

Special Purpose Financial Statements and Independent Auditor's Report

Wipro IT Services SRL

31 March 2023



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Wipro IT Services SRI.

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Wipro IT Services SRI ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Special Purpose Financial Statements"). As explained in Note 2(i) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited ("the Parent") solely for inclusion in the annual report of Wipro limited for the year ended 31 March 2023 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of presentation referred to in Note 2(i) to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2023, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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



Basis of Accounting and Restriction on Use

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

Management Responsibility for the Special Purpose Financial Statements

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

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

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

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

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



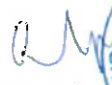
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

For **APPAJI&CO**

Chartered Accountants

Firm's Registration No.014147S


CA P Appaji
Partner
Membership No. 214156
Bengaluru
12 May 2023



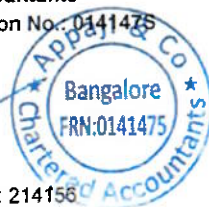
Wipro IT Services SRL
Balance Sheet as at 31 March 2023
(Amount in RON, unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	12	6,491	3,889
Current assets			
Financial assets			
Cash & Cash equivalents	3	4,820,703	2,863,523
Trade Receivables	4	6,461,915	4,473,832
Unbilled revenues		2,639,933	1,189,736
Other current assets	5	68,750	156,340
		<u>13,997,792</u>	<u>8,687,320</u>
TOTAL ASSETS		<u>13,997,792</u>	<u>8,687,320</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	45,200	45,200
Other equity		6,954,504	6,561,830
		<u>6,999,704</u>	<u>6,607,030</u>
Non-Current Liabilities			
Provisions	7	230,796	93,651
		<u>230,796</u>	<u>93,651</u>
Current liabilities			
Financial liabilities			
Borrowings	8	-	-
Trade payables	9	1,702,763	1,222,296
Other financial liabilities	10	1,717,321	672,857
Unearned revenues		3,132,194	-
Provisions	11	215,014	91,486
		<u>6,767,292</u>	<u>1,986,639</u>
TOTAL EQUITY AND LIABILITIES		<u>13,997,792</u>	<u>8,687,320</u>
Summary of significant accounting policies	2		

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

As per our report of even date
For Appaji and CO
Chartered Accountants
Firm Registration No. 0141475


CA P Appaji
Partner
Membership No: 214156
Place: Bengaluru
Date: 12 May 2023



For and on behalf of the Board of Directors
Wipro IT Services SRL

Irina Butnaru
Director

Place: Romania
Date: 12 May 2023



Wipro IT Services SRL

Statement of Profit and Loss for the year ended 31 March 2023

(Amount in RON, unless otherwise stated)

	Notes	Year ended 31 Mar 2023	Year ended 31 Mar 2022
REVENUE			
Revenue from Operations	13	12,809,816	11,459,541
Other Income	14	-	291
		<u>12,809,816</u>	<u>11,459,832</u>
EXPENSES			
Employee benefit expenses	15	7,313,203	6,686,810
Finance costs	16	-	10,633
Depreciation and amortisation expense	12	4,678	3,789
Sub contracting / technical fees / third party application		3,709,703	2,562,967
Other expenses	17	1,313,773	503,028
		<u>12,341,358</u>	<u>9,767,227</u>
Profit / (Loss) before tax		468,458	1,692,605
Current tax		75,783	174,362
Deferred tax		-	-
Tax expense [refer ETR note- 24]		75,783	174,362
Profit / (Loss) after tax		392,674	1,518,243
Other Comprehensive Income		-	-
Total Other Comprehensive Income / (Loss) for the year, net of tax		392,674	1,518,243
Earnings / (Loss) per equity share of par value RON 10 each			
Basic and diluted	18	87	336
Summary of significant accounting policies	2		

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

As per our report of even date
For Appaji and CO
Chartered Accountants
Firm Registration No.: 014147S

CA P Appaji
Partner
Membership No: 214156
Place: Bengaluru
Date: 12 May 2023

For and on behalf of the Board of Directors
Wipro IT Services SRL

Irina Butnaru
Director
Place: Romania
Date: 12 May 2023



Wipro IT Services SRL
Cash Flow Statement for the year ended 31 March 2023
(Amount in RON, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities		
Profit / (Loss) after tax	392,674	1,518,243
Adjustments to reconcile net profit/(loss) to net cash used in operating activities:		
Tax expense	75,783	174,362
Finance cost	-	10,633
Depreciation	4,678	3,789
Interest income	-	(291)
Working capital changes:		
Decrease/ (Increase) in Current Assets	(1,407,475)	(297,226)
Decrease/ (Increase) in Trade receivables	(1,988,083)	57,551
Increase/ (Decrease) in Non current liabilities	137,145	(50,935)
Increase/ (Decrease) in trade payable	480,467	518,182
Increase/ (Decrease) in Other financial Liabilities	1,044,464	(161,216)
Increase/ (Decrease) in Other Current Liabilities & provisions	3,255,721	(8,334)
Net cash generated from operations	<u>1,995,375</u>	<u>1,764,759</u>
Direct taxes (paid)	(30,915)	(76,811)
Net cash (used in) by operating activities (A)	<u>1,964,460</u>	<u>1,687,948</u>
Cash flow from investing activities		
Purchase of Property Plant and Equipment	(7,280)	(4,034)
Interest income	-	291
Net cash (used in) by investing activities (B)	<u>(7,280)</u>	<u>(3,743)</u>
Cash flows from financing activities:		
Share Capital Contribution	-	-
Interest	-	(10,633)
Borrowings availed/(repaid)	-	(2,097,819)
Net cash (used in) by financing activities (C)	<u>-</u>	<u>(2,108,453)</u>
Net decrease in cash and Cash equivalents during the period (A)	<u>1,957,180</u>	<u>(424,248)</u>
Cash and cash equivalents at the beginning of the period	<u>2,863,523</u>	<u>3,287,771</u>
Cash and cash equivalents at the end of the year	<u>4,820,703</u>	<u>2,863,523</u>

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

As per our report of even date

For Appaji and CO

Chartered Accountants

Firm Registration No: 0141475


CA P Appaji
Partner

Membership No: 214156

Place: Bengaluru

Date: 12 May 2023

For and on behalf of the Board of Directors

Wipro IT Services SRL

Irina Butnaru
Director

Place: Romania

Date: 12 May 2023



Wipro IT Services SRL

Statement of Changes in Equity for the year ended 31 March 2023

(Amount in RON, unless otherwise stated)

A) Share Capital

Equity share capital	Balance as at 01 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
Equity share of par value RON 10 each	45,200	-	45,200


Equity share capital	Balance as at 01 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
Equity share of par value RON 10 each	45,200	-	45,200


B) Other equity

Particulars	Retained earnings	Total
Balance as at 31 March 2022	6,561,830	6,561,830
Profit/(Loss) for the year	392,674	392,674
Other Comprehensive Income	-	-
Balance as at 31 March 2023	6,954,504	6,954,504
As per our report of even date	5,043,587	5,043,587
Profit/(Loss) for the year	1,518,243	1,518,243
Other Comprehensive Income	-	-
Balance as at 31 March 2022	6,561,830	6,561,830

The accompanying notes are an integral part of these Special Purpose financial statements

As per our report of even date
For Appaji and CO
Chartered Accountants
Firm Registration No. 014147S


CA P Appaji
Partner
Membership No: 214156
Place: Bengaluru
Date: 12 May 2023



For and on behalf of the Board of Directors
Wipro IT Services SRL


Irina Butnaru
Director
Place: Romania
Date: 12 May 2023



Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information (Amounts in RON, unless otherwise stated)

Note 2:

1. The Company Overview

Wipro IT Services SRL ("the Company") is a 99.98% owned subsidiary of Wipro Holdings (UK) Limited, incorporated and domiciled in Romania. The Company is provider of IT Services, including Business Process Services (BPS) and IT Products. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

2. A. Basis of preparation of special purpose 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.

Accounting policies have been applied consistently to all periods presented in these special purpose financial statements.

The special purpose financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of income and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

The functional currency of the Company is RON. All amount included in this special purpose financial statement are reported in RON except No of share, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

(ii) Basis of measurement

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

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

- a) **Revenue recognition:** 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

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information

(Amounts in RON, unless otherwise stated)

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, recognised revenue and profit 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 tax jurisdiction for the Company is Romania. 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 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.
- d) **Defined benefit plans and compensated absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- e) **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.
- f) **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

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information (Amounts in RON, unless otherwise stated)

as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

- g) 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 are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess 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 special purpose financial statements are presented in RON, which is the functional currency of the Company.

(ii) 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:

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.

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information (Amounts in RON, unless otherwise stated)

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.

iii) Derecognition of financial instruments

The Company derecognises 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 recognise the financial asset and also recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Impairment

A) Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments classified as FVTOCI, lease receivables, trade receivables 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.

(v) 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.

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information (Amounts in RON, unless otherwise stated)

(vi) Revenue

The Company derives revenue primarily from software development and being recognized on T&M basis.

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.

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

(vii) 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.

(viii) Cash flow statement

Cash flow statements is prepared 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.

(ix) Foreign currency transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates prevailing on the date of transaction. Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The exchange difference between the rate at which foreign currency transactions are accounted and the rate at which they are re-measured/ realized is recognized in the Statement of Income.

(x) 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 assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves -

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

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information (Amounts in RON, unless otherwise stated)

The Company at the commencement of the lease contract recognises a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

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 Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss.

For lease liabilities at inception, 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.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. 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 standalone statement of profit and loss.

For 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.

Lease payments are classified as Cash used in Financing activities.

(xi) Equity

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

Retained Earnings Comprises of the companies undistributed earnings after taxes

(xxii) Ind AS 116 – Leases

The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment, consequently, the company has recorded the lease liability at the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information (Amounts in RON, unless otherwise stated)

The company has excluded the initial direct costs from measurement of the RoU asset and do not recognise RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

(xxiii) 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. We present such receivables as part of Trade receivables at their net estimated realizable value.

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.

C. Disaggregation of Revenues

The table below presents disaggregated revenues from contracts with customers by business segment and contract-type. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

Particulars	Amount in RON
Revenue	
Sale of Services	12,809,816
Revenue by nature of contract	
Time and Material Contracts	12,809,816

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information (Amounts in RON, unless otherwise stated)

New amendments adopted by the Company effective from April 1, 2022

Amendments to Ind AS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendments specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be the incremental costs of fulfilling that contract (for example, direct labour and materials); or an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others). The adoption of this amendment has resulted in a reduction of ₹ 51 in opening retained earnings primarily due to allocation of other costs that relate directly to fulfilling contracts.

Amendments to Ind AS 103 – Business Combinations – Reference to Conceptual Framework

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The adoption of amendments to Ind AS 103 did not have any material impact on the interim condensed consolidated financial statements.

Amendments to Ind AS 109 – Financial Instruments

The amendments clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The adoption of amendments to Ind AS 109 did not have any material impact on the interim condensed consolidated financial statements.

Amendments to Ind AS 16 – Property, Plant and Equipment – Proceeds before intended use

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The adoption of amendments to Ind AS 16 did not have any material impact on the interim condensed consolidated financial statements.

Wipro IT Services SRL

**Summary of significant accounting policies and other explanatory information
(Amounts in RON, unless otherwise stated)**

New amendments not yet adopted

Amendments to Ind AS 12 – Income Taxes

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

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information

(Amount in RON, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Current Assets		
3 Cash & Cash Equivalents		
Current		
Balance with Bank	4,820,703	2,863,523
	4,820,703	2,863,523
4 Trade receivables		
Unsecured (consider good)	6,444,321	4,473,832
Inter Company receivables, net	17,595	-
	6,461,915	4,473,832
5 Other Current Assets		
Prepaid expenses	-	-
Employee Travel and Other Advances	5,223	3,465
Advance income tax, net of provision for tax	-	44,869
Medical Leave Contribution	63,528	108,007
	68,750	156,340
6 Share capital		
Authorised capital		
4520 Equity share of par value RON 10 each	45,200	45,200
	45,200	45,200
Issued, subscribed and paid-up capital		
4520 Equity share of par value RON 10 each	45,200	45,200
	45,200	45,200
a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:		
	As at 31 March 2023	As at 31 March 2022
	No. of shares	Amount
Number of common stock outstanding as at beginning of the year	4,520	45,200
Number of common stock issued during the year	-	-
Number/amount of common stock outstanding as at end of the year	4,520	45,200
b) Details of shares held		
	As at 31 March 2023	As at 31 March 2022
Name of shareholders		
Wipro Holdings (UK) Limited	99.98%	99.98%
Vivek Bakshi	0.02%	0.02%
Total	100%	100%
7 Long Term Provision		
Provision for compensated absences	230,796	93,651
	230,796	93,651
8 Borrowings		
Unsecured		
Loans and advances from related parties (refer note 19)	-	-
	-	-

	As at 31 March 2023	As at 31 March 2022
9 Trade payables		
Trade payables	1,702,763	1,007,320
Inter Company payables, net	-	214,976
	1,702,763	1,222,296

	As at 31 March 2023	As at 31 March 2022
10 Other financial liabilities		
Current		
Employee dues	689,319	385,564
VAT Payable	596,426	31,404
Other Payables	400,664	255,889
Provision for tax (net of Advance income tax paid)	30,913	-
Interest accrued but not due	-	-
	1,717,321	672,857

	As at 31 March 2023	As at 31 March 2022
11 Provisions		
Provision for compensated absences	215,014	91,486
	215,014	91,486

Wipro IT Services SRL
Summary of significant accounting policies and other explanatory information
(Amount in RON, unless otherwise stated)

Note 12 Property, Plant & Equipment

Particulars	Plant & machinery	Total
Gross block		
Balance as at 31 March 2021	3,790	3,790
Additions during the year	4,034	4,034
Disposals during the year	-	-
Balance as at 31 March 2022	7,824	7,824
Additions during the year	7,280	7,280
Disposals during the year	-	-
Balance as at 31 March 2023	15,104	15,104
Accumulated depreciation		
Balance as at 31 March 2021	146	146
Charge for the year	3,789	3,789
Disposals/Adjustment	-	-
Balance as at 31 March 2022	3,935	3,935
Charge for the year	4,678	4,678
Disposals/Adjustment	-	-
Balance as at 31 March 2023	8,613	8,613
Net block		
Balance as at 31 March 2021	3,644	3,644
Balance as at 31 March 2022	3,889	3,889
Balance as at 31 March 2023	6,491	6,491

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information

(Amount in RON, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
13 Revenue		
Revenue from Operations	12,809,816	11,459,541
Sales to Subsidiaries	-	-
	<u>12,809,816</u>	<u>11,459,541</u>
	Year ended 31 March 2023	Year ended 31 March 2022
14 Other Income		
Interest income	-	291
	<u>-</u>	<u>291</u>
	Year ended 31 March 2023	Year ended 31 March 2022
15 Employee benefit expenses		
Salaries and wages	7,040,790	6,371,196
Staff welfare	272,413	315,614
	<u>7,313,203</u>	<u>6,686,810</u>
	Year ended 31 March 2023	Year ended 31 March 2022
16 Finance cost		
Interest expense	-	10,633
	<u>-</u>	<u>10,633</u>
	Year ended 31 March 2023	Year ended 31 March 2022
17 Other expenses		
Legal and professional charges	204,242	133,306
Insurance	16,256	23,152
Loss on foreign exchange adjustments, net	(192,842)	62,399
Rent	302,326	10,654
Rates & Taxes	535	1,882
Auditor's Fees	-	-
Bank Charges	3,094	4,601
Other Expenses	980,162	267,034
	<u>1,313,773</u>	<u>503,028</u>
	Year ended 31 March 2023	Year ended 31 March 2022
18 Earnings per share (EPS)		
Net profit/(loss) after tax attributable to the equity shareholders	392,674	1,518,243
Weighted average number of equity shares - for basic and diluted EPS	4,520	4,520
Earnings per share - Basic and diluted	87	336

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information

(Amount in RON, unless otherwise stated)

19 Related party disclosure

A Parties where control exists:

Name of the related party	Nature of relationship
Wipro Limited	Ultimate Holding Company
Wipro Holdings (UK) Ltd	Holding company
Wipro Technologies SRL	Fellow Subsidiary
Wipro Holdings Hungary Kft	Fellow Subsidiary

B The Company has the following related party transactions:

Particulars	Relationship	As at 31 March 2023	As at 31 March 2022
Interest expense			
Wipro Holdings (UK) Ltd	Holding Company	-	-
Wipro Holdings Hungary Kft	Fellow Subsidiary	-	10,633
Loan (repaid)/availed			
Wipro Holdings (UK) Ltd	Holding Company	-	-
Wipro Holdings Hungary Kft	Fellow Subsidiary	-	(2,079,050)
Sale of Services			
Wipro Technologies SRL	Fellow Subsidiary	-	-
Interest repaid			
Wipro Holdings (UK) Ltd	Holding Company	-	16,865
Corporate Overheads			
Wipro Limited	Ultimate Holding Company	299,299	255,924

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

Particulars	Relationship	As at 31 March 2023	As at 31 March 2022
Borrowings (including accrued interest)			
Wipro Holdings Hungary Kft	Fellow Subsidiary	-	-
Payables			
Wipro Limited	Ultimate Holding Company	-	214,976

20 Employee Benefit

Particulars	As at 31 March 2023	As at 31 March 2022
-------------	------------------------	------------------------

(A) Defined Benefits Plans

Compensated absences for Employees	445,810	185,138
Actuarial assumptions		
Discount rate (per annum)	7.47%	6.07%
Rate of increase in Salary	2.00%	3% for the first year and 2% thereafter
Expected average remaining working lives of employees (years)	27.34	27.17
Demographic Assumptions:-		

Withdrawal rates, based on age: (per annum)	As on 31-Mar-2022			As on 31-Mar-2023		
	Band B3 and Below	Band C	Band D and above	Band B3 and Below	Band C	Band D and above
Upto 20 years	47.56%	38.59%	30.76%	39.07%	36.00%	27.97%
21 to 30 years	47.56%	38.59%	30.76%	39.07%	36.00%	27.97%

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information

(Amount in RON, unless otherwise stated)

31 to 35 years	45.78%	38.59%	30.76%	39.03%	36.00%	27.97%
36 to 45 years	35.94%	38.59%	30.76%	31.92%	36.00%	27.97%
46 to 50 years	35.94%	34.16%	30.76%	31.92%	33.19%	27.97%
51 to 55 years	35.94%	34.16%	30.76%	31.92%	33.19%	27.97%
Above 56 years	35.94%	34.16%	30.76%	31.92%	33.19%	27.97%

Sensitivity Analysis

Particulars	31-Mar-22		31-Mar-23	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	188,893	181,383	455,955	435,665
(% change compared to base due to sensitivity)	2.0%	-2.0%	2.3%	-2.3%
Salary Growth Rate (- / + 1%)	181,511	188,851	435,742	456,205
(% change compared to base due to sensitivity)	-2.0%	2.0%	-2.3%	2.3%
Attrition Rate (- / + 50%)	177,985	188,059	399,570	464,690
(% change compared to base due to sensitivity)	-3.9%	1.6%	-10.4%	4.2%
Mortality Rate (- / + 10%)	185,134	185,141	445,780	445,839
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

Maturity Profile of Defined Benefit Obligation

Expected cash flows over the next (valued on undiscounted basis):	Romanian leu (RON)
1 year	215,014
2 to 5 years	255,380
6 to 10 years	59,900
More than 10 years	10,841

Movement in Provision

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	185,138	244,407
Net Addition/(deletion) during the year	260,672	(59,269)
Closing Balances	445,810	185,138

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information

(Amount in RON, unless otherwise stated)

21 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	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Cash & Cash equivalents	3	-	-	4,820,703	4,820,703	4,820,703
Trade receivables	4	-	-	6,461,915	6,461,915	6,461,915
Total financial assets				11,282,618	11,282,618	11,282,618
Financial liabilities :						
Borrowings	8	-	-	-	-	-
Trade payables	9	-	-	1,702,763	1,702,763	1,702,763
Other financial liabilities	10	-	-	1,717,321	1,717,321	1,717,321
Total financial liabilities				3,420,084	3,420,084	3,420,084

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Cash & Cash equivalents	3	-	-	2,863,523	2,863,523	2,863,523
Trade receivables	4	-	-	4,473,832	4,473,832	4,473,832
Total financial assets				7,337,355	7,337,355	7,337,355
Financial liabilities :						
Borrowings	8	-	-	-	-	-
Trade payables	9	-	-	1,222,296	1,222,296	1,222,296
Other financial liabilities	10	-	-	672,857	672,857	672,857
Total financial liabilities				1,895,153	1,895,153	1,895,153

Notes to financial instruments

i. The management assessed that the fair value of Cash & Cash equivalents, trade receivables, other financial assets, other current assets, borrowings, trade payables, other financial liabilities and other current 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.

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information

(Amount in RON, unless otherwise stated)

22 Financial risk management

The Company manages market risk through a corporate treasury department, which evaluates and exercises independent control over the entire process of market risk management. The corporate treasury department recommends risk management objectives and policies, which are approved by senior management and Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

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. Individual risk limits are set accordingly. The company has only one customer which contributes 100% of revenue and has no other significant customer base. This only customer is one of fellow subsidiary of ultimate holding company and hence, we dont see significant concentration of credit risk.

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.

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's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of March 31, 2023, cash and cash equivalents are held with major banks and financial institutions.

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information

(Amount in RON, unless otherwise stated)

22 Financial risk management (cont'd)

B Liquidity risk (cont'd)

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 2023	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	-	-	-	-
Trade payables	1,702,763	-	-	1,702,763
Other financial liabilities	1,717,321	-	-	1,717,321
Total	3,420,084	-	-	3,420,084
31 March 2022	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	-	-	-	-
Trade payables	1,222,296	-	-	1,222,296
Other financial liabilities	672,857	-	-	672,857
Total	1,895,153	-	-	1,895,153

C 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 2023	31 March 2022
Variable rate borrowing	-	-
Fixed rate borrowing	-	-
	-	-

Interest rate risk

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

Particulars	31-Mar-22	31-Mar-22
Interest rates – increase by 50 basis points (50 bps)	-	-
Interest rates – decrease by 50 basis points (50 bps)	-	-

D Foreign currency risk

The Company operates internationally and a major portion of its business is transacted in Euro. Consequently, the Company is exposed to foreign exchange risk through receiving payment for sales. The exchange rate risk primarily arises from foreign exchange revenue and receivables. The Company follows established risk management policies to mitigate this risk.

As at March 31 2023, company is having EUR 1,286,366.09 receivable in foreign currency, 1% change in spot exchangerate in RON with EUR would result in approximately RON 64,102 in Statement of Income for the year ended 31 March 2023

23 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 interest bearing borrowings and interest accrued on them

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information

(Amount in RON, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Borrowings	8	-	-
Interest accrued		-	-
Less: Cash & Cash equivalents		4,820,703	2,863,523
Net Debt		(4,820,703)	(2,863,523)
Equity share capital	Equity	45,200	45,200
Other equity	Equity	6,954,504	6,561,830
Total equity		6,999,704	6,607,030
Total Capital		2,179,001	3,743,508
Gearing Ratio (as %age of net debt to total capital)		(2.21)	(0.76)

In order to achieve the objective of maximising shareholders value, the Company's capital management, amongst other things, aims to manage its capital structure and makes adjustments in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information

(Amount in RON, unless otherwise stated)

24 Effective Tax Rate (ETR) Reconciliation

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	75,783	174,362
Deferred tax	-	-
Tax expense	75,783	174,362

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit Before Taxtion	468,458	1,692,605
Enacted Income Tax Rate	16%	16%
Computed Expected Tax Expenses	74,953	270,817
Effect of		
Expenses Disallowed for Tax Purpose	0	11,833
Others Net	0	0
Adjustments for current tax of prior periods	830	(108,288)
Income tax expense	75,783	174,362

25 Segment information

The Company is providing software development services which is considered to be the only reportable business segment as per Ind AS108, 'Segment Reporting'. The Company operates primarily in Romania and there is no other significant geographical segment. The company has only customer which contributes 100% of revenue and has no other significant customer base.

26 Events occurring after the reporting date

There are no adjusting or significant non-adjusting events have occurred between 31 March 2023 and the date of authorization of these special purpose financial statements.

As per our report of even date

For Appaji and CO

Chartered Accountants

Firm Registration No: 034147S



CA P Appaji

Partner

Membership No: 214156

Place: Bengaluru

Date: 12 May 2023

For and on behalf of the Board of Directors

Wipro IT Services SRL

Irina Butnaru

Director

Place: Romania

Date: 12 May 2023



