

Special Purpose Financial Statements and Independent Auditor's Report

Rainbow Software LLC

31 March 2024

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Rainbow Software LLC

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Rainbow Software LLC (“the Company”), which comprise the Balance Sheet as at 31 March 2024, 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(a) 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 2024 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of presentation referred to in Note 2(a) to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2024, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 2(a) to the accompanying financial statements which indicates that the Company has made no profit during the current year as at 31 March 2024. These events or conditions indicate that a material uncertainty exists which may cast a significant doubt on the Company’s ability to continue as going concern. However, basis the ongoing support of the Ultimate Holding Company and the ongoing assessment of business opportunities, the management considers going concern basis of accounting for preparation of accompanying financial statements to be appropriate. Our opinion is not modified in respect of this matter.

Basis of Accounting and Restriction on Use

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

Management Responsibility for the Special Purpose Financial Statements

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

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

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

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

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

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

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

As per our report attached
For D Prasanna & Company
Chartered Accountants
Firm Registration No.: 009619S

Sd/-

D. Prasanna Kumar
Proprietor
Membership No: 211367
Place: Bengaluru
Date: 23rd May,2024

Special Purpose Financial Statements and Independent
Auditor's Report

Rainbow Software LLC

31 March 2024

(Amount in '000 IQD, unless otherwise stated)

Rainbow Software LLC
Balance Sheet as at 31 March 2024

(Amount in '000 IQD, unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Current assets			
Financial assets			
Other financial assets	3	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
		<u>1,000</u>	<u>1,000</u>
EQUITY			
Share capital	4	1,000	1,000
Other equity		-	-
		<u>1,000</u>	<u>1,000</u>
LIABILITIES			
Current liabilities		-	-
		<u>1,000</u>	<u>1,000</u>
Summary of significant accounting policies	1-2		

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

As per our report attached
For D Prasanna & Company
Chartered Accountants
Firm Registration No.: 009619S

Sd/-

D. Prasanna Kumar
Proprietor
Membership No: 211367
Place: Bengaluru
Date: 23rd May,2024

For and on behalf of the Liquidator of
Rainbow Software LLC

Sd/-

Hatem Al-Shammari
Liquidator
Place: Iraq
Date: 23rd May,2024

Rainbow Software LLC
Statement of Profit and Loss for the year ended 31 March 2024
(Amount in '000 IQD, unless otherwise stated)

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
INCOME			
Other income	5	-	2,654
		-	2,654
Expenses			
Other expenses	6	-	273
		-	273
Profit/ (Loss) before tax		-	2,382
Tax expense			
Current tax		-	-
Deferred tax		-	-
		-	-
Profit/ (Loss) for the period		-	2,382
Other comprehensive income		-	-
Total comprehensive (loss) for the period, net of tax		-	2,382
Profit/ (Loss) per equity share			
Basic and diluted	7	-	2.65
Summary of significant accounting policies	1-2		
The accompanying notes are an integral part of these financial statements.			

As per our report attached

For D Prasanna & Company
Chartered Accountants
Firm Registration No.: 009619S

Sd/-

D. Prasanna Kumar
Proprietor
Membership No: 211367
Place: Bengaluru
Date: 23rd May,2024

For and on behalf of the Liquidator of
Rainbow Software LLC

Sd/-

Hatem Al-Shammari
Liquidator

Place: Iraq
Date: 23rd May,2024

Rainbow Software LLC

Statement of Changes in Equity for the year ended 31 March 2024

(Amount in '000 IQD, unless otherwise stated)

Equity share capital

Particulars	Balance as at 01 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
Equity share capital	1,000	-	1,000

Particulars	Balance as at 01 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
Equity share capital	1,000	-	1,000

Particulars	Retained Earnings	Total
Balance as at 31 March 2022	(2,382)	(2,382)
Profit/(Loss) for the period	2,382	2,382
Balance as at 31 March 2023	-	-
Profit/(Loss) for the period	-	-
Balance as at 31 March 2024	-	-

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

As per our report attached
For D Prasanna & Company
Chartered Accountants
Firm Registration No.: 009619S

Sd/-

D. Prasanna Kumar
Proprietor
Membership No: 211367
Place: Bengaluru
Date: 23rd May,2024

For and on behalf of the Liquidator of
Rainbow Software LLC

Sd/-

Hatem Al-Shammari
Liquidator
Place: Iraq
Date: 23rd May,2024

Rainbow Software LLC

Notes to the Financial Statements

(Amount in '000 IQD, unless otherwise stated)

1 Background

Rainbow Software LLC ("the Company") is a subsidiary of Wipro IT Services UK Societas (the holding company). It is incorporated and domiciled in Iraq. The Company did not have any activities during the year & is under liquidation. The Company's holding company, Wipro IT Services UK Societas is incorporated and domiciled in UK.

2 Summary of material accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

These financial statements have been prepared on a historical cost convention and on accrual basis. Accounting policies have been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared to append with the financial statements of the ultimate holding company, to comply with the provisions of Section 137 (1) of the Companies Act, 2013 ("the Act") in India.

b) Use of estimates and judgment

The preparation of the financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

c) Foreign currency

Functional currency

The functional currency of the Company is the IQD (Iraqi Dinar). These financial statements are presented in IQD (Iraqi Dinar).

Transaction

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.

d) Non-derivative Financial instruments

Non derivative financial instruments consist of:

i) 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;

ii) financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities

Non derivative financial instruments are recognized initially at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

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

i) Cash and cash equivalents

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

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

Rainbow Software LLC

Notes to the Financial Statements

(Amount in '000 IQD, unless otherwise stated)

ii) Trade and other payables

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

e) Equity

i) Share capital

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

ii) Retained earnings

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

iii) Other comprehensive income

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.

f) Provisions and contingencies

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

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

g) Revenue

The Company derives revenue primarily from software development, maintenance of software/hardware and related services and business process services

Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. Revenues from services is recognised as the service is rendered, on the basis of an agreed mark-up on all costs incurred, in accordance with the terms of the Master Service Agreements entered into with Wipro Limited ("the Ultimate holding company")

"Unbilled revenue" represent revenues recognised for services rendered in accordance with contractual terms, which have not been billed to the ultimate holding company at the Balance Sheet date. The related billings are performed within the next operating cycle.

h) Finance and other income

Finance and other income comprises interest income on deposits, dividend income and gains / (losses) etc. Interest income is recognized using the effective interest method.

Rainbow Software LLC

Notes to the Financial Statements

(Amount in '000 IQD, unless otherwise stated)

i) Income tax

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

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

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

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

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of 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 utilized.

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

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

j) 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.

New Accounting standards, amendments and interpretations adopted by the Company effective from April 1, 2023

i) Amendments to Ind AS 12 – Income Taxes

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

ii. Amendments to Ind AS 1 – Presentation of Financial Statements

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. This amendment requires the companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The adoption of these amendments to Ind AS 1 did not have any material impact on the financial statements.

iii. Amendments to Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help companies distinguish changes in accounting policies from changes in accounting estimates. The adoption of these amendments to Ind AS 8 did not have any material impact on the financial statements.

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

Rainbow Software LLC
Notes to the Financial Statements

(Amount in '000 IQD, except share data)

	As at	As at
	31 March 2024	31 March 2023
3 Other financial assets		
Current		
Security deposits	1,000	1,000
	1,000	1,000

	As at	As at
	31 March 2024	31 March 2023
4 Share Capital		
Authorised capital		
Equity share	1,000	1,000
	1,000	1,000
Issued, subscribed and fully paid-up capital		
Equity share	1,000	1,000
	1,000	1,000

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

	Number	Number
Number of equity shares outstanding as at beginning of the year	1,000,000	1,000,000
Number of equity shares issued during the year	-	-
Number of equity shares outstanding as at end of the year	1,000,000	1,000,000

b) Details of shareholders having more than 5% of the total equity shares of the company

Name of shareholders	Number	Number
Wipro IT Services UK Societas (100% holding)	1	1

Terms / Rights attached to equity shares

The Company has only two classes of equity shares having a fair value of IQD 1,000,000 per share and IQD 1. Each holder of equity shares is entitled to voting rights based on face value of the shares held. The Company declares and pays dividend in Ukrainian Hryvnia. 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 distribution of all preferential amounts, if any, in proportion to the face value of the shares held.

	As at	As at
	31 March 2024	31 March 2023
5 Other income		
Provision written back	-	2,654
	-	2,654

	As at	As at
	31 March 2024	31 March 2023
6 Other expenses		
Exchange fluctuation differences, net	-	273
	-	273

	As at	As at
	31 March 2024	31 March 2023
7 Earnings per share		
Net profit after tax attributable to the equity shareholders	-	2,654
Weighted average number of equity shares - for basic and diluted EPS	1,000,000	1,000,000
Earnings per share - Basic and diluted	-	2.65

Rainbow Software LLC

Notes to the Financial Statements

(Amount in '000 IQD, except share data)

8 Related party disclosure

i) Parties where control exists:

Nature of relationship	Name of the related party
Ultimate Holding Company	Wipro Limited
Holding Company	Wipro IT Services UK Societas

9 Deferred taxes

In view of carry forward losses under tax laws, no deferred tax asset is recognised as at 31 March 2024 / 31 March 2023 on account of lack of reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

10 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorization of these standalone financial statements.

11 Comparatives

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

**As per our report attached
For D Prasanna & Company
Chartered Accountants
Firm Registration No.: 009619S**

Sd/-

**D. Prasanna Kumar
Proprietor
Membership No: 211367
Place: Bengaluru
Date: 23rd May,2024**

**For and on behalf of the Liquidator of
Rainbow Software LLC**

Sd/-

**Hatem Al-Shammari
Liquidator**

**Place: Iraq
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