

Financial Statements and Independent Auditor's Report

Cardinal US Holdings Inc

31 March 2023

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF CARDINAL US HOLDINGS, INC.

Report on the Audit of Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **Cardinal US Holdings, INC.** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Special Purpose Financial Statements"). These Special Purpose Financial Statements are prepared solely for inclusion in the annual report of Wipro limited for the year ended March 31, 2023 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, 2023, 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 is 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 Statements.

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

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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 is 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 is 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 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 whether the Company has in place an adequate internal financial control system over financial reporting 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 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.

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- 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.

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

This report is issued to the Board of Directors of the Company solely for inclusion in the annual report of the Ultimate Holding Company under the requirements of Section 129(3) of the Companies Act, 2013 and 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.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sd/-

Amit Ved

Partner

Membership Number: 120600

UDIN:23120600BGXUUR8729

Place: Bengaluru

Date: June 09, 2023

Cardinal US Holdings Inc
Balance Sheet
(Amount in USD, except share and per share data, unless otherwise specified)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Financial assets			
Investments	5	321,178,397	326,895,977
Deferred tax assets (net)	14	30,231	3,586,186
		321,208,628	330,482,162
Current assets			
Financial assets			
Cash and cash equivalents	8	52,983	113,045
Other financial assets	6	8,532,599	18,868,851
Other current assets	7	-	12,398
Current tax assets (net)		887,002	-
		9,472,584	18,994,294
TOTAL ASSETS		330,681,212	349,476,457
EQUITY AND LIABILITIES			
Equity			
Equity Share capital		481,329,468	481,329,468
Other equity		(160,301,637)	(144,569,486)
		321,027,831	336,759,982
Liabilities			
Current liabilities			
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		59,026	1,049,034
Other financial liabilities	9	9,594,355	9,594,345
Current tax liabilities (net)		-	2,073,097
		9,653,381	12,716,475
TOTAL EQUITY AND LIABILITIES		330,681,212	349,476,457
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1-18

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W - 100018

Sd/-

Amit Ved
Partner
Membership No: 120600
Place: Bangalore
Date: 09 June 2023

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

Sd/-

Mahesh G Raja
Director
Place: Minnesota
Date: 09 June 2023

Sd/-

Mohit Bansal
Director
Place: Florida
Date: 09 June 2023

Cardinal US Holdings Inc
Statement of Profit and Loss
(Amount in USD, except share and per share data, unless otherwise specified)

	Notes	For the year ended 31 March 2023	For the period from 29 April 2021 to 31 March 2022
REVENUE			
Other income	10	21,182,208	42,945,462
Total income		21,182,208	42,945,462
EXPENSES			
Finance costs	11	639,810	4,557,267
Other expenses	12	13,185,014	931,939
Total expenses		13,824,824	5,489,206
Profit before tax		7,357,384	37,456,256
Current tax		(5,453,720)	-
Deferred tax		3,543,255	(823,834)
Tax expense		(1,910,465)	(823,834)
Profit for the year		9,267,849	38,280,089
Total comprehensive income for the year		9,267,849	38,280,089

The accompanying notes are an integral part of these financial statements 1-18

As per our report of even date

For Deloitte Haskins & 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: 09 June 2023

Sd/-

Mahesh G Raja
Director
Place: Minnesota
Date: 09 June 2023

Sd/-

Mohit Bansal
Director
Place: Florida
Date: 09 June 2023

Cardinal US Holdings Inc
Statement of Changes in Equity
(Amount in USD, except share and per share data, unless otherwise specified)

(A) Equity share capital	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Opening	100	481,329,468	100	481,329,468
Changes in equity share capital due to prior period errors	-	-	-	-
Changes in equity share capital during the year/ period	-	-	-	-
Closing	100	481,329,468	100	481,329,468

(B) Other equity

	Retained earnings	Total
Balance as at 1 April 2022	(144,569,486)	(144,569,486)
Profit for the year	9,267,849	9,267,849
Dividend Paid	(25,000,000)	(25,000,000)
Total other comprehensive income for the year	(160,301,637)	(160,301,637)
Balance as at 31 March 2023	(160,301,637)	(160,301,637)

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

The accompanying notes are an integral part of these financial statements 1-18

As per our report of even date

For Deloitte Haskins & 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: 09 June 2023

Sd/-

Mahesh G Raja
Director

Place: Minnesota
Date: 09 June 2023

Sd/-

Mohit Bansal
Director

Place: Florida
Date: 09 June 2023

Cardinal US Holdings Inc
Statement of Cash Flows
(Amount in USD, except share and per share data, unless otherwise specified)

	For the year ended 31 March 2023	For the period from 29 April 2021 to 31 March 2022
Cash flow from operating activities		
Profit for the period	7,357,384	37,456,256
Adjustments		
Unrealised exchange differences - net	183,254	(36,393)
Dividend income	(21,100,000)	(41,200,000)
Diminution in the value of non-current investments	14,980,656	-
Interest income	(82,208)	(1,709,069)
Interest expense	265,157	4,056,413
Operating profit before working capital changes	1,604,243	(1,432,793)
Adjustments to reconcile profit for the year to net cash generated from/(used in) operating activities:		
Loans and advances and other assets	25,097	(18,721,256)
Trade and other payables	(4,366,013)	(4,801,303)
Payable to fellow subsidiaries	16,979,125	43,823,439
Cash generated from operating activities before taxes	14,242,453	18,868,087
Direct taxes (paid)/refund	2,493,621	-
Net cash generated from operating activities	16,736,074	18,868,087
Cash flows from investing activities:		
Investment in subsidiaries	(10,000,000)	-
Interest Income	82,208	1,709,069
Dividend Income	21,100,000	41,200,000
Net cash generated from investing activities	11,182,208	42,909,069
Cash flows from financing activities:		
Payment for deferred contingent consideration	(2,713,187)	(2,708,000)
Dividend Paid	(25,000,000)	(55,000,000)
Interest expense	(265,157)	(4,056,413)
Net cash (used in) financing activities	(27,978,344)	(61,764,413)
Net increase / (decrease) in cash and cash equivalents during the year	(60,063)	12,743
Cash and cash equivalents at the beginning of the year	113,046	63,909
Effect of exchange rate changes on cash	-	36,393
Cash and cash equivalents at the end of the year (refer note 8)	52,983	113,046

The accompanying notes are an integral part of these financial statements 1-18

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration No.: 117366W/W - 100018

Sd/-

Amit Ved

Partner

Membership No: 120600

Place: Bangalore

Date: 09 June 2023

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

Sd/-

Mahesh G Raja

Director

Place: Minnesota

Date: 09 June 2023

Sd/-

Mohit Bansal

Director

Place: Florida

Date: 09 June 2023

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(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 United States of America. The Company is a holding company for its subsidiaries providing of IT Services, consulting, Business Process Services (BPS) services, globally and IT Products. The Company's ultimate holding company, Wipro Limited Cardinal US Holdings Inc, has been acquired by Wipro IT Services LLC, with effect from 29 April 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 1 April 2022 to 31 March 2023 along with comparatives for the period post acquisition i.e. from 29 April 2021 to 31 March 2022.

2 Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

This special purpose financial statement is prepared solely 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

The Special Purpose Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)].

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.

Also, the Company's current liabilities exceed its current assets primarily due to payables within the Group companies which continue to support to the Company. Consequently, no adjustments have been made to the carrying values or classification of the assets and liabilities.

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(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) 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
- b) Income taxes: The major tax jurisdictions for the Company is 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.

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 realisation 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 expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realisable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(Amount in USD, except share and per share data, unless otherwise specified)

3 Material accounting policy information

(i) Functional and presentation currency

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

(ii) Foreign currency transactions and translations

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. Net loss relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. Net gain relating to translation or settlement of borrowings denominated in foreign currency are reported within Other income. 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.

(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 liabilities, which include 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 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.

B 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.

C Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These comprise trade receivables, unbilled receivables, finance lease receivables, employee and other advances and other eligible current and non-current assets. They are presented as current assets, except for those maturing later than twelve months after the reporting date which are presented as non-current assets. All financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(Amount in USD, except share and per share data, unless otherwise specified)

D 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.

E Share Capital and Reserves

The authorised share capital of the Company as at March 31, 2023 is US\$ 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.

F Retained earnings

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

G Impairment of Investment in subsidiaries

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

H 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, considering 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.

I Finance costs

Finance costs comprises interest cost on borrowings, lease liabilities and net defined benefit liability, 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.

J 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.

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(Amount in USD, except share and per share data, unless otherwise specified)

K **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.

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 a right and an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised

L **Statement of cash flows**

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

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

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(Amount in USD, except share and per share data, unless otherwise specified)

5 Investments

	As at 31 March 2023	As at 31 March 2022
Investment in equity instrument designated as at fair value through OCI (fully paid) Unquoted equity shares - Refer - Note 1	321,178,397	326,895,977
Non- Current	321,178,397	326,895,977
	321,178,397	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	Balances as at 31 March,2023		
			As at 31 March 2023	Gross Value	Impairment	Net Value
The Capital Markets Company LLC	100%		*	239,028,026	-	239,028,026
Capco Consulting Services LLC	100%		*	39,600,000	-	39,600,000
ATOM Solutions LLC	100%		*	5,818,301	3,467,930	2,350,371
Capco RISC Consulting LLC	100%		*	40,200,000	-	40,200,000
Total				324,646,327	3,467,930	321,178,397

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

* As per local laws, there is no concept of issuance of share certificate. Hence the investment by the company is considered as
Note: Neos Holdings LLC is liquidated effective 1 September 2022

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(Amount in USD, except share and per share data, unless otherwise specified)

	As at 31 March 2023	As at 31 March 2022
6 Other financial assets		
Current		
Balance with Group Companies	8,532,599	18,868,851
	8,532,599	18,868,851
7 Other current assets		
Current		
Prepaid expenses	-	12,398
	-	12,398
8 Cash and Cash equivalents		
Balances with banks		
- in current account	52,983	113,045
	52,983	113,045
9 Other financial liabilities		
Current		
Payable to group companies	6,880,087	3,687,325
Contingent considerations *	2,714,268	5,271,495
Other provisions	-	635,524
	9,594,355	9,594,345
* includes related party transactions (refer note 15)		
Contingent Consideration - movement for the year		
Balance at the beginning of the year	5,271,495	6,881,784
Additions/ (Release)	(195,852)	658,109
Finance expenses recognized in statement of Income	351,812	439,601
Payment of contingent Consideration	(2,713,187)	(2,708,000)
Balance at the end of the year	2,714,268	5,271,495

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(Amount in USD, except share and per share data, unless otherwise specified)

	For the year ended 31 March 2023	For the period from 29 April 2021 to 31 March 2022
10 Other income		
Interest income*	82,208	1,709,069
Foreign exchange gain, net	-	36,393
Dividend income	21,100,000	41,200,000
	21,182,208	42,945,462
* includes related party transactions (refer note 15)		
11 Finance Cost		
Interest on inter company loans	265,157	4,056,413
Interest on other loans and Advances	353,164	439,601
Bank Charges	21,489	61,253
	639,810	4,557,267
12 Other expenses		
Legal and professional charges	-	155,065
Miscellaneous expenses	(1,978,930)	776,874
Impairment on investment	14,980,690	-
Foreign exchange loss, net	183,254	-
	13,185,014	931,939
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:

	For the year ended 31 March 2023	For the period from 29 April 2021 to 31 March 2022
Profit attributable to equity holders	9,267,849	38,280,089
Weighted average number of equity shares - for basic and diluted EPS	100	100
Earnings per share - Basic and diluted *	92,678	382,801

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(Amount in USD, except share and per share data, unless otherwise specified)

14 Income tax expense

	For the year ended 31 March 2023	For the period from 29 April 2021 to 31 March 2022
Income tax expense		
Current tax	(5,453,720)	-
Deferred tax	3,543,255	(823,834)
Total income taxes	(1,910,465)	(823,834)
Profit Before Taxation	7,357,384	37,456,256
Enacted Income Tax Rate	28%	28%
Computed Expected Tax Expenses	2,060,068	10,487,752
Effect of		
Expenses disallowed for tax	(237,887)	
Prior Period Impact	(3,673,861)	
Income exempted for Tax Purpose	(5,908,000)	(11,536,000)
Changes in unrecognized deferred tax assets	4,861,292	
Impairment of investment	971,030	
Others	16,893	224,415
	(1,910,465)	(823,834)
Deferred Tax Asset	As at 31 March 2023	As at 31 March 2022
Accrued expenses	22,264	6,732,196
Unrealised forex	78,732	(1,392,048)
Amortisable goodwill	(115,646)	(2,888,842)
Intangible Assets	91,349	-
Property, plant and equipment	(7,919)	(730,329)
Others	(38,549)	1,865,208
	30,231	3,586,186

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(Amount in USD, except share and per share data, unless otherwise specified)

15 Related party disclosure

Related party disclosure

a) Parties where control exists:

<u>Name</u>	<u>Relationship</u>	<u>Country of Incorporation</u>
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
Capco RISC Consulting LLC	Subsidiary	US
Grove 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
Capco Consultancy (Malaysia) Sdn. Bhd.	Fellow subsidiary	Malaysia

b) The Company has the following related party transactions:

<u>Particulars</u>	<u>As at</u>	<u>As at</u>
	<u>31 March 2023</u>	<u>31 March 2022</u>
<u>Dividend Income</u>		
Capco RISC Consulting LLC	13,100,000	28,200,000
Capco Consulting Services LLC	8,000,000	13,000,000
<u>Interest Income</u>		
The Capital Markets Company (UK) Ltd	14,336	-
CAPCO (US) LLC	67,491	-
Grove Holdings 2 S.a.r.l. *	-	1,709,069
Others	381	-

* This includes transactions with Cardinal Foreign Holdings S.a.r.l and Cardinal Foreign Holdings 2 S.a.r.l. merged with Grove Holdings 2 S.a.r.l. effective 1 October 2022.

Interest Expenses

The Capital Markets Company Limited (Hong Kong)	5,996	2,296
Capco Consulting Services LLC	2,052	11,133
The Capital Markets Company LLC	257,060	3,951,407
The Capital Markets Company BVBA	-	3,910
The Capital Markets Company Limited (Canada)	-	4,625
The Capital Markets Company (UK) Ltd	-	82,926
Others	49	117

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

i) <u>Balances other than loans :</u>	<u>As at</u>	<u>As at</u>
	<u>31 March 2023</u>	<u>31 March 2022</u>
<u>Payable balances</u>		
The Capital Markets Company LLC	96,344	2,551,157
The Capital Markets Company (UK) Ltd	91,979	723,922
Wipro Limited	6,689,773	-
The Capital Markets Company Limited (Hong Kong)	-	315,321
The Capital Markets Company BVBA	-	76,574
Capco Austria GmbH	-	18,886
Others	1,990	1,465
<u>Receivable balances</u>		
CAPCO (US) LLC	-	18,868,851
ATOM Solutions LLC	53,618	-
Capco RISC Consulting LLC	3,400,865	-
Capco Consulting Services LLC	2,015,645	-
The Capital Markets Company LLC	3,054,674	-
Others	7,796	-

16 Segment reporting

The Board of Directors of the Company evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole accordingly the Company's operations are considered to constitute a single segment in the context of Ind AS 108 Segment Reporting.

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(Amount in USD, except share and per share data, unless otherwise specified)

17 .Financial instruments

Financial assets and liabilities (carrying value / fair value)

	As at	
	31 March 2023	31 March 2022
Assets		
Cash and cash equivalents	52,983	113,045
Investment in Subsidiaries	321,178,397	326,895,977
Other financial assets	8,532,599	18,868,851
Total	329,763,979	345,877,873
Liabilities		
Trade payables	59,026	1,049,034
Other financial liabilities	9,594,355	9,594,345
	9,653,381	10,643,379

Fair value

Financial assets and liabilities include cash and cash equivalents, trade receivables, unbilled receivables, finance lease receivables, employee and other advances, eligible current and non-current assets, borrowings, trade payables, and eligible current liabilities

The fair value of cash and cash equivalents, trade receivables, unbilled revenues, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. Accordingly, the carrying value of such long-term debt approximates fair value. As of 31 March, 2023 and 31 March, 2022, the

Financial risk management

Market Risk

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

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 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.

Cardinal US Holdings Inc
Notes to the Standalone Financial Statements
(Amount in USD, except share and per share data, unless otherwise specified)

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

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

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 31 March, 2023, cash and cash equivalents are

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.

As at 31 March, 2023				
Contractual Cash Flows	Less than 1 year	1-2 years	2-4 years	Carrying Value
Trade payables	59,026			59,026
Other financial liabilities	9,594,355			9,594,355
As at 31 March, 2022				
Contractual Cash Flows	Less than 1 year	1-2 years	2-4 years	Carrying Value
Trade payables	1,049,034			1,049,034
Other financial liabilities	9,594,345			9,594,345

18. There are no contingent liabilities as at 31 March, 2023.

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
Place: Bangalore
Date: 09 June 2023

Mahesh G Raja Mohit Bansal
Director Director
Place: Minnesota Place: Florida
Date: 09 June 202 Date: 09 June 2023