

# Special Purpose Financial Statements and Independent Auditor's Report

Wipro IT Services UK Societas (formerly Wipro IT Services SE)

31 March 2021

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of Wipro IT Services UK Societas (formerly Wipro IT Services SE)

### **Report on the Audit of the Special Purpose Financial Statements**

#### **Opinion**

We have audited the accompanying special purpose financial statements of Wipro IT Services UK Societas ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Special Purpose Financial Statements"). As explained in Note 2(i) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited ("the Parent") solely for inclusion in the annual report of Wipro limited for the year ended March 31, 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 basis of preparation referred to in Note 2 (i) to the Special Purpose Financial Statements, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive loss, its changes in equity and cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit 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 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements, including the disclosures, and whether the 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 12 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 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.

### **For PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

Sd/-

Seethalakshmi M

Partner

Membership No. 208545

Place of Signature: Bengaluru

Date:08 June 2021

UDIN: 21208545AAAAFN3277

Wipro IT Services UK Societas (formerly Wipro IT Services SE)

Balance Sheet as at 31 March 2021

(Amount in '000 INR except share and per share data, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
Investments	5	34,163,360	28,282,579
Loans	6	1,608,262	1,433,113
<b>Total non-current assets</b>		<b>35,771,622</b>	<b>29,715,692</b>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	7	588,060	2,322,221
Loans	8	90,650	83,956
Other assets	9	2,037,710	5,236,094
Other current assets	10	-	634
<b>Total current assets</b>		<b>2,716,420</b>	<b>7,642,906</b>
<b>Total assets</b>		<b>38,488,042</b>	<b>37,358,598</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	10,223	10,223
Other equity	12	25,907,652	23,486,226
<b>Total equity</b>		<b>25,917,875</b>	<b>23,496,449</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	14	10,289,951	9,495,651
Trade payables	15	6,434	6,432
Other financial liabilities	17	2,134,045	4,345,663
Current tax (net)	16	139,737	14,403
<b>Total current liabilities</b>		<b>12,570,168</b>	<b>13,862,149</b>
<b>Total liabilities</b>		<b>12,570,168</b>	<b>13,862,149</b>
<b>Total equity and liabilities</b>		<b>38,488,042</b>	<b>37,358,598</b>

See accompanying notes to financial statements 1-29

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

As per our report of even date

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No.0039905/S200018

For and on behalf of the Board of Directors

Wipro IT Services UK Societas (formerly Wipro IT Services SE)

Seethalakshmi M

Partner

Membership No. 208545

Place: Bengaluru

Date: June 08, 2021

Mohit Bansal

Director

Place:

Date: June 08, 2021

Ramesh Phillips

Director

Place:

Date: June 08, 2021

Wipro IT Services UK Societas (formerly Wipro IT Services SE)  
Statement of Profit and Loss for the year ended 31 March 2021  
(Amount in '000 INR except share and per share data, unless otherwise stated)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>Income</b>			
Revenue from operations	18	2,453,982	3,120,100
Other income	19	132,483	112,461
(Loss) or gain from sale of investments and Impairment reversal	19A	-	(1,901,344)
<b>Total income</b>		<b>2,586,465</b>	<b>1,331,218</b>
<b>Expenses</b>			
Finance costs	20	94,393	158,404
Other expenses	21	8,057	9,080
<b>Total expenses</b>		<b>102,449</b>	<b>167,484</b>
<b>Profit /(Loss) before exceptional items and tax</b>		<b>2,484,016</b>	<b>1,163,734</b>
Exceptional items		-	-
<b>Profit /(Loss) before tax</b>		<b>2,484,016</b>	<b>1,163,734</b>
<b>Income tax expense</b>			
Current tax	22	62,591	137,632
Deferred tax		-	-
<b>Total income tax expense</b>		<b>62,591</b>	<b>137,632</b>
<b>Profit/(Loss) for the year</b>		<b>2,421,425</b>	<b>1,026,102</b>
<b>Total other comprehensive income for the year</b>		<b>2,421,425</b>	<b>1,026,102</b>
Earnings / (Loss) per share			
Basic and Diluted earnings /(loss) per share (INR)	23	14.80	6.27

See accompanying notes to financial statements

1-29

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

As per our report of even date  
For PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Registration No.003990S/S200018

For and on behalf of the Board of Directors of  
Wipro IT Services UK Societas (formerly Wipro IT Services SE)

Seethalakshmi M  
Partner  
Membership No. 208545

Mohit Bansal  
Director

Ramesh Phillips  
Director

Place: Bengaluru  
Date: June 08, 2021

Place:  
Date: June 08, 2021

Place:  
Date: June 08, 2021

**Wipro IT Services UK Societas (formerly Wipro IT Services SE)**  
**Statement of cash flows for the year ended 31 March 2021**  
(Amount in '000 INR except share and per share data, unless otherwise stated)

	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>A Cash flows from operating activities:</b>		
Profit/(Loss) after tax	2,421,425	1,026,102
<i>Adjustments:</i>		
Provision for diminution in the value of non-current investments	-	-
Income tax expense	62,591	137,632
Exchange differences, net	-	(71,692)
Interest on borrowings		
Provision made/ (Written back)	-	1,407
Reversal of Provision for diminution in the value of non-current investments	-	(3,577,273)
<b>Working capital changes :</b>		
Loans and advances and other assets	3,017,175	5,197,788
Inventories		
Liabilities and provisions	(2,211,615)	5,197,788
<b>Net cash generated from operations</b>	<b>3,289,575</b>	<b>2,713,963</b>
Direct taxes paid, net	62,743	(74,511)
<b>Net cash generated by operating activities</b>	<b>3,352,319</b>	<b>2,639,452</b>
<b>B Cash flows from investing activities:</b>		
Purchase of investments	-	-
Proceeds from sale / maturity of investments	-	-
Investment in subsidiaries (Net)	(5,880,781)	5,143,009
<b>Net cash (used in) / generated from investing activities</b>	<b>(5,880,781)</b>	<b>5,143,009</b>
<b>C Cash flows from financing activities:</b>		
Proceeds from Issue of Share Capital	-*	-
Redemption of Preference Share	-	(6,672,624)
Proceeds from borrowings / loans	794,300	-
<b>Net cash used in financing activities</b>	<b>794,300</b>	<b>(6,672,624)</b>
Net increase in cash and cash equivalents during the year	(1,734,162)	1,109,835
Cash and cash equivalents at the beginning of the year	2,322,221	1,140,694
Effect of exchange rate changes on cash balance	-	71,692
<b>Cash and cash equivalents at the end of the year [refer note 7]</b>	<b>588,060</b>	<b>2,322,221</b>

\*Amounts below rounding off norm adopted by the Company

See accompanying notes to financial statements

1-29

As per our report of even date

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

For and on behalf of the Board of Directors  
**Wipro IT Services UK Societas (formerly Wipro IT Services SE)**

**Seethalakshmi M**  
Partner  
Membership No. 208545

**Mohit Bansal**  
Director

**Ramesh Phillips**  
Director

Place: Bengaluru  
Date: June 08, 2021

Place:  
Date: June 08, 2021

Place:  
Date: June 08, 2021

Wipro IT Services UK Societas (formerly Wipro IT Services SE)  
Statement of changes in equity for the year ended 31 March 2021  
(Amount in '000 INR except share and per share data, unless otherwise stated)

(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 euro each issued, subscribed and fully paid				
Opening	163,617	10,223	163,617	10,223
Add: issue during the year				*
Closing	163,617	10,223	163,617	10,223

\*Amounts below rounding off norm adopted by the Company

(B) Other equity

	Preference shares	Reserve and surplus			Total
		Securities premium reserve	General reserve	Retained earnings	
Balance as at 1 April 2019	3,056	23,945,592	-	5,184,101	29,132,749
Less: Redemption during the year	(3,056)	(5,052,322)	(1,617,245)		(6,672,624)
Profit for the year	-	-	-	1,026,102	1,026,102
Other comprehensive income	-	-	-	-	-
Total other comprehensive income for the year	-	18,893,270	(1,617,245)	6,210,203	23,486,227
Balance as at 31 March 2020	-	18,893,270	(1,617,245)	6,210,203	23,486,227

	Preference shares	Reserve and surplus			Total
		Securities premium reserve	General reserve	Retained earnings	
Balance as at 1 April 2020	-	18,893,270	(1,617,245)	6,210,203	23,486,227
Less: Redemption during the year	-	-	-	-	-
Profit for the year	-	-	-	2,421,425	2,421,425
Other comprehensive income	-	-	-	-	-
Total other comprehensive income for the year	-	18,893,270	(1,617,245)	8,631,628	25,907,652
Balance as at 31 March 2021	-	18,893,270	(1,617,245)	8,631,628	25,907,652

See accompanying notes to the financial statements

1-29

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

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

For and on behalf of the Board of Directors of  
Wipro IT Services UK Societas (formerly Wipro IT Services SE)

Seethalakshmi M  
Partner  
Membership No. 208545

Mohit Bansal  
Director

Ramesh Phillips  
Director

Place: Bengaluru  
Date: June 08, 2021

Place:  
Date: June 08, 2021

Place:  
Date: June 08, 2021

## 1 The Company overview

Wipro IT Services SE (“Wipro IT Services SE” or “Company”), is a subsidiary of Wipro Limited (the holding company). The Company is incorporated in UK and the principal activity of the company is to act as an investing & holding company. During the previous year the name of the entity changed from Wipro Cyprus Private Limited to Wipro Cyprus Public Limited with effect from 13th June 2018. Wipro Cyprus Private Limited, a Cypriot Company by incorporation has been re-domiciled to United Kingdom with effect from 22nd March 2019 and the name of the entity changed to Wipro Cyprus SE, this is part of company’s overall restructuring plan to consolidate the holding structure and operations in the UK-European region under one legal entity headquartered in the UK. Further, the name of the entity changed from Wipro Cyprus SE to Wipro IT Services SE on 23rd August 2019.

## 2 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 and it is 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.

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 judgment

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

a) Revenue recognition: Interest Income is recognised using the time proportion method, based on the rates implicit in the transaction. Dividend income from Equity investments is recognised when the right to receive such dividend is established.

b) Income taxes: The major tax jurisdictions for the Company is United Kingdom. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments.

c) Deferred taxes: Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

d) Expected credit losses on financial assets: On application of Ind AS109, 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 past history, customer’s creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

## 3 Significant accounting policies

### (i) Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, 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.

(iii) Financial instruments

Non-derivative financial instruments:

Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and noncurrent liabilities.

Non derivative financial instruments are recognized initially at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

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

A. Cash and cash equivalents

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

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

B. Other financial assets:

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

C. Trade and other payables

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

(iv) Equity

a) Share capital and share premium

The authorized share capital of the Company as of March 31, 2020 is INR 10,223 (000's) divided into 163,617 equity shares of EUR 1 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium. b) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes. c) Dividend

A final dividend, including tax thereon, on common stock is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors. d) Provisions

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

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

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

(v) Revenue

Revenue from operations consists of Interest Income on loans given to group companies and dividends received on the investments made in the Group companies. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

(vi) Finance Cost

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

(vii) Other income

Other income comprises interest income on deposits, dividend income and gains / (losses) on disposal of financial assets that are measured at FVTPL, and debt instruments classified as FVTOCI.

(viii) Income tax

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

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

b) Deferred income tax

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

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

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

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

(ix) 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.

(x) 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.

(xi) Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27- Separate Financial statement 4 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.

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

Other amendments to the existing standards: None

New standards notified and yet to be adopted by the Company: None

Wipro IT Services UK Societas (formerly Wipro IT Services SE)  
**Notes forming part of the Financial Statements**  
(Amount in '000 INR except share and per share data, unless otherwise stated)

5 Financial Assets- Investments

	As at 31 March 2021	As at 31 March 2020
Investment in equity instrument designated as at fair value through OCI (fully paid)		
Unquoted equity shares		
Refer - Note 1 below	34,163,360	28,282,579
	<u>34,163,360</u>	<u>28,282,579</u>
Current	-	-
Non- Current	34,163,360	28,282,579
	<u>34,163,360</u>	<u>28,282,579</u>
<b>Aggregate book value of:</b>		
Quoted investments	-	-
Unquoted investments	34,163,360	28,282,579
<b>Aggregate market value of:</b>		
Quoted investments	-	-
Unquoted investments	34,163,360	28,282,579

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 Information Technology Netherlands BV.	100.00%	100.00%	10,480,308	4,599,526
Wipro Technologies SRL	99.99%	99.99%	168,983	168,983
Wipro Holdings Hungary Korlátolt Felelősségű Társaság	100.00%	100.00%	20,321,673	20,321,673
Wipro Technologies S.A DE C.V	91.08%	91.08%	624,220	624,220
Wipro BPO Philippines LTD. Inc	99.99%	99.99%	180,047	180,047
Wipro Arabia Co. Limited	66.67%	66.67%	238,803	238,803
Wipro Information Technology Egypt SAE	99.99%	99.99%	-	-
Wipro Poland Sp. Z.o.o	99.00%	99.00%	684	684
Wipro Technologies SA	97.38%	97.38%	274,355	274,355
Wipro Technologies South Africa (Proprietary) Limited	69.42%	69.42%	22,096	22,096
Wipro IT Services Poland Sp.z o. o	100.00%	100.00%	27,611	27,611
Wipro Gulf LLC	99.90%	99.90%	348,085	348,085
Wipro Shanghai China Limited	87.88%	87.88%	79,533	79,533
PT WT Indonesia	99.60%	99.60%	72,295	72,295
Wipro Doha LLC	49.00%	49.00%	(0)	3,405
Wipro (Thailand) Co Limited	99.90%	99.90%	153,824	153,824
Wipro Bahrain Limited WLL	100.00%	100.00%	6,250	6,250
Wipro Technologies Australia Pty Ltd.	100.00%	100.00%	1,130,733	1,130,733
Cellent GmbH	0.00%	0.00%	-	-
Wipro Corporate Technologies Ghana Limited	100.00%	100.00%	32,690	28,545
Wipro IT Services Ukraine LLC	99.99%	99.99%	1,106	4,959
Rainbow Software LLC	100.00%	99.99%	-	55
Wipro Technologies Peru S.A.C	0.02%	0.02%	9	9
Wipro Technologies Nigeria Ltd	1.00%	1.00%	57	57
Wipro Technologies Ltd, Russia	0.01%	0.01%	0	0
Wipro Doha LLC	49.00%	49.00%	-	-
Less: Provision Created			-	(7,313)
Add: Provision written back			-	4,144
			34,163,360	28,282,579

\*Amounts below rounding off norm adopted by the 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 IT Services UK Societas (formerly Wipro IT Services SE)

Notes forming part of the Financial Statements

(Amount in '000 INR except share and per share data, unless otherwise stated)

	<u>31 March 2021</u>	<u>31 March 2020</u>
<b>6 Non-Current Financial assets - Loans</b>		
<u>Unsecured, considered good</u>		
With Group Companies - Considered good	1,608,262	1,433,113
<b>Total</b>	<u><b>1,608,262</b></u>	<u><b>1,433,113</b></u>
<b>7 Cash and bank balances</b>	<u>31 March 2021</u>	<u>31 March 2020</u>
<u>Cash and cash equivalents</u>		
Balances with banks		
On current accounts	588,060	2,322,221
<b>Total cash and cash equivalents</b>	<u><b>588,060</b></u>	<u><b>2,322,221</b></u>
<b>8 Current Financial assets - Loans</b>		
<u>Unsecured, considered good</u>		
With Group Companies - Considered good	207,201	214,244
Less: Provision for doubtful receivables	(116,551)	(130,287)
	<u><b>90,650</b></u>	<u><b>83,956</b></u>
<b>9 Current Financial assets - Others</b>		
Interest accrued but not due	-	988,049
Balance with Group Companies	2,047,153	5,235,106
Less: Provision for doubtful assets	(9,443)	
	<u><b>2,037,710</b></u>	<u><b>5,236,094</b></u>
<b>10 Other current assets</b>		
Balance with tax authorities	-	634
<b>Total</b>	<u><b>-</b></u>	<u><b>634</b></u>

11 Equity share capital

The Company has only one class of equity share capital having a par value of INR 10 per share, referred to herein as equity shares.

	31 March 2021	31 March 2020
<b>Authorized</b>		
1,63,617 (31 March 2021: 1,63,617) equity shares of 1 euro each	10,223	10,223
1,63,617 (31 March 2020: 1,63,617) Ordinary non-classified shares of 1 euro each*	-	-
	<u>10,223</u>	<u>10,223</u>
<b>Issued, subscribed and paid up</b>		
1,63,617 (31 March 2021: 1,63,617) equity shares of 1 euro each fully paid	10,223	10,223
<b>Total</b>	<u>10,223</u>	<u>10,223</u>

\*The amount of non classified share is not disclosed as the same cannot be ascertained due to exchange rate that would prevail during subscription

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	163,617	10,223	163,617	10
Add: Issued during the year	-	-*	-	-*
Outstanding at the end of the year	<u>163,617</u>	<u>10,223</u>	<u>163,617</u>	<u>10</u>

\*Amounts below rounding off norm adopted by the Company

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

	31 March 2021	31 March 2020
Wipro Limited, the ultimate holding Company		
1,63,617 (31 March 2021: 1,63,617)	163,617	163,617

Name of other Subsidiaries/Associate Company, subsidiary/associate Company

1 (31 March 2021: 1) held by Wipro Holdings UK Limited	1	1
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(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	31 March 2021		31 March 2020	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Wipro Limited	163,617	100.00%	163,617	100.00%

(d) 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.

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

12 Other equity

(A) The Company has preference share capital having a par value of INR 1 per share, referred to herein as preference share capital.

	31 March 2021	31 March 2020
<b>Authorized</b>		
45000 (31 March 2020: 45000) Preference Shares of 1 euro each	3,056	3,056
	<u>3,056</u>	<u>3,056</u>
<b>Issued, subscribed and paid up</b>		
Nil (31 March 2020: Nil) Preference Shares of 1 euro each	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

(i) Reconciliation of preference shares outstanding at the beginning and at the end of the year\*

	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	-	-	45,000	-
Add/Less: Issued/Redeemed during the year	-	-	-45,000	-
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	31 March 2021	31 March 2020
Wipro Limited, the ultimate holding Company		
Convertible preference shares held by Wipro Limited	-	-

## (iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2021		31 March 2020	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Wipro Limited	-	-	-	-

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) 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.

(v) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

	31 March 2021	31 March 2020
(B) Securities premium reserve (SPR)*		
Opening balance	17,276,024	23,945,592
Less : Redemption during the year	-	(6,669,568)
Add : Securities premium credited on share issue	-	-
<b>Closing balance</b>	<b>17,276,024</b>	<b>17,276,024</b>

\*SPR record premium on issue of shares to be utilized in accordance with the Companies Act 2013.

	31 March 2021	31 March 2020
(C) Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	6,210,203	5,184,101
Add: Net loss/profit for the current year	2,421,425	1,026,102
Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	-	-
<b>Closing balance</b>	<b>8,631,628</b>	<b>6,210,203</b>
<b>Total other equity</b>	<b>25,907,652</b>	<b>23,486,227</b>

	31 March 2021	31 March 2020
14 Short -term borrowings		
Secured, from bank, term loan		
Term loan	-	-
Unsecured, Loans from related parties (Refer footnote)	10,289,951	9,495,651
<b>Total short-term borrowings (I)</b>	<b>10,289,951</b>	<b>9,495,651</b>

(i) Loan from Wipro Holdings Investments KFT, 6,798,765 (in 000's), Loan from Wipro Holdings UK Limited 1,409,156 in (000's) & Loan from Wipro Holdings Hungary KFT, 2,082,030 (in 000's) in 2021.

(ii) Loan from Wipro Holdings Investments KFT, 2,267,700 (in 000's), Loan from Wipro Holdings UK Limited 3,150,877 in (000's) & Loan from Wipro Holdings Hungary KFT, 4,042,553 (in 000's) in 2020.

	31 March 2021	31 March 2020
15 Trade payables		
Trade payables	6,434	6,432
<b>Total trade payables (II)</b>	<b>6,434</b>	<b>6,432</b>

**Total financial liability (I+II)** 10,296,386 9,516,486

	31 March 2021	31 March 2020
16 Current Tax Liability (net)		
Current tax payable	139,737	14,403
<b>Total current tax liabilities</b>	<b>139,737</b>	<b>14,403</b>

	31 March 2021	31 March 2020
17 Other financial liabilities		
Balances due to related parties	2,134,045	4,345,663
<b>Total other financial liabilities</b>	<b>2,134,045</b>	<b>4,345,663</b>

Wipro IT Services UK Societas (formerly Wipro IT Services SE)

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

(Amount in '000 INR except share and per share data, unless otherwise stated)

	31 March 2021	31 March 2020
<b>18 Revenue from operations</b>		
Loan interest income	50,686	70,417
Dividend Income	2,403,296	3,049,683
<b>Total revenue from operations</b>	<b>2,453,982</b>	<b>3,120,100</b>
<b>19 Other income</b>		
Interest income	-	-
Foreign exchange fluctuation	132,483	112,327
Liabilities written back	-	135
<b>Total other income</b>	<b>132,483</b>	<b>112,461</b>
<b>19A (Loss) or gain from sale of investments and Impairment reversal</b>		
Provision for impairment on investment written back	-	537,288
(Loss) or gain from sale of investments and Impairment reversal	-	(2,438,632)
	<b>-</b>	<b>(1,901,344)</b>
<b>20 Finance costs</b>		
Interest on borrowing	-	-
Interest on unsecured loans from related parties	92,429	157,973
Interest on delay in payment of taxes	1,964	432
<b>Total finance costs</b>	<b>94,393</b>	<b>158,404</b>
<b>21 Other expenses</b>		
Rates & Taxes	-	-
Bad Debt - Loan	-	1,407
Bank Charges	374	420
Legal and professional charges	7,675	7,203
Foreign exchange fluctuation	-	-
Miscellaneous expenses	8	49
<b>Total other expenses</b>	<b>8,057</b>	<b>9,080</b>
<b>22 Income tax expense</b>		
- Current tax taxes	-	-
- Pertains to Current Year	95,549	119,439
- Pertains to Previous Year	-32,959	18,193
- Deferred tax charge / (income)	-	-
<b>Total</b>	<b>62,591</b>	<b>137,632</b>
<b>Reconciliation of tax charge</b>		
Profit before tax	2,484,016	1,157,947
Tax rate Applicable	19%	19%
Income tax expense at tax rates applicable	471,963	220,010
Tax effects of:		
- Item not deductible for tax		362,558
- Prior periods	-32,959	18,193
- Income exempt from tax	(456,626)	(707,801)
- Current Year Tax Losses (No DTA created)	-	125,233
- Impairment provision (No DTA created)	-	-
- Others (Net)	80,212	119,439
<b>Income tax expense</b>	<b>62,591</b>	<b>137,632</b>



(B) The Company has the following related party transactions:

Particulars	31 March 2021	31 March 2020
<b><u>Dividend Received</u></b>		
Wipro Technologies Nigeria Ltd	-	769
Wipro Arabia Co. Limited	2,033,509	3,048,914
Wipro Poland Sp Z.O.O	369,787	-
	-	-
<b><u>Interest Income</u></b>		
Wipro Information Technology Egypt SAE	-	1,389
Wipro Outsourcing Services (Ireland) Limited	703	873
Wipro LLC (formerly Wipro Inc)	-	-
Wipro Information Technology Austria GmbH(A) (Formerly Wipro Holdings Austria)	-	-
Wipro Information Technology Netherlands BV.	11,099	10,788
Wipro Technologies Gmbh	1,629	3,896
Wipro Technologies SA	-	-
Limited Liability Company Wipro Technologies Limited	-	-
Designit A/S	738	-
Wipro Technologies Gmbh	-	-
Wipro Technology Chile SPA	1,524	2,639
Wipro Technologies Australia Pty Ltd	25,902	22,552
Wipro IT Services Poland Sp z o o	-	4,092
WIPRO TECHNOLOGIES CANADA LTD	-	3,704
Wipro Information Technology Kazakhstan LLP	837	1,334
Wipro Solutions Canada Limited	3,950	-
Designit Denmark A/S	4,794	4,274
	-	-
<b><u>Interest Expense</u></b>		
	-	-
Wipro Holdings UK Ltd	28,178	61,078
Wipro Technologies SRL	142	175
Wipro Technologies Austria GmbH	-	-
New Logic Technologies SARL	-	-
Wipro Technologies Austria GmbH	-	-
Wipro Information Technology Netherlands BV	217	405
Wipro Portugal S.A	411	236
Wipro Technologies	-	23
Wipro Holdings Hungary Korlátolt Felelősségű Társaság	30,556	28,492
Enabler UK Limited	-	-
Wipro Technologies Gmbh	91	-
Wipro Holdings Investment Korlátolt Felelősségű Társaság	31,829	66,407
	-	-
<b><u>Loan Taken</u></b>		
Wipro Holdings Holdings KFT	-	3,840,210
Wipro Holdings Investments KFT	4,568,130.00	-
Wipro Holdings UK Limited	1,333,731.00	-
	-	-
<b><u>Loan &amp; Interest Repaid by/(to) - Net amount</u></b>		
Wipro Solutions Canada Limited	1,899	5,561
Wipro Holdings Holdings KFT	(1,936,311)	39,094
Wipro Technologies SA	-	-
Wipro IT Services Poland SP.ZOO	-	134,962
Wipro Technlogy Chile SPA	-	2,558
Wipro Information Technology Netherland BV	2,806	10,553
Wipro Technologies Australia Pty Ltd	75,735	-
Wipro Information Technology Kazhakstan LLP	-	-
Wipro Holdings UK Limited	(3,409,251)	-
<b><u>Equity Infusion</u></b>		
Wipro Technologies S.A DE C. V	-	-
WIPRO IT SERVICES UKRAINE LLC	-	4,954
Wipro Information Technology Netherlands BV.	5,880,782	-
PT WT Indonesia	-	-
<b><u>Investment sold</u></b>		
Cellent GmbH	-	5,685,250
<b><u>Preference Share Redemption</u></b>		
Wipro Limited	-	3,056

\* Excludes the transactions related to the reimbursement expenses.

(C) Amount due to/from (Net) related party as on:

	31 March 2021	31 March 2020
Wipro Arabia Limited		(616,087)
New Logic Technologies SARL		-
Wipro Limited	43,778	(79,278)
Wipro Portugal S.A	(1,072,416)	(509,595)
Wipro Retail UK Limited		-
Wipro Technologies Austria GmbH		-
Wipro Holdings UK Ltd	(1,413,858)	(3,330,966)
Wipro Technologies SRL	(328,890)	(520,680)
Wipro Outsourcing Services (Ireland) Limited	89,282	105,848
Wipro Gulf LLC		-
Wipro Information Technology Egypt SAE	123,050	127,232
PT WT Indonesia Limited		-
Wipro Technologies SA		-
Wipro Technologies GmbH	693,250	2,585,807
Wipro Solutions Canada Ltd	162,176	146,352
Wipro Information Technology Netherlands BV	231,949	(167,805)
Wipro Technology Chile SPA	60,794	61,311
Wipro Technologies Australia Pty Ltd	1,045,209	916,101
Wipro IT Services Poland SP.Z.O.O		-
Wipro LLC		-
Wipro Information Technology Kazakhstan LLP	35,386	35,957
DesignIt Denmark A/S	692	751,404
Wipro IT Service Ukraine LLC	4,958	4,241
Wipro Corporate Technologies Ghana Limited		-
Rainbow Software LLC	811	707
Designit A/S	812,654	
Wipro Technologies Nigeria Limited	650	
Wipro Holdings Hungary Kft	(2,094,501)	(4,071,201)
Wipro Holdings Investment Kft	(6,956,355)	(2,398,199)
	-	-

**25 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.

**26 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)

**27 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 held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
2021		
INR	+45	38,526
INR	-45	-38,526
2020		
INR	+45	24,065
INR	-45	(24,065)

(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.

	Change in US\$ rate	Effect on profit before tax
2021		
	1%	79,454
	-1%	(79,454)
2020		
	1%	69,589
	-1%	(69,589)

(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.

(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>			
Short term borrowings		10,289,951	-	-
Long-term borrowings	-	-	-	-
Trade payables		6,434	-	-
Other financial liability	1,606,149	527,896	-	-
	<u>1,606,149</u>	<u>10,824,282</u>	<u>-</u>	<u>-</u>
	<b>31-Mar-20</b>			
Short term borrowings		9,495,651	-	-
Long-term borrowings	-	-	-	-
Trade payables		6,432	-	-
Other financial liability	3,083,890	1,261,773	-	-
	<u>3,083,891</u>	<u>10,763,857</u>	<u>-</u>	<u>-</u>

## 28 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		10,223	10,223
Convertible Preference Shares		-	-
Other Equity		25,907,652	23,486,227
Total equity		<b>25,917,875</b>	<b>23,496,450</b>
Borrowings other than convertible preference shares	(i)	10,289,951	9,495,651
Less: cash and cash equivalents		(588,060)	(2,322,221)
Total debt	(ii)	<b>9,701,893</b>	<b>7,173,431</b>
Overall financing	(iii) = (i) + (ii)	35,619,767	30,669,880
Gearing ratio	(ii) / (iii)	0.27	0.23

## 29 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. In response, the governments have taken various actions and ensured many precautionary measures which posed significant disruption to business operations and adversely impacting most of the industries which has resulted in global slowdown.

Management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of this Financial Statements.

See accompanying notes to financial statements

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As per our report of even date  
For PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Registration No.0039905/S200018

For and on behalf of the Board of Directors of  
**Wipro IT Services UK Societas (formerly Wipro IT Services SE)**

**Seethalakshmi M**  
Partner  
Membership No. 208545

**Mohit Bansal**  
Director

**Ramesh Phillips**  
Director

Place: Bengaluru  
Date: June 08, 2021

Place:  
Date: June 08, 2021

Place:  
Date: June 08, 2021