

Special purpose Financial Statements and
Auditor's Report

Wipro Financial Outsourcing Services Limited
(formerly known as Wipro Europe Limited)

31 March 2023

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Wipro Financial Outsourcing Services Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Wipro Financial Outsourcing Services Limited ("the Company"), which comprise the balance sheet as at 31 March 2023, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the special purpose financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements is prepared for inclusion in the annual report of the Ultimate Holding Company ("Wipro Limited") under the requirement of Section 129(3) of the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, its loss 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 SAs 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 together with the ethical requirements that are relevant to our audit of the special purpose financial statements under the provisions of the Act and the Rules thereunder, 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.

Independent Auditor's Report (continued)

Management's and Board of Directors' 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 state of affairs, profit/loss and other 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) specified 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 of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the 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 the Board of Directors 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 Responsibilities for the Audit of the Special Purpose Financial Statements

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

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the special purpose financial statements made by the Management and Board of Directors.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements (continued)

- Conclude on the appropriateness of the Management and Board of Directors 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the special purpose financial statements, which describes the basis of preparation. This audit opinion has been issued solely for the purpose of inclusion in the annual report of the Ultimate Holding Company (Wipro Limited) under the requirements of Section 129(3) of the Act. These financial statements are not the statutory financial statements of the Company. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this audit opinion is shown or into whose hands it may come without our prior consent in writing.

for **B S R & Co LLP**

Chartered Accountants

Firm's Registration No : 101248W/W-100022

Sd/-

Amrit Bhansali

Partner

Membership No. 065155

UDIN: 23065155BGYPSTG7732

Place: Bengaluru

Date: 13 June 2023

Wipro Financial Outsourcing Services Limited
(formerly known as Wipro Europe Limited)
Balance Sheet

(Amount in GBP, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Financial assets			
Investments	4	-	1,330,043
Total non-current assets		-	1,330,043
Current assets			
Financial assets			
Investments	4	1,330,043	-
Cash and cash equivalents	5	-	-
Other financial assets	6	625,762	625,637
Income tax assets (net)		5,900	1,425
Total current assets		1,961,705	627,062
TOTAL ASSETS		1,961,705	1,957,105
EQUITY			
Equity share capital	7	100,000	100,000
Other equity		1,821,455	1,847,605
TOTAL EQUITY		1,921,455	1,947,605
LIABILITIES			
Current liabilities			
Financial liabilities			
Trade payables	8	-	-
i) total outstanding dues of micro enterprises and small enterprises			
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		-	300
Accrued Expenses	9	40,250	9,200
Total current liabilities		40,250	9,500
TOTAL LIABILITIES		40,250	9,500
TOTAL EQUITY AND LIABILITIES		1,961,705	1,957,105
Summary of Significant Accounting Policies	2		

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

As per our report attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Wipro Financial Outsourcing Services Limited

Sd/-
Amrit Bhansali
Partner
Membership No. 065155
Place : Bengaluru
Date : 13 June, 2023

Sd/-
Omkar Bhalchandra Nisal
Director
Place : Bengaluru
Date : 13 June, 2023

Sd/-
Sushil Agrawal
Director

Wipro Financial Outsourcing Services Limited (formerly known as Wipro Europe Limited)
Statement of Profit and Loss
(Amount in GBP, unless otherwise stated)

	<u>Notes</u>	<u>For the year ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
INCOME			
Other income	10	-	754,043
Total Income		-	754,043
EXPENSES			
Other expenses	11	32,050	7,500
Total expenses		32,050	7,500
Profit/(Loss) before tax		(32,050)	746,543
Tax expense			
Current tax	12	(5,900)	(1,425)
Deferred tax		-	-
Profit/(Loss) for the year		(26,150)	747,968
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 (loss)/ income for the year, net of taxes		-	-
Total comprehensive income for the year		(26,150)	747,968
Earnings per equity share: (Equity shares of par value EUR 1 each)			
Basic and diluted	13	(0.26)	7.48
Weighted average number of shares		100,000	100,000

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

As per our report attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

Sd/-

Amrit Bhansali

Partner

Membership No. 065155

Place : Bengaluru

Date : 13 June, 2023

For and on behalf of the Board of Directors of

Wipro Financial Outsourcing Services Limited

Sd/-

Omkar Bhalchandra Nisal

Director

Sd/-

Sushil Agrawal

Director

Place : Bengaluru

Date : 13 June, 2023

Wipro Financial Outsourcing Services Limited (formerly known as Wipro Europe Limited)
Statement of Changes in Equity for the year ended 31 March, 2023
(Amount in GBP, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Opening number of equity shares	100,000	100,000	100,000	100,000
Equity shares acquired on acquisition	-	-	-	-
Closing number of equity shares	100,000	100,000	100,000	100,000

B. OTHER EQUITY

	Retained earnings	Total other equity
Balance as at April 01, 2022	1,847,605	1,847,605
Total comprehensive income for the year	(26,150)	(26,150)
Balance as at March 31, 2023	1,821,455	1,821,455
	Retained earnings	Total other equity
Balance as at April 01, 2021	1,099,637	1,099,637
Total comprehensive income for the year	747,968	747,968
Balance as at March 31, 2022	1,847,605	1,847,605

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

As per our report attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Wipro Financial Outsourcing Services Limited

Sd/-
Amrit Bhansali
Partner
Membership No. 065155

Sd/-
Omkar Bhalchandra Nisal
Director

Sd/-
Sushil Agrawal
Director

Place : Bengaluru
Date : 13 June, 2023

Place : Bengaluru
Date : 13 June, 2023

Wipro Financial Outsourcing Services Limited
(formerly known as Wipro Europe Limited)
Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

1 The Company overview

Wipro Financial Outsourcing Services Limited formerly known as Wipro Europe Limited is a subsidiary of Wipro Holdings (UK) Ltd. The principal activity of the company is to act as an intermediary holding company for Wipro Group. The company changed its name from Wipro Europe Limited to Wipro Financial Outsourcing Services Limited on 23 May 2022.

2 Significant accounting policies

(i) Statement of compliance and basis of preparation of special purpose financial statements

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. These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(ii) Basis of measurement

These 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 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 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.

Wipro Financial Outsourcing Services Limited
(formerly known as Wipro Europe Limited)
Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

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

Wipro Financial Outsourcing Services Limited
(formerly known as Wipro Europe Limited)
Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

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 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 authorised share capital of the Company as of March 31, 2023 GBP 100,000 divided into 100,000 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.

Wipro Financial Outsourcing Services Limited
(formerly known as Wipro Europe Limited)
Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

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 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 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 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) 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.

a) Services

The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

b) Products

Revenue from products are recognised when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Wipro Financial Outsourcing Services Limited
(formerly known as Wipro Europe Limited)
Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

(viii) 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 recognised in the statement of profit and loss using the effective interest method.

(ix) 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.

(x) 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.

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.

Wipro Financial Outsourcing Services Limited
(formerly known as Wipro Europe Limited)
Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

(xi) 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.

(xii) 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

3 New Accounting standards adopted by the Company

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company does not expect this amendment to have any significant impact in its financial statements.

Wipro Financial Outsourcing Services Limited (formerly known as Wipro Europe Limited)
Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

	<u>As at</u>	<u>As at</u>
	<u>31 March 2023</u>	<u>31 March 2022</u>
4 Investments		
Non-current		
Investments in equity instruments (unquoted)		
Investment in Subsidiary		
Wipro UK Limited	-	1,330,043
Current		
Investments in equity instruments (unquoted)		
Investment in Subsidiary		
Wipro UK Limited	1,330,043	-
	<u>1,330,043</u>	<u>1,330,043</u>
Aggregate book value of:		
Quoted investments -	-	-
Unquoted investments	1,330,043	-

Note 1

Name	Percentage of Holdings as on 31st Mar 2023	Percentage of Holdings as on 31st Mar 2022
Wipro UK Limited	100%	100%

Note 2: Details of investment in unquoted equity instruments of subsidiaries (fully paid up)

Name of Subsidiary	Currency	Face Value	No of Units	Balance on 31 Mar 2023		
				Gross Value	Impairment	Net Value
Wipro UK Limited *	GBP	1	706,725	7,443,416	(6,113,373)	1,330,043

* The Company has filed for liquidation. The company expects to realise the entire investment value and no further impairment is considered necessary.

Name of Subsidiary	Currency	Face Value	No of Units	Balance on 31 Mar 2022		
				Gross Value	Impairment	Net Value
Wipro UK Limited	GBP	1	706,725	7,443,416	(6,113,373)	1,330,043

	<u>As at</u>	<u>As at</u>
	<u>31 March 2023</u>	<u>31 March 2022</u>
5 Cash and cash equivalents		
Balances with banks		
Current accounts	-	-
	<u>-</u>	<u>-</u>
6 Other financial assets		
Other receivables (refer note 14)	625,762	625,637
	<u>625,762</u>	<u>625,637</u>

Wipro Financial Outsourcing Services Limited (formerly known as Wipro Europe Limited)

Notes to financial statements for the year ended 31 March 2023

(Amount in GBP, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
7 Equity Share Capital (Values in GBP)		
I. Authorised capital		
1,00,000 (2022: 100,000) equity shares	100,000	100,000
	100,000	100,000
II. Issued, subscribed and fully paid-up capital		
1,00,000 (2022: 100,000) equity shares	100,000	100,000
	100,000	100,000
 (i.) Shares held by holding company (Wipro Holdings (UK) Limited, the holding company)		
No. of Equity shares of GBP 1 each	100,000	100,000
	100,000	100,000

(ii.) Details of shareholders holding more than 5% of the total equity shares of the Company

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
Wipro Holdings (UK) Limited	100,000	100	100,000	100

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

	As at 31-Mar-23		As at 31-Mar-22	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the period	100,000	100,000	100,000	100,000
Add: Issued during the period	-	-	-	-
Outstanding at the end of the period	100,000	100,000	100,000	100,000

Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of 1 EUR per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Euro. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding Company/ultimate holding Company and/ or their subsidiaries/ associates

	As at 31-Mar-23		As at 31-Mar-22	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Wipro Holdings UK Limited				
100,000 Equity shares of GBP 1 each	100,000	100	100,000	100
	100,000	100	100,000	100

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31-Mar-23		As at 31-Mar-22	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Wipro Holdings UK Limited				
100,000 Equity shares of GBP 1 each	100,000	100	100,000	100
	100,000	100	100,000	100

Wipro Financial Outsourcing Services Limited
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Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
8 Trade Payables		
Trade payables	-	300
	-	300
9 Accrued expenses		
Accrued expense	40,250	9,200
	40,250	9,200

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Wipro Financial Outsourcing Services Limited (formerly known as Wipro Europe Limited)**Notes to financial statements for the year ended 31 March 2023**

(Amount in GBP, unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
10 Other income		
Revaluation of Investment	-	754,043
	<u>-</u>	<u>754,043</u>
	For the year ended 31 March 2023	For the year ended 31 March 2022
11 Other expenses		
Legal and professional charges	2,550	1,700
Auditors' remuneration		
Audit fees	28,500	5,800
Miscellaneous Expenses	1,000	-
	<u>32,050</u>	<u>7,500</u>
12 Current tax		
Income tax expense has been allocated as follows:	For the year ended 31 March 2023	For the year ended 31 March 2022
Income Tax Expense		
Current taxes	5,900	1,425
Prior year taxes	-	-
Deferred taxes	-	-
Total income taxes	<u>5,900</u>	<u>1,425</u>

Wipro Financial Outsourcing Services Limited (formerly known as Wipro Europe Limited)

Notes to financial statements for the year ended 31 March 2023

(Amount in GBP, unless otherwise stated)

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as below

	Year ended 31 March 2023	Year ended 31 March 2022
Profit before income tax	(32,050)	746,543
Enacted tax rates	19.00%	19.00%
Computed tax expenses	(6,090)	141,843
Tax effect due to income not chargeable to tax	-	-
Tax expenses of earlier years	-	-
Others	190	(141,843)
Tax accounted for current year	-	(1,425)
	<u>(5,900)</u>	<u>(1,425)</u>

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries 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. Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries have not been recognized.

13 Earnings per equity Share

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

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares

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

	31 March 2023	31 March 2022
Loss attributable to equity holders	(26,150)	747,968
Less: preference dividend after-tax	0	0
Loss attributable to equity holders after preference dividend	<u>(26,150)</u>	<u>747,968</u>
Add: Interest on convertible preference shares	0	0
Loss attributable to equity holders adjusted for the effect of dilution	(26,150)	747,968
Weighted average number of equity shares - for basic and diluted EPS	100,000	100,000
Earnings per share - Basic and diluted	(0.26)	7.48

Wipro Financial Outsourcing Services Limited (formerly known as Wipro Europe Limited)
Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

14 Related Party Relationships, Transactions and Balances

i) The following are the entities with which the Company has related party transactions:

Name of the Party	Relationship with the Company
Wipro Limited	Ultimate Holding Company
Wipro Holdings (UK) Limited	Holding Company
Wipro UK Limited	Subsidiary
Designit Denmark A/S	Fellow subsidiary

ii) The Company had the following transactions with related parties:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Receivable from Wipro Holdings (UK) Limited		
Other transactions	125	-

iii) Balances with related parties are summarised below :

Particulars	As at 31 March 2023	As at 31 March 2022
Receivable from Wipro Holdings (UK) Limited	625,762	625,637
Total	625,762	625,637

15 Commitments and contingencies

There are no contingent liabilities, capital and other commitments as at 31 March 2023 and 31 March 2022.

16 Segment Reporting

Wipro Financial Outsourcing Services Limited is not an operating entity and the principal activity of the Company is to act as an intermediary holding company for Wipro Group. Hence Segment reporting is not applicable.

Wipro Financial Outsourcing Services Limited (formerly known as Wipro Europe Limited)
Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

17 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March, 2023 were as follows :

Particulars	Note	FVTPL	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Investments	4	-	1,330,043	1,330,043	1,330,043
Other financial assets			625,762	625,762	625,762
Cash and cash equivalents	5	-	-	-	-
Total financial assets		-	1,955,805	1,955,805	1,955,805
Financial liabilities :					
Trade payables	8	-	-	-	-
Accrued expenses			40,250	40,250	40,250
Total financial liabilities		-	40,250	40,250	40,250

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

Particulars	Note	FVTPL	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Investments	4	-	1,330,043	1,330,043	1,330,043
Other financial assets			625,637	625,637	625,637
Cash and cash equivalents	5	-	-	-	-
Total financial assets		-	1,955,680	1,955,680	1,955,680
Financial liabilities :					
Trade payables	8	-	300	300	300
Accrued expenses			9,200	9,200	9,200
Total financial liabilities		-	9,500	9,500	9,500

Notes to financial instruments

- i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings 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.

The Company has measured investments in equity shares of subsidiaries and joint ventures at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost.

- ii. **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. There are no financials assets and liabilities that have been offset in the financials

No financial assets/liabilities have been valued using level 1, level 2 and level 3 fair value measurements.

Wipro Financial Outsourcing Services Limited (formerly known as Wipro Europe Limited)
Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

18 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.

Foreign Currency Risk

The exchange rate risk may primarily arise from foreign exchange revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans and borrowings.

The Company operates majorly in its local currency which is GBP. Consequently, the Company is not exposed to foreign exchange risk.

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.

A Credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable

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.

Wipro Financial Outsourcing Services Limited (formerly known as Wipro Europe Limited)

Notes to financial statements for the year ended 31 March 2023

(Amount in GBP, unless otherwise stated)

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company does not foresee such a risk as its current assets (excluding intercompany balance) are greater than its current liability (excluding intercompany balance)

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.

March 31, 2023	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	-	-	-	-
Trade payables and accrued expense	-	-	-	-
Total	-	-	-	-
March 31, 2022	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	-	-	-	-
Trade payables and accrued expense	9,500	-	-	9,500
Total	9,500	-	-	9,500

Wipro Financial Outsourcing Services Limited (formerly known as Wipro Europe Limited)
Notes to financial statements for the year ended 31 March 2023
(Amount in GBP, unless otherwise stated)

18 Financial risk management (continued)

C Interest rate risk

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

19 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt as below:

- Equity includes equity share capital and all other equity components, which attributable to the equity holders
- Net Debt includes trade payables and other financial liabilities, less cash and cash equivalents.

	Note	As at March 31, 2023	As at March 31, 2022
Borrowings	Financial liabilities	-	-
Less: Cash and cash equivalents	Financial assets	-	-
Net Debt		-	-
Equity share capital	Equity	100,000	100,000
Other equity	Equity	1,821,455	1,847,605
Total capital		1,921,455	1,947,605

	31 March 2023
Equity share capital	100,000
Other Equity	1,821,455
Total equity	(i) 1,921,455
Borrowings other than convertible preference shares	-
Less: cash and cash equivalents	-
Total debt	(ii) -
Overall financing	(iii) = (i) + (ii) 1,921,455
Gearing ratio	(ii) / (iii) -

20 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2023 and the date of authorization of these financial statements.

As per our report attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Wipro Financial Outsourcing Services Limited

Sd/-
Amrit Bhansali
Partner
Membership No. 065155

Sd/-
Omkar Bhalchandra Nisal
Director

Sd/-
Sushil Agrawal
Director

Place : Bengaluru
Date : 13 June, 2023

Place : Bengaluru
Date : 13 June, 2023