

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro IT Services, LLC

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Wipro IT Services, LLC ("the Company"), which comprise the balance sheet as at 31 March, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, and loss, 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) issued by ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 standalone 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 Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

MSKA

& Associates

Chartered Accountants

concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Restriction on 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 MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

SD/-

Deepak Rao

Partner

Membership No. 113292

UDIN: 20113292AAAAKJ4420

Place: Bengaluru

Date: June 15, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WIPRO IT SERVICES, LLC**Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

SD/-
Deepak Rao
Partner
Membership No.113292
UDIN: 20113292AAAAKJ4420
Place: Bengaluru
Date: June 15, 2020

Wipro IT Services LLC
Balance Sheet as at 31 March 2020
(Amount in USD Thousands unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Other intangible assets	3	-	-
Financial assets			
Investments	4	590,873	607,453
Deferred tax assets		-	8,757
Non-current tax assets		6	4
Other non-current assets	7	-	142
Total non-current assets		590,879	616,356
Current assets			
Financial Assets			
Cash and cash equivalents	6	15,068	12,415
Other financial assets	5	6,279	18,597
Other current assets	7	142	150
Total current assets		21,489	31,163
TOTAL ASSETS		612,369	647,519
EQUITY			
Share capital	8	937,801	602,801
Other equity	8	(683,454)	(566,737)
Total equity		254,348	36,064
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	9	51,000	380,000
Total non-current liabilities		51,000	380,000
Current liabilities			
Financial liabilities			
Borrowings	9	304,000	230,000
Trade payables	11	1,602	1
Other financial liabilities	10	1,419	1,455
Total current liabilities		307,021	231,456
TOTAL EQUITY AND LIABILITIES		612,369	647,519

The accompanying notes form an integral part of these condensed interim financial statements (Notes 1 - 23)

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

SD/-
Deepak Rao
Partner
Membership No.: 113292
Place: Bangalore
Date: 15.06.2020

For and on behalf of the Board of
Directors of Wipro IT Services LLC.

SD/- SD/-
NS Bala Ashish Chawla
Director Director
Place: Bangalore Place: Bangalore
Date: 15.06.2020 Date: 15.06.2020

Wipro IT Services LLC
Statement of Profit and Loss for the year ended 31 March 2020
(Amount in USD Thousands unless otherwise stated)

	Note	Year Ended March 31,	
		2020	2019
REVENUE			
Other income	12	102,722	985
Total		102,722	985
EXPENSES			
Finance costs	13	17,981	26,443
Depreciation and amortisation expense	3	-	1,482
Other expenses	14	167,848	280,302
Total Expenses		185,829	308,226
Loss before tax		(83,107)	(307,242)
Tax expense			
Current tax		6	153
Deferred tax		8,757	-
Tax expense		8,763	153
Loss for the period		(91,870)	(307,395)
Other Comprehensive Income			
Items that may be reclassified to profit or loss in subsequent periods			
Net change in fair value of forward contracts designated as cash flow hedges		(152)	40
Total Other Comprehensive loss for the period, net of tax		(152)	40
Total comprehensive loss for the period		(91,718)	(307,436)

The accompanying notes form an integral part of these condensed interim financial statements (Notes 1 - 23)

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

SD/-
Deepak Rao
Partner
Membership No.: 113292
Place: Bangalore
Date: 15.06.2020

For and on behalf of the Board of
Directors of Wipro IT Services LLC.

SD/- SD/-
NS Bala Ashish Chawla
Director Director
Place: Bangalore Place: Bangalore
Date: 15.06.2020 Date: 15.06.2020

Wipro IT Services LLC
Cash Flow Statement for the year ended 31 March 2020
(Amount in USD Thousands unless otherwise stated)

	31 March 2020	31 March 2019
Cash flows from operating activities		
Loss for the year	(91,870)	(307,395)
Depreciation and amortisation	-	1,482
Income tax expense for the period	8,763	153
Interest on borrowings	17,981	26,443
Other income	(722)	(980)
Provision for diminution in value of non-current investments	167,600	280,156
Dividend Income	(102,000)	-
	(248)	(141)
Operating loss before working capital changes		
Loans and advances and other assets	(37)	(1,197)
Liabilities and provisions	1,753	(1,403)
Net cash used in operations	1,468	(2,741)
Income taxes paid	6	-
Net cash used in operating activities	1,462	(2,741)
Cash flows from investing activities		
Interest income received	815	1,104
Loan to subsidiaries repayment received	12,415	-
Dividend income received	102,000	-
Investment in subsidiaries	(151,021)	(247,798)
Net cash used in investing activities	(35,792)	(246,694)
Cash flows from financing activities		
Interest paid on borrowings	(18,017)	(26,577)
Proceeds from issue of equity shares	335,000	602,800
Payment of dividends	(25,000)	-
Proceeds from borrowings	45,000	-
Repayment of borrowings	(300,000)	(317,000)
Net cash generated from financing activities	36,983	259,223
Net increase/ (decrease) in cash and cash equivalents during the year	2,653	9,787
Cash and cash equivalents as at the beginning of the year	12,415	2,627
Cash and cash equivalents as at the end of the year (refer note 6)	15,068	12,415

The accompanying notes form an integral part of these condensed interim financial statements (Notes 1 - 23)

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

SD/-
Deepak Rao
Partner
Membership No.: 113292
Place: Bangalore
Date: 15.06.2020

For and on behalf of the Board of Directors
of Wipro IT Services LLC.

SD/- SD/-
NS Bala Ashish Chawla
Director Director
Place: Bangalore Place: Bangalore
Date: 15.06.2020 Date: 15.06.2020

Wipro IT Services LLC
Statement of change in equity for the year ended 31st March 2020
(Amount in USD Thousands unless otherwise stated)

8

Particulars	Other Components of Equity				
	Share Capital	Share Premium	Retained Earnings	Cash flow hedging Reserve	Total other equity
Balance as at April 1, 2019	602,801	35,000	(601,585)	(152)	(566,736)
Total Comprehensive income for the period					
Loss for the period	-	-	(91,870)	-	(91,870)
Other comprehensive income for the period	-	-	-	152	152
Total Comprehensive income for the period	-	-	(91,870)	152	(91,719)
Additional Contribution	335,000	-	-	-	-
Cash dividend paid	-	(25,000)	-	-	(25,000)
	937,801	10,000	(91,870)	152	(81,718)
Balance as at March 31, 2020	937,801	10,000	(693,455)	(0)	(683,454)

Particulars	Other Components of Equity				
	Share Capital	Share Premium	Retained Earnings	Cash flow hedging Reserve	Total other equity
Balance as at April 1, 2018	1	35,000	(294,189)	(112)	(259,301)
Total Comprehensive income for the period					
Loss for the period	-	-	(307,395)	-	(307,395)
Other comprehensive income for the period	-	-	-	(40)	(40)
Total Comprehensive income for the period	-	-	(307,395)	(40)	(307,436)
Additional Contribution	602,800	-	-	-	-
Cash dividend paid (including dividend tax thereon)	-	-	-	-	-
	602,800	-	(307,395)	(40)	(307,437)
Balance as at March 31, 2019	602,801	35,000	(601,585)	(152)	(566,737)

The accompanying notes form an integral part of these condensed interim financial statements (Notes 1 - 23)

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

SD/-
Deepak Rao
Partner
Membership No.: 113292
Place: Bangalore
Date:

For and on behalf of the Board of Directors of Wipro IT Services LLC.

SD/-
NS Bala
Director
Place: Bangalore
Date: 15.06.2020

SD/-
Ashish Chawla
Director
Place: Bangalore
Date: 15.06.2020

Wipro IT Services LLC

Summary of significant accounting policies and other explanatory information

(Amount in USD Thousands unless otherwise stated)

1 Background

Wipro IT Services Inc. ("the Company") is a subsidiary of Wipro LLC ("the holding company"). The Company is incorporated in USA and is engaged in the software development services.

The Company has accumulated loss primarily arising on account of impairment of its investment in a subsidiary. In addition, the Company's current liabilities exceeded its current assets. The accompanying financial statements have been prepared on going concern assumption, based on the receipt of funding received from the holding company, which is indicative of the financial support from the holding company. Consequently, no adjustment have been made to the carrying values or classification of the assets and liabilities.

2 Summary of significant accounting policies

a) Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

These financial statements have been prepared on a historical cost convention and on accrual basis. Accounting policies have been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared to append with the financial statements of the ultimate holding company, to comply with the provisions of Section 137 (1) of the Companies Act, 2013 ("the Act") in India.

The annual financial statements presented are not consolidated annual financial statements as the entity qualifies for the consolidation exemption in Ind AS 110 Consolidated Financial Statements. Further, the entity also qualifies for exemption in not applying equity method for investment in associates as per Ind AS 28.

The exemption is allowed provided that all of the following criteria are complied with:

- The entity is wholly owned or partially owned, where none of the other shareholder's object to the fact that consolidated annual financial statements are not prepared.
- The entity's debt or equity instruments are not traded in a public market.
- The entity did not file, and is not in the process of filing its annual financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instrument in a public market, and
- The entity's ultimate or intermediary parent produces consolidated annual financial statements available for public use which comply with International Financial Reporting Standards.

Wipro Limited, incorporated in India, produces consolidated annual financial statements available for public use. These annual financial statements can be obtained from Doddakanelli, Sarjapur Road, Bangalore - 560035.

b) 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 recognized in the period in which the estimates are revised and in any future periods affected.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors together with economic factors.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Measurement of fair value of non-marketable equity instruments

These instruments are initially recorded at cost and subsequently measured at fair value. Fair value of investments is determined using the market and income approaches. The market approach includes the use of financial metrics and ratios of comparable companies, such as revenue, earnings, comparable performance multiples, recent financial rounds and the level of marketability of the investments. The selection of comparable companies requires management judgment and is based on a number of factors, including comparable company sizes, growth rates, and development stages. The income approach includes the use of discounted cash flow model, which requires significant estimates regarding the investees' revenue, costs, and discount rates based on the risk profile of comparable companies. Estimates of revenue and costs are developed using available historical and forecast data.

Business combination

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates) and liabilities acquired, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables including certain investments, the Company has considered internal and external information up to the date of approval of these condensed interim financial statements including credit reports and economic forecasts. The impact of the global health pandemic may be different from that estimated as at the date of approval of these condensed interim financial statements and the Company will continue to closely monitor any material changes to future economic conditions .

c) Foreign currency

Functional Currency and presentation currency

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

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.

d) Non-derivative Financial instruments

Non derivative financial instruments consist of:

- i) financial assets, which include cash and cash equivalents, investments in equity and eligible current and non-current assets;
- ii) financial liabilities, which include long and short-term loans and borrowings, trade payables, eligible current and non-current liabilities

Non derivative financial instruments are recognized initially at fair value. Financial assets are derecognized 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 derecognized 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:

i) Cash and cash equivalents:

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

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

ii) Investments

Investment in subsidiaries are measured at cost less impairment.

iii) 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, unbilled revenues, cash and cash equivalents and other assets.

iv) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized 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.

Derivative and Hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and if so the nature of item being hedged and the type of hedging relationship designated.

The Company designated their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The full fair value of the hedging derivative is classified as non current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivative are also classified as a current asset or liability when expected to be realised/ settled within 12 months of the balance sheet date.

e) Equity

i) Share capital and share premium

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

ii) Retained earnings

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

iii) Other comprehensive income

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

iv) Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is presented within equity in the FCTR.

f) 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.

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually. The estimated useful lives of the amortizable intangible assets for the current and comparative periods is 3 years.

g) Impairment

Financial Assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Company estimates the amount of

h) Provisions and contingencies

Provisions are recognized 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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The amount recognized 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 recognized 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 recognized 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.

i) Finance expenses

Finance expenses comprise interest cost on borrowings, impairment losses recognized on financial assets, 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 recognized in the statement of profit and loss using the effective interest method.

j) Finance and other income

Finance and other income comprises interest income on deposits, dividend income and gains / (losses) etc. Interest income is recognized using the effective interest method.

k) Income tax

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

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 recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized 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 recognized 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 utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of 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 utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized 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 realized simultaneously.

l) Cash flow statement

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

m) Business combination

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the date of exchange by the Company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expensed as incurred. The cost of an acquisition also includes the fair value of any contingent consideration measured as at the date of acquisition. Any subsequent changes to the fair value of contingent consideration classified as liabilities, other than measurement period adjustments, are recognised in the statement of profit and loss.

Common Control business combinations

The Company accounts for business combinations involving entities or businesses under common control using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The identity of the reserves are preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately as Common Control Transactions Capital reserve.

2A Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Wipro IT Services LLC

Summary of significant accounting policies and other explanatory information

(Amount in USD Thousands unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
4 Investments		
Unquoted investments:		
Non-current		
Investments in subsidiaries	582,040	598,619
Investments in associates	8,833	8,833
	590,873	607,453
Details of investment in unquoted equity instruments		
a) Name of the subsidiary		
Healthplan Services Inc (1000 shares of USD 0.01 each)	513,883	463,883
Appirio Inc. (1000 shares of USD 0.01 each)	460,966	460,966
Cooper Software, Inc. (11,221,002 shares of USD 0.02 each)	8,719	8,719
International Technegroup Incorporated (16,350,000 shares of USD 0.0001 each)	46,611	-
Rational Interaction Inc. (16,350,000 shares of USD 0.0001 each)	54,410	-
Infocrossing, LLC. (10 shares of USD 0.01 each)	221,800	221,800
Less: Provision for diminution in value of investments	(724,349)	(556,749)
	582,040	598,619
b) Name of the associate		
Denim Group, Ltd. (510 Series A Preferred Partnership Units)	8,833	8,833
	8,833	8,833
	As at 31 March 2020	As at 31 March 2019
5 Other Financial Assets		
Current		
Other Receivables	259	71
Loans to subsidiary companies	5,900	18,315
Interest Accrued on loan to Subsidiaries	119	211
	6,279	18,597
7 Other Assets		
Non-current		
Prepaid expenses	-	142
	-	142
Current		
Prepaid expenses	142	150
	142	150
	As at 31 March 2020	As at 31 March 2019
6 Cash and cash equivalent		
Cash and cash equivalents		
Balances with banks		
In current accounts	68	415
In deposit accounts	15,000	12,000
	15,068	12,415
Cash and cash equivalents consists of the following for the purpose of the cash flow statement:		
Cash and cash equivalents	15,068	12,415

	As at 31 March 2020	As at 31 March 2019
9 Borrowings		
Unsecured:		
Term loan:		
Loan from Holding Company	51,000	380,000
	51,000	380,000
Current		
Unsecured:		
Loan repayable on demand	304,000	230,000
	304,000	230,000
10 Other Financial Liabilities		
Current		
Interest accrued but not due on borrowings	1,226	1,262
Derivatives	-	152
Balances due to related parties	193	41
	1,419	1,455
11 Trade payables		
Trade Payable	1,602	1
	1,602	1

Wipro IT Services LLC**Summary of significant accounting policies and other explanatory information**

(Amount in USD Thousands unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
12 Other Income		
Dividend Income	102,000	-
Interest on debt instruments and others	722	980
Others	-	5
	102,722	985
	Year ended 31 March 2020	Year ended 31 March 2019
13 Finance costs		
Interest Cost	17,981	26,443
	17,981	26,443
	Year ended 31 March 2020	Year ended 31 March 2019
14 Other expenses		
Provision for diminution in value of non-current investments	167,600	280,156
Legal and professional charges	247	116
Audit fees	1	1
Miscellaneous expenses	-	29
	167,848	280,302

Wipro IT Services LLC**Summary of significant accounting policies and other explanatory information**

(Amount in USD Thousands unless otherwise stated)

3 Intangible Assets

Particulars	Non-compete fee	Total
Gross block		
Balance as at 01 April 2018	4,454	4,454
Additions during the year	-	-
Disposals during the year	-	-
Translation adjustment	-	-
Balance as at 31 March 2019	4,454	4,454
Additions during the year	-	-
Disposals/Adjustment for the year	-	-
Translation adjustment	-	-
Balance as at 31 March 2020	4,454	4,454
Accumulated amortisation		
Balance as at 01 April 2018	2,972	2,972
Charge for the year	1,482	1,482
Disposals/Adjustment	-	-
Translation adjustment	-	-
Balance as at 31 March 2019	4,454	4,454
Charge for the year	-	-
Disposals/Adjustment for the year	-	-
Translation adjustment	-	-
Balance as at 31 March 2020	4,454	4,454
Net block		
Balance as at 31 March 2019	-	-
Balance as at 31 March 2020	-	-

Wipro IT Services LLC
Summary of significant accounting policies and other explanatory information

(Amount in USD Thousands unless otherwise stated)

15 Related party disclosure
i) Parties where control exists:

Nature of relationship	Name of the related party
Ultimate Holding Company	Wipro Limited
Holding company	Wipro LLC
Fellow Subsidiary	Opus Capital Markets Consultants LLC
Fellow Subsidiary	Wipro Gallagher Solutions, LLC
Fellow Subsidiary	Wipro Data Centre and Cloud Services, Inc.
Fellow Subsidiary	Wipro Holdings UK Limited
Subsidiary	Apprio Inc
Subsidiary	HealthPlan Services, Inc.
Subsidiary	Cooper Software, Inc.
Subsidiary	Infocrossing LLC
Subsidiary	Wipro US Foundation
Subsidiary	Apprio, K.K
Subsidiary	Topcoder, LLC.
Subsidiary	Appirio Ltd.
Subsidiary	Appirio Ltd (UK)
Subsidiary	International Technegroup Incorporated (effective from September 27 2019)
Subsidiary	Rational Interaction Inc. (effective from February 21, 2020)
Subsidiary	International Technegroup Ltd.
Subsidiary	ITI Proficiency Ltd.
Subsidiary	IT S.R.L
Subsidiary	Mech Works S.R.L
Associates	Denim Group, Ltd.

ii) The Company has the following related party transactions:

Particulars	Relationship	Year ended	Year ended
		31 March 2020	31 March 2019
Corporate Guarantee Commission Charges			
Interest expense			
Wipro LLC	Holding Company	924	-
Interest income			
Apprio Inc	Subsidiary	61	605
Healthplan Services Inc.,	Subsidiary	250	254
Loans Taken			
Wipro LLC	Holding Company	45,000	-
Loan Provided			
Healthplan Services Inc.,	Subsidiary	-	2,000
Investment			
Infocrossing LLC	Subsidiary	-	221,800
Healthplan Services Inc.,	Subsidiary	50,000	26,000
International Technegroup Incorporated	Subsidiary	46,611	-
Rational Interaction Inc.	Subsidiary	54,410	-
Additional Contribution			
Wipro LLC	Holding Company	335,000	381,000
Dividend received			
Infocrossing LLC	Subsidiary	40,000	-
Apprio Inc	Subsidiary	62,000	-
Dividend paid			
Wipro LLC	Holding Company	25,000	-
Other			
Wipro LLC	Holding Company	2	2
Wipro Limited	Ultimate Holding Company	36	3
Rational Interaction Inc.	Subsidiary	191	-

iii) Balances with related parties as at year end are summarised below

Particulars	Relationship	As at	As at
		31 March 2020	31 March 2019
Investments			
Healthplan Services Inc	Subsidiary	513,883	463,883
Apprio, Inc.	Subsidiary	460,966	460,966
Denim Group Limited	Associate	8,833	8,833
Cooper Software, Inc.	Subsidiary	8,719	8,719
International Technegroup Incorporated	Subsidiary	46,611	-
Rational Interaction Inc.	Subsidiary	54,410	-
Infocrossing LLC	Subsidiary	221,800	221,800
Loan Given			
Apprio, Inc.	Subsidiary	-	12,500
Healthplan Services Inc	Subsidiary	5,900	5900
Loan Taken			
Wipro, LLC	Holding Company	45,000	-
Other			
Rational Interaction Inc.		191	-
Wipro LLC		2	-

Wipro IT Services LLC

Summary of significant accounting policies and other explanatory information

(Amount in USD Thousands unless otherwise stated)

16 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

17 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk.

(A) 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 three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

If interest rates were to increase by 50bps from March 31, 2020, additional net annual interest expense on floating rate borrowing would amount to approximately \$ 1.55mn.

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 and 31 March 2019 is the carrying amounts as mentioned in Note 4 and 6.

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

	<u>One year or less</u>	<u>More than one year</u>	<u>Total</u>
31 March 2020			
Long-term borrowings	304,000	51,000	355,000
Trade payables	1,602	-	1,602
Other financial liability	<u>1,419</u>	<u>-</u>	<u>1,419</u>
	<u>307,021</u>	<u>51,000</u>	<u>358,021</u>
31 March 2019			
Long-term borrowings	230,000	380,000	610,000
Trade payables	1	-	1
Other financial liability	<u>1,455</u>	<u>-</u>	<u>1,455</u>
	<u>231,456</u>	<u>380,000</u>	<u>611,456</u>

18 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets. Non-current borrowing comprises term loans. The impact of fair value on such portion is not material and therefore not considered for above disclosure.

19 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

Wipro IT Services LLC

Summary of significant accounting policies and other explanatory information

(Amount in USD Thousands unless otherwise stated)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	As at	
	31-Mar-20	31-Mar-19
<u>Fair value measurement hierarchy for liabilities:</u>		
(a) <u>Financial liabilities measured at fair value:</u>		
Level 2		
<u>Financial liabilities measured at fair value through profit or loss</u>		
Derivative - Interest Rate Swap	-	152
Trade payables	1,600	-
<u>Financial Assets/ Liabilities measured at amortized cost</u>		
<u>Financial assets measured at amortized cost</u>		
Investments	590,873	607,453
Loans	5,900	18,315
Cash and cash equivalents	15,068	12,415
<u>Financial liabilities measured at amortized cost</u>		
<u>Liability component of convertible preference shares</u>		
Borrowings (non-current)	51,000	380,000
Borrowings (current)	304,000	230,000
Trade payables	2.00	1
Other Payables	1,419	1,455
20 Taxation		
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax for previous year	6	153
Deferred tax reversal	8,757	-
	8,763	153

	As at	
	March 31, 2020	March 31, 2019
Effective Tax Rate (ETR) reconciliation		
	USD	USD
Loss before taxes	(83,107)	(307,242)
Enacted income tax rate in USA	28.00%	28.00%
Computed expected tax expense	(23,270)	(86,028)
Effect of:		
Income exempt from tax	-	-
Basis differences that will reverse during a tax holiday period	-	-
Reversal of deferred tax liability for past years due to rate reduction	-	-
Expenses disallowed for tax purposes	-	-
Income taxes relating to prior years	-	153
Unrecognized deferred tax assets	-	-
Others, net	32,033	86,028
	8,763	153

21 Events occurring after the reporting date

No other adjusting or significant non-adjusting events have occurred between 31 March 2020 and the date of authorization of these financial statements, other than those described below

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

22 Prior period comparatives

Figures for the previous year have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For MSKA & Associates
Chartered Accountants
 Firm Registration No.: 105047W

SD/-
 Deepak Rao
 Partner
 Membership No.: 113292
 Place: Bangalore
 Date: 15.06.2020

For and on behalf of the Board of Directors of
 Wipro IT Services LLC.

SD/- SD/-
 NS Bala Ashish Chawla
 Director Director
 Place: Bangalore Place: Bangalore
 Date: 15.06.2020 Date: 15.06.2020