

Special purpose Financial Statements and
Audit Report

Wipro UK Limited
31 March 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro UK Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Wipro UK Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as “the Special Purpose Financial Statements”). As explained in Note 2(i) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited (“the Parent”) solely for inclusion in the annual report of Wipro limited for the year ended 31 March 2022 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(i) to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2022, 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.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2(i) 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.

Other Matters

The financial statements of the Company for the corresponding year ended 31 March 2021 prepared in accordance with IND AS included in these financial statements are unaudited and have been prepared and furnished to us by the management.

Our opinion is not modified in respect of this matter.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Bengaluru
20 June 2022

Wipro UK Limited
Special Purpose Balance Sheet as at 31 March 2022
(Amount in GBP, unless otherwise stated)

| Particulars | Notes | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------------|-------|------------------------|------------------------|
| <u>ASSETS</u> | | | |
| Current assets | | | |
| Financial assets | | | |
| Trade receivables | 4 | 2,041,332 | 2,006,416 |
| Cash and cash equivalents | 5 | 204,130 | 206,571 |
| Other current assets | 6 | 1,050 | - |
| Total current assets | | 2,246,512 | 2,212,987 |
| TOTAL ASSETS | | 2,246,512 | 2,212,987 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Equity | | | |
| Equity share capital | 7 | 706,725 | 706,725 |
| Other equity | 8 | 871,917 | 851,140 |
| Total equity | | 1,578,642 | 1,557,865 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | 9 | 636,298 | 655,122 |
| Statutory Dues | 10 | 31,572 | - |
| Other current liabilities | | - | - |
| Total current liabilities | | 667,870 | 655,122 |
| TOTAL LIABILITIES | | 667,870 | 655,122 |
| TOTAL EQUITY AND LIABILITIES | | 2,246,512 | 2,212,987 |

Refer note 2(i) of accounting policies

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

For and on behalf of the Board
Wipro UK Limited

Sd/-
Seethalakshmi M
Partner
Membership No.: 208545

Sd/-
R Phillips
Director

Bengaluru
20 June 2022

20 June 2022

Wipro UK Limited
Special Purpose Statement of Profit and loss for the year ended 31 March 2022
(Amount in GBP, unless otherwise stated)

| Particulars | Note | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|------|-----------------------------|-----------------------------|
| INCOME | | | |
| Revenue from operations | | - | - |
| Other income | 11 | 45,085 | 6,416 |
| Total income | | 45,085 | 6,416 |
| EXPENSES | | | |
| Finance costs | | - | - |
| Depreciation and amortisation expenses | | - | - |
| Other expenses | 12 | 19,435 | 33,575 |
| Total expenses | | 19,435 | 33,575 |
| Profit/(loss) before tax | | 25,650 | (27,159) |
| Tax expenses | | | |
| Current tax | 14 | 4,873 | 1,238 |
| Deferred tax | | - | - |
| Total tax expenses | | 4,873 | 1,238 |
| Profit/(loss) for the year | | 20,777 | (25,921) |
| Other comprehensive income (OCI) | | | |
| Items that will not be reclassified to profit or loss | | - | - |
| Items that will be reclassified to profit or loss | | - | - |
| Total other comprehensive income / (loss) for the year, net of taxes | | 20,777 | (25,921) |
| Total comprehensive income for the year | | | |
| Earnings per share | | | |
| Basic and diluted | 13 | 0.03 | -0.04 |
| Face value per equity share | | 1 | 1 |

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

For and on behalf of the Board
Wipro UK Limited

Seethalakshmi M
Partner
Membership No.: 208545

Sd/-
R Phillips
Director

Bengaluru
20 June 2022

Wipro UK Limited
Special Purpose Statement of Changes in Equity for the year ended 31 March 2022
(Amount in GBP, unless otherwise stated)

A. Equity share capital

| | Amount |
|---------------------------------|----------------|
| As at 1 April 2020 | 706,725 |
| Changes in equity share capital | - |
| As at 31 March 2021 | 706,725 |
| Changes in equity share capital | - |
| As at 31 March 2022 | 706,725 |

Other equity

| | As at 31 March 2022 | As at 31 March 2021 |
|---|--------------------------------|--------------------------------|
| a) Statement of profit and loss account | | |
| Balance at the beginning of the year | (5,748,005) | (5,722,084) |
| Add: Net profit/(loss) for the year | 20,777 | (25,921) |
| Balance at the end of the year | (5,727,228) | (5,748,005) |
| b) Reserves | 6,575,145 | 6,575,145 |
| c) Securities premium | 24,000 | 24,000 |
| | 871,917 | 851,140 |

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

For and on behalf of the Board
Wipro UK Limited

Sd/-
Seethalakshmi M
Partner
Membership No.: 208545

Sd/-
R Phillips
Director

Bengaluru
20 June 2022

20 June 2022

Wipro UK Limited
Special Purpose Statement of Cash Flow for the year ended 31 March 2022

(Amount in GBP, unless otherwise stated)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 25,650 | (27,159) |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation expenses | - | - |
| Operating profit/(loss) before working capital changes | 25,650 | (27,159) |
| | | |
| Movements in working capital: | | |
| Trade receivable | (34,916) | (1,879,120) |
| Other current assets | (1,050) | - |
| Increase in trade payable | (18,824) | 13,307 |
| Increase in provision | 31,572 | - |
| Cash generated in operations | (23,218) | (1,865,813) |
| Direct tax paid | (4,873) | (1,238) |
| Net cash from operating activities | (2,441) | (1,894,210) |
| | | |
| B. Cash flows from investing activities | | |
| Interest received | - | - |
| Net cash (used in) from investing activities | - | - |
| | | |
| C. Cash flow from financing activities | | |
| Repayments of borrowings | - | - |
| Net cash generated from/(used in) financing activities | - | - |
| | | |
| Net increase in cash and cash equivalents (A+B+C) | (2,441) | (1,894,210) |
| Cash and cash equivalents at the beginning of the year | 206,571 | 2,100,781 |
| Cash and cash equivalents at the end of the year | 204,130 | 206,571 |
| | | |
| Components of cash and cash equivalents | | |
| Balance with banks in current accounts | 204,130 | 206,571 |
| | 204,130 | 206,571 |

The accompanying notes form an integral part of these special purpose financial statements.

For PKF Sridhar & Santhanam LLP
 Firm's Registration No.: 003990S/S 200018
 Chartered Accountants

Sd/-
Seethalakshmi M
 Partner
 Membership No.: 208545
 Bengaluru
 20 June 2022

For and on behalf of the Board
Wipro UK Limited

Sd/-
R Phillips
 Director

20 June 2022

Wipro UK Limited
Notes to the Special Purpose Financial Statements
(All amount in GBP, unless otherwise stated)

1. The Company overview

WIPRO UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Devonshire House, 60 Goswell Road, London, EC1M 7AD. Wipro UK Limited is the subsidiary of Wipro Europe Limited. The branch of Wipro UK Limited, Wipro Oman LLC was liquidated in the financial year 2021-22..

2. Basis of preparation of special purpose financial statements

(i) Statement of compliance and basis of preparation

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

The financial statements of the Company for the corresponding year ended 31 March 2021 prepared in accordance with IND AS included in these financial statements are unaudited and have been prepared and furnished to us by the management.

The 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)].

(a) New amended standards and interpretations

- i. Ind AS 107 Financial Instruments: Disclosures - Additional disclosures relating to interest rate benchmark reform (IBOR reform) including nature and extent of risks to which the entity is exposed due to financial instruments subject to interest rate benchmark reform and how the Company manages those risks; the Company's progress in completing the transition to alternative benchmark rates and how the Company is managing the transition.
- ii. Ind AS 109 Financial Instruments – Guidance provided on accounting for modifications of contracts resulting from changes in the basis for determining the contractual cash flows as a result of the IBOR reform; various exceptions and relaxations have been provided in relation to the hedge accounting.
- iii. Ind AS 116 Leases – Extension of optional practical expedient in case of rent concessions as a direct consequence of COVID-19 pandemic till 30th June, 2022 and guidance on accounting for modification of lease contracts resulting from the IBOR reform.
- iv. Ind AS 102 Share based payments – Alignment of liabilities definition with the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India.
- v. Ind AS 103 Business Combination – Alignment of assets and liabilities definition with the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards
- vi. Amendment of definition of term ‘recoverable amount’ in Ind AS 105, Ind AS 16 and Ind AS 36 from ‘fair value less cost to sell’ to ‘fair value less cost of disposal’.

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

(b) Other amendments to the existing standards: None

(C) New standards notified and yet to be adopted by the Company: None

Wipro UK Limited
Notes to the Special Purpose Financial Statements
(All amount in GBP, unless otherwise stated)

(ii) Basis of measurement

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

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

(iii) Use of estimates and judgment

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

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

- a) **Income taxes:** The major tax jurisdictions for the Company is in United Kingdom. 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.
- b) **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.
- c) **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.

Wipro UK Limited
Notes to the Special Purpose Financial Statements
(All amount in GBP, unless otherwise stated)

3. Significant accounting policies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions and translation

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

(iii) Financial instruments

a) Non-derivative financial instruments:

Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset.
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.
- Non- derivative financial instruments are recognised initially at fair value.

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

A. Cash and cash equivalents

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

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

B. Other financial assets:

Wipro UK Limited
Notes to the Special Purpose Financial Statements
(All amount in GBP, unless otherwise stated)

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

C. Trade and other payables

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

(iv) Equity

a) **Share capital and share premium**

The authorized share capital of the Company as of March 31, 2022 GBP 706,725 divided into 706,725 equity shares of GBP 1 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

b) **Retained earnings**

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

c) **Dividend**

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

d) **Other reserves**

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

(v) Impairment

A) Financial assets

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

B) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash

Wipro UK Limited
Notes to the Special Purpose Financial Statements
(All amount in GBP, unless otherwise stated)

generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

(vi) Provisions

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

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

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

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

(vii) Other income

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

(viii) Income tax

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

a) Current income tax

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

Wipro UK Limited
Notes to the Special Purpose Financial Statements
(All amount in GBP, unless otherwise stated)

b) Deferred income tax

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

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

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

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

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

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

(ix) 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.

(xi) Cash flow statement

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

Wipro UK Limited
Notes to the Special Purpose Financial Statements
 (All amounts in GBP except otherwise stated)

4 Trade receivables

| | As at 31 March 2022 | As at 31 March 2021 |
|-------------------------------------|------------------------|------------------------|
| Unsecured | | |
| Considered good | | |
| Related parties* | 2,041,332 | 2,006,416 |
| Others | - | - |
| Less: allowance for credit impaired | - | - |
| | 2,041,332 | 2,006,416 |

* Refer related party note no 15

5 Cash and cash equivalents

| | | |
|--|----------------|----------------|
| Balances with bank in current accounts | 204,130 | 206,571 |
| Cheques, draft on hand | - | - |
| | 204,130 | 206,571 |

6 Current assets

| | | |
|--------|--------------|----------|
| Others | 1,050 | - |
| | 1,050 | - |

(This space has been intentionally left blank)

Wipro UK Limited
Notes to the Special Purpose Financial Statements
 (All amounts in GBP except otherwise stated)

7 Share capital

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Authorised capital | | |
| 706,725 (31 March 2021: 706,725) equity shares of GBP 1 each | 706,725 | 706,725 |
| | 706,725 | 706,725 |
| Issued, subscribed and paid up capital | | |
| 706,725 (31 March 2021: 706,725) equity shares of GBP 1 each fully paid up | 706,725 | 706,725 |
| | 706,725 | 706,725 |

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---------------------------------------|--------------------------------------|----------------|------------------------|----------------|
| | Number | Amount | Number | Amount |
| | Balance at the beginning of the year | 706,725 | 706,725 | 706,725 |
| Add :Issued during the year. | - | - | - | - |
| Balance at the end of the year | 706,725 | 706,725 | 706,725 | 706,725 |

b) Details of shareholders holding more than 5% shares in the Company

| | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---|------------------|-------------------------------|---------------------|
| | Percentage of shareholding | Number of shares | Percentage of shareholding | Number of shares |
| | Equity shares of GBP 1 each fully paid-up Wipro Europe Limited | 100% | 706,725 | 100% |

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Wipro UK Limited
Notes to the Special Purpose Financial Statements

(All amounts in GBP except otherwise stated)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|--------------------------------|--------------------------------|
| 8 Other equity | | |
| a) Statement of profit and loss account | | |
| Balance at the beginning of the year | (5,748,005) | (5,722,084) |
| Add: Net profit/(loss) for the year | 20,777 | (25,921) |
| Balance at the end of the year | (5,727,228) | (5,748,005) |
| | | |
| b) Reserves | 6,575,145 | 6,575,145 |
| c) Securities premium | 24,000 | 24,000 |
| Total (a+b) | 871,917 | 851,140 |

Nature and purpose of reserves:

Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

| | | |
|--|----------------|----------------|
| 9 Trade payables | | |
| Related parties (refer note 15 related party note) | 625,258 | 655,122 |
| Others | 11,040 | - |
| Total | 636,298 | 655,122 |
| | | |
| 10 Other liabilities | | |
| Others | 31,572 | - |
| Total | 31,572 | - |

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Wipro UK Limited
Notes to the Special Purpose Financial Statements

(All amounts in GBP except otherwise stated)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| 11 Other income | | |
| Interest income | 45,085 | 6,416 |
| | 45,085 | 6,416 |
| 12 Other expenses | | |
| Legal and professional expenses | 7,200 | 33,575 |
| Foreign exchange gain (net) | 8,981 | - |
| Miscellaneous expenses | 3,254 | - |
| | 19,435 | 33,575 |
| 13 Earnings per share (EPS) | | |
| Net profit/(loss) for the year | 20,777.00 | -25,921.00 |
| Weighted average number of shares | 706,725 | 706,725 |
| Earnings per share | | |
| Basic and diluted | 0.03 | -0.04 |
| Nominal value - per equity share | 1 | 1 |
| 14 Income tax | | |
| Income tax expense | | |
| Domestic | | |
| Current taxes | 4,873 | 1,238 |
| Deferred taxes | - | - |
| Total income taxes | 4,873 | 1,238 |
| Profit before tax | 25,650 | (27,159) |
| Enacted income tax rate | 19% | - |
| Computed expected tax expense | 4,874 | - |
| Effect of: | | |
| Tax effect on expenses disallowed for tax computation | | - |
| Changes in unrecognised deferred tax asset | | - |
| Total income taxes expenses | 4,874 | - |

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Wipro UK Limited
Notes to the Special Purpose Financial Statements
(All amounts in GBP except otherwise stated)

15 A. Names of related parties and nature of relationship

| Nature of relationship | Name of the related party |
|--------------------------|---------------------------|
| Ultimate Holding Company | Wipro Limited |
| Holding Company | Wipro Europe Limited |
| Fellow Subsidiary | Apprio Ltd (UK) |

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

| B | Name of the Company | Relationship* | As on 31 March 2022 | As on 31 March 2021 |
|---|----------------------|-------------------|------------------------|------------------------|
| | Payables: | | | |
| | Wipro Europe Limited | Holding Company | 625,258 | 625,258 |
| | Receivables: | | | |
| | Apprio Ltd (UK) | Fellow Subsidiary | 2,041,332 | 2,006,416 |

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Wipro UK Limited
Notes to the Special Purpose Financial Statements
 (All amounts in GBP except otherwise stated)

16 Financial instruments measurement and disclosure

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March, 2022 were as follows :

| Particulars | As at 31 March 2022 | | | | As at 31 March 2021 | | | |
|-------------------------------|---------------------|----------|------------------|------------------|---------------------|----------|------------------|------------------|
| | FVTOCI | FVTPL | Amortised cost | Total | FVTOCI | FVTPL | Amortised cost | Total |
| Financial assets: | | | | | | | | |
| Trade receivables | - | - | 2,041,332 | 2,041,332 | - | - | 2,006,416 | 2,006,416 |
| Cash and cash equivalents | - | - | 204,130 | 204,130 | - | - | 206,571 | 206,571 |
| Total | - | - | 2,245,462 | 2,245,462 | - | - | 2,212,987 | 2,212,987 |
| Financial liabilities: | | | | | | | | |
| Trade payables | - | - | 636,298 | 636,298 | - | - | 655,122 | 655,122 |
| Total | - | - | 636,298 | 636,298 | - | - | 655,122 | 655,122 |

17 Notes to financial instruments

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

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

18 Fair value hierarchy

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

Wipro UK Limited
Notes to the Special Purpose Financial Statements
 (All amounts in GBP except otherwise stated)

19 Financial risk management

Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk | Exposure arising from | Measurement |
|----------------------------|--|-----------------------------|
| Credit risk | Cash and cash equivalent, trade receivables, financial assets measured at amortized cost | Ageing analysis |
| Liquidity risk | Borrowings and other financial liabilities | Rolling cash flow forecasts |
| Market risk -Interest rate | Long-term borrowings at variable rates | Sensitivity analysis |

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

Interest rate risk

The Company has no borrowings as at 31 March, 2022. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Wipro UK Limited
Notes to the Special Purpose Financial Statements
(All amounts in GBP except otherwise stated)

20 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorization of these financial statements.

As per our report attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.: 003990S/S200018

For and on behalf of the Board

Wipro UK Limited

Sd/-

Seethalakshmi M

Partner

Membership No: 208545

Sd/-

R Phillips

Director

Bengaluru

20 June 2022

20 June 2022