

Special purpose Financial Statements and Auditor's Report

Wipro Holdings (UK) Ltd

31 March 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro Holdings (UK) Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Wipro Holdings (UK) Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Special Purpose Financial Statements"). As explained in Note 2.1(i) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited ("the Parent") solely for inclusion in the annual report of Wipro limited for the year ended March 31, 2021 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 accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act') of the state of affairs of the Company as at 31 March 2021, and 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 Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements 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.

Responsibilities of the Management and Those Charged with Governance for 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.

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.

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.

Other Matters

The audited financial statements of the Company for the corresponding year ended 31 March 2020 prepared in accordance with IND AS included in these financial statements, have been audited by the predecessor auditors whose audit report dated 15th June 2020 expressed an unmodified opinion on those audited financial statements.

Our opinion is not modified in respect of this matter.

Restriction on distribution or use

This report is intended solely for the information of the Company's and its ultimate holding company's board of directors and is not intended to be and should not be used by anyone other than specified parties. 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.

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

M Seethalakshmi
Partner
Membership No. 208545
UDIN: 21208545AAAAFR3392

Place of Signature: Bangalore
Date: 8th June 2021

Wipro Holdings (UK) Ltd
Balance Sheet as at 31st Mar, 2021
(All amounts are in GBP thousands, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,714	5,005
Investments	4	73,995	48,079
Other Financial Assets	5	1,467	-
Total non-current assets		78,175	53,084
Current assets			
Inventories (Traded Goods)	6	-	61
Financial assets			
Trade receivables	7	6,244	7,497
Cash and cash equivalents	8	3,176	23,251
Unbilled revenues		572	683
Other financial assets	5	2,067	37,785
Contract Asset		62	-
Current tax balances	8A	(281)	1,069
Total current assets		11,840	70,347
TOTAL ASSETS		90,016	123,431
EQUITY			
Equity share capital	9A	79,463	79,463
Other equity	9B	(88,644)	(55,866)
Total equity		(9,181)	23,597
LIABILITIES			
Current liabilities			
Financial liabilities			
Borrowings	12	88,067	89,555
Trade payables	10	3,864	5,869
Other financial liabilities	11	1,691	3,494
Other Liabilities	13	5,574	917
Total current liabilities		99,197	99,834
TOTAL EQUITY AND LIABILITIES		90,016	123,431

See accompanying notes to the financial statements 1- 30

The accompanying notes are an integral part of the financial statements.

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

For and on behalf of Board of Directors
Wirpo Holdings (UK) Limited

Sd/-
Seethalakshmi M
Partner
Membership No: 208545
Place: Bengaluru
Date: 8th June 2021

Sd/-
Ramesh Phillips
Director
Sd/-
Anandh Raghavan
Director

Date: 8th June 2021

Wipro Holdings (UK) Limited

Statement of Profit & Loss for the year ended 31st Mar,2021

(All amounts are in GBP thousands, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
REVENUE			
Revenue from operations	14	16,584	19,927
Other income	15	2,170	1,459
Total		18,754	21,386
EXPENSES			
Cost of materials consumed	18	1,198	406
Sub Contracting/Technical Fees		11,098	14,866
Finance costs	16	1,198	1,514
Depreciation and amortisation expense	3	2,211	585
Other expenses	17	35,934	12,695
Total Expenses		51,640	30,067
Profit/ (loss) before tax		(32,886)	(8,681)
Tax expense			
Current tax		281	222
Prior Period Tax		(34)	
Deferred tax			
Tax expense	20	247	222
Profit/ (loss) for the year		(33,133)	(8,903)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Change in fair value of equity instruments designated as FVTOCI		402	-
Total Other Comprehensive Income for the year		402	-
Total Comprehensive Income for the year		(32,731)	(8,903)
Earnings / (Loss) per share	21		
Basic and Diluted earnings /(loss) per share (GBP)		(254.57)	(68.41)

See accompanying notes to the financial statements 1- 30

The accompanying notes are an integral part of the financial statements.

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

For and on behalf of Board of Directors
Wirpo Holdings (UK) Limited

Sd/-
Seethalakshmi M
Partner
Membership No: 208545
Place: Bengaluru
Date: 8th June 2021

Sd/- Sd/-
Ramesh Phillips Anandh Raghavan
Director Director

Date: 8th June 2021

Wipro Holdings (UK) Limited
Cash Flow Statement for the year ended March 2021
(All amounts are in GBP thousands, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flow from operating activities		
Profit/(Loss) after tax	(33,133)	(8,903)
Adjustments		
Depreciation and amortization	2,211	585
Impairment of investment	32,364	9,697
Unrealised exchange differences - net	368	2,166
Provision for tax	247	222
Interest expense	1,198	1,514
Dividend Income	(11)	-
Interest income	(368)	(802)
Operating profit before working capital changes	2,877	4,479
Adjustments for working capital changes:		
Reduction in Trade receivable	1,302	2,041
Reduction in financial assets and other current assets	(2,455)	1,384
Increase in trade payables	(2,005)	(4,855)
Increase in Other current liability	(1,802)	846
Loans and advances, other liabilities and provisions	5,761	15,092
Net cash generated from operations	3,677	18,987
Direct taxes (paid) / refund	-	74
Net cash generated by operating activities	3,677	19,061
B. Cash flows from investing activities:		
Acquisition of plant and equipment (net of deletions)	-	(226)
Investment	(57,878)	(08)
Loan repaid	36,801	
Dividend Received	11	-
Interest Received	368	802
Net cash generated by / (used in) investing activities	(20,698)	568
C. Cash flows from financing activities:		
Loan from related parties	(1,488)	-
Interest paid	(1,198)	(1,514)
Net cash generated by / (used in) financing activities	(2,686)	(1,514)
Net (decrease) / increase in cash and Cash equivalents during the year	(19,707)	18,115
Cash and cash equivalents at the beginning of the year	23,251	7,302
Effect of exchange rate changes on Cash	(368)	(2,166)
Cash and cash equivalents at the end of the year (refer note 8)	3,176	23,251

See accompanying notes to the financial statements 1- 30

The accompanying notes are an integral part of the financial statements.

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

For and on behalf of Board of Directors
Wirpo Holdings (UK) Limited

Sd/-
Seethalakshmi M
Partner
Membership No: 208545
Place: Bengaluru
Date: 8th June 2021

Sd/-
Ramesh Phillips
Director
Sd/-
Anandh Raghavan
Director

Date: 8th June 2021

Wipro Holdings (UK) Limited
Statement of changes in equity for the year ended 31st March 2021
(All amounts are in GBP thousands, unless otherwise stated)

(A) Equity share capital

	As at 31st March 2021	As at 31st March 2020
Equity shares of [USD 1] each issued, subscribed and fully paid 2020-130,151,974		
2021-130,151,974		
Opening	79,463	79,463
Add: issue during the year	-	-
Closing	79,463	79,463

(B) Other equity

	Other items of OCI	Retained Earnings	Total
Balance as at 31 March 2019	-	(46,963)	(46,963)
Profit for the year	-	(8,903)	(8,903)
Balance as at 31 March 2020	-	(55,866)	(55,866)
Profit for the year		(33,133)	(33,133)
Fair Valuation of Equity Instruments through OCI	402		402
Other adjustments		(47)	(47)
Balance as at March 31, 2021	402	(89,046)	(88,644)

See accompanying notes to the financial statements 1- 30

The accompanying notes are an integral part of the financial statements.

As per our report attached

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

For and on behalf of Board of Directors
Wirpo Holdings (UK) Limited

Sd/-
Seethalakshmi M
Partner
Membership No: 208545
Place: Bengaluru
Date: 8th June 2021

Sd/-
Ramesh Phillips
Director

Sd/-
Anandh Raghavan
Director

Date: 8th June 2021

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts are in GBP thousands, unless otherwise stated)

1 The Company overview

Wipro Holdings (UK) Limited (the Company) , is a subsidiary of Wipro Limited (the holding company). The principal activities of the Company are to act as a holding entity for step down subsidiaries and provide IT enabled services. Wipro Limited holds 100% equity of the Company.

2 Basis of preparation of financial statements

2.1 Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These Special Purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013.

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

The Company has incurred net loss of GBP 32,886 during the year ended 31 March 2021 (loss of GBP 8,681 for year ended on 31 March 2020) and has accumulated losses amounting GBP 88,644 as on 31st March 2021. The financial statement has been prepared on the assumption that the Company will continue as a going concern, based on the continuing financial support by the shareholders / investors. Further, the Company and its holding Company has adequate liquid assets to support the operation of the Company for next one year. Accordingly, the Company will be able to realise its assets and discharge its liabilities as recorded in these financial statements in the normal course of business

(ii) Basis of Measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(iii) Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note M for detailed discussion on estimates and judgments.

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts are in GBP thousands, unless otherwise stated)

2.2 Significant accounting policies

A. Financial Instruments

Non-derivative financial instruments:

Non derivative financial instruments consist of:

- financial assets ,which includes cash and cash equivalents, trade receivables and eligible current and non current asset;
- financial liabilities, which includes trade payables, eligible current and non current liabilities.

These financial instruments are recognised initially at fair value. Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset has been transferred. In cases where substantial risks and rewards of ownership of the financial asset are neither transferred or retained ,financial asset are de-recognised only when the Company has not retained control over the financial asset.

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

i Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

ii Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables and other assets

iii Trade and Other Payables

Trade and other payables are initially recognized 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

B Revenue recognition

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

Services:

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

i Time and material contracts

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

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts are in GBP thousands, unless otherwise stated)

ii Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total

Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting year.

'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

iii Maintenance Contracts

Revenue from maintenance contracts is recognized rateably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

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

Revenue recognition is done on straight line basis over the term of performance obligation using the output method (with respect to time)

iv Others

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale. The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs. Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term.

Contract expenses are recognised as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

v Products:

Revenue from sale of products is recognised when the significant risks and rewards of ownership has been transferred in accordance with the sales contract. Revenue from product sales is shown net of excise duty and net of sales tax separately charged and applicable discounts.

vi Other income

Interest is recognized using the time proportion method, based on the rates implicit in the transaction.

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts are in GBP thousands, unless otherwise stated)

C Property, plant and equipment

i Recognition and measurement

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

ii Depreciation

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

Category	Useful life
Buildings	28 to 40 years
Plant and machinery	5 to 21 years
Computer equipment and software	2 to 7 years
Furniture, fixtures and equipment	3 to 10 years
Vehicles	4 to 5 years

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

The cost of property, plant and equipment not available for use before each reporting date are disclosed under capital work-in-progress. Deposits & advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date are shown as capital advances under the head of other non-current assets.

D Foreign currency transactions and translations

(i) Functional and presentation currency

These financial statements are presented in the British Pound, the national currency of United Kingdom, which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges. Gains/(losses) 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 FVTOCI are included in other comprehensive income, net of taxes.

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts are in GBP thousands, unless otherwise stated)

E Taxes

Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

F Leases

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

a) Arrangements where the Company is the 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 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.

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

The cost of the right-of-use assets 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 is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Company applies IND AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non financial assets included as part of our annual financial statements for the year ended March 31, 2021.

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 is 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 assets. Where the carrying amount of the right-of use assets 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 consolidated statement of income.

Company has elected not to apply requirements of para 22-49 of Ind AS 116 to short term leases and low value leases. 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

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts are in GBP thousands, unless otherwise stated)

b) Arrangements where the Company is the lessor

Lease income from operating leases where the group is a lessor is recognized in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The group did not need to make any adjustments to the accounting assets held as lessor as a result of adopting the new leasing standard.

G Cash flow statement

Cash flows are reported using indirect method, whereby net profits after tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

H Equity and share capital

(a) Share capital

The authorized share capital of the Company as of March 31, 2021 is 130,151,974 equity shares of face value USD 1 each

The voting right of an equity share holder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity. Voting right cannot be exercised in respect of shares on which any call or other sums presentably payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

(b) Retained earnings

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

I 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.

J Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts are in GBP thousands, unless otherwise stated)

K Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash

L Inventories

Inventories are valued at the lower of cost and net realisable value.

Materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

M Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

i Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts are in GBP thousands, unless otherwise stated)

(b) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate

(c) 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 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 labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer

(d) Useful lives of property, plant and equipment

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

(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) 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

(g) Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these standalone financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

(i) New amended standards and interpretations

- i. Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'
- ii. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- iii. Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non-adjusting event.
- iv. Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- v. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- vi. Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.
- vii. Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- viii. Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
- ix. Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts are in GBP thousands, unless otherwise stated)

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

Other amendments to the existing standards
None

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

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31st March 2021
(All amounts are in GBP thousands, unless otherwise stated)

Note 3 : Property, plant and equipment

A - For the financial year 2020-21

	Plant and machinery	Buildings	Total
Gross block (at cost)			
Balance as at 01 April 2020	4,708	3,990	8,698
Additions	-	-	-
Adjustment	(2,437)		(2,437)
Balance as at 31 March 2021	2,271	3,990	6,261
Accumulated depreciation			
Balance as at 01 April 2020	2,545	1,148	3,692
Depreciation charge for the year	2,073	139	2,211
Adjustments	(2,356)		(2,356)
Balance as at 31 March 2021	2,261	1,286	3,548
Net block			
Balance as at 31 March 2020	2,163	2,843	5,005
Balance as at 31 March 2021	10	2,704	2,714

B - For the financial year 2019-20

	Plant and machinery	Buildings	Total
Gross block (at cost)			
Balance as at 01 April 2019	4,481	3,990	8,471
Additions	62	-	62
Adjustment	165		165
Balance as at 31 March 2020	4,708	3,990	8,698
Accumulated depreciation			
Balance as at 01 April 2019	2,067	1,040	3,107
Depreciation charge for the year	477	108	585
Balance as at 31 March 2020	2,545	1,148	3,692
Net block			
Balance as at 31 March 2019	2,414	2,950	5,364
Balance as at 31 March 2020	2,163	2,843	5,005

Wipro Holdings (UK) Limited

Notes forming part of the Financial Statements for the year ended 31st March 2021

(All amounts are in GBP thousands, unless otherwise stated)

4 Details of non-current investments

Investments

A For the financial year 2020-21

Particulars	Investment in Group company	Unlisted Investments	Total
Cost			
As at 1st April 2020	107,941	6,296	114,237
Additions*	57,878	402	58,280
Disposals			-
As at 31st March 2021	165,819	6,698	172,517
Impairment			
As at 1st April 2020	(66,158)	-	(66,158)
Additions	(32,364)	-	(32,364)
As at 31st March 2021	(98,522)	-	(98,522)
Net Book Value			
As at 31st March 2020	41,783	6,296	48,079
As at 31st March 2021	67,297	6,698	73,995

All the above investments are unquoted.

* During the year the Company has invested GBP 57.8 Mn in different subsidiaries.

Subsidiary Undertaking	Investment	Designation	Holding %
Wipro Financial Services UK Limited	4,677	Ammortised Cost	100
Wipro IT Services S. R. L.	08	Ammortised Cost	95
Designit	62,488	Ammortised Cost	100
Wipro Europe Limited	43,422	Ammortised Cost	100
4C NV	55,223	Ammortised Cost	100
	165,819		

B For the financial year 2019-20

	Investment in Group company	Unlisted Investments	Total
Cost			
As at 1st April 2019	107,932	6,296	114,228
Additions*	08		08
Disposals			-
As at 31st March 2020	107,941	6,296	114,237
Impairment			
As at 1st April 2019	56,461	-	56,461
Additions	9,697	-	9,697
As at 31st March 2020	66,158	-	66,158
Net Book Value			
As at 31st March 2019	51,471	6,296	57,767
As at 31st March 2020	41,782	6,296	48,079

All the above investments are unquoted.

* During the year the Company has invested GBP 8.174 in Wipro IT Services S. R. L.

Subsidiary Undertaking	Holding %
Wipro Digital APS	100
Wipro IT Services S. R. L.	100
Wipro Europe Limited	100
Wipro Financial Services UK Ltd	100

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31st March 2021
(All amounts are in GBP thousands, unless otherwise stated)

Note 5 Other Financial Assets

	As at 31st March 2021	As at 31st March 2020
Non-current		
Finance Lease Receivables	1,467	-
	1,467	-
Current		
Prepaid expenses	773	984
Loans to subsidiary companies	-	36,801
Other Receivables	668	-
Finance Lease Receivables	625	-
	2,067	37,785

Note 6 Inventories

(At lower of cost and net realizable value)

	As at 31st March 2021	As at 31st March 2020
Traded goods	72	61
Less: Provision for non moving stock	(72)	-
	-	61

Note 7 Trade Receivable

Unsecured:

	As at 31st March 2021	As at 31st March 2020
Considered good	6,120	7,497
Considered doubtful	42,942	42,942
	49,062	50,439
With Group Companies - Considered good	125	-
Less: Allowance for lifetime expected credit loss	(42,942)	(42,942)
	6,244	7,497

Note 8 Cash and cash equivalent

Cash and cash equivalents

	As at 31st March 2021	As at 31st March 2020
Balances with banks	-	-
In current accounts	3,176	23,251
	3,176	23,251

Note 8A Current tax balances

	As at 31st March 2021	As at 31st March 2020
Advance tax	1,263	2,367
Corporate tax payable	(1,545)	(1,297)
	(281)	1,069

	As at 31st March 2021	As at 31st March 2020
Note 9A Share Capital		
Equity Contribution-Wipro Limited	79,463	79,463
	79,463	79,463

Issued, subscribed and paid-up capital

Equity shares of [USD 1] each issued, subscribed and fully paid 2021-130,151,974 2020-130,151,974	79,463	79,463
	79,463	79,463

Share Issued included 1 deferred share of GBP 1. The holder of the deferred share does not have the right to receive notice or to attend and vote at general meetings of the Company, is not entitled to any dividend declared or paid by the Company, and in the event of any winding up, shall be entitled to repayment of the nominal value of such share but shall not be entitled to participate further in any distribution of the Company's assets.

	As at 31st March 2021	As at 31st March 2020
Note 9B Other Equity		
Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	(55,866)	(46,963)
Add: Net loss for the current year	(33,133)	(8,903)
Closing balance	(88,999)	(55,866)
Adjustment in SOCIE	(47)	
Add: Other Comprehensive Income	402	
Total other equity	(88,644)	(55,866)

	As at 31st March 2021	As at 31st March 2020
Note 10 Trade payables		
Trade Payable	1,287	1,582
Payable to group companies	932	2,158
Provision for expenses	1,645	2,129
	3,864	5,869

	As at 31st March 2021	As at 31st March 2020
Note 11 Other Financial Liabilities		
Current		
Unearned revenue	584	2,296
Other Liabilities	1,107	1,198
	1,691	3,494

	As at 31st March 2021	As at 31st March 2020
Note 12 Borrowings		
Unsecured:		
Term loan:		
External Borrowings	118	232
Obligation under finance lease	2,083	-
Loan from Related Parties	85,866	89,323

Note 13 Other Liabilities

Current

VAT Payable

	88,067	89,555
	As at 31st March 2021	As at 31st March 2020
	5,574	917
	5,574	917

Wipro Holdings (UK) Limited**Notes forming part of the Financial Statements for the year ended 31st March 2021**

(All amounts are in GBP thousands, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
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Note 14 Revenue from Operations

Sale of services	16,584	19,927
Revenue from operations	<u>16,584</u>	<u>19,927</u>

Note 15 Other Income

Dividend Income	11	-
Rental Income	582	569
Interest on debt instruments and others	368	802
Other exchange differences, net	1,209	88
	<u>2,170</u>	<u>1,459</u>

Note 16 Finance costs

Interest Cost	1,198	1,514
	<u>1,198</u>	<u>1,514</u>

Note 17 Other expenses

Technical fees / third party application	2,766	2,637
Auditors Fees	18	18
Bad debts	-	52
Bank charges	18	20
Donations	167	150
Legal & Professional Fees	83	23
Miscellaneous expenses	32,883	9,795
	<u>35,934</u>	<u>12,695</u>

Note 18 Cost of Materials Consumed

Cost of materials consumed	1,198	406
	<u>1,198</u>	<u>406</u>

Wipro Holdings (UK) Limited
Summary of significant accounting policies and other explanatory information

(All amounts are in GBP thousands, unless otherwise stated)

19 Related party disclosure
i) Parties where control exists

Nature of relationship	Name of Related Party
Ultimate Holding Company	Wipro Limited
Subsidiary	Wipro Financial Services UK Limited
Subsidiary	Wipro IT Services S. R. L.
Subsidiary	4C NV
Fellow Subsidiary	Wipro Cyprus Pvt Ltd
Fellow Subsidiary	Wipro Technologies GmbH
Fellow Subsidiary	PT WT Indonesia
Subsidiary	Wipro Europe Limited
Fellow Subsidiary	Wipro Technologies Nigeria Limited
Subsidiary	Wipro Digital ApS
Fellow Subsidiary	Opus Capital Markets Consultants LLC
Fellow Subsidiary	Wipro LLC
Fellow Subsidiary	Wipro Portugal SA
Fellow Subsidiary	Wipro Holdings Hungary Kft
Fellow Subsidiary	Wipro IT Services, Inc.
Fellow Subsidiary	Designit Denmark AS
Fellow Subsidiary	Appirio Ltd (UK)
Fellow Subsidiary	Wipro Technologies SRL
Fellow Subsidiary	Wipro Information Technology Austria GMBH

ii) The Company has the following related party transactions:

Particulars	Relationship	31 March 2021	31 March 2020
Share Capital			
Dividend received			
Wipro Financial Services UK Limited		11	-
Interest Income			
Wipro Cyprus Pvt Ltd		278	683
Wipro Technologies GmbH			28
Promax Europe Limited		01	-
Wipro Technologies Nigeria Limited			1
Wipro Retail - Germany		28	-
Wipro IT Services S. R. L.		22	47
Wipro Financial Services UK Limited			14
Rental Income			
Wipro Limited		582	569
Interest Expense			
Wipro LLC		63	443
Wipro Holdings Hungary Kft		523	1,028
Wipro Holdings Invst Ltd		446	
Commission Income			
Wipro Corporate		-	15

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

Particulars	31 March 2021	31 March 2020
Appirio Ltd (UK)		
Wipro UK Limited	(53)	(61)
Wipro Cyprus Private Limited	14,036	34,364
Wipro Digital ApS		06
Wipro Europe Limited		
Wipro Financial Services UK Limited	(9)	512
Wipro GMBH	1,331	1,220
Wipro Holdings Investment Kft	(56,224)	
Wipro Holdings Hungary Kft	(45,089)	(45,703)
Wipro IT Services Inc.		
Wipro IT Services S. R. L.		580
Wipro Limited	(622)	(1,968)
Wipro Portugal SA	-	(22,494)
Wipro retail Germany	(38)	-
Wipro Technologies Nigeria Limited		35
Designit London	(23)	(77)
Wipro LLC	(59)	
Wipro Holdings Investment Limited	(00)	(23,390)

*Amounts below rounding off norm adopted by the Company

- iv) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. Corporate Guarantee has been provided by Wipro Limited on behalf of Wipro Holdings UK Limited for its external customers amounting to GBP 1,671 (in 000's). For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

20 Income Tax

i Tax losses of are available for offsetting against future taxable profits of the Company or Group Companies. Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits and there are no other tax planning opportunities or other evidence of recoverability in the near future.

	31-Mar-21	31-Mar-20
ii Income tax expense		
- Current tax taxes	281	222
- Adjustments in respect of current income tax of previous year	(34)	-
- Deferred tax charge / (income)	-	-
Income tax expense reported in the statement of profit or loss	247	222
iii Reconciliation of tax charge		
Profit before tax	(32,886)	(8,681)
Income tax expense at tax rates applicable	(6,248)	(1,649)
Tax effects of:		
- Item not deductible for tax		
- Others	6,496	1,872
Income tax expense	247	222

21 Earnings/ Loss per share

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

Diluted earnings / (loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

	31-Mar-21	31-Mar-20
Profit / (Loss) attributable to equity holders	(33,133)	(8,903)
Less: preference dividend after-tax	-	-
Loss attributable to equity holders after preference dividend	(33,133)	(8,903)
Add: Interest on convertible preference shares	-	-
Loss attributable to equity holders adjusted for the effect of dilution	(33,133)	(8,903)
Weighted average number of equity shares for basic EPS	130,151,974	130,151,974
Weighted average number of equity shares adjusted for the effect of dilution	130,151,974	130,151,974
Basic and Diluted loss per share (GBP)	(254.57)	(68.41)

22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

23 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

24 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Fair value measurement hierarchy of assets

	Total	Level-1	Level-2	Level-3
Assets				
Investment in Subsidiaries (Net of impairment)	67,297			67,297
Investment in others (Net of impairment)	6,698			6,698

25 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows :

Particulars	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Investments	-	6,698	67,297	73,995	73,995
Trade receivables	-	-	6,244	6,244	6,244
Unbilled revenues	-	-	572	572	572
Cash and cash equivalents	-	-	3,176	3,176	3,176
Others	-	-	3,534	3,534	3,534
Total financial assets	-	6,698	80,823	87,521	87,521
Financial liabilities :					
Trade payables	-	-	3,864	3,864	3,864
Borrowings	-	-	88,067	88,067	88,067
Others	-	-	1,691	1,691	1,691
Total financial liabilities	-	-	93,622	93,622	93,622

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows :

Particulars	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Investments	-	6,296	41,783	48,079	48,079
Trade receivables	-	-	7,497	7,497	7,497
Unbilled revenues	-	-	683	683	683
Cash and cash equivalents	-	-	23,251	23,251	23,251
Others	-	-	37,785	37,785	37,785
Total financial assets	-	6,296	111,000	117,296	117,296
Financial liabilities :					
Trade payables	-	-	5,869	5,869	5,869
Borrowings	-	-	89,555	89,555	89,555
Others	-	-	3,494	3,494	3,494
Total financial liabilities	-	-	98,917	98,917	98,917

25 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables

	Increase/ decrease in basis points	Effect on profit before tax
2021	+45	(386)
GBP	-45	386
GBP		

2020		
GBP	+45	(236)
GBP	-45	236

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other

		Change in exchange rate	Effect on profit before tax
2021			
	EURO	1%	592
	EURO	-1%	(592)
	USD	1%	(305)
	USD	-1%	305
	RON	1%	00
	RON	-1%	(00)
2020			
	EURO	1%	130
	EURO	-1%	(130)
	USD	1%	64
	USD	-1%	(64)
	RON	1%	1
	RON	-1%	(1)

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities.

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. (For example: The key liquidity risk the Company can face is the risk of subscription fee refund. As per the Company policy, no refunds are allowed once a subscription has been taken and it is only in exceptional cases that fee is refunded with proper approvals from senior Management. The Management believes that the probability of a liquidity risk arising due to fee refund is not there.

The table below summarizes the maturity profile of the Company's financial liabilities:

<u>As on 31st March 2021</u>	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Borrowings	88,067	-	-	88,067
Trade payables	3,864	-	-	3,864
Other financial liability	1,691	-	-	1,691
	93,622	-	-	93,622
<u>As on 31st March 2020</u>				
Borrowings	89,555	-	-	89,555
Trade payables	5,869	-	-	5,869
Other financial liability	3,494	-	-	3,494
	102,410	-	-	102,410

26 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of current borrowing from ultimate holding Company of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		<u>31-Mar-21</u>	<u>31-Mar-20</u>
Equity		79,463	79,463
Convertible preference share		-	-
Other Equity		(88,644)	(55,866)
Total equity	(i)	(9,181)	23,597
Borrowings other than convertible preference shares		85,984	89,555
Less: cash and cash equivalents		(3,176)	(23,251)
Total debt	(ii)	82,807	66,304
Overall financing	(iii) = (i) + (ii)	73,626	89,900
Gearing ratio	(ii)/ (iii)	1.12	0.74

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

27 There are no contingent liabilities, Capital and other commitments as at 31 March 2021 and 31 March 2020

28 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS, with a suitable note in the respective notes

29 All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands, unless otherwise stated.

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

For and on behalf of Board of Directors
Wirpo Holdings (UK) Limited

Sd/-
Seethalakshmi M
Partner
Membership No: 208545
Place: Bengaluru
Date: 8th June 2021

Sd/-
Ramesh Phillips
Director
Sd/-
Anandh Raghavan
Director

Date: 8th June 2021