

WIPRO APPIRIO UK LIMITED

**STANDALONE SPECIAL PURPOSE
FINANCIAL STATEMENTS UNDER IND AS**

**AS AT AND FOR THE YEAR ENDED MARCH 31,
2022**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro Appirio UK Ltd

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Wipro Appirio UK Ltd (“the Company”), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as “the Special Purpose Financial Statements”). As explained in Note 2(i) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited (“the Parent”) solely for inclusion in the annual report of Wipro limited for the year ended 31 March 2022 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of presentation referred to in Note 2(i) to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 33 to the accompanying financial statements which indicates that the Company has accumulated losses of GBP (5,751,603) as at March 31, 2022. These events or conditions indicate that a material uncertainty exists which may cast a significant doubt on the Company’s ability to continue as going concern. However, basis the ongoing support of the Ultimate Holding Company and the ongoing assessment of business opportunities, the management considers going concern basis of accounting for preparation of accompanying special purpose financial statements to be appropriate. Our opinion is not modified in respect of this matter.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2.1 to the Special Purpose Financial Statements, on the basis of the preparation to the special purpose financial statements. The Special Purpose Financial Statements are prepared for inclusion in the annual report of the Ultimate Holding

Company under the requirements of Section 129(3) of the Companies Act, 2013. As a result, the Special Purpose Financial Statements may not be suitable for any other purpose. Our report is intended solely for the Company and Wipro Limited and should not be distributed to or used by parties other than the Company and Wipro Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the Company's and ultimate holding company's board of directors, for our audit work, for this report, or for the opinions we have formed.

Responsibilities of the Management and Those Charged with Governance for special purpose Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the company has adequate internal financial controls with reference to the special purpose financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

SD-

Seethalakshmi M

Partner

Membership No. 208545

Bengaluru

20 June 2022

WIPRO APPIRIO UK Ltd.
SPECIAL PURPOSE BALANCE SHEET AS AT MARCH 31, 2022
(Amount in GBP , unless otherwise stated)

	<u>Notes</u>	As at March 31, 2022	As at March 31, 2021
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	4	27,545	69,788
Other Non-current Asset	5	19,304	-
Total non-current assets		46,849	69,788
Current assets			
Financial assets			
Trade receivables	6	2,787,515	1,874,487
Cash and cash equivalents	7	-	379,963
Unbilled revenues		726	39,930
Other financial assets	8	23,579	23,528
Current tax assets (net)		-	91,486
Other current assets	9	355,285	235,858
Total current assets		3,167,105	2,645,252
TOTAL ASSETS		3,213,954	2,715,040
<u>EQUITY</u>			
Equity share capital	10A	1	1
Other equity	10B	(5,751,603)	(6,325,042)
Total Equity		(5,751,602)	(6,325,041)
<u>LIABILITIES</u>			
Non- Current liabilities			
Financial liabilities			
Borrowings	11	7,601,402	7,515,752
Total non-current liabilities		7,601,402	7,515,752
Current liabilities			
Financial liabilities			
Borrowings	11	152,379	-
Trade payables	12	389,792	690,291
Other financial liabilities	13	242,881	340,073
Unearned revenues		15,380	101,613
Other current liabilities	14	123,611	246,980
Provisions	15	440,112	145,372
Total current liabilities		1,364,155	1,524,329
TOTAL EQUITY AND LIABILITIES		3,213,955	2,715,040

See accompanying notes to the Special Purpose Financial Statements 1- 32

The accompanying notes form an integral part of these Special Purpose Financial Statements

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

For and on behalf of the Board of Directors

-sd
Seethalakshmi M
Partner
Membership No: 208545
Place: Bangalore
Date: 20.06.2022

-sd
Ramesh Phillips
Director

Date: 20.06.2022

WIPRO APPIRIO UK Ltd.
SPECIAL PURPOSE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022
(Amount in GBP , unless otherwise stated)

	<u>Notes</u>	<u>For the Year Ended March 31, 2022</u>	<u>For the Year Ended March 31, 2021</u>
INCOME			
Revenue from operations	16	6,854,243	9,165,748
Other income	17	175,577	743,791
Total Income		7,029,820	9,909,539
EXPENSES			
Employee benefits expense	18	4,691,154	6,379,047
Sub-contracting & technical fees		1,258,583	2,899,733
Finance costs	19	110,278	265,518
Depreciation	4	68,570	89,764
Other expenses	20	335,467	811,358
Total Expenses		6,464,052	10,445,420
Profit / (Loss) before tax		565,768	(535,881)
Tax expense	22		
Current tax expense/(benefit)		(7,670)	(33,480)
Total tax expense		(7,670)	(33,480)
Profit / (Loss) for the period		573,439	(502,401)
Total comprehensive income/(Loss) for the period		573,439	(502,401)
Earnings/ (Loss)per equity share	20		
(Equity shares of par value GBP 1 each)			
Basic		573,439	(502,401)
Diluted		573,439	(502,401)
No. of shares			
Basic		1	1
Diluted		1	1

See accompanying notes to the SPECIAL PURPOSE FINANCIAL STATEMENTS 1- 32

The accompanying notes form an integral part of these SPECIAL PURPOSE FINANCIAL STATEMENTS

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

For and on behalf of the Board of Directors

-sd
Seethalakshmi M
Partner
Membership No: 208545
Place: Bangalore
Date: 20.06.2022

-sd
Ramesh Phillips
Director

WIPRO APPIRIO UK Ltd.
SPECIAL PURPOSE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022
(Amount in GBP , unless otherwise stated)

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Cash flows from operating activities:		
Profit / (Loss) for the period	573,439	(502,401)
Adjustments:		
Depreciation	68,570	89,764
Exchange loss, net	-	(666,619)
Income tax expense/(write-back)	(7,670)	(33,480)
Interest (income), net	110,278	191,181
Trade receivables	(913,028)	318,829
Unbilled revenue	39,205	(39,930)
Other assets	(119,478)	1,466,282
Trade payables	(300,499)	(143,929)
Accrued expenses, other liabilities and provisions	74,178	178,259
Unearned revenue	(86,233)	(36,843)
Cash used in operating activities before taxes	<u>(561,238)</u>	<u>821,112</u>
Income taxes paid, net	<u>(99,156)</u>	<u>(256,107)</u>
Net cash used in operating activities	<u>(462,082)</u>	<u>565,005</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(26,575)	(15,933)
Proceeds from sale of property, plant and equipment	248	-
Proceeds from purchase of crypto tokens	(19,304)	
Cash used in investing activities before taxes	<u>(45,631)</u>	<u>(15,933)</u>
Net cash used in investing activities	<u>(45,631)</u>	<u>(15,933)</u>
Cash flows from financing activities:		
(Repayment) of /Proceeds from loans and borrowings	152,379	(585,751)
Interest paid on loans and borrowings	(24,627)	(249,765)
Net cash used in financing activities	<u>127,751</u>	<u>(835,516)</u>
Net increase in cash and cash equivalents during the year	<u>(379,963)</u>	<u>(286,444)</u>
Cash and cash equivalents at the beginning of the year	379,963	666,407
Cash and cash equivalents at the end of the year (Note 6)	<u>1</u>	<u>379,963</u>

See accompanying notes to the SPECIAL PURPOSE FINANCIAL STATEMENTS 1- 33

The accompanying notes form an integral part of these SPECIAL PURPOSE FINANCIAL STATEMENTS

As per our report attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.: 003990S/S200018

-sd

Seethalakshmi M

Partner

Membership No: 208545

Place: Bangalore

Date: 20.06.2022

For and on behalf of the Board of Directors

-sd

Ramesh Phillips

Director

WIPRO APPIRIO UK Ltd.
SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY
(Amount in GBP , unless otherwise stated)

A. EQUITY SHARE CAPITAL

	31 March 2022		31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Opening number of equity shares	1	1	1	1
Equity shares issued	-	-	-	-
Closing number of equity shares	1	1	1	1

B. OTHER EQUITY

	Retained Earnings	Total Other Equity
Balance as at April 01, 2021	(6,325,042)	(6,325,042)
Total comprehensive income for the period	573,439	573,439
Balance as at March 31, 2022	(5,751,603)	(5,751,603)

	Retained Earnings	Total Other Equity
Balance as at April 01, 2020	(5,822,641)	(5,822,641)
Total comprehensive income for the period	(502,401)	(502,401)
Balance as at March 31, 2021	(6,325,042)	(6,325,042)

See accompanying notes to the SPECIAL PURPOSE FINANCIAL STATEMENTS 1- 32

The accompanying notes form an integral part of these SPECIAL PURPOSE FINANCIAL STATEMENTS

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 0039905/S200018

For and on behalf of the Board of Directors

-sd
Seethalakshmi M
Partner
Membership No: 208545
Place: Bangalore
Date: 20.06.2022

-sd
Ramesh Phillips
Director

WIPRO APPIRIO UK LTD.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
(Amount in GBP, unless otherwise stated)

1. The Company overview

Wipro Appirio UK Ltd. (the Company), incorporated in London, UK, a 100% subsidiary of Wipro Appirio (Ireland) Ltd., is a leading global consultancy and provider of cloud-based services to business enterprises' Information Technology (IT) cloud solutions. The Company offers professional services and subscription Software-as-a-Service (SaaS) products on a Platform-as-a-Service (PaaS) that help enterprises accelerate their adoption to cloud-based computing.

The Company utilizes its knowledge and partnerships with leading SaaS-based providers, such as Salesforce.com and Google, to provide unique solutions to its customers' IT needs. The Company derives the majority of its revenues in the UK.

Wipro Appirio, Inc. was acquired by Wipro IT Services LLC. with effect from November 23, 2016, after which the entity is part of the Wipro Limited.

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.

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 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)]

(a) 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

(b) New standards notified and yet to be adopted by the Company

None

The Company has net profit of GBP 573,438 (loss of GBP 502,400 for year ended on 31 March 2021) during the year ended 31 March 2022 and has accumulated losses amounting GBP 5,751,539. However, based on the continued support from the Ultimate Holding Company, the financial statements have been prepared on a 'Going Concern' basis.

(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 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:** The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognized, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.
- b) **Income taxes:** The major tax jurisdictions for the Company is UK. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.
- c) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered 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:** The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections,

customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

- e) **Useful lives of property, plant and equipment:** The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.
- f) **Leases:** Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.
- g) **Impact of Covid'19:** The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. However, the impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. Also refer note 29 and 30

3. Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in Great Britain Pound (GBP), which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are 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 and qualifying net investment hedges. Gains/(losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as fair value through other comprehensive income are included in other comprehensive income, net of taxes.

(iii) Financial instruments

a) Non-derivative financial instruments:

Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are 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.

- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.
- Non- derivative financial instruments are recognized initially at fair value.

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

A. Cash and cash equivalents

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

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

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, 2022 is 1 Equity shares of GBP 1 per share. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

b) Retained earnings

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

Dividend

A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

d) Other reserves

Changes in the fair value of financial instruments measured at fair value through other comprehensive income and actuarial gains and losses on defined benefit plans are recognized in other comprehensive income (net of taxes) and presented within equity in other reserves.

(v) 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 is reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Leasehold Improvements	Useful life or lease term whichever is lower
Computer equipment and software	2 to 7 years
Furniture, fixtures and equipment	3 to 10 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 such date are disclosed under capital work- in-progress.

(vi) Leases

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

a) Arrangements where the Company is the lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves-

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

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

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Company applies IND AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets included as part of our annual financial statements for the year ended March 31, 2022.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in consolidated statement of income.

Company has elected not to apply requirements of para 22-49 of Ind AS 116 to short term leases and low value leases. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

(vii) Impairment

A) Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

B) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

(viii) Employee benefits

a) Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits. **b)**

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

c) 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 using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur.

(ix) 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.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(x) Revenue

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

a) Services

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

A. Time and materials contracts

Revenues and costs relating to time and materials 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.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Unbilled revenues on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time.

C. Maintenance contracts

Revenue from maintenance contracts is recognized ratably 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, 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. Products

Revenue on product sales are recognized when the customer obtains control of the specified asset.

E. Others

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price. The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled. Revenues are shown net of value added tax and applicable discounts and allowances. 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. Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term. The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence.

(xi) Finance cost

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

(xii) Other income

Other income comprises interest income on deposits, dividend income and gains / (losses), net, on disposal of investments. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

(xiii) 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 that is expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

(xiv) 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.

(xv) Cash flow statement

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

WIPRO APPIRIO UK Ltd.
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENT
(Amount in GBP , unless otherwise stated)

4. Property, Plant and Equipment

As at March 31, 2022

Gross Carrying Value:	Plant & Machinery	Furniture and Fixtures	Total
As at April 1, 2021	238,171	10,207	248,378
Additions	26,575	-	26,575
(Disposal)/Adjustments	(2,896)	-	(2,896)
As at March 31, 2022	261,850	10,207	272,057

Accumulated Depreciation/ Impairment	Plant & Machinery	Furniture and Fixtures	Total
As at April 1, 2021	(168,383)	(10,207)	(178,590)
Depreciation	(68,577)	7	(68,570)
Disposal/(Adjustments)	2,648	-	2,648
As at March 31, 2022	(234,312)	(10,200)	(244,512)

Net Carrying Value	Plant & Machinery	Furniture and Fixtures	Total
As at March 31, 2021	69,788	-	69,788
As at March 31, 2022	27,538	7	27,545

As at March 31, 2021

Gross Carrying Value:	Plant & Machinery	Furniture and Fixtures	Total
As at April 1, 2020	338,238	10,207	348,445
Additions	15,933	-	15,933
(Disposal)/Adjustments	(116,000)	-	(116,000)
As at March 31, 2021	238,171	10,207	248,378

Accumulated Depreciation/ Impairment	Plant & Machinery	Furniture and Fixtures	Total
As at April 1, 2020	(194,983)	(10,207)	(205,190)
Depreciation	(89,764)	-	(89,764)
Disposal/(Adjustments)	116,364	-	116,364
As at March 31, 2021	(168,383)	(10,207)	(178,590)

Net Carrying Value	Plant & Machinery	Furniture and Fixtures	Total
As at March 31, 2020	143,255	-	143,255
As at March 31, 2021	69,788	-	69,788

WIPRO APPIRIO UK Ltd.
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(Amount in GBP , unless otherwise stated)

5. Other non-current assets

	As at March 31, 2022	As at March 31, 2021
Crypto tokens	19,304	-
	<u>19,304</u>	<u>-</u>

6. Trade Receivables

	As at March 31, 2022	As at March 31, 2021
Unsecured:		
Considered good	165,224	377,142
Considered doubtful	526,512	575,855
	<u>691,736</u>	<u>952,996</u>
Less: Provision for doubtful receivables	(526,512)	(575,855)
Net trade receivables	165,224	377,142
Receivable from related parties (Refer note 23)	2,622,291	1,497,345
	<u>2,787,515</u>	<u>1,874,487</u>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

The activity in the allowance for doubtful debts is given below:

	As at March 31, 2022	As at March 31, 2021
Opening Balance	(575,855)	(502,761)
Less: Deduction during the period (net)	49,343	927
Add: Additions during the period	-	(74,021)
Closing Balance	<u>(526,512)</u>	<u>(575,855)</u>

WIPRO APPIRIO UK Ltd.
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(Amount in GBP , unless otherwise stated)

7. Cash and Cash Equivalents

Cash and cash equivalents consists of balances with banks.

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- On Current accounts	-	379,963
	-	379,963

8. Other Financial Assets

	As at March 31, 2022	As at March 31, 2021
Current		
Lease deposits	23,528	23,528
Other deposits	50	-
	23,579	23,528

9. Other Assets

	As at March 31, 2022	As at March 31, 2021
Current		
Prepaid expenses	282,135	217,212
VAT Recoverable (Net)	10,532	18,646
Others	62,618	
	355,285	235,858

WIPRO APPIRIO UK Ltd.
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(Amount in GBP , unless otherwise stated)

10A. Share Capital

	As at March 31, 2022	As at March 31, 2021
I. Authorised Capital		
1 (March 31, 2021: 1) equity share	1	1
	1	1
II. Issued, subscribed and fully paid-up capital		
1 (March 31, 2021: 1) equity share	1	1
	1	1
(i) Shares held by holding company (Wipro Appirio (Ireland) Ltd., the holding company)		
	As at March 31, 2022	As at March 31, 2021
Number of equity shares of GBP 1 each	1	1
	1	1

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

Name of the Shareholder	31 March 2022		31 March 2021	
	No. of shares	% held	No. of shares	% held
Wipro Appirio (Ireland) Ltd.	1	100	1	100
	1	100	1	100

Rights, preferences and contingencies attached to the equity shares

The company has one class of equity shares having a face value of GBP 1 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets on the company after distribution of all preferential amounts, in proportion of their shareholding.

10B. OTHER EQUITY

	Retained Earnings	Total Other Equity
Balance as at April 01, 2021	(6,325,042)	(6,325,042)
Total comprehensive income for the period	573,439	573,439
Balance as at March 31, 2022	(5,751,603)	(5,751,603)
	Retained Earnings	Total Other Equity
Balance as at April 01, 2020	(5,822,641)	(5,822,641)
Total comprehensive income for the period	(502,401)	(502,401)
Balance as at March 31, 2021	(6,325,042)	(6,325,042)

WIPRO APPIRIO UK Ltd.
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(Amount in GBP , unless otherwise stated)

11. Borrowings

A summary of loans and borrowings is as follows:

	As at March 31, 2022	As at March 31, 2021
long-term borrowings		
Unsecured		
Borrowings from:		
Wipro Holdings Investment Korlátolt Felelősségű Társaság*	3,032,765	3,005,217
Wipro Holdings Hungary Korlátolt Felelősségű Társaság**	2,527,305	2,504,119
Wipro UK Limited*	2,041,332	2,006,416
	<u>7,601,402</u>	<u>7,515,752</u>
Short-term borrowings		
Overdraft with Bank	152,379	-
	<u>152,379</u>	<u>-</u>

*The loan carries an average interest rate of 12 month LIBOR+ 2 % p.a. and will reset for each calendar quarter using the LIBOR rate quoted on Bloomberg on the day before the interest period begins. The loans do not carry any debt covenant. The company has not defaulted on any loans payable.

**The loan carries an average interest rate of 12 month LIBOR+ 0.85 % p.a. and will reset for each calendar quarter using the LIBOR rate quoted on Bloomberg on the day before the interest period begins. The loans do not carry any debt covenant. The company has not defaulted on any loans payable.

12. Trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues	91,023	109,970
Payable to group companies (Refer note 23)	298,769	580,321
	<u>389,792</u>	<u>690,291</u>

13. Other Financial Liabilities

	As at March 31, 2022	As at March 31, 2021
Current		
Salary payable	242,881	337,670
Other Payables	-	2,403
	<u>242,881</u>	<u>340,073</u>

14. Other Liabilities

	As at March 31, 2022	As at March 31, 2021
Current		
Statutory dues payable	68,964	178,732
Advance from Debtors	54,647	68,248
	<u>123,611</u>	<u>246,980</u>

15. Provisions

	As at March 31, 2022	As at March 31, 2021
Current		
Provision for employee benefits	440,112	145,372
	<u>440,112</u>	<u>145,372</u>

WIPRO APPIRIO UK Ltd.
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(Amount in GBP , unless otherwise stated)

16. Revenue from Operations	Year ended March 31, 2022	Year ended March 31, 2021
Rendering of Services	6,854,243	9,165,748
	6,854,243	9,165,748

17. Other Income	Year ended March 31, 2022	Year ended March 31, 2021
Foreign exchange gains, net	-	666,364
Interest income	-	74,337
Liabilities written back	175,577	3,090
	175,577	743,791

18. Employee benefits expense	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	4,684,971	6,372,505
Staff welfare expenses	6,183	6,542
	4,691,154	6,379,047

19. Finance costs	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expense	110,278	265,518
	110,278	265,518

20. Other expenses	Year ended March 31, 2022	Year ended March 31, 2021
Foreign exchange losses, net	15,519	-
Staff Recruitment expenses	63,933	63,173
Facility expenses	31,895	436,442
Allowance for expected credit loss	-	74,021
Legal and Professional charges	37,026	73,725
Marketing and brand building	103,933	25,745
Corporate overheads	11,549	58,568
Annual maintenance charges for software & hardware	59,191	59,125
Bank charges	8,388	13,756
Communication expenses	2,603	2,048
Insurance	-	926
Miscellaneous expenses	1,430	3,830
	335,467	811,358

WIPRO APPIRIO UK Ltd.
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
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21. Earnings/(Loss) per Equity Share

A reconciliation of profit for the period and equity shares used in the computation of basic and diluted earnings per equity share is set out below

Basic earnings/(loss) per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period, excluding equity shares purchased by the Company.

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.

	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) for the Period	573,439	(502,401)
Weighted Average Number of Equity Shares Outstanding	1	1
Basic & diluted Earnings/(Loss) per Share	573,439	(502,401)

22. Income Tax Expense

Income tax expense has been allocated as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Current		
In respect of current period	-	(91,486)
Adjustments of current tax for prior periods	(7,670)	58,006
Income tax expense reported in the statement of profit or loss	(7,670)	(33,480)
Total Income Tax Expense Recognised	(7,670)	(33,480)

The reconciliation of estimated income tax expense at United Kingdom statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit / (Loss) before tax	565,768	(535,881)
Statutory income tax rate of United Kingdom	19.00%	19.00%
Expected income tax expense/(benefit)	107,496	(101,817)
Tax Effect of:		
- Item not deductible for tax	6,598	10,331
- c/f losses	(114,093)	-
- Adjustments of current tax for prior periods	(7,670)	58,006
Income tax expense	(7,670)	(33,480)

WIPRO APPIRIO UK Ltd.
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(Amount in GBP, unless otherwise stated)

23. Related Party Relationships, Transactions and Balances

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

Name of the Party	Relationship with the
Wipro Limited	Ultimate Holding Company
Wipro LLC	Intermediate Holding Company
Wipro Portugal	Fellow Subsidiary
Designit Denmark	Fellow Subsidiary
Wipro UK Holding	Fellow Subsidiary
Wipro IT Services, LLC	Intermediate Holding Company
Wipro Appirio, Inc.	Intermediate Holding Company
Wipro Appirio (Ireland) Ltd.	Holding Company

Parties with whom transactions are there during the year are only listed

ii) The Company had the following transactions with related parties during the year ended March 31, 2022

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Wipro Ltd.		
Sales and services	(4,945,715)	(5,176,176)
Subcontracting & technical fees	197,753	68,858
Wipro LLC		
Sales and services	(84,867)	(322,401)
Wipro Portugal		
Sales and services	(981)	12,811
Wipro Appirio, Inc.		
Sales and services	(535,897)	(1,395,061)
Subcontracting & technical fees	110,819	858,534
Interest income	-	(74,337)
Interest expense	-	111,253
Wipro Appirio (Ireland) Ltd.		
Sales and services	(920,288)	(1,633,056)
Subcontracting & technical fees	29,217	48,518
Interest expense	-	138,513
Wipro Holdings Investment Korlátolt Felelősségű Társaság		
Interest expense	35,559	5,217
Wipro Holdings Hungary Korlátolt Felelősségű Társaság		
Interest expense	29,633	4,119
Wipro UK Limited		
Interest expense	45,085	6,416
Weare4C UK Ltd.		
Subcontracting & technical fees	-	20,700
Wipro Technologies GmbH		
Subcontracting & technical fees	-	379
Wipro Technologies S.A DE C. V		
Subcontracting & technical fees	-	10,940
Wipro Travel Services Limited		
Subcontracting & technical fees	-	4
Wipro Technology Chile SPA		
Sales and services	-	(30,399)

iii) Balances with related parties as at March 31, 2022 are summarised below

Particulars	As at March 31, 2022	As at March 31, 2021
Payables:		
Wipro Appirio, Inc.	-	(543,990)
Wipro Limited	(221,121)	(10,127)
Weare4C UK Ltd.	-	(24,840)
Wipro Portugal S.A.	-	(1,363)
Appirio Ltd (Ireland)	(16,293)	-
Wipro Travel Services Limited	(412)	-
Wipro LLC	(60,942)	-
Total	(298,769)	(580,321)
Receivables:		
Wipro Appirio (Ireland) Ltd.	616,772	103,171
Wipro Holdings (UK) Limited	99,158	-
Wipro Technology Chile SPA	-	30,399
Wipro Limited	1,752,854	1,271,163
Wipro Travel Services Limited	-	65
Wipro LLC	-	92,548
Wipro Appirio Inc.	152,526	-
Wipro Portugal S.A.	981	-
Total	2,622,291	1,497,345
Loan amount outstanding:(net)		
Wipro Holdings Investment Korlátolt Felelősségű Társaság	(3,032,765)	(3,005,217)
Wipro Holdings Hungary Korlátolt Felelősségű Társaság	(2,527,305)	(2,504,119)
Wipro UK Limited	(2,041,332)	(2,006,416)
Total	(7,601,402)	(7,515,752)

24. Commitments and contingencies

There are no Contingent Liabilities, Capital and Other Commitments as at March 31, 2022 and March 31, 2021.

25. Segment reporting

The Company operates in one business segment, namely sale of software services. In line with IND-AS 108, as the relevant information is available from balance sheet and the statement of profit and loss itself, and keeping in view the objective of segment reporting, the Company is not required to disclose segment information as per IND AS -108.

WIPRO APPIRIO UK Ltd.
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(Amount in GBP , unless otherwise stated)

26. Financial instruments

Financial instruments by category

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

Particulars	Note	FVTPL	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Trade receivables	5	-	2,787,515	2,787,515	2,787,515
Unbilled revenues		-	726	726	726
Other financial assets	7	-	23,579	23,579	23,579
Total financial assets		-	2,811,819	2,811,819	2,811,819
Financial liabilities :					
Borrowings	10	-	7,753,781	7,753,781	7,753,781
Trade payables	11	-	389,792	389,792	389,792
Other financial liabilities	12	-	242,881	242,881	242,881
Total financial liabilities		-	8,386,453	8,386,453	8,386,453

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

Particulars	Note	FVTPL	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Trade receivables	5	-	1,874,487	1,874,487	1,874,487
Cash and cash equivalents	6	-	379,963	379,963	379,963
Unbilled revenues		-	39,930	39,930	39,930
Other financial assets	7	-	23,528	23,528	23,528
Total financial assets		-	2,317,908	2,317,908	2,317,908
Financial liabilities :					
Borrowings	10	-	7,515,752	7,515,752	7,515,752
Trade payables	11	-	690,291	690,291	690,291
Other financial liabilities	12	-	340,073	340,073	340,073
Total financial liabilities		-	8,546,116	8,546,116	8,546,116

27. Fair values of financial assets and financial liabilities

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

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

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

27A Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

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

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28. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the SPECIAL PURPOSE FINANCIAL STATEMENTS.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

B Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

31-Mar-22	Less than 3 months	3 to 12 months	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives						
Borrowings	-	-	152,379	-	7,601,402	7,753,781
Trade payables	389,792	-	-	-	-	389,792
Other financial liabilities	242,881	-	-	-	-	242,881
Total	632,672	-	152,379	-	7,601,402	8,386,453

31-Mar-21	Less than 3 months	3 to 12 months	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives						
Borrowings	-	-	-	-	7,515,752	7,515,752
Trade payables	690,291	-	-	-	-	690,291
Other financial liabilities	340,073	-	-	-	-	340,073
Total	1,030,364	-	-	-	7,515,752	8,546,116

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28c Financial risk management (continued)

C Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	31-Mar-22	31-Mar-21
Variable rate borrowing	7,601,402	7,515,752
	7,601,402	7,515,752

Interest rate risk

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

Particulars	31-Mar-22	31-Mar-21
Interest rates - increase by 50 basis points (50 bps)	38,007	37,579
Interest rates - decrease by 50 basis points (50 bps)	(38,007)	(37,579)

29. Capital management

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

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Gearing ratio in 2021-22 is 3.87 as compared to 6.31 in 2020-21. 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.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

30. 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, 2021 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 Special Purpose Financial Statements.

31. Impact of Covid-19 on Special Purpose Financial Statements

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, 2022 and has concluded that there is no impact which is required to be recognised in the Special Purpose Financial Statements. Accordingly, no adjustments have been made to the Special Purpose Financial Statements.

32. Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorization of

these Special Purpose Financial Statements.

33. Note on negative networth

The Company has accumulated loss of GBP (5,751,604)as at March 31, 2022. The special financial statement has been prepared on the assumption that the Company will continue as a going concern, based on the continuing financial support from the parent company. Further, the Company and its holding Company has adequate liquid assets to support the operation of the Company for next one year. Accordingly, the Company will be able to realise its assets and discharge its liabilities as recorded in these Special Purpose Financial Statements in the normal course of business.

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 0039905/S200018

-sd
Seethalakshmi M
Partner
Membership No: 208545
Place: Bangalore
Date: 20.06.2022

For and on behalf of the Board of Directors

-sd
Ramesh Phillips
Director

Date: 20.06.2022