

WIPRO VLSI Design Services India Private Limited
BALANCE SHEET
(INR in Lacs, except share and per share data, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	93	201
Right-of-Use Assets	3	-	854
Financial assets			
Other financial assets	6	95	272
Deferred tax assets	25	254	336
Total non-current assets		442	1,663
Current assets			
Financial assets			
Trade receivables	4	4,677	6,310
Cash and cash equivalents	5	2,948	3,403
Unbilled revenues		129	766
Other financial assets	6	92	22
Contract Assets		-	186
Tax Assets (net)	25	279	-
Other current assets	7	293	291
Total current assets		8,418	10,978
TOTAL ASSETS		8,860	12,641
EQUITY			
Equity Share capital	8	9	8
Other equity		6,230	651
Total equity		6,239	659
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities			
Lease Liabilities	13	-	434
Long term provisions	10	840	802
Total non-current liabilities		840	1,236
Current liabilities			
Financial liabilities			
Borrowings	9	-	1,800
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	11	-	0
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11	885	561
Lease Liabilities	13	-	467
Other financial liabilities	12	299	2,263
Unearned revenues		-	45
Tax Liabilities (net)	25	-	99
Short term provisions	10	209	329
Other current liabilities	14	388	5,183
Total current liabilities		1,781	10,746
TOTAL EQUITY AND LIABILITIES		8,860	12,641

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

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

Manish P Bathija
Partner
Membership No. 216706
Bengaluru
May 24, 2023



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

Ashish Chawla
Director
DIN 09133045
Bengaluru
May 24, 2023

Krishnan Subramanian
Director
DIN 03484801
Bengaluru
May 24, 2023



WIPRO VLSI Design Services India Private Limited
STATEMENT OF PROFIT AND LOSS ACCOUNT
(INR in Lacs, except share and per share data, unless otherwise stated)

	Note	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
REVENUE			
Revenue from operations	15	21,777	27,559
Other income	16	169	35
Total Income		21,946	27,594
EXPENSES			
Employee benefits expense	17	18,032	25,133
Sub Contracting Technical Fees	18	1,223	1,300
Finance costs	19	107	125
Depreciation and amortisation expense	3	290	675
Other expenses	20	1,015	1,134
Total Expenses		20,667	28,367
Profit/(Loss) before tax		1,279	(774)
Tax expense/(income)			
Current tax	25	336	1,054
Earlier Year tax	25	(305)	(163)
Deferred tax	25	43	(199)
Tax expense/(income)		74	692
Profit/(Loss) for the year		1,205	(1,466)
Other Comprehensive Income (OCI)			
Items that will not be reclassified subsequently to statement of profit/(loss) (Net of tax)			
Defined benefit Contribution actuarial gains/(expenses)		155	-
Tax on Defined benefit plan actuarial gains/(losses)		(39)	-
Total Other Comprehensive Income/Expenses for the period, net of tax		116	-
Total comprehensive income/(expense) for the period		1,089	(1,466)
Earnings/(Loss) per equity share (Equity shares of par value INR 10 each)			
	21		
Basic		1,538	(1,956)
Diluted		1,538	(1,956)
No of shares			
Basic		78,338	74,977
Diluted		78,338	74,977

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WIPRO VLSI Design Services India Private Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2023
(InNR in Laacs, except share and per share data, unless otherwise stated)

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
A. Cash flows from operating activities:		
Profit/(Loss) for the year	1,205	(1,466)
Adjustments		
Depreciation and Amortization	290	675
Income Tax Expenses	74	692
Provision for Doubtful Debts	31	89
Interest Income	(9)	(9)
Interest Expenses on Lease Liabilities	28	77
Other interest cost	44	48
Loss/(Profit) on sale of Fixed Assets	(127)	8
Working capital changes :		
(Increase)/Decrease In Current Assets	2,353	(3,857)
(Increase)/Decrease In Non Current Assets	178	301
Increase in Current and Non Current Liabilities	(2,187)	4,540
Net cash from operating activities	1,878	1,098
Taxes (paid)/refund	(369)	(317)
Net cash generated/(used in) operations	1,510	781
B. Cash flows from investing activities:		
Addition to Assets	(53)	(138)
Interest Income	9	9
Sale of Assets	172	
Net cash generated/(used in) investing activities	128	(129)
C. Cash flows from financing activities:		
Proceeds/ (Repayment) from Unsecured Loan	(1,800)	1,800
Repayment of Lease Liabilities	(249)	(467)
Other Interests Paid	(44)	(3)
Net cash generated/(used in) financing activities	(2,093)	1,331
Net (decrease) / increase in cash and cash equivalents during the year	(455)	1,982
Cash and cash equivalents at the beginning of the year	3,403	1,421
Cash and cash equivalents at the end of the year [Refer Note 5]	2,948	3,403

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WIPRO VLSI Design Services India Private Limited
Statement of Changes in Equity
(INR in Lacs, except share and per share data, unless otherwise stated)

A. EQUITY SHARE CAPITAL (INR 10 par Value)

Balance as of April 1, 2022	Changes during the year	Balance as of March 31, 2023
8	1	9

Balance as of April 1, 2021	Changes during the year	Balance as of March 31, 2022
8	-	8

B. OTHER EQUITY

Other Components of Equity				
Particulars	Share Premium	Retained Earnings	Other Comprehensive income	Total other equity
Balance as at April 1, 2022	95	556	-	651
Total Comprehensive income/(expense) for the year ended				
Profit (Loss) for the year	-	1,205	-	1,205
Share premium	4,258	-	-	4,258
Other Comprehensive income	-	-	116	116
Total Comprehensive income/(expense) for the year ended	4,258	1,205	116	5,579
Balance as at March 31, 2023	4,353	1,761	116	6,230

Other Components of Equity				
Particulars	Share Premium	Retained Earnings	Other Comprehensive income	Total other equity
Balance as at April 1, 2021	95	2,022	-	2,117
Total Comprehensive income/(expense) for the year ended				
Profit (Loss) for the year	-	(1,466)	-	(1,466)
Total Comprehensive income/(expense) for the year ended	-	(1,466)	-	(1,466)
Balance as at March 31, 2022	95	556	-	651

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

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WIPRO VLSI Design Services India Private Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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

1. The Company overview

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

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

The Financial Statements were approved for issue by the Directors on May 24, 2023.

2. A. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), as notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been applied consistently to all periods presented in these financial statements.

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

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

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

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



(ii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items, which have been measured at fair value as required by relevant Ind AS:

- a) Derivative financial instruments;
- b) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and
- c) The defined benefit asset/ (liability) is recognized as the present value of defined benefit obligation less fair value of plan assets.

(iii) Use of estimates and judgment

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

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

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



estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

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

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

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

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

f) **Expected credit losses on financial assets:** The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company



uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

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

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

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

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

k) **Other estimates:** The share-based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. Fair valuation of derivative



hedging instruments designated as cash flow hedges involves significant estimates relating to the occurrence of forecast transaction

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

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

B- Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in INR, which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Gains/(losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments measured at fair value through other comprehensive income are included in other comprehensive income, net of taxes.

(iii) Financial instruments

a) Non-derivative financial instruments:

Non-derivative financial instruments consist of:

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



- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.
- Non- derivative financial instruments are recognized initially at fair value.

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

A. Cash and cash equivalents

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

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

B. Investments

Financial instruments measured at amortised cost:

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

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

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

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

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

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

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



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

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

Investments in equity instruments designated to be classified as FVTOCI:

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

Investments in subsidiaries:

Investment in subsidiaries are measured at cost less impairment.

C. Other financial assets:

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

D. Trade and other payables

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

b) Derivative financial instruments

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



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

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

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

A. Cash flow hedges

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

B. Others

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

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

c) Derecognition of financial instruments

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



(iv) Equity

a) Share capital and securities premium reserve

The authorized share capital of the Company as at March 31, 2023 is INR 900,000/- divided into 90,000 equity shares of INR 10 each. The authorized share capital of the Company as at March 31, 2022 was INR 800,000/- divided into 80,000 equity shares of INR 10 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as securities premium.

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

b) Retained earnings

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

(v) Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

b) Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortised over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortised over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets is reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
IT and Office Equipments	2 to 7 years
Furniture, fixtures and equipment	4 to 6 years
Vehicles	5 years



When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

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

(vi) Business combination, Goodwill and Intangible assets

a) Business combination

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

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

Common Control business combinations

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



b) Goodwill

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

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

c) Intangible assets

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

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

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

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

(vii) Leases

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

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves -

- a) the right to use of an identified asset.



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

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

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

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

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

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

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the lease term.

Lease payments are classified as Cash used in Financing activities.

The Company as a lessor

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

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

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

(viii) Inventories



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

(ix) Impairment

A) Financial assets

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

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

B) Impairment of Investment in subsidiaries

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

C) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses



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

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

(x) Employee benefits

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation carried out by independent actuary using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss account.

Pension and social contribution

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

(xi) Provisions

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

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

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



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

(xii) Revenue

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

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the services rendered:

A. Time and materials contracts

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

B. Fixed-price contracts

i) Fixed-price development contracts



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

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

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

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

ii) Maintenance contracts

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

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

iii) Volume based contracts

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

C. Products

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

D. Others



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

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

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

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

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

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

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

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

(xiii) Finance cost



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

(xiv) Other income

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

(xv) Income tax

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

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

b) Deferred income tax

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

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

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates and foreign



branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

(xvi) Earnings per share

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

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

(xvii) Cash flow statement

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

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

(xviii) Assets held for sale

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



(xix) Discontinued operations

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

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

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

(xxi) Disposal of assets

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

C- Standards (including amendments) issued but not yet effective

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from 01 April 2023:

Below is a summary of such amendments:

- i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

- ii) Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments



clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's financial statements.

iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Company is currently assessing the impact of the amendments.

iv) The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

D- Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from 01 April 2022 :



i) Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

The Company, prior to the application of the amendments, did not have any onerous contracts.

ii) References to the Conceptual Framework - Amendments to Ind AS 103

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

iii) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16

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

These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

iv) Ind AS 101: First Time Adoption of Indian Accounting Standards- Subsidiary as a first time adopter

The amendment provides that a subsidiary that uses the exemption in paragraph D16(a) of Ind AS 101 may elect, in its financial statements, to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This election is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.



- v) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

- vi) Taxation in fair value measurements – Amendments to Ind AS 41

The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.



WIPRO VLSI Design Services India Private Limited
Notes to the Financial Statements for the year ended March 31, 2023
(InR in Lacs, except share and per share data, unless otherwise stated)

Note 3.1 Property, Plant and Equipment

Particulars	IT equipment	Office equipment	Vehicles	Furniture and Fixtures	Total
Gross carrying amount					
As at 31 March 2021	630	30	-	-	660
Additions	126	-	0	11	137
Disposals/ Adjustments	(99)	(27)	-	-	(126)
As at 31 March 2022	657	3	0	11	671
Additions	45	-	0	8	53
Disposals/ Adjustments	(199)	(2)	(0)	(4)	(206)
As at 31 March 2023	503	1	0	15	518
Depreciation and impairment					
Balance as at 31 March 2021	378	16	-	-	393
Depreciation	188	13	0	(0)	201
Disposals/ Adjustments	(99)	(27)	-	-	(126)
As at 31 March 2022	467	2	0	(0)	468
Depreciation	50	0	0	3	53
Disposals/ Adjustments	(94)	(1)	(0)	(1)	(96)
As at 31 March 2023	422	1	0	2	425
Net Book Value					
Carrying amount as at 31 March 2023	81	0	0	13	93
Carrying amount as at 31 March 2022	190	0	0	11	201
Note:					
Effective April 1, 2021 the Company changed useful life of IT Equipment, Office equipment and Furniture and fixtures. The Company determined that the change in useful life of these assets is a change in accounting estimate affected by a change in accounting policy in terms of para 51 of Ind AS 16 - "Property, Plant and Equipment". A change in accounting estimate affected by a change in accounting principle is to be applied prospectively.					



WIPRO VLSI Design Services India Private Limited
Notes to the Financial Statements for the year ended March 31, 2023
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3.2 Right-of-Use Assets

Particulars	Buildings
Gross block	
Balance as at 31 March 2021	1,697
Additions	-
Disposal/ Adjustments	328
Balance as at 31 March 2022	1,369
Additions	-
Disposal/ Adjustments	1,369
Balance as at 31 March 2023	-
Accumulated depreciation	
Balance as at 31 March 2021	467
Charge for the year	475
Disposals/ Adjustment	427
Balance as at 31 March 2022	514
Charge for the year	237
Disposals/ Adjustment	752
Balance as at 31 March 2023	-
Balance as at 31 March 2022	854
Balance as at 31 March 2023	-



WIPRO VLSI Design Services India Private Limited
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	<u>As at</u> <u>March 31, 2023</u>	<u>As at</u> <u>March 31, 2022</u>
Note 4 Trade Receivables		
Unsecured:		
Considered good	819	2,458
Considered doubtful	139	107
	958	2,565
With Group Companies - Considered good	3,859	3,852
Less: Provision for doubtful receivables	(139)	(107)
	4,678	6,310

The following table represent ageing of Trade receivables as on March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured - Current							
Undisputed Trade receivables – considered good	550	4,216	(83)	122	11	-	4,816
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
	550	4,216	(83)	122	11	-	4,816
Gross Trade receivables							4,816
Less: Allowance for lifetime expected credit loss							(139)
Net Trade receivables							4,677

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

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured - Current							
Undisputed Trade receivables – considered good	5,266	1,011	116	25	-	-	6,418
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
	5,266	1,011	116	25	-	-	6,418
Gross Trade receivables							6,418
Less: Allowance for lifetime expected credit loss							(107)
Net Trade receivables							6,310



WIPRO VLSI Design Services India Private Limited
Notes to the Financial Statements for the year ended March 31, 2023
(InR in Lacs, except share and per share data, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note 5 Cash and cash equivalents		
Cash and cash equivalents		
Balances with banks		
Current Accounts	2,948	3,403
	<u>2,948</u>	<u>3,403</u>
Cash and cash equivalents consists of the following for the purpose of the cash flow statement:		
Cash and cash equivalents	2,948	3,403
Note 6 Other Financial Assets		
Non-current		
Finance lease receivables	75	30
Security Deposits	20	242
	<u>95</u>	<u>272</u>
Current		
Security Deposits	74	16
Finance Lease Receivables	19	6
	<u>92</u>	<u>22</u>
Finance lease receivables		
	As at 31st March 23	
	Minimum lease payments	Present value of minimum lease payments
Not later than one year	26	18
Later than one year but not later than five years	88	75
Gross investment in lease	114	93
Less: Unearned finance income	20	-
Present value of minimum lease payment receivables	94	93
Included in the balance sheet as follows:		
Non-current		75
Current		18
Note 7 Other Assets		
Current		
Employee travel & other advances	2	23
Prepaid expenses	1	1
Other Assets	1	0
Advance to suppliers	284	218
Prepaid bonus	5	49
	<u>293</u>	<u>291</u>



WIPRO VLSI Design Services India Private Limited
Notes to the Financial Statements for the year ended March 31, 2023
(InR in Lacs, except share and per share data, unless otherwise stated)

Note 8 Share Capital

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

	As at Mar 31, 2023		As at Mar 31, 2022	
	Number	Amount	Number	Amount
Authorised capital				
Equity shares [Par value of of INR 10 per share]	90,000	9	80,000	8
	90,000	9	80,000	8
Issued, subscribed and fully paid-up capital				
Equity shares [Par value of of INR 10 per share]	85,738	9	74,977	8
	85,738	9	74,977	8

(ii) Reconciliation of number of shares outstanding

	As at Mar 31, 2023		As at Mar 31, 2022	
	Number	Amount	Number	Amount
Number of common stock outstanding as at beginning of the year	74,977	8	74,977	8
Number of common stock issued during the year	10,761	1	-	-
Number of common stock outstanding as at the end of the year	85,738	9	74,977	8

(iii) Details of share holding pattern by related parties

Equity Shares

Name of shareholders

	As at	
	March 31, 2023	March 31, 2022
Wipro Limited	100.00%	100.00%
Sriram Ranganathan (jointly with Wipro Limited)	0.00%	0.00%
	100.00%	100.00%

iv) Terms / rights attached to equity shares

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

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

Name of shareholders

	No. of Shares	
	As at March 31, 2023	As at March 31, 2022
Wipro Limited	85,737	74,976
Sriram Ranganathan (jointly with Wipro Limited)	1	1
	85,738	74,977

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

(vi) Other details of equity shares for a period of five years immediately preceding March 31, 2023

a) 10,761 Equity shares has been issued by the company during FY 22-23 for consideration other than cash

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



WIPRO VLSI Design Services India Private Limited
Notes to the Financial Statements for the year ended March 31, 2023
(INR in Lacs, except share and per share data, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note 9 Borrowings		
Current		
Unsecured:		
External Commercial Borrowings	-	1,800
Loan from Group Company*	-	<u>1,800</u>

*Loan taken from Parent Company has been repaid during FY 22-23

Note 10 Provisions		
Non Current		
Gratuity	576	503
Leave Encashment	246	298
Long Service Award	18	-
	<u>840</u>	<u>802</u>
Current		
Gratuity	72	78
Leave Encashment	134	252
Long Service Award	3	-
	<u>209</u>	<u>330</u>

Note 11 Trade Payables

The following table represent ageing of Trade payables as on March 31, 2023

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Current							
Trade Payables - MSME	-	-	-	-	-	-	-
Trade Payables - Others	68	40	758	20	-	-	886
Total	68	40	758	20	-	-	886

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

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Current							
Trade Payables - MSME	-	-	0	0	-	-	0
Trade Payables - Others	531	4	26	-	-	-	561
Total	531	4	26	0	-	-	561

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

Note 12 Other Financial Liabilities

Current		
Interest accrued but not due on borrowings	-	45
Employee Dues	299	794
Advance from Customers	-	1,424
	<u>299</u>	<u>2,263</u>

Note 13 Lease Liabilities

Particulars		
Less than one year	-	467
One to five years	-	434
More than five years	-	-
Total	-	<u>901</u>

Included in the balance sheet as follows

Non-current	-	434
Current	-	467

Note 14 Other Current Liabilities

Statutory and other liabilities	388	919
Others	-	4,264
	<u>388</u>	<u>5,184</u>



WIPRO VLSI Design Services India Private Limited
Notes to the Financial Statements for the year ended March 31, 2023
(INR in Lacs, except share and per share data, unless otherwise stated)

For the year ended Mar 31, 2023 **For the year ended Mar 31, 2022**

Note 15 Revenue from Operations

Sale of services	21,777	27,559
Revenue from operations (gross)	21,777	27,559

A. Contract Asset and Liabilities

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

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

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

B. Remaining Performance Obligations

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

There is no performance obligations on the contracts entered by the Company as on 31st March 23 (31st March 22-NIL)

C. Disaggregation of Revenues

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

	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Revenue		
Sales of Services	21,777	27,559
	21,777	27,559
Revenue by nature of contract		
Fixed price and volume based	-	2,689
Time and materials	21,777	24,871
	21,777	27,560

Note 16 Other Income

Profit on Sale of fixed assets	64	-
Profit on disposal of ROU	63	-
Interest Income on fixed deposits	9	9
Interest on lease receivables	8	2
Interest on income tax refund	16	-
Other Income	9	24
	169	35

Note 17 Employee benefits expense

Salaries and wages	16,843	19,437
Contribution to provident and other funds	763	847
Compensated Absences	23	289
Employee benefit plans	294	218
Restricted stock units*	-	4,259
Staff welfare expenses	109	83
	18,032	25,133

*This cost pertains to Phantom equity units fully vested

Note 18 Sub contracting / technical fees

Sub contracting technical Fees	1,223	1,300
	1,223	1,300



WIPRO VLSI Design Services India Private Limited
Notes to the Financial Statements for the year ended March 31, 2023
(INR in Lacs, except share and per share data, unless otherwise stated)

	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Note 19 Finance costs		
Interest cost	44	48
Interest on lease	28	77
Interest on gratuity	34	-
Bank charges and others	1	0
	107	125
Note 20 Other expenses		
Other exchange differences, net	209	90
Travel	173	40
Repairs and maintenance	1	190
Rent	161	169
Power and fuel	23	37
Training expenses	-	0
Communication	52	63
Interest and penalty	37	-
Recruitment expenses	11	-
Legal and professional charges	24	371
Bad & doubtful debts	31	89
Insurance	8	-
Rates and taxes	7	14
Audit fees	10	10
for taxation/other matters	-	5
CSR contribution	9	17
Loss on sale of fixed assets	0	8
Corporate Overheads	256	-
Miscellaneous expenses	3	31
	1,015	1,134



WIPRO VLSI Design Services India Private Limited
Notes to the Financial Statements for the year ended March 31, 2023
(INR in Lacs, except share and per share data, unless otherwise stated)

Note 21 Earning per share (EPS)

	As at March 31, 2023	As at March 31, 2022
Net profit/ (loss) after tax attributable to the equity shareholders	1,205	(1,466)
Weighted average number of equity shares - for basic and diluted EPS	78,338	74,977
Earnings/(Loss) per share - Basic	1,538	(1,956)
Earnings/(Loss) per share - Diluted	1,538	(1,956)
Nominal value per share (in INR)	10	10

Note 22 Related party disclosure

i) Parties where control exists:

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

ii) Related Parties with whom transactions exist

Nature of relationship	Name of the related party
Wipro Ltd	Holding Company
Wipro LLC	Fellow Subsidiary
Wipro Technologies SDN BHD	Fellow Subsidiary
WIPRO VLSI Design LLC (Formerly known as Eximius Design LLC)	Fellow Subsidiary
Wipro Travel Services Limited	Fellow Subsidiary
Wipro Solutions Canada Ltd	Fellow Subsidiary
Wipro Foundation	Fellow Subsidiary

iii) Key Management Personnel

Director	Krishnan Subramanian
Director	Aparna Chandrasekhar Iyer
Director	Ashish Chawla

iv) The Company has the following related party transactions:

Particulars	Relationship	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Sale of services			
Wipro Limited	Holding Company	15,588	12,232
Wipro LLC	Fellow Subsidiary	1,397	144
Wipro Technologies SDN BHD	Fellow Subsidiary	782	642
WIPRO VLSI Design LLC (Formerly known as Eximius Design LLC)	Fellow Subsidiary	173	4,895
Wipro Solutions Canada Ltd	Fellow Subsidiary	25	-
Purchase of services			
Wipro Limited	Holding Company	710	-
WIPRO VLSI Design LLC (Formerly known as Eximius Design LLC)	Fellow Subsidiary	13	-
Miscellaneous Expense			
Wipro Limited	Holding Company	248	45
Wipro Travel Services Limited	Fellow Subsidiary	106	0
Wipro Foundation	Fellow Subsidiary	9	-

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

Particulars	Relationship	As at March 31, 2023	As at March 31, 2022
WIPRO VLSI Design LLC (Formerly known as Eximius Design LLC)	Fellow Subsidiary	(6)	(1,239)
Wipro Limited	Holding Company	2,807	1,455
Wipro LLC	Fellow Subsidiary	152	144
Wipro Technologies SDN BHD	Fellow Subsidiary	197	238
Wipro Travel Services Limited	Fellow Subsidiary	(13)	(15)
Wipro Solutions Canada Ltd	Fellow Subsidiary	4	-



WIPRO VLSI Design Services India Private Limited
Notes to the Financial Statements for the year ended March 31, 2023
(INR in Lacs, except share and per share data, unless otherwise stated)

Note 23 Employee Benefit

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

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Defined Contribution Plans		
a) Employer's contribution to Provident and other fund	763	847
(B) Defined Benefit Plans		
Gratuity payable to employees	648	581
(C) Actuarial assumptions		
Discount rate (per annum)	7.35%	6.89%
Rate of increase in Salary	8.00%	8.00%
Expected average remaining working lives of employees (years)	27.12	27.91
Attrition rate		

Withdrawal rates, based on age: (per annum)	As on 31-Mar-2022			As on 31-Mar-2023		
	Band B3 and Below	Band C	Band D and above	Band B3 and Below	Band C	Band D and above
Up to 20 years	29.68%	20.49%	14.67%	20.37%	14.06%	10.36%
21 - 30 years	29.68%	20.49%	14.67%	20.37%	14.06%	10.36%
31 - 35 years	32.44%	20.49%	14.67%	23.18%	14.06%	10.36%
36 - 45 years	23.66%	20.49%	14.67%	16.04%	14.06%	10.36%
Above 45 years	23.66%	12.33%	14.67%	16.04%	8.65%	10.36%

The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors. Attrition rate considered is the management's estimate, based on previous years' employee turnover of the Company

(D) Changes in the present value of defined benefit obligation

Present value of obligation at the beginning of the year	581	468
Interest cost	34	-
Past service cost	-	-
Current service cost	187	207
Curtailments	-	(95)
Actuarial (gain) / loss on obligations	(154)	-
Present value of obligation at the end of the year*	648	581

*Included in provision for employee benefits (Refer note 10)

(E) Expense recognized in the Statement of Profit and Loss

Current service cost	187	207
Past service cost	-	-
Interest cost	34	-
Expected return on plan assets	-	-
Actuarial (gain) / loss on obligations	-	-
Settlements	-	-
Curtailments	-	(95)
Total expenses recognized in the Statement Profit and Loss*	221	112

*Included in Employee benefits expense (Refer Note 17)

Expense recognized in Other Comprehensive Income

Actuarial (gain) / loss on obligations	(154)	-
Total expenses recognized in Other Comprehensive Income	(154)	-

(F) Assets and liabilities recognized in the Balance Sheet:

	Employee's gratuity fund	
	31 March 2023	31 March 2022
Present value of unfunded obligation as at the end of the year	648	581
Unrecognized actuarial (gains) losses	-	-
Unfunded net liability recognized in Balance Sheet*	648	581

*Included in provision for employee benefits (Refer note 10)

(G) Expected contribution to the fund in the next year

	31 March 2023	31 March 2022
Gratuity	-	-

(H) A quantitative sensitivity analysis for significant assumption is as shown below:

	Employee's gratuity fund	
	31 March 2023	31 March 2022
Impact on defined benefit obligation		
Discount rate		
1% increase	610	553
1% decrease	690	611



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Notes to the Financial Statements for the year ended March 31, 2023
(INR in Lacs, except share and per share data, unless otherwise stated)

Salary growth rate		
1% increase	688	610
1% decrease	611	554
Attrition Rate		
1% increase	596	488
1% decrease	716	733
(I) Maturity profile of defined benefit obligation	Employee's gratuity fund	
Year	31 March 2023	31 March 2022
Less than a year	72	78
Between 1 - 2 years	-	-
Between 2 - 5 years	358	364
Over 5 years	697	368

Note 24 Financial Risk Management

Market Risk

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

Interest Rate Risk

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

Credit Risk

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

Liquidity Risk

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The 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 liability position through rolling forecast on the basis of expected cash flows. As on 31st March, 2023 and 2022, cash & cash equivalents are held with major banks and financial institutions.

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

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

31 March 2023	Upto 12 months	More than 12 months
Borrowings	-	-
Trade payables	885	-
Lease Liabilities	-	-
Other financial liabilities	299	-
31 March 2022	Upto 12 months	More than 12 months
Trade payables	561	-
Lease Liabilities	467	434
Other financial liabilities	2,263	-

Note 25 Effective Tax Rate (ETR) Reconciliation

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Profit (Loss) Before Taxation	1,379	(774)
Enacted Income Tax Rate	25%	25%
Computed Expected Tax Expenses (income)	323	(195)
Effect of		
Expenses Disallowed for Tax Purpose	11	1,230
Depreciation	3	19
Others	-	-
Income tax expense/(income)	337	1,054
Earlier year tax expense (income)	(305)	(163)
Deferred Tax	43	(199)
Total Tax Expense	74	692

The components of deferred tax assets and liabilities are as follows

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets (DTA)		
Property, plant and equipment	(1)	13
Others	254	323
Total	254	336
Deferred tax liabilities (DTL)		
Others	-	-
Total	-	-
Net Deferred Tax Assets	254	336

Note: Tax Assets is net of provision of INR 3281 as on 31st March 23 and Tax liabilities is net of advance tax of INR 3152 as on 31st March 22



WIPRO VLSI Design Services India Private Limited
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Note 26 Commitment and Contingencies

Capital commitments- As at March 31, 2023, the Company had committed to spend approximately INR 0.27 under agreements to purchase construct property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Note 27 Corporate Social Responsibility

- a. Gross amount required to be spend during the year INR 9 (March 31, 2022: INR 17)
 b. Amount spent during the year on

- (i) Construction/ acquisition of any asset
 (ii) On purpose other than above (i) above
Total amount spent during the year

For the year ended March 31, 2023		
In cash	Yet to be paid in cash	Total
-	-	-
9	-	9
9	-	9

- (i) Construction/ acquisition of any asset
 (ii) On purpose other than above (i) above
Total amount spent during the year

For the year ended March 31, 2022		
In cash	Yet to be paid in cash	Total
-	-	-
17	-	17
17	-	17

Note 28 Segment information

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



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Notes to the Financial Statements for the year ended March 31, 2023
(INR in Lacs, except share and per share data, unless otherwise stated)

Note 29 Analytical Ratios

Ratio	Measured In	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
Current Ratio ⁽⁵⁾	times	Current assets	Current liabilities	4.7	1.0	362.7%
Debt-Equity Ratio ⁽⁶⁾	times	Debt ⁽¹⁾	Total Equity	-	4.1	-109.0%
Debt service coverage ratio ⁽⁷⁾	times	Earnings Available for Debt Service ⁽²⁾	Debt Service ⁽³⁾	0.7	7.9	-90.9%
Return on Equity ⁽⁸⁾	%	Profit for the period	Average Total Equity	34.9%	-105.4%	-133.1%
Inventory turnover ratio	times	Sales of Products	Average inventory	-	0.0%	0.0%
Trade receivables turnover ratio ⁽¹¹⁾	times	Revenue from operations	Average Trade receivables	3.6	5.2	-29.6%
Trade payables turnover ratio ⁽⁹⁾	times	Purchase of technical services, software licenses and other expenses	Average Trade payables	3.1	5.4	-43.4%
Net capital turnover ratio ⁽¹⁰⁾	times	Revenue from operations	Average Working capital	6.3	28.3	-77.6%
Net profit ratio ⁽⁸⁾	%	Profit for the period	Revenue from operations	5.5%	-5.3%	-204.0%
Return on capital employed ⁽⁸⁾	%	Earnings before Interest and Tax	Capital Employed ⁽⁴⁾	22.2%	-19.3%	-215.1%
Return on investment	%	Income generated from investments	Time weighted average investments	0.0%	0.0%	0.0%

⁽¹⁾ Debt consists of borrowings and lease liabilities

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

⁽³⁾ Repayment of borrowings, lease liabilities and interest and finance costs paid

⁽⁴⁾ Tangible net worth, borrowings, lease liabilities and deferred tax liabilities

⁽⁵⁾ Increase in current ratio is primarily on account of decrease in other current liabilities and borrowings

⁽⁶⁾ Decrease in Debt-Equity ratio is primarily on account of repayment of borrowings and lease liabilities during the year ended March 31, 2023

⁽⁷⁾ Decrease in the Debt service coverage ratio is on account of repayment of borrowings and lease liabilities during the year ended March 31, 2023

⁽⁸⁾ Primarily on account of increase in Net profit during the year ended March 31, 2023

⁽⁹⁾ Lower Trade Payables turnover ratio is due to increase in average Trade payables

⁽¹⁰⁾ Lower Capital turnover ratio is on account of repayment of borrowings and lease liabilities during the year ended March 31, 2023

⁽¹¹⁾ Increase in Trade receivable balance on account of lower customer collection

Note 30 The Code on Social Security 2020

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

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 31 Prior period comparatives

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

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

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

Manish P Bathija
Partner
Membership No. 216706

Bengaluru
May 24, 2023



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

Ashish Chawla
Director
DIN: 09133045

Bengaluru
May 24, 2023

Krishnan Subramanian
Director
DIN: 03484801

Bengaluru
May 24, 2023

