

Special Purpose Financial Statements
and Auditor's Report

Designit North America Inc.

31 March 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Designit North America Inc.

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Designit North America Inc. (formerly known as Cooper Software Inc.) (“the Company”), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as “the Special Purpose Financial Statements”). As explained in Note 2(i) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited (“the Parent”) solely for inclusion in the annual report of Wipro limited for the year ended 31 March 2021 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibilities of the Management and Those Charged with Governance for the Special Purpose Financial Statements

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

internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the company has adequate internal financial controls with reference to the special purpose financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Restriction on distribution or use

This report is intended solely for the information of the Company's and its ultimate holding company's board of directors and is not intended to be and should not be used by anyone other than specified parties. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the Company's and ultimate holding company's board of directors, for our audit work, for this report, or for the opinions we have formed.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

Signature

Seethalakshmi M

Partner

Membership No. 208545

UDIN: 21208545AAAAEX5174

Bengaluru

8 June 2021

Designit North America Inc.
(Formerly known as Cooper Software Inc.)
Balance Sheet as at 31 March 2021

(Amount in USD, unless otherwise stated)

	<u>Notes</u>	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
ASSETS			
Non-current assets			
Property, plant and equipment	4	75,757	196,844
Right-of-use assets	5	1,730,496	2,469,938
Financial assets			
Loan	6	640,173	-
Deferred tax assets (net)		168,571	694,525
Non-current tax assets (net)		51,086	50,086
Total non-current assets		2,666,083	3,411,394
Current assets			
Financial assets			
Trade receivables	7	467,137	524,149
Cash and cash equivalents	8	272,909	567,930
Unbilled receivables		12,500	344,729
Other financial assets	9	7,769	10,043
Contract assets		124,940	559,786
Other current assets	10	799	29,798
Total current assets		886,054	2,036,436
TOTAL ASSETS		3,552,137	5,447,830
EQUITY			
Share capital	11	209,850	209,850
Other equity		(16,543,339)	(12,934,595)
TOTAL EQUITY		(16,333,489)	(12,724,745)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	12	-	6,379,974
Other financial liabilities	13	-	35,445
Lease liabilities		1,309,330	2,115,553
Total non-current liabilities		1,309,330	8,530,972
Current liabilities			
Financial liabilities			
Borrowings	14	16,217,139	4,112,725
Trade payables	15	704,874	2,793,105
Other financial liabilities	16	699,185	1,765,889
Lease Liabilities		806,223	796,012
Unearned revenues		12,500	12,500
Provisions	17	136,376	161,371
Total current liabilities		18,576,297	9,641,602
TOTAL LIABILITIES		19,885,626	18,172,575
TOTAL EQUITY AND LIABILITIES		3,552,137	5,447,830

Summary of significant accounting policies 1-3

The accompanying notes are an integral part of these financial statements.

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

Sd/-
Seethalakshmi M
Partner
Membership No.: 208545
Bengaluru
8 June 2021

For and on behalf of the Board of Directors of
Designit North America Inc.

Sd/-
Mohit Bansal
Director

Sd/-
Mukund Seetharaman
Director

Designit North America Inc.
(Formerly known as Cooper Software Inc.)
Statement of Profit and Loss for the year ended 31 March 2021
(Amount in USD, unless otherwise stated)

	<u>Notes</u>	<u>Year ended</u> <u>31 March 2021</u>	<u>Year ended</u> <u>31 March 2020</u>
INCOME			
Income from operations	18	7,856,323	11,827,981
Other income	19	15,045	82,242
Total Income		7,871,368	11,910,223
EXPENSES			
Employee benefits expense	20	7,163,358	9,758,519
Finance costs	21	376,703	533,509
Depreciation and amortisation expense		853,409	878,572
Other expenses	22	2,560,688	2,765,061
Total expenses		10,954,158	13,935,661
Profit before tax		(3,082,790)	(2,025,440)
Tax expense			
Current tax		-	375
Deferred tax		525,955	1,863,988
Total tax expense		525,955	1,864,363
Profit for the year		(3,608,744)	(3,889,800)
Other comprehensive income (OCI)		-	-
Total comprehensive income for the year		(3,608,744)	(3,889,800)
Earnings per equity share: (Equity shares of par value \$ 0.02 each)	23		
Basic & Diluted		(0.32)	(0.35)
Summary of significant accounting policies	3		
The accompanying notes are an integral part of these financial statements.			

For and on behalf of the Board of Directors of Designit North America Inc.

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

Sd/-
Seethalakshmi M
Partner
Membership No.: 208545
Bengaluru
8 June 2021

For and on behalf of the Board of Directors of Designit North America Inc.

Sd/- Sd/-
Mohit Bansal **Mukund Seetharaman**
Director Director

Designit North America Inc.
(Formerly known as Cooper Software Inc.)
Cash Flow Statement for the year ended 31 March 2021

(Amount in USD, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities:		
Profit/ (loss) for the year	(3,608,744)	(3,889,800)
Adjustments		
Depreciation and amortisation expense	853,409	878,572
Income tax expense	525,955	1,864,363
Unrealised exchange loss/(gain), net	(20,684)	(82,242)
Finance Costs	376,703	533,509
Loss on sale of assets	7,120	-
Changes in Working Capital		
(Increase) / decrease in trade receivables	57,012	1,299,308
(Increase) / decrease in contract assets	434,846	727,790
(Increase) / decrease in unbilled receivable	332,229	(344,729)
(Increase) / decrease in Other assets	31,273	(31,505)
Increase / (decrease) in Trade payables, Other liabilities and provisions	(3,215,376)	(262,831)
Increase / (Decrease) in unearned revenues	-	(19,500)
Cash generated from operations	(4,226,257)	672,933
Direct taxes (paid)	(1,000)	75,797
Net cash generated from/(used in) operating activities (A)	(4,227,257)	748,731
Cash flows from investing activities:		
Purchase of property, plant and equipment	-	(116,302)
Proceeds from sale of property, plant and equipment	-	2,062
Net cash generated from/(used in) investing activities (B)	-	(114,240)
Cash flows from financing activities:		
Repayment of loans and borrowings	(6,999,464)	(216,381)
Proceeds of loans and borrowings	12,250,000	-
Interest paid on loans and borrowings	(522,289)	(322,687)
Repayment of Lease liabilities	(796,012)	(734,296)
Net cash generated from/(used in) financing activities (C)	3,932,236	(1,273,364)
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	(295,022)	(638,873)
Cash and cash equivalents at the beginning of the year	567,930	1,206,802
Cash and cash equivalents at the end of the year (Refer Note 8)	272,909	567,930
Components of cash and cash equivalents (note 8)		
Balances with banks		
in Current account	272,909	567,930

The accompanying notes form an integral part of these standalone financial statements

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

Sd/-
Seethalakshmi M
Partner
Membership No.: 208545
Bengaluru
8 June 2021

For and on behalf of the Board of Directors of
Designit North America Inc.

Sd/-
Mohit Bansal
Director

Sd/-
Mukund Seetharaman
Director

Designit North America Inc.
(Formerly known as Cooper Software Inc.)
Statement of Changes in Equity for the year ended 31 March 2021
(Amount in USD, unless otherwise stated)

A. Equity share capital

Equity share capital	Balance as at 1 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
Equity share capital of Face Value \$0.02 each	209,850	-	209,850
	<u>209,850</u>	<u>-</u>	<u>209,850</u>

Equity share capital	Balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
Equity share capital of Face Value \$0.02 each	209,850	-	209,850
	<u>209,850</u>	<u>-</u>	<u>209,850</u>

B. Other equity

Particulars	Retained Earnings	Common Control Transaction Reserve	Total
Balance as at 01 April 2019	(5,016,511)	(3,800,000)	(8,816,511)
Adjustment on adoption of Ind AS 116	(228,281)	-	(228,281)
Profit for the year	(3,889,800)	-	(3,889,800)
Balance as at 31 March 2020	<u>(9,134,592)</u>	<u>(3,800,000)</u>	<u>(12,934,592)</u>
Profit for the year	(3,608,744)	-	(3,608,744)
Balance as at 31 March 2021	<u>(12,743,337)</u>	<u>(3,800,000)</u>	<u>(16,543,339)</u>

The accompanying notes form an integral part of these standalone financial statements

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

For and on behalf of the Board of Directors of
Designit North America Inc.

Sd/-
Seethalakshmi M
Partner
Membership No.: 208545
Bengaluru
8 June 2021

Sd/-
Mohit Bansal
Director

Sd/-
Mukund Seetharaman
Director

DESIGNIT NORTH AMERICA INC.
(Formerly known as Cooper Software Inc.)

Summary of significant accounting policies and other explanatory information

1. The Company overview

Designit North America Inc. (formerly known as Cooper Software Inc). (the “Company”), incorporated in the state of California. The Company offers professional consultancy services as well as educational services in the field of Product Design, Interaction Design, Visual Design, Service Design, User Experience Design, Prototyping, Branding, Design Strategy, Business Strategy and Customer Experience (CX) etc.

Operational outlook

The Company has incurred net loss of USD 3.6 million for the year ended 31 March 2021 and has accumulated losses amounting USD 16.54 million as on 31 March 2021. The financial statement has been prepared on the assumption that the Company will continue as a going concern, based on the continuing financial support by the shareholders / investors. Further, the Company and its holding Company has adequate liquid assets to support the operation of the Company for next year. Accordingly, the Company will be able to realise its assets and discharge its liabilities as recorded in these financial statements in the normal course of business.

2. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

This special purpose financial statement is prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013.

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been applied consistently to all periods presented in these financial statements, except for new accounting standards adopted by the Company.

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

All amounts included in the financial statements are reported in USD, unless otherwise stated. Previous year figures have been regrouped/re-arranged, wherever necessary.

(ii) Basis of measurement

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

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

(iii) Use of estimates and judgment

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

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

- a) **Revenue recognition:** The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost-plus margin approach in estimating the stand-alone selling price. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.
- b) **Income taxes:** The major tax jurisdictions for the Company is in United States of America. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.
- c) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation

of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

- d) **Expected credit losses on financial assets:** The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.
- e) **Useful lives of property, plant and equipment:** The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.
- f) **Impact of Covid'19:** Kindly refer Note No. 30 for impact of Covid'19 on company's operations.

3. Significant accounting policies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions and translation

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

(iii) Financial instruments

a) Non-derivative financial instruments:

Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognised when substantial risks and rewards

of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset.

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

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

A. Cash and cash equivalents

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

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

B. Other financial assets:

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

C. Trade and other payables

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

b) Derecognition of financial instruments

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

(iv) Equity

a) Share capital and share premium

The authorised share capital of the Company as of March 31, 2021 is 40,000,000 Equity shares of USD 0.02 per share. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

b) Retained earnings

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

c) Dividend

A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

d) Other reserves

Changes in the fair value of financial instruments measured at fair value through other comprehensive income and actuarial gains and losses on defined benefit plans are recognized in other comprehensive income (net of taxes), and presented within equity in other reserves.

(v) Property, plant and equipment

a) Recognition and measurement

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

b) Depreciation

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

Category	Useful life
Buildings	Useful life or lease term whichever is lower
Office equipment.	2 to 7 years
Furniture, fixtures and equipment	3 to 10 years

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

The cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

(vi) Leases

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

The Company as a lessee

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

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

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

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

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

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

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

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

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

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

The Company as a lessor

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

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

(vii) Impairment

A) Financial assets

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

B) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples.

If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

viii) Employee benefits

a) Termination benefits

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

b) Short-term benefits

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

c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. Non-accumulating compensated absences are recognised in the period in which the absences occur.

(ix) Provisions

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

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

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

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

(x) Revenue

The Company derives revenue primarily Design services provided to its clients along with the educational services eg. Training and Coaching services.

a) Services

The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the Company applies the following five step approach:

- (1) Identify the contract with a customer,
- (2) Identify the performance obligations in the contract,
- (3) Determine the transaction price,
- (4) Allocate the transaction price to the performance obligations in the contract, and
- (5) Recognize revenues when a performance obligation is satisfied.

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

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

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

A. Time and materials contracts

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

B. Fixed-price contracts

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

‘Unbilled revenues’ represent cost and earnings in excess of billings as at the end of the reporting period. ‘Unearned revenues’ represent billing in excess of revenue recognised. Advance payments

received from customers for which no services have been rendered are presented as 'Advance from customers'.

C. Maintenance contracts

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

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

b) Products

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

A. Contract Asset and Liabilities

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

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

B. Remaining Performance Obligations

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

(xi) Finance cost

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments.

Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

(xii) Other income

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

(xiii) Income tax

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

a) Current income tax

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

b) Deferred income tax

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

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

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

(xiv) Earnings per share

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

(xv) Cash flow statement

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated. The amendment to Ind AS 7, require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

(xvi) Disposal of Assets

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

New Accounting standards adopted by the Company:

(i) New amended standards and interpretations

- i. Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'
- ii. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- iii. Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
- iv. Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- v. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- vi. Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.
- vii. Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- viii. Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

- ix. Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID-19 pandemic can be accounted as lease modification or not.

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

Other amendments to the existing standards

None

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

None

Designit North America Inc.**(Formerly known as Cooper Software Inc.)****Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

4 Property, plant and equipment

	Building	Furniture and fixtures	Office equipments	Total
Gross block (at cost)				
Balance as at 1 April 2019	253,620	204,709	80,154	538,483
Additions	25,038	4,900	86,364	116,302
Disposals	-	2,062	-	2,062
Balance as at 31 March 2020	278,658	207,547	166,518	652,723
Additions	-	(19,845)	19,845	-
Disposals	-	-	39,528	39,528
Balance as at 31 March 2021	278,658	187,702	146,835	613,195
Accumulated depreciation				
Balance as at 1 April 2019	132,190	110,599	73,959	316,748
Depreciation charge	50,655	29,467	59,008	139,130
Disposals	-	-	-	-
Balance as at 31 March 2020	182,845	140,065	132,967	455,878
Depreciation charge	51,848	25,190	39,197	116,235
Disposals	-	-	34,676	34,676
Balance as at 31 March 2021	234,693	165,255	137,488	537,437
Net block				
Balance as at 31 March 2020	95,813	67,482	33,551	196,844
Balance as at 31 March 2021	43,965	22,447	9,347	75,757

5 Right-of-use assets

	ROU Assets	Total
Gross block (at cost)		
Balance as at 1 Apr 2019	-	-
Additions	3,209,380	3,209,380
Disposals	-	-
Balance as at 31 March 2020	3,209,380	3,209,380
Additions	-	-
Disposals	-	-
Balance as at 31 March 2021	3,209,380	3,209,380
Accumulated depreciation		
Balance as at 1 Apr 2019	-	-
Depreciation charge	739,442	739,442
Disposals	-	-
Balance as at 31 March 2020	739,442	739,442
Additions	739,442	739,442
Disposals	-	-
Balance as at 31 March 2021	1,478,884	1,478,884
Net block		
Balance as at 31 March 2020	2,469,938	2,469,938
Balance as at 31 March 2021	1,730,496	1,730,496

Designit North America Inc.**(Formerly known as Cooper Software Inc.)****Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
6 Other financial assets		
Non current		
Loans to related party	640,173	-
	<u>640,173</u>	<u>-</u>
Refer note no 24 on related party disclosures		
7 Trade receivables		
Unsecured		
Considered good*	467,137	524,149
Balance having significant increase in credit risk	-	-
	<u>467,137</u>	<u>524,149</u>
Less: allowance for credit impaired	-	-
	<u>467,137</u>	<u>524,149</u>
*Includes dues from related parties (refer note 24)		
8 Cash and cash equivalents		
Balances with banks		
In current accounts	272,909	567,930
	<u>272,909</u>	<u>567,930</u>
9 Other financial assets		
Current		
Others	7,769	10,043
	<u>7,769</u>	<u>10,043</u>
10 Other current assets		
Current		
Advance to suppliers	799	28,798
Withholding tax receivable	-	1,000
	<u>799</u>	<u>28,798</u>

Designit North America Inc.
(Formerly Known as Cooper Software Inc.)
Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
11 Share capital		
Authorised capital		
40,000,000 equity shares [Par value of \$ 0.02 per share]	748,062	748,062
Issued and paid up share capital		
11,221,002 equity shares of \$ 0.02 each	209,850	209,850
	209,850	209,850
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:		
Number of shares outstanding as at beginning of the year	11,221,002	11,221,002
Number of shares issued during the year	-	-
Number of shares outstanding as at the end of the year	11,221,002	11,221,002
Details of share holding pattern by related parties		
Name of shareholders		
Wipro IT services Inc.		
No of Shares	11,221,002	11,221,002
% of the holding	100%	100%

Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of \$ 0.02 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in USD. The dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

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

Designit North America Inc.
(Formerly known as Cooper Software Inc.)
Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

	As at	As at
	31 March 2021	31 March 2020
12 Borrowings		
Non-current		
Unsecured		
Borrowing from related parties*	-	6,379,974
	<u>-</u>	<u>6,379,974</u>
*Includes dues from related parties (refer note 24)		
13 Other financial liabilities		
Non-current		
Security deposits	-	35,445
	<u>-</u>	<u>35,445</u>
14 Borrowings		
Current		
Unsecured		
Borrowing from related parties	16,217,139	4,112,725
	<u>16,217,139</u>	<u>4,112,725</u>
*Includes dues from related parties (refer note 24)		
15 Trade payables		
Payable to related parties	608,904	2,469,782
Payable to others	22,249	155,972
Provision for expenses	73,720	167,351
	<u>704,874</u>	<u>2,793,105</u>
16 Other financial liabilities		
Current		
Dues to employees	611,348	1,692,480
Others	52,392	73,410
Security deposits	35,445	-
	<u>699,185</u>	<u>1,765,889</u>
17 Provisions		
Current		
Provision for employee benefits	136,376	161,371
	<u>136,376</u>	<u>161,371</u>

Designit North America Inc.
(Formerly known as Cooper Software Inc.)
Summary of significant accounting policies and other explanatory information
(Amount in USD, unless otherwise stated)

	Year ended	Year ended
	31 March 2021	31 March 2020
18 Revenue from operations		
Sale of services	7,856,323	11,827,981
	7,856,323	11,827,981
Disaggregation of Revenues		
The table below presents disaggregated revenues from contracts with customers by business segment and contract-type. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.		
Revenue from Operations		
Sale of services	7,819,574	11,827,981
Sale of products	36,749	-
	7,856,323	11,827,981
Revenue by nature of contract		
Fixed price and volume based	6,281,864	7,042,373
Time and materials	1,574,459	4,785,608
	7,856,323	11,827,981
19 Other income		
Interest Income	5,086	-
Foreign exchange gain/(loss), net	9,959	82,242
	15,045	82,243
20 Employee benefits expense		
Salaries and wages	7,098,284	9,421,695
Staff welfare expenses	58,327	317,944
Share based compensation*	6,748	18,879
	7,163,358	9,758,519
* The Company has adopted the restricted stock unit's plans of Wipro Limited, the ultimate Holding Company. Under the Plan, the employees of the Company can be granted shares and other stock/cash awards, in accordance with the terms and conditions as specified in the plan. The plan is assessed, managed and administered by the ultimate holding company, Wipro Limited Company whose shares have been granted to the employees. The amount recognised as expenditure in current financial year is \$ 6,478 (31 March 2020 \$ 18,879).		
21 Finance cost		
Interest cost	255,224	533,509
Interest expense on lease	121,479	-
	376,703	533,509
22 Other expenses		
Sub-contracting / technical fees / third party application	1,955,936	1,425,851
Travel	12,363	529,664
Facility expenses	459,893	431,604
Communication	72,503	118,378
Legal and professional charges	52,656	207,085
Marketing and brand building	217	52,479
Loss on sale of assets	7,120	-
	2,560,688	2,765,061
23 Earning per share (EPS)		
Net profit/(Loss) after tax attributable to the equity shareholders	(3,608,744)	(3,889,800)
Weighted average number of equity shares - for basic and diluted EPS	11,221,002	11,221,002
Earnings per share		
Basic and diluted	(0.32)	(0.35)

Designit North America Inc.**(Formerly known as Cooper Software Inc.)****Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

24 Related party disclosure**a Parties where control exists:**

Name	Relationship	Country of Incorporation
Designit A/S	Fellow Subsidiary	Denmark
Designit Spain Digital S.L.	Fellow Subsidiary	Spain
Designit Denmark A/S	Fellow Subsidiary	Denmark
Designit TLV Ltd	Fellow Subsidiary	Israel
Designit Perú S.A.C.	Fellow Subsidiary	Peru
Designit A/S (Dubai)	Fellow Subsidiary	Dubai
Designit Oslo AS	Fellow Subsidiary	Norway
Designit Tokyo Co., Ltd.	Fellow Subsidiary	Japan
Designit Germany GmbH	Fellow Subsidiary	Germany
Designit Sweden AB	Fellow Subsidiary	Sweden
Designit Denmark A/S Branch in London	Fellow Subsidiary	UK
Designit A/S (Australia & New Zealand)	Fellow Subsidiary	Australia
Designit Colombia S.A.S.	Fellow Subsidiary	Colombia
HealthPlan Services, Inc.	Fellow Subsidiary	USA
Wipro LLC	Fellow Subsidiary	USA
Wipro IT Services Inc.	Holding Company	USA
Wipro Limited	Ultimate Holding Company	India
Wipro Designit Services Inc.	Fellow Subsidiary	USA
Wipro Arabia Co. Limited	Fellow Subsidiary	Saudi Arabia
Appirio, Inc.	Fellow Subsidiary	USA
Wipro Holdings Investment Korlátolt Felelősségű Társaság	Fellow Subsidiary	Hungary
Wipro Solutions Canada Limited	Fellow Subsidiary	Canada

b The Company has the following related party transactions:

Particulars	Relationship	Year ended 31 March 2021	Year ended 31 March 2020
Subcontracting & Technical Fees			
Designit TLV Ltd	Fellow Subsidiary	27,258	136,003
Designit Denmark A/S	Fellow Subsidiary	-	24,335
Designit Perú S.A.C.	Fellow Subsidiary	25,636	3,410
Designit A/S (Dubai)	Fellow Subsidiary	26,852	25,065
Designit Oslo AS	Fellow Subsidiary	40,593	17,320
Designit Sweden AB	Fellow Subsidiary	-	2,073
Designit Colombia S.A.S.	Fellow Subsidiary	22,056	1,791
Designit Denmark A/S Branch in London	Fellow Subsidiary	-	31,125
Designit A/S	Fellow Subsidiary	1,045,753	1,132,544
Designit A/S (Australia & NewZeland)	Fellow Subsidiary	25,232	-
Wipro Designit Services Inc.	Fellow Subsidiary	357,156	-
Wipro Limited	Ultimate Holding Company	287,061	-
Designit Spain Digital S.L.	Fellow Subsidiary	39,573	-
Interest Expense			
Designit Denmark A/S	Fellow Subsidiary	17,443	200,540
Designit A/S	Fellow Subsidiary	-	3,402
Wipro LLC	Fellow Subsidiary	97,330	160,947
Wipro Holdings Investment Korlátolt Felelősségű Társaság	Fellow Subsidiary	118,970	-
Interest Income			
Designit A/S	Fellow Subsidiary	5,086	-

Designit North America Inc.**(Formerly known as Cooper Software Inc.)****Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

Sales & Services

Designit Denmark A/S	Fellow Subsidiary	87,961	5,000
Designit Germany Gmbh	Fellow Subsidiary	27,232	5,000
Designit Spain Digital S.L.	Fellow Subsidiary	-	7,500
Designit Tokyo Co., Ltd.	Fellow Subsidiary	12,004	2,030
Designit Perú S.A.C.	Fellow Subsidiary	-	5,000
Designit A/S (Australia & New Zealand)	Fellow Subsidiary	-	5,000
Designit Oslo AS	Fellow Subsidiary	-	6,596
Designit Sweden AB	Fellow Subsidiary	-	1,250
Wipro LLC	Fellow Subsidiary	3,372,979	3,139,346
Designit Colombia S.A.S.	Fellow Subsidiary	-	5,000
Designit Denmark A/S Branch in London	Fellow Subsidiary	12,068	5,000
HealthPlan Services, Inc.	Fellow Subsidiary	-	978,869
Wipro Solutions Canada Limited	Fellow Subsidiary	53,900	232,985
Wipro Limited	Ultimate Holding Company	3,653,286	3,433,251
Appirio, Inc.	Fellow Subsidiary	43,684	-
Wipro Arabia Co. Limited	Fellow Subsidiary	6,090	-
Designit A/S (Dubai)	Fellow Subsidiary	14,972	-

c Balances with related parties as at year end are summarised below:

Particulars	Relationship	Year ended 31 March 2021	Year ended 31 March 2020
Receivables			
Designit A/S	Fellow Subsidiary	-	-
Designit Tokyo Co., Ltd.	Fellow Subsidiary	7,055	2,030
Wipro Limited	Ultimate Holding Company	269,507	-
Wipro LLC	Fellow Subsidiary	-	175,331
Designit Perú S.A.C.	Fellow Subsidiary	-	3,487
HealthPlan Services, Inc.	Fellow Subsidiary	-	31,034
Appirio, Inc.	Fellow Subsidiary	5,044	-
Wipro Arabia Co. Limited	Fellow Subsidiary	6,090	-
Designit A/S (Dubai)	Fellow Subsidiary	14,752	-
Designit Denmark A/S	Fellow Subsidiary	61,098	-
Designit Germany Gmbh	Fellow Subsidiary	10,144	-
Designit Denmark A/S Branch in London	Fellow Subsidiary	11,847	-
Payables			
Designit Denmark A/S	Fellow Subsidiary	-	49,875
Wipro LLC	Fellow Subsidiary	202,088	1,607,134
Wipro Limited	Ultimate Holding Company	233,133	739,903
Designit A/S (Dubai)	Fellow Subsidiary	-	25,853
Designit A/S	Fellow Subsidiary	68,701	37,600
Designit TLV Ltd	Fellow Subsidiary	-	9,417
Designit A/S (Australia & New Zealand)	Fellow Subsidiary	13,091	-
Wipro Designit Services Inc.	Fellow Subsidiary	80,670	-
Designit Spain Digital S.L.	Fellow Subsidiary	11,222	-
Loan payable			
Designit Denmark A/S	Fellow Subsidiary	-	6,379,974
Wipro LLC	Fellow Subsidiary	3,868,932	4,112,725
Wipro Holdings Investment Korlátolt Felelősségű Társaság	Fellow Subsidiary	12,348,207	-
Loan receivable			
Designit A/S	Fellow Subsidiary	640,173	-

Designit North America Inc.**(Formerly known as Cooper Software Inc.)****Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

25 Effective tax rate (ETR) reconciliation

	Year ended 31 March 2021	Year ended 31 March 2020
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	-	375
Deferred tax	525,955	1,863,988
	525,955	1,864,363

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as below:

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before income tax	(3,082,790)	(2,025,438)
Enacted tax rates in the US (%)	28.00%	28.00%
Computed expected tax expense	(863,181)	(567,123)
Tax of prior period	525,955	375
DTA not recognised on current year business loss due to reasonable certainty	863,181	-
Reversals of DTA on business loss	-	2,667,967
Others	-	(236,857)
Tax expense as per financials	525,955	1,864,363

26. Fair value measurements**(i) Financial instruments by category**

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

Particulars	Note No	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:				
Financial asset				
Cash and cash equivalents	8	272,909	-	-
Trade receivables	7	467,137	-	-
Other financial asset	6 & 9	647,942	-	-
Unbilled receivables		12,500	-	-
Total		1,400,488	-	-
Liabilities:				
Financial liabilities				
Trade payables	15	704,874	-	-
Other financial liabilities	16	699,185	-	-
Borrowings	14	16,217,139	-	-
Lease liabilities		2,115,552	-	-
Total		19,736,750	-	-

Designit North America Inc.

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Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

Particulars		Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:				
Financial Asset				
Cash and cash equivalents	8	567,930	-	-
Trade receivables	7	524,149	-	-
Other financial asset	9	10,043	-	-
Unbilled receivables		344,729	-	-
Total		1,446,852	-	-
Liabilities:				
Financial liabilities				
Trade payables	15	2,793,105	-	-
Other financial liabilities	13 & 16	1,801,334	-	-
Borrowings	12 & 14	10,492,699	-	-
Lease Liabilities		2,911,565	-	-
Total		17,998,703	-	-

Notes to financial instruments

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

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

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data relying as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

27 Financial risk management

The Company's principal financial liabilities, comprises of trade and other payables. The Company's principal financial assets include trade receivables, and cash and bank balances and other balances that derive directly from its operations.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost.	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in USD	Sensitivity analysis

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The company is not exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities as the company transactions are carried out in USD and it doesnot hold any investments or financial instruments in currency other than USD.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

i) Cash and cash equivalents

Credit risk from balances with banks is managed in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components as at the Balance sheet date are the carrying amounts as furnished in Note 8. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

ii) Trade receivables

Customer Credit Risk is managed as per Company's established policy, procedures and controls relating to customer credit risk management which interalia involves obtaining credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in normal course of business.

Below table depicts the customers which accounted more than 10% of the revenue.The Company expects to maintain this relationship with the customer. We perform ongoing credit evaluations of our customers' financial condition and do not anticipate non-performance by counterparties given their high creditworthiness.

Particulars	31st March 2021	31st March 2020
Becton, Dickson & Company	14.0%	-
Kindred	10.0%	-
LG Electronics	13.0%	-
CBRE	0.0%	14.5%

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(c) Liquidity risk

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

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

Maturities of financial liabilities

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

31 March 2021	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	16,217,139	-	-	16,217,139
Trade payables	704,874	-	-	704,874
Other financial liabilities	699,185	-	-	699,185
Lease Liabilities	806,223	1,309,330	-	2,115,552
Total	18,427,421	1,309,330	-	19,736,750

31-Mar-20	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	4,112,725	6,379,974	-	10,492,699
Trade payables	2,793,105	-	-	2,793,105
Other financial liabilities	1,765,889	35,445	-	1,801,334
Lease Liabilities	796,012	2,115,553	-	2,911,565
Total	9,467,731	8,530,972	-	17,998,703

D. Interest rate risk

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	31st March 2021	31st March 2020
Variable rate borrowing	16,217,139	4,112,725
Fixed rate borrowing	-	6,379,974
	16,217,139	10,663,195

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31st March 2021	31st March 2020
Interest rates – increase by 50 basis points (50 bps)	81,085.69	20,563.62
Interest rates – decrease by 50 basis points (50 bps)	(81,085.69)	(20,563.62)

