

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Wipro Cyprus SE

### Report on the Financial Statements

We have audited the accompanying financial statements of Wipro Cyprus SE ("the Company"), which comprises of the Balance Sheet as at March 31, 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 profit, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements 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.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



**& Associates**

Chartered Accountants

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

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

### Other Matter

The financial statements of the Company for the year ended 31st March, 2018 were audited by another auditor whose report dated 15th November, 2018 expressed an unmodified opinion on those statements.

### Restriction on use

This report is intended solely for the information of the Company's and its ultimate holding company's board of directors and is not intended to be and should not be used by anyone other than specified parties. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the Company's and ultimate holding company's board of directors, for our audit work, for this report, or for the opinions we have formed.

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

sdl-

Deepak Rao  
Partner  
Membership No.: 113292

Place: Bengaluru  
Date: 6th June, 2019



**& Associates**

Chartered Accountants

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF WIPRO CYPRUS SE

### Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For MSKA & Associates

Chartered Accountants  
ICAI Firm Registration No. 105047W

Sdl-

Deepak Rao  
Partner  
Membership No.: 113292

Place: Bengaluru  
Date: June 6, 2019


Wipro Cyprus SE  
Balance Sheet as at 31 March 2019  
(Amount in INR thousands, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
Non-current assets			
Financial assets			
Investments	5	33,425,588	32,387,411
Loans	6	1,446,065	1,438,249
<b>Total non-current assets</b>		<b>34,871,653</b>	<b>33,825,660</b>
Current assets			
Financial assets			
Cash and cash equivalents	7	1,140,694	1,049,768
Loans	8	187,164	449,573
Other assets	9	1,558,247	1,795,809
Current tax assets (net)	10	48,743	65,710
Other current assets	11	833	333
<b>Total current assets</b>		<b>2,935,681</b>	<b>3,361,193</b>
<b>Total assets</b>		<b>37,807,334</b>	<b>37,186,853</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	12	10,223	10,223
Preference Share Capital	13	3,056	3,056
Other equity	13	29,129,694	28,581,198
<b>Total equity</b>		<b>29,142,973</b>	<b>28,594,477</b>
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	14	5,065,383	5,067,948
Trade payables	15	7,275	3,266
Other financial liabilities	16	-	662
Other current liabilities	17	3,591,703	3,520,500
<b>Total current liabilities</b>		<b>8,664,361</b>	<b>8,592,376</b>
<b>Total liabilities</b>		<b>8,664,361</b>	<b>8,592,376</b>
<b>Total equity and liabilities</b>		<b>37,807,334</b>	<b>37,186,853</b>

See accompanying notes to financial statements 1-29

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

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

  
Deepak Rao  
Partner  
Membership No: 113292

Place: Bengaluru  
Date: June 6, 2019

For and on behalf of the Board of Directors  
Wipro Cyprus SE

  
Ashish Chawla  
Director

Place:  
Date: June 6, 2019

  
Ramesh Phillips  
Director

Place:  
Date: June 6, 2019

Wipro Cyprus SE

Statement of Profit and Loss for the year ended 31 March 2019

(Amount in INR thousands, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
<b>Income</b>			
Revenue from operations	18	442,010	462,602
Other income	19	337,721	-
<b>Total income</b>		<b>779,731</b>	<b>462,602</b>
<b>Expenses</b>			
Finance costs	20	142,209	70,859
Other expenses	21	33,586	490,994
<b>Total expenses</b>		<b>175,795</b>	<b>561,853</b>
<b>Profit/(Loss) before tax</b>		<b>603,936</b>	<b>(99,251)</b>
<b>Income tax expense</b>			
Current tax	22	55,440	156,006
Deferred tax		-	-
<b>Total income tax expense</b>		<b>55,440</b>	<b>156,006</b>
<b>Profit/(Loss) for the year</b>		<b>548,496</b>	<b>(255,257)</b>
<b>Total other comprehensive income for the year</b>		<b>548,496</b>	<b>(255,257)</b>
<b>Earnings / (Loss) per share</b>			
Basic and Diluted earnings / (loss) per share (INR)	23	3.35	(1.56)
See accompanying notes to financial statements	1-29		

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

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

*sdl-*

Deepak Rao

Partner

Membership No: 113292

Place: Bengaluru

Date: June 6, 2019

For and on behalf of the Board of Directors of  
Wipro Cyprus SE

*sdl-*

Ashish Chawla

Director

Place:

Date: June 6, 2019

*sdl-*

Ramesh Phillips

Director

Place:

Date: June 6, 2019

Wipro Cyprus SE  
Statement of changes in equity for the year ended 31 March 2019  
(Amount in INR thousands, unless otherwise stated)

(A) Equity share capital

Equity shares of 1 euro each issued, subscribed and fully paid

Opening

Add: issue during the year

Closing

\*Amounts below rounding off norm adopted by the Company

As at		As at	
31 March 2019		31 March 2018	
No. of shares	Amount	No. of shares	Amount
163,612	10,223	163,612	10,223
5	*	-	-
163,617	10,223	163,612	10,223

(B) Other equity

	Preference shares	Reserve and surplus			Total
		Securities premium reserve	General reserve	Retained earnings	
Balance as at 1 April 2017	3,056	23,945,592	-	4,890,863	28,839,511
Loss for the year	-	-	-	(255,257)	(255,257)
Other comprehensive income	-	-	-	-	-
Total other comprehensive income for the year	3,056	23,945,592	-	4,635,606	28,584,254
Balance as at 31 March 2018	3,056	23,945,592	-	4,635,606	28,584,254

	Preference shares	Reserve and surplus			Total
		Securities premium reserve	General reserve	Retained earnings	
Balance as at 1 April 2018	3,056	23,945,592	-	4,635,606	28,584,254
Profit for the year	-	-	-	548,496	548,496
Other comprehensive income	-	-	-	-	-
Total other comprehensive income for the year	3,056	23,945,592	-	5,184,102	29,132,750
Balance as at 31 March 2019	3,056	23,945,592	-	5,184,102	29,132,750


See accompanying notes to the financial statements

1-29

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

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

For and on behalf of the Board of Directors of  
Wipro Cyprus SE

  
Deepak Rao  
Partner  
Membership No: 113292

  
Ashish Chawla  
Director

  
Ramesh Phillips  
Director

Place: Bengaluru  
Date: June 6, 2019

Place:  
Date: June 6, 2019

Place:  
Date: June 6, 2019

Wipro Cyprus SE  
Statement of cash flows for the year ended 31 March 2019  
(Amount in INR thousands, unless otherwise stated)

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A Cash flows from operating activities:</b>		
Profit/(Loss) after tax	548,496	(255,256)
<i>Adjustments:</i>		
Provision for diminution in the value of non-current investments	-	-
Income tax expense	55,440	156,006
Exchange differences, net	6,950	515,634
Provision made/ (Written back)	9,429	4,217
Reversal of Provision for diminution in the value of non-current investments	(337,721)	-
<i>Working capital changes :</i>		
Loans and advances and other assets	473,246	(897,671)
Liabilities and provisions	71,978	511,205
<b>Net cash generated from operations</b>	<b>827,826</b>	<b>34,135</b>
Direct taxes paid, net	(29,493)	(12,661)
<b>Net cash generated by operating activities</b>	<b>798,333</b>	<b>21,474</b>
<b>B Cash flows from investing activities:</b>		
Investment in subsidiaries	(700,456)	(61,101)
Receipts on account of reduction in investment	-	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(700,456)</b>	<b>(61,101)</b>
<b>C Cash flows from financing activities:</b>		
Proceeds from Issue of Share Capital	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
Net increase in cash and cash equivalents during the year	97,876	(39,627)
Cash and cash equivalents at the beginning of the year	1,049,768	1,062,553
Effect of exchange rate changes on cash balance	(6,950)	26,842
<b>Cash and cash equivalents at the end of the year [refer note 7]</b>	<b>1,140,694</b>	<b>1,049,768</b>

\*Amounts below rounding off norm adopted by the Company

See accompanying notes to financial statements

1-29

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

Sd/-

Deepak Rao  
Partner  
Membership No: 113292

Place: Bengaluru  
Date: June 6, 2019

For and on behalf of the Board of Directors  
Wipro Cyprus SE

Sd/-

Ashish Chawla  
Director

Place:  
Date: June 6, 2019

Sd/-

Ramesh Phillips  
Director

Place:  
Date: June 6, 2019



## 1 The Company overview

Wipro Cyprus SE ("Wipro Cyprus" or "Company"), is a subsidiary of Wipro Limited (the holding company). During the year the name of the entity changed from Wipro Cyprus Private Limited to Wipro Cyprus Public Limited with effect from 13th June 2018. Wipro Cyprus Private Limited, a Cypriot Company by incorporation has been re-domiciled to United Kingdom with effect from 22nd March 2019 and the name of the entity changed to Wipro Cyprus SE, this is part of company's overall restructuring plan to consolidate the holding structure and operations in the UK-European region under one legal entity headquartered in the UK.

## 2 Basis of preparation of financial statements

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

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

### (ii) Basis of measurement

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

### (iii) Use of estimates and judgment

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

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

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

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

d) Expected credit losses on financial assets: On application of Ind AS109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

### 3 Significant accounting policies

#### (i) Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

#### (ii) Foreign currency transactions and translation

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

#### (iii) Financial instruments

##### Non-derivative financial instruments:

Non derivative financial instruments consist of:

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

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

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

##### A. Cash and cash equivalents

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

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

##### B. Other financial assets:

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

##### C. Trade and other payables

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

**(iv) Equity**

**a) Share capital and share premium**

The authorized share capital of the Company as of March 31, 2018 is INR 10,223 (000's) divided into 163,627 equity shares of EUR 1 each & 45,000 9% cumulative redeemable preference shares of EUR 1 each amounting to INR 3,056 (000's). 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. The Company also has 291,388 Non-Classified Shares of EUR 1 each.

**b) Retained earnings**

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

**c) Dividend**

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

**(v) 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.

**(vi) Revenue**

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

**(vii) Finance Cost**

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

**(viii) Other income**

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

**(ix) Income tax**

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

**a) Current income tax**

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

#### **b) Deferred income tax**

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

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

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

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

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

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

#### **(x) Cash Flow Statement**

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

#### **(xi) 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.

#### **(xii) Investment in subsidiaries**

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

#### **4 Standards (including amendments) issued but not yet effective**

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

##### **(i) Ind AS 116- Leases**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

Wipro Cyprus SE

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR thousands, unless otherwise stated)

5 Financial Assets- Investments

	As at 31 March 2019	As at 31 March 2018
Investment in equity instrument designated as at fair value through OCI (fully paid)		
Unquoted equity shares		
Refer - Note 1	33,425,588	32,387,411
	<u>33,425,588</u>	<u>32,387,411</u>
Current	-	-
Non- Current	33,425,588	32,387,411
	<u>33,425,588</u>	<u>32,387,411</u>
Aggregate book value of:		
Quoted investments	-	-
Unquoted investments	33,425,588	32,387,411
Aggregate market value of:		
Quoted investments	-	-
Unquoted investments	33,425,588	32,387,411

Note-1:

Name	% of Holding - 31-03-2019	% of Holding - 31-03-2018	Value of Investment as on 31-03-2019	Value of Investment as on 31-03-2018
Wipro Information Technology Netherlands B.V	100.00%	100.00%	4,599,526	4,599,526
Wipro Technologies SRL	97.28%	97.28%	168,983	168,983
Wipro Holdings Hungary KFT	100.00%	100.00%	20,321,674	20,321,674
Wipro Technologies S.A DE C.V	91.00%	91.00%	624,220	40,936
Wipro Philippines Inc	99.99%	99.99%	180,047	180,047
Wipro Arabia Co. Limited	66.67%	66.67%	238,803	238,803
Wipro Information Technology Egypt SAE	99.90%	99.90%	-*	-*
Wipro Poland Sp. Z.o.o	99.00%	99.00%	684	684
Wipro Technologies SA	2.62%	95.00%	274,355	157,186
Wipro Technologies South Africa (Proprietary) Limited	69.42%	69.42%	22,096	22,096
Wipro IT Services Poland Sp.z o. o	100.00%	100.00%	27,611	27,611
Wipro Gulf LLC	99.90%	99.90%	348,085	348,085
Wipro Shanghai Limited	87.88%	87.88%	79,533	79,533
PT WT Indonesia	99.60%	99.60%	72,295	72,295
Wipro Doha LLC	49.00%	49.00%	1,645	1,645
Wipro (Thailand) Co Limited	99.90%	99.90%	153,824	153,824
Wipro Bahrain Limited Co. S.P.C	100.00%	100.00%	6,250	6,250
Wipro Technologies Australia Pty Ltd.	100.00%	100.00%	1,130,733	1,130,733
Cellent GmbH	100.00%	100.00%	4,801,676	4,801,676
Wipro Corporate Technologies Ghana Limited	100.00%	100.00%	33,941	33,941
Wipro IT Services Ukraine LLC	99.99%	99.99%	5	2
Rainbow Software LLC	99.99%	99.99%	55	55
Wipro Technologies Peru S.A.C	0.03%	0.02%	9	9
Wipro Technologies Nigeria Ltd	1.00%	1.00%	57	57
Limited Liability Company Wipro Technologies Limited	0.01%	0.01%	0	0
Wipro Doha LLC	49.00%	49.00%	1,760	1,760
Less: Provision Created			(5,396)	
Add: Provision written back			343,117	
			<u>33,425,588</u>	<u>32,387,411</u>

\*Amounts below rounding off norm adopted by the Company

Wipro Cyprus SE

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR thousands, unless otherwise stated)

	<u>31 March 2019</u>	<u>31 March 2018</u>
<b>6 Non-Current Financial assets - Loans</b>		
<u>Unsecured, considered good</u>		
With Group Companies - Considered good	1,446,066	1,438,249
<b>Total</b>	<u>1,446,066</u>	<u>1,438,249</u>
<b>7 Cash and bank balances</b>		
<u>Cash and cash equivalents</u>		
Balances with banks		
On current accounts	1,140,694	1,049,768
<b>Total cash and cash equivalents</b>	<u>1,140,694</u>	<u>1,049,768</u>
<b>8 Current Financial assets - Loans</b>		
<u>Unsecured, considered good</u>		
With Group Companies - Considered good	304,970	557,277
Less: Provision for doubtful receivables	(117,806)	(107,704)
	<u>187,164</u>	<u>449,573</u>
<b>9 Current Financial assets - Others</b>		
Balance with Group Companies	1,558,247	1,795,809
	<u>1,558,247</u>	<u>1,795,809</u>
<b>10 Current tax assets</b>		
Current tax assets	48,743	65,710
	<u>48,743</u>	<u>65,710</u>
<b>11 Other current assets</b>		
Balance with tax authorities	833	333
<b>Total</b>	<u>833</u>	<u>333</u>

Wipro Cyprus SE

Notes forming part of the Financial Statements for the year ended 31 March 2019  
(Amount in INR thousands, unless otherwise stated)

12 Equity share capital

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

	31 March 2019	31 March 2018
<b>Authorized</b>		
1,63,617 (31 March 2018: 1,63,612) equity shares of 1 euro each	10,223	10,223
2,91,388 (31 March 2018: 2,91,388) Ordinary non-classified shares of 1 euro each*	-	-
	<u>10,223</u>	<u>10,223</u>
*The amount of non classified share is not disclosed as the same cannot be ascertained due to exchange rate that would prevail during subscription		
<b>Issued, subscribed and paid up</b>		
1,63,617 (31 March 2018: 1,63,612) equity shares of 1 euro each fully paid	10,223	10,223
<b>Total</b>	<u>10,223</u>	<u>10,223</u>

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

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	163,612	10,223	163,612	10,223
Add: Issued during the year	5	-	-	-
Outstanding at the end of the year	<u>163,617</u>	<u>10,223</u>	<u>163,612</u>	<u>10,223</u>

\*Amounts below rounding off norm adopted by the Company

(b) Shares held by holding Company/ultimate holding Company and/ or their subsidiaries/ associates  
Wipro Limited, the ultimate holding Company  
1,63,616 (31 March 2018: 1,63,611)

	31 March 2019	31 March 2018
	163,616	163,611

Name of other Subsidiaries/Associate Company, subsidiary/associate Company  
1 (31 March 2018: 1) held by Wipro Holdings UK Limited

	31 March 2019	31 March 2018
	1	1

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

Name of the shareholder	31 March 2019		31 March 2018	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Wipro Limited	163,616	99.999%	161,611	98.777%

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

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

13 Other equity

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

	31 March 2019	31 March 2018
<b>Authorized</b>		
45,000 (31 March 2018: 45,000) Preference Shares of 1 euro each	3,056	3,056
	<u>3,056</u>	<u>3,056</u>
<b>Issued, subscribed and paid up</b>		
45,000 (31 March 2018: 45,000) Preference Shares of 1 euro each	3,056	3,056
<b>Total</b>	<u>3,056</u>	<u>3,056</u>

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

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	45,000	3,056	45,000	3,056
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>45,000</u>	<u>3,056</u>	<u>45,000</u>	<u>3,056</u>

(II) Shares held by holding Company/ultimate holding Company and/ or their subsidiaries/ associates  
Wipro Limited, the ultimate holding Company  
Convertible preference shares held by Wipro Limited

	31 March 2019	31 March 2018
	45,000	45,000

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

	31 March 2019		31 March 2018	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Wipro Limited	45,000	100%	45,000	100%

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

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

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

	31 March 2019	31 March 2018
(C) Securities premium reserve (SPR)*		
Opening balance	23,945,592	23,945,592
Add: Securities premium credited on share issue	-	-
Closing balance	23,945,592	23,945,592

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

	31 March 2019	31 March 2018
(F) Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	4,635,606	4,890,863
Add: Net loss/profit for the current year	548,496	(255,257)
Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	-	-
Closing balance	5,184,102	4,635,606
Total other equity	29,132,750	28,584,254

	31 March 2019	31 March 2018
14 Short-term borrowings		
Secured, from bank, term loan (Refer footnote i)		
Term loan	-	1,955,475
Unsecured, Loans from related parties (Refer footnote ii)	5,065,383	3,112,473
Total short-term borrowings	5,065,383	5,067,948

(i) Term loan from HSBC of USD 30,000 (in 000's) repaid in July 2018 fully.

(ii) Loan from Wipro Holdings Investments KFT, 2,074,350 (in 000's) and Loan from Wipro Holdings UK Limited Euro 2,991,033 (in 000's).

	31 March 2019	31 March 2018
15 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	7,275	3,266
Total trade payables	7,275	3,266

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). There is no interest payable or paid to any suppliers under the said Act.

	31 March 2019	31 March 2018
16 Other financial liabilities		
Interest accrued but not due on loan	-	662
Total other financial liabilities	-	662
Total financial liability	5,072,658	5,071,875

	31 March 2019	31 March 2018
17 Other current liabilities		
Balances due to related parties	3,591,703	3,520,500
Total other current liabilities	3,591,703	3,520,500



Wipro Cyprus SE

Notes forming part of the Financial Statements for the year ended 31 March 2019  
(Amount in INR thousands, unless otherwise stated)

<b>18 Revenue from operations</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Loan interest income	63,851	68,547
Dividend Income	378,159	394,055
<b>Total revenue from operations</b>	<b>442,010</b>	<b>462,602</b>
<b>19 Other income</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Interest income		
Bank Interest		
Provision for impairment of investment written back	337,721	-
<b>Total other income</b>	<b>337,721</b>	<b>-</b>
<b>20 Finance costs</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Interest on borrowing	19,283	662
Interest on unsecured loans from related parties	122,592	70,197
Interest on delay in payment of taxes	334	-
<b>Total finance costs</b>	<b>142,209</b>	<b>70,859</b>
<b>21 Other expenses</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Rates & Taxes	8,973	544
Bad Debt - Loan	9,429	4,217
Bank Charges	1,226	538
Legal and professional charges	12,481	12,617
Foreign exchange fluctuation	1,476	473,049
Miscellaneous expenses	1	29
<b>Total other expenses</b>	<b>33,586</b>	<b>490,994</b>
<b>22 Income tax expense</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
- Current tax taxes	55,440	156,006
- Deferred tax charge / (income)	-	-
<b>Total</b>	<b>55,440</b>	<b>156,006</b>
<b>(G) Reconciliation of tax charge</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Profit before tax	603,936	(99,250)
Income tax expense at tax rates applicable	127,035	156,006
Tax effects of:		
- Item not deductible for tax	28,496	-
- Prior periods	40,793	-
- Income exempt from tax	-71,850	-
- Current Year Losses (No DTA created)	8,360	-
- Impairment provision (No DTA created)	(118,013)	-
- Others (Net)	40,619	-
<b>Income tax expense</b>	<b>55,440</b>	<b>156,006</b>

Wipro Cyprus SE

Notes forming part of the Financial Statements for the year ended 31 March 2019  
(Amount in INR thousands, unless otherwise stated)

23 Earnings/ Loss per share

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

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

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

	31 March 2019	31 March 2018
Loss attributable to equity holders	548,496	(255,257)
Less: preference dividend after-tax	-	-
Loss attributable to equity holders after preference dividend	548,496	(255,257)
Add: Interest on convertible preference shares	-	-
Loss attributable to equity holders adjusted for the effect of dilution	548,496	(255,257)
Weighted average number of equity shares for basic EPS*	163,617	163,612
Weighted average number of equity shares adjusted for the effect of dilution	163,617	163,612
Basic and Diluted loss per share (INR)	3.35	(1.56)

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

24 Related Party Disclosures: 31 March 2019

(A) Names of related parties and description of relationship as identified and certified by the Company:

Holding Company

Wipro Limited

Entity under common control

Name of the related party	Nature of relationship
Wipro Holdings UK Limited	Fellow Subsidiary Company
NewLogic Technologies SARL	Fellow Subsidiary Company
Wipro Information Technology Egypt SAE	Subsidiary Company
Wipro Information Technology Kazakhstan LLP	Fellow Subsidiary Company
Wipro LLC	Fellow Subsidiary Company
Wipro Outsourcing Services (Ireland) Limited	Fellow Subsidiary Company
Wipro Portugal S.A	Fellow Subsidiary Company
Wipro Technologies Australia Pty Ltd	Subsidiary Company
Wipro Retail UK Limited	Fellow Subsidiary Company
Wipro Solutions Canada Ltd	Fellow Subsidiary Company
Wipro Corporate Technologies Ghana Limited	Fellow Subsidiary Company
Wipro Technologies Austria GmbH	Fellow Subsidiary Company
Wipro Solutions Canada Ltd	Fellow Subsidiary Company
Wipro Technologies GmbH	Fellow Subsidiary Company
Wipro Technology Chile SpA	Fellow Subsidiary Company
PT WT Indonesia	Subsidiary company
Wipro Gulf LLC	Subsidiary company
Wipro Arabia Limited	Subsidiary company
Wipro Bahrain Limited Co. S.P.C	Subsidiary company
Wipro Philippines Inc	Subsidiary company
Wipro Doña LLC	Subsidiary company
Wipro Holdings Hungary Korlátolt Felelősségű Társaság	Subsidiary company
Wipro Information Technology Netherlands BV	Fellow Subsidiary Company
Wipro Poland SP. Z.O.O	Subsidiary company
Wipro IT Services Poland SP.Z.O.O	Subsidiary company
Wipro Technologies South Africa (Proprietary) Limited	Subsidiary company
Wipro Technologies SA	Subsidiary company
Limited Liability Company Wipro Technologies Limited	Subsidiary company
Wipro Technologies SRL	Subsidiary company
Wipro Information Technology Egypt SAE	Subsidiary company
Wipro IT Services Ukraine LLC	Subsidiary company
Wipro Corporate Technologies Ghana Limited	Subsidiary company
Wipro Arabia Limited	Subsidiary company
Wipro Technologies SA	Subsidiary company
Wipro Technologies SRL	Subsidiary company
WIPRO Technologies Peru S.A.C.	Subsidiary company

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

Particulars	#####	#####
<b>Dividend Received</b>		
Wipro Technologies SRL		394,054
Wipro Technologies South Africa (Proprietary) Limited		1
Wipro Gulf LLC	378,159	
<b>Interest Income</b>		
Wipro Information Technology Egypt SAE	2,753	2,547
Wipro Outsourcing Services (Ireland) Limited	998	830
Wipro LLC	-	3,325
Wipro Technologies Austria GmbH	-	1
Wipro Information Technology Netherlands B.V	10,472	9,688
Wipro Technologies SA	2,793	3,074
Limited Liability Company Wipro Technologies Limited	-	36
PT WT Indonesia	-	1,626
Wipro Technologies GmbH	3,243	1,212
Wipro Technology Chile SPA	2,704	1,993
Wipro Technologies Australia Pty Ltd	26,001	27,230
Wipro IT Services Poland Sp z o o	6,766	5,861
Wipro Information Technology Kazakhstan LLP	1,485	1,101
Wipro Solutions Canada Limited	3,657	3,483
DesignIt Denmark A/S	2,751	6,184
<b>Interest Expense</b>		
Wipro Holdings UK Ltd	61,992	63,623
Wipro Technologies SRL	116	217
Wipro Technologies Austria GmbH	33	19
New Logic Technologies SARL	38	34
Wipro Information Technology Austria GmbH	71	6
Wipro Information Technology Netherlands BV	277	127
Wipro Portugal S.A	333	734
Wipro Retail UK Limited	-	27
Wipro Technologies GmbH	107	41
Wipro Holdings Investment Korlátolt Felelősségű Társaság	56,163	-
<b>Loan Taken</b>		
Wipro Holdings Investment KFT	(2,064,450)	-
<b>Loan &amp; Interest Repaid by/to</b>		
Wipro Solutions Canada Limited	-	2,649
Wipro LLC	-	132,262
Wipro Technologies SA	4,049	5,773
PT WT Indonesia	-	299,731
Wipro IT Services Poland SP.ZOO	-	20,163
Wipro Technology Chile SPA	1,198	7,018
Wipro Information Technology Netherlands BV	10,704	31,830
Wipro Technologies Australia Pty Ltd	113,244	47,581
Wipro Holdings UK Limited	-	(971,466)
Wipro Information Technology Kazakhstan LLP	3,057	-
<b>Equity Infusion</b>		
Wipro Technologies S.A DE C. V	583,284	-
Wipro IT Services Ukraine LLC	3	-
Wipro Technologies SA	117,168	-
PT WT Indonesia	-	61,101

\* Excludes the transactions related to the reimbursement expenses.

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

	31-Mar-19	31-Mar-18
Wipro Arabia Limited	(1,257,148)	(1,178,744)
NewLogic Technologies SARL	(75,207)	(68,517)
Wipro Limited	(100,200)	(108,539)
Wipro Portugal S.A	(333,000)	(841,853)
Wipro Retail UK Limited	-	(18)
Wipro Technologies Austria GmbH	(67,399)	(36,663)
Wipro Information Technology Austria GmbH	(40,951)	(57,473)
Wipro Holdings UK Ltd	(3,067,734)	(3,130,039)
Wipro Technologies SRL	(324,899)	(303,617)
Wipro Outsourcing Services (Ireland) Limited	111,020	221,250
Wipro Gulf LLC	379,917	-
Wipro Information Technology Egypt SAE	115,016	105,835
PT WT Indonesia	-	-
Wipro Technologies SA	-	101,692
Wipro Technologies GmbH	344,254	39,983
Wipro Solutions Canada Ltd	144,911	138,821
Wipro Information Technology Netherlands BV	(579,900)	(253,501)
Wipro Technology Chile SPA	57,354	52,666
Wipro Technologies Australia Pty Ltd	952,573	1,050,430
Wipro IT Services Poland SP.Z:O.O	127,263	216,245
Wipro LLC	-	-
Wipro Information Technology Kazakhstan LLP	31,745	31,455
DesignIt Denmark A/S	361,186	1,176,614
Wipro IT Services Ukraine LLC	2,711	1,898
Wipro Corporate Technologies Ghana Limited	-	436
Rainbow Software LLC	207	-
Wipro Holdings Investment Kft.	(2,129,521)	-

25 Segment reporting

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

26 Fair values of financial assets and financial liabilities

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

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

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

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable

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

## 27 Financial risk management objectives and policies

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

### (A) Market risk

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

#### (i) Interest rate risk

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

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
2019		
INR	+45	24,065
INR	-45	(24,065)
2018		
INR	+45	12,787
INR	-45	(12,787)

#### (ii) Foreign currency risk

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

#### Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in US\$ rate	Effect on profit before tax
2019	1%	50,272
	-1%	(50,272)
2018	1%	28,341
	-1%	(28,341)

### (B) Credit risk

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

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

(C) Liquidity risk

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

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

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
<u>31-Mar-19</u>				
Short term borrowings		5,065,383	-	-
Long-term borrowings		-	-	-
Trade payables		7,275	-	-
Other financial liability	1,952,636	1,639,067	-	-
	<u>1,952,636</u>	<u>6,711,725</u>	<u>-</u>	<u>-</u>
<u>31-Mar-18</u>				
Short term borrowings	1,956,137	3,112,473	-	-
Long-term borrowings		-	-	-
Trade payables		3,266	-	-
Other financial liability	2,000,729	1,519,771	-	-
	<u>3,956,866</u>	<u>4,635,510</u>	<u>-</u>	<u>-</u>

28 Capital management

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

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

	31-Mar-19	31-Mar-18
Equity Share Capital	10,223	10,223
Convertible Preference Shares	3,056	3,056
Other Equity	29,129,694	28,581,198
Total equity	(i) 29,142,973	28,594,477
Borrowings other than convertible preference shares	5,065,383	5,067,948
Less: cash and cash equivalents	(1,140,694)	(1,049,768)
Total debt	(ii) 3,924,689	4,018,180
Overall financing	(iii) = (i) + (ii) 33,067,661	32,612,657
Gearing ratio	(ii) / (iii) 0.12	0.12

29 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

See accompanying notes to financial statements

1-29

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

For and on behalf of the Board of Directors of  
Wipro Cyprus SE

  
Deepak Rao  
Partner  
Membership No: 113292

  
Ashish Chawla  
Director

  
Ramesh Phillips  
Director

Place: Bengaluru  
Date: June 6, 2019

Place:  
Date: June 6, 2019

Place:  
Date: June 6, 2019