

Financial Statements and Independent Auditor's Report

Cardinal US Holdings Inc

31st March 2022

**INDEPENDENT AUDITOR'S REPORT**

**TO THE BOARD OF DIRECTORS OF THE CARDINAL US HOLDINGS INC**

**Report on the Special Purpose Financial Statements**

**Opinion**

We have audited the accompanying special purpose financial statements of The **Cardinal US Holdings Inc** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Wipro Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements gives a true and fair view in conformity with the basis of preparation referred to in Note 2.1 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Management's Responsibilities for the Special Purpose Financial Statements**

The Company's Board of Directors are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 2.1 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Board of Directors are responsible

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

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

## **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

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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.

## **Basis of Accounting**

We draw attention to Note 2.1 to the special purpose financial statements, which describes the basis of accounting. As a result, the special purpose financial statements may not be suitable for another purpose.

## **Restriction on Use and distribution**

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

**For Deloitte Haskins and Sells LLP**

Chartered Accountants

(Firm Registration number. No. 117366W/W-100018)

Sd/-

**Amit Ved**

Partner

Membership Number: 120600

Place: Bengaluru

Date: June 20, 2022

UDIN: 22120600ALGYVW1310

**Cardinal US Holdings Inc**  
**Balance Sheet as at 31st March 2022**

(Amount in USD, except share and per share data, unless otherwise specified)

	Note	As at 31st March 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Financial assets		
Investments	5	326,895,977
Deferred tax assets	14	3,586,186
		<b>330,482,162</b>
<b>Current assets</b>		
Cash and cash equivalents	8	113,045
Other financial assets	6	18,868,851
Other current assets	7	12,398
		<b>18,994,294</b>
		<b>349,476,457</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital		481,329,468
Other equity		(144,569,486)
		<b>336,759,982</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Financial liabilities		
Trade Payables		
i)total outstanding dues of micro enterprises and small enterprises		-
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		1,049,034
Other financial liabilities	9	9,594,345
Current tax liabilities (net)		2,073,097
		<b>12,716,475</b>
		<b>349,476,457</b>
Summary of significant accounting policies	2	

The accompanying notes are an integral part of these financial statements 1-19

As per our report of even date  
For Deloitte Haskins and Sells LLP  
Chartered Accountants  
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors of  
Cardinal US Holdings Inc

Sd/-

Sd/-

Sd/-

**Amit Ved**  
**Partner**  
Membership No: 120600

**Rajan Kohli**  
**Director**

**Mohit Bansal**  
**Director**

Place: Bangalore  
Date: 20 June 2022

Place: New Jersey  
Date: 20 June 2022

Place: Florida  
Date: 20 June 2022

**Cardinal US Holdings Inc**  
**Statement of Profit and Loss for the period ended April 29, 2021 to March 31, 2022**  
(Amount in USD, except share and per share data, unless otherwise specified)

	Notes	Period from 29th April to 31st March 2022
<b>REVENUE</b>		
Other income	10	42,945,462
<b>Total income</b>		<b>42,945,462</b>
<b>EXPENSES</b>		
Finance costs	11	4,557,267
Other expenses	12	931,939
<b>Total expenses</b>		<b>5,489,206</b>
<b>Profit or (Loss) before tax</b>		<b>37,456,256</b>
Deferred tax		(823,834)
<b>Tax expense</b>		<b>(823,834)</b>
<b>Profit or (Loss) for the year</b>		<b>38,280,089</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>38,280,089</b>

See accompanying notes to financial statements 1-19

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

As per our report of even date  
**For Deloitte Haskins and Sells LLP**  
Chartered Accountants  
**Firm Registration No.: 117366W/W-100018**

**For and on behalf of the Board of Directors of  
Cardinal US Holdings Inc**

Sd/-  
  
**Amit Ved**  
Partner  
Membership No: 120600

Sd/-  
  
**Rajan Kohli**  
Director

Sd/-  
  
**Mohit Bansal**  
Director

Place: Bangalore  
Date: 20 June 2022

Place: New Jersey  
Date: 20 June 2022

Place: Florida  
Date: 20 June 2022

**Cardinal US Holdings Inc**  
**Statement of changes in equity for the period ended April 29, 2021 to March 31, 2022**  
(Amount in USD, except share and per share data, unless otherwise specified)

(A) Equity share capital	As at 31st March 2022	
	No. of shares	Amount
Opening	100	481,329,468
Add: issue during the year	-	-
Closing	100	481,329,468

**(B) Other equity**

	Retained earnings	Total
Balance as at 29th April 2021	(127,849,576)	(127,849,576)
Profit for the year	38,280,089	38,280,089
Dividend Paid	(55,000,000)	(55,000,000)
Other comprehensive income	-	-
Total other comprehensive income for the year	(144,569,486)	(144,569,486)
<b>Balance as at 31 March 2022</b>	<b>(144,569,486)</b>	<b>(144,569,486)</b>

See accompanying notes to the financial statements

1-19

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

As per our report of even date  
**For Deloitte Haskins and Sells LLP**  
Chartered Accountants  
**Firm Registration No.: 117366W/W-100018**

**For and on behalf of the Board of Directors of  
Cardinal US Holdings Inc**

Sd/-

**Amit Ved**  
Partner  
Membership No: 120600

Place: Bangalore  
Date: 20 June 2022

Sd/-

Rajan Kohli  
Director

Place: New Jersey  
Date: 20 June 2022

Sd/-

Mohit Bansal  
Director

Place: Florida  
Date: 20 June 2022

**Cardinal US Holdings Inc**  
**Statement of cash flows for the period ended April 29, 2021 to March 31, 2022**  
(Amount in USD, except share and per share data, unless otherwise specified)

Period from 29th April to  
31st March 2022

<b>A. Cash flow from operating activities</b>	
Profit for the period	37,456,256
Adjustments	
Unrealised exchange differences - net	(36,393)
Dividend income	(41,200,000)
Interest income	(1,709,069)
Interest expense	4,056,413
<b>Operating loss before working capital changes</b>	<b>(1,432,793)</b>
<b>Adjustments for working capital changes:</b>	
Loans and advances and other assets	(18,721,256)
Trade and other payables	(4,801,303)
Inter company payable to group companies	43,823,439
<b>Net cash generated by operating activities</b>	<b>18,868,087</b>
 <b>B. Cash flows from investing activities:</b>	
Interest Income	1,709,069
Dividend Income	41,200,000
<b>Net cash generated by investing activities</b>	<b>42,909,069</b>
 <b>C. Cash flows from financing activities:</b>	
Payment of contingent consideration	(2,708,000)
Dividend Paid	(55,000,000)
Interest expense	(4,056,413)
<b>Net cash used in financing activities</b>	<b>(61,764,413)</b>
 <b>Net increase / (decrease) in cash and Cash equivalents during the period</b>	 <b>12,743</b>
Cash and cash equivalents at the beginning of the period	63,909
Effect of exchange rate changes on Cash	36,393
<b>Cash and cash equivalents at the end of the period (refer note 8)</b>	<b>113,046</b>

See accompanying notes to the financial statements 1-19

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

As per our report of even date  
**For Deloitte Haskins and Sells LLP**  
Chartered Accountants  
**Firm Registration No.: 117366W/W-100018**

**For and on behalf of the Board of Directors of  
Cardinal US Holdings Inc**

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**Amit Ved**  
**Partner**  
Membership No: 120600  
Place: Bangalore  
Date: 20 June 2022

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Sd/-  
  
**Mohit Bansal**  
**Director**  
Place: Florida  
Date: 20 June 2022

**Cardinal US Holdings Inc**  
**Notes forming part of the Financial Statements for the period ended April 29, 2021 to March 31, 2022**  
(Amount in USD, except share and per share data, unless otherwise specified)

**1 General Information**

The Cardinal US Holdings Inc is a subsidiary of Wipro IT Services LLC, incorporated and domiciled in the United States. The Company is a holding company for its subsidiaries providing IT Services, including Business Process Services (BPS) services, globally and IT Products.. The functional currency of the Company is USD. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

Cardinal US Holdings Inc, has been acquired by Wipro IT Services LLC, with effect from April 29, 2021 and considering that this special purpose financial statements are prepared for inclusion in the annual report of the ultimate Holding Company Wipro Limited under the requirements of section 129 (3) of the Companies Act 2013, the financial statement are prepared for the period post acquisition i.e for April 29, 2021 to March 31, 2022 .

**2 Significant accounting policies**

**2.1 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.

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

The investment in subsidiaries is considered as a long term investment and carried at cost, less impairment, if any. The financial performance and position of the Company and the subsidiaries are included in the consolidated financial statements of Wipro Limited, incorporated under the Companies Act, 2013, and having its registered office at Doddakanelli, Sarjapur Road, Bengaluru - 560035, Karnataka, India.

The standalone financial statements have been prepared in accordance with recognition and measurement principles prescribed under Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments issued thereafter.

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 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. Previous year figures have been regrouped/re-arranged, wherever necessary.

Amounts below rounding off norm adopted by the Company been disclosed as nil in the financial statement. Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The functional currency of the company is US Dollar and the financial statement is also presented in US Dollar.

**Cardinal US Holdings Inc**  
**Notes forming part of the Financial Statements for the period ended April 29, 2021 to March 31, 2022**  
(Amount in USD, except share and per share data, unless otherwise specified)

**(ii) Basis of Measurement**

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

**(iii) Use of estimates and judgement**

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Accounting estimates are monetary amounts in the standalone financial statements that are subject to measurement uncertainty. An accounting policy may require items in standalone financial statements to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, management develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available and reliable information. Actual results may differ from those accounting estimates.

Accounting 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) **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.
- b) **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

**Cardinal US Holdings Inc**  
**Notes forming part of the Financial Statements for the period ended April 29, 2021 to March 31, 2022**  
(Amount in USD, except share and per share data, unless otherwise specified)

**c) 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 standalone financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness and continues to believe that there is no impact on effectiveness of its hedges.

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

**3 Material accounting policy information**

**(i) Functional and presentation currency**

The functional currency of the Company is United States Dollar. These financial statements are presented in United States Dollar.

**(ii) Foreign currency transactions and translations**

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates prevailing on the date of transaction. Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The exchange difference between the rate at which foreign currency transactions are accounted and the rate at which they are re-measured/ realized is recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**Cardinal US Holdings Inc**  
**Notes forming part of the Financial Statements for the period ended April 29, 2021 to March 31, 2022**  
(Amount in USD, except share and per share data, unless otherwise specified)

**(iii) 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, 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, trade payables, lease liabilities, and 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 Investments**

Investment in equity instruments of subsidiaries are measured at cost less impairment.

Investment in redeemable preference shares of subsidiaries are measured at FVTPL. These investments are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in statement of profit and loss. The gain or loss on disposal is recognised in statement of profit and loss.

**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 receivables, finance lease receivables, employee and other advances and other eligible current and non-current assets.

**C Trade payables and other liabilities**

Trade payables other liabilities 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. Contingent consideration recognised in a business combination is subsequently measured at fair value through profit or loss.

**D Share Capital and Reserves**

The authorised share capital of the Company as at March 31, 2022 is USD 481,329,468.

Every holder of the equity shares, as reflected in the records of the Company as at 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.

**E Retained earnings**

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

**F Finance costs**

Finance costs comprises interest cost on borrowings, lease liabilities and net defined benefit liability, gains or losses arising on re-measurement of financial assets measured at FVTPL, net loss 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.

## Cardinal US Holdings Inc

Notes forming part of the Financial Statements for the period ended April 29, 2021 to March 31, 2022  
(Amount in USD, except share and per share data, unless otherwise specified)

### G Finance and other income

Finance and other income comprises interest income on deposits, dividend income, gains/(losses) on disposal of investments and net gain on translation or settlement of foreign currency borrowings. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

### H 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

#### 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 amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. 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.

#### 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 these standalone 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.

## 4 New Accounting standards adopted by the Company

The accounting policies adopted in the preparation of the standalone financial statements are consistent with those followed in the preparation of the Company's annual standalone financial statements for the year ended March 31, 2022.

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

This amendment relates to 'Interest Rate Benchmark Reform – Phase 2 (Amendments to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116)' which addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Some of the key amendments arising from the interest rate benchmark are:

Ind AS 109: New guidance has been included on changes in the basis for determining the contractual cashflows as a result of interest rate benchmark reform.

Ind AS 107: Additional disclosures related to nature and extent of risks to which the entity is exposed from financial instruments subject to interest rate benchmark reform and how the entity manages these risks. The adoption of these amendments did not have any material impact on the interim condensed standalone financial statements.

**Cardinal US Holdings Inc**  
**Notes forming part of the Financial Statements for the period ended April 29, 2021 to March 31, 2022**  
(Amount in USD, except share and per share data, unless otherwise specified)

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

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020.

The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS. The adoption of these amendments did not have any material impact on the interim condensed standalone financial statements.

**New amendments not yet adopted**

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

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**Amendments to Ind AS 103 - Business Combinations - Reference to Conceptual Framework**

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

These changes do not significantly change the requirements of Ind AS 103. The adoption of amendments to Ind AS 103 is not expected to have any material impact on the standalone financial statements.

**Amendments to Ind AS 109 - Financial Instruments**

The amendments clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognize a financial liability.

The adoption of amendments to Ind AS 109 will not have any material impact on the standalone financial statements.

**Cardinal US Holdings Inc**  
**Summary of significant accounting policies and other explanatory information**  
**(Amount in USD, except share and per share data, unless otherwise specified)**

**5 Investments**

**As at**  
**31st March 2022**

Unquoted Investment in equity instrument designated as at fair value through OCI (fully paid)" at the words unquoted at the inception	326,895,977
Unquoted equity shares - Refer - Note 1	
Non- Current	326,895,977
	326,895,977

Note 1: Details of investment in unquoted equity instruments of subsidiaries (fully paid up)

Name of the subsidiary	% Holding	Face Value	No of Units March 31, 2022	Balances as at March 31, 2022		
				Gross Value	Impairment	Net Value
The Capital Markets Company LLC	100%		*	229,028	-	229,028,026
Capco Consulting Services LLC	100%		*	39,600	-	39,600,000
ATOM Solutions LLC	100%		*	5,818	-	5,818,301
Capco RISC Consulting LLC	100%		*	40,200	-	40,200,000
Neos Holdings LLC	100%		*	12,250	-	12,249,650
<b>Total</b>				<b>326,896</b>	<b>-</b>	<b>326,895,977</b>

\* As per the local laws of USA, there is no requirement of number of shares and face value thereof. Hence the investment by the Company is considered as equity contribution.

**Cardinal US Holdings Inc**  
**Summary of significant accounting policies and other explanatory information**  
**(Amount in USD, except share and per share data, unless otherwise specified)**

	<u>As at 31st March 2022</u>
<b>6 Other financial assets</b>	
<b>Current</b>	
Balance with Group Companies	18,868,851
	<u><b>18,868,851</b></u>
<b>7 Other assets</b>	
<b>Current</b>	
Prepaid expenses	12,398
	<u><b>12,398</b></u>
<b>8 Cash and Cash equivalents</b>	
Balances with banks	
- in current account	113,045
- in Short term deposit	-
	<u><b>113,045</b></u>
<b>9 Other financial liabilities</b>	
<b>Current</b>	
Payable to group companies	3,687,325
Contingent considerations *	5,271,495
Other provisions	635,524
	<u><b>9,594,345</b></u>
<b>Contingent Consideration - movement for the year</b>	
Balance at the beginning of the year	6,881,784
Additions	658,109
Finance expenses recognized in statement of Income	439,601
Payment of contingent Consideration	(2,708,000)
<b>Balance at the end of the year</b>	<b>5,271,495</b>

**Cardinal US Holdings Inc**  
**Summary of significant accounting policies and other explanatory information**  
**(Amount in USD, except share and per share data, unless otherwise specified)**

	<b>Period from 29th April to 31st March 2022</b>
<b>10 Other income</b>	
Interest income	1,709,069
Foreign exchange gain, net	36,393
Dividend income	41,200,000
	<b>42,945,462</b>
<b>11 Finance Cost</b>	
Interest on inter company loans	4,056,413
Interest on other loans and Advances	439,601
Bank Charges	61,253
	<b>4,557,267</b>
<b>12 Other expenses</b>	
Legal and professional charges	155,065
Miscellaneous expenses	776,874
	<b>931,939</b>

**13 Earning per share (EPS)**

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	<b>31-Mar-22</b>
Profit / (Loss) attributable to equity holders	38,280,089
Weighted average number of equity shares - for basic and diluted EPS	100
Earnings per share - Basic and diluted	<b>382,801</b>

**Cardinal US Holdings Inc**  
**Summary of significant accounting policies and other explanatory information**  
**(Amount in USD, except share and per share data, unless otherwise specified)**

<b>14 Income tax</b>	<u><b>31-Mar-22</b></u>
<b>Income tax expense</b>	
Current tax	-
Deferred tax	(823,834)
<b>Total income taxes</b>	<b>(823,834)</b>
<b>Profit/(Loss) before taxes</b>	<b>37,456,256</b>
Tax Rate	28%
Tax Expense	10,487,752
<b>Effect of:</b>	
Income exempted for tax purposes	(11,536,000)
Others	224,415
	<u>(823,834)</u>
<b>Deferred Tax Asset</b>	
Accrued expenses	6,732,196
Unrealised forex	(1,392,048)
Goodwill	(2,888,842)
Property, plant and equipment	(730,329)
Others	1,865,208
	<u><b>3,586,186</b></u>

Cardinal US Holdings Inc

Notes forming part of the Financial Statements for the period ended April 29, 2021 to March 31, 2022

(Amount in USD, except share and per share data, unless otherwise specified)

15 Related party disclosure

Related party disclosure

a) Parties where control exists:

<b>Name</b>	<b>Relationship</b>	<b><u>Country of Incorporation</u></b>
Wipro Limited	Ultimate Holding company	India
Wipro IT Services LLC	Holding Company	India
The Capital Markets Company LLC	Subsidiary	US
Capco Consulting Services LLC	Subsidiary	US
ATOM Solutions LLC	Subsidiary	US
Capco RISC Consulting LLC	Subsidiary	US
Neos Holdings LLC	Subsidiary	US
Cardinal Foreign Holdings S.a.r.l.	Fellow subsidiary	Luxembourg
Cardinal Foreign Holdings 2 S.a.r.l.	Fellow subsidiary	Luxembourg
The Capital Markets Company BVBA	Fellow subsidiary	Belgium
The Capital Markets Company Limited (Canada)	Fellow subsidiary	Canada
The Capital Markets Company Limited (Hong Kong)	Fellow subsidiary	Hong Kong
The Capital Markets Company (UK) Ltd	Fellow subsidiary	UK
Capco Austria GmbH	Fellow subsidiary	Austria
The Capital Markets Company S.a.r.l.	Fellow subsidiary	Switzerland
CAPCO (US) LLC	Fellow subsidiary	US

b) The Company has the following related party transactions:

<b>Particulars</b>	<b>As at 31st March 2022</b>
<b><u>Dividend Income</u></b>	
Capco RISC Consulting LLC	28,200,000
Capco Consulting Services LLC	13,000,000
<b><u>Interest Income</u></b>	
Cardinal Foreign Holdings S.a.r.l.	1,702,741
Cardinal Foreign Holdings 2 S.a.r.l.	6,328
<b><u>Interest Expenses</u></b>	
The Capital Markets Company BVBA	3,910
The Capital Markets Company Limited (Canada)	4,625
The Capital Markets Company Limited (Hong Kong)	2,296
The Capital Markets Company (UK) Ltd	82,926
Capco Consulting Services LLC	11,133
The Capital Markets Company LLC	3,951,407
Others	117

Cardinal US Holdings Inc

Notes forming part of the Financial Statements for the period ended April 29, 2021 to March 31, 2022  
(Amount in USD, except share and per share data, unless otherwise specified)

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

	<u>As at 31st March 2022</u>
<b>i) <u>Balances with related party :</u></b>	
<b>Payable balances</b>	
The Capital Markets Company LLC	2,551,157
The Capital Markets Company (UK) Ltd	723,922
The Capital Markets Company Limited (Hong Kong)	315,321
The Capital Markets Company BVBA	76,574
Capco Austria GmbH	18,886
Others	1,465
<b>Receivable balances</b>	
CAPCO (US) LLC	18,868,851

**16 Segment reporting**

The Company publishes these standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

## Cardinal US Holdings Inc

Notes forming part of the Financial Statements for the period ended April, 29 2021 to March 31, 2022  
(Amount in USD, except share and per share data, unless otherwise specified)

### 17 Fair values of financial assets and financial liabilities

Financial assets and liabilities include cash and cash equivalents, eligible current and non-current assets, borrowings, trade payables, and eligible current liabilities and non-current liabilities.

The fair value of cash and cash equivalents, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. As of March 31, 2022, the carrying value of such receivables, net of allowances approximates the fair value.

Fair value of investments in certificate of deposits, commercial papers and bonds classified as FVTOCI is determined based on the indicative quotes of price and yields prevailing in the market at the reporting date. Fair value of investments in equity instruments classified as FVTOCI is determined using market and income approaches.

### 18 Financial risk management objectives and policies

#### 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.

#### Risk management procedure

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

#### Foreign currency risk

The Company operates internationally and a major portion of its business is transacted in USD currency. Consequently, the Company is not exposed to material foreign exchange risk.

#### Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company's short-term investments and short-term borrowing do not expose it to significant interest rate risk.

#### Credit risk

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

**Cardinal US Holdings Inc**

**Notes forming part of the Financial Statements for the period ended April, 29 2021 to March 31, 2022  
(Amount in USD, except share and per share data, unless otherwise specified)**

**Counterparty Risk**

Counterparty risk encompasses issuer risk on marketable securities, settlement risk on derivative and money market contracts and credit risk on cash and time deposits. Exposure to these risks are closely monitored and maintained within predetermined parameters.

**Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of March 31, 2022, cash and cash equivalents are held with major banks and financial institutions.

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

	<u>Carrying value</u>	<u>Less than 1 year</u>	<u>1 to 2 years</u>	<u>2 to 4 years</u>
Trade payables	1,049,034	1,049,034	-	-
Other financial liability	9,594,345	9,594,345	-	-
	<u>10,643,379</u>	<u>10,643,379</u>	<u>-</u>	<u>-</u>

19 There are no contingent liabilities as at March 31, 2022.

As per our report of even date  
**For Deloitte Haskins and Sells LLP**  
 Chartered Accountants  
**Firm Registration No.: 117366W/W-100018**

**For and on behalf of the Board of Directors of  
 Cardinal US Holdings Inc**

Sd/-  
  
**Amit Ved**  
 Partner  
 Membership No: 120600

Sd/-  
  
**Rajan Kohli**  
 Director

Sd/-  
  
**Mohit Bansal**  
 Director

Place: Bengaluru  
 Date: 20 June 2022

Place: New Jersey  
 Date: 20 June 2022

Place: Florida  
 Date: 20 June 2022