

## INDEPENDENT AUDITOR'S REPORT

To the Members of **Wipro VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Wipro VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 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.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon. The Director's report has not been made available to us.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

## **Other Matter**

- (a) The Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated June 08, 2021 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matters.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The Management has represented that, to the best of it’s knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b) The Management has represented, that, to the best of it’s knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

Sd/-

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Ganesh Udupa A  
Partner  
Membership No. 224152  
UDIN: 22224152AKOSPX6137

Place: Bengaluru  
Date: June 08, 2022

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF WIPRO VLSI DESIGN SERVICES INDIA PRIVATE LIMITED (Formerly known as Eximius Design India Private Limited)

### Auditor's Responsibilities for the Audit of the 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 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has internal financial controls with reference to 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**For M S K A & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W

Sd/-

Ganesh Udupa A

Partner

Membership No. 224152

UDIN: 22224152AKOSPX6137

Place: Bengaluru

Date: June 08, 2022

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WIPRO VLSI DESIGN SERVICES INDIA PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2022.**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company does not have intangible assets as at the reporting date. Accordingly, the provisions stated in paragraph 3(i)(a)(B) of the Order are not applicable to the Company.

(b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) (a) of the Order are not applicable to the Company.

(b) According to the information and explanations provided to us, the Company has not been sanctioned working capital limits. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

# MSKA & Associates

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- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited with the appropriate authorities though there has been delay in few cases.
- According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2022, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix.
- (a) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) to (c) and sub clause (f) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (c) The Company does not have any subsidiary, associate or joint venture, hence reporting under the clause (ix)(e) of the order is not applicable to the Company.
- x.
- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi.
- (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.



- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Based on the information and explanation provided to us, since the Company is a private Company, Section 177 of the Act is not applicable to it.
- xiv. In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Act. Hence, the provisions stated in paragraph 3(xiv) (a) to (b) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to the Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi.
  - (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
  - (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
  - (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
  - (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been resignation of the statutory auditors during the year, there were no issues, objections or concerns raised by the outgoing auditors.

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- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

Sd/-

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Ganesh Udupa A  
Partner  
Membership No. 224152  
UDIN: 22224152AKOSPX6137

Place: Bengaluru  
Date: June 08, 2022



**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WIPRO VLSI DESIGN SERVICES INDIA PRIVATE LIMITED (Formerly known as Eximius Design India Private Limited)**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Wipro VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited) on the Financial Statements for the year ended March 31, 2022]

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**Opinion**

We have audited the internal financial controls with reference to financial statements of Wipro VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

## **Meaning of Internal Financial Controls With reference to Financial Statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls With reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For M S K A & Associates**  
**Chartered Accountants**

ICAI Firm Registration No. 105047W

Sd/-

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Ganesh Udupa A  
Partner  
Membership No. 224152  
UDIN: 22224152AKOSPX6137

Place: Bengaluru  
Date: June 08, 2022

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
**BALANCE SHEET**

(INR in thousands, except share and per share data, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	20,070	26,556
Right-of-Use Assets	3	85,414	123,004
Other intangible assets	3	-	783
Financial assets			
Other financial assets	6	27,223	53,849
Deferred tax assets	25	33,619	13,597
<b>Total non-current assets</b>		<b>166,326</b>	<b>217,789</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	4	631,039	146,535
Cash and cash equivalents	5	340,279	142,068
Unbilled revenues		76,628	203,455
Other financial assets	6	2,157	28,049
Contract Assets		18,565	-
Tax Assets (net)		-	179,165
Other current assets	7	29,137	2,717
<b>Total current assets</b>		<b>1,097,805</b>	<b>701,989</b>
<b>TOTAL ASSETS</b>		<b>1,264,131</b>	<b>919,778</b>
<b>EQUITY</b>			
Equity Share capital	8	750	750
Other equity		65,061	211,720
<b>Total equity</b>		<b>65,811</b>	<b>212,470</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease Liabilities	13	43,449	101,339
Long term provisions	10	80,166	75,316
<b>Total non-current liabilities</b>		<b>123,615</b>	<b>176,655</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	9	180,000	-
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	11	23	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11	56,057	30,815
Lease Liabilities	13	46,692	32,031
Other financial liabilities	12	226,266	295,750
Unearned revenues		4,525	-
Tax Liabilities (net)		9,867	-
Short term provisions	10	32,920	5,620
Other current liabilities	14	518,355	166,437
<b>Total current liabilities</b>		<b>1,074,705</b>	<b>530,653</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,264,131</b>	<b>919,778</b>

The accompanying notes are an integral part of these financial statements. (Note 1- 31)

As per our report of even date

For M S K A & Associates  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**WIPRO VLSI Design Services India Private Limited**

SD/-

Ashish Chawla  
Director  
'DIN: 09133045  
Bengaluru  
June 08, 2022

SD/-  
**Ganesh Udupa A**  
Partner  
Membership No: 224152  
Bengaluru  
June 08, 2022

SD/-  
**Krishnan Subramanian**  
Director  
DIN: 03484801  
Bengaluru  
June 08, 2022

SD/-  
**Aparna Chandrasekhar Iyer**  
Director  
DIN: 08378003  
Bengaluru  
June 08, 2022

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT**  
(InNR in thousands, except share and per share data, unless otherwise stated)

	Note	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>REVENUE</b>			
Revenue from operations	15	2,755,935	1,868,042
Other income	16	3,425	23,462
<b>Total Income</b>		<b>2,759,360</b>	<b>1,891,504</b>
<b>EXPENSES</b>			
Employee benefits expense	17	2,513,250	1,475,819
Sub Contracting/Technical Fees	18	129,914	3,639
Finance costs	19	12,430	14,190
Depreciation and amortisation expense	3	67,534	57,156
Other expenses	20	113,645	185,466
<b>Total Expenses</b>		<b>2,836,773</b>	<b>1,736,270</b>
<b>Profit/(Loss) before tax</b>		<b>(77,413)</b>	<b>155,234</b>
<b>Tax expense/(income)</b>			
Current tax	25	105,444	50,747
Earlier Year tax	25	(16,293)	-
Deferred tax	25	(19,906)	(2,095)
<b>Tax expense/(income)</b>		<b>69,245</b>	<b>48,652</b>
<b>Profit/(Loss) for the year</b>		<b>(146,658)</b>	<b>106,582</b>
<b>Earnings/(Loss) per equity share (Equity shares of par value INR 10 each)</b>			
Basic	21	(1,956)	1,422
Diluted		(1,956)	1,422
<b>No of shares</b>			
Basic		74,977	74,977
Diluted		74,977	74,977

The accompanying notes are an integral part of these financial statements. (Note 1- 31)

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration No.:105047W

For and on behalf of the Board of Directors of

**WIPRO VLSI Design Services India Private Limited**

**SD/-**

**Ashish Chawla**

Director

DIN: 09133045

Bengaluru

June 08, 2022

**SD/-**

**Ganesh Udupa A**

Partner

Membership No: 224152

Bengaluru

June 08, 2022

**SD/-**

**Krishnan Subramanian**

Director

DIN: 03484801

Bengaluru

June 08, 2022

**SD/-**

**Aparna Chandrasekhar Iyer**

Director

DIN: 08378003

Bengaluru

June 08, 2022

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
**Statement of Changes in Equity**  
(INR in thousands, except share and per share data, unless otherwise stated)

**A. EQUITY SHARE CAPITAL (INR 10 par Value)**

Balance as of April 1, 2021	Changes during the year	Balance as of March 31, 2022
750	-	750

  

Balance as of April 1, 2020	Changes during the year	Balance as of March 31, 2021
750	-	750

**B. OTHER EQUITY**

Other Components of Equity				
Particulars	Share Premium	Retained Earnings	Other Comprehensive income	Total other equity
Balance as at April 1, 2021	9,487	202,233	-	211,720
<b>Total Comprehensive income/(expense) for the year ended</b>				
Profit/(Loss) for the year	-	(146,658)	-	(146,658)
<b>Total Comprehensive income/(expense) for the year ended</b>	-	(146,658)	-	(146,658)
<b>Balance as at March 31, 2022</b>	<b>9,487</b>	<b>55,574</b>	<b>-</b>	<b>65,061</b>

  

Other Components of Equity				
Particulars	Share Premium	Retained Earnings	Other Comprehensive income	Total other equity
Balance as at April 1, 2020	9,487	95,651	-	105,138
<b>Total Comprehensive income/(expense) for the year ended</b>				
Profit/(Loss) for the year	-	106,582	-	106,582
<b>Total Comprehensive income/(expense) for the year ended</b>	-	<b>106,582</b>	-	<b>106,582</b>
<b>Balance as at March 31, 2021</b>	<b>9,487</b>	<b>202,233</b>	<b>-</b>	<b>211,720</b>

The accompanying notes are an integral part of these financial statements. (Note 1- 31)

As per our report of even date  
**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**WIPRO VLSI Design Services India Private Limited**

**SD/-**  
**Ashish Chawla**  
Director  
DIN: 09133045  
Bengaluru  
June 08, 2022

**SD/-**  
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Partner  
Membership No: 224152

Bengaluru  
June 08, 2022

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Bengaluru  
June 08, 2022

**SD/-**  
**Aparna Chandrasekhar Iyer**  
Director  
DIN: 08378003

Bengaluru  
June 08, 2022

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2022**  
**(INR in thousands, except share and per share data, unless otherwise stated)**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>A. Cash flows from operating activities:</b>		
Profit/(Loss) for the year	(146,658)	106,582
Adjustments:		
Depreciation and Amortization	67,534	57,156
Income Tax Expenses	69,245	48,652
Provision for Doubtful Debts	8,928	1,341
Interest Income	(854)	(8,512)
Interest Expenses on Lease Liabilities	7,665	10,988
Other interest cost	4,754	3,182
Loss/(Profit) on sale of Fixed Assets	821	-
<b>Working capital changes :</b>		
(Increase)/Decrease In Current Assets	(385,699)	(214,309)
(Increase)/Decrease In Non Current Assets	30,061	(24,536)
Increase in Current and Non Current Liabilities	454,016	210,517
<b>Net cash from operating activities</b>	<b>109,814</b>	<b>191,061</b>
Taxes (paid)/refund	(31,736)	(50,748)
<b>Net cash generated/(used in) operations</b>	<b>78,077</b>	<b>140,313</b>
<b>B. Cash flows from investing activities:</b>		
Addition to Assets	(13,786)	(10,269)
Interest Income	854	8,512
<b>Net cash generated/(used in) investing activities</b>	<b>(12,932)</b>	<b>(1,757)</b>
<b>C. Cash flows from financing activities:</b>		
Proceeds/ (Repayment) from Unsecured Loan	180,000	-
Repayment of Lease Liabilities	(46,665)	(44,728)
Other Interests Paid	(269)	(3,182)
<b>Net cash generated/(used in) financing activities</b>	<b>133,066</b>	<b>(47,910)</b>
Net (decrease) / increase in cash and cash equivalents during the year	198,211	90,646
Cash and cash equivalents at the beginning of the year	142,068	51,422
<b>Cash and cash equivalents at the end of the year [Refer Note 5]</b>	<b>340,279</b>	<b>142,068</b>

The accompanying notes are an integral part of these financial statements. (Note 1- 31)

As per our report of even date  
**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**WIPRO VLSI Design Services India Private Limited**

**SD/-**  
**Ashish Chawla**  
Director  
DIN: 09133045  
Bengaluru  
June 08, 2022

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**SD/-**  
**Aparna Chandrasekhar Iyer**  
Director  
DIN: 08378003  
  
Bengaluru  
June 08, 2022



**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**(INR in thousands, except share and per share data, unless otherwise stated)**

**1. The Company overview**

The company is a private limited company incorporated and domiciled in India. The main objects of the company are to provide the information technology services. The Company has its registered office in Bangalore.

The Company's holding company is Wipro Limited ("Wipro") (w.e.f. February 24, 2021) which is incorporated and domiciled in India. Wipro Limited is holding 100% of shares of the Company.

The Financial Statements were approved for issue by the Directors on June 08, 2022.

**2. A. Basis of preparation of financial statements**

**(i) Statement of compliance and basis of preparation**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), as notified under Section 133 of the Companies Act, 2013 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.

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 statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

All amounts included in the financial statements are reported in thousands of INR Currency (INR in thousands) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

Amounts below rounding off norm adopted by the Company been disclosed as nil in the financial statement.

**(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 recognized 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 recognized 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 recognized 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 recognized, 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) **Impairment testing:** Investments in subsidiaries, goodwill and intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which these pertain is less than its carrying value. The recoverable amount of the asset or the cash generating units is higher of value in use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- c) **Income taxes:** The major tax jurisdictions for the Company are India. 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.
- d) **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.

e) **Defined benefit plans and compensated absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f) **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.

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

h) **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.

i) **Useful lives of intangible assets:** The Company amortizes intangible assets on a straight-line basis over estimated useful lives of the assets. The useful life is estimated based on a number of factors including the effects of obsolescence, demand, competition and other economic factors such as the stability of the industry and known technological advances and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. The estimated useful life is reviewed at least annually

j) **Leases:** Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee

k) **Other estimates:** The share-based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. Fair valuation of derivative hedging instruments designated as cash flow hedges involves significant estimates relating to the occurrence of forecast transaction

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

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information

up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

## **B- Significant accounting policies**

### **(i) Functional and presentation currency**

These financial statements are presented in INR, 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 recognized 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 financial instruments measured at 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 receivables, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.
- 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 recognized 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. Investments

*Financial instruments measured at amortised cost:*

Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

*Financial instruments measured at fair value through other comprehensive income (FVTOCI):*

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition)

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Interest income is recognized in statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserves is transferred to statement of profit and loss.

*Financial instruments measured at fair value through profit or loss (FVTPL):*

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in statement of profit and loss. The gain or loss on disposal is recognized in statement of profit and loss.

Interest income is recognized in statement of profit and loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the Company's right to receive dividend is established.

*Investments in equity instruments designated to be classified as FVTOCI:*

The Company carries certain equity instruments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these instruments. Movements in fair value of these investments are recognized in other comprehensive income and the gain or loss is not reclassified to statement of profit and loss on disposal of these investments. Dividends from these investments are recognized in statement of profit and loss when the Company's right to receive dividends is established.

*Investments in subsidiaries:*

Investment in subsidiaries are measured at cost less impairment.

### C. Other financial assets:

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

#### D. Trade and other payables

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

#### **b) Derivative financial instruments**

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is primarily a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss as cost.

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

##### A. Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of profit and loss.

##### B. Others

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net within results from operating activities.

Changes in fair value and gains/(losses), net, on settlement of foreign currency derivative instruments relating to borrowings, which have not been designated as hedges are recorded in finance expense.

#### **c) 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 derecognized 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 securities premium reserve**

The authorized share capital of the Company as at March 31, 2022 and March 31, 2021 is INR 800,000/- divided into 80,000 equity shares of INR 10 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as securities premium.

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

##### **b) Retained earnings**

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

#### **(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 capitalized as part of the cost.

##### **b) Depreciation**

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

<b>Category</b>	<b>Useful life</b>
IT and Office Equipments	2 to 7 years
Furniture, fixtures and equipment	4 to 6 years
Vehicles	5 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.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as at each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

## **(vi) Business combination, Goodwill and Intangible assets**

### **a) Business combination**

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the date of exchange by the Company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expensed as incurred.

The cost of an acquisition also includes the fair value of any contingent consideration measured as at the date of acquisition. Any subsequent changes to the fair value of contingent consideration classified as liabilities, other than measurement period adjustments, are recognized in the statement of profit and loss.

### **Common Control business combinations**

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

### **b) Goodwill**

The excess of the cost of an acquisition over the Company's share in the fair value of the acquiree's identifiable assets and liabilities is recognized as goodwill. If the excess is negative, a bargain purchase gain is recognized in equity as capital reserve. Goodwill is measured at cost less accumulated impairment (if any).

Goodwill associated with the disposal of an operation that is part of cash-generating unit is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained, unless the entity can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

### **c) Intangible assets**

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

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated.

The estimated useful life of amortisable intangibles is reviewed and where appropriate are adjusted, annually.

Goodwill and intangible assets, if any, associated with an operation disposed shall be measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained, unless the entity can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

## **(vii) 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 assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves -

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

The Company at the commencement of the lease contract recognises a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

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 Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss.

For lease liabilities at inception, 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.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. 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.

For 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.

Lease payments are classified as Cash used in Financing activities.

### **The Company as a lessor**

Leases for which the Company is a lessor are classified as finance or operating leases. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Company is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

Income from Sub-leasing of low value leased assets are recognized on net basis.

## **(viii) Inventories**

Inventories are valued at lower of cost and net realisable value, including necessary provision for obsolescence. Cost is determined using the weighted average method.

## **(ix) Impairment**

### **A) Financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments classified as FVTOCI, lease receivables, trade receivables, contract assets and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables, contract assets and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into the account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

### **B) Impairment of Investment in subsidiaries**

The Company assesses investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary. The recoverable amount of such investment is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment 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 recognized in the statement of profit and loss.

### **C) 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 recognized 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 recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

Goodwill is tested for impairment at least annually at the same time and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The goodwill impairment test is performed at the level of cash-generating unit or groups of cash-generating units which represent the lowest level at which goodwill is monitored for internal management purposes. An impairment in respect of goodwill is not reversed.

## **(x) Employee benefits**

### **Compensated absences**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of

compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation carried out by independent actuary using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss account.

### **Pension and social contribution**

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

### **(xi) Provisions**

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

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

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

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

### **(xii) Revenue**

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

Revenue is recognized 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 recognized 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 recognized as the related services are rendered.

#### **B. Fixed-price contracts**

##### **i) Fixed-price development contracts**

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

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is an entity’s obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Unbilled revenues on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time

##### **ii) Maintenance contracts**

Revenues related to fixed-price maintenance, testing and business process services are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

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

##### **iii) Volume based contracts**

Revenues and costs are recognized as the related services are rendered.

#### **C. Products**

Revenue on product sales are recognized when the customer obtains control of the specified asset.

#### **D. Others**

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the stand-alone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that



are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

Revenues are shown net of allowances/ returns, sales tax, value added tax, goods and services tax and applicable discounts and allowances.

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortised over the contract term.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortised on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the Company evaluates whether the Company is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether the Company controls the good or service before it is transferred to the customer. If Company controls the good or service before it is transferred to the customer, Company is the principal; if not, the Company is the agent.

#### **(xiii) 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 recognized in the statement of profit and loss using the effective interest method.

#### **(xiv) Other income**

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

#### **(xv) Income tax**

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

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

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

Deferred income tax liabilities are recognized 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.

**(xvi) 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, except where the results would be anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for change effected prior to the approval of the financial statements by the Board of Directors.

**(xvii) 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 or future 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).

**(xviii) Assets held for sale**

Sale of business is classified as held for sale, if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification as held for sale is met when disposal business is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale.

**(xix) Discontinued operations**

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed off or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

**(xx) Non-current assets and disposal groups held for sale**

Assets of disposal groups that is available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Noncurrent assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell.

**(xxi) Disposal of assets**

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

**New Accounting standards adopted by the Company:**

**Amendment to Ind AS 116 – COVID-19-Related Rent Concessions**

The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated, and therefore the practical expedient relating to rent concessions arising as a consequence of COVID-19 has been modified. Accordingly, lessees are now exempted from assessing whether a COVID-19-related rent concession is a lease modification, if the reduction in lease payments affects only payments originally due on or before June 30, 2022. Earlier the practical expedient was allowed only for lease payments originally due on or before June 30, 2021. The adoption of these amendments did not have any material impact on the statement of profit and loss for the year ended March 31, 2022.

**Amendment to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116 - Interest Rate Benchmark Reform – Phase 2**

This amendment relates to 'Interest Rate Benchmark Reform — Phase 2 (Amendments to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116)' which addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Some of the key amendments arising from the interest rate benchmark are: Ind AS 109: New guidance has been included on changes in the basis for determining the contractual cashflows as a result of interest rate benchmark reform. Ind AS 107: Additional disclosures related to nature and extent of risks to which the entity is exposed from financial instruments subject to interest rate benchmark reform and how the entity manages these risks. The adoption of these amendments did not have any material impact on the financial statements.

### **Amendments to Ind AS consequential to Conceptual Framework under Ind AS**

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS. The adoption of these amendments did not have any material impact on the financial statements.

### **Amendment to Schedule III of the Companies Act, 2013**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 include, among other things, requirement for disclosure of Current maturities of long-term borrowings separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.

### **New amendments not yet adopted**

#### **Companies (Indian Accounting Standards) Amendment Rules, 2022**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual periods beginning on or after April 1, 2022, as below:

#### **Amendments to Ind AS 103 – Business Combinations – Reference to Conceptual Framework**

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The adoption of amendments to Ind AS 103 is not expected to have any material impact on the financial statements.

#### **Amendments to Ind AS 109 – Financial Instruments**

The amendments clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The adoption of amendments to Ind AS 109 will not have any material impact on the financial statements.

#### **Amendments to Ind AS 16 – Property, Plant and Equipment – Proceeds before intended use**

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The adoption of amendments to Ind AS 16 will not have any material impact on the financial statements.

#### **Amendments to Ind AS 37 – Onerous Contracts – Cost of Fulfilling a Contract**

The amendments specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be the incremental costs of fulfilling that contract (for example, direct labour and materials); or an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others). The adoption of amendments to Ind AS 37 is not expected to have any material impact on the financial statements.

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
(All Amounts in INR in thousand unless Otherwise Stated)

**Note 3 Property, Plant and Equipment**

Particulars	IT equipment	Office equipment	Vehicles	Furniture and Fixtures	Total
<b>Gross carrying amount</b>					
As at 1 April 2020	53,422	2,810	-	-	56,232
Additions	9,547	145	-	-	9,692
Transfers/ Adjustments	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>62,969</b>	<b>2,956</b>	-	-	<b>65,925</b>
Additions	12,644	-	21	1,121	13,786
Disposals/Adjustments	(9,911)	(2,710)	-	-	(12,621)
<b>As at 31 March 2022</b>	<b>65,702</b>	<b>246</b>	<b>21</b>	<b>1,121</b>	<b>67,090</b>
<b>Depreciation and impairment</b>					
As at 1 April 2020	25,706	1,015	-	-	26,721
Depreciation	12,107	541	-	-	12,648
<b>Balance as at 31 March 2021</b>	<b>37,813</b>	<b>1,555</b>	-	-	<b>39,369</b>
Depreciation	18,765	1,346	1	79	20,191
Disposals/Adjustments	(9,881)	(2,658)	-	-	(12,540)
<b>As at 31 March 2022</b>	<b>46,697</b>	<b>243</b>	<b>1</b>	<b>79</b>	<b>47,020</b>
<b>Net Book Value</b>					
<b>Carrying amount as at 31 March 2022</b>	<b>19,005</b>	<b>3</b>	<b>20</b>	<b>1,042</b>	<b>20,070</b>
<b>Carrying amount as at 31 March 2021</b>	<b>25,156</b>	<b>1,400</b>	-	-	<b>26,556</b>
<b>Carrying amount as at 1 April 2020</b>	<b>27,716</b>	<b>1,796</b>	-	-	<b>29,511</b>
<b>Note:</b>					
Effective April 1, 2021 the Company changed useful life of IT Equipment, Office equipment and Furniture and fixtures. The Company determined that the change in useful life of these assets is a change in accounting estimate affected by a change in accounting policy in terms of para 51 of Ind AS 16 -" Property, Plant and Equipment". A change in accounting estimate affected by a change in accounting principle is to be applied prospectively.					
<b>3.1 Intangible Assets</b>	<b>Acquired Software</b>				
<b>Gross carrying amount</b>					
As at 1 April 2020	-	-	-	-	1,438
Additions	-	-	-	-	577
<b>As at 31 March 2021</b>	-	-	-	-	<b>2,015</b>
Disposals	-	-	-	-	(2,015)
<b>As at 31 March 2022</b>	-	-	-	-	<b>-</b>
<b>Depreciation and impairment</b>					
As at 1 April 2020	-	-	-	-	830
Depreciation	-	-	-	-	402
<b>Balance as at 31 March 2021</b>	-	-	-	-	<b>1,232</b>
Depreciation	-	-	-	-	(139)
Disposals	-	-	-	-	(1,093)
<b>As at 31 March 2022</b>	-	-	-	-	<b>(0)</b>
<b>Net Book Value</b>					
<b>Carrying amount as at 31 March 2022</b>	-	-	-	-	<b>0</b>
<b>Carrying amount as at 31 March 2021</b>	-	-	-	-	<b>783</b>
<b>Carrying amount as at 1 April 2020</b>	-	-	-	-	<b>609</b>

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
 (All Amounts in INR in thousand unless Otherwise Stated)

**3.2 Right-of-Use Assets**

<b>Particulars</b>	<b>Buildings</b>
<b>Gross block</b>	
<b>Balance as at 01 April 2020</b>	169,694
Additions	-
Disposal	-
<b>Balance as at 31 March 2021</b>	<b>169,694</b>
Additions	-
Disposal/Adjustments	32,842
<b>Balance as at 31 March 2022</b>	<b>136,853</b>
<b>Accumulated depreciation</b>	
<b>Balance as at 01 April 2020</b>	2,585
Additions	44,105
Disposals/Adjustment	-
<b>Balance as at 31 March 2021</b>	46,690
Charge for the year	47,482
Disposals/Adjustment	42,733
<b>Balance as at 31 March 2022</b>	<b>51,439</b>
<b>Balance as at 01 April 2020</b>	<b>167,109</b>
<b>Balance as at 31 March 2021</b>	<b>123,004</b>
<b>Balance as at 31 March 2022</b>	<b>85,414</b>

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
(InR in thousands, except share and per share data, unless otherwise stated)

As at  
March 31, 2022      As at  
March 31, 2021

**Note 4 Trade Receivables**

The following table represent ageing of Trade receivables as on March 31, 2022:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Unsecured - Current</b>							
Undisputed Trade receivables – considered good	526,613	101,055	11,617	2,479	-	-	641,763
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables—considered good	-	-	-	-	-	-	-
	<b>526,613</b>	<b>101,055</b>	<b>11,617</b>	<b>2,479</b>	-	-	<b>641,763</b>
<b>Gross Trade receivables</b>							<b>641,763</b>
Less: Allowance for lifetime expected credit loss							(10,724)
<b>Net Trade receivables</b>							<b>631,039</b>

The following table represent ageing of Trade receivables as on March 31, 2021:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Unsecured - Current</b>							
Undisputed Trade receivables – considered good	94,554	50,426	2,465	431	-	-	147,875
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables—considered good	-	-	-	-	-	-	-
	<b>94,554</b>	<b>50,426</b>	<b>2,465</b>	<b>431</b>	-	-	<b>147,875</b>
<b>Gross Trade receivables</b>							<b>147,875</b>
Less: Allowance for lifetime expected credit loss							(1,341)
<b>Net Trade receivables</b>							<b>146,535</b>

**Note 5 Cash and cash equivalents**

**Cash and cash equivalents**

Balances with banks		
Current Accounts	340,279	136,746
Demand deposits*	-	5,275
Cash in Hand	-	47
	<b>340,279</b>	<b>142,068</b>

Cash and cash equivalents consists of the following for the purpose of the cash flow statement:

Cash and cash equivalents	340,279	142,068
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\* These deposits can be withdrawn by the Company at any time without prior notice and without any penalty on the principal.

**Note 6 Other Financial Assets**

**Non-current**

Finance lease receivables	3,018	-
Security Deposits	24,205	27,386
Balance with Group Companies	-	26,463
	<b>27,223</b>	<b>53,849</b>

**Current**

Security Deposits	1,575	1,586
Finance Lease Receivables	581	-
Balance with Group Companies	-	26,463
	<b>2,157</b>	<b>28,049</b>

**Finance lease receivables**

	As at 31st March 22	
	Minimum lease payments	Present value of minimum lease payments
Not later than one year	882	581
Later than one year but not later than five years	3,600	3,018
<b>Gross investment in lease</b>	<b>4,482</b>	<b>3,599</b>
Less: Unearned finance income	883	-
<b>Present value of minimum lease payment receivables</b>	<b>3,599</b>	<b>3,599</b>

**Included in the balance sheet as follows:**

Non-current	3,018
Current	581

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
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	As at March 31, 2022	As at March 31, 2021
<b>Note 7 Other Assets</b>		
<b>Current</b>		
Employee travel & other advances	2,253	440
Prepaid expenses	84	1,790
Other Assets	43	285
Advance to suppliers	21,823	-
Other Advance	-	202
Prepaid bonus	4,934	-
	<b>29,137</b>	<b>2,717</b>

**Note 8 Share Capital**

(i) The details of share capital are given below:-

	As at Mar 31, 2022		As at Mar 31, 2021	
Authorised capital	Number	Amount	Number	Amount
Equity shares [Par value of of INR 10 per share]	80,000	800	80,000	800
	<b>80,000</b>	<b>800</b>	<b>80,000</b>	<b>800</b>
<b>Issued, subscribed and fully paid-up capital</b>				
Equity shares [Par value of of INR 10 per share]	74,977	750	74,977	750
	<b>74,977</b>	<b>750</b>	<b>74,977</b>	<b>750</b>

(ii) Reconciliation of number of shares outstanding

	As at Mar 31, 2022		As at Mar 31, 2021	
	Number	Amount	Number	Amount
Number of common stock outstanding as at beginning of the year	74,977	750	74,977	750
Number of common stock issued during the year	-	-	-	-
Number of common stock outstanding as at the end of the year	<b>74,977</b>	<b>750</b>	<b>74,977</b>	<b>750</b>

(iii) Details of share holding pattern by related parties

**Equity Shares**

**Name of shareholders**

	As at March 31, 2022	As at March 31, 2021
Wipro Limited	100.00%	100.00%
Balasubramanian Krishnamurthy (jointly with Wipro Limited)	0.00%	0.00%
	<b>100.00%</b>	<b>100.00%</b>

iv) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. The Company is a Private limited company with 1 member. Wipro Limited being holding Company with virtue of shareholding 100%. In the event of liquidation of the Company, the sole member will be entitled to receive the remaining assets of the Company after satisfaction of all liabilities, if any.

(v) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	No. of Shares	
	As at March 31, 2022	As at March 31, 2021
Wipro Limited	74,976	74,977
Balasubramanian Krishnamurthy(jointly with Wipro Limited)	1	-
	<b>74,977</b>	<b>74,977</b>

W.e.f February 24, 2021, Wipro Limited acquired the shareholding as mentioned above

(vi) Other details of equity shares for a period of five years immediately preceding March 31, 2022

a) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

b) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**Note 9 Borrowings**

**Current**

**Unsecured:**

Loan from Group Company*	180,000	-
	<b>180,000</b>	<b>-</b>

\*Loan taken from Parent Company carries the interest rate of 4.25% and repayable before 31st March 23



**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
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	As at March 31, 2022	As at March 31, 2021
<b>Note 10 Provisions</b>		
<b>Non Current</b>		
Gratuity	50,321	45,582
Leave Encashment	29,845	29,734
	<b>80,166</b>	<b>75,316</b>
<b>Current</b>		
Gratuity	7,769	1,263
Leave Encashment	25,152	4,357
	<b>32,920</b>	<b>5,620</b>

**Note 11 Trade payables**

The following table represent ageing of Trade payables as on March 31, 2022:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Current</b>							
Trade Payables - MSME	-	-	23	0	-	-	23
Trade Payables - Others	53,075	389	2,593	-	-	-	56,057
<b>Total</b>	<b>53,075</b>	<b>389</b>	<b>2,616</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>56,080</b>

The following table represent ageing of Trade payables as on March 31, 2021

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Current</b>							
Trade Payables - MSME	-	-	0	-	-	-	0
Trade Payables - Others	22,245	-	8,571	-	-	-	30,815
<b>Total</b>	<b>22,245</b>	<b>-</b>	<b>8,571</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,815</b>

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

**Note 12 Other Financial Liabilities**

<b>Current</b>		
Interest accrued but not due on borrowings	4,485	-
Employee Dues	79,399	67,792
Advance from Customers	142,382	227,958
	<b>226,266</b>	<b>295,750</b>

**Note 13 Lease Liabilities**

<b>Particulars</b>		
Less than one year	46,692	32,031
One to five years	43,449	101,339
More than five years	-	-
Total	<b>90,140</b>	<b>133,370</b>

**Included in the balance sheet as follows:**

Non-current	43,449	101,339
Current	46,692	32,031

**Note 14 Other Current Liabilities**

<b>Current</b>		
Statutory and other liabilities	91,926	166,437
Others	426,430	-
	<b>518,355</b>	<b>166,437</b>

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
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For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
---------------------------------------	---------------------------------------

**Note 15 Revenue from Operations**

Sale of products	-	-
Sale of services	2,755,935	1,868,042
Revenue from operations (gross)	2,755,935	1,868,042

**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.

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

**B. Remaining Performance Obligations**

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been 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.

There is no performance obligations on the contracts entered by the Company as on 31st March 22 (31st March 21-NIL)

**C. Disaggregation of Revenues**

The table below presents disaggregated revenues from contracts with customers by business segment, customer location 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.

	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Revenue</b>		
Sale of Products	-	-
Sales of Services	2,755,935	1,868,042
	2,755,935	1,868,042
<b>Revenue by nature of contract</b>		
Fixed price and volume based	268,861	409,708
Time and materials	2,487,074	1,458,334
Products	-	-
	2,755,935	1,868,042

**Note 16 Other Income**

Interest Income on Fixed Deposits	854	8,512
Interest on Lease Receivables	199	-
Other Income	2,373	5,285
Other exchange differences, net	-	9,665
	3,425	23,462

**Note 17 Employee benefits expense**

Salaries and wages	1,943,633	1,382,706
Contribution to provident and other funds	84,653	33,701
Employee Benefit Plans	50,722	52,551
Restricted Stock Units*	425,948	-
Staff welfare expenses	8,293	6,861
	2,513,250	1,475,819

\*This cost pertains to Phantom equity units fully vested.

**Note 18 Sub contracting / technical fees**

Sub Contracting/Technical Fees	129,914	3,639
	129,914	3,639

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
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**Note 19 Finance costs**

Interest Cost	4,754	3,182
Interest on lease	7,665	10,988
Bank charges and others	12	20
	<b>12,430</b>	<b>14,190</b>

**Note 20 Other expenses**

Other exchange differences, net	8,987	-
Travel	4,022	1,392
Repairs and Maintenance	19,013	10,721
Rent	16,938	4,786
Power and fuel	3,731	1,998
Training expenses	13	-
Communication	6,343	4,831
Legal and professional charges	37,078	158,543
Bad & doubtful debts	8,928	1,341
Rates and taxes	862	156
Auditors' remuneration		
Audit fees	1,000	305
for taxation/Other matters	546	50
CSR contribution	1,679	781
Loss on sale of Fixed assets	821	-
Miscellaneous expenses	3,683	562
	<b>113,645</b>	<b>185,466</b>

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
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**Note 21 Earning per share (EPS)**

	31 March 2022	31 March 2021
Net profit/ (loss) after tax attributable to the equity shareholders	(146,658)	106,582
Weighted average number of equity shares - for basic and diluted EPS	74,977	74,977
Earnings/(Loss) per share - Basic	(1,956)	1,422
Diluted	(1,956)	1,422
Nominal value per share (in INR)	10	10

**Note 22 Related party disclosure**

**i) Parties where control exists:**

Nature of relationship	Name of the related party
Holding Company	Wipro Limited

**ii) Related Parties with whom transactions exist**

**For the year ended March 31, 2022**

Nature of relationship	Name of the related party
Wipro Ltd	Holding Company
Wipro LLC	Fellow Subsidiary
Wipro Technologies SDN BHD	Fellow Subsidiary
Eximius Design, LLC	Fellow Subsidiary
Wipro Travel Services Limited	Fellow Subsidiary

**For the year ended March 31, 2021**

Nature of relationship	Name of the related party
Holding Company	Wipro Limited
Fellow Subsidiary	WIPRO VLSI Design LLC (Formerly known as Eximius Design LLC)
Parties in which the KMP of the Company are interested	Metier Advisory Services Private Limited
Parties in which the KMP of the Company are interested	Metier Legal LLP
Parties in which the KMP of the Company are interested	LGRC Consulting Private Limited

**iii) Key Management Personnel**

**For the year ended March 31, 2022**

Director	Name
Director	Krishnan Subramanian
Director	Aparna Chandrasekhar Iyer
Director	Ashish Chawla

**For the year ended March 31, 2021**

Director	Name
Director	Aparna Chandrasekhar
Director	Amit Bajoria

**iv) The Company has the following related party transactions:**

Particulars	Relationship	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Sale of services</b>			
Wipro Limited	Holding Company	1,223,250	55,327
WIPRO VLSI Design LLC (Formerly known as Eximius Design LLC)	Fellow Subsidiary	489,549	427,062
Wipro Technologies SDN BHD	Fellow Subsidiary	64,197	-
Wipro LLC	Fellow Subsidiary	14,449	-
<b>Miscellaneous Expense</b>			
Wipro Limited	Holding Company	4,485	-
Wipro Travel Services Limited	Fellow Subsidiary	22	-
Metier Advisory Services Private Limited	Parties in which the KMP of the Company are interested	-	5,885
Metier Legal LLP	Parties in which the KMP of the Company are interested	-	296

**v) Balances [Receivable/(Payable)] with related parties as at year end are summarised below**

Particulars	Relationship	As at March 31, 2022	As at March 31, 2021
WIPRO VLSI Design LLC (Formerly known as Eximius Design LLC)	Fellow Subsidiary	(123,922)	(227,958)
Wipro Limited	Holding Company	145,501	36,772
Metier Advisory Services Private Limited	Parties in which the KMP of the Company are interested	-	(353)
Wipro LLC	Fellow Subsidiary	14,449	-
Wipro Technologies SDN BHD	Fellow Subsidiary	23,830	-
Wipro Travel Services Limited	Fellow Subsidiary	(1,496)	-

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
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**Note 23 Employee Benefit**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>(A) Defined Contribution Plans</b>		
a) Employer's contribution to Provident and other fund	84,653	33,701
<b>(B) Defined Benefit Plans</b>		
Gratuity payable to employees	58,090	46,844
<b>(C) Actuarial assumptions</b>		
Discount rate (per annum)	6.89%	6.89%
Rate of increase in Salary	8.00%	8.00%
Expected average remaining working lives of employees (years)	27.91	27.91
Attrition rate	11.87%	11.87%
The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors. Attrition rate considered is the management's estimate, based on previous years' employee turnover of the Company.		
<b>(D) Changes in the present value of defined benefit obligation</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Present value of obligation at the beginning of the year</b>	<b>46,844</b>	<b>26,143</b>
Interest cost	-	1,772
Past service cost	-	-
Current service cost	20,734	19,326
Curtailments	(9,488)	-
Settlements	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	-	(397)
<b>Present value of obligation at the end of the year*</b>	<b>58,090</b>	<b>46,844</b>
*Included in provision for employee benefits (Refer note 10)		
<b>(E) Expense recognized in the Statement of Profit and Loss</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Current service cost	20,734	19,326
Past service cost	-	-
Interest cost	-	1,772
Expected return on plan assets	-	-
Actuarial (gain) / loss on obligations	-	(397)
Settlements	-	-
Curtailments	(9,488)	-
Total expenses recognized in the Statement Profit and Loss*	<b>11,246</b>	<b>20,701</b>
*Included in Employee benefits expense (Refer Note 17).		
<b>(F) Assets and liabilities recognized in the Balance Sheet:</b>	<b>Employee's gratuity fund</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
Present value of unfunded obligation as at the end of the year	58,090	46,844
Unrecognized actuarial (gains)/losses	-	-
<b>Unfunded net liability recognized in Balance Sheet*</b>	<b>58,090</b>	<b>46,844</b>
*Included in provision for employee benefits (Refer note 10)		
<b>(G) Expected contribution to the fund in the next year</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Gratuity	-	-
<b>(H) A quantitative sensitivity analysis for significant assumption is as shown below:</b>	<b>Employee's gratuity fund</b>	
Impact on defined benefit obligation	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>Discount rate</b>		
1% increase	55,305	42,968
1% decrease	61,136	51,323
<b>Salary growth rate</b>		
1% increase	60,973	51,356
1% decrease	55,363	42,807
<b>Attrition Rate</b>		
1% increase	48,841	45,880
1% decrease	73,324	47,863
<b>(I) Maturity profile of defined benefit obligation</b>	<b>Employee's gratuity fund</b>	
<b>Year</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Less than a year	7,769	1,263
Between 1 - 2 years	-	2,575
Between 2 - 5 years	36,419	14,270
Over 5 years	36,819	23,487

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
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**Note 24 Financial Risk Management**

**Market Risk**

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency receivables, payables and loans and borrowings.

**Interest Rate Risk**

The Company has short term borrowings carrying fixed interest rate so there is no exposure due to interest rate risk

**Credit Risk**

Credit Risk arises from the possibility that customers may not be able to settle their obligation as agreed. To manage this, the Company periodically assesses the financial reliability of customers taking into account the financial condition, current economic trend, analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly, there is no significant concentration of credit risk.

**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 companies corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition processes and policies related to such risks are overseen by senior management, management monitors the companies net liability position through rolling forecast on the basis of expected cash flows. As on 31st March, 2022 and 2021, cash & cash equivalents are held with major banks and financial institutions.

The fair value of cash and cash equivalents, trade receivables, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term (less than 1 year) nature of these instruments.

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

<b>31 March 2022</b>	<b>Upto 12 months</b>	<b>More than 12 months</b>
Borrowings	180,000	-
Trade payables	56,080	-
Lease Liabilities	46,692	43,449
Other financial liabilities	226,266	-
<b>31 March 2021</b>	<b>Upto 12 months</b>	<b>More than 12 months</b>
Trade payables	30,815	-
Lease Liabilities	32,031	101,339
Other financial liabilities	295,750	-

**Note 25 Effective Tax Rate (ETR) Reconciliation**

<b>Particulars</b>	<b>For the year ended Mar 31, 2022</b>	<b>For the year ended Mar 31, 2021</b>
Profit/(Loss) Before Taxation	(77,413)	155,234
Enacted Income Tax Rate	25%	25%
Computed Expected Tax Expenses/(income)	(19,483)	39,069
Effect of		
Expenses Disallowed for Tax Purpose	123,023	373
Depreciation	1,904	11,232
Others	-	73
Income tax expense/(income)	105,444	50,747
Earlier year tax expense/(income)	(16,293)	-
Deferred Tax	(19,906)	(2,095)
Total Tax Expense	69,246	48,652

The components of deferred tax assets and liabilities are as follows

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Deferred tax assets (DTA)</b>		
Property, plant and equipment	1,282	829
Others	32,337	6,282
Total	<b>33,619</b>	<b>7,111</b>
<b>Deferred tax liabilities (DTL)</b>		
Others	-	20,707
Total	-	<b>20,707</b>
<b>Net Deferred Tax Assets</b>	<b>33,619</b>	<b>13,597</b>

**Note:** Tax liabilities is net of advance tax of INR 315,162 as on 31st March 22 and Tax Assets is net of provision of INR 98,324 as on 31st March 21

**Note 26 Impact of Covid-19 on Going concern assumption**

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

In assessing the recoverability of receivables, the Company has considered internal and external information up to the date the financial statements were available to be issued, including credit reports and economic factors. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of COVID-19 remains uncertain and may be different from what the Company has estimated as of date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

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**Note 27 Corporate Social Responsibility**

- a. Gross amount required to be spend during the year INR 1679 (March 31, 2021: INR 781)  
b. Amount spent during the year on:

	For the year ended March 31, 2022		
	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than above (i) above	1,679	-	1,679
<b>Total amount spent during the year</b>	<b>1,679</b>	<b>-</b>	<b>1,679</b>

  

	For the year ended March 31, 2021		
	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than above (i) above	781	-	781
<b>Total amount spent during the year</b>	<b>781</b>	<b>-</b>	<b>781</b>

**Note 28 Segment information**

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

**Note 29 Analytical Ratios**

Ratio	Measured In	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance
Current Ratio <sup>(5)</sup>	times	Current assets	Current liabilities	1.0	1.7	-41.1%
Debt-Equity Ratio <sup>(6)</sup>	times	Debt <sup>(1)</sup>	Total Equity	4.1	0.6	553.9%
Debt service coverage ratio <sup>(7)</sup>	times	Earnings Available for Debt Service <sup>(2)</sup>	Debt Service <sup>(3)</sup>	7.9	3.7	110.1%
Return on Equity <sup>(8)</sup>	%	Profit for the period	Average Total Equity	-105.4%	67.0%	-257.4%
Inventory turnover ratio	times	Sales of Products	Average inventory	-	-	0.0%
Trade receivable turnover ratio	times	Revenue from operations	Average Trade receivables	5.2	6.8	-23.8%
Trade payables turnover ratio <sup>(9)</sup>	times	Purchase of technical services, software licenses and other expenses	Average Trade payables	5.4	2.3	131.6%
Net capital turnover ratio <sup>(10)</sup>	times	Revenue from operations	Average Working capital	28.3	14.9	90.3%
Net profit ratio <sup>(8)</sup>	%	Profit for the period	Revenue from operations	-5.3%	5.7%	-193.3%
Return on capital employed <sup>(8)</sup>	%	Earnings before Interest and Tax	Capital Employed <sup>(4)</sup>	-19.3%	49.1%	-139.4%
Return on investment	%	Income generated from investments	Time weighted average investments	-	-	0.0%

<sup>(1)</sup> Debt consists of borrowings and lease liabilities

<sup>(2)</sup> Profit for the period, adjusted for non cash operating expenses, finance cost and other expenses like provision for diminution in value of investments in subsidiaries, gain on sale of fixed assets

<sup>(3)</sup> Repayment of borrowings, lease liabilities and interest and finance costs paid

<sup>(4)</sup> Tangible net worth, borrowings, lease liabilities and deferred tax liabilities

<sup>(5)</sup> Decrease in current ratio is primarily on account of additional liability in current year against Phantom equity units fully vested.

<sup>(6)</sup> Increase in Debt-Equity ratio is primarily on account of decrease in shareholders' equity mainly due to additional cost in current year in respect of Phantom equity units fully vested

<sup>(7)</sup> Improvement in the Debt service coverage ratio is on account of improved operating income.

<sup>(8)</sup> Primarily on account of additional cost in current year in respect of Phantom equity units fully vested

<sup>(9)</sup> Improvement in the Trade Payables turnover ratio is due to better vendor payment cycle.

<sup>(10)</sup> Improvement in the Capital turnover ratio is due to better realisation from customer

**WIPRO VLSI Design Services India Private Limited (Formerly known as Eximius Design India Private Limited)**  
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**Note 30 The Code on Social Security 2020**

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Note 31 Prior period comparatives**

Previous year's figures have been reclassified to confirm to this year's classification

The accompanying notes are an integral part of these financial statements. (Note 1- 31)

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**WIPRO VLSI Design Services India Private Limited**

**Sd/-**  
**Ashish Chawla**  
Director  
DIN:09133045  
Bengaluru  
June 08, 2022

**Sd/-**  
**Ganesh Udupa A**  
Partner  
Membership No: 224152

Bengaluru  
June 08, 2022

**Sd/-**  
**Krishnan Subramanian**  
Director  
DIN: 03484801

Bengaluru  
June 08, 2022

**Sd/-**  
**Aparna Chandrasekhar Iyer**  
Director  
DIN: 08378003

Bengaluru  
June 08, 2022