Wipro Designit Services Inc.

SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENT UNDER IND AS

AS AT MARCH 31, 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro Designit Services Inc.

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Wipro Designit Services Inc. ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter 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 March 31, 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 Companies Act, 2013 ('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 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 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

M Seethalakshmi
Partner
Membership No. 208545
UDIN: 21208545AAAAFG4327

Place of Signature: Bangalore
Date: 8th June 2021

Wipro Designit Services Inc.
(Formerly known as Rational Interaction Inc.)
Balance Sheet As At March 31, 2021

(Amount in USD, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	338,040	371,245
Right-of-use assets	5	1,322,828	2,227,467
Financial assets			
Investments	6	92	171
Other financial assets	7	81,438	78,661
Other non-current assets	8	18,379	111,634
Total non-current assets		**1,760,777**	**2,789,178**
Current assets			
Financial assets			
Trade receivables	9	4,126,383	3,740,696
Cash and cash equivalents	10	6,522,797	2,756,193
Unbilled receivables		229,165	649,697
Contract Assets		419,205	-
Other current assets	11	229,260	290,792
Total current assets		**11,526,810**	**7,437,378**
TOTAL ASSETS		**13,287,587**	**10,226,556**
EQUITY			
Share capital	12	1,635	1,635
Other equity		1,741,524	808,740
TOTAL EQUITY		**1,743,159**	**810,375**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities		489,003	1,362,189
Deferred tax liabilities (net)	16	551,571	-
Total non-current liabilities		**1,040,574**	**1,362,189**
Current liabilities			
Financial liabilities			
Trade payables	13	5,239,937	4,426,212
Other financial liabilities	14	3,676,761	2,050,166
Lease Liabilities		873,186	863,354
Unearned revenues		405,616	566,139
Provisions		5,610	4,303
Current tax liabilities (net)		31,989	99,734
Other current liabilities	15	270,755	44,083
Total current liabilities		**10,503,854**	**8,053,992**
TOTAL LIABILITIES		**11,544,428**	**9,416,180**
TOTAL EQUITY AND LIABILITIES		**13,287,587**	**10,226,556**

Summary of significant accounting policies

The accompanying notes are an integral part of these financial statements.

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 of
Wipro Designit Services Inc.

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Sd/-
Mohit Bansal
Director

Sd/-
Rajan Kohli
Director

Place: Bengaluru
Date: 08th June 2021

Wipro Designit Services Inc.
(Formerly known as Rational Interaction Inc.)
Statement of Profit and Loss for the year ended 31 March 2021
(Amount in USD, unless otherwise stated)

	Notes	Year ended 31 March 2021	For the period 21-Feb-2020 to 31-Mar-2020
INCOME			
Income from operations	17	46,581,419	5,232,615
Other income	18	29,405	33,675
Total Income		**46,610,824**	**5,266,290**
EXPENSES			
Employee benefits expense	19	35,046,806	3,884,819
Finance costs	20	68,298	8,531
Depreciation and amortisation expense	4 & 5	1,200,845	130,800
Provision for diminution		80	-
Other Expenses	21	8,778,486	934,785
Total expenses		**45,094,515**	**4,958,934**
Profit before tax		**1,516,309**	**307,356**
Tax expense			
Current tax		(35,397)	99,734
Deferred tax		551,571	-
Total tax expense (Refer Note 26)	26	**516,174**	**99,734**
Profit for the year		**1,000,135**	**207,622**
Other comprehensive income (OCI)		-	-
Total comprehensive income for the year		**1,000,135**	**207,622**
Earnings per equity share: (Equity shares of par value)	22		
Basic		0.06	0.01
Diluted		0.06	0.01
Number of shares			
Basic		16,350,000	16,350,000
Diluted		16,350,000	16,350,000

Summary of significant accounting policies

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

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Place: Bengaluru
Date: 08th June 2021

For and on behalf of the Board of Directors of
Wipro Designit Services Inc.

Sd/-
Mohit Bansal
Director

Sd/-
Rajan Kohli
Director

Wipro Designit Services Inc.
(Formerly known as Rational Interaction Inc.)
Statement Of Cash Flows
(Amount in USD, unless otherwise stated)

	Year ended 31 March 2021	For the period 21-Feb-2020 to 31-Mar-2020
Cash flows from operating activities:		
Profit/ (Loss) for the year	1,000,135	207,622
Adjustments		
Depreciation and amortisation expense	1,200,845	130,800
Provision for Doubtdul debt	-	37,159
Exchange Differences	29,852	391
Interest Income	(2,777)	(296)
Income tax expense	516,174	99,734
Finance Costs	68,298	8,531
Provision for Dimunition	80	-
Changes in operating assets and liabilities;		
(Increase) / Decrease in Trade receivables	(385,688)	5,264,696
(Increase) / Decrease in Unbilled Receivable	420,532	(649,697)
(Increase) / Decrease in Other assets	(267,194)	(100,994)
Increase / (Decrease) in Trade payables, Other liabilities and provisions	2,570,723	(2,991,919)
Increase / (Decrease) in Unearned revenues	(160,523)	(1,354,739)
Cash generated from operations	**4,990,458**	**651,288**
Income taxes paid, net	(32,347)	-
Net cash generated from/(used in) operating activities (A)	**4,958,111**	**651,288**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(264,054)	(29,379)
Interest received	2,777	296
Net cash generated from/(used in) investing activities (B)	**(261,277)**	**(29,083)**
Cash flows from financing activities:		
Finance Costs	(66,876)	(8,531)
Repayment of lease liabilities	(863,354)	(91,258)
Net cash generated from/(used in) financing activities (C)	**(930,230)**	**(99,789)**
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	3,766,604	522,416
Cash and cash equivalents as at the beginning of the year	2,756,193	2,233,777
Cash and cash equivalents at the end of the year	**6,522,797**	**2,756,193**
Components of cash and cash equivalents (note 10)		
Balances with banks		
in Current account	**6,522,797**	**2,756,193**

The accompanying notes are an integral part of these financial statements.

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 of
Rational Interaction Inc.

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Sd/-
Mohit Bansal
Director

Sd/-
Rajan Kohli
Director

Place: Bengaluru
Date: 08th June 2021

Wipro Designit Services Inc.
(Formerly known as Rational Interaction Inc.)
Statement Of Changes In Equity
(Amount in USD, unless otherwise stated)

Equity Share Capital

Balance as at February 21, 2020	Changes during the period	Balance as at March 31, 2020
1,635	**-**	**1,635**
Balance as at April 1, 2020		**Balance as at March 31, 2021**
1,635	**-**	**1,635**

Other equity

Particulars	Retained earnings	Total
Balance as at February 21, 2020	601,118	**601,118**
Profit for the year	207,622	**207,622**
Other comprehensive income	-	**-**
Total comprehensive income for the year	**207,622**	**207,622**
Balance as at March 31, 2020	**808,740**	**808,740**
Movement in Pre Acquisition Reserve*	(67,723)	**(67,723)**
Profit for the year	1,000,135	**1,000,135**
Other comprehensive income	-	**-**
Total comprehensive income for the year	1,000,135	**1,000,135**
Balance as at 31 March 2021	**1,741,524**	**1,741,152**

* The movement in pre-acquisition reserve is due to expenses related to periods prior to acquistion and paid during the year

The accompanying notes are 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

For and on behalf of the Board of Directors of
Wipro Designit Services Inc.

Sd/-
Mohit Bansal
Director

Sd/-
Rajan Kohli
Director

Place: Bengaluru
Date: 08th June 2021

WIPRO DESIGNIT SERVICES INC.
(Formerly known as Rational Interaction Inc.)

Summary of significant accounting policies and other explanatory information

1. The Company overview

Wipro Designit Services, Inc. (the "Company"), incorporated in the state of Washington is a leading provider of Customer experience solutions across the full spectrum of customer-focused digital transformation initiatives. The company delivers its wide range of customized services in order to drive connection, growth and business performance of its clients.

2. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These special purpose 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 for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013. The 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.

Accounting policies have been applied consistently to all periods presented in these financial statements, except for new accounting standards adopted by the Company.

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

All amounts included in the financial statements are reported in USD, unless otherwise stated. Previous year figures have been regrouped/re-arranged, wherever necessary.

(ii) 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.

(iii) Use of estimates and judgment

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

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

a) **Revenue recognition:** The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost-plus margin approach in estimating the stand-alone selling price. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

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

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

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

e) **Useful lives of property, plant and equipment:** The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

f) **Impact of Covid'19:** Kindly refer Note No. 29 for impact of Covid'19 on company's operations.

3. Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in US Dollars, 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:

A. Cash and cash equivalents

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

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

B. Other financial assets:

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

C. Trade and other payables

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

b) Derecognition of financial instruments

'The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Equity

a) Share capital and share premium

The authorized share capital of the Company as of March 31, 2021 is USD 1635 divided into 16,350,000 equity shares of $ 0.0001 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 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.

(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
Office equipment.	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 Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a 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 cash flows.

(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. 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 Design services provided to its clients along with the educational services eg. Training and Coaching services.

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a) Services

The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and and the collectability is reasonably assured. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the Company applies the following five step approach:
(1) Identify the contract with a customer,
(2) Identify the performance obligations in the contract,
(3) Determine the transaction price,
(4) Allocate the transaction price to the performance obligations in the contract, and
(5) Recognize revenues when a performance obligation is satisfied.
At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.
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 recognized 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. The Company presents such receivables as part of unbilled receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in Ind AS 109 using expected credit loss method.

B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognised which includes unearned revenue and amounts that will be invoiced and recognised as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from 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.

The amendment to Ind AS 7, require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

(xvi) Disposal of Assets

The gain or loss arising on disposal or retirement of assets are recognised in the statement of profit and loss.

New Accounting standards adopted by the Company:

(i) <u>New amended standards and interpretations</u>

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.

Other amendments to the existing standards

None

(ii) <u>New standards notified and yet to be adopted by the Company</u>

None

Wipro Designit Services Inc.
(Formerly known as Rational Interaction Inc.)
Summary of significant accounting policies and other explanatory information
(Amount in USD, unless otherwise stated)

4.Property, plant and equipment

	Furniture & Fixtures	Leasehold Improvements	Computers	Total
Gross Block (Cost)				
Opening as at 21st Feb 2020	291,057	561,112	695,315	1,547,484
Additions on account of acquisition	-	-	29,379	29,379
Disposals	-	-	-	-
Balance as at March 31 2020	291,057	561,112	724,694	1,576,863
Additions	-	-	264,054	264,054
Disposals	-	-	-	-
Balance as at March 31 2021	**291,057**	**561,112**	**988,749**	**1,840,917**
Accumulated depreciation/ impairment:				
Opening as on 21st Feb 2020	213,697	497,577	459,871	1,171,145
Depreciation	5,759	2,700	26,013	34,473
Disposals	-	-	-	-
Balance as at March 31 2020	219,456	500,277	485,884	1,205,618
Depreciation	41,087	24,728	231,443	297,259
Disposals	-	-	-	-
Balance as at March 31 2021	**260,544**	**525,005**	**717,328**	**1,502,877**
Net Block				
Balance as at March 31 2020	**71,600**	**60,835**	**238,810**	**371,245**
Balance as at March 31 2021	**30,513**	**36,107**	**271,421**	**338,040**

5.Right-of-use assets

	ROU Buidings	Total
Gross Block (Cost)		
Opening as at 21st Feb 2020	2,323,498	**2,323,498**
Additions on account of acquisition	-	-
Disposals	-	-
Balance as at March 31 2020	2,323,498	**2,323,498**
Additions	-	-
Disposals	-	-
Balance as at March 31 2021	2,323,498	2,323,498
Accumulated depreciation/ impairment:		
Opening as at 21st Feb 2020	-	-
Depreciation	96,031	**96,031**
Disposals	-	-
Balance as at March 31 2020	96,031	**96,031**
Additions	904,639	**904,639**
Disposals	-	-
Balance as at March 31 2021	1,000,670	1,000,670
Net Block		
Balance as at March 31 2020	**2,227,467**	**2,227,467**
Balance as at March 31 2021	**1,322,828**	**1,322,828**

6. Investments

	As at '31st March 2021	As at '31st March 2020
Equity Instruments		
Investment in Rational Consulting Australia Pty Ltd	80	80
Investment in subsidiary Rational Interaction Limited	92	92
	171	171
- Provision for dimunition	80	-
	92	**171**

7. Other financial assets

	As at '31st March 2021	As at '31st March 2020
Security Deposits	81,438	78,661
	81,438	**78,661**

8. Other non-current assets

	As at '31st March 2021	As at '31st March 2020
Prepaid Expenses	18,379	111,634
	18,379	**111,634**

9. Trade receivables

	As at '31st March 2021	As at '31st March 2020
Unsecured		
Considered good	3,585,439	3,389,748
Considered doubtful	-	-
	3,585,439	3,389,748
- Provision for doubtful	-	(38,944)
	3,585,439	3,350,804
Add: With Group companies (Refer Note 23)	540,944	389,891
	4,126,383	3,740,696

10. Cash and cash equivalents

	As at '31st March 2021	As at '31st March 2020
Balances with banks		
- Current accounts	6,522,797	2,756,193
	6,522,797	**2,756,193**

11. Other current assets

	As at '31st March 2021	As at '31st March 2020
Prepaid Expenses	227,868	290,236
Employee advance	1,392	556
	229,260	**290,792**

12. Share Capital

	As at '31st March 2021	As at '31st March 2020
Issued, subscribed and fully paid-up capital		
Ordinary Shares 16,350,000 equity shares of $ 0.0001 each	1,635	1,635
Total	**1,635**	**1,635**

Reconciliation of the number of shares	**As at '31st March 2021**	**As at '31st March 2020**
Opening number of equity shares	16,350,000	16,350,000
Equity shares issued	-	-
Closing number of equity shares	16,350,000	16,350,000

Details of shareholders holding more than 5% of the total equity shares of the Company

Name of the Shareholder	As at '31st March 2021		As at '31st March 2020	
	No. of Shares	% held	No. of Shares	% held
Wipro IT Services LLC	16,350,000	100	16,350,000	100

Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of $ 0.0001 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting, except in case of interim dividend.
In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distributing of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

13.Trade Payables

	As at '31st March 2021	As at '31st March 2020
Payable to Others	1,469,494	1,722,860
Payable to Related parties (Refer Note 23)	711,025	288,866
Prov for expense	3,059,418	2,414,486
	5,239,937	**4,426,212**

14.Other financial liabilities - Current

	As at '31st March 2021	As at '31st March 2020
Salary Payable	1,042,572	2,050,166
Accrued Bonus & Commission	203,559	-
MIP & Retention Bonus Payable	1,909,787	-
Others Payable	520,843	-
	3,676,761	**2,050,166**

15.Other current liabilities	**As at '31st March 2021**	**As at '31st March 2020**
401 K Contribution	270,755	44,083
	270,755	44,083

16. Deferred tax liabilities	**As at '31st March 2021**	**As at '31st March 2020**
DTL on temperory differences	551,571	-
	551,571	-

Wipro Designit Services Inc.
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17.Revenue from operations

	Year ended 31 March 2021	For the period Feb 21, 2020 to March 31, 2020
Sale of Services	46,581,419	5,232,615
Total	**46,581,419**	**5,232,615**

Disaggregation of Revenues
The table below presents disaggregated revenues from contracts with customers by business segment and contract-type. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

	Year ended 31 March 2021	For the period Feb 21, 2020 to March 31, 2020
Revenue from Operations		
Sale of Services	46,581,419	5,232,615
Sale of Products	-	-
	46,581,419	**5,232,615**
Revenue by nature of contract		
Fixed price and volume based	39,461,634	4,328,546
Time and materials	7,119,785	904,069
	46,581,419	**5,232,615**

18.Other Income

	Year ended 31 March 2021	For the period Feb 21, 2020 to March 31, 2020
Rental Income	26,628	33,770
Interest Income	2,777	296
Exchange rate fluctuation	-	(391)
Total	**29,405**	**33,675**

19.Employee Benefit Expenses

	Year ended 31 March 2021	For the period Feb 21, 2020 to March 31, 2020
Salaries and Wages	33,106,964	3,686,073
Staff welfare	1,939,842	198,746
Total	**35,046,806**	**3,884,819**

20.Finance Costs

	Year ended 31 March 2021	For the period Feb 21, 2020 to March 31, 2020
Interest expense on Lease liabilities	62,256	8,531
Interest Cost	6,042	-
Total	**68,298**	**8,531**

21.Other Expenses

	Year ended 31 March 2021	For the period Feb 21, 2020 to March 31, 2020
Sub-contracting / technical fees / third party application	3,258,806	269,963
Insurance Expenses	-	3,977
Facility expenses	4,480,514	319,362
Communication	64,488	3,838
Rates & Taxes	71,519	11,285
Travel expenses	36,303	65,173
Provision/write off of bad debts	(38,944)	37,159
Recruitment	207,817	25,076
Legal and professional charges	645,846	162,422
Miscellaneous Expenses	22,283	36,529
Exchnage Rate Fluctuation	29,852	-
Total	**8,778,486**	**934,785**

22. Earnings per equity share

	Year ended 31 March 2021	For the period Feb 21, 2020 to March 31, 2020
Profit attributable to equity holders of the Company	1,000,135	207,622
Weighted average number of equity shares - for basic and diluted EPS	16,350,000	16,350,000
Basic earnings per share - Basic and diluted	**0.06**	**0.01**

Wipro Designit Services Inc.
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Summary of significant accounting policies and other explanatory information

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23. Related Party Disclosure

a) Parties where control exists

Name	Relationship with the company	Country of Incorporation
Wipro IT Services LLC	Holding company	USA
Rational Consulting Australia Pty Ltd	Wholly Owned Subsidiary	Australia
Wipro Designit Services Limited	Wholly Owned Subsidiary	Ireland
Wipro Limited	Ultimate Holding Company	India
Wipro LLC	Fellow Subsidiary	USA
Designit North America Inc.	Fellow Subsidiary	USA
Infocrossing, LLC	Fellow Subsidiary	USA

b) The company has following related party transactions

Particulars	Relationship	As at 31st March 2021	As at 31st March 2020
Sub contracting / technical fees			
Wipro Designit Services Limited	Wholly Owned Subsidiary	1,479,570	138,938
Rational Consulting Australia Limited	Wholly Owned Subsidiary	158,402	-
Sale of services			
Wipro LLC	Fellow Subsidiary	54,000	-
Designit North America Inc.	Fellow Subsidiary	357,156	-
Wipro Limited	Ultimate Holding Company	863,678	-
Interest Expense			
Infocrossing, LLC	Fellow Subsidiary	6,042	-

c) Balances with related parties as at year end:

Particulars	Relationship	As at 31st March 2021	As at 31st March 2020
Receivables			
Rational Consulting Australia Pty Ltd	Wholly Owned Subsidiary	242,999	199,081
Wipro IT Services LLC	Holding company	-	190,810
Wipro Limited	Ultimate Holding Company	217,275	-
Designit North America Inc.	Fellow Subsidiary	80,670	-
Payables			
Wipro Designit Services Limited	Wholly Owned Subsidiary	372,488	288,866
Wipro Limited	Ultimate Holding Company	338,537	-

24. Fair Value Hierarchy

Financial assets and liabilities include cash and bank balances in current accounts, trade receivables, unbilled receivables, and eligible current and non-current assets, long and short-term loans and borrowings, trade payable and eligible current liabilities and non-current liabilities. The fair value of financial assets and liabilities approximate their carrying amount largely due to the short-term nature of such assets and liabilities.

There are no financial assets or financial liabilities measured on fair value basis as at March 31, 2021. Accordingly, no fair value hierarchy disclosure has been included.

25. Financial Instruments:

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes 2 and 3 to the financial statement.

a. Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2021 is as follows

Particulars		**Amortised**	**Financial**	**Financial**
Assets:				
Financial Asset				
Cash and cash equivalents	10	6,522,797	-	-
Trade receivables	9	4,126,383	-	-
Unbilled receivables		229,165	-	-
Investments		92	-	
Other financial assets	7	81,438	-	-
Total		**10,959,875**	**-**	**-**
Liabilities:				
Financial liabilities				
Trade payables	13	5,239,937	-	-
Other financial liabilities	14	3,676,761	-	-
Lease Liabilities		1,362,188	-	-
Total		**10,278,886**	**-**	**-**

The carrying value of financial instruments by categories as at March 31, 2020 is as follows

Particulars	**Amortised cost**	**Financial assets/liabilities at FVTPL**	**Financial assets/liabilities at FVTPL**
Assets:			
Financial Asset			
Cash and cash equivalents	2,756,193	-	-
Trade receivables	3,740,696	-	-
Unbilled receivables	649,697	-	-
Investments	171	-	
Other financial assets	78,661	-	-
Total	**7,225,418**	**-**	**-**

Liabilities:			
Financial liabilities			
Trade payables	4,426,212	-	-
Other financial liabilities	2,050,166	-	-
Lease Liabilities	2,225,543	-	-
Total	**8,701,920**	-	-

b. Exposure to credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company has major revenue from Microsoft which accounts to 80% of total revenue. The Company expects to maintain this relationship with the customer. We perform ongoing credit evaluations of our customers' financial condition and do not anticipate non-performance by counterparties given their high creditworthiness.

c. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. Management monitors company's net liquidity position through rolling forecast on the basis of expected cash-flows.

Maturities of financial liabilities

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

31 March 2021	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Trade payables	5,239,937			5,239,937
Other financial liabilities	3,676,761			3,676,761
Lease Liabilities	873,186	489,003		1,362,188
Total	9,789,883	489,003	-	10,278,886

31 March 2020	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Trade payables	4,426,212			4,426,212
Other financial liabilities	2,050,166			2,050,166
Lease Liabilities	863,354	1,362,189		2,225,543
Total	7,339,732	1,362,189	-	8,701,920

d. Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity. The Company is not exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities as the Company's transactions are carried out in USD.

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Summary of significant accounting policies and other explanatory information
(Amount in USD, unless otherwise stated)

26. Effective Tax Rate (ETR) reconciliation	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	(35,397)	99,734
Deferred tax	551,571	-
	516,174	**99,734**

Reconciliation of tax charge

	Year ended 31 March 2021	**Year ended 31 March 2020**
Profit before tax	1,516,309	**307,356**
Income tax expense at tax rates applicable	424,567	86,060
Effect of:		
Non deductible expenses	127,005	13,674
Prior period charge	(35,397)	
Income tax expense	**516,174**	**99,734**

27. 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.
- Equity includes equity share capital and all other equity components, which attributable to the equity holders
- Net Debt includes borrowings, less cash and cash equivalents.

Particulars	**Note**	**As at 31 March 2021**	**As at 31 March 2020**
Borrowings	Financial liability	-	-
Lease iabilities	Financial liability	1,362,188	2,225,543
Less: Cash and cash equivalents	Financial asset	6,522,797	2,756,193
Net debt		(5,160,609)	(530,650)
Equity share capital	Equity	1,635	1,635
Other equity	Equity	1,741,524	808,740
Total capital		1,743,159	810,375
Gearing ratio		(2.96)	(0.65)

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 year.

28. Events ocurring after the reporting date

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

29. Impact of Covid-19

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.

The accompanying notes are an integral part of these financial statements.

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 of
Wipro Designit Services Inc.

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Sd/-
Mohit Bansal
Director

Sd/-
Rajan Kohli
Director

Place: Bengaluru
Date: 08th June 2021