

Special Purpose Standalone Financial Statements

Wipro Appirio, Inc.

31 March 2023

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of **Wipro Appirio, Inc.**

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of **Wipro Appirio, Inc.** (“the Company”), which comprise the Balance Sheet as at 31 March 2023, 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 to the Special Purpose Financial Statements, these include limited information and have been 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, 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 preparation referred to in Note 2 to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2023, its profit, total comprehensive loss, its changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 on the special purpose financial statements.

Management’s Responsibilities for the Special Purpose Financial Statements

The Company’s Board of Directors are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 2 of the special purpose financial statement. This responsibility also includes maintenance of adequate accounting records 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, the Company’s 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.

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.

Basis of Accounting

We draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting. As a result, the special purpose financial statements may not be suitable for another purpose.

Restriction on Use and distribution

The report is issued to the Board of Directors of the Company solely for the above purpose and should not be distributed to or used by any other parties.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

S/d

Seethalakshmi M

Partner

Membership No. 208545

Bengaluru

23 May 2023

Wipro Appirio, Inc.
Special Purpose Standalone Balance Sheet as at 31 March 2023

(Amounts in USD, unless otherwise stated)

	<u>Notes</u>	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	5	197,019	346,591
Right of use assets	6	1,156,468	1,413,460
Financial assets			
Investment in subsidiaries	7	5,971,012	6,071,812
Other financial assets	10	14,318	14,318
Deferred tax assets (net)	26	432,617	1,733,423
Other non-current assets	11	-	1,044
Total non-current assets		7,771,433	9,580,647
Current assets			
Financial assets			
Trade receivables	8	23,857,949	24,326,839
Unbilled receivable		1,712,357	1,955,755
Cash and cash equivalents	9	3,430,024	5,862,226
Other financial assets	10	18,000	893,403
Other current assets	11	553,916	821,414
Total current assets		29,572,247	33,859,637
TOTAL ASSETS		37,343,680	43,440,284
EQUITY			
Equity share capital	12	10	10
Other equity		16,861,565	21,966,891
Total equity		16,861,575	21,966,901
LIABILITIES			
Non-current liabilities			
Lease liabilities	24	1,047,760	1,310,747
Provision	16	384,347	628,783
Total non-current liabilities		1,432,107	1,939,530
Current liabilities			
Financial liabilities			
Lease liabilities	24	262,987	224,188
Trade payables	13	9,710,931	6,281,887
Other financial liabilities	14	1,457,490	2,811,549
Contract liabilities		3,006,931	5,011,980
Other current liabilities	15	2,144,959	2,464,359
Provisions	16	792,306	771,571
Current tax liabilities		1,674,394	1,968,319
Total current liabilities		19,049,998	19,533,853
Total liabilities		20,482,105	21,473,383.49
TOTAL EQUITY AND LIABILITIES		37,343,680	43,440,284

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

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

For and on behalf of the Board of Directors

S/d
Seethalakshmi M
Partner
Membership No: 208545

S/d
Mohit Bansal
Director

Place: Bengaluru
Date: 23 May 2023

Place: Bengaluru
Date: 23 May 2023

Wipro Appirio, Inc.**Special Purpose Standalone Statement of Profit and Loss for the year ended 31 March 2023**

(Amounts in USD, unless otherwise stated)

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
INCOME			
Revenue from operations	18	52,543,183	74,244,541
Other income	19	108	85,294
Total income		52,543,291	74,329,835
EXPENSES			
Employee benefits expense	20	22,925,175	40,517,919
Finance costs	21	43,351	50,553
Depreciation expenses	22	443,933	499,033
Sub-contracting and technical fees		12,303,867	14,861,502
Other expenses	23	5,604,936	6,983,762
Total expenses		41,321,263	62,912,769
Profit before tax		11,222,028	11,417,066
Tax expense	26		
Current tax		1,526,547	(1,546,214)
Deferred tax		1,300,806	1,628,685
Total tax expense		2,827,353	82,471
Profit for the year		8,394,675	11,334,595
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		8,394,675	11,334,595
Earnings per equity share	25		
(Equity shares of par value \$ 0.01 each)			
Basic/ Diluted		8,395	11,335

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

In terms of our report attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
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For and on behalf of the Board of Directors

S/d
Seethalakshmi M
Partner
Membership No: 208545

S/d
Mohit Bansal
Director

Place: Bengaluru
Date: 23 May 2023

Place: Bengaluru
Date: 23 May 2023

Wipro Appirio, Inc.**Special Purpose Standalone Statement of Cash Flows for the year ended 31 March 2023**

(Amounts in USD, unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities:		
Profit for the year	8,394,675	11,334,595
Adjustments:		
Depreciation expenses	443,933	499,033
Exchange loss, net	19,253	44,354
Investment in subsidiary	100,800	-
Income tax expense/(write-back)	2,827,353	82,471
Interest (income), net	43,351	(34,405)
Provision for lifetime expected credit losses/ (gains)	(69,293)	8,868
Edge grant provision	105,468	164,018
Gain on disposal of assets	1,491	-
Other income	(108)	(336)
Changes in operating assets and liabilities		
Trade receivables	538,183	15,015,498
Unbilled revenue	243,399	52,839
Other assets	1,038,477	2,243,649
Trade payable	3,413,118	(5,518,610)
Accrued expenses, other liabilities and provisions	(1,900,487)	(4,025,073)
Unearned revenue	(2,005,050)	(1,537,253)
Cash used in operating activities before taxes	<u>13,194,561</u>	<u>18,329,648</u>
Income taxes paid, net	<u>(1,820,472)</u>	<u>4,963,988</u>
Net cash used in operating activities	<u>11,374,089</u>	<u>23,293,636</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(43,853)	(482,647)
Proceeds from sale of property, plant and equipment	4,994	-
Loan repayment from subsidiary	-	5,001,875
Interest received	108	85,294
Cash flows from investing activities before taxes	<u>(38,751)</u>	<u>4,604,522</u>
Net cash used in investing activities	<u>(38,751)</u>	<u>4,604,522</u>
Cash flows from financing activities:		
Payment of lease liabilities	(267,539)	(495,866)
Dividend Paid	(13,500,000)	(30,000,000)
Net cash flows from/used in financing activities	<u>(13,767,539)</u>	<u>(30,495,866)</u>
Net increase/(decrease) in cash and cash equivalents during the year	<u>(2,432,202)</u>	<u>(2,597,709)</u>
Cash and cash equivalents at the beginning of the year	<u>5,862,226</u>	<u>8,459,935</u>
Cash and cash equivalents at the end of the year (Note 9)	<u>3,430,024</u>	<u>5,862,226</u>

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

In terms of our report attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.: 003990S/S200018

S/d

Seethalakshmi M

Partner

Membership No: 208545

Place: Bengaluru

Date: 23 May 2023

For and on behalf of the Board of Directors

S/d

Mohit Bansal

Director

Place: Bengaluru

Date: 23 May 2023

Wipro Appirio, Inc.
Special Purpose Standalone Statement of Changes in Equity
(Amounts in USD unless otherwise stated)

A. EQUITY SHARE CAPITAL

	<u>No. of shares</u>	<u>Amount</u>
Balance as at 01 April 2021	1,000	10
Change in equity share capital	-	-
Balance as at 31 March 2022	1,000	10
Change in equity share capital	-	-
Balance as at 31 March 2023	<u>1,000</u>	<u>10</u>

B. OTHER EQUITY

	<u>Retained earnings</u>	<u>Total Other equity</u>
Balance as at 01 April 2021	40,632,296	40,632,296
Total comprehensive income for the year	11,334,595	11,334,595
Less: Dividend paid	(30,000,000)	(30,000,000)
Balance as at 31 March 2022	<u>21,966,891</u>	<u>21,966,891</u>
Total comprehensive income for the year	8,394,675	8,394,675
Less: Dividend paid	(13,500,000)	(13,500,000)
Balance as at 31 March 2023	<u>16,861,565</u>	<u>16,861,565</u>

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

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

For and on behalf of the Board of Directors

S/d
Seethalakshmi M
Partner
Membership No: 208545

S/d
Mohit Bansal
Director

Place: Bengaluru
Date: 23 May 2023

Place: Bengaluru
Date: 23 May 2023

Wipro Appirio Inc.

Notes to the Special Purpose Standalone Financial Statements

(Amount in USD, unless otherwise stated)

1. The Company overview

Wipro Appirio, Inc. (the “Company”), incorporated in the state of Delaware, United States of America is a leading global consultancy and provider of cloud-based services to business enterprises’ Information Technology (IT) cloud solutions. The Company offers professional services and subscription Software-as-a-Service (SaaS) products on a Platform-as-a-Service (PaaS) that help enterprises accelerate their adoption to cloud-based computing.

The Company utilises its knowledge and partnerships with leading SaaS-based providers, such as Salesforce.com and Google, to provide unique solutions to its customers’ IT needs. The Company derives the majority of its revenues in the United States.

2. Basis of preparation of financial statement

(i) Statement of compliance and basis of preparation

These special purpose standalone 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.

These are the standalone financial statements of Wipro Appirio, Inc. The Company has not prepared consolidated financial statements because it has availed the specific exemption from the preparation of consolidated financial statements, available under Ind AS 110, “Consolidated Financial Statements”. Accordingly, the investment in the subsidiaries are accounted for on a cost basis in these standalone financial statements.

The investment in subsidiaries is considered as a long term investment and carried at cost, less impairment, if any (refer note 7).

The financial performance and position of the Company and the subsidiaries are included in the consolidated financial statements of Wipro Limited, incorporated under the Companies Act, 2013, having its registered office at Doddakanelli, Sarjapur Road, Bengaluru - 560035.

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

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

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The functional currency of the company is US Dollar and the financial statements are also presented in US Dollar. All amounts included in the financial statements are reported in US Dollar including share and per share data, unless otherwise stated.

(ii) Basis of measurement

The financial statements has been prepared on a historical cost convention and on an accrual basis

(iii) Use of estimates and judgments

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

Wipro Appirio Inc.

Notes to the Special Purpose Standalone Financial Statements

(Amount in USD, unless otherwise stated)

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 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, recognized revenue and profit 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. Revenue is recognized on net basis in scenario where the company is not the primary obligor.
- b) **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 ate. 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 realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.
- c) **Expected credit losses on financial assets:** The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.
- d) **Useful lives of property, plant and equipment:** The Company depreciates property, plant and equipment on a straight line basis over estimated useful lives of assets. The charge in depreciation is derived based on 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 lives, such as change in technology. The estimated useful life is reviewed at least annually.
- e) **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 is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

Wipro Appirio Inc.

Notes to the Special Purpose Standalone Financial Statements

(Amount in USD, unless otherwise stated)

3. Significant accounting policies

(i) Functional presentation currency

These financial statements are presented in US Dollar (\$), which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the respective functional currencies 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. Gains/(losses) relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as fair value through other comprehensive income are included in other comprehensive income, net of taxes. The company has investments in subsidiaries at places other than the USA.

(iii) Financial instruments

a) Non-derivative financial instruments:

Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, investments in equity and other eligible current and non-current assets;
- financial liabilities, which include short-term borrowings, trade payables and other 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 with banks in current account and sweep account with banks, which can be withdrawn at any time, without prior notice or penalty.

For the purposes of the cash flow statement, cash and cash equivalents include cash with banks.

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 and other current assets.

Wipro Appirio Inc.

Notes to the Special Purpose Standalone Financial Statements

(Amount in USD, unless otherwise stated)

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 and share capital

a) Equity share capital

The authorized share capital of the Company as of 31 March 2023 is USD 10 (USD 10 as of 31 March 2022) divided into 1,000 equity shares of \$ 0.01 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

b) Retained earnings

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

c) Foreign currency translation reserve

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

d) Other reserves

Changes in the fair value of financial assets measured at FVTOCI, other than impairment loss, is recognized in other comprehensive income (net of taxes) and presented within equity in other reserves.

(v) Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are 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. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Leasehold Improvements	Useful life or lease term whichever is lower
Plant & equipment	2 to 10 years
Office equipment	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 capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost of property, plant and equipment not available for use before each reporting date are disclosed under capital work- in-progress. Deposits & advances paid towards acquisition of fixed assets, outstanding at each balance sheet date are shown as capital advances under the head of other non-current assets.

Wipro Appirio Inc.

Notes to the Special Purpose Standalone Financial Statements

(Amount in USD, unless otherwise stated)

(vi) Leases

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

The Company as a lessee

The Company enters into arrangement for lease of buildings. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

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

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

Wipro Appirio Inc.

Notes to the Special Purpose Standalone Financial Statements

(Amount in USD, unless otherwise stated)

(vii) Impairment

a) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b) Non-financial assets

The Company assesses long-lived assets such as property, plant, 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 to sell (FVLCTS) and its value-in-use (VIU). 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.

(viii) Employee benefits

a) Short-term benefits

Short-term employee benefit obligations are measured on a discounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits.

c) 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 using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur.

(ix) 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.

Wipro Appirio Inc.

Notes to the Special Purpose Standalone Financial Statements

(Amount in USD, unless otherwise stated)

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.

(x) 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.

A. 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 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

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. ‘Contract liabilities’ 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’.

c) Maintenance contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

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Notes to the Special Purpose Standalone Financial Statements

(Amount in USD, unless otherwise stated)

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.

B. Products

Revenue from products are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(xi) Finance costs

Finance costs 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.

(xii) Other income

Other income comprises interest income on loan given, gains/(losses) on disposal of financial assets that are measured at FVTPL, and debt instruments at FVTOCI. Interest income is recognized using the effective interest method.

(xiii) 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.

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 statement.

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

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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Notes to the Special Purpose Standalone Financial Statements

(Amount in USD, unless otherwise stated)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(xiv) 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.

(xv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

(xvi) Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial statements.

4. New amended standards and interpretations

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 this amendment has resulted in a reduction of ₹ 51 in opening retained earnings primarily due to allocation of other costs that relate directly to fulfilling contracts.

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 did not have any material impact on the interim condensed consolidated 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 derecognise a financial liability. The adoption of amendments to Ind AS 109 did not have any material impact on the interim condensed consolidated 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

Wipro Appirio Inc.

Notes to the Special Purpose Standalone Financial Statements

(Amount in USD, unless otherwise stated)

of cost of an item of property, plant, and equipment. The adoption of amendments to Ind AS 16 did not have any material impact on the interim condensed consolidated financial statements.

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

New amendments not yet adopted-

Amendments to Ind AS 12 – Income Taxes

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. The amendments to Ind AS 12 clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. The amendments clarify that this exemption does not apply to transactions such as leases and decommissioning obligations and companies are required to recognize deferred tax on such transactions. The adoption of amendments to Ind AS 12 is not expected to have any material impact in the interim condensed consolidated financial statements.

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

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Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements
(Amounts in USD, unless otherwise stated)

5. Property, plant and equipment

	Leasehold improvements	Plant and machinery	Office equipment	Total
Gross block				
As at 1 April 2021	612,872	1,372,305	684,070	2,669,247
Additions	-	481,242	1,405	482,647
Disposal	-	(179,814)	-	(179,814)
As at 31 March 2022	612,872	1,673,733	685,475	2,972,080
Additions	-	43,330	524	43,853
Disposal	-	(28,570)	(1,405)	(29,975)
IC Transfers	-	(7,889)	-	(7,889)
As at 31 March 2023	612,872	1,680,604	684,594	2,978,069
Accumulated depreciation				
As at 1 April 2021	590,793	1,213,366	675,248	2,479,407
Depreciation	22,063	211,092	7,936	241,091
Disposal	-	(95,009)	-	(95,009)
As at 31 March 2022	612,856	1,329,449	683,184	2,625,489
Depreciation	-	185,601	1,340	186,940
Disposal	-	(28,006)	(478)	(28,484)
IC Transfers	-	(2,895)	-	(2,895)
As at 31 March 2023	612,856	1,484,149	684,046	2,781,051
Net carrying value				
As at March 31 2022	16	344,284	2,291	346,591
As at 31 March 2023	16	196,455	548	197,019

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Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements

(Amounts in USD, unless otherwise stated)

6. Right of use asset

Gross carrying value:

As at 1 April 2021

Additions for the year

Disposals

As at 31 March 2022

Additions for the year

Disposals

As at 31 March 2023

	Building	Total
As at 1 April 2021	1,885,522	1,885,522
Additions for the year	-	-
Disposals	-	-
As at 31 March 2022	1,885,522	1,885,522
Additions for the year	-	-
Disposals	-	-
As at 31 March 2023	1,885,522	1,885,522

Accumulated depreciation

As at 1 April 2021

Depreciation

Disposals

As at 31 March 2022

Depreciation

Disposals

As at 31 March 2023

As at 1 April 2021	(214,120)	(214,120)
Depreciation	(257,942)	(257,942)
Disposals	-	-
As at 31 March 2022	(472,062)	(472,062)
Depreciation	(256,993)	(256,993)
Disposals	-	-
As at 31 March 2023	(729,055)	(729,055)

Net carrying value

As at 31 March 2022

As at 31 March 2023

As at 31 March 2022	1,413,460	1,413,460
As at 31 March 2023	1,156,468	1,156,468

7. Investments

Investment in subsidiaries (unquoted)

Appirio KK (Principle Place of Business - Japan, 100% holding)

Provision for diminution in value of non-current Investments

Wipro Appirio (Ireland) Limited (Principle Place of Business - Ireland, 100% holding)

Topcoder Inc (Principle Place of Business - USA, 100% holding)

	As at 31 March 2023	As at 31 March 2022
Appirio KK (Principle Place of Business - Japan, 100% holding)	100,800	100,800
Provision for diminution in value of non-current Investments	(100,800)	-
	-	100,800
Wipro Appirio (Ireland) Limited (Principle Place of Business - Ireland, 100% holding)	71,699	71,699
Topcoder Inc (Principle Place of Business - USA, 100% holding)	5,899,313	5,899,313
	5,971,012	6,071,812

8. Trade receivables

Unsecured:

Considered good

Considered doubtful

With related parties - Considered good (Refer Note 28)

Less: Allowance for lifetime expected credit loss

	As at 31 March 2023	As at 31 March 2022
Considered good	4,876,236	3,816,031
Considered doubtful	2,849,284	3,598,501
	7,725,520	7,414,532
With related parties - Considered good (Refer Note 28)	18,981,714	20,510,808
Less: Allowance for lifetime expected credit loss	(2,849,284)	(3,598,501)
	23,857,949	24,326,839

Refer note 29 for trade receivables ageing

The activity in the allowance for lifetime expected credit loss is given below:

Opening balance

Add: Additions during the year

Less: Deduction during the period (net)

Closing balance

	As at 31 March 2023	As at 31 March 2022
Opening balance	3,598,501	3,365,509
Add: Additions during the year	481,180	429,375
Less: Deduction during the period (net)	(1,230,398)	(196,383)
Closing balance	2,849,284	3,598,501

Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements

(Amounts in USD, unless otherwise stated)

9. Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- Current accounts	3,430,024	5,862,226
	<u>3,430,024</u>	<u>5,862,226</u>

10. Other financial assets

	As at 31 March 2023	As at 31 March 2022
Non-current		
Security deposits	14,318	14,318
	<u>14,318</u>	<u>14,318</u>
Current		
Other receivables	18,000	893,403
	<u>18,000</u>	<u>893,403</u>

11. Other assets

	As at 31 March 2023	As at 31 March 2022
Non-current		
Prepaid expenses	-	1,044
	<u>-</u>	<u>1,044</u>
Current		
Prepaid expenses	425,850	806,352
Others	128,066	15,063
	<u>553,916</u>	<u>821,415</u>

Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements

(Amounts in USD, unless otherwise stated)

12. Share capital

	As at 31 March 2023	As at 31 March 2022
Authorised capital		
1,000 (31 March 2022: 1,000) equity share (Par value \$0.01 per share)	10	10
	10	10

Issued, subscribed and fully paid-up capital

1,000 (31 March 2022: 1,000) equity share (Par value \$0.01 per share)	10	10
	10	10

(i) Shares held by holding company (Wipro IT Services LLC, the holding company)

	As at 31 March 2023	As at 31 March 2022
Number of equity shares of \$ 0.01 each	1,000	1,000
	1,000	1,000

(ii) Reconciliation of number of shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Opening number of equity shares	1,000	10	1,000	10
Equity shares issued	-	-	-	-
Closing number of equity shares	1,000	10	1,000	10

(iii) Details of shareholders having more than 5% of the total equity shares of the Company

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% held	No. of shares	% held
Wipro IT Services LLC	1,000	100	1,000	100

Rights, preferences and contingencies attached to the equity shares

The company has one class of equity shares having a face value of \$0.01 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets on the company after distribution of all preferential amounts, in proportion of their shareholding.

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Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements

(Amounts in USD, unless otherwise stated)

13. Trade payables

Total outstanding dues of creditors other than micro, small and medium enterprises
 Payable to group companies (Refer Note 28)

	As at 31 March 2023	As at 31 March 2022
	6,242,799	5,469,141
	3,468,132	812,747
	9,710,931	6,281,887

Refer note 29 for trade payables ageing

14. Other financial liabilities

Current

Bonus payable
 Salary payable
 Other payables

	As at 31 March 2023	As at 31 March 2022
	894,104	1,394,927
	408,535	1,302,276
	154,851	114,346
	1,457,490	2,811,549

15. Other liabilities

Current

Statutory dues payable
 Withholding tax payable
 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
	964,892	2,435,936
	28,423	28,423
	1,151,644	-
	2,144,959	2,464,359

16. Provisions

Non current

Provision for employee benefits

	As at 31 March 2023	As at 31 March 2022
	384,347	628,783
	384,347	628,783

Current

Provision for employee benefits

	792,306	771,571
	792,306	771,571

18. Revenue from operations

Rendering of services

	Year ended 31 March 2023	Year ended 31 March 2022
	52,543,183	74,244,541
	52,543,183	74,244,541

Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements

(Amounts in USD, unless otherwise stated)

Disaggregation of Revenues

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

Revenue	Year ended 31 March 2023	Year ended 31 March 2022
Rendering of services	52,543,183	74,244,541
Revenue by Nature of Contract		
Element based	4,029,497	-
Fixed price and volume based	23,104,745	16,359,444
Time and materials based	25,408,942	57,885,097
	<u>52,543,183</u>	<u>74,244,541</u>

19. Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income	-	84,958
Other income	108	336
	<u>108</u>	<u>85,294</u>

20. Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	21,706,441	38,666,319
Compensated absences	199,306	98,468
Staff welfare expenses	1,019,428	1,753,133
	<u>22,925,175</u>	<u>40,517,919</u>

21. Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest amortization on facilities	43,351	50,553
	<u>43,351</u>	<u>50,553</u>

22. Depreciation

Depreciation on property, plant and equipment (Refer Note 5)	186,940	241,091
Depreciation on Right to use assets (Refer Note 6)	256,993	257,942
	<u>443,933</u>	<u>499,033</u>

23. Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Repairs and maintenance	4,397,352	3,631,118
Foreign exchange (gains) / losses, net	19,253	44,354
Staff Recruitment expenses	117,810	575,733
Provision for lifetime expected credit losses/ (gains)	(69,293)	8,868
Rent	-	8,013
Insurance	14,050	21,018
Business meeting	12,468	6,153
Subscription	6,060	145,938
Provision for diminution in value of non-current Investments	100,800	-
Rates and taxes	61,428	29,119
Communication expenses	22,425	77,216
Travel	13,031	301,200
Legal and professional charges	27,659	59,448
Corporate Overhead	788,380	925,860
Marketing and brand building	-	1,047,158
Miscellaneous expenses	93,513	102,567
	<u>5,604,936</u>	<u>6,983,762</u>

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Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements
(Amounts in USD, unless otherwise stated)

24. Lease liability

i) Total lease liabilities are analysed as follows:

	As at	As at
	31 March 2023	31 March 2022
Denominated in the following currencies:		
USD	1,310,747	1,534,935
Total	1,310,747	1,534,935

Analysed as:

Current	262,987	224,188
Non Current	1,047,760	1,310,747
	1,310,747	1,534,935

ii) Amounts recognised in statement of profit and loss:

The following amounts were recognised as expense in the year:

	As at	As at
	31 March 2023	31 March 2022
Depreciation of right-of-use assets	256,993	257,942
Interest on lease liabilities	43,351	50,553
Expense relating to short-term leases and low-value assets	-	-
Total recognised in the statement of profit and loss	300,344	308,495

iii) Exposure to future cash flows:

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

	As at	As at
	31 March 2023	31 March 2022
Maturity analysis:		
Less than 1 year	262,987	248,062
Between 1 and 2 years	278,550	262,987
Between 2 and 5 years	769,210	1,047,760
More than 5 years	-	-
	1,310,747	1,558,809

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Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements
(Amounts in USD, unless otherwise stated)

25. Earnings per equity share

A reconciliation of profit for the period and equity shares used in the computation of basic and diluted earnings per equity share is set out below

Basic and Diluted: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period, excluding equity shares purchased by the Company. Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company. The Company does not have any potential equity shares as on March 31, 2023 and March 31, 2022.

	Year ended 31 March 2023	Year ended 31 March 2022
Profit for the year	8,394,675	11,334,595
Weighted average number of equity shares outstanding	1,000	1,000
Basic and diluted earnings per share	8,395	11,335

26. Income tax expense & effective tax rate (ETR) reconciliation

Income tax expense has been allocated as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	1,526,547	(1,546,214)
Deferred tax	1,300,806	1,628,685
Total income tax expense recognised	2,827,353	82,471

The reconciliation of estimated income tax expense at United States of America statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Profit / (loss) before tax	11,222,028	11,417,066
Statutory income tax rate of USA	28.00%	28.00%
Expected income tax expense	3,142,168	3,196,778
Effect of:		
Tax relating to prior years	(69,653)	(3,100,855)
Deferred tax expense	(43,386)	(43,386)
Permanent differences	(201,776)	29,933
	2,827,353	82,471

Deferred Tax Asset

Deferred tax assets/ liabilities (net) :

	As at 31 March 2023	As at 31 March 2022
DTA on business loss carried forward	678,425	808,037
DTA / DTL on other originating / reversing temporary differences	(245,808)	925,387
	432,617	1,733,423

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Wipro Appirio, Inc.

Notes to the Special Purpose Standalone Financial Statements

(Amounts in USD, unless otherwise stated)

27. Financial instruments

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

a. Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2023 is as follows:

	Amortised cost	Total carrying value
Financial assets:		
Trade receivables	23,857,949	23,857,949
Cash and cash equivalents	3,430,025	3,430,025
Unbilled revenues	1,712,357	1,712,357
Other financial assets	32,318	32,318
Investment in subsidiaries	5,971,012	5,971,012
Total	35,003,661	35,003,661
Financial liabilities:		
Trade payables	9,710,931	9,710,931
Lease liabilities	1,310,747	1,310,747
Other financial liabilities	1,457,490	1,457,490
Total	12,479,168	12,479,168

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

	Amortised cost	Total carrying value
Financial assets:		
Trade receivables	24,326,838	24,326,838
Cash and cash equivalents	5,862,226	5,862,226
Unbilled revenues	1,712,357	1,712,357
Other financial assets	907,721	907,721
Total	32,809,142	32,809,142
Financial liabilities:		
Trade payables	6,281,887	6,281,887
Lease liabilities	1,271,947	1,271,947
Other financial liabilities	2,811,549	2,811,549
Total	10,365,383	10,365,383

b. Exposure to credit risk

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

Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements
(Amounts in USD, unless otherwise stated)

c. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The 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 at March 31, 2023, cash and cash equivalents are held with major banks and financial institutions.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts include estimated interest payments and exclude the impact of netting agreements, if any.

Contractual cash flows as at March 31, 2023	Carrying value	Less than 1 year	1-3 years	> 3 years	Total
Lease liabilities	1,310,747	262,987	573,325	474,435	1,310,747
Trade payables	9,710,931	9,710,931	-	-	9,710,931
Other financial liabilities	1,457,490	1,457,490	-	-	1,457,490

Contractual cash flows as at March 31, 2022	Carrying value	Less than 1 year	1-3 years	> 3 years	Total
Lease liabilities	1,558,809	248,062	836,312	474,435	1,558,809
Trade payables	6,281,887	6,281,887	-	-	6,281,887
Other financial liabilities	2,811,549	2,811,549	-	-	2,811,549

d. Foreign currency exchange rate risk

The Company undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Currency		Liabilities		Assets	
		As at	As at	As at	As at
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Intercompany trade payable	EUR	39,614	28,495	-	-
Intercompany trade payable	GBP	76,505	(256,814)	-	-
Intercompany trade payable	INR	8,450,923	12,048,316	-	-
Intercompany trade payable	RMB	-	(78,062)	-	-
Intercompany trade receivable	EUR	-	-	109,545	-
Intercompany trade receivable	INR	-	-	6,985,502	(78,491)
Intercompany trade receivable	CAD	-	-	193,763	-
		8,567,042	11,741,936	7,288,810	-78,491

The following table details the Company's sensitivity to 1% increase and decrease in the USD against the foreign currency

	As at		As at	
	31 March 2023	31 March 2023	31 March 2022	31 March 2022
	+1%	-1%	+1%	-1%
EUR	(699)	699	285	(285)
GBP	765	(765)	(2,568)	2,568
INR	14,654	(14,654)	120,483	(120,483)
AUD	-	-	-	-
CAD	1,938	(1,938)	-	-
RMB	-	-	(781)	781

e. Interest Rate Risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company has inter-company payables and receivables, the interest of which is based on the movement in LIBOR. If interest rates were to increase by 100 bps from March 31, 2023 (March 31, 2022), additional net annual interest income (net) on floating lending rate would approximately amount to Nil.

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Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements

(Amounts in USD, unless otherwise stated)

28. Related party relationships, transactions and balances

i) The following are the entities with which the Company has related party transactions:

Country of incorporation	Name of the Party	Country of incorporation
Ultimate Holding Company	Wipro Limited	India
Holding Company	Wipro IT Services LLC	US
Intermediate Holding Company	Wipro LLC	US
Subsidiary	Wipro Appirio (Ireland) Limited	Ireland
Subsidiary	Appirio, K.K	Japan
Subsidiary	Topcoder, LLC	US
Fellow Subsidiary	Wipro do Brasil Technologia Ltda	Brazil
Fellow Subsidiary	Wipro Technologies GmbH	Germany
Fellow Subsidiary	Wipro Technology Chile SPA	Chile
Fellow Subsidiary	Wipro Solutions Canada Limited	Canada
Fellow Subsidiary	Wipro Portugal SA	Portugal
Fellow Subsidiary	Wipro Technologies SA DE C V	Mexico
Fellow Subsidiary	Wipro Chengdu Limited	China
Fellow Subsidiary	Wipro Gallagher Solutions Inc	US
Fellow Subsidiary	Wipro Appirio UK Limited	UK
Fellow Subsidiary	Wipro Weare4C UK Limited	UK
Fellow Subsidiary	Wipro Travel Services Limited	India
Fellow Subsidiary	Capco Consulting Services	US
Fellow Subsidiary	Encore Theme Technologies Private Limited	India

Key Managerial Personnel- Director Mohit Bansal

ii) The Company had the following transactions with related parties during the year ended March 31, 2023

Particulars	Relationship	Year ended March 31, 2023	Year ended March 31, 2022
Sales and services			
Wipro Ltd	Ultimate holding company	57,932,104	62,018,512
Wipro LLC	Intermediate holding company	8,181,330	9,904,190
Wipro Technologies GmbH	Fellow subsidiary	-	(74,009)
Wipro do Brasil Technologia Ltda	Fellow subsidiary	-	42,615
Wipro Solutions Canada Limited	Fellow subsidiary	-	25,010
Wipro Portugal SA	Fellow subsidiary	-	8,909
Topcoder, LLC.	Subsidiary	(33,182,782)	(28,338,464)
Wipro Appirio UK Limited	Fellow subsidiary	-	150,786
Wipro Appirio (Ireland) Limited	Subsidiary	-	119,736
Wipro Weare4C UK Limited	Fellow subsidiary	-	(146)
Capco Consulting Services	Fellow subsidiary	90,900	198,720
Encore Theme Technologies Private Limited	Fellow subsidiary	-	15,475
Subcontracting and technical fees			
Wipro Ltd.	Ultimate holding company	7,234,111	7,907,041
Wipro do Brasil Technologia Ltda	Fellow subsidiary	26,305	119,310
Wipro Technology Chile SPA	Fellow subsidiary	-	29,459
Wipro Solutions Canada Limited	Fellow subsidiary	213,188	-
Wipro Portugal SA	Fellow subsidiary	65,082	464,721
Wipro Appirio UK Limited	Fellow subsidiary	706,284	724,934
Wipro Appirio (Ireland) Limited	Subsidiary	140,207	104,918
Wipro Weare4C UK Limited	Fellow subsidiary	-	118,164
Appirio, K.K	Subsidiary	95,800	-
Wipro Technologies SA DE C V	Fellow subsidiary	18,537	146,458
Wipro Travel Services Limited	Fellow subsidiary	-	(3)
Wipro Chengdu Limited	Fellow subsidiary	-	49,440
Wipro Technologies GmbH	Fellow subsidiary	278,252	-
Capco Consulting Services	Fellow subsidiary	-	3,974

Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements
(Amounts in USD, unless otherwise stated)

iii) Balances with related parties as at March 31, 2023 are summarised below

Particulars	Relationship	Year ended March 31, 2023	Year ended March 31, 2022
Receivables:			
Wipro Limited	Ultimate holding company	15,555,017	17,800,527
Infocrossing, LLC	Fellow subsidiary	2,981	-
Wipro do Brasil Servicos de Tecnologia Ltda	Fellow subsidiary	-	239,660
Wipro LLC	Intermediate holding company	2,746,830	1,841,283
Wipro Solutions Canada Limited	Fellow subsidiary	143,030	-
Wipro Appirio, K.K.	Subsidiary	-	284,203
Wipro Travel Services Limited	Fellow subsidiary	2,135	582
Wipro Chengdu Limited	Fellow subsidiary	-	82
Encore	Fellow subsidiary	-	15,475
Wipro Technologies GmbH	Fellow subsidiary	-	10,974
Wipro Japan KK	Subsidiary	531,721	-
Wipro Portugal S.A.	Fellow subsidiary	-	123,277
Capco Consulting Services	Fellow subsidiary	-	194,746
Payables:			
Topcoder LLC	Subsidiary	542,490	578,973
Wipro Appirio (Ireland) Ltd.	Subsidiary	1	22,168
Weare4C UK Ltd.	Fellow subsidiary	-	209
Wipro Limited	Ultimate holding company	2,696,908	-
Wipro Technologies GmbH	Fellow subsidiary	24,974	-
Wipro Portugal S.A.	Fellow subsidiary	18,113	-
Wipro LLC	Intermediate holding company	62,804	-
Wipro do Brasil Tecnologia Ltda	Fellow subsidiary	7,077	-
Capco Consulting Services	Fellow subsidiary	1,818	-
Wipro Appirio UK Limited	Fellow subsidiary	113,947	201,264

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Wipro Appirio, Inc.
Notes to the Special Purpose Standalone Financial Statements
(Amounts in USD, unless otherwise stated)

Note 29. Trade receivables and trade payables ageing schedule
Trade receivables ageing schedule
As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	Total
(i) Undisputed – considered good	4,275,924	407,535	124,776	524,864	218,808	2,171,331	7,723,239
(ii) Undisputed – which have significant increase in credit risk	-	-	-	194	2,087	-	2,281
(iii) Undisputed – credit impaired	-	-	-	-	-	-	-
(iv) Disputed –considered good	-	-	-	-	-	-	-
(v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	-	-	-	-
	4,275,924	407,535	124,776	525,058	220,895	2,171,331	7,725,520
Less: Allowance for lifetime expected credit loss	-	-	-	-	-	-	(2,849,284)
From related parties	-	-	-	-	-	-	18,981,714
Net trade receivables	-	-	-	-	-	-	23,857,949

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	Total
(i) Undisputed – considered good	3,722,608	723,593	712,956	9,516	169,364	2,074,213	7,412,251
(ii) Undisputed – which have significant increase in credit risk	-	-	194	2,087	-	-	2,281
(iii) Undisputed – credit impaired	-	-	-	-	-	-	-
(iv) Disputed –considered good	-	-	-	-	-	-	-
(v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	-	-	-	-
Total	3,722,608	723,593	713,150	11,603	169,364	2,074,213	7,414,532
Less: Allowance for lifetime expected credit loss	-	-	-	-	-	-	(3,598,501)
From related parties	-	-	-	-	-	-	20,510,808
Net trade receivables	-	-	-	-	-	-	24,326,838

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Unbilled and not due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) Trade Payables - MSME	-	-	-	-	-	-
(ii) Trade Payables - Others	6,021,131	135,029	70,242	2,439	13,959	6,242,799
(iii) Accrued Expenses	-	-	-	-	-	-
(iv) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	6,021,131	135,029	70,242	2,439	13,959	6,242,799
Payable to related parties	-	-	-	-	-	3,468,132
Total	-	-	-	-	-	9,710,931

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Unbilled and not due	Less than 1 year	1-2 years	2- 3 years	More than 3 years	Total
(i) Trade Payables - MSME	-	-	-	-	-	-
(ii) Trade Payables - Others	6,043,072	(653,003)	65,052	14,021	-	5,469,141
(iii) Accrued Expenses	-	-	-	-	-	-
(iv) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	6,043,072	(653,003)	65,052	14,021	-	5,469,141

(This space has been intentionally left blank)

Wipro Appirio, Inc.

Notes to the Special Purpose Standalone Financial Statements

(Amounts in USD, unless otherwise stated)

30. Commitments and contingencies

Capital commitments: The Company has Nil capital commitments as on March 31, 2023 (March 31, 2022 : Nil)

Contingencies: The Company has Nil contingencies as on March 31, 2023 (March 31, 2022 : Nil)

31. Segment reporting

The Company publishes the financial statements along with the consolidated financial statements of ultimate holding company. In accordance with Ind AS 108 the Company has disclosed the segment information in the consolidated financial statements of ultimate holding company.

32. Events occurring after the reporting date

No adjusting or significant events have occurred between 31st, March 2023 and the date of authorization of these financial statements

33. Comparatives

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

The accompanying notes form an integral part of these Financial Statements

In terms of our report attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.: 003990S/S200018

For and on behalf of the Board of Directors

S/d

Seethalakshmi M

Partner

Membership No: 208545

S/d

Mohit Bansal

Director

Place: Bengaluru

Date: 23 May 2023

Place: Bengaluru

Date: 23 May 2023