. Capital management

(a) Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio:

This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total equity is calculated as 'equity' as shown in the statement of financial position.

The gearing ratios at 31st March 2023 and 31st March 2024 were nil as no borrowing to the entity.



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

26. Related party transactions

26.1 Related party companies

(a) Parent entity

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest
			31.03.2024
Rizing Intermediate Holdings Inc.	Parent entity	USA	100%

(b) Subsidiaries

Interests in subsidiaries are as follows;

The Company's principal subsidiaries at 31 March 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of registration or incorporation	Ownership interest held by the Company	
		31.03.2024	31.03.2023
		%	%
Rizing Netherlands B. V.	The Netherlands	100	100
Attune UK Limited	United Kingdom	100	100
Attune Australia Pty Limited	Australia	100	100
Rizing Consulting USA Inc.	United States of America	100	100
Rizing Management LLC	United States of America	100	100
Attune Italia S.R.L	Italy	100	100
Rizing Germany GmbH	Germany	100	100

26.2 Transactions with Key Management Personnel (KMP)

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, being the members of the Board of Directors and key employees of the Company.

Compensation to Key Management Personnel (KMP)

There are no compensation paid to key management personnel for the year ended 31 March 2024



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

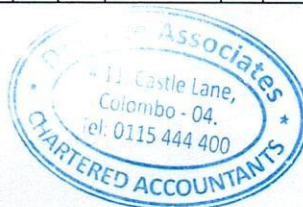
26.3

Related party transactions

The company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standards LKAS 24 "Related Party Disclosures", the balances and transactions between the company and its related parties are disclosed below.

All outstanding balances are short term receivable/ payable amounts on the basis that settlement/ payment on demand and not contained any interest charge.

Name of the related party	Nature of relationship	Nature of the transactions	Transaction value		Balance as at	
			2023/24 USD	2022/23 USD	31.03.2024 USD	31.03.2023 USD
Attune Australia Pty. Limited	Subsidiary	Provision of services Purchase of services Laptop transfer	24,526 (28,785) -	154,732 (741,007) (1,464)	- -	233,426 10,951
Rizing Germany GmbH	Subsidiary	Provision of services Purchase of services	4,884,432 -	22,039,781 (398,062)	464,108 -	10,734,906 (7,935)
Attune UK Limited	Subsidiary	Provision of services Purchase of services	2,927 42,779	199,489 (5,959,627)	888 -	27,485 (1,751,656)
Rizing Consulting USA, Inc.	Subsidiary	Provision of services Purchase of services Laptop transfer	4,508,540 - -	13,596,816 (19,824) (3,789)	1,025,057 - -	8,190,047 - -
Attune Italia S.R.L	Subsidiary	Purchase of services	-	(2,310,876)	-	(1,457,732)
Attune Consulting India (Private) Limited	Group company	Purchase of services	(294,035)	(3,867,204)	(67,268)	(1,787,173)
Rizing Management, LLC	Subsidiary	Purchase of services	-	(3,010,122)	-	(946,406)
Rizing Netherlands B.V	Subsidiary	Purchase of services	-	-	-	(197,781)
Rizing LLC	Group company	Provision of services Purchase of services Short term facility Overhead allocation	625,463 - - (197,649)	230,639 (4,204,687) (261,740)	387,477 -	230,639 (4,466,427)
Rizing Solutions Canada Inc	Group company	Provision of services	35,028	19,317	19,018	19,317
Rizing Philippines Inc	Group company	Provision of services	46,063	3,360	1,498	3,360
Rizing Consulting Pty Ltd	Group company	Provision of services Purchase of services	15,099 (84,647)	(1,194,661)	6,576 (7,132)	(1,194,661)
Rizing Sdn Bhd	Group company	Provision of services Purchase of services	23 (10,898)	(14,552)	23 (10,924)	-
Rizing Pte Ltd	Group company	Provision of services	1,146	-	488	-
Rizing Solutions Pty Ltd	Group company	Provision of services	6,390	-	6,390	-
Wipro Limited India	Group company	Provision of services	54,641	-	54,641	-
Wipro LLC	Group company	Provision of services	19,608	-	-	-



**RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

27. Contingent liabilities and contingent assets

(a) Contingent liabilities

There were no material contingent liabilities as at the reporting date.

(b) Contingent assets

There were no material contingent assets as at the reporting date.

28. Commitments

(a) Financial commitments

There were no financial commitments as at the reporting date.

(b) Capital commitments

There were no capital commitments during the year.

29. Events occurring after the reporting period

No circumstances have arisen since the reporting date which would require adjustments to, or disclosure in, the financial statements.



RIZING LANKA (PRIVATE) LIMITED

**DETAILED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

RIZING LANKA (PRIVATE) LIMITED
DETAILED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

A. Other operational income and expense items

This note provides a breakdown of the items included in 'other income', 'other losses', an analysis of expenses by nature. Information about specific profit or loss items (such as gains and losses in relation to financial instruments) is disclosed in the related balance sheet notes.

A.1 Direct costs

	2024	2023
	USD	USD
Salaries	6,926,269	5,889,476
Bonus	6,048	1,460,918
EPF	390,710	371,242
ETF	97,677	92,811
Subcontract fees	2,403,545	2,695,969
Costs - intercompany	345,807	13,617,338
Product development	-	5,039
Gratuity	80,285	57,034
Leave provisions	87,392	148,469
Fire insurance	-	282
Office equipment insurance	-	3,061
Staff welfare	-	17,040
Office consumables	29,721	131
Medical insurance	163,507	100,441
Staff training	-	194,968
Fuel	-	150,203
Vehicle hiring charges	80	39,305
Local travelling	51,686	702,526
Customer project related - billable	-	19,602
Customer project related - non-billable	-	20,377
Travel allowance - foreign travel	-	8,787
Internal project	-	55,800
Communication expenses	-	29,328
Fixed line expenses	-	(1,950)
Mobile expenses	-	23,587
Insurance costs	2,322	1,523
Travel and other expenses - billable	253,504	-
Travel and other expenses - non-billable	-	1,479
Computer link charges	-	18,613
Company events	-	2,067
VRS compensation	41,886	-
Staff training	187,396	-
Computer maintenance	3,299	-
Casual wages	4,974	-
	<u>11,076,108</u>	<u>25,725,466</u>



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

A. Other operational income and expense items - (contd.)

A.2 Distribution expenses

	2024	2023
	USD	USD
Salaries	378,677	493,336
Bonus	-	191,139
EPF	23,705	31,963
ETF	5,926	7,991
Gratuity	6,040	12,994
Leave provisions	13,659	9,101
Advertising	-	353
Business promotions	3,421	9,531
Foreign travelling - marketing	39,152	9,463
Medical insurance	1,671	1,507
Travel and transport	22,807	28,835
Communication expenses	-	3,860
Fuel	1,963	3,628
Local travelling	-	11,940
Mobile expenses	-	1,721
Foreign travel	-	33,429
Travel and other expenses	-	12,471
Travel insurance	-	349
Bad debt provision / (reversal)	-	(2,161)
Casual wages	3,495	6,912
Other expenses	-	(78)
Insurance expenses	1,467	-
	<u>501,983</u>	<u>868,284</u>



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

A. Other operational income and expense items - (contd.)

	2024	2023
	USD	USD
A.3 Administrative expenses		
Salaries	989,815	950,047
Casual wages	22,575	24,841
Bonus	366,542	513,292
EPF	51,148	60,092
ETF	12,787	15,023
Gratuity	12,200	26,820
Leave provision	17,857	18,124
Professional and legal fees - direct	-	5,413,128
Professional and legal fees - indirect	49,460	14,844
Rent and rates	3,351	1,499
Electricity	43,325	15,692
Office maintenance	-	11,763
Office equipment maintenance	-	527
Computer maintenance	118,938	404,709
Other general and administration expenses	-	163,234
Stationery	-	115
Computer accessory	-	17,134
Subscription and periodicals	9,161	9,751
Courier and postal charges	-	171
Cost - intercompany	-	2,703,936
Staff welfare	8,840	51,939
Office consumables	30,061	7,601
Medical insurance	14,208	14,858
Staff training	7,281	975
Communication expenses	110,925	5,308
Fixed line expenses	-	15,601
Mobile expenses	-	5,855
Travel and transport admin	44,890	5,262
Travel insurance	-	240
Fuel	6,069	25,136
Vehicle hiring charges	4,615	50,492
Local travelling	-	72,516
Stamp duty and annual	3,669	1,568
Audit fees	5,050	3,625
Bank charges	5,850	6,538
Gifts and donations	957	2,665
Travel - other - manual	-	90,917



RIZING LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

A. Other operational income and expense items - (contd.)

		2023 USD
A.3 Administrative expenses - (contd.)		
Parking fee and tickets	-	7,496
HR fees	-	3,271
Cleaning charges	-	7,265
IT licenses	-	8,258
Company events	-	24,039
Recruitment costs	11,965	46,044
Depreciation - computer equipment	160,844	167,285
Depreciation - furniture and fittings	2,378	3,021
Depreciation - plant and machinery	296	357
Amortization - right-of-use assets	169,285	169,285
Amortization - intangible assets	-	56,323
Head Office Overheads	227,428	-
Non Recoverable Taxes	96,780	-
Insurance costs	11,887	-
Computer link charges	14,561	-
Subcontract fees	1,640	-
	2,636,638	11,218,482
A.4 Other income / (loss)		
	2024 USD	2023 USD
Other income	-	10,596
Net gain / (loss) on disposal of property, plant and equipment and intang	-	(456,466)
Recoveries from Staff	7,304	-
Other Expenses	-	(30,049)
	7,304	(475,919)
A.5 Other gains / (losses) - net		
	2024 USD	2023 USD
Net foreign exchange gains	(338,327)	89,529
	(338,327)	89,529

