Special purpose Financial Statements and Auditor's Report

International Technegroup S.R.L

31 March 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of International Technegroup S.R.L

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of International Technegroup S.R.L ("the Company"), which comprise the Balance Sheet as at 31 March 2021, 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(i) 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 2021 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 accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, 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 SAs are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management and Those Charged with Governance 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, 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.

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 our auditors' 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 auditors' report. However, future events or conditions may cause the 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.

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, related safeguards.

Restriction on distribution or use

This report is intended solely for the information of the Company's and its ultimate holding company's board of directors and is not intended to be and should not be used by anyone other than specified parties. 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.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No. 208545
UDIN: 21208545AAAAEU8720

Bengaluru
8 June 2021

International TechneGroup S.R.L
Balance Sheet as at 31 March, 2021
(Amount in EUR, unless otherwise stated)

	Notes	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
Non-current assets			
Financial assets			
Investments	4	4,071,740	4,071,740
Total non-current assets		**4,071,740**	**4,071,740**
Current assets			
Financial assets			
Cash and cash equivalents	5	367,271	32,463
Other current assets	6	8,032	-
Total current assets		**375,303**	**32,463**
TOTAL ASSETS		**4,447,043**	**4,104,203**
EQUITY			
Equity Share capital	7	260,000	10,000
Other equity		4,158,484	2,792,846
TOTAL EQUITY		**4,418,484**	**2,802,846**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	9	-	1,276,974
Deferred tax liabilities (net)		-	16,200
Total non-current liabilities		**-**	**1,293,173**
Current liabilities			
Financial liabilities			
Trade payables	8	4,648	-
Current tax liabilities (net)		23,911	8,184
Total current liabilities		**28,559**	**8,184**
TOTAL LIABILITIES		**28,559**	**1,301,357**
TOTAL EQUITY AND LIABILITIES		**4,447,043**	**4,104,203**

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

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Bengaluru
8 June 2021

For and on behalf of the Board of Directors
International TechneGroup S.R.L

Sd/-
Kunaal Mahanti
Director

Sd/-
Nithin VJ
Director

International TechneGroup S.R.L
Statement of Profit and Loss for the year ended 31 March, 2021
(Amount in EUR, unless otherwise stated)

	Notes	For the period Apr'20 - Mar'21	For the period Oct'19- Mar'20
INCOME			
Other income	10	1,406,886	-
Total Income		**1,406,886**	**-**
EXPENSES			
Finance costs	11	4,712	-
Other expenses	12	22,291	583
Total expenses		**27,003**	**583**
Profit before tax		**1,379,883**	**(583)**
Tax expense			
Current tax	13	29,543	-
Deferred tax		-	-
Profit for the year		**1,350,339**	**(583)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total other comprehensive (loss)/ income for the year, net of taxes		**-**	**-**
Total comprehensive income for the year		**1,350,339**	**(583)**
Earnings per equity share: (Equity shares of par value EUR 1 each)	14		
Basic and diluted		33.64	(0.06)
Weighted average number of shares		40,137	10,000

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For PKF Sridhar & Santhanam LLP
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8 June 2021

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Sd/-
Kunaal Mahanti
Director

Sd/-
Nithin VJ
Director

International TechneGroup S.R.L
Statement of Cashflows for the year ended 31 March, 2021
(Amount in EUR, unless otherwise stated)

	For the year ended	
	31 March, 2021	**31 March, 2020**
Cash flows from operating activities:		
Profit for the year	1,350,339	(583)
Adjustments to reconcile profit for the year to net cash generated from operating activities:		
Unrealised exchange (gain)/loss, net and exchange loss on borrowings	-	-
Income tax expense	29,543	-
Dividend, gain from investments and interest (income)/expenses, net	(1,300,000)	-
Changes in operating assets and liabilities;		-
Trade receivables, other current assets	(2,881)	-
Trade payables, accrued expenses, other liabilities and provisions	4,648	-
Income taxes paid, net	(19,867)	-
Net cash generated from operating activities	**61,782**	**(583)**
Cash flows from investing activities:		
Dividend received	1,300,000	-
Net cash generated from/(used in) investing activities	**1,300,000**	**-**
Cash flows from financing activities:		
Proceeds from issuance of equity shares and shares pending allotment	250,000	-
Repayment of loans and borrowings	(1,276,974)	-
Net cash used in financing activities	**(1,026,974)**	**-**
Net increase in cash and cash equivalents during the year	334,808	(583)
Cash and cash equivalents at the beginning of the year	32,463	33,046
Cash and cash equivalents at the end of the year	**367,271**	**32,463**

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

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Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
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Membership No: 208545

Bengaluru
8 June 2021

For and on behalf of the Board of Directors
International TechneGroup S.R.L

Sd/-	Sd/-
Kunaal Mahanti	**Nithin VJ**
Director	Director

International TechneGroup S.R.L
Statement of Changes in Equity for the year ended 31 March, 2021
(Amount in EUR, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	31 March, 2021		31 March, 2020	
	No. of shares	Amount	No. of shares	Amount
Opening number of equity shares	10,000	10,000	-	-
Equity shares acquired on acquistion	-	-	10,000	10,000
Equity shares issued during the year	250,000	250,000	-	-
Closing number of equity shares	**260,000**	**260,000**	**10,000**	**10,000**

B. OTHER EQUITY

Particulars	Retained Earnings	
	31 March, 2021	31 March, 2020
Opening balance	2,792,846	-
Balance as on the date of acquistion	-	2,793,429
Tax balance adjustments as on the date of acquistion	15,299	-
Total comprehensive income for the period	1,350,339	(583)
Closing balance	**4,158,484**	**2,792,846**

The accompanying notes form an integral part of these Financial Statements

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Bengaluru
8 June 2021

For and on behalf of the Board of Directors
International TechneGroup S.R.L

Sd/-
Kunaal Mahanti
Director

Sd/-
Nithin VJ
Director

1. The Company overview

International Technegroup S.r.l is a subsidiary of International Technegroup Incorporated. ITI SRL was formed to acquire Mechwork S.r.l.

International Technegroup Incorporated, parent of ITI SRL, which was acquired by Wipro IT Services LLC on October 1, 2019.

2. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

This special purpose financial statement is prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013. Since, the Company was acquired on October 1,2019 the comparative financial information is provided only for the period October 1, 2019 to March 31, 2020 for which the Company was subsidiary of Wipro Limited.

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)].

(a) New amended standards and interpretations

i. Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'
ii. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
iii. Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
iv. Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
v. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
vi. Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.
vii. Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
viii. Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
ix. Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of the amendments has any material impact on the financial statements for the current year.

(b) Other amendments to the existing standards

None

(c) New standards notified and yet to be adopted by the Company

None

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statement of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

(ii) Consolidation

These financial statements represent the separate financial statements of the Company. The Ministry of Corporate Affairs (MCA) through its circular dated 27 July 2016 has exempted a company from preparing and filing of consolidated financial statements if its ultimate or intermediate holding company is filing consolidated financial statements. Further Sub - Para (iv) to Para 4 of Ind AS 110 - Consolidated Financial Statements exempts a company from consolidation if its ultimate parent produces Ind AS complied consolidated financial statement, which are available for public use. In view of above exemptions, the Company is not required to file the consolidated financial statements. The Company has complied with Ind AS 27: Separate financial statements whereby investments in subsidiaries, joint ventures and associates are to be valued either

• at cost; or

• in accordance with Ind AS 109.

The Company has elected to measure its investment in subsidiaries and associates at cost determined in accordance with Ind AS 27 at original cost of investment in subsidiaries and associates.

(iii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS:

a) Derivative financial instruments;

b) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and

c) The defined benefit asset/(liability) is recognised as the present value of defined benefit obligation less fair value of plan assets.

(iv) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

a) **Income taxes:** The major tax jurisdictions for the Company is in Italy. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

b) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

c) Please refer Note No 22 for impact of Covid'19 on company's operation's.

3. Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in EUR, which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Gains/(losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as fair value through other comprehensive income are included in other comprehensive income, net of taxes.

(iii) Financial instruments

a) Non-derivative financial instruments:
Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset.
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.
- Non- derivative financial instruments are recognised initially at fair value.

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

<u>A. Cash and cash equivalents</u>

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

<u>B. Other financial assets:</u>

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

<u>C. Trade and other payables</u>

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

(iv) Equity

a) **Share capital and share premium**
The authorised share capital of the Company as of March 31, 2021 USD 260,000 divided into 260,000 equity shares of EUR 1 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

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

c) **Dividend**
A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

d) **Other reserves**
Changes in the fair value of financial instruments measured at fair value through other comprehensive income, other than impairment loss, and actuarial gains and losses on defined benefit plans is recognized in other comprehensive income (net of taxes), and presented within equity in other reserves.

(v) Property, plant and equipment

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

b) **Depreciation**
The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortised over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortised over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	**Useful life**
Buildings	Useful life or lease term whichever is lower
Computer equipment and software	2 to 7 years
Furniture, fixtures and equipment	3 to 10 years

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

The cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

(vi) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

a) Arrangements where the Company is the lessee

The Company enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

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

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss. Lease liability payments are classified as cash used in financing activities in the statement of cashflows.

a) Arrangements where the Company is the lessor

In certain arrangements, the Company recognises revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned income and the estimated residual value of the leased equipment on consummation of such leases. Unearned income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognises unearned income as finance income over the lease term using the effective interest method.

(vii) Impairment

A) Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

B) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

(viii) Employee benefits

a) Termination benefits

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

b) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

c) Compensated absences

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

(ix) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(x) Revenue

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

a) Services

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

A. Time and materials contracts

Revenues and costs relating to time and materials contracts are recognised as the related services are rendered.

B. Fixed-price contracts

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

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognised. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

C. Maintenance contracts

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

In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.

b) Products

Revenue from products are recognised when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

A. Contract Asset and Liabilities

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

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. We present such receivables as part of Trade receivables at their net estimated realizable value.

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

B. Remaining Performance Obligations

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

(xi) Finance cost

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

(xii) Other income

Other income comprises interest income on deposits, dividend income and gains / (losses), net, on disposal of investments. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

(xiii) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognised in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(xiv) Earnings per share

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

(xv) Cash flow statement

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

International TechneGroup S.R.L
Summary of significant accounting policies and other explanatory information
(Amount in EUR, unless otherwise stated)

		As at	
4	**Investments**	**31 March, 2021**	**31 March, 2020**
	Non-current		
	Investments in equity instruments (unquoted-trade)		
	Investment in Subsidiary		
	Mechwork S.r.l 10,400 (31 March, 2020: 10,400) Equity shares	4,071,740	4,071,740
		4,071,740	**4,071,740**

5	**Cash and cash equivalents**	**31 March, 2021**	**31 March, 2020**
	Balances with banks		
	Current accounts	367,271	32,463
		367,271	**32,463**

6	**Other Current Assets**	**31 March, 2021**	**31 March, 2020**
	Balance with government authorities	8,032	-
		8,032	**-**

International TechneGroup S.R.L
Summary of significant accounting policies and other explanatory information
(Amount in EUR, unless otherwise stated)

		As at	
7	**Equity Share Capital (Values in EUR)**	**31 March, 2021**	**31 March, 2020**
	I. Authorised capital		
	2,60,000 (2020: 10,000) equity shares	260,000	10,000
		260,000	**10,000**
	II. Issued, subscribed and fully paid-up capital		
	2,60,000 (2020: 10,000) equity shares	260,000	10,000
		260,000	**10,000**
	(i.) Shares held by holding company (Internation Technegroup Inc, the holding company)		
	No. of Equity shares of EUR 1 each	260,000	10,000
		260,000	**10,000**

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

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% held	No. of Shares	% held
International TechneGroup Inc.	260,000	100	10,000	100

		As at	
8	**Trade Payables**	**31 March, 2021**	**31 March, 2020**
	Trade payables	1,565	-
	Accrued expenses	3,082	-
		4,648	**-**

9	**Non-current Borrowings**	**31 March, 2021**	**31 March, 2020**
	Unsecured		
	Loans from institutions other than banks*	-	1,276,974
	Total Non-current Borrowings	**-**	**1,276,974**

**Includes dues from related parties (refer note 15)*

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International TechneGroup S.R.L
Summary of significant accounting policies and other explanatory information
(Amount in EUR, unless otherwise stated)

	For the period	
10 Other income	**Apr'20 - Mar'21**	**Oct'19- Mar'20**
Dividend income	1,300,000	-
Foreign currency exchange gain/(loss)	90,729	-
Miscellaneous Income	16,157	-
	1,406,886	**-**

11 Finance costs	**Apr'20 - Mar'21**	**Oct'19- Mar'20**
Interest expense	4,712	-
Total Finance costs	**4,712**	**-**

12 Other Expenses	**Apr'20 - Mar'21**	**Oct'19- Mar'20**
Rates, taxes and insurance	158	-
Legal and professional charges	20,028	-
Auditors' remuneration		
Audit fees	1,890	-
Bank charges	215	583
	22,291	**583**

13 Income tax expense

Income tax expense has been allocated as follows:

	Apr'20 - Mar'21	**Oct'19- Mar'20**
Domestic		
Current taxes	34,146	-
Prior year taxes	(4,603)	-
Deferred taxes	-	-
Total income taxes	**29,543**	**-**

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as below

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before income tax	1,379,883	(583)
Enacted tax rates in the Italy (%)	24.00%	-
Computed tax expenses	331,171	-
Tax effect due to income not chargeable to tax	(296,400)	-
Tax expenses of earlier years	(4,603)	-
Others	(625)	-
	29,543	-

14 Earnings per Equity Share

A reconciliation of profit for the period and equity shares used in the computation of basic and diluted earnings per equity share is set out below :

Basic Earnings per Share	**Apr'20 - Mar'21**	**Oct'19- Mar'20**
Profit/(Loss) for the Period	1,350,339	(583)
Weighted Average Number of Equity Shares Outstanding	40,137	10,000
Basic and diluted earnings per share	**33.64**	**(0.06)**

15 Related Party Relationships, Transactions and Balances

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

Name of the Party	Relationship with the Company
Wipro Limited	Ultimate Holding Company
International TechneGroup Inc.	Holding Company
Mechworks S.R.L	Subsidiary
ITI Proficiency Ltd.	Fellow Subsidiary
International Technegroup Ltd.	Fellow Subsidiary

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

Particulars	For the period 1st Apr, 2020 to 31st Mar, 2021	For the period 1st Oct, 2019 to 31st Mar, 2020
Dividend Income		
Mechworks S.R.L	1,300,000	-
Interest paid		
Mechworks S.R.L	4,712	-

iii) Balances with related parties are summarised below :

Particulars	As at 31 March, 2021	As at 31 March, 2020
Loan amount outstanding:		
Mechworks S.R.L	-	152,800
International Technegroup Incorporated	-	1,124,174
Total	**-**	**1,276,974**

16 Commitments and contingencies

There are no contingent liabilities, capital and other commitments as at 31 March 2021 and 31 March 2020.

17 Segment Reporting

The Company operates in one business segment, namely sale of software services. In line with IND-AS 108, as the relevant information is available from balance sheet and the statement of profit and loss itself, and keeping in view the objective of segment reporting, the Company is not required to disclose segment information as per IND AS -108.

18 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March, 2021 were as follows :

Particulars	Note	FVTPL	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Investments	4	-	4,071,740	4,071,740	4,071,740
Cash and cash equivalents	5	-	367,271	367,271	367,271
Total financial assets		**-**	**4,439,011**	**4,439,011**	**4,439,011**
Financial liabilities :					
Trade Payables	8	-	4,648	4,648	4,648
Borrowings	9	-	-	-	-
Total financial liabilities		-	**4,648**	**4,648**	**4,648**

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows :

Particulars	Note	FVTPL	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Investments	4	-	4,071,740	4,071,740	4,071,740
Cash and cash equivalents	5	-	32,463	32,463	32,463
Total financial assets		**-**	**4,104,203**	**4,104,203**	**4,104,203**
Financial liabilities :					
Trade Payables	8	-	-	-	-
Borrowings	9	-	1,276,974	1,276,974	1,276,974
Total financial liabilities		-	**1,276,974**	**1,276,974**	**1,276,974**

Notes to financial instruments

i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has measured investments in equity shares of subsidiaries and joint ventures at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost.

ii. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

19 Financial risk management

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

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

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

A Credit risk

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

Credit risk management

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

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

Expected credit loss for trade receivables under simplified approach

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

B Liquidity risk

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

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

Maturities of financial liabilities

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

March 31, 2021	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	-	-	-	-
Trade payables	4,648	-	-	4,648
Total	**4,648**	**-**	**-**	**4,648**

March 31, 2020	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	1,276,974	-	-	1,276,974
Trade payables	-	-	-	-
Total	**1,276,974**	**-**	**-**	**1,276,974**

International TechneGroup S.R.L
Summary of significant accounting policies and other explanatory information
(Amount in EUR, unless otherwise stated)

19 Financial risk management (continued)

C Interest rate risk

The Company’s has no borrowings as at 31 March, 2021. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

20 Capital management

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

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

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

	Note	As at March 31, 2021	As at March 31, 2020
Borrowings	Financial liabilities	-	1,276,974
Less: Cash and cash equivalents	Financial assets	(367,271)	(32,463)
Net Debt		**(367,271)**	**1,244,510**
Equity share capital	Equity	260,000	10,000
Other equity	Equity	4,158,484	2,792,846
Total capital		**4,418,484**	**2,802,846**
Gearing Ratio		0.00	0.31

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

21 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March, 2021 and the date of authorization of these financial statements.

22 Impact of COVID19

The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19.However the impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

For and on behalf of the Board of Directors of International Technegroup S.r.l.

As per our report attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

For and on behalf of the Board of Directors
International TechneGroup S.R.L

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Sd/-
Kunaal Mahanti
Director

Sd/-
Nithin VJ
Director

Bengaluru
8 June 2021