

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro VLSI Design Services LLC

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Wipro VLSI Design Services LLC ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Special Purpose Financial Statements"). As explained in Note 2(i) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited ("the Parent") solely for inclusion in the annual report of Wipro limited for the year ended 31 March 2022 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS").

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) 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 on the Special Purpose Financial Statements.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2(i) to the Special Purpose Financial Statements, on the basis of the preparation to the special purpose financial statements. The Special Purpose Financial Statements are prepared for inclusion in the annual report of the Ultimate Holding Company under the requirements of Section 129(3) of the Companies Act, 2013. As a result, the Special Purpose Financial Statements may not be suitable for any other purpose. Our report is intended solely for the Company and Wipro Limited and should not be distributed to or used by parties other than the Company and Wipro Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the Company's and ultimate holding company's board of directors, for our audit work, for this report, or for the opinions we have formed.

Management Responsibility for the Special Purpose Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the company has adequate internal financial controls with reference to the special purpose financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

Sd/-

Seethalakshmi M

Partner

Membership No. 208545

Bengaluru

20 June 2022

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)**Balance Sheet as at 31 March 2022**

(All amount in USD, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	87,256	93,694
Right-of-use assets	4b	107,101	421,037
Financial assets			
Other financial assets	5	414,830	148,029
Total non-current assets		609,187	662,760
Current assets			
Financial assets			
Trade receivables	6	4,540,754	2,312,439
Unbilled revenues		1,110,119	2,113,941
Cash & Bank	7	8,796,411	2,977,485
Other financial assets	5	1,661,743	1,598,557
Contract asset		1,335,395	-
Other current assets	8	77,039	3,557,901
Total current assets		17,521,461	12,560,322
Total Assets		18,130,648	13,223,082
EQUITY			
Share capital		-	-
Other equity	9	12,036,482	8,027,957
TOTAL EQUITY		12,036,482	8,027,957
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		-	106,522
Other financial liabilities	10	799,279	1,598,557
Deferred tax liabilities		567,243	-
Other non current liabilities	12	314,182	450,000
Total non-current liabilities		1,680,704	2,155,079
Current liabilities			
Financial liabilities			
Trade payables	11	1,065,388	695,626
Lease liabilities		110,515	314,901
Other financial liabilities	10	2,034,270	797,131
Unearned revenue		-	1,141,144
Current tax liabilities (net)		1,164,983	33,534
Other current liabilities	12	38,306	57,709
Total current liabilities		4,413,462	3,040,046
Equity & Liabilities		18,130,648	13,223,082

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

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

For and on behalf of the Board of Directors

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Sd/-
Nithin V J
Director

Place: Bengaluru
Date: 20 June 2022

Date: 20 June 2022

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)
Statement of Profit and Loss for the period ended 31 March 2022

(All amount in USD, unless otherwise stated)

	Notes	For the year ended 31 March 2022	25 February 2021 to 31 March 2021
Revenue from operations	13	26,239,992	2,301,076
Other income	14	2,552	14,234
Total income		26,242,544	2,315,310
EXPENSES			
Employee benefit expenses		8,147,531	1,004,724
Depreciation and amortisation expense	4	361,077	32,913
Finance costs		6,101	775
Other expenses	15	12,057,995	1,214,555
Total expenses		20,572,704	2,252,968
Profit before tax		5,669,840	62,342
Current tax	16	1,137,808	33,534
Deferred tax	16	523,507	-
Total tax expense		1,661,315	33,534
Profit for the period		4,008,525	28,807
Other comprehensive Income			
Items that will not be reclassified to statement of profit or loss (net of tax)		-	-
Total comprehensive Income for the year		4,008,525	28,807

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

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

Sd/-
Seethalakshmi M
 Partner
 Membership No: 208545

Place: Bengaluru
 Date: 20 June 2022

For and on behalf of the Board of Directors

Sd/-
Nithin V J
 Director

Date: 20 June 2022

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)
Statement of changes in equity for the period ended 31 March 2022

(All amount in USD, unless otherwise stated)

a. Equity Share Capital

The company is registered as a Limited Liability Corporation under the local regulations. The company is not required to issue share capital as per the local laws. Accordingly, there is no share capital issued.

The ownership of the entity was transferred by way of share purchase agreement between the holding company and the previous member. There is also an operative agreement entered which confirms the ownership and confirming the holding company being the sole member.

b. Other Equity

Description	Reserves and Surplus		Total other equity	Total
	Pre-acquisition Reserves	Retained Earnings		
Balance as of 1 April, 2021	7,999,150	28,807	8,027,957	8,027,957
Changes in the year	-	4,008,525	4,008,525	4,008,525
At 31 March 2022	7,999,150	4,037,332	12,036,482	12,036,482

Description	Reserves and Surplus		Total other equity	Total
	Pre-acquisition Reserves	Retained Earnings		
As at 25 Feb 2021	7,899,150	-	7,899,150	7,899,150
Changes in the year*	100,000	28,807	128,807	128,807
At 31 March 2021	7,999,150	28,807	8,027,957	8,027,957

* The liability of \$ 100,000 towards "Employer taxes on phantom units" relating to the period before acquisition has been settled by the entity and hence the same has been adjusted in the pre-acquisition reserves.

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

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

For and on behalf of the Board of Directors

Sd/-
Seethalakshmi M
 Partner
 Membership No: 208545

Sd/-
Nithin V J
 Director

Place: Bengaluru
 Date: 20 June 2022

Date: 20 June 2022

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)**Statement of cash flows for the period ended 31 March 2022**

(All amount in USD, unless otherwise stated)

	For the year ended 31 March 2022	25 February 2021 to 31 March 2021
A Cash flows from operating activities:		
Profit/(Loss) after tax	4,008,525	28,807
<i>Adjustments:</i>		
Depreciation and amortisation	361,077	32,913
Current income tax expense	1,661,315	33,534
Finance cost	6,101	749
Changes in operating assets and liabilities:		
Trade receivables and unbilled revenue	(2,559,888)	2,624,566
Loans and advances and other assets	3,180,684	(270,901)
Liabilities and provisions	(488,742)	(4,252,526)
Net cash generated from operations	6,169,071	(1,802,858)
Direct taxes paid, net	6,359	-
Net cash generated by operating activities	6,162,712	(1,802,858)
B Cash flows from investing activities:		
Acquisition of fixed assets including capital advances	(32,878)	-
Net cash (used in) / generated from investing activities	(32,878)	-
C Cash flows from financing activities:		
Dividends paid including distribution tax	-	(8,800,554)
Interest payment on leases	(6,101)	-
Payment of lease liabilities	(304,807)	(26,704)
Net cash used in financing activities	(310,908)	(8,827,258)
Net increase in cash and cash equivalents during the year	5,818,926	(10,630,116)
Cash and cash equivalents at the beginning of the year	2,977,485	13,607,601
Cash and cash equivalents at the end of the year (Note 7)	8,796,411	2,977,485

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

As per our report attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.: 003990S/S200018

Sd/-**Seethalakshmi M**

Partner

Membership No: 208545

Place: Bengaluru

Date: 20 June 2022

For and on behalf of the Board of Directors

Sd/-**Nithin V J**

Director

Date: 20 June 2022

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)

Notes to the special purpose financial statements

(All amount in USD, unless otherwise stated)

1 The Company overview

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC), is a subsidiary of Wipro IT Services, LLC. (the holding company). The company was founded in 2013 and is headquartered in San Jose, USA. The Company is a Leading full service VLSI design services company covering areas of design, verification, physical design, analog design, FPGA. Provides product engineering services in mainly 4 verticals Semiconductors, Hi-tech & Consumer Electronics, Storage & Datacentre and Industrials.

2 Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These Special Purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013. Since, the Company was acquired on February 25, 2021, the comparative financial information is provided only for the period February 25, 2021 to March 31, 2021 for which the Company was subsidiary of Wipro Limited.

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.

(a) New amended standards and interpretations

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

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

(b) Other amendments to the existing standards

None

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

None

(iii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis.

(iv) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires the 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 labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

b) Income taxes: The major tax jurisdiction for the Company is Unites States. 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.

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)

Notes to the special purpose financial statements

(All amount in USD, unless otherwise stated)

3 Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in USD, the national currency of US, 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. Gains/(losses) 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 FVTOCI are included in other comprehensive income, net of taxes.

(iii) Financial instruments

Non-derivative financial instruments:

Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- financial 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. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

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

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 statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

B. Other financial assets:

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

C. Trade and other payables

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

(iv) Equity

a) Share capital and share premium

There is no requirement of share capital in the company as per the local laws. Hence there is no share capital introduced in the company

b) Retained earnings

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

c) Dividend

No Dividend has been proposed by the company till now.

d) 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.

(v) 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.

Services:

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

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)

Notes to the special purpose financial statements

(All amount in USD, unless otherwise stated)

Time and material contracts:

Revenues and costs relating to time and material contracts are recognized as the related services are rendered.

Fixed-price contracts:

Revenues from fixed-price contracts, including systems development and integration contracts 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 does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period.

'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

Maintenance Contracts

Revenue from maintenance contracts is recognized rateably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is 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.

Revenue recognition is done on straight line basis over the term of performance obligation using the output method (with respect to time)

Others

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale. 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. Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term.

Contract expenses are recognised as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

(vi) Finance Cost

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

(vii) Other income

Other income comprises rental income from one customer contract.

(viii) 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 realize the asset and liability simultaneously.

(ix) Cash Flow Statement

Cash flows are reported using indirect method, whereby net profits after tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)
Notes to the special purpose financial statements

(All amount in USD, unless otherwise stated)

4 Property, plant and equipment

Particulars	Equipment	Furniture & Fixtures	Total
Gross block (at cost)			
Balance as on 1 April 2021	189,042	71,476	260,518
Additions	32,878	-	32,878
Disposals/adjustment	-	-	-
Balance as at 31 March 2022	221,920	71,476	293,396
Accumulated depreciation			
Balance as on 1 April 2021	(148,835)	(17,989)	(166,824)
Depreciation	(26,530)	(12,786)	(39,316)
Disposals/adjustment	-	-	-
Balance as at 31 March 2022	(175,365)	(30,775)	(206,140)
Particulars	Equipment	Furniture & Fixtures	Total
Gross block (at cost)			
Balance as on 25 Feb 2021	189,042	71,476	260,518
Additions	-	-	-
Disposals/adjustment*	-	-	-
Balance as at 31 March 2021	189,042	71,476	260,518
Accumulated depreciation			
Balance as at 25 Feb 2021	(143,565)	(16,661)	(160,226)
Depreciation	(5,270)	(1,328)	(6,598)
Disposals/adjustment	-	-	-
Balance as at 31 March 2021	(148,835)	(17,989)	(166,824)
Net block			
Balance as at 25 Feb 2021	45,477	54,815	100,292
Balance as at 31 March 2021	40,207	53,487	93,694
Balance as at 31 March 2022	46,555	40,701	87,256

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)
Notes to the special purpose financial statements

(All amount in USD, unless otherwise stated)

4b Right of Use Assets

Particulars	Buildings
Gross block (at cost)	
Balance as on 1 April 2021	447,352
Additions	-
Disposals/adjustment	7,826
Balance as at 31 March 2022	455,178
Accumulated depreciation	
Balance as on 1 April 2021	(26,315)
Depreciation	(321,762)
Disposals/adjustment	-
Balance as at 31 March 2022	(348,077)
	Buildings
Gross block (at cost)	
Balance as on 25 Feb 2021	447,352
Additions	-
Disposals/adjustment*	-
Balance as at 31 March 2021	447,352
Accumulated depreciation	
Balance as at 25 Feb 2021	-
Depreciation	(26,315)
Disposals/adjustment	-
Balance as at 31 March 2021	(26,315)
Net block	
Balance as at 31 March 2021	421,037
Balance as at 31 March 2022	107,101

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)

Notes to the special purpose financial statements

(All amount in USD, unless otherwise stated)

	As on 31 March 2022	As on 31 March 2021
5 Other financial assets		
Non current		
Unsecured, considered good		
Rental deposits	78,627	80,450
Deposit for arbitration claim	336,203	67,579
Total	414,830	148,029
Current		
Receivable from related parties (Refer Note-15A)	1,632,661	1,598,557
Employee travel & other advances	29,082	-
Total	1,661,743	1,598,557
6 Trade receivables		
Unsecured considered good	4,540,754	2,303,285
Unsecured considered doubtful	231,886	14,442
	4,772,640	2,317,727
Less: Provision for bad debts	(231,886)	(5,288)
Total	4,540,754	2,312,439
7 Cash and Bank		
Balances in Bank (Current Accounts)	8,796,411	2,977,485
	8,796,411	2,977,485
8 Other current assets		
Trade advances given to related parties (Refer Note-15A)	-	3,158,647
Prepaid expenses	76,515	399,254
Others	524	-
Total	77,039	3,557,901
9 Other equity		
Balance as at the beginning of the year	8,027,957	-
Profit during the year	4,008,525	-
Balance as at the end of the year	12,036,482	-
Profit & Loss	-	28,807
Pre-acquisition reserve	-	7,999,150
Total	-	8,027,957
*Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders		
10 Other financial liabilities		
Non Current		
Retention bonus payable	799,279	1,598,557
Total	799,279	1,598,557
Current		
Retention bonus payable	799,279	-
Salary payable	460,509	788,320
Payable to group companies	311,277	-
Employee benefit obligation	463,205	-
Others	-	8,811
Total	2,034,270	797,131
11 Trade Payables		
Payable to third parties	1,065,388	695,626
Total	1,065,388	695,626
12 Other liabilities		
Non Current		
Other liabilities	314,182	450,000
Total	314,182	450,000
Current		
Advance from customers	-	49,809
Payroll taxes	38,306	7,900
Total	38,306	57,709

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)
Notes to the special purpose financial statements

(All amount in USD, unless otherwise stated)

	Year Ended 31 March 2022	25 Feb 2021 to 31 Mar 2021
13 Revenue from operations		
Sale of services	26,239,992	2,301,076
Total revenue from operations	26,239,992	2,301,076
14 Other income		
Rental , commission and other income	2,552	14,234
Total Other income	2,552	14,234
15 Other expenses		
Sub-contractors expenses	7,038,206	769,215
Technical fees	2,380,510	
Insurance expenses	-	46,168
Rent	63,384	6,956
Travel	202,339	8,556
Software expenses	1,345,171	248,798
Legal and professional fees	107,084	11,353
Other expenses	921,301	123,510
	12,057,995	1,214,555

15A Related party disclosures

(A) Names of related parties and description of relationship as identified and certified by the Company:

Holding Company

Wipro IT Services, LLC

Name of the related party

Wipro Limited

Wipro Technologies S.A DE C. V

Wipro Technologies SDN BHD

WIPRO VLSI DESIGN SERVICES INDIA PRIVATE LIMITED

Nature of relationship

Ultimate Holding Company

Fellow Subsidiary Company

Fellow Subsidiary Company

Fellow Subsidiary Company

(B) The Company has the following related party transactions and balances:

Particulars	Year Ended 31 March 2022	25 Feb 2021 to 31 Mar 2021
Sale of services		
Wipro Ltd	629,661	-
Wipro Technologies SDN BHD	7,718	-
Contractors expenses		
WIPRO VLSI DESIGN SERVICES INDIA PRIVATE LIMITED	6,583,908	769,215
Wipro Technologies S.A DE C. V	31,134	
Amount from / due to (Net) related party		
Receivables		
WIPRO VLSI DESIGN SERVICES INDIA PRIVATE LIMITED	1,632,661	3,158,647
Wipro IT Services, LLC	-	1,598,557
Wipro Technologies S.A DE C. V	(31,134)	-
Wipro Technologies SDN BHD	(7,605)	-
Wipro Limited	(272,538)	-

16 A) Income tax expense

Income tax expense in the Statement of Profit and Loss comprises of:

	Year Ended 31 March 2022	25 Feb 2021 to 31 Mar 2021
Current tax	1,137,808	33,534
Deferred tax	523,507	
Total	1,661,315	33,534
Reconciliation of tax charge		
Profit before tax	5,669,840	62,342
Tax rate applicable	28%	28%
Income tax expense at tax rates applicable	1,587,555	17,456
Tax effects of:		
- Item not deductible for tax	167,485	7,030
- Prior period items	(93,725)	9,049
Income tax expense	1,661,315	33,534

B) Deferred tax

Particulars	As on 31 March 2022	As on 31 March 2021
Deferred tax liabilities (DTL)		
Property, plant and equipment	(15,226)	-
Unbilled	(737,513)	-
Others	185,496	-
Total	(567,243)	-

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)

Notes to the special purpose financial statements

(All amount in USD, unless otherwise stated)

17 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Cash & Cash equivalents	7	-	-	8,796,411	8,796,411	8,796,411
Trade receivables	6	-	-	4,540,754	4,540,754	4,540,754
Unbilled revenue		-	-	1,110,119	1,110,119	1,110,119
Other financial assets	5	-	-	2,076,572	2,076,572	2,076,572
Total financial assets		-	-	16,523,856	16,523,856	16,523,856
Financial liabilities :						
Borrowings		-	-	-	-	-
Trade payables	11	-	-	1,065,388	1,065,388	1,065,388
Lease liabilities		-	-	110,515	110,515	110,515
Other financial liabilities	10	-	-	2,833,548	2,833,548	2,833,548
Total financial liabilities		-	-	4,009,451	4,009,451	4,009,451

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Cash & Cash equivalents	7	-	-	2,977,485	2,977,485	2,977,485
Trade receivables	6	-	-	2,312,439	2,312,439	2,312,439
Unbilled revenue		-	-	2,113,941	2,113,941	2,113,941
Other financial assets	5	-	-	1,746,586	1,746,586	1,746,586
Total financial assets		-	-	9,150,450	9,150,450	9,150,450
Financial liabilities :						
Trade payables	11	-	-	695,626	695,626	695,626
Lease liabilities		-	-	421,423	421,423	421,423
Other financial liabilities	10	-	-	2,395,688	2,395,688	2,395,688
Total financial liabilities		-	-	3,512,737	3,512,737	3,512,737

Notes to financial instruments

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

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

Wipro VLSI Design Services LLC (Formerly known as Eximius Design LLC)
Notes to the special purpose financial statements

(All amount in USD, unless otherwise stated)

18 Financial risk management

The Company manages market risk through a corporate treasury department, which evaluates and exercises independent control over the entire process of market risk management. The corporate treasury department recommends risk management objectives and policies, which are approved by senior management and Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

A Credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The company has only one customer which contributes 100% of revenue and has no other significant customer base. This only customer is one of fellow subsidiary of ultimate holding company and hence, we dont see significant concentration of credit risk.

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

B Liquidity risk

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 Company's 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 Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of March 31, 2021, cash and cash equivalents are held with major banks and financial institutions.

Maturities of financial liabilities

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

31 March 2022	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings			-	-
Trade payables	1,065,388	-	-	1,065,388
Lease liabilities	110,515	-	-	110,515
Other financial liabilities	2,034,270	799,278	-	2,833,548
Total	3,210,173	799,278	-	4,009,451
31 March 2021	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	-	-	-	-
Trade payables	695,626	-	-	695,626
Lease liabilities	314,901	106,522	-	421,423
Other financial liabilities	797,131	1,598,557	-	2,395,688
Total	1,807,658	1,705,079	-	3,512,737

C Interest rate risk

The Company does not have any borrowings. Hence the company is not exposed to Interest rate risk

D Foreign currency risk

The Company operates mainly in US and most of its business is transacted in USD. Consequently, the Company is not exposed to foreign exchange risk through receiving payment for sales or thorough payment to suppliers.

19 Capital management

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

20 Earnings per Share

The company does not have any share capital. Hence the reporting of earnings per share is not applicable to the company

21 Commitments and contingencies

As at March 31, 2022, the company has committed to spend USD 205,291 under agreement to purchase property and equipment. This amount is net of capital advance paid in respect of these purchases. (As at March 31, 2021: NIL)

22 Segment reporting

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

23 Events occurring after the reporting date

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

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

For and on behalf of the Board of Directors

Sd/-
Seethalakshmi M
 Partner
 Membership No: 208545

Sd/-
Nithin V J
 Director

Place: Bengaluru
 Date: 20 June 2022

Date: 20 June 2022