

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Wipro Networks Pte Limited.

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Wipro Networks Pte Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, 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 standalone 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 standalone 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.

#### Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the standalone financial statements which describe the basis of accounting.

#### Restriction on Distribution and Use

The standalone financial statements are prepared to assist the Company in consolidation of its accounts with the Ultimate Holding Company. As a result, the standalone financial statements may not be suitable for another purpose.

Our report is intended solely for the information of the Company's and its ultimate holding company's board of directors for their internal use and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. 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.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

**For MSKA & Associates****Chartered Accountants**

ICAI Firm Registration No. 105047W

Sd/-

Ganesh Udupa A

Partner

Membership No. 224152

UDIN: 21224152AAAAAH2834

Place: Bengaluru

Date: June 11, 2021

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WIPRO NETWORKS PTE LIMITED****Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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.
- 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 auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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.

**For MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

Sd/-  
Ganesh Udupa A  
Partner  
Membership No. 224152  
UDIN: 21224152AAAAAH2834

Place: Bengaluru  
Date: June 11, 2021

Wipro Networks Pte Limited  
Balance Sheet as at 31 March 2021  
(Amount in '000 USD, except share and per share data, unless otherwise specified)

	Note	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	36	110
Right of use Assets	6	19	560
Goodwill	5A	1,321	1,321
Other intangible assets	5A	7	7
Financial assets			
Investments	7	13,355	13,355
Other financial assets	8	3,718	311
Other non-current assets	9	754	-
		<b>19,210</b>	<b>15,664</b>
<b>Current assets</b>			
Inventories	12	-	59
Financial assets			
Trade receivables	10	2,788	4,981
Unbilled Receivables		1,657	3,067
Cash and cash equivalents	11	4,512	3,043
Other financial assets	8	11,053	10,121
Contract Asset		1,406	1,834
Other current assets	9	516	731
Current tax assets (net)		-	234
		<b>21,932</b>	<b>24,070</b>
		<b>41,142</b>	<b>39,734</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	22,372	22,372
Other equity	14	3,775	(4,625)
		<b>26,147</b>	<b>17,747</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Obligation under finance lease	27	3,059	1,111
Employee benefit obligations	15	-	-
		<b>3,059</b>	<b>1,111</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade Payables	16		
i)total outstanding dues of micro enterprises and small enterprises		-	-
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		1,199	1,207
Other financial liabilities	17	6,923	18,492
Obligation under finance lease	27	1,748	-
Contract Liabilities		332	487
Employee benefit obligations	15	274	263
Other liabilities	18	520	427
Current tax liabilities (net)		940	-
		<b>11,936</b>	<b>20,876</b>
		<b>41,142</b>	<b>39,734</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1-35

As per our report of even date  
For MSKA & Associates  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of Wipro  
Networks Pte Limited

Sd/-  
Ganesh Udupa A  
Partner  
Membership No: 224152

Sd/-  
Bhavya Kapoor  
Director

Sd/-  
Mahima Singhal  
Director

Place: Bangalore  
Date: 11 June 2021

Place: Bangalore  
Date: 8 June 2021

Place: Bangalore  
Date: 8 June 2021

**Wipro Networks Pte Limited****Statement of Profit and Loss for the year ended 31 March 2021**

(Amount in '000 USD, except share and per share data, unless otherwise specified)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>REVENUE</b>			
Revenue from operations	19	35,736	39,693
Other income	20	9,284	555
<b>Total income</b>		<b>45,020</b>	<b>40,248</b>
<b>EXPENSES</b>			
Employee benefit expenses	21	4,675	6,890
Depreciation and amortisation expense	5, 6	625	945
Finance costs	22	129	114
Other expenses	23	30,002	32,741
<b>Total expenses</b>		<b>35,431</b>	<b>40,690</b>
<b>Profit or (Loss) before tax</b>		<b>9,589</b>	<b>(442)</b>
Current tax	25	1,189	123
Deferred tax		-	-
<b>Tax expense</b>		<b>1,189</b>	<b>123</b>
<b>Profit or (Loss) for the year</b>		<b>8,400</b>	<b>(565)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>8,400</b>	<b>(565)</b>
Earnings / (Loss) per share			
Basic and Diluted earnings / (loss) per share (INR)	24	0.30	(0.02)
See accompanying notes to financial statements	1-35		

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

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

Firm Registration No.:105047W

**For and on behalf of the Board of Directors of  
Wipro Networks Pte Limited**

Sd/-

**Ganesh Udupa A**

Partner

Membership No: 224152

Place: Bangalore

Date: 11 June 2021

Sd/-

**Bhavya Kapoor**

Director

Place: Bangalore

Date: 8 June 2021

Sd/-

**Mahima Singhal**

Director

Place: Bangalore

Date: 8 June 2021

**Wipro Networks Pte Limited****Statement of cash flows for the year ended 31 March 2021**

(Amount in '000 USD, except share and per share data, unless otherwise specified)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) for the year	9,589	(442)
Adjustments		
Depreciation and amortization	625	95
Unrealised exchange differences - net	453	326
Dividend income	(8,547)	-
Interest income	(126)	(99)
Interest expense	116	80
<b>Operating profit / (loss) before working capital changes</b>	<b>2,110</b>	<b>(40)</b>
<b>Adjustments for working capital changes:</b>		
Trade and other receivable	3,602	(135)
Loans and advances and other assets	(757)	9,291
Trade and other payables	(11,629)	(12,365)
<b>Net cash (used in) operations</b>	<b>(6,674)</b>	<b>(3,249)</b>
Direct taxes (paid) / refund	-	(16)
<b>Net cash (used in) operating activities</b>	<b>(6,674)</b>	<b>(3,265)</b>
<b>Cash flows from investing activities:</b>		
Acquisition of plant and equipment (including advances)	(21)	(608)
Sale of plant and equipment (including advances)	11	546
Interest Income	126	99
Dividend Income	8,547	-
<b>Net cash generated by / (used in) investing activities</b>	<b>8,663</b>	<b>37</b>
<b>Cash flows from financing activities:</b>		
Repayment of Finance lease obligation	(2,034)	(1,209)
Rent receipt on account of finance lease receivables	2,083	-
Interest expense	(116)	(80)
<b>Net cash generated by / (used in) financing activities</b>	<b>(66)</b>	<b>(1,289)</b>
<b>Net increase / (decrease) in cash and Cash equivalents during the year</b>	<b>1,922</b>	<b>(4,517)</b>
Cash and cash equivalents at the beginning of the year	3,043	7,886
Effect of exchange rate changes on Cash	(453)	(326)
<b>Cash and cash equivalents at the end of the year (refer note 10)</b>	<b>4,512</b>	<b>3,043</b>

See accompanying notes to the financial statements

1-35

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

As per our report of even date

**For MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**Wipro Networks Pte Limited**

Sd/-  
**Ganesh Udupa A**  
Partner  
Membership No: 224152  
Place: Bangalore  
Date: 11 June 2021

Sd/-  
**Bhavya Kapoor**  
Director  
Place: Bangalore  
Date: 8 June 2021

Sd/-  
**Mahima Singhal**  
Director  
Place: Bangalore  
Date: 8 June 2021

**Wipro Networks Pte Limited**

**Statement of changes in equity for the year ended 31st March 2021**

(Amount in '000 USD, except share and per share data, unless otherwise specified)

(A) Equity share capital	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares of 1 SGD each issued, subscribed and fully paid				
Opening	2,81,26,108	22,372	2,81,26,108	22,372
Add: issue during the year	-	-	-	-
Closing	2,81,26,108	22,372	2,81,26,108	22,372

**(B) Other equity**

	Reserve and surplus			Total
	Securities premium	General reserve	Retained earnings	
Balance as at 1 April 2019	-	-	(4,033)	(4,033)
Lease Liability on buildings and IT equipments	-	-	(27)	(27)
Loss for the year	-	-	(565)	(565)
Other comprehensive income	-	-	-	-
Total other comprehensive income for the year	-	-	(4,625)	(4,625)
<b>Balance as at 31 March 2020</b>	-	-	(4,625)	(4,625)

	Reserve and surplus			Total
	Securities premium	General reserve	Retained earnings	
Balance as at 1 April 2020	-	-	(4,625)	(4,625)
Profit for the year	-	-	8,400	8,400
Other comprehensive income	-	-	-	-
Total other comprehensive income for the year	-	-	3,775	3,775
<b>Balance as at 31 March 2021</b>	-	-	3,775	3,775

See accompanying notes to the financial statements

1-35

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

As per our report of even date  
**For MSKA & Associates**  
 Chartered Accountants  
**Firm Registration No.:105047W**

**For and on behalf of the Board of Directors of  
 Wipro Networks Pte Limited**

Sd/-  
**Ganesh Udupa A**  
 Partner  
 Membership No: 224152

Sd/-  
**Bhavya Kapoor**  
 Director

Sd/-  
**Mahima Singhal**  
 Director

Place: Bangalore  
 Date: 11 June 2021

Place: Bangalore  
 Date: 8 June 2021

Place: Bangalore  
 Date: 8 June 2021

**Wipro Networks Pte Limited**

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

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**1 General Information**

Wipro Networks Pte Limited is a subsidiary of Wipro Limited, incorporated and domiciled in Singapore. The Company is provider of IT Services, including Business Process Services (BPS) services, globally and IT Products.. The functional currency of the Company is USD. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

**2 Significant accounting policies**

**2.1 Basis of preparation of financial statements**

**(i) Statement of compliance and basis of preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been applied consistently to all periods presented in these financial statements.

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.

**(ii) Basis of Measurement**

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

**(iii) Use of estimates and judgement**

The preparation of the financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**2.2 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:

**A. 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.

**B. Other financial assets**

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



**Wipro Networks Pte Limited**

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

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**C. 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.

**2.3 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.

**A Time and material contracts**

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

**B 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 estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

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

'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'.

**C 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)

**D 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.

**Wipro Networks Pte Limited**

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

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**E 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.

**Other income**

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

**2.4 Property, plant and equipment**

**A Recognition and measurement**

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

**B Depreciation**

The Company depreciates property, plant and equipment over the estimated useful life on 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.

**2.5 Intangible assets**

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated.

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually. The estimated useful lives of the amortizable intangible assets for the current and comparative periods are as follows:

Category	Useful life
Customer related intangibles	5 to 10 years
Marketing related intangibles	3 to 10 years

**Wipro Networks Pte Limited**

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

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**2.6 Foreign currency transactions and translations**

**Functional currency**

The functional currency of the Company is American Dollar. These financial statements are presented in American Dollar.

**Transaction**

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 Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**2.7 Employee benefits**

**Compensated absences**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation carried out by independent actuary using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss account.

**Pension and social contribution**

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

**2.8 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.

**Wipro Networks Pte Limited**

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

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**2.9 Leases**

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Lease rentals in respect of assets taken under operating leases are charged to statement of profit and loss on a straight line basis over the lease term.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**2.10 Cash flow statement**

Cash flows are reported using indirect method, whereby net profits before 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.

**2.11 Equity and share capital**

**(a) Share capital**

The authorized share capital of the Company as of March 31, 2021 is USD 22,372,023.16 divided into 28,126,108 (31 March 2020: 28,126,108) equity shares of SGD 1 par value

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.

**2.12 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.

**2.13 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 Networks Pte Limited**

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

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**2.14 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 inflows of other assets.

**2.15 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.

**3 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.

**3.1 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.

**(b) Defined benefit plans - leave encashment**

The cost of the defined benefit plans such as leave encashment are determined using actuarial valuations. 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 etc. 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 year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

**Wipro Networks Pte Limited**

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

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**4A New Accounting standards adopted by the Company**

The accounting policies adopted in the preparation of the standalone financial statements are consistent with those followed in the preparation of the Company's annual standalone financial statements for the year ended March 31, 2021.

**Amendment to Ind AS 1 and Ind AS 8 - Definition of Material**

The Ministry of Corporate Affairs (MCA) issued Amendment to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors to update a new definition of material in Ind AS 1. The amendments clarify the definition of "material" and how it should be applied by including in the definition guidance that until now has featured elsewhere in Ind AS Standards. The new definition clarifies that, information is considered material if omitting, misstating, or obscuring such information, could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency. The adoption of the amendment to Ind AS 1 and Ind AS 8 did not have any material impact on its evaluation of materiality in relation to the financial statements.

**Amendment to Ind AS 116 - Leases**

The MCA issued amendments to Ind AS 16, "Leases", provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments allowed the expedient to be applied to COVID-19-related rent concessions to payments originally due on or before June 30, 2021 and also require disclosure of the amount recognized in profit or loss to reflect changes in lease payments that arise from COVID-19-related rent concessions. The reporting period in which a lessee first applies the amendment, it is not required to disclose certain quantitative information required under Ind AS 8. Accordingly, the Company recognized USD 38 as reversal of lease liability in the statement of profit or loss for the year ended March 31, 2021.

**4B New Amendments not yet adopted by company**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, the disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specific under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

**Wipro Networks Pte Limited**

**Summary of significant accounting policies and other explanatory information**

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**5 Property, plant and equipment**

	Plant and machinery	Furniture and fixtures	Office equipments	Total
<b>Gross block (at cost)</b>				
Balance as at 31 March 2019	2,368	393	49	2,810
Additions	48	-	-	48
Disposals/adjustment*	(1,946)	-	-	(1,946)
<b>Balance as at 31 March 2020</b>	<b>470</b>	<b>393</b>	<b>49</b>	<b>912</b>
Additions	21	-	-	21
Disposals/adjustment*	(328)	(72)	(49)	(449)
<b>Balance as at 31 March 2021</b>	<b>163</b>	<b>321</b>	<b>-</b>	<b>484</b>
<b>Accumulated depreciation</b>				
Balance as at 31 March 2019	(1,786)	(272)	(49)	(2,107)
Depreciation charge	(34)	(61)	-	(95)
Disposals/adjustment*	1,400	-	-	1,400
<b>Balance as at 31 March 2020</b>	<b>(420)</b>	<b>(333)</b>	<b>(49)</b>	<b>(802)</b>
Depreciation charge	(24)	(60)	-	(84)
Disposals/adjustment*	318	72	49	439
<b>Balance as at 31 March 2021</b>	<b>(127)</b>	<b>(321)</b>	<b>-</b>	<b>(448)</b>
<b>Net block</b>				
Balance as at 31 March 2020	50	60	-	110
Balance as at 31 March 2021	36	-	-	36

\* Includes regrouping/reclassification within the block of assets.

**5A Intangible assets**

	Goodwill	Contractual customer relationship	Non-compete rights	Total
	US\$	US\$	US\$	US\$
<b>Cost</b>				
At 31 March 2020 and 2021	1,321	7,245	1,920	10,486
<b>Accumulated depreciation</b>				
At 1 April 2019	-	7,245	1,913	9,158
Charge for the year	-	-	-	-
At 31 March 2020	-	7,245	1,913	9,158
Charge for the year	-	-	-	-
At 31 March 2021	-	7,245	1,913	9,158
<b>Net carrying amount</b>				
At 31 March 2021	1,321	-	7	1,328
At 31 March 2020	1,321	-	7	1,328

Wipro Networks Pte Limited

Summary of significant accounting policies and other explanatory information

(Amount in '000 USD, except share and per share data, unless otherwise specified)

6 Right of use assets

Particulars	Buildings/ Lease Hold	Plant & machinery	Total
<b>Gross block</b>			
Balance as at 01 April 2019	-	-	-
Additions during the year	481	929	1,410
Disposals during the year	-	-	-
<b>Balance as at 31 March 2020</b>	<b>481</b>	<b>929</b>	<b>1,410</b>
Additions during the year	-	-	-
Disposals during the year	-	-	-
<b>Balance as at 31 March 2021</b>	<b>481</b>	<b>929</b>	<b>1,410</b>
<b>Accumulated depreciation</b>			
Balance as at 01 April 2019	-	-	-
Charge for the year	231	619	850
Disposals/Adjustment	-	-	-
<b>Balance as at 31 March 2020</b>	<b>231</b>	<b>619</b>	<b>850</b>
Charge for the year	231	310	541
Disposals/Adjustment	-	-	-
<b>Balance as at 31 March 2021</b>	<b>462</b>	<b>929</b>	<b>1,391</b>
<b>Net block</b>			
<b>Balance as at 31 March 2020</b>	<b>250</b>	<b>310</b>	<b>560</b>
<b>Balance as at 31 March 2021</b>	<b>19</b>	<b>-</b>	<b>19</b>



**Wipro Networks Pte Limited**

**Summary of significant accounting policies and other explanatory information**

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**7 Investments**

	As at 31 March 2021	As at 31 March 2020
Investment in equity instrument designated as at fair value through OCI (fully paid)	13,355	13,355
Unquoted equity shares - Refer - Note 1		
Current	-	-
Non- Current	13,355	13,355
	<u>13,355</u>	<u>13,355</u>
<b>Aggregate book value of:</b>		
Quoted investments	-	-
Unquoted investments	13,355	13,355
<b>Aggregate market value of:</b>		
Quoted investments	-	-
Unquoted investments	13,355	13,355

Note 1:

Name	% of Holding - 31-03-2021	% of Holding - 31-03-2020	Value of Investment as on 31-03-2021	Value of Investment as on 31-03-2020
Wipro (Chengdu) Limited	91%	91%	5,350	5,350
Wipro Dalian Limited	100%	100%	8,000	8,000
Wipro Technologies SDN BHD	100%	100%		
PT WT Indonesia	0.40%	0.40%	5	5
Wipro (Thailand) Co Limited	*	*	*	*
			<b>13,355</b>	<b>13,355</b>

\* Amounts below rounding off norm adopted by Company

The annual financial statements presented are not consolidated annual financial statements as the entity qualifies for the consolidation exemption in Ind AS 110 Consolidated Financial Statements.

The exemption is allowed provided that all of the following criteria are complied with:

- The entity is wholly owned or partially owned, where none of the other shareholder's object to the fact that consolidated annual financial statements are not prepared.
- The entity's debt or equity instruments are not traded in a public market
- The entity did not file, and is not in the process of filing its annual financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instrument in a public market, and
- The entity's ultimate or intermediary parent produces consolidated annual financial statements available for public use which comply with International Financial Reporting Standards.

Wipro Limited, incorporated in India, produces consolidated annual financial statements available for public use. These annual financial statements can be obtained from Doddakanelli, Sarjapur Road, Bangalore - 560035.

**Wipro Networks Pte Limited****Summary of significant accounting policies and other explanatory information**

(Amount in '000 USD, except share and per share data, unless otherwise specified)

	As at 31 March 2021	As at 31 March 2020
<b>8 Other financial assets</b>		
<b>Non-current</b>		
Security deposits	186	173
Finance lease receivables	3,532	138
	<b>3,718</b>	<b>311</b>
<b>Current</b>		
Other receivable	-	1
Employee travel & other advances	137	3
Finance lease receivables	1,470	1,217
Balance with Group Companies	9,446	8,900
	<b>11,053</b>	<b>10,121</b>
<b>9 Other assets</b>		
<b>Non-current</b>		
Prepaid expenses	754	-
	<b>754</b>	<b>-</b>
<b>Current</b>		
Prepaid expenses	516	731
	<b>516</b>	<b>731</b>
<b>10 Trade Receivables</b>		
<b>Unsecured</b>		
Considered good	2,551	4,643
Considered doubtful	1,361	1,361
Less-Allowance for bad and doubtful debts	(1,123)	(1,023)
	<b>2,788</b>	<b>4,981</b>
Further classified as:		
Receivable from related parties	1,418	917
Receivable from others	1,370	4,064
includes payable to related parties (refer note 28)		
<b>11 Cash and Cash equivalents</b>		
Balances with banks		
- in current account	4,512	2,043
- in Short term deposit	-	1,000
	<b>4,512</b>	<b>3,043</b>
<b>12 Inventories</b>	As at 31 March 2021	As at 31 March 2020
Work in Progress	-	59
	<b>-</b>	<b>59</b>

**Wipro Networks Pte Limited****Summary of significant accounting policies and other explanatory information**

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**13 Share capital****Authorised**

28,126,108 (2020:28,126,108) equity shares of SGD 1 each

22,372 22,372

22,372 22,372**Issued, subscribed and paid-up**

22,372 22,372

22,372 22,372**a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:**

	<u>Number of shares</u>	<u>Amount</u>
Outstanding at the beginning of the year	28,126	28,126
Add: Issued during the year	-	-
Outstanding at the end of the year	-	-
	<u>28,126</u>	<u>28,126</u>

**(b) Rights, preferences and restrictions attached to shares**

Equity Shares: The Company has only one class of equity shares having par value of 1 SGD per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31st March 2021	
	<u>Number of shares</u>	<u>% of holding in the class</u>
<b>Wipro Limited, the holding Company</b>		
28,126,108 (31 March 2020: 28,126,108)	28,126	22,372
	<u>28,126</u>	<u>22,372</u>

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

	31st March 2021	
	<u>Number of shares</u>	<u>% of holding in the class</u>
<b>Wipro Limited, the holding Company</b>		
	28,126	22,372
	<u>28,126</u>	<u>22,372</u>

**Wipro Networks Pte Limited****Summary of significant accounting policies and other explanatory information**

(Amount in '000 USD, except share and per share data, unless otherwise specified)

- e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.
- f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**14 Other equity**

	As at 31 March 2021	As at 31 March 2020
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening balance	(4,625)	(4,033)
Lease Liability on buildings and IT equipments	-	(27)
Add: Net loss for the current year	8,400	(565)
<b>Closing balance</b>	<b>3,775</b>	<b>(4,625)</b>

**15 Employee benefit obligation**

<b>Non-current</b>		
Employee benefit obligation- Provisions	-	-
	-	-
<b>Current</b>		
Employee benefit obligation- Provisions	274	263
	274	263

**16 Trade Payables**

i)Total outstanding dues to micro, small and medium enterprises	-	-
ii)Total outstanding dues to creditors other than micro, small and medium enterprises	1,199	1,208
	1,199	1,208

**17 Other financial liabilities**

<b>Current</b>		
Dues to employees	353	558
Payable to group companies*	6,570	17,934
	6,923	18,492

\* includes payable to related parties (refer note 28)

**18 Other liabilities**

<b>Current</b>		
Statutory liabilities	508	422
Other liabilities	12	5
	520	427

**Wipro Networks Pte Limited****Summary of significant accounting policies and other explanatory information**

(Amount in '000 USD, except share and per share data, unless otherwise specified)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>19 Revenue from operations</b>		
Sale of services	35,736	39,693
Total revenue from operations	<u>35,736</u>	<u>39,693</u>
<b>20 Other income</b>		
Rental , commission and other income	-	456
Interest income	126	99
Foreign exchange gain, net	611	-
Dividend income	8,547	-
	<u>9,284</u>	<u>555</u>
<b>21 Employee benefits expense</b>		
Salaries and wages	4,627	6,679
Insurance expense	6	111
Staff welfare expenses	41	100
	<u>4,675</u>	<u>6,890</u>
<b>22 Finance Cost</b>		
Interest on loans and Advances	116	80
Bank charges	13	34
	<u>129</u>	<u>114</u>
<b>23 Other expenses</b>		
Sub contracting / technical fees / third party application	28,864	31,105
Rent	108	109
Corporate Overhead	713	575
Repairs and Maintenance	31	39
Travel	2	19
Legal and professional charges	78	57
Power and fuel	16	47
Provision/write off of bad debts	100	37
Rates and Taxes	30	-
Communication	46	7
Miscellaneous expenses	13	4
Foreign exchange loss, net	-	742
	<u>30,002</u>	<u>32,741</u>

## Wipro Networks Pte Limited

### Summary of significant accounting policies and other explanatory information

(Amount in '000 USD, except share and per share data, unless otherwise specified)

#### 24 Earning per share (EPS)

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
Loss attributable to equity holders	8,400	(565)
Less: preference dividend after-tax	-	-
Loss attributable to equity holders after preference dividend	8,400	(565)
Add: Interest on convertible preference shares	-	-
Loss attributable to equity holders adjusted for the effect of dilutio	8,400	(565)
Weighted average number of equity shares - for basic and diluted EPS	2,81,26,108	2,81,26,108
Earnings per share - Basic and diluted	0.30	(0.02)

#### 25 Current tax

	31 March 2021	31 March 2020
Profit / (Loss) Before Taxation	9,589	(442)
Enacted Income Tax Rate	17%	17%
Computed Expected Tax Expenses	1,630	-
Effect of		
Temporary adjustments	71	-
Set off of losses	(585)	-
Permanent difference	1	-
Adjustments for current tax of prior periods	71	123
Income tax expense	1,189	123

**Wipro Networks Pte Limited****Notes forming part of the Financial Statements for the year ended 31 March 2021**

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**26 Employee stock option**

Certain employees of the Company are covered under the share based compensation plans of the ultimate holding company. These plans are assessed, managed and administered by the ultimate holding company. The ultimate holding company recharges to the Company such compensation costs which has been disclosed as "Share based compensation charge" in the Statement of Profit and Loss under Note 16 on "Employee benefit expenses". The management is of opinion that other detailed information as envisaged in the Guidance Note on Accounting for Employee Share Based Payments issued by the ICAI are not required as these information are not relating to the Company.

**27 Leases****a) Finance Leases Receivables:**

The Company provides lease financing for traded and manufactured products primarily through finance leases. The finance lease portfolio contains only the normal collection risk with no important uncertainties with respect to future costs. The receivables are generally due in monthly or quarterly installments over periods ranging from 1 to 5 years. The components of finance lease receivables are as follows:

	As at 31 March 2021	As at 31 March 2020
<b>Gross Investment in Lease</b>		
Not later than 1 year	1,566	1,217
Later than 1 year and not later than 5 years	3,629	130
	<u>5,196</u>	<u>1,347</u>
<b>Unearned finance income</b>	(194)	(8)
<b>Net investment in finance receivables</b>	<u>5,002</u>	<u>1,355</u>

	As at 31 March 2021	As at 31 March 2020
<b>Present value of minimum lease receivables are as follows:</b>		
Present value of minimum lease receivables		
Not later than 1 year	1,470	1,217
Later than 1 year and not later than 5 years	3,532	138
	<u>5,002</u>	<u>1,355</u>

**b) Finance Leases Payables:**

The following is a schedule of present value of future minimum lease payments under finance leases, together with the value of minimum lease payments

	As at 31 March 2021	As at 31 March 2020
<b>Present value of minimum lease payments</b>		
Not later than 1 year	1,748	1,111
Later than 1 year and not later than 5 years	3,059	-
	<u>4,807</u>	<u>1,111</u>
<b>Total present value of minimum lease payments</b>	4,807	1,111
Less: Amount representing interest	184	9
<b>Total value of minimum lease payments</b>	<u>4,623</u>	<u>1,102</u>

**Wipro Networks Pte Limited**

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

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**28 Related party disclosure**

**Related party disclosure**

**a) Parties where control exists:**

<b>Name</b>	<b>Relationship</b>
Wipro Limited	Holding company
Wipro Travel Services Limited	Fellow subsidiary
Wipro (Dalian) Limited	Subsidiary
Wipro Technologies SDN BHD	Subsidiary
Wipro (Chengdu) Limited	Subsidiary
PT WT Indonesia	Fellow subsidiary
Wipro (Thailand) Co Limited	Fellow subsidiary
Wipro Digital	Fellow subsidiary
WIPRO TECHNOLOGIES S.A. DE C.V	Fellow subsidiary
Encore Theme Technologies Private Ltd	Fellow subsidiary
Appirio Cloud Soln - India	Fellow subsidiary

**b) The Company has the following related party transactions:**

<b>Particulars</b>	<b>Relationship</b>	<b>As at</b>	<b>As at</b>
		<b>31 March 2021</b>	<b>31 March 2020</b>
<u>Sale of Services</u>			
Wipro limited	Holding Company	4,740	4,811
Encore Theme Technologies Private Ltd	Fellow subsidiary	17	-
WIPRO TECHNOLOGIES S.A. DE C.V	Fellow subsidiary	10	-
Appirio Cloud Soln - India	Fellow subsidiary	1	-
<u>Management Fees</u>			
Wipro limited	Holding Company	713	575
<u>Cost of Services</u>			
Wipro limited	Holding Company	23,083	20,195
<u>Rental Income</u>			
Wipro limited	Holding Company	-	456
<u>Reimbursement of Expenses</u>			
Wipro limited	Holding Company	56	-

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

<b>Payable balances</b>	<b>As at</b>	<b>As at</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
Wipro Limited	6,568	17,934
Encore Theme Technologies Private Ltd	1	-
Appirio Cloud Soln - India	1	-
WIPRO TECHNOLOGIES S.A. DE C.V	-	-
<b>Receivable balances</b>	<b>As at</b>	<b>As at</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
Wipro Limited	10,847	9,773
Encore Theme Technologies Private Ltd	17	-
WIPRO TECHNOLOGIES S.A. DE C.V	-	43

**29 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.



**Wipro Networks Pte Limited**

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

(Amount in '000 USD, except share and per share data, unless otherwise specified)

**30 Commitments and contingencies**

Contingent liabilities to the extent not provided for:	31-Mar-21	31-Mar-20
Guarantees given by the banks on behalf of the company	1,787	1,690
<b>Total</b>	<b>1,787</b>	<b>1,690</b>

**31 Fair values of financial assets and financial liabilities**

There are no financial assets and liabilities that have been offset in the financials

The fair value of cash and cash equivalents, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

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

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

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

**32 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.

**(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 variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

	Effect on profit before tax	
	31-Mar-21	31-Mar-20
<b>EURO</b>		
- strengthened 4% (2020: 4%)	(1)	51
- weakened 4% (2020: 4%)	1	(51)
<b>SGD</b>		
- strengthened 4% (2020: 4%)	484	(107)
- weakened 4% (2020: 4%)	(484)	107

**(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 a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

32 Financial risk management objectives and policies continued.,

(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:

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
<b>31-Mar-21</b>				
Trade payables	-	1,199	-	-
Other financial liability	-	6,923	-	-
Obligation under finance lease	-	1,748	3,059	-
	-	9,870	3,059	-
<b>31-Mar-20</b>				
Trade payables	-	1,207	-	-
Other financial liability	-	18,492	-	-
Obligation under finance lease	-	-	1,111	-
	-	19,700	1,111	-

33 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, 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 Convertible Preference Shares and 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.

		31-Mar-21	31-Mar-20
Equity Share Capital		22,372	22,372
Other Equity		3,775	(4,625)
Total equity	(i)	26,147	17,747
Borrowings other than convertible preference shares		-	-
Less: cash and cash equivalents		4,512	3,043
Total debt	(ii)	(4,512)	(3,043)
Overall financing	(iii) = (i) + (ii)	21,635	14,704
Gearing ratio	(ii) / (iii)	(0.21)	(0.21)

34 Impact of Covid-19 on Going concern assumption

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges, etc. whenever the same is applicable. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

35 Previous year figures have been regrouped/ reclassified to confirm to this year's classification.

As per our report of even date  
**For MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**Wipro Networks Pte Limited**

Sd/-  
**Ganesh Udupa A**  
Partner  
Membership No: 224152  
Place: Bengaluru  
Date: 11 June 2021

Sd/-  
**Bhavya Kapoor**  
Director  
Place: Bangalore  
Date: 8 June 2021

Sd/-  
**Mahima Singhal**  
Director  
Place: Bangalore  
Date: 8 June 2021