Special Purpose Financial Statements and Independent Auditor's Report

Wipro Arabia Limited Company

31 March 2024

(All amounts in '000 SAR except otherwise stated)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro Arabia Limited Company

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Wipro Arabia Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Special Purpose Financial Statements"). As explained in Note 2.1 to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited ("the Parent") solely for inclusion in the annual report of Wipro limited for the year ended 31 March 2024 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of presentation referred to in Note 2.1 to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2024, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2.1 to the Special Purpose Financial Statements, on the basis of the preparation to the special purpose financial statements. The Special Purpose Financial Statements are prepared for inclusion in the annual report of the Ultimate Holding Company under the requirements of Section 129(3) of the Companies Act, 2013. As a result, the Special Purpose Financial Statements may not suitable for any other purpose. Our report is intended solely for the Company and Wipro Limited and should not be distributed to or used by parties other than the Company and Wipro Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the Company's and ultimate holding company's board of directors, for our audit work, for this report, or for the opinions we have formed.

Management Responsibility for the Special Purpose Financial Statements

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

In preparing the special purpose financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the company has adequate internal financial controls with reference to the special purpose financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 out auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause company to cease to continue as a going concern, and,

- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Sd/-
D Prasanna Kumar
Proprietor
Membership No. 211367

Bengaluru
12th June 2024

Wipro Arabia Limited Company
Balance Sheet as at 31 March 2024
(All amounts in '000 SAR, except otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,860	6,452
Right of use asset	4	16,476	3,136
Financial assets			
Investments	5	-	-
Other financial assets	6	68	68
Other non-current assets	7	34,256	32,022
Deferred tax asset (net)		8,608	9,440
Total non-current assets		**66,268**	**51,118**
Current assets			
Financial assets			
Trade receivables	8	202,121	217,490
Cash and cash equivalents	9	93,765	82,334
Unbilled receivables		33,660	43,429
Other financial assets	6	989	85
Contract assets		90,035	59,213
Other current assets	7	24,832	27,799
Total current assets		**445,402**	**430,350**
TOTAL ASSETS		**511,670**	**481,468**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	30,000	30,000
Other equity	11	95,211	84,590
Total equity		**125,211**	**114,590**
Non-current liabilities			
Financial liabilities			
Lease liabilities	25	11,630	2,249
Employee benefit obligation	13	9,540	9,459
Total non-current liabilities		**21,170**	**11,708**
Current liabilities			
Financial labilities			
Trade payables	15	275,005	279,777
Lease liabilities	25	1,774	669
Other financial liabilities	12	4,262	4,744
Contract liabilities		7,259	6,027
Employee benefit obligation	13	27,638	20,691
Other current liabilities	14	49,351	43,263
Total current liabilities		**365,289**	**355,171**
TOTAL LIABILITIES		**386,459**	**366,879**
TOTAL EQUITY AND LIABILITIES		**511,670**	**481,468**
Summary of significant accounting policies	**1-2**		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **D. Prasanna & Co.**
Chartered Accountants
Firm's Registration No.: 009619S

For and on behalf of the Board
Wipro Arabia Limited Company

Sd/-
D. Prasanna Kumar
proprietor
Membership No.: 211367
Bengaluru
Date: 12 June 2024

Sd/-
Sayantan Mukherjee
Director

Sd/-
Muhammad Khaled Hamza
Director

Wipro Arabia Limited Company
Statement of Profit and Loss for the year ended 31 March 2024
(All amounts in '000 SAR, except otherwise stated)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
INCOME			
Revenue from operations	16	645,304	668,724
Other income	17	1,326	1,172
Total income		**646,630**	**669,896**
EXPENSES			
Employee benefits expense	18	156,391	149,447
Finance costs	19	1,082	4,382
Depreciation and amortisation expenses	20	3,897	3,115
Other expenses	21	402,762	503,109
Total expenses		**564,132**	**660,053**
Profit before exceptional items		**82,498**	**9,843**
Exceptional items		-	-
Profit after exceptional items		**82,498**	**9,843**
Tax expenses			
Current tax	23	9,534	5,413
Deferred tax	23	2,065	(250)
Total tax expenses		11,599	5,163
Profit for the year		**70,899**	**4,680**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or (loss), net off taxes		(12,791)	(3,090)
Total other comprehensive income for the year, net off taxes		**58,108**	**1,590**
Earnings per share			
Basic and diluted	22	2,363	156
Face value per equity share		1,000	1,000

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Sd/-
D. Prasanna Kumar
proprietor
Membership No.: 211367
Bengaluru
Date: 12 June 2024

For and on behalf of the Board

Wipro Arabia Limited Company

Sd/-
Sayantan Mukherjee
Director

Sd/-
Muhammad Khaled Hamza
Director

Wipro Arabia Limited Company

Statement of changes in equity for the year ended 31 March 2024

(All amounts in '000 SAR, except otherwise stated)

A. Equity share capital

	Note	Balance
As at 31 March 2022		30,000
Changes in equity share capital		-
As at 31 March 2023		30,000
Changes in equity share capital		-
As at 31 March 2024		30,000

B. Other equity

	Other equity		
	Retained earnings	**OCI**	**Total other equity**
As at 31 March 2022	**80,733**	**(4,543)**	**76,190**
Profit for the year	4,680	(3,090)	1,590
Dividend paid	-	-	-
Tax recovered from shareholders	6,810	-	6,810
As at 31 March 2023	**92,223**	**(7,633)**	**84,590**
Profit for the year	70,899	(12,791)	58,108
Dividend paid	(47,487)	-	(47,487)
As at 31 March 2024	**115,635**	**(20,424)**	**95,211**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **D. Prasanna & Co.**
Chartered Accountants
Firm's Registration No.: 009619S

Sd/-
D. Prasanna Kumar
proprietor
Membership No.: 211367
Bengaluru
Date: 12 June 2024

For and on behalf of the Board
Wipro Arabia Limited Company

Sd/-
Sayantan Mukherjee
Director

Sd/-
Muhammad Khaled Hamza
Director

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Wipro Arabia Limited Company

Cash Flow Statement for the year ended 31 March 2024

(All amounts in '000 SAR, except otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
A. Cash flow from operating activities		
Profit for the year	82,498	9,843
Adjustments to reconcile profit for the year to net cash generated from operating activities		
Adjustments for:		
Depreciation and amortisation expenses	3,897	3,115
Finance costs	1,082	3,663
Loss on sale of fixed assets	56	614
	5,035	**7,392**
Operating profit/(loss) before working capital changes	**87,533**	**17,235**
Movements in working capital:		
(Increase)/decrease in trade receivable	(5,684)	30,371
(Increase)/decrease in financial assets	(902)	13,871
(Increase)/decrease in other current assets	2,334	356
Increase/(decrease) in trade payable	(3,540)	120,340
Increase/(decrease) in financial liabilities	(482)	(640)
Increase/(decrease) in other liabilities	(16,580)	(1,599)
Increase/(decrease) in provision	6,947	(135)
Cash generated in operations	**(17,907)**	**162,564**
Net cash from operating activities	**69,626**	**179,799**
B. Cash flows from investing activities		
Purchase of tangible and intangible assets	(3,194)	(5,058)
Net cash (used in) from investing activities	**(3,194)**	**(5,058)**
C. Cash flow from financing activities		
Loan taken/(repayment)	-	(100,000)
Dividend Paid	(47,487)	-
Tax recovered from shareholders	-	6,810
Finance Charge	(838)	(4,366)
Payment of Income tax/refund	(2,411)	4,565
Payments of lease liability	(4,265)	(752)
Net cash generated from/(used in) financing activities	**(55,001)**	**(93,743)**
Net increase in cash and cash equivalents (A+B+C)	**11,431**	**80,998**
Cash and cash equivalents at the beginning of the year	**82,334**	**1,337**
Cash and cash equivalents at the end of the year	**93,765**	**82,334**
Compenent of cash and cash equivalents		
Balance with banks	93,771	82,333
Exchange rate fluctuations on bank balance	(6)	1
	93,765	**82,334**

The notes referred to above form an integral part of the financial statements.

This is the Cash Flow Statement referred to in our report of even date.

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

Sd/-
D. Prasanna Kumar
proprietor
Membership No.: 211367
Bengaluru
Date: 12 June 2024

For and on behalf of the Board of
Wipro Arabia Limited Company

Sd/-
Sayantan Mukherjee
Director

Sd/-
Muhammad Khaled Hamza
Director

1 General Information

Wipro Arabia Limited Company, a Mixed Limited Liability Company ("the Company") incorporated in the Kingdom of Saudi Arabia under Commercial Registration No. 2051034646 dated 23 May 2007. The Company operates in Saudi Arabia under the license of Saudi Arabian General Investment Authority (SAGIA) No. 102031016066 dated 6 May 2007.
The principal activities of the Company are to execute the development of computer programs, maintenance contracts of integrated systems, provide services of data maintenance and related technical services, trainings and sale of IT software, system products along with accessories and spare parts.
The ultimate parent company is Wipro Limited India ("WLI"), which is registered in India, and owns 66.7% of the Company's shareholding through Wipro IT Services UK Societas (formerly known as Wipro IT Services SE), a company registered in the United Kingdom.
The shareholders of the Company and their respective shareholdings as of 31 March 2024 are as follows:

Shareholders:	Country of Incorporation	Shareholding
Wipro IT Services UK Societas	UK	66.7%
Dar Al-Riyadh Company Limited	Kingdom of Saudi Arabia	33.3%
		100.0%

2 Significant accounting policies

2.1 Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

The special purpose financial statement of Wipro Arabia Company Limited comprises the balance sheet as at 31 March 2024; the statement of profit and loss, the statement of cash flow, the statement of changes in equity and a summary of significant accounting policies and other explanatory information for the period ended 31 March 2024, and other additional financial disclosures.

These special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro Limited) under the requirements of Section 129 (3) of the Companies Act 2013.
These special purpose financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS), under the historical cost convention on accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and relevant amendment rules issued thereafter.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The functional currency of the company is Saudi Riyals ("SAR") and the financial statements are also presented in '000 SAR. All amounts included in the financial statements are reported in '000 SAR, unless otherwise stated.

Accounting policies have been applied consistently to all periods presented in these financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Basis of Measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis.

(iii) Use of estimates and judgement

In preparing these financial statements, management has made certain judgements, estimates, and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates
The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are described below:

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. The carrying amounts are analyzed in relevant notes. Actual results, however, may vary due to technical or other obsolescence.

Provision of trade receivable

The Company measures the loss allowance for trade receivables by reference to past default experience of the debtor and an analysis of the debtor's current financial position. Trade receivables are normally assessed collectively unless there is a need to assess a particular debtor on an individual basis

2 Significant accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

(iii) Use of estimates and judgement (continued)

Impairment of non-financial assets
An impairment loss is recognized for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable commission rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flow management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year.

Leases
Management uses a best estimate in determining the interest rate prevailing in the market for the purpose of discounting of interest free finance lease arrangement.

Employees' defined benefit liability
The cost of employee benefit obligations and other after-service benefits are determined by actuarial valuation exercises. The actuarial estimates involve making many assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate, future salary increases and mortality rates. Given the complex nature of the estimates and the underlying assumptions and their long-term nature, the commitment of the identified benefits is greatly influenced by changes in these assumptions. All defaults are reviewed by the date each financial statement is set up.

Estimate of zakat and income taxes
The Company's zakat and tax charge on ordinary activities is the sum of current zakat and income tax, and deferred tax charges. The calculation of the Company's total tax charge involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

Provisions and accruals
By their nature, the measurement of provisions depends upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Provisions for litigation are based on cost estimation, taking into account legal advice and other available information.

Estimated cost of completing projects
The Company uses best estimates, using its in-house experts and based on its past experience for the similar projects, to estimate the total project cost. The Company revise and updates its cost estimation to complete the projects, when the project scope becomes more precise and projects' risks are more appropriately analyzed.

2.2 Finacial Instruments

Non-derivative financial instruments:
Non derivative financial instruments consist of:
- financial assets ,which includes cash and cash equivalents,trade receivables and eligible current and non current asset;
- finacial liabilities,which includes trade payables,eligible current and non current liabilities.

These financial instruments are recognised initially at fair value.Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset has been transferred. In cases where substantial risks and rewards of ownership of the financial asset are neither transfered or retained ,financial asset are de-recognised only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

A. Cash and cash equivalent
Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

B. Other financial assets
Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables and other assets.

2 Significant accounting policies (continued)

2.2 Finacial Instruments (continued)

C. Trade and Other Payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortised cost using the effective interest method. For these financial Instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

2.3 Revenue recognition

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products.

Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered.

A Time and material contracts

Revenues and costs relating to time and material contracts are recognized as the related services are rendered.

B Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.
Unbilled receivables on other than fixed-price development contracts are classified as a financial asset where the right to consideration is unconditional and only the passage of time is required before the payment is due.

Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period.

'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

C Maintenance Contracts

Revenue from maintenance contracts is recognized rateably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

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

D Others

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale. The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs. Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term.
Contract expenses are recognised as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

Other income

Finance and other income comprises interest income on deposits. Interest income is recognised using the effective interest method.

2 Significant accounting policies (continued)

2.3 Revenue recognition (continued)

Finanace cost

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

2.4 Property, plant and equipment

A Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

B Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows

Category	Useful life
Leaehold Improvements	5 years
Plant and Equipment	2 to 7 years
Furniture and Fixtures	3 to 7 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost of property, plant and equipment not available for use before each reporting date are disclosed under capital work- in-progress. Deposits & advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date are shown as capital advances under the head of other non-current assets.

2.5 Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated. It is amortized over its estimated useful life of four years using the straight-line method. If there is an indication that there has been a significant change in useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect the new estimates.

2.6 Foreign currency transactions and translations

Functional currency

The functional currency of the Company is Saudi Riyal. These financial statements are presented in Saudi Riyal.

Transaction

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates prevailing on the date of transaction. Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The exchange difference between the rate at which foreign currency transactions are accounted and the rate at which they are re-measured/ realized is recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2 Significant accounting policies (continued)

2.7 Employee benefits

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation carried out by independent actuary using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss account.

Pension and social contribution

Pension and social contribution plan, a defined contribution scheme, the Company makes monthly contributions based on a specified percentage of each covered employee's salary.

2.8 Taxes

Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.9 Leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Lease rentals in respect of assets taken under operating leases are charged to statement of profit and loss on a straight line basis over the lease term.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and 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.

2 Significant accounting policies (continued)

2.10 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

2.11 Equity and share capital

(a) Share capital

The authorized share capital of the Company as of March 31, 2024 is SAR 30,000,000 divided into 30,000 (31 March 2023: 30,000) equity shares of SAR 1000 par value.

The voting right of an equity share holder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity. Voting right cannot be exercised in respect of shares on which any call or other sums presentably payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

(b) Retained earnings

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

2.12 Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

2.13 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.14 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets.

2.15 Commitments and contingencies

Contingencies

1) The Company is currently in litigation with a subcontractor for SR 9 million as a result of the termination of the contract. The applicant lodged formal proceedings with the Court against the Company. On 19 July 2022, Company received court notification that subcontractor has filed application for appointment of arbitrator on behalf of Company. Company has however, nominated its own arbitrator. The 2 arbitrators have appointed the chairman. Arbitration tribunal drafted the terms of reference (TOR) for the proceedings. Parties began negotiations for finalizing the TOR with the tribunal. Company has rejected the Terms of Reference. Matter is currently dormant as subcontractor must pay the Arbitrator's fee for both the parties to initiate the Arbitration.

2 Significant accounting policies (continued)

2.15 Commitments and contingencies (continued)

Contingencies (continued)

2) The Company is also in litigation with another subcontractor for USD 6.6 million as a result of the termination of the contract, The company issued a termination notice back in 2018 Subcontractor initiated arbitration. Arbitrator reached out to both parties asking for certain documents for initiation of arbitration. On 2 May 2023 Company filed an appeal petition to the Appeal Court against appointment of arbitrator as the company did not receive a notice of arbitration as required under KSA laws. The Company requested adjournment of preliminary hearing so that Appeal Court can consider the petition prior the commencement of the arbitration. The company and the subcontractor has submitted the three response memorandums with the Appeal court.

3) One of the customer "Claimant" has initiated a claim against the Company for breach of contract and delay in services; Board of Grievance court rejected Claimant's claims on 9 Nov 2022 against Company and ordered the Claimant to pay Company SAR 979,580. Claimant filed appeal against Board of Grievance court's order on 21 December 2022. Appeal Court dismissed claimant's appeal on 15 Feb 2023. Claimant filed objections to Appeal court's order before Supreme court on 12 April 2023.

Board of Grievance has issued the final judgment 29 August 2023 and the company has submitted a letter dated 12 September 2023 to the Armed Forces and Board of Grievance and for enforcing the judgement on . On 22 October 2023 Board of Grievances issued a resolution that stipulates the Enforcement Administrative Court shall prioritize in the first three months (90-days prioritization period) of its commencement the applications of enforcement requests of final judgments that became final and enforceable for more than five years ago. Hence the company has resubmitted the enforcement application on 22 Nov 2023 as BOG directed stay on enforcement process. The 30-day warning period concluded on 10 January 2023, and as a result, the judge has issued an enforcement order against the Armed Forces on 10 January 2024.

As on today, the status of the enforcement application is still under review by the Audit Department at the Administrative Enforcement Court. Objections raised before Suprement court are still under consideration.

4) Customer "Claimant" issued penalty of SAR 3 Mn, citing delay by Company in executing certain scope of work. SAR 248,620.35 deducted by Ministry of Finance from payment made to Company, citing a debt which is long due and payable to Claimant. Company initiated 2 claims before Board of Grievances against Claimant and MOF to stop decision from any payment due to Company. Claimant submitted response memorandum on 13 Dec 2022. Company filed memo on 2 Feb 2023. Claimant filed response on 7 Feb 2023. Court on 20 Mar 2023 issued decision in favor of Company and ordered to cancel Claimant's decision to impose the delay penalties against Company. Court of first instance issued decision on 28 March 2023 in Company's favour and ordered to cancel claimant's decision to impose the delay penalties against Company. Company have received written judgement order on 12 April 2023 with an opportunity to both the parties to appeal against order within 30 days. No further appeal was filed by claimant or the Company subsequently.

Commitments

As of 31 March 2024, the Company had commitments related outstanding letters of guarantee amounting to SAR 64 million.

2.16 A. Contract Asset and Liabilities

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset. A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the Company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. The Company presents such receivables as part of unbilled receivables at their net estimated realizable value.
Contract assets and liabilities are reported in a net position on a contract by contract basis at the end of each reporting period.

B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes contract liabilities and amounts that will be invoiced and recognized as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from customers in an amount that corresponds directly with the value to the customer of the Company's performance completed to date, which are contracts invoiced on time and material basis and volume based.

2.17 Inventories

Inventories are valued at the lower of cost and net realisable value.
Materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

(b) Defined benefit plans - leave encashment

The cost of the defined benefit plans such as leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

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

i. Amendments to Ind AS 12 – Income Taxes

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

ii. Amendments to Ind AS 1 – Presentation of Financial Statements

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. This amendment requires the companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The adoption of these amendments to Ind AS 1 did not have any material impact on the financial statements.

iii. Amendments to Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

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

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

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

(All amounts in '000 SAR, except otherwise stated)

3 Property, plant and equipment

Particulars	Plant and equipment	Furniture and fixtures	Total
Gross block			
Balance as at 31 March 2022	**21,372**	**1,998**	**23,370**
Additions	3,253	1,805	5,058
Deletions	(1,960)	(1,952)	(3,912)
Balance as at 31 March 2023	**22,665**	**1,851**	**24,516**
Additions	2,063	1,131	3,194
Deletions	(5,313)	-	(5,313)
Balance as at 31 March 2024	**19,415**	**2,982**	**22,397**
Accumulated depreciation			
Balance as at 31 March 2022	**17,294**	**1,524**	**18,818**
Depreciation charge for the year	2,345	198	2,543
Disposals	(1,660)	(1,637)	(3,297)
Balance as at 31 March 2023	**17,979**	**85**	**18,064**
Depreciation charge for the year	2,157	573	2,730
Disposals	(5,257)	-	(5,257)
Balance as at 31 March 2024	**14,879**	**658**	**15,537**
Net block			
Balance as at 31 March 2023	**4,686**	**1,766**	**6,452**
Balance as at 31 March 2024	**4,536**	**2,324**	**6,860**

4 Right of use assets:

Particulars	Building	Total
Gross block at cost		
As at 31 March 2022	**322**	**322**
Additions	3,618	3,618
Deductions for the year	-	-
As at 31 March 2023	**3,940**	**3,940**
Additions	14,507	14,507
Deductions for the year	(322)	(322)
As at 31 March 2024	**18,125**	**18,125**
Accumulated depreciation		
As at 31 March 2022	**232**	**232**
Charge for the year	572	572
Deductions for the year	-	-
As at 31 March 2023	**804**	**804**
Charge for the year	1,167	1,167
Deductions for the year	(322)	(322)
As at 31 March 2024	**1,649**	**1,649**
Net Block		
As at 31 March 2023	**3,136**	**3,136**
As at 31 March 2024	**16,476**	**16,476**

(All amounts in '000 SAR, except otherwise stated)

5 Investments

	As at 31 March 2024	As at 31 March 2023
Non current		
Investments in Subsidiaries measured at cost	2,063	2,063
Impairment provision on investment	(2,063)	(2,063)
	-	-
Aggregate carrying value of unquoted investments	-	-
Aggregate carrying value of quoted investments	-	-

6 Other financial assets

	As at 31 March 2024	As at 31 March 2023
Current		
Security deposits	5	85
Loan given to related party	15,601	14,617
	15,606	**14,702**
Less: Provision for inter-company loan	(14,617)	(14,617)
	989	**85**
Non Current		
Security deposits	68	68
	68	**68**

7 Other assets

	As at 31 March 2024	As at 31 March 2023
Current		
Prepaid expenses	6,149	9,745
Advance to suppliers	3,469	4,438
Advance to employees	4,452	4,121
Inventory	5,211	4,166
Other financial assets	5,551	5,329
	24,832	**27,799**
Non Current		
Prepaid expenses	2,399	1,766
Advance income tax	31,857	30,256
	34,256	**32,022**

8 Trade receivables

	As at 31 March 2024	As at 31 March 2023
Unsecured		
Considered good		
Intercompany*	44,177	19,368
Others	192,865	234,206
	237,042	**253,574**
Less: allowance for lifetime expected credit loss	(24,401)	(25,564)
Less: Provision for inter-company receivables	(10,520)	(10,520)
	202,121	**217,490**

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

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	25,564	23,595
(Reversal)/Additions during the year, net	(1,163)	1,969
Balance at the end of the year	**24,401**	**25,564**

9 Cash and cash equivalents

Balances with bank in current accounts	56,765	82,334
Short term deposits	37,000	-
	93,765	**82,334**

(All amounts in '000 SAR, except otherwise stated)

10 Share capital

	As at 31 March 2024	As at 31 March 2023
Authorised capital		
30,000 Equity shares of SAR 1,000 each	30,000	30,000
	30,000	**30,000**
Issued, subscribed and paid up capital		
30,000 Equity shares of SAR 1,000 each fully paid-up	30,000	30,000
Issued during the year	-	-
(30,000 Shares @SAR 1000 each fully paid-up)		
	30,000	**30,000**

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the year	30,000	30,000	30,000	30,000
Add :Issued during the year.	-	-	-	-
Balance at the end of the year	**30,000**	**30,000**	**30,000**	**30,000**

b) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2024		As at 31 March 2023	
	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares
Equity shares of SAR 1,000 each fully paid-up				
Wipro IT Services UK Societas	66.67%	20,000	66.67%	20,000
Dar Al Riyadh Company Limited	33.33%	10,000	33.33%	10,000

11 Other equity

	As at 31 March 2024	As at 31 March 2023
Statement of profit and loss account		
Balance at the beginning of the year	84,590	76,190
Add: Net profit/(loss) for the year	70,899	4,680
Add: Other Comprehensive profit/(loss) for the year	(12,791)	(3,090)
Dividend paid	(47,487)	-
Tax recovered from shareholders	-	6,810
Balance at the end of the year	**95,211**	**84,590**

Nature and purpose of reserves:

Retained earnings: Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders.

(This space has been intentionally left blank)

(All amounts in '000 SAR, except otherwise stated)

12 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Current		
Employee related liabilities	3,414	4,713
Advance from customers	848	31
	4,262	**4,744**

13 Employee benefit obligation

Change in present value of defined benefit obligation	As at 31 March 2024	As at 31 March 2023
Defined benefit obligation at the beginning of the year	20,979	20,211
Current service cost	4,921	2,458
interest on obligaiton	838	438
Benefits paid	(11,271)	(5,990)
Remeasurement (gain)/loss	14,025	3,862
Defined benefit obligation at the end of the year	**29,492**	**20,979**
Non Current	9,540	9,459
Current	19,950	11,519
Included in OCI		
Remeasurement of Loss (gain)		
Actuarial loss / (gain) arising from change in financial assumptions	(548)	(378)
Actuarial loss / (gain) arising from change in demographic assumptions	506	304
Actuarial loss / (gain) arising on account of experience changes	14,067	3,936
	14,025	**3,862**
Non-current		
Employee benefit obligation- Provisions	9,540	9,459
	9,540	**9,459**
Current		
Employee benefit obligation- Provisions*	27,638	20,691
	27,638	**20,691**

* Includes liability related to compensated absences amounting to SAR 7,687,843 and SAR 9,171,809 for the year ended 31 March 2024 and 31 March 2023 respectively.

Key Acturial Assumptions

Discount rate (p.a.)	5.01%	3.97%
Salary escalation rate (p.a.)	2.00%	2.00%

The discount rate is primarily based on the prevailing market yields of Indian government securities for the estimated term of the obligations. The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors. Attrition rate considered is the management's estimate, based on previous years' employee turnover of the Company.

Sensitivity Analysis

As at March 31, 2024, every 0.5% increase / (decrease) in discount rate will result in (decrease) / increase of defined benefit obligation by approximately (0.87%) and 0.90% respectively.
As at March 31, 2024, every 0.5% increase / (decrease) in expected rate of salary will result in increase / (decrease) of defined benefit obligation by approximately 0.93% and (0.90)% , respectively.

14 Other liabilities

	As at 31 March 2024	As at 31 March 2023
Statutory dues	8,919	11,555
Provision for income tax	40,432	31,708
Total	**49,351**	**43,263**

(All amounts in '000 SAR, except otherwise stated)

15 Trade payables

	As at 31 March 2024	As at 31 March 2023
Trade Payables	**227,914**	**203,595**
Vendor payables	16,230	37,296
Intercompany payables	211,684	166,299
Accrued expenses and others	**47,091**	**76,182**
Total	**275,005**	**279,777**

16 Revenue from operations

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of services	645,304	668,724
Total	**645,304**	**668,724**

A. Contract assets and liabilities

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

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the Company recognises a receivable for revenues related to time and materials contracts or volume based contracts. The Company presents such receivables as part of unbilled receivables at their net estimated realisable value. The same is tested for impairment as per the guidance in Ind AS 109 using expected credit loss method.

Contract assets: During the year ended 31 March 2024 SAR 42,531 thousands of contract assets pertaining to fixed-price development contracts have been reclassified to receivables on completion of milestones.

Contract liabilities: During the year ended 31 March 2024 the Company recognised revenue of SAR 3,682 thousands arising from contract liabilities as at 31 March 2023.

B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognised, which includes contract liabilities and amounts that will be invoiced and recognised as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from customers in an amount that corresponds directly with the value to the customer of the Company's performance completed to date, which are contracts invoiced on time and material basis and volume based.

As at 31 March 2024 and 2023, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, were SAR 154 Mn and SAR 126 Mn respectively, of which 95% and 94%, respectively, is expected to be recognised as revenues within two years. This includes contracts with a substantive enforceable termination penalty if the contract is terminated without cause by the customer, based on an overall assessment of the contract carried out at the time of inception. Historically, customers have not terminated contracts without cause.

C. Disaggregation of Revenue

The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

Revenue by type of contract		
Services	614,420	610,164
Product	30,884	58,560
	645,304	**668,724**

17 Other income

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income	1,241	828
Gain on scrapping of assets	85	344
	1,326.00	**1,172.00**

18 Employee benefits expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Employee compensation	156,391	149,447
	156,391	**149,447**

(All amounts in '000 SAR, except otherwise stated)

19 Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense	838	4,101
Interest on finance lease	244	281
	1,082	**4,382**

20 Depreciation

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on tangible assets	2,730	2,544
Depreciation on right to use assets	1,167	571
	3,897	**3,115**

21 Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Legal and professional fees	2,543	3,519
Sub-contracting / technical fees / third party application	352,973	425,556
Facility expenses	2,819	3,785
Marketing and brand building	143	78
Expected credit loss	(1,980)	5,847
Provision for doubtful receivable	-	25,137
Recruitment Fees	690	428
Exchange (gain)/loss (net)	273	224
Communication charges	4,395	3,541
Travel and conveyance	26,891	20,756
Insurance	10,408	9,494
Rates, taxes and insurance	98	145
Miscellaneous expenses	3,509	4,599
	402,762	**503,109**

22 Earnings per share (EPS)

	Year ended 31 March 2024	Year ended 31 March 2023
Net profit/(loss) for the year	70,899	4,680
Weighted average number of shares	30,000	30,000
Earnings per share		
Basic and diluted	2,363	156
Nominal value - per equity share	1,000	1,000

23 Income tax

Income tax expense has been allocated as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Income tax expense		
Domestic		
Current taxes	9,534	5,413
Deferred taxes	2,065	(250)
Total income taxes	**11,599**	**5,163**

	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax	82,498	9,843
Enacted income tax rate	13.33%	13.33%
Computed expected tax expense	10,997	1,312
Effect of:		
Tax effect on expenses disallowed for tax computation	-	3,602
Prior year tax expense	602	499
Changes in unrecognised deferred tax asset	-	(250)
Total income taxes expenses	**11,599**	**5,163**

(All amounts in '000 SAR, except otherwise stated)

24 A. Names of related parties and nature of relationship

Nature of relationship	Name of the related party	Country of incorporation
Ultimate Holding Company	Wipro Limited	India
Holding Company	Wipro IT Services UK Societas	UK
	Dar Al Riyadh Company Limited	Saudi Arabia
Fellow Subsidiaries	Women's Business Park Technologies Limited	Saudi Arabia
	Designit Denmark A/S	Denmark
	Wipro Information Technology Egypt SAE	Egypt
	Designit North America, Inc.	USA
	Wipro Bahrain Limited Co. W.L.L	Bahrain
	Wipro Doha LLC	Qatar
	Wipro Technologies GmbH	Germany
	Wipro Portugal S.A.	Portugal
	Encore Theme Technologies Private Limited	India
	Rizing Limited	United Kingdom
	Wipro Travel Services Limited	India
	Designit Australia (branch of Designit A/S)	Branch of WT91- in Australia
	Cooper Software, LLC.	
	Designit Dubai Branch (Branch of WT91)	Branch of WT91- in Dubai
	Wipro Technologies SRL	Romania
Subsidiaries	Women's Business Park Technologies Limited	Saudi Arabia

B. Transactions with related parties for the year ended 31 March 2023

Particulars	Relationship	Year ended 31 March 2024	Year ended 31 March 2023
Dividend Payments			
Wipro IT services UK Societas	Holding Company	31,660	-
Dar Al Riyadh Company Limited	Shareholder	15,827	-
Subcontracting & technical fees			
Women's Business Park Technologies Limited	Fellow Subsidiaries	1,436	2,295
Wipro Limited	Ultimate Holding Company	142,301	131,378
Encore Theme Technologies Private Limited	Fellow Subsidiaries	107	77
Wipro Doha LLC	Fellow Subsidiaries	107	-
Wipro Bahrain Limited WLL	Fellow Subsidiaries	1,597	-
Wipro Chengdu Limited	Fellow Subsidiaries	300	-
Wipro Technologies GmbH	Fellow Subsidiaries	-	52
Designit Australia (branch of Designit A/S)	Fellow Subsidiaries	-	192
Rizing Limited	Fellow Subsidiaries	-	93
Dar Al Riyadh Company Limited	Shareholder	4,500	4,503
Sales and services			
Women's Business Park Technologies Limited	Fellow Subsidiaries	8,017	7,355
Wipro Limited	Ultimate Holding Company	3,744	1,530
CG Commision			
Dar Al Riyadh Company Limited	Shareholder	-	160
Interest Income			
Women's Business Park Technologies Limited	Fellow Subsidiaries	984	828
Rent Expneses			
Women's Business Park Technologies Limited	Fellow Subsidiaries	1,500	1,500
Travel Expenses			
Wipro Travel Services Limited	Fellow Subsidiaries	3,295	2,224

Wipro Arabia Limited Company

Notes to the financial statements for the year ended 31 March 2024

(All amounts in '000 SAR, except otherwise stated)

24 A. Names of related parties and nature of relationship (continued)

Nature of relationship	Name of the related party	Country of incorporation	
Other Reimbushment			
Payable			
Wipro Limited	Ultimate Holding Company	11,505	5,879
Women's Business Park Technologies Limited	Fellow Subsidiaries	-	99
Wipro Doha LLC	Fellow Subsidiaries	9	37
Wipro Gulf LLC	Fellow Subsidiaries	-	-
Wipro Bahrain Limited Co. W.L.L	Fellow Subsidiaries	-	33
Encore Theme Technologies Private Limited	Fellow Subsidiaries	15	10
Receivable			
Wipro Bahrain Limited Co. W.L.L	Fellow Subsidiaries	491	-
Wipro IT services UK Societas	Holding Company	-	6,810
Dar Al Riyadh Company Limited	Shareholder	1,442	6,539
Women's Business Park Technologies Limited	Fellow Subsidiaries	1,979	-

C. Closing balance of related parties

Name of the Company	Relationship	As on 31 March 2024	As on 31 March 2023
Payables:			
Wipro Technologies	Ultimate Holding Company	185,426	165,581
Designit Australia (branch of Designit A/S)	Fellow Subsidiaries	-	192
Wipro Travel Services Limited	Fellow Subsidiaries	378	154
Rizing Limited	Fellow Subsidiaries	-	93
Encore Theme Technologies Private Limited	Fellow Subsidiaries	75	87
Wipro Portugal S.A.	Fellow Subsidiaries	-	66
Wipro Technologies GmbH	Fellow Subsidiaries	-	52
Wipro Doha LLC	Fellow Subsidiaries	108	37
Wipro Bahrain Limited Co. W.L.L	Fellow Subsidiaries	1,614	32
Designit North America, Inc.	Fellow Subsidiaries	-	6
Wipro Gulf LLC	Fellow Subsidiaries	-	-
Wipro Chengdu Limited	Fellow Subsidiaries	300	-
Dar Al Riyadh Company Limited	Shareholder		
		187,901	**166,300**
Receivables:			
Women's Business Park Technologies Limited	Fellow Subsidiaries	18,342	10,520
Wipro IT Services UK Societas	Holding Company	602	7,412
Designit Denmark A/S	Fellow Subsidiaries	-	28
Wipro Information Technology Egypt SAE	Fellow Subsidiaries	-	6
Wipro Bahrain Limited Co. W.L.L	Fellow Subsidiaries	-	-
Wipro HR Services India Private Limited	Fellow Subsidiaries	10	-
Dar Al Riyadh Company Limited	Shareholder	1,442	1,402
		20,396	**19,368**
Loan given			
Women's Business Park Technologies Limited	Fellow Subsidiaries		
Loan Principal		13,125	13,125
Interest accrued and due on loan		2,476	1,492
		15,601	**14,617**

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(All amounts in '000 SAR, except otherwise stated)

25 IND AS 116 leases related disclosures

i) Total lease liabilities are analysed as follows:

	As at 31 March 2024	As at 31 March 2023
Analysed as:		
Current	1,774	669
Non current	11,630	2,249
	13,404	**2,918**

ii) Amounts recognised in statement of profit and loss:

The following amounts were recognised as expense in the year:

	As at 31 March 2024	As at 31 March 2023
Depreciation of right-of-use assets	1,167	572
Interest on lease liabilities	244	120
Expense relating to short-term leases and low-value assets	1,619	2,878
Total recognised in the statement of profit and loss	**3,030**	**3,570**

iii) Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

Maturity analysis:	As at 31 March 2024	As at 31 March 2023
Less than 1 year	1,774	669
Between 1 and 2 years	3,560	708
Between 2 and 5 years	8,069	1,542
More than 5 years	-	-
Total	**13,403**	**2,919**

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(All amounts in '000 SAR, except otherwise stated)

26 Financial instruments measurement and disclosure

a) Financial instruments by category

	As at 31 March 2024				As at 31 March 2023			
Particulars	**FVTOCI**	**FVTPL**	**Amortised cost**	**Total**	**FVTOCI**	**FVTPL**	**Amortised cost**	**Total**
Financial assets:								
Investments	-	-	-	-	-	-	-	-
Trade receivables	-	-	202,121	202,121	-	-	217,490	217,490
Cash and cash equivalents	-	-	93,765	93,765	-	-	82,334	82,334
Unbilled revenue	-	-	33,660	33,660	-	-	43,429	43,429
Other financial assets	-	-	1,057	1,057	-	-	153	153
Total	**-**	**-**	**330,603**	**330,603**	**-**	**-**	**343,406**	**343,406**
Financial liabilities:								
Borrowings	-	-	-	-	-	-	-	-
Lease liabilities	-	-	13,404	13,404	-	-	2,918	2,918
Trade payables	-	-	275,005	275,005	-	-	279,777	279,777
Other financial liabilities	-	-	4,262	4,262	-	-	4,744	4,744
Total	**-**	**-**	**292,671**	**292,671**	**-**	**-**	**287,439**	**287,439**

The fair values of assets and liabilities approximates its carrying value.
The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, other financials assets, borrowings etc. because their carrying amounts are a reasonable approximation of fair value.

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27 Financial risk management

Financial risk management

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

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

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

A Credit risk

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

Credit risk management

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

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

B Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

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(All amounts in '000 SAR, except otherwise stated)

27 Financial risk management (continued)

Maturities of financial liabilities

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

31 March 2024	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Beyond 5th year	Total
Non-derivatives					
Lease liabilities	1,774	3,560	8,069	-	13,403
Trade payables	275,005	-	-	-	275,005
Other Financial liabilities	4,262	-	-	-	4,262
Total	**281,041**	**3,560**	**8,069**	**-**	**292,670**

31 March 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Beyond 5th year	Total
Non-derivatives					
Lease liabities	669	708	1,542	-	2,919
Trade payables	279,777	-	-	-	279,777
Other Financial liabilities	4,744	-	-	-	4,744
Total	**285,190**	**708**	**1,542**	**-**	**287,440**

C Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The Company is exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities.

D Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The below table presents foreign currency risk from non-derivative financial instruments as of March 31, 2024 :

(Amount in SAR)

31 March 2024	USD	EUR	INR	Others	Total
Non-derivatives					
Investments	-	-	-	-	-
Trade receivables	14,673,025	9,886	4,494		14,687,405
Unbilled receivables	10,933,974	-15	11,938	-11	10,945,886
Other assets	3,712	-	-679	-	3,033
Cash and cash equivalents	1,401,208	-	207,332	-	1,608,540
Borrowings	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Trade payables and other financial liabilities	18,471,465	276,010	394,697	1,905,393	21,047,565
Total	**45,483,384**	**285,881**	**617,782**	**1,905,382**	**48,292,429**

The below table presents foreign currency risk from non-derivative financial instruments as of March 31, 2023 :

(Amount in SAR)

31 March 2023	USD	EUR	INR	Others	Total
Non-derivatives					
Investments	-	-	-	-	-
Trade receivables	25,254,925	58,645	-	39,121,873	64,435,443
Unbilled receivables	2,542,480	-	12,485		2,554,965
Other assets	-	-	-		-
Cash and cash equivalents	834,705	-	192,133	-	1,026,838
Borrowings	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Trade payables and other financial liabilities	77,361,702	1,668,833	767,379	894,506	80,692,420
Total	**105,993,812**	**1,727,478**	**971,997**	**40,016,379**	**148,709,666**

(All amounts in '000 SAR, except otherwise stated)

28 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility. 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 Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents and current investments.

	As at 31 March 2024	As at 31 March 2023
Borrowings	-	-
Less: cash and cash equivalents	(93,765)	(82,334)
Net debts	**(93,765)**	**(82,334)**
Total equity	**125,211**	**114,590**
Gearing ratio	**(0.749)**	**(0.719)**

29 Events occurring after the reporting date

Wipro Arabia Limited has entered into the settlement agreement dated 3rd April 2024 with Princess Nourah Bint Abdul Rahman University Endowment Company ("PNUEC") according to which PNUEC will transfer all of its shareholding (45%) in Women's Business Park Technologies Limited to Wipro Arabia Limited. In exchange, Wipro Arabia Limited will pay three years rent (Sep 2020-Aug 2023) amounting to 10.35 Mn SAR including tax against which provision had already been made in the books of Women's Business Park Technologies Limited. Thus, Women's Business Park Technologies Limited will become wholly owned subsidiary of Wipro Arabia Limited.

As per our report of even date

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

For and on behalf of the Board
Wipro Arabia Limited Company

Sd/-
D. Prasanna Kumar
proprietor
Membership No.: 211367
Bengaluru
Date: 12 June 2024

Sd/-
Sayantan Mukherjee
Director

Sd/-
Muhammad Khaled Hamza
Director