

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Wipro IT Services Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wipro IT Services Bangladesh Limited, (the "Company") which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the year ended 31 March 2022 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are 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 ISAs 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 ISAs, 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 omission, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 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 going concern.

- 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c. the Company's statement of financial position, the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Dhaka, Bangladesh
Date: 22 June 2022

For Nurul Faruk Hasan & Co
Chartered Accountants
Registration Ref. No. 1/1/ICAB-2008 (1)

s/d
Md. Faruk Uddin Ahammed
Partner
Enrollment No. 720
DVC:

Wipro IT Services Bangladesh Limited

Statement of financial position

As at 31 March 2022

		As at 31 March 2022	As at 31 March 2021
	Note	BDT	BDT
Assets			
Non current asset			
Property, plant and equipment	4	27,883,347	3,168,986
Right-of-use assets	5	8,500,025	22,302,691
Security deposit		5,293,784	4,737,166
		41,677,155	30,208,843
Current assets			
Cash and cash equivalents	7	216,652,794	717,346,957
Trade receivables	8	601,351,413	345,349,167
Unbilled trade receivables	9	128,062,982	44,839,520
Other current assets	10	761,221,436	525,732,157
Total current assets		1,707,288,625	1,633,267,801
Total assets		1,748,965,780	1,663,476,644
Equity and liabilities			
Equity			
Share capital	11	425,000,000	425,000,000
Retained earnings		(281,931,161)	81,559,216
Total equity		143,068,839	506,559,216
Non Current Liability			
Lease liability	6	-	11,515,197
		-	11,515,197
Current liabilities			
Trade payable	12	1,307,388,982	888,412,969
Other payables	13	161,268,778	99,103,009
Provision for taxation	14	126,009,650	140,517,393
Lease liability	6	11,229,531	17,368,860
Total liabilities		1,605,896,940	1,145,402,231
Total equity and liabilities		1,748,965,780	1,663,476,644

The annexed notes 1 to 24 form an integral part of these financial statements.

s/d
Director

s/d
Managing Director

As per our annexed report of same date

Dhaka, Bangladesh
Dated: 22/06/2022

s/d
Nurul Faruk Hasan & Co
Chartered Accountants

Wipro IT Services Bangladesh Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 March 2022

		For the period ended 31 March 2022	For the year ended 31 March 2021
	Note	BDT	BDT
Revenue	15	1,222,834,253	910,739,931
Cost of revenue	16	(1,524,990,405)	(997,753,478)
Gross profit		(302,156,152)	(87,013,548)
Administrative expenses	17	(76,699,995)	(86,600,824)
Profit from operations		(378,856,147)	(173,614,371)
Other income	18	858,027	11,612,141
Profit before tax		(377,998,120)	(162,002,230)
Income tax expense	19	(14,507,744)	18,685,585
Net profit for the period		(363,490,376)	(180,687,815)
Other comprehensive income		-	-
Total comprehensive income		(363,490,376)	(180,687,815)

The annexed notes 1 to 24 form an integral part of these financial statements.

s/d
Director

s/d
Managing Director

As per our annexed report of same date

Dhaka, Bangladesh
Dated: 22/06/2022

s/d
Nurul Faruk Hasan & Co
Chartered Accountants

Wipro IT Services Bangladesh Limited
Statement of changes in shareholders' equity
For the period ended 31 March 2022

Particulars	Share capital	Retained earnings	Total equity
	BDT	BDT	BDT
Balance as at 01 April 2020	425,000,000	262,247,030	687,247,030
Profit for the period	-	(180,687,815)	(180,687,815)
Other comprehensive income for the year	-	-	-
Balance as at 31 March 2021	425,000,000	81,559,216	506,559,216
Balance as at 1 April 2021	425,000,000	81,559,216	506,559,216
Profit for the period	-	(363,490,376)	(363,490,376)
Other comprehensive income for the year	-	-	-
Balance as at 31 March 2022	-	(281,931,161)	143,068,839

The annexed notes 1 to 24 form an integral part of these financial statements.

Wipro IT Services Bangladesh Limited
Cash Flow Statement
For the period ended 31 March 2022

	For the period ended 31 March 2022	For the year ended 31 March 2021
	BDT	BDT
A. Cash flows from operating activities:		
Net profit for the period	(363,490,376)	(180,687,815)
Add: Adjustment for non cash items:		
Provision for tax	(14,507,744)	18,685,585
Depreciation	19,781,195	15,569,478
Provision for doubtful advances	(34,124)	-
Interest paid	2,031,624	4,103,125
Interest income	(683,534)	(5,159,188)
Unrealised foreign currency (gain) / loss	459,779	59,934
	7,047,196	33,258,934
Changes in current assets/current liabilities:		
Trade receivables	(256,002,246)	(26,564,221)
Unbilled trade receivables	(83,223,463)	(17,028,395)
Other current assets	(236,045,896)	(52,371,387)
Trade payable	418,656,698	400,407,209
Other payables	62,059,429	1,127,364
	(94,555,479)	305,570,570
Income tax expense	-	-
	-	-
Net cash from/(used in) operating activities	(450,998,659)	158,141,689
B. Cash flows from investing activities:		
Acquisition of fixed assets	(30,692,889)	(2,423,095)
Interest income	683,534	5,159,188
Net cash from/(used in) investing activities	(30,009,355)	2,736,093
C. Cash flows from financing activities:		
Repayments of the lease liability	(17,654,526)	(14,426,075)
Payment of interest on lease liability	(2,031,624)	(4,103,125)
Net cash from/(used in) financing activities	(19,686,150)	(18,529,200)
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(500,694,163)	142,348,582
E. Cash and cash equivalents at the beginning of the year	717,346,957	574,998,376
F. Cash and cash equivalents at the closing of the year (D+E)	216,652,794	717,346,957
Reconciliation of components of cash & cash equivalents		
Cash at bank	216,652,794	417,346,957
Demand deposits	-	300,000,000
Cash and cash equivalents at the end of the year	216,652,794	717,346,957

The accompanying notes 1 to 24 form an integral part of these financial statements.

s/d
Director

s/d
Managing Director

As per our annexed report of same date

Dhaka, Bangladesh
Dated: 22/06/2022

s/d
Nurul Faruk Hasan & Co
Chartered Accountants

Wipro IT Services Bangladesh Limited
Notes to the financial statements
For the period ended 31 December 2021

1 General information

Wipro IT Services Bangladesh Limited (the "Company") was incorporated on 09 January 2018 as a private limited company in Bangladesh under the Companies Act, 1994. The registered office of the Company is situated at Grand Delvistaa, Level-4, Plot-1/A, Road-113, Gulshan, Dhaka-1212, Bangladesh.

The Company is an information technology (IT) enabled service provider which is primarily engaged in establishing, developing, debugging, procuring and providing all kinds of IT solutions, network and system integration services.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and the Companies Act 1994. The titles and format of these financial statements follow the requirements of IFRS which are to some extent different from the requirements of the Companies Act 1994. However, such differences are not material and in the view of management IFRS titles and format as mentioned in IAS 1 give a better presentation to the shareholders. They were authorized for issue by the Company's board of directors on -----.

2.2 Use of estimates and judgments

i) Estimates

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from the estimates.

Significant estimates made by management in the preparation of these financial statements include assumptions used for depreciation.

ii) Judgments

The accounting for certain provisions and the disclosure of contingent liabilities and claims at the date of the financial statements is judgmental.

iii) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Further information about the assumptions made in measuring fair values is included in Financial instruments (Note 20)

2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the Company's functional and presentation currency. Figures have been rounded off to the nearest Taka, unless stated otherwise.

2.4 Property, plant and equipment

i) Recognition of property, plant and equipment

These are capitalised at cost of acquisition and subsequently stated at cost less accumulated depreciation and accumulated impairment losses. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

ii) Subsequent costs

Subsequent maintenance and normal repairs are expensed as incurred while major renewals and improvements are capitalised.

iii) Depreciation of property, plant and equipment

Straight line depreciation method is followed and depreciation has been charged on all assets acquired that are put to use except land. Depreciation is charged from the date of acquisition and no depreciation is charged at the date of disposal. The rates of depreciation and category of property, plant and equipment are as follows:

<u>Category</u>	<u>Rate %</u>
Furniture & Fixture	2.5
Air conditioner	19
Computer	50
Office equipment	19

v) Impairment of property, plant and equipment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication that the assets might be impaired. Any provision of impairment is charged to the statement of profit or loss in the period concerned.

vi) Retirement and disposals

An asset is derecognised on disposal or when no further economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with carrying amounts, and are recognized in the statement of income in "Profit (Loss) on disposals and other non-operating income (expenses)".

2.5 Intangible assets

i) Software

Software costs are capitalised where it is expected to provide future economic benefits. Capitalisation costs include license fees and cost of implementation/ system integration services which are capitalised in the year in which the relevant software is installed for use. Costs of maintenance, upgradation and enhancements are charged off as revenue expenditure unless they bring similar significant additional long term benefits.

ii) Amortization of intangible assets

Software

Software costs are amortised using the straight-line method over their useful lives of four years.

2.6 Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss (FVTPL) transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair Value Through Profit or Loss (FVTPL).

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets-Subsequent measurement and gains and losses:

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or Fair Value Through Profit or Loss (FVTPL). Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Foreign currency translation/ transaction

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate between the functional currency and foreign currency at the date of the transaction.

All monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the statement of financial position date. Foreign currency differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are generally recognized in profit or loss.

2.8 Employees' benefit schemes

i) Provident fund

The Company also operates an unrecognised provident fund scheme with equal contributions by the employees and the Company. The fund is administered by a Board of Trustees.

2.9 Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income (OCI).

Deferred tax asset on carryover loss is required to be recorded based on evaluation of realization of deferred tax assets upon generation of future taxable profits. The Company make this assessment based on the expected reversal of deferred tax assets depending upon projected future taxable income to be earned. Considering the fact that the company is availing tax exemption currently and the management does not have reasonable estimate on future taxable income after the tax exemption period expires and hence the management has decided not to create deferred tax assets/liability.

As an IT enabled service provider the Company is exempted from income tax up to thirtieth day of June, 2024 as per 6th schedule, part A, para 33 of Income Tax Ordinance 1984.

Following is the status of pending assessments:

Assessment year	Current status
2019-2020	Pending
2020-2021	Pending

2.10 Revenue recognition

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

i. Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectibility is reasonably assured.

ii. Fixed-price contracts:

Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the "percentage-of-completion" method.

iii. Products/Software:

Revenue from sale of products is recognised when the significant risks and rewards of ownership has been transferred in accordance with the sales contract. Revenue from product sales is shown net value added tax.

iv. Time and material contracts:

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

v. Unbilled revenue:

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

vi. Others:

The Company accounts for variable considerations like, volume discounts, rebates, pricing incentives to customers and penalties 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 and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

2.11 Provision

The Company recognises provisions when it has a legal or constructive obligation resulting from past events, the resolution of which would result in outflow of resources embodying economic benefits from the Company.

2.12 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.13 Comparatives

Comparative figures and account titles in the financial statements have been rearranged/reclassified where necessary to conform with changes in presentation in the current period.

3 Adoption of new and revised International Financial Reporting Standards

In the current year, the Company has applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 Leases

IFRS 16 introduces new requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements and impact of the adoption of IFRS 16 on the Company's financial statements is described below.

The date of initial application of IFRS 16 for the Company is 1 July 2019.

The Company has applied IFRS 16 using the modified retrospective approach which:

- Requires the Company to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not permit restatement of comparatives, which continue to be presented under IAS 17 and IFRIC 4.

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet. Applying IFRS 16, for all leases, the Company:

- a) Recognises right-of-use assets and lease liabilities in the separate statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii);
- b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss;
- c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of Cash flows.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Company has opted to recognize a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented in profit or loss. The Company has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Company has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Company has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

4 Property, plant and equipment

In Taka	Furniture and fixtures	Air Conditioner	Computer	Office equipment	Work-in process	Intangible-Software	Total
Cost							
Balance at 1 April 2020	225,870	420,361	12,275,016	487,000	-	1,451,276	14,859,522
Additions	-	602,000	1,765,595	55,500	-	-	2,423,095
Disposals	-	-	(219,871)	-	-	-	(219,871)
Balance at 31 March 2021	225,870	1,022,361	13,820,740	542,500	-	1,451,276	17,062,746
Balance at 1 April 2021	225,870	1,022,361	13,820,740	542,500	-	1,451,276	17,062,746
Additions	-	365,000	30,261,639	66,250	-	-	30,692,889
Disposals	-	-	-	-	-	-	-
Balance at 31 March 2022	225,870	1,387,361	44,082,379	608,750	-	1,451,276	47,755,635
Accumulated depreciation							
Balance at 1 April 2020	5,787	97,786	11,030,172	10,620	-	851,633	11,995,998
Additions	5,787	165,428	1,249,788	96,987	-	599,643	2,117,633
Disposals	-	-	(219,871)	-	-	-	(219,871)
Balance at 31 March 2021	11,574	263,214	12,060,090	107,607	-	1,451,276	13,893,760
Balance at 1 April 2021	11,574	263,214	12,060,090	107,607	-	1,451,276	13,893,760
Additions	5,639	137,598	5,724,905	110,386	-	-	5,978,528
Disposals	-	-	-	-	-	-	-
Balance at 31 March 2022	17,213	400,812	17,784,995	217,993	-	1,451,276	19,872,288
At 31 March 2021	214,296	759,147	1,760,650	434,893	-	-	3,168,986
At 31 March 2022	208,657	986,549	26,297,384	390,757	-	-	27,883,347

5 Right-of-use assets

In Taka	Building	Total
Cost		
At 1 April 2020		45,861,477
Additions:		
Right of use assets		-
Deposit on Right of use asset		-
At 31 March 2021		45,861,477
At 1 April 2021		45,861,477
Additions:		
Right of use assets		-
Deposit on Right of use asset		-
At 31 March 2022		45,861,477
Accumulated depreciation		
At 1 April 2020		10,106,941
Charge for the year:		
Depreciation on Right of use assets		12,934,352
Depreciation on Deposit on Right of use assets		517,492
At 31 March 2021		23,558,785
At 1 April 2021		23,558,785
Charge for the year:		
Depreciation on Right of use assets		13,285,175
Depreciation on Deposit on Right of use assets		517,492
At 31 March 2022		37,361,452
As at March 2021		22,302,691
As at 31 March 2022		8,500,025

The Company leases assets including building. The average lease term is 5 years.

Amounts recognised in profit or loss

	31-Mar-22	31-Mar-21
	Taka	Taka
Depreciation expense on right-of-use assets	13,802,667	13,451,844
Interest expense on lease liabilities	2,031,624	4,103,125

6 Lease liability

Analysed as:
Non-current
Current

	31-Mar-22	31-Mar-21
	Taka	Taka
		11,515,197
	11,229,531	17,368,860
	11,229,531	28,884,057

Maturity analysis:

Year 1	11,229,531	17,368,860
Year 2	-	11,515,197
Year 3	-	-
Year 4	-	-
Year 5	-	-
Onwards		

	Notes	As at 31 March 2022 BDT	As at 31 March 2021 BDT	
7 Cash and cash equivalents				
Cash in hand		-	-	
Cash at bank (A/C # 200946014, Citi Bank N.A)		216,652,794	417,346,957	
Demand deposits		-	300,000,000	
		216,652,794	717,346,957	
8 Trade receivables				
Unsecured- Considered good *		597,524,469	345,213,182	
Dues from Related Parties		3,826,944	135,984	
		601,351,413	345,349,167	
*One of our customers has incorrectly transferred BDT 38,834,995 in bank account of group company. The company is working with customer to get the amount remitted to Bangladesh subsidiary bank account.				
9 Unbilled trade receivables				
Grameenphone Ltd		128,062,982	44,839,520	
		128,062,982	44,839,520	
10 Other current assets				
Balances with tax authorities		590,145,927	497,080,050	
Advance, deposits and prepayments		306,351	12,448,204	
Interest accrued but not due		-	333	
Medical benefit balances		2,785,380	-	
Inter company receivable		160,945,007	2,718,842	
Other receivables		7,038,771	13,484,728	
		761,221,436	525,732,157	
11 Share capital				
Authorized capital				
50,000,000 ordinary shares of Taka 10 each		500,000,000	500,000,000	
Issued, subscribed and paid up capital				
42,500,000 ordinary shares of Taka 10 each fully paid up		425,000,000	425,000,000	
Details of shareholding position of the Company				
Name of the Shareholders	No. of shares	% of holding	Amount BDT	Amount BDT
Wipro Limited	42,499,990	99.99998%	424,999,900	424,999,900
Sarang Kir	10	0.00002%	100	100
	42,500,000	100%	425,000,000	425,000,000
12 Trade payable				
Total outstanding dues			1,307,388,981	888,412,968
13 Other payables				
Audit fee			1,043,313	2,035,958
Employee benefit payable			21,854,426	17,823,083
Accrued expenses			127,537,259	73,330,577
Advances			583,873	617,997
Provision for Foreign exchange loss			35,639	10,880
Medical benefit balances			-	124,034
Withholding Tax - Bangladesh			2,915,758	283,879
Other liabilities			7,298,509	4,876,601
			161,268,778	99,103,009
14 Provision for taxation				
Opening balance			140,517,393	121,831,808
Add: Provision during the year			(14,507,744)	18,685,585
Less: Adjustment			-	-
Closing balance			126,009,650	140,517,393

	Notes	For the period ended <u>31 March 2022</u> BDT	For the year ended <u>31 March 2021</u> BDT
15 Revenue			
Service fee		1,222,834,253	910,739,931
		<u>1,222,834,253</u>	<u>910,739,931</u>
16 Cost of revenue			
Employee Benefits Expense		372,262,521	191,168,618
Subcontracting charges		1,152,727,885	806,584,860
		<u>1,524,990,405</u>	<u>997,753,478</u>
17 Administrative expenses			
Audit fees		1,043,313	2,035,958
Communication		6,241,336	4,719,458
Electricity (power)		1,355,142	1,276,841
Exchange Loss		2,207,474	-
House keeping and maintenance		7,361,296	6,460,054
Legal and professional charges		11,045,997	13,783,153
Miscellaneous		666,592	958,635
Rates and taxes		10,801,263	29,169,882
Interest expense on lease liabilities		2,031,624	4,103,125
Repairs and maintenance		241,762	191,974
Training		-	12,516
Travel and conveyance		2,739,435	4,846,677
Bad and Doubtful Debts		8,600,793	-
Insurance expense		2,159,458	3,296,906
Doubtful advances		-	-
Bank charges		423,314	176,166
Depreciation expense		19,781,195	15,569,478
		<u>76,699,995</u>	<u>86,600,824</u>
18 Other income			
Interest income		126,917	4,661,097
Interest income on security deposit		556,618	498,091
Exchange gain		-	1,296,131
Reversal of doubtful advances		34,124	47,358
Others		140,368	5,109,464
		<u>858,027</u>	<u>11,612,141</u>
19 Income tax expense			
Current tax expense		<u>(14,507,744)</u>	<u>18,685,585</u>

20 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	Carrying amount in Taka			
	Note	Trade receivable	Other financial assets / liabilities	Total amount
31 March 2022				
Financial assets not measured at fair value				
Cash at banks	7	-	216,652,794	216,652,794
Trade receivables	8	601,351,413	-	601,351,413
Unbilled trade receivables	9	128,062,982	-	128,062,982
Security deposit		-	5,293,784	5,293,784
Other current assets	10	-	761,221,436	761,221,436
		729,414,395	983,168,013	1,712,582,409
Financial liabilities not measured at fair value				
Lease liability	6	-	11,229,531	11,229,531
Trade payable	12	-	1,307,388,981	1,307,388,981
Other payables	13	-	161,268,778	161,268,778
		-	1,479,887,290	1,479,887,290
31 March 2021				
Financial assets not measured at fair value				
Cash at banks	7	-	717,346,957	717,346,957
Trade receivables	8	345,349,167	-	345,349,167
Unbilled trade receivables	9	44,839,520	-	44,839,520
Security deposit		-	4,737,166	4,737,166
Other current assets	10	-	525,732,157	525,732,157
		390,188,687	1,247,816,280	1,638,004,967
Financial liabilities not measured at fair value				
Lease liability	6	-	28,884,057	28,884,057
Trade payable	12	-	888,412,968	888,412,968
Other payables	13	-	99,103,009	99,103,009
		-	1,016,400,035	1,016,400,035

Fair values for financial instruments have not separately been evaluated since their carrying amounts are a reasonable approximation of fair value.

B. Financial risk management

The Company has exposures to the following risks from its use of financial instruments:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. This note presents information about the Company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risk.

i) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other parties.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. The Company's exposure to credit risk on receivables is mainly influenced by customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	Note	As at	As at
		31-Mar-22	31-Mar-21
		BDT	BDT
Cash at bank	7	216,652,794	717,346,957
Trade receivables	8	601,351,413	345,349,167
Unbilled trade receivables	9	128,062,982	44,839,520
		946,067,189	1,107,535,644

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and bank balances to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates.

The following are the contractual maturities of financial liabilities:

31 March 2022

Particulars	Note	Carrying amount	From 6 to 12 Months	From 1 to 5 years
Lease liability	6	11,229,531	11,229,531	-
Trade payable	12	1,307,388,981	1,307,388,981	-
Other payables	13	161,268,778	161,268,778	-
		1,479,887,290	1,479,887,290	-

31 March 2021

Particulars	Note	Carrying amount	From 6 to 12 Months	From 1 to 5 years
Lease liability	6	28,884,057	17,368,860	11,515,197
Trade payable	12	888,412,968	888,412,968	-
Other payables	13	99,103,009	99,103,009	-
		1,016,400,035	1,004,884,837	11,515,197

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iii) Market risk

Market risk is the risk that any changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Currency risk/foreign exchange rate risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United State Dollar (USD). The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which trade payables are denominated.

21 Related party disclosure

During the period, the Company carried out a number of transactions with related parties in the normal course of business. The names of the related parties and nature of these transactions have been set out in accordance with the provisions of IAS 24, 'Related Party Disclosures'. The details of related party transactions are as under:

Name of the party	Relationship	Transactions during the period Taka	Receivables/ (payable) Taka	Nature of transactions
Wipro Limited (India)	Parent company	1,017,731,764	(1,016,869,944)	Cost of revenue
Wipro Limited (India)	Parent company	799,525	14,045,228	Reimbursement of expenses
Wipro Limited (India)	Parent company	1,937,116	2,073,100	Sale of services
Wipro Travel Services Ltd	Fellow Subsidiary	153,530	(2,708,655)	Reimbursement of expenses
Wipro (Thailand) Co Limited	Fellow Subsidiary	6,505,375	(6,882,433)	Cost of revenue
Wipro IT Services Poland	Fellow Subsidiary	960,160	(960,160)	Cost of revenue
PT WT Indonesia	Fellow Subsidiary	116,617	-	Sale of services

22 Number of employees

	For the year ended 31 March 2022	For the year ended 31 March 2021
Expatriate	4	24
Local	264	151
Management Staff	1	1
	263	150
	264	151
Total number of employees	268	175
No. of employee received Tk. 3,000 per month	-	-
No. of employee received more than Tk. 3,000 per month	268	175
	268	175

23 Other disclosure

- Previous year's figures and accounts titles have been rearranged wherever necessary to conform to current year's presentation.
- Figures appeared in the Financial Statements have been rounded off to the nearest Taka.

Subsequent events

There are no events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

Since December 31, 2019, the COVID-19 virus has caused a pandemic, and governments and businesses have taken measures such as travel bans, quarantines, and social distancing to combat the spread of the virus. These have disrupted business activity, as well as causing economic slowdown and significant volatility in financial markets. The Company cannot determine or estimate the extent to which these events have affected the Company's operations, business, financial results, or financial condition.

24 Authentication of financial statements

Section 189 (1) (ii) of Companies Act 1994 states that financial statements of a private limited company shall be signed by its Managing Agent, Manager or Secretary, if any, and by not less than two Directors of the company one of whom shall be the Managing Director where there is one. Financial statements for the period under reporting were signed by the company's Managing Director and Director.

s/d
Director

s/d
Managing Director