

Special Purpose Financial Statements and Independent Auditor's Report

Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)

31 March 2022

(All amounts in GBP except otherwise stated)

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of Wipro Weare4C UK Limited
Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Wipro Weare4C UK Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 March 31, 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 preparation referred to in Note 2 (i) to the Special Purpose Financial Statements, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive loss, its changes in equity and 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 Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 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.

Basis of Accounting and Restriction on Distribution and 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.

Management's Responsibility 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, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the basis described in Note 2 (i) of the Special Purpose Financial Statements 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 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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.



D. Prasanna & Co.
Chartered Accountants
M: +91 98451 67131
caprasanna.64@gmail.com

#192 S. C. Road,
Basavanagudi,
Bengaluru 560 004

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.
- 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.



For **D. Prasanna & Co.**
Chartered Accountants
Firm's Registration No.: 009619S


Prasanna Kumar
Proprietor
Membership No.: 211367
UDIN:22211367AKKQGX1772
Bengaluru
07 Jun 2022

Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)

Balance Sheet as at 31 March 2022

(All amounts in GBP except otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	44,599	78,996
Right of use asset	4	794,352	1,355,071
Financial assets			
Investments	5	10,300	10,300
Total non-current assets		849,251	1,444,367
Current assets			
Financial assets			
Trade receivables	8	1,981,304	3,432,134
Cash and cash equivalents	9	1,108,816	501,557
Unbilled receivables		182,642	129,406
Other financial assets	6	106,998	106,998
Contract assets		249,253	-
Other current assets	7	1,001,649	536,021
Total current assets		4,630,662	4,706,116
TOTAL ASSETS		5,479,913	6,150,483
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	1,000	1,000
Other equity	11	(1,701,162)	(906,696)
Total equity		(1,700,162)	(905,696)
Non-current liabilities			
Financial liabilities			
Lease liabilities		246,074	821,532
Deferred tax liabilities (net)		-	9,810
Total non-current liabilities		246,074	831,342
Current liabilities			
Financial liabilities			
Short term borrowings	12	1,100,407	-
Trade payables	16	3,273,209	2,793,709
Lease liabilities		575,458	549,927
Other financial liabilities	13	390,675	838,083
Contract liabilities		614,180	569,616
Provisions	14	80,048	153,054
Other current liabilities	15	900,024	1,320,448
Total current liabilities		6,934,001	6,224,837
TOTAL LIABILITIES		7,180,075	7,056,179
TOTAL EQUITY AND LIABILITIES		5,479,913	6,150,483
Summary of significant accounting policies	1-2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **D. Prasanna & Co.**

Chartered Accountants

Firm's Registration No: 009619S

Prasanna Kumar
proprietor
Membership No.: 211367
Bengaluru
07 Jun 2022



For and on behalf of the Board

Wipro Weare4C UK Limited

Barath Narayanan
Director

Omkar Nisal
Director

Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)

Statement of Profit and Loss for the year ended 31 March 2022

(All amounts in GBP except otherwise stated)

Particulars	Note	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
INCOME			
Revenue from operations	17	12,976,852	7,852,275
Total income		12,976,852	7,852,275
EXPENSES			
Employee benefits expense	18	9,835,938	6,651,399
Finance costs	19	33,750	21,802
Depreciation and amortisation expenses	20	605,233	355,727
Other expenses	21	3,422,755	2,047,465
Total expenses		13,897,676	9,076,393
Profit before tax		(920,824)	(1,224,118)
Tax expenses			
Current tax	23	(116,548)	(236,540)
Deferred tax	23	(9,810)	-
Total tax expenses		(126,358)	(236,540)
Profit for the year		(794,466)	(987,578)
Earnings per share			
Basic and diluted	22	(794)	(988)
Face value per equity share		1	1

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board

For **D. Prasanna & Co.**

Chartered Accountants

Firm's Registration No.: 009619S

Prasanna Kumar

proprietor

Membership No.: 211367

Bengaluru

07 Jun 2022



Wipro Weare4C UK Limited

Barath Narayanan

Director

Omkar Nisal
Director

Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
Cash Flow Statement for the year ended 31 March 2022

(All amounts in GBP except otherwise stated)

	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
A. Cash flow from operating activities		
Profit before tax	(920,824)	(1,224,118)
Adjustments for:		
Depreciation and amortisation expenses	605,233	355,727
Finance costs	33,750	21,802
	<u>638,983</u>	<u>377,529</u>
Operating profit/(loss) before working capital changes	<u>(281,841)</u>	<u>(846,589)</u>
Movements in working capital:		
(Increase)/decrease in trade receivable	1,450,830	(715,420)
(Increase)/decrease in financial assets	(53,235)	57,635
(Increase)/decrease in other current assets	(598,333)	202,351
Increase/(decrease) in trade payable	479,500	1,274,073
Increase/(decrease) in financial liabilities	(447,408)	66,861
Increase/(decrease) in other liabilities	(375,860)	(1,034,505)
Increase/(decrease) in provision	(73,006)	83,062
Cash generated in operations	<u>382,488</u>	<u>(65,943)</u>
Net cash from operating activities	<u>100,647</u>	<u>(912,532)</u>
B. Cash flows from investing activities		
Purchase of tangible and intangible assets	(10,117)	(71,043)
Net cash (used in) from investing activities	<u>(10,117)</u>	<u>(71,043)</u>
C. Cash flow from financing activities		
Loan Taken	1,093,379	-
Payments of lease liability	(576,650)	(332,500)
Net cash generated from/(used in) financing activities	<u>516,729</u>	<u>(332,500)</u>
Net increase in cash and cash equivalents (A+B+C)	<u>607,259</u>	<u>(1,316,075)</u>
Cash and cash equivalents at the beginning of the year	<u>501,557</u>	<u>1,817,632</u>
Cash and cash equivalents at the end of the year	<u>1,108,816</u>	<u>501,557</u>
Components of cash and cash equivalents		
Balance with banks in current accounts	<u>1,108,816</u>	<u>501,557</u>
	<u>1,108,816</u>	<u>501,557</u>

The notes referred to above form an integral part of the financial statements.

This is the Cash Flow Statement referred to in our report of even date.

For **D. Prasanna & Co.**

Chartered Accountants

Firm's Registration No.: 008989

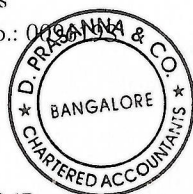
Prasanna Kumar

proprietor

Membership No.: 211367

Bengaluru

07 Jun 2022



For and on behalf of the Board of
Wipro Weare4C UK Limited

(Signature)

Barath Narayanan

Director

(Signature)

Omkar Nisal

Director

Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
Statement of changes in equity for the year ended 31 March 2022

A. Equity share capital

	Note	Balance
As at 10 August 2020	10	1,000.00
Changes in equity share capital		-
As at 31 March 2021		1,000.00
Changes in equity share capital		-
As at 31 March 2022		1,000.00


B. Other equity

	Other equity	
	Retained earnings	Total other equity
As at 10 August 2020	80,882	80,882
Profit for the year	(987,578)	(987,578)
As at 31 March 2021	(906,696)	(906,696)
Profit for the year	(794,466)	(794,466)
As at 31 March 2022	(1,701,162)	(1,701,162)

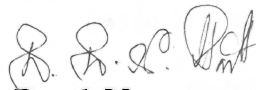
The accompanying notes form an integral part of the financial statements

As per our report of even date attached
 For **D. Prasanna & Co.**
 Chartered Accountants
 Firm's Registration No.: 009619S

For and on behalf of the Board
Wipro Weare4C UK Limited


Prasanna Kumar
 proprietor
 Membership No.: 211367
 Bengaluru
 07 Jun 2022




Barath Narayanan
 Director


Omkar Nisal
 Director

Membership No.: 211367
 Bengaluru

(This space has been intentionally left blank)

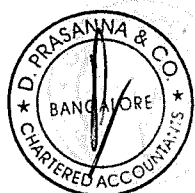
Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
Notes to the financial statements for the year ended 31 March 2022
(All amounts in GBP except otherwise stated)

3 Property, plant and equipment

Particulars	Plant and equipment	Furniture and fixtures	Total
Gross block			
Balance as at 10 August 2020	238,536	-	238,536
Additions	40,977	30,066	71,043
Deletions	-	-	-
Balance as at 31 March 2021	279,513	30,066	309,579
Additions	9,000	1,117	10,117
Deletions	-	-	-
Balance as at 31 March 2022	288,513	31,183	319,696
Accumulated depreciation			
Balance as at 10 August 2020	201,942	-	201,942
Depreciation charge for the year	25,766	2,875	28,641
Disposals	-	-	-
Balance as at 31 March 2021	227,708	2,875	230,583
Depreciation charge for the year	38,297	6,217	44,514
Disposals	-	-	-
Balance as at 31 March 2022	266,005	9,092	275,097
Net block			
Balance as at 31 March 2021	51,805	27,191	78,996
Balance as at 31 March 2022	22,508	22,091	44,599

4 Right of use assets:

Particulars	Building	Total
Gross block at cost		
Balance as at 10 August 2020	-	-
Additions on adoption of IndAS 116	1,682,157	1,682,157
Deductions for the year	-	-
As at 31 March 2021	1,682,157	1,682,157
Additions	-	-
Deductions for the year	-	-
As at 31 March 2022	1,682,157	1,682,157
Accumulated depreciation		
Balance as at 10 August 2020	-	-
Charge for the year	327,086	327,086
Deductions for the year	-	-
As at 31 March 2021	327,086	327,086
Charge for the year	560,719	560,719
Deductions for the year	-	-
As at 31 March 2022	887,805	887,805
Net Block		
As at 31 March 2022	794,352	794,352
As at 31 March 2021	1,355,071	1,355,071



Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
Notes to the financial statements for the year ended 31 March 2022
(All amounts in GBP except otherwise stated)

5 Investments

	As at 31 March 2022	As at 31 March 2021
Non current		
Investments in Subsidiaries measured at cost	10,300	10,300
	<u>10,300</u>	<u>10,300</u>
Aggregate carrying value of unquoted investments	10,300	10,300
Aggregate carrying value of quoted investments	-	-

6 Other financial assets

	As at 31 March 2022	As at 31 March 2021
Current		
Security deposits	106,998	106,998
	<u>106,998</u>	<u>106,998</u>

7 Other assets

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	242,418	59,168
Indirect tax recoverable	472,712	125,059
Advance to employees	800	-
Income tax recoverable	285,719	351,794
	<u>1,001,649</u>	<u>536,021</u>

8 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured		
Considered good	1,981,304	3,432,134
Doubtful	209,335	87,273
	<u>2,190,639</u>	<u>3,519,407</u>
Less: allowance for lifetime expected credit loss	(209,335)	(87,273)
	<u>1,981,304</u>	<u>3,432,134</u>

* Refer related party note no 24

The activity in the allowance for expected credit loss is given below:

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	87,273	101,307
Additions during the year, net	122,062	(14,034)
Balance at the end of the year	<u>209,335</u>	<u>87,273</u>

9 Cash and cash equivalents

Balances with bank in current accounts	1,108,816	501,557
	<u>1,108,816</u>	<u>501,557</u>



Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
Notes to the financial statements for the year ended 31 March 2022

(All amounts in GBP except otherwise stated)

10 Share capital

	As at 31 March 2022	As at 31 March 2021
Authorised capital		
1,000 (31 March 2021: 1,000) Equity shares of GBP 1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Issued, subscribed and paid up capital		
1,000 (31 March 2021: 1,000) Equity shares of GBP 1 each fully paid-up	1,000	1,000
	<u>1,000.00</u>	<u>1,000.00</u>

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	1,000	1,000	1,000	1,000
Add :Issued during the year.	-	-	-	-
Balance at the end of the year	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of GBP 1 per share. Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividend in GBP. The final dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

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

c) 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 4C NV	100%	1,000	100%	1,000

(This space has been intentionally left blank)



Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
Notes to the financial statements for the year ended 31 March 2022
(All amounts in GBP except otherwise stated)

	As at 31 March 2022	As at 31 March 2021
11 Other equity		
Statement of profit and loss account		
Balance at the beginning of the year	(906,696)	80,882
Add: Net profit/(loss) for the year	(794,466)	(987,578)
Balance at the end of the year	<u>(1,701,162)</u>	<u>(906,696)</u>
Nature and purpose of reserves:		
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.		
12 Borrowings		
	As at 31 March 2022	As at 31 March 2021
Short-term borrowings		
Intercompany Loans (unsecured)	1,100,407	-
	<u>1,100,407</u>	<u>-</u>
13 Other financial liabilities		
	As at 31 March 2022	As at 31 March 2021
Current		
Employee related liabilities	390,675	838,083
	<u>390,675</u>	<u>838,083</u>
14 Provisions		
	As at 31 March 2022	As at 31 March 2021
Current provisions		
Provision for employee benefits		
Compensated absences	80,048	153,054
	<u>80,048</u>	<u>153,054</u>
15 Other liabilities		
	As at 31 March 2022	As at 31 March 2021
Statutory dues	900,024	1,320,448
Total	<u>900,024</u>	<u>1,320,448</u>
16 Trade payables		
	As at 31 March 2022	As at 31 March 2021
Trade Payables	3,107,232	2,721,460
Accrued expenses and others	165,977	72,249
Total	<u>3,273,209</u>	<u>2,793,709</u>



Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
Notes to the financial statements for the year ended 31 March 2022
(All amounts in GBP except otherwise stated)

17 Revenue from operations

	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
Sale of services	12,976,852	7,852,275
Total	12,976,852	7,852,275

A. Contract assets and liabilities

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

Contract assets: During the year ended 31 March 2022 GBP 249,253 of contract assets pertaining to fixed-price development contracts have been reclassified to receivables on completion of milestones.

Contract liabilities: During the year ended 31 March 2022 the Company recognised revenue of GBP 569,616 arising from contract liabilities as at 31 March 2021.

B. Remaining Performance Obligations

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

As at 31 March 2022 and 2021, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, were GBP 981,355 and GBP 1,64,244 respectively, of which 100% and 100%, respectively, is expected to be recognised as revenues within two years. This includes contracts with a substantive enforceable termination penalty if the contract is terminated without cause by the customer, based on an overall assessment of the contract carried out at the time of inception. Historically, customers have not terminated contracts without cause.

C. Disaggregation of Revenue

The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

Revenue by type of contract

Professional Services	10,967,376	6,713,430
Managerial Services	2,009,476	1,138,845
	12,976,852	7,852,275

18 Employee benefits expenses

	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
Employee compensation	9,835,938	6,651,399
	9,835,938	6,651,399

19 Finance costs

	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
Interest expense	7,027	-
Interest on finance lease	26,723	21,802
	33,750	21,802



Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
Notes to the financial statements for the year ended 31 March 2022
(All amounts in GBP except otherwise stated)

20 Depreciation

	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
Depreciation on tangible assets	44,514	28,641
Depreciation on right to use assets	560,719	327,086
	<u>605,233</u>	<u>355,727</u>

21 Other expenses

	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
Legal and professional fees	30,313	31,914
Sub-contracting / technical fees / third party application	2,338,060	1,540,436
Facility expenses	600,708	146,700
Marketing and brand building	97,309	63,750
Expected credit loss	122,062	11,795
Recruitment Fees	90,934	67,976
Exchange loss (net)	25,323	15,286
Communication charges	42,620	39,627
Travel and Conveyance	27,786	4,455
Printing & Stationery	9,834	34,051
Miscellaneous expenses	37,806	91,475
	<u>3,422,755</u>	<u>2,047,465</u>

22 Earnings per share (EPS)

	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
Net profit/(loss) for the year	(794,466)	(987,578)
Weighted average number of shares	1,000	1,000
Earnings per share		
Basic and diluted	(794)	(988)
Nominal value - per equity share	1	1

23 Income tax

Income tax expense has been allocated as follows:

	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
Income tax expense		
Domestic		
Current taxes	(116,548)	(236,540)
Deferred taxes	(9,810)	-
Total income taxes	<u>(126,358)</u>	<u>(236,540)</u>

	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
Profit before tax	(920,824)	(1,224,118)
Enacted income tax rate	19%	19%
Computed expected tax expense	(174,957)	(232,582)
Effect of:		
Tax effect on expenses disallowed for tax computation	58,409	(3,958)
Changes in unrecognised deferred tax asset	(9,810)	-
Total income taxes expenses	<u>(126,358)</u>	<u>(236,540)</u>



Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
Notes to the financial statements for the year ended 31 March 2022
(All amounts in GBP except otherwise stated)

24 A. Names of related parties and nature of relationship

Nature of relationship	Name of the related party	Country of incorporation
Ultimate Holding Company	Wipro Limited	India
Holding Company	Wipro 4C NV	Belgium
Fellow Subsidiaries	Wipro Holdings Hungary KFT	Hungary
	Wipro 4C Danmark APS	Denmark
	Wipro 4C Consulting France SAS	France
	Wipro 4C Nederland BV	Netherlands
	Wipro Appirio (UK) Limited	United Kingdom
	Wipro Appirio, Ireland	Ireland
	Wipro Holdings (UK) Limited	United Kingdom
	Appirio Inc. US	United States
Wipro LLC	United States	
Subsidiaries	Cloudsocius DMCC	UAE

B. Transactions with related parties for the year ended 31 March 2022

Particulars	Relationship	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
Subcontracting & technical fees			
Cloudsocius DMCC	Subsidiaries	182,289	65,407
Wipro 4C Consulting France SAS	Fellow Subsidiaries	327,550	88,683
Wipro 4C Danmark APS	Fellow Subsidiaries	306,174	257,850
Wipro 4C Nederland BV	Fellow Subsidiaries	216,969	-
Wipro 4C NV	Holding Company	533,148	681,031
Appirio Inc. US	Fellow Subsidiaries	-	1,130
Wipro Appirio, Ireland	Fellow Subsidiaries	-	46,341
Sales and services			
Appirio Inc. US	Fellow Subsidiaries	121,280	-
Cloudsocius DMCC	Subsidiaries	90,507	168,388
Wipro 4C Consulting France SAS	Fellow Subsidiaries	60,771	933
Wipro 4C Danmark APS	Fellow Subsidiaries	213,571	40,044
Wipro 4C Nederland BV	Fellow Subsidiaries	44,574	-
Wipro 4C NV	Holding Company	439,618	532,904
Wipro Appirio (UK) Limited	Fellow Subsidiaries	-	20,700
Wipro Appirio, Ireland	Fellow Subsidiaries	72,514	-
Wipro Limited	Ultimate Holding Company	2,683,531	297,358
Wipro LLC	Fellow Subsidiaries	679,138	380,878
Interest expense			
Wipro Holdings (UK) Limited	Fellow Subsidiaries	1,033	-
Wipro Holdings Hungary KFT	Fellow Subsidiaries	5,995	-



Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
Notes to the financial statements for the year ended 31 March 2022
(All amounts in GBP except otherwise stated)

Group Recharges

Cost

Appirio Inc. US	Fellow Subsidiaries	34,009	-
Wipro 4C NV	Holding Company	178,984	-
Wipro Appirio, Ireland	Fellow Subsidiaries	46,341	-

Revenue

Cloudsocius DMCC	Subsidiaries	27,283	167
Wipro 4C Consulting France SAS	Fellow Subsidiaries	54,431	8,257
Wipro 4C Danmark APS	Fellow Subsidiaries	44,688	5,574
Wipro 4C Nederland BV	Fellow Subsidiaries	15,194	2,659
Wipro 4C NV	Holding Company	-	103,746

C. Closing balance of related parties

<u>Name of the Company</u>	<u>Relationship</u>	<u>As on 31 March 2022</u>	<u>As on 31 March 2021</u>
Payables:			
Wipro 4C NV	Holding Company	1,811,865	1,674,795
Wipro 4C Consulting France SAS	Fellow Subsidiaries	710,370	769,666
Wipro Limited	Ultimate Holding Company	267,425	-
Wipro 4C Nederland BV	Fellow Subsidiaries	157,763	-
Appirio Inc. US	Fellow Subsidiaries	-	1,130
Wipro 4C Danmark APS	Fellow Subsidiaries	-	102,077
Wipro Appirio, Ireland	Fellow Subsidiaries	-	46,341
Receivables:			
Cloudsocius DMCC	Subsidiaries	695,448	759,948
Wipro 4C Danmark APS	Fellow Subsidiaries	114,437	-
Wipro Appirio, Ireland	Fellow Subsidiaries	476	-
Wipro Holdings (UK) Limited	Fellow Subsidiaries	6,365	-
Wipro LLC	Fellow Subsidiaries	-	380,878
Wipro Appirio (UK) Limited	Fellow Subsidiaries	-	24,840
Wipro Limited	Ultimate Holding Company	-	44,896
Wipro 4C Nederland BV	Fellow Subsidiaries	-	3,200
Loan taken			
Wipro Holdings Hungary KFT	Fellow Subsidiaries		
Loan Principal		793,379	-
Interest accrued and due on loan		5,995	-
Wipro Holdings (UK) Limited	Fellow Subsidiaries		
Loan Principal		300,000	-
Interest accrued and due on loan		1,033	-

(This space has been intentionally left blank)



Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
 Notes to the financial statements for the year ended 31 March 2022
 (All amounts in GBP except otherwise stated)

25 IND AS 116 leases related disclosures

i) Total lease liabilities are analysed as follows:

Analysed as:	As at 31 March 2022	As at 31 March 2021
Current	575,458	549,927
Non current	246,074	821,532
	<u>821,532</u>	<u>1,371,459</u>

ii) Amounts recognised in statement of profit and loss:

The following amounts were recognised as expense in the year:

	Year ended 31 March 2022	10th Aug'20 to 31st Mar'21
Depreciation of right-of-use assets	560,719	327,086
Interest on lease liabilities	26,723	21,802
Expense relating to short-term leases and low-value assets		
Total recognised in the statement of profit and loss	<u><u>587,442</u></u>	<u><u>348,888</u></u>

iii) Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

Maturity analysis:

	As at 31 March 2022	As at 31 March 2021
Less than 1 year	588,183	576,650
Between 1 and 2 years	247,095	588,183
Between 2 and 5 years	-	247,095
More than 5 years	-	-
Total	<u>835,278</u>	<u>1,411,928</u>



(This space has been intentionally left blank)

26 Financial instruments measurement and disclosure

a) Financial instruments by category

Particulars	As at 31 March 2022			As at 31 March 2021				
	FVTOCI	FVTPL	Amortised cost	Total	FVTOCI	FVTPL	Amortised cost	Total
Financial assets:								
Investments	-	-	10,300.00	10,300.00	-	-	10,300.00	10,300.00
Trade receivables	-	-	1,981,304.00	1,981,304.00	-	-	3,432,134.00	3,432,134.00
Cash and cash equivalents	-	-	1,108,816.00	1,108,816.00	-	-	501,557.00	501,557.00
Unbilled revenue	-	-	182,642.00	182,642.00	-	-	129,406.00	129,406.00
Other financial assets	-	-	106,998.00	106,998.00	-	-	106,998.00	106,998.00
Total	-	-	3,390,060.00	3,390,060.00	-	-	4,180,395.00	4,180,395.00
Financial liabilities:								
Borrowings	-	-	1,100,407.00	1,100,407.00	-	-	-	-
Lease liabilities	-	-	821,532.00	821,532.00	-	-	1,371,459.00	1,371,459.00
Trade payables	-	-	3,273,209.00	3,273,209.00	-	-	2,793,709.00	2,793,709.00
Other financial liabilities	-	-	390,675.00	390,675.00	-	-	838,083.00	838,083.00
Total	-	-	5,585,823.00	5,585,823.00	-	-	5,003,251.00	5,003,251.00

The fair values of assets and liabilities approximates its carrying value.

The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, other financial assets, borrowings etc. because their carrying amounts are a reasonable approximation of fair value.

(This space has been intentionally left blank)



26 Financial risk management (continued)

B Liquidity risk

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

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

Maturities of financial liabilities

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

31 March 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Beyond 5th year	Total
Non-derivatives					
Borrowings	1,100,407	-	-	-	1,100,407
Lease liabilities	575,458	246,074	-	-	821,532
Trade payables	3,273,209	-	-	-	3,273,209
Other Financial liabilities	390,675	-	-	-	390,675
Total	5,339,749	246,074	-	-	5,585,823
<hr/>					
31 March 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Beyond 5th year	Total
Non-derivatives					
Borrowings	-	-	-	-	-
Lease liabilities	549,927	575,458	246,074	-	1,371,459
Trade payables	2,793,709	-	-	-	2,793,709
Other Financial liabilities	838,083	-	-	-	838,083
Total	4,181,719	575,458	246,074	-	5,003,251

C Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The Company is exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities.

D Interest rate risk

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

Particulars	31 March 2022	31 March 2021
Variable rate borrowing	1,093,379	-
Fixed rate borrowing	-	-
	1,093,379	-

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

Particulars	31 March 2022	31 March 2021
Interest rates – increase by 50 basis points (50 bps)	5,467	-
Interest rates – decrease by 50 basis points (50 bps)	(5,467)	-

E Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from EUR, CAD, GBP. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The management evaluates rate exposure arising from these transactions and enters into Foreign currency derivative instruments to mitigate such exposure. The company follows risk management policies, including use of derivatives like foreign currency exchange forward options etc.



26 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 interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

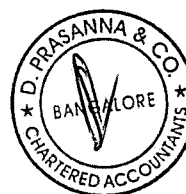
Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

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.

(This space has been intentionally left blank)



Wipro Weare4C UK Limited (Formerly Weare4C UK Limited)
Notes to the financial statements for the year ended 31 March 2022
(All amounts in GBP except otherwise stated)

27 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents and current investments.


	<u>As at</u> <u>31 March 2022</u>	<u>As at</u> <u>31 March 2021</u>
Borrowings	1,100,407	-
Less: cash and cash equivalents	(1,108,816)	(501,557)
Net debts	<u>(8,409)</u>	<u>(501,557)</u>
Total equity	<u>(1,700,162)</u>	<u>(905,696)</u>
Gearing ratio	0.005	0.554

28 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 of even date

For **D. Prasanna & Co.**
Chartered Accountants
Firm's Registration No.: 009619S


Prasanna Kumar
proprietor
Membership No.: 211367
Bengaluru
07 Jun 2022



For and on behalf of the Board
Wipro Weare4C UK Limited


Barath Narayanan
Director


Omkar Nisal
Director

1. The Company Overview

Wipro Weare4C UK limited ("the Company") is a subsidiary of Wipro 4C NV, incorporated and domiciled in England. The Company is provider of IT Services. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

The company is a private company limited having its registered office at Floor 19, 100 Bishopsgate, London, England, EC2M 1GT.

2.

A. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These 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.

(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 judgment

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. 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 recognized in the financial statements are included in the following notes:

a) **Revenue recognition:** The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost-plus margin approach in estimating the stand-alone selling price. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognized, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue.



When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

b) **Income taxes:** The major tax jurisdictions for the Company is England. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

c) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers not to have Deferred taxes due to materiality of the values involved . Further since entity is in losses with no certainty of profits Deferred tax has not been created

d) **Expected credit losses on financial assets:** The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) **Useful lives of property, plant, and equipment:** The Company depreciates property, plant, and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

f) **Leases:** Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

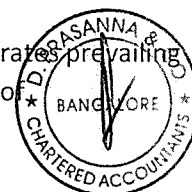
B. Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in Pounds (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 recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net.

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

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

A. Cash and cash equivalents

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

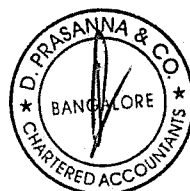
For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts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

B. Other financial assets:

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

C. Trade and other payables

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



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

(Amount in GBP unless otherwise stated)

b) Derecognition of financial instruments

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

(iii) Property, plant and equipment**a) Recognition and measurement**

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

b) Depreciation

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

Category	Useful life
Computer equipment and software	2 to 7 years
Furniture, fixtures and equipment	3 to 10 years

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

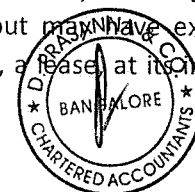
Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as at each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

(iv) Leases

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

The Company as a lessee

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



contract is, or contains, a lease if the contract conveys the right to –

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

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

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

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

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

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

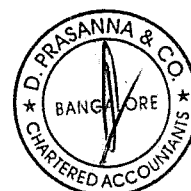
After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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

The Company as a lessor

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

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



(v) Impairment

A) Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments classified as FVTOCI, lease receivables, trade receivables, lease receivables, contract assets and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables, contract assets and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into the account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

B) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized 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 recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

(vii) Employee benefits

a) Social Security

Pension and social contribution plan, a defined contribution scheme, the Company makes monthly contributions based on a specified percentage of each covered employee's salary.

b) Termination benefits

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



c) **Short-term benefits**

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

(ix) **Provisions**

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

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

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

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

(x) **Revenue**

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

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



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

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

A. Time and materials contracts

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

B. Fixed-price contracts

i. Fixed-price development contracts

Revenues from fixed-price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company is not able to reasonably measure the progress of completion, revenue is recognized only to the extent of costs incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

ii. Fixed-price development contracts

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Unbilled revenues on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time

iii. Maintenance contracts

Revenues related to fixed-price maintenance, testing and business process services are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

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



iv. **Volume based contracts**

Revenues and costs are recognized as the related services are rendered.

c. **Others**

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the stand-alone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

Revenues are shown net of allowances/ returns, sales tax, value added tax and applicable discounts and allowances.

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

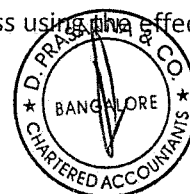
The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the Company evaluates whether the Company is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether the Company controls the good or service before it is transferred to the customer. If Company controls the good or service before it is transferred to the customer, Company is the principal; if not, the Company is the agent.

(xi) **Finance cost**

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.



(xii) **Other income**

Other income comprises interest income on deposits, dividend income and gains / (losses), net, on disposal of investments. Interest income is recognized using the effective interest method.

(xiii) **Income tax**

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

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 recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

b) **Deferred income tax**

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

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

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

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

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



(xiv) **Reserves**

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued; and
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

The movement on reserves represents the profit for the year.

(xv) **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, except where the results would be anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for change effected prior to the approval of the financial statements by the Board of Directors.

(xvi) **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 or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

The amendment to Ind AS 7, require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

(xvii) **Disposal of assets**

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

(xviii) **Commitments and contingencies**

The company does not have any material capital commitments and contingencies as on 31st March'2022.

(This space has been intentionally left blank)



Ind AS 115 – Revenue from Contract with Customers

A. Contract Asset and Liabilities

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

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

Contract assets and liabilities are reported in a net position on a contract by contract basis at the end of each reporting period.

B. Remaining Performance Obligations

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

(This space has been intentionally left blank)



