Ind AS Financial Statements

Wipro Designit Services Inc.

31 March 2022

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 2022, 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, 2022 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of presentation referred to in Note 2(i) to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2(i) to the Special Purpose Financial Statements. The Special Purpose Financial Statements are prepared for inclusion in the annual report of Ultimate Holding Company under the requirements of section 129(3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for any other purpose. Our report is intended solely for the company and Wipro Limited and should not be distributed to or used by parties other than the company and Wipro Limited.

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

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

Place of Signature: Bangalore
Date: 20-06-2022

Wipro Designit Services Inc.
Balance Sheet as at 31 March 2022
(All amounts in USD except otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	381,311	338,040
Right of use asset	5	464,349	1,322,828
Financial assets			
Investments	6	92	92
Other financial assets	7	-	81,438
Other non-current assets	8	2,752	18,379
Total non-current assets		**848,504**	**1,760,777**
Current assets			
Financial assets			
Trade receivables	9	7,204,382	4,126,383
Cash and cash equivalents	10	1,800,450	6,522,797
Unbilled receivables		269,964	229,165
Contract assets		-	419,205
Other current assets	8	273,847	229,260
Total current assets		**9,548,643**	**11,526,810**
TOTAL ASSETS		**10,397,147**	**13,287,587**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	1,635	1,635
Other equity	12	(1,588,763)	1,741,524
Total equity		**(1,587,128)**	**1,743,159**
Non-current liabilities			
Financial liabilities			
Lease liabilities		-	489,003
Other financial liabilities	13	23,238	-
Provisions	17	528,882	-
Deferred tax liabilities (net)	14	297,974	551,571
Total non-current liabilities		**850,094**	**1,040,574**
Current liabilities			
Financial labilities			
Short term borrowings	15	2,500,000	-
Trade payables	16	5,572,941	5,239,937
Lease liabilities		489,003	873,186
Other financial liabilities	13	1,836,126	3,676,761
Unearned revenues		23,238	405,616
Provisions	17	515,924	270,755
Current tax liabilities (net)		-	31,989
Other current liabilities	18	196,949	5,610
Total current liabilities		**11,134,181**	**10,503,854**
TOTAL LIABILITIES		11,984,275	11,544,428
TOTAL EQUITY AND LIABILITIES		**10,397,147**	**13,287,587**
Summary of significant accounting policies	**1-3**		

The accompanying notes form an integral part of the speical purpose financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

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

Sd/-
Seethalakshmi M
Partner
Membership No.: 208545

Sd/-
Mohit Bansal
Director

Sd/-
Rajan Kohli
Director

Bengaluru
20 June 2022

Wipro Designit Services Inc.

Statement of Profit and Loss for the year ended 31 March 2022

(All amounts in USD except otherwise stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
INCOME			
Revenue from operations	19	48,042,595	46,581,419
Other income	20	74,087	29,405
Total income		**48,116,682**	**46,610,824**
EXPENSES			
Employee benefits expense	21	41,701,175	35,046,806
Finance costs	22	45,493	68,298
Depreciation and amortisation expenses	23	1,168,892	1,200,845
Provision for diminution		-	80
Other operating and general expenses	24	9,035,012	8,778,486
Total expenses		**51,950,572**	**45,094,515**
Profit / (Loss) before tax		**(3,833,890)**	**1,516,309**
Tax expenses	25		
Current tax		16,496	(35,397)
Deferred tax		(520,099)	551,571
Total tax expenses/(gain)		**(503,603)**	**516,174**
Profit/(Loss) for the year		**(3,330,287)**	**1,000,135**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total other comprehensive income / (loss) for the year, net of taxes		**(3,330,287)**	**1,000,135**
Total comprehensive income for the year			
Earnings per share			
Basic and diluted	26	(0.20)	0.06
Face value per equity share		10	10

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

Sd/-
Seethalakshmi M
Partner
Membership No.: 208545

Bengaluru
20 June 2022

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

Sd/-
Mohit Bansal
Director

Sd/-
Rajan Kohli
Director

Wipro Designit Services Inc.
Cash Flow Statement for the year ended 31 March 2022

(All amounts in ₹ except otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities		
Profit / (loss) before tax	(3,833,890)	1,516,309
Adjustments for:		
Depreciation and amortisation expenses	1,168,892	1,200,845
Finance costs on borrowings	45,493	68,298
Interest income	(2,595)	(2,777)
Exchange Difference	-	29,852
Provision for Dimunition	-	80
	1,211,790	**1,296,298**
Operating profit/(loss) before working capital changes	**(2,622,100)**	**2,812,607**
Movements in working capital:		
(Increase)/decrease in trade receivable	(3,077,999)	(385,688)
(Increase) / Decrease in Unbilled Receivable	(40,799)	420,532
(Increase)/decrease in other assets	471,681	(267,194)
Increase / (Decrease) in Trade payables, Other liabilities and provisio	(519,000)	2,570,723
Increase / (Decrease) in Unearned revenues	(382,378)	(160,523)
Cash generated in operations	**(3,548,495)**	**2,177,850**
Direct tax paid	218,016	(32,347)
Net cash from operating activities	**(5,952,579)**	**4,958,110**
B. Cash flows from investing activities		
Purchase of tangible and intangible assets	(353,684)	(264,054)
Interest received	2,595	2,777
Net cash (used in) from investing activities	**(351,089)**	**(261,277)**
C. Cash flow from financing activities		
Loan Taken	2,500,000	-
Payments of lease liability	(873,186)	(863,354)
Interest paid	(45,493)	(66,876)
Net cash generated from/(used in) financing activities	**1,581,321**	**(930,230)**
Net increase in cash and cash equivalents (A+B+C)	**(4,722,347)**	**3,766,603**
Cash and cash equivalents at the beginning of the year	**6,522,797**	**2,756,193**
Cash and cash equivalents at the end of the year	**1,800,450**	**6,522,796**
Components of cash and cash equivalents		
Balance with banks in current accounts	1,800,450	6,522,797
	1,800,450	**6,522,797**

The accompanying notes form an integral part of the special purpose financial statements

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

For PKF Sridhar & Santhanam LLP
Firm's Registration No.: 003990S/S 200018
Chartered Accountants

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

Sd/-
Seethalakshmi M
Partner
Membership No.: 208545
Bengaluru
20 June 2022

Sd/-
Mohit Bansal
Director

Sd/-
Rajan Kohli
Director

Wipro Designit Services Inc.
Statement of changes in equity for the year ended 31 March 2022

A. Equity share capital

	Note	Balance
At 1 April 2020		**1,635**
Changes in equity share capital		-
As at 31 March 2021	11	**1,635**
Changes in equity share capital		-
As at 31 March 2022	11	**1,635**

B. Other equity

	Other equity		
	Securities premium	Retained earnings	Total other equity
At 1 April 2020		808,740	
Movement in Pre Acquisition Reserve		(67,723)	
Profit for the year		1,000,135	
As at 31 March 2021	**-**	**1,741,524**	**1,741,524**
Profit for the year	-	(3,330,287)	**(3,330,287)**
As at 31 March 2022	**-**	**(1,588,763)**	**(1,588,763)**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

Sd/-
Seethalakshmi M
Partner
Membership No.: 208545

Bengaluru
20 June 2022

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

Sd/-
Mohit Bansal
Director

Sd/-
Rajan Kohli
Director

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.

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>

(a) Ind AS 107 Financial Instruments: Disclosures – Additional disclosures relating to interest rate benchmark reform (IBOR reform) including nature and extent of risks to which the entity is exposed due to financial instruments subject to interest rate benchmark reform and how the Company manages those risks; the Company's progress in completing the transition to alternative benchmark rates and how the Company is managing the transition.
(b) Ind AS 109 Financial Instruments – Guidance provided on accounting for modifications of contracts resulting from changes in the basis for determining the contractual cash flows as a result of the IBOR reform; various exceptions and relaxations have been provided in relation to the hedge accounting.
(c) Ind AS 116 Leases – Extension of optional practical expedient in case of rent concessions as a direct consequence of COVID-19 pandemic till 30th June, 2022 and guidance on accounting for modification of lease contracts resulting from the IBOR reform.
(d) Ind AS 102 Share based payments – Alignment of liabilities definition with the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India.
(e) Ind AS 103 Business Combination – Alignment of assets and liabilities definition with the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards
(f) Amendment of definition of term 'recoverable amount' in Ind AS 105, Ind AS 16 and Ind AS 36 from 'fair value less cost to sell' to 'fair value less cost of disposal'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

(All amounts in USD except otherwise stated)

4 Property, plant and equipment

Particulars	Land	Lease Hold Improvements	Plant and equipment	Furniture and fixtures	Total
Gross block					
Balance as at 1 April 2020	-	561,112	724,694	291,057	1,576,863
Additions	-	-	264,054	-	264,054
Deletions	-	-	-	-	-
Balance as at 31 March 2021	**-**	**561,112**	**988,748**	**291,057**	**1,840,917**
Additions	-	-	353,684	-	353,684
Deletions	-	(54,263)	(669,756)	(273,837)	(997,856)
Balance as at 31 March 2022	**-**	**506,849**	**672,676**	**17,220**	**1,196,745**
Accumulated depreciation					
Balance as at 1 April 2020	-	500,277	485,885	219,457	1,205,619
Depreciation charge for the year	-	24,728	231,443	41,087	297,258
Disposals	-	-	-	-	
Balance as at 31 March 2021	**-**	**525,005**	**717,328**	**260,544**	**1,502,877**
Depreciation charge for the year	-	23,064	260,317	27,032	310,413
Disposals	-	54,263	669,756	273,837	997,856
Balance as at 31 March 2022	**-**	**493,806**	**307,889**	**13,739**	**815,434**
Net block					
Balance as at 31 March 2021	**-**	**36,107**	**271,420**	**30,513**	**338,040**
Balance as at 31 March 2022	**-**	**13,043**	**364,787**	**3,481**	**381,311**

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5 Right of use assets:

Particulars	ROU Building	Total
Gross block at cost		
At 1 April 2020	2,323,498	
Additions	-	-
Deductions for the year	-	-
As at 31 March 2021	**2,323,498**	**2,323,498**
Additions	-	-
Deductions for the year	(326,813)	(326,813)
As at 31 March 2022	**1,996,685**	**1,996,685**
Accumulated depreciation		
At 1 April 2020	96,031	96,031
Depreciation	904,639	904,639
Disposals		
As at 31 March 2021	**1,000,670**	**1,000,670**
Charge for the year	858,479	858,479
Deductions for the year	(326,813)	(326,813)
As at 31 March 2022	**1,532,336**	**1,532,336**
Net Block		
As at 31 March 2022	**464,349**	**464,349**
As at 31 March 2021	**1,322,828**	**1,322,828**

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6 Investments

	As at 31 March 2022	As at 31 March 2021
Non current (Refer Note 29)		
Investment in Rational Consulting Australia Pty Ltd		80
Investment in subsidiary Rational Interaction Limited	92	92
	92	172
Less: Provision for dimunition		80
	92	92

7 Other financial assets

	As at 31 March 2022	As at 31 March 2021
Non Current		
Security Deposit		81,438
	-	81,438

8 Other assets

	As at 31 March 2022	As at 31 March 2021
Non current		
Prepaid expenses	2,752	18,379
	2,752	18,379
Current		
Prepaid expenses	211,133	227,868
Security Deposit	62,714	1,392
	273,847	229,260

9 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured		
Considered good		
Intercompany*	1,675,014	540,944
Others	5,529,368	3,585,439
	7,204,382	4,126,383
Less: allowance for credit impaired	-	-
	7,204,382	4,126,383

* Refer related party note no 27

10 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with bank in current accounts	1,800,450	6,522,797
	1,800,450	6,522,797

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(All amounts in USD except otherwise stated)

11 Share capital

	As at 31 March 2022	As at 31 March 2021
Authorised capital	1,635	1,635
	1,635	**1,635**
Issued, subscribed and paid up capital		
Ordinary Shares 16,350,000 equity shares of $ 0.0001 each	1,635	1,635
	1,635	**1,635**

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

	As at 31 March 2022		As at 31 March 2021	
	Number	**Amount**	**Number**	**Amount**
Balance at the beginning of the year	16,350,000	1,635	16,350,000	1,635
Add :Issued during the year.	-	-	-	-
Balance at the end of the year	**16,350,000**	**1,635**	**16,350,000**	**1,635**

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of USD 0.0001 per share. Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2022		As at 31 March 2021	
	Percentage of shareholding	**Number of shares**	**Percentage of shareholding**	**Number of shares**
Equity shares of USD 0.0001 each fully paid-up				
Wipro IT Services LLC	100%	16,350,000	100%	16,350,000

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12 Other equity

	As at 31 March 2022	As at 31 March 2021
a) Statement of profit and loss account		
Balance at the beginning of the year	1,741,524	-
Add: Net profit/(loss) for the year	(3,330,287)	1,741,524
Balance at the end of the year	**(1,588,763)**	**1,741,524**
b) Securities premium	-	-
Total (a+b)	**(1,588,763)**	**1,741,524**

Nature and purpose of reserves:

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

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13 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Non current		
Security Deposit	23,238	-
	23,238	**-**
Current		
Salary Payable	368,075	1,042,572
Accrued Bonus & Commission	161,475	203,559
MIP & Retention Bonus Payable	1,096,125	1,909,787
Others Payable	210,451	520,843
Total	**1,836,126**	**3,676,761**

14 Deferred tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
DTL on temparory differences	297,974	551,571
Net deferred tax liabilities	**297,974**	**551,571**

15 Short Term Borrowings

	As at 31 March 2022	As at 31 March 2021
Loan from Infocrossing	2,500,000	-
	2,500,000	**-**

16 Trade payables

	As at 31 March 2022	As at 31 March 2021
Vendor payables	1,454,612	1,469,494
Intercompany payables	1,238,466	711,025
Accrued expenses and others	2,879,863	3,059,418
Total	**5,572,941**	**5,239,937**

17 Provisions

	As at 31 March 2022	As at 31 March 2021
Non Current		
Provision for employee benefits	528,882	-
	528,882	**-**
Current		
Provision for employee benefits	515,924	5,610
	515,924	**5,610**

18 Other liabilities

	As at 31 March 2022	As at 31 March 2021
401 K Contribution	196,949	270,755
Total	**196,949**	**270,755**

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19 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of services	48,042,595	46,581,419
	48,042,595	**46,581,419**
Revenue by type of contract		
Fixed price and volume based	39,340,470	39,461,634
Time and materials	8,702,125	7,119,785
	48,042,595	**46,581,419**

A. Contract assets and liabilities

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

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

Contract assets: During the year ended 31 March 2022 USD 4,19,205 of contract assets pertaining to fixed-price development contracts have been reclassified to receivables on completion of milestones.

B. Remaining Performance Obligations

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

C. Disaggregation of Revenue

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

20 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income	2,595	2,777
Rental income	69,715	26,628
Miscellaneous Income	1,777	-
	74,087	**29,405**

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21 Employee benefits expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	39,905,900	33,106,964
Staff welfare	1,795,275	1,939,842
	41,701,175	**35,046,806**

22 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on finance lease	32,192	62,256
Interest cost	13,301	6,042
	45,493	**68,298**

23 Depreciation

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on tangible assets	310,413	297,258.00
Depreciation on right to use assets	858,479	904,639.00
	1,168,892	**1,201,897.00**

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24 Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Sub-contracting / technical fees / third party application	3,595,965	3,258,807
Rates, taxes and insurnace	97,388	71,519
IC Receivable written off (Refer note 34)	249,234	-
Facility expenses	4,392,739	4,480,514
Communication	60,176	64,488
Travel Expenses	133,076	36,303
Provision/write off of bad debts	-	(38,944)
Recruitment	296,868	207,817
Legal and professional charges	131,647	645,847
Exchnage Rate Fluctuation	-	29,852
Miscellaneous expenses	77,919	22,283
	9,035,012	**8,778,486**

25 Income tax

Income tax expense has been allocated as follows:	Year ended 31 March 2022	Year ended 31 March 2021
Income tax expense		
Domestic		
Current taxes	16,496	(35,397)
Deferred taxes	(520,099)	551,571
Total income taxes	**(503,603)**	**516,174**

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	(3,833,890)	1,516,309
Enacted income tax rate	28%	28%
Computed expected tax expense	(1,073,489)	424,567
Effect of:		
Non deductible expenses	1,947	127,005
Prior period charge	101,919	(35,397)
Other	466,021	-
Total income taxes expenses	**(503,602)**	**516,175**

26 Earnings per share (EPS)

	Year ended 31 March 2022	Year ended 31 March 2021
Net profit/(loss) for the year	(3,330,287)	1,000,135
Weighted average number of shares	16,350,000	16,350,000
Earnings per share		
Basic and diluted	(0.20)	0.06
Nominal value - per equity share	10	10

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27 **A. Names of related parties and nature of relationship**

Nature of relationship	Name of the related party	Country of incorporation
Ultimate Holding Company	Wipro Limited	India
Holding Company	Wipro IT Services LLC	India
Fellow Subsidiaries	Wipro LLC	USA
	Designit North America Inc.	USA
	Infocrossing, LLC	USA
	Designit TLV Ltd.	Israel
	Designit Australia	Australia
	Designit A/S	Denmark
	Designit Oslo A/S	Norway
	Topcoder LLC	USA
Wholly Owned Subsidiary	Wipro Designit Services Limited	Ireland
	Rational Consulting Australia Limited	Australia

*Related parties with whom transactions have taken place during the year.

B. Transactions with related parties for the year ended 31 March 2022

Particulars	Relationship*	Year ended 31 March 2022	Year ended 31 March 2021
Subcontracting & technical fees			
Wipro Designit Services Limited	Wholly Owned Subsidiary	1,675,790	1,479,570
Rational Consulting Australia Limited	Wholly Owned Subsidiary	(2,477)	158,403
Designit North America Inc.	Fellow Subsidiary	586,973	-
Wipro Limited	Ultimate Holding Company	138,485	-
Designit TLV Ltd.	Fellow Subsidiary	51,204	-
Designit Australia	Fellow Subsidiary	31,283	-
Sales and services			
Wipro LLC	Fellow Subsidiary	1,728,183	54,000
Designit North America Inc.	Fellow Subsidiary	757,526	357,156
Wipro Limited	Ultimate Holding Company	3,412,037	863,678
Designit Oslo A/S	Fellow Subsidiary	238,290	-
Designit TLV Ltd.	Fellow Subsidiary	5,670	-
Topcoder LLC	Fellow Subsidiary	56,410	-
Interest expense			
Infocrossing, LLC	Fellow Subsidiary	13,301	6,042
Loan Taken			
Infocrossing, LLC	Fellow Subsidiary	2,500,000	-

C. Closing balance of related parties

Name of the Company	As on 31 March 2022	As on 31 March 2021
Payables:		
Wipro Designit Services Limited	531,836	372,488
Wipro Limited	543,925	338,537
Designit North America Inc.	97,014	-
Designit A/S	18,385	-
Opus Capital Markets Consultants LLC	47,306	
Receivables:		
Wipro Limited	1,377,981	217,275
Designit North America Inc.	24,255	80,670
Rational Consulting Australia Pty Ltd	-	242,999
Topcoder LLC	56,410	-
Wipro LLC	205,798	-
Designit Oslo A/S	10,571	-
Loan taken		
Infocrossing, LLC		
Loan Principal	2,500,000	-
Interest accrued and due on loan	13,301	6,042

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28 IND AS 116 leases related disclosures

i) Total lease liabilities are analysed as follows:

	As at 31 March 2022	As at 31 March 2021
Denominated in the following currencies:		
USD	489,003	1,362,188
Other currencies	-	-
Total	**489,003**	**1,362,188**
Analysed as:		
Current	489,003	873,186
Non current		489,003
	489,003	**1,362,189**

ii) Amounts recognised in statement of profit and loss:

The following amounts were recognised as expense in the year:

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of right-of-use assets	326,813	96,031
Interest on lease liabilities	32,192	62,256
Expense relating to short-term leases and low-value assets	-	-
Total recognised in the statement of profit and loss	**359,005**	**158,287**

iii) Exposure to future cash flows:

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

Maturity analysis:	As at 31 March 2022	As at 31 March 2021
Less than 1 year	489,003	873,186
Between 1 and 2 years	-	489,003
Between 2 and 5 years	-	-
More than 5 years	-	-
Total	**489,003**	**1,362,189**

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29 Financial instruments measurement and disclosure

a) Financial instruments by category

Particulars	As at 31 March 2022				As at 31 March 2021			
	FVTOCI	FVTPL	Amortised cost	Total	FVTOCI	FVTPL	Amortised cost	Total
Financial assets:								
Investments	-	-	92	92	-	-	92	92
Trade receivables	-	-	7,204,382	7,204,382	-	-	4,126,383	4,126,383
Cash and cash equivalents	-	-	1,800,450	1,800,450	-	-	6,522,797	6,522,797
Unbilled receivables	-	-	269,964	269,964	-	-	229,165	229,165
Other financial assets	-	-	-	-	-	-	81,438	81,438
Total	**-**	**-**	**9,274,796**	**9,274,796**	**-**	**-**	**10,959,783**	**10,959,783**
Financial liabilities:								
Borrowings	-	-	2,500,000	2,500,000	-	-		-
Lease liabilities	-	-	489,003	489,003	-	-	1,362,189	1,362,189
Trade payables	-	-	5,572,941	5,572,941	-	-	5,239,937	5,239,937
Other financial liabilities	-	-	1,859,364	1,859,364	-	-	3,676,761	3,676,761
Total	**-**	**-**	**10,421,308**	**10,421,308**	**-**	**-**	**10,278,887**	**10,278,887**

The fair values of assets and liabilities approximates its carrying value.

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

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30 Financial risk management

Financial risk management

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

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

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

A Credit risk

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

Credit risk management

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

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

Expected credit loss for trade receivables under simplified approach

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

Concentration Risk

The table below provides the details of the customer having balance of more than 10% of the total Account receivable of the entity as of 31 March 2022

	Year ended 31 March 2022		Year ended 31 March 2021	
Customer	**AR Balance**	**% of total AR balance**	**AR Balance**	**% of total AR balance**
Acer Americas	3,192,075	44%	1,059,636	26%
Microsoft	2,080,094	29%	2,431,573	59%
Wipro Limited	1,377,981	19%	217,275	5%

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(All amounts in USD except otherwise stated)

30 Financial risk management (continued)

B Liquidity risk

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

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

Maturities of financial liabilities

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

31 March 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Beyond 5th year	Total
Non-derivatives					
Borrowings	2,500,000				2,500,000
Lease liabilities	489,003				489,003
Trade payables	5,572,941				5,572,941
Other Financial liabilities	1,859,364				1,859,364
Total	**10,421,308**		**-**	**-**	**10,421,308**

31 March 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Beyond 5th year	Total
Non-derivatives					
Borrowings					-
Lease liabities	873,186	489,003			1,362,189
Trade payables	4,426,212				4,426,212
Other Financial liabilities	2,050,166				2,050,166
Total	**7,349,564**		**-**	**-**	**7,838,567**

C Market Risk

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

D Interest rate risk

The Company has no borrowings as at 31 March, 2022. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

E Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from EUR, CAD, GBP. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The management evaluates rate exposure arising from these transactions and enters into Foreign currency derivative instruments to mitigate such exposure. The company follows risk management policies, including use of derivatives like foreign currency exchange forward options etc.

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31 Capital management

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

	As at 31 March 2022	As at 31 March 2021
Non current borrowings	-	
Short term borrowings	2,500,000	
	2,500,000	**-**
Less: cash and cash equivalents	1,800,450	
Less: bank balances other than cash and cash equivalents	-	
Net debts	**699,550**	**-**
Total equity	**-1,587,128**	
Gearing ratio	**-0.44**	

Note: As no term loans availed in the previous year, comparative period figures are not applicable.

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32 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorization of these financial statements.

33 Contingent liabilities and commitments

	As at 31 March 2022	As at 31 March 2021
a) Claims against the Company not acknowledge as debts	-	-
b) Bank guarantees	-	-

Estimated amount of contracts remaining to be executed on capital account and not provided for–USD xxx (31March 2021: USD xx)

34 Amount written off for liquidated subsidiary

Rational Consulting Australia Pty. Ltd. (subsidiary) was liquidated with effect from 30th May 2021. Hence, the investments and receivables have been written off from the books respectively.

As per our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

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

Sd/-
Seethalakshmi M
Partner
M No:. 208545

Sd/-
Mohit Bansal
Director

Sd/-
Rajan Kohli
Director

Bengaluru
20 June 2022