

Financial Statements and Auditor's Report

Wipro Information Technology Kazakhstan LLP

31 March 2019

Independent Auditor's Report

To the board of directors of Wipro Information Technology Kazakhstan LLP

Opinion

1. We have audited the accompanying financial statements of Wipro Information Technology Kazakhstan LLP ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), of the state of affairs of the Company as at 31 March 2019, and its profit, its cash flows and the changes in equity for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India ('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 ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

4. The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. 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.

Auditor's Responsibilities for the Audit of the Financial Statements

6. 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 Standards on Auditing issued by ICAI 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.
7. As part of an audit in accordance with Standards on Auditing issued by ICAI, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
8. 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.

Restriction on distribution or use

9. This report is intended solely for the information of the Company's and its ultimate holding company's board of directors for their internal use and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Nikhil Vaid
Partner
Membership No.: 213356

Place: Hyderabad
Date: 16 June 2019

Wipro Information Technology Kazakhstan LLP

Balance Sheet as at 31 March 2019

(Amount in KZT, unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Current assets			
Financial assets			
Trade receivables	4	301,028,984	275,150,873
Cash and cash equivalents	5	860,374,001	648,606,010
Contract assets		128,025,400	23,589,641
Other current assets	3	18,511,352	27,907,267
		1,307,939,738	975,253,791
		1,307,939,738	975,253,791
EQUITY AND LIABILITIES			
Equity			
Share capital	6	29,441,800	29,441,800
Other equity		(137,145,311)	(231,540,280)
		(107,703,511)	(202,098,480)
Liabilities			
Non-current liabilities			
Provisions	7	1,529,571	3,455,666
		1,529,571	3,455,666
Current liabilities			
Financial liabilities			
Borrowings	8	481,388,572	418,907,153
Trade payables	9		
Total outstanding dues to Micro and small enterprises		-	-
Total outstanding dues other than above		808,497,696	724,404,880
Other financial liabilities	10	70,461,697	27,508,051
Other current liabilities	11	25,441,477	973,931
Unearned revenue		27,289,472	-
Provisions	7	1,034,764	2,102,590
		1,414,113,678	1,173,896,605
		1,307,939,738	975,253,791
Summary of significant accounting policies	2		

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

For and on behalf of the Board of Directors of Wipro Information Technology Kazakhstan LLP

Sd/-

Antonina Romanteyeva

Director

16 June 2019

Wipro Information Technology Kazakhstan LLP
Statement of Income for the year ended 31 March 2019

(Amount in KZT, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
REVENUE			
Revenue from operations	12	866,134,841	562,916,573
Other income	13	10,227,793	27,846,809
		876,362,634	590,763,382
EXPENSES			
Employee benefits expense	14	137,671,194	198,615,176
Finance Cost	15	20,597,954	14,410,127
Other expenses	16	595,127,741	372,071,042
		753,396,889	585,096,344
Profit before tax		122,965,745	5,667,038
Tax expense			
Current tax	18	28,570,775	1,171,086
Profit for the year		94,394,970	4,495,952
Other Comprehensive Income		-	-
Total comprehensive income / (loss) for the period		94,394,970	4,495,952
Summary of significant accounting policies	2		

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

For and on behalf of the Board of Directors of Wipro Information Technology Kazakhstan LLP

Sd/-
Antonina Romanteyeva
 Director

16 June 2019

Wipro Information Technology Kazakhstan LLP
Statement of Income for the year ended 31 March 2019

(Amount in KZT, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit for the period	122,965,745	5,667,038
Adjustments		
Provision for doubtful debts	8,045,800	-
Provision no longer required written back	(9,931,875)	(27,482,268)
Unrealised exchange differences - net	179,352,127	11,674,442
Finance cost	15,316,035	14,410,127
Interest income	(295,918)	(364,541)
Operating profit before working capital changes	315,451,914	3,904,798
Adjustments for working capital changes:		
(Increase) / Decrease in trade receivables and unbilled revenue	(271,138,926)	218,884,204
Increase in loans and advances and other assets	-	(27,880,190)
Increase in trade and other payables	186,533,961	352,399,798
Net cash generated from operations	230,846,949	547,308,610
Direct taxes paid	(4,058,842)	(2,145,017)
Net cash generated by operating activities	(A) 226,788,107	545,163,593
Cash flows from investing activities:		
Interest Received	295,918	364,541
Net cash generated by investing activities	(B) 295,918	364,541
Cash flows from financing activities:		
Proceeds from loan taken	-	128,608,000
Interest repayment on Loans	(15,316,035)	-
Net cash generated by financing activities	(C) (15,316,035)	128,608,000
Net increase in cash and cash equivalents during the period (A+B+C)	211,767,990	674,136,134
Cash and cash equivalents at the beginning of the period	648,606,010	3,120,533
Effect of exchange rate changes on cash	-	(28,650,657)
Cash and cash equivalents at the end of the period	860,374,001	648,606,010
Components of cash and cash equivalents (note 5)		
Balances with banks		
in current account	860,374,001	648,606,010
	860,374,001	648,606,010

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

For and on behalf of the Board of Directors of Wipro Information Technology Kazakhstan LLP

Sd/-

Antonina Romanteyeva
 Director

16 June 2019

Wipro Information Technology Kazakhstan LLP
Statement of Changes in Equity for the year ended 31 March 2019

(Amount in KZT, unless otherwise stated)

	Balance as at 01 April 2017	Changes in equity share capital during the year	Balance as at 01 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Equity share capital	29,441,800	-	29,441,800	-	29,441,800
	29,441,800	-	29,441,800	-	29,441,800

Other equity

Particulars	Retained Earnings	Total
Balance as at 1 April 2017	(236,036,232)	(183,238,322)
Profit for the period	4,495,952	4,495,952
Balance as at 31 March 2018	(231,540,280)	(231,540,280)
Profit for the period	94,394,970	94,394,970
Balance as at 31 March 2019	(137,145,311)	(137,145,311)

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

For and on behalf of the Board of Directors of Wipro Information Technology Kazakhstan LLP

Sd/-

Antonina Romanteyeva

Director

16 June 2019

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

1 The Company Overview

Wipro Information Technology Kazakhstan LLP ("the Company") is a subsidiary of Wipro Information Technology Netherlands BV, incorporated and domiciled in Kazakhstan. The Company is provider of IT Services, including Business Process Services (BPS) globally. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

2 Basis of preparation of financial statements

a) Statement of compliance

These financial statements are prepared in conformity with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ('the Act').

Accounting policies have been applied consistently to all periods presented in these financial statements, except for new accounting standards adopted by the Company

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 statement of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

All amounts included in the financial statements are reported in Kazakhstani Tenge (KZT) except share and per share data, unless otherwise stated. Previous year figures have been regrouped/re-arranged, wherever necessary.

b) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS:

a) Derivative financial instruments;

b) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and

c) The defined benefit asset/(liability) is recognised as the present value of defined benefit obligation less fair value of plan assets.

c) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 recognised in the financial statements are included in the following notes:

a) Revenue Recognition

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost-plus margin approach in estimating the stand-alone selling price. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

b) Income Taxes

The major tax jurisdiction for the Company is Kazakhstan. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

c) Deferred Taxes

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

d) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

e) Expected credit losses on financial assets

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

3 Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in Kazakhstani Tenge, 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 recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Gains/(losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

(iii) Financial instruments

a) Non-derivative financial instruments:

Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognised 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 derecognised only when the Company has not retained control over the financial asset.

- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

- Non- derivative financial instruments are recognised initially at fair value.

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

A. Cash and cash equivalents

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

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

B. Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognised

at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled receivables and other assets.

D. Trade and other payables

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

b) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Equity:

The Charter Capital of the LLP as on 31st March 2019 is KZT 29,441,800.

(v) Leases:

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the lease term.

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

(vi) Impairment:

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments classified as FVTOCI, lease receivables, trade receivables, lease receivables, contract assets and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables, contract assets and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

(vii) Employee Benefits:

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

Social Security

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

(viii) Provisions:

Provisions are recognised 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 recognised 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 recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

(ix) Revenue:

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

(ix) Revenue (Cont'd)

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the services rendered:

a. Time and material contracts

Revenues and costs relating to time and materials contracts are recognised as the related services are rendered.

b. Fixed Price contracts

i) Fixed price development contracts

Revenues from fixed-price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, are recognised using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company is not able to reasonably measure the progress of completion, revenue is recognised only to the extent of costs incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones."Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period.

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

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

ii) Maintenance contracts

Revenues related to fixed-price maintenance, testing and business process services are recognised based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognised as the service is performed using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the stage of completion.

In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognised as revenue on completion of the term.

iii) Volume based contracts

Revenues and costs are recognised as the related services are rendered.

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

(ix) Revenue (Cont'd)

c. Products

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

d. Others

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the stand-alone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

Revenues are shown net of allowances/ returns, sales tax, value added tax, goods and services tax and applicable discounts and allowances.

The Company accrues the estimated cost of warranties at the time when the revenue is recognised. The accruals are based on the Company's historical experience of material usage and service delivery costs.

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognised as an asset when the Company expects to recover these costs and amortised over the contract term.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognised is amortised on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the Company evaluates whether the Company is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether the Company controls the good or service before it is transferred to the customer. If Company controls the good or service before it is transferred to the customer, Company is the principal; if not, the Company is the agent.

(x) Finance Cost:

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

(xi) Other Income:

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

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

(xii) Income tax:

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

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.

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.

(xiii) Cash flow statement

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

The amendment to Ind AS 7, require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

(xiv) Disposal of Assets

The gain or loss arising on disposal or retirement of assets are recognised in the statement of profit and loss.

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

(xiv) New Accounting standards adopted by the Company:

A. Ind AS 115 – Revenue from Contract with Customers

On April 1, 2018, the Company adopted Ind AS 115, "Revenue from Contracts with Customers" using the cumulative catch-up transition method applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

On account of adoption of Ind AS 115, unbilled revenues pertaining to fixed price development contracts of KZT 128,025,400 as at March 31, 2019 has been considered as non-financial Contract assets, which are billable on completion milestones specified in the contracts.

The adoption of Ind AS 115, did not have any material impact on the statement of profit and loss for the year ended March 31, 2019.

A. Contract Asset and Liabilities

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset.

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. The Company presents such receivables as part of unbilled receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in Ind AS 109 using expected credit loss method.

B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognised which includes unearned revenue and amounts that will be invoiced and recognised as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date which are, contracts invoiced on time and material basis and volume based.

As at March 31, 2019, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was KZT 27,289,472, the whole of which is expected to be recognised as revenues within the next year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

C. Disaggregation of Revenues

The table below presents disaggregated revenues from contracts with customers by business segment, customer location and contract-type. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

Particulars	Total
Revenue	
Sales of services	866,134,841
	866,134,841
Revenue by nature of contract	
Fixed price and volume based	148,632,593
Time and materials	717,502,248
	866,134,841

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

B. Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration

The Company has applied Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration prospectively effective April 1, 2018. The effect on adoption of this amendment on the financial statements is insignificant.

(xv) New accounting standards not yet adopted

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 1 2018, and have not been applied in preparing these financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the Company are:

Ind AS 116

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as of annual periods beginning on or after April 1, 2019.

The Company will adopt the standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for the year ended March 31, 2018 and 2019, will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Based on current assessment, the Company does not expect a significant impact to opening retained earnings on adoption of Ind AS 116. There will be reclassification in the cash flow categories in the statement of cash flows.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is insignificant.

Amendment to Ind AS 12 – Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's consolidated financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
3 Other assets		
Current		
Prepaid expenses	-	1,947,220
Advances to suppliers	9,740	767,058
Balances with government authorities	15,301,377	24,067,671
Employee travel and other advances	3,200,235	1,125,316
	18,511,352	27,907,265
	As at 31 March 2019	As at 31 March 2018
4 Trade receivables		
Trade receivables considered good unsecured	286,086,784	275,150,873
Trade receivables which have significant increase in credit risk	22,988,000	-
	309,074,784	275,150,873
Less : Loss allowance	(8,045,800)	-
	301,028,984	275,150,873
	As at 31 March 2019	As at 31 March 2018
5 Cash and cash equivalents		
Balances with banks		
- in current account	860,374,001	648,606,010
	860,374,001	648,606,010
	As at 31 March 2019	As at 31 March 2018
6 Share Capital		
Charter capital	29,441,800	29,441,800
	29,441,800	29,441,800
<p>The LLP does not have any authorised, issued and subscribed equity shares. Accordingly disclosures related to share capital are not applicable. Accordingly, no disclosure for earnings per share is made in these financial statements.</p>		
a) Details of shareholders having more than 5% of the total paid up capital of the company	As at 31 March 2019	As at 31 March 2018
Wipro Information Technology Netherlands BV (100% holding)	29,441,800	29,441,800
	29,441,800	29,441,800

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
7 Provisions		
Non-current		
Compensated absences	1,529,571	3,455,665
	1,529,571	3,455,665
Current		
Compensated absences	1,034,764	2,102,590
	1,034,764	2,102,590
	As at 31 March 2019	As at 31 March 2018
8 Borrowings (Unsecured)		
Loans from related parties (refer note 17 and 19)	481,388,572	418,907,153
	481,388,572	418,907,153
	As at 31 March 2019	As at 31 March 2018
9 Trade payables		
Total outstanding dues to Micro and small enterprises	-	-
Total outstanding dues other than above		
- Payable to external parties	1,322,077	1,067,925
- Payable related parties (refer note 17)	807,175,618	723,336,955
	808,497,696	724,404,880
	As at 31 March 2019	As at 31 March 2018
10 Other financial liabilities		
Current		
Dues to employees	674,077	199,545
Accrued expenses	67,790,687	27,159,493
Statutory dues payable	1,996,934	149,013
	70,461,697	27,508,051
	As at 31 March 2019	As at 31 March 2018
11 Other current liabilities		
Provision for tax (net of advance tax)	25,441,477	973,931
	25,441,477	973,931

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
12 Revenue from operations		
Sale of services	866,134,841	562,916,573
	866,134,841	562,916,573
13 Other income		
Interest income	295,918	364,541
Provisions no longer required written back	9,931,875	27,482,268
	10,227,793	27,846,809
14 Employee benefits expense		
Salaries and wages	135,342,595	198,265,908
Staff welfare expenses	2,328,598	349,268
	137,671,194	198,615,176
15 Finance Cost		
Interest on borrowings (refer note 17)	20,597,954	14,410,127
	20,597,954	14,410,127
16 Other expenses		
Software development charges (refer note 17)	450,114,025	330,236,673
Capital Asset Reimbursements	37,289,685	-
Training and Development	628,286	-
Provision for doubtful debts	8,045,800	-
Travel and conveyance	4,324,875	6,908,143
Rent	8,281,863	7,752,280
Communication	273,396	810,376
Printing and stationery	1,045,900	228,571
Bank charges	249,173	-
Legal and professional charges	15,677,507	16,562,691
Electricity	119,646	-
Rates and taxes	19,950,705	30,208
Other exchange differences, (net)	47,182,525	8,611,132
Business meeting expenses	1,081,801	556,841
Miscellaneous	862,554	374,127
	595,127,741	372,071,042

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

17 Related party disclosure

a Parties where control exists:

Name of the related party	Nature of relationship
Wipro Limited	Ultimate Holding Company
Wipro Information Technology Netherlands BV	Holding company
Wipro Romania BPO Service	Fellow Subsidiary
Wipro Cyprus Pvt Ltd	Fellow Subsidiary
Wipro Retail - Germany	Fellow Subsidiary
Wipro Holdings HungaryKft	Fellow Subsidiary
Wipro Travel Services Ltd	Fellow Subsidiary
Wipro Technologies GmbH	Fellow Subsidiary

b The Company has the following related party transactions:

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Other Reimbursements			
Wipro Limited	Ultimate Holding Company	1,321,044	4,285,196
Software development charges			
Wipro Limited	Ultimate Holding Company	450,114,025	323,874,748
Wipro Technologies GmbH	Fellow Subsidiary	-	6,361,925
Loan availed			
Wipro Romania BPO Service	Fellow Subsidiary	-	62,700,000
Wipro Holdings HungaryKft	Fellow Subsidiary	-	65,908,000
Interest on loan			
Wipro Romania BPO Service	Fellow Subsidiary	10,220,048	7,104,647
Wipro Cyprus Pvt Ltd	Fellow Subsidiary	7,719,115	5,631,746
Wipro Holdings HungaryKft	Fellow Subsidiary	2,658,791	1,673,734

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

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Payables:			
Wipro Limited	Ultimate Holding Company	800,769,026	716,930,363
Wipro Retail - Germany	Fellow Subsidiary	6,361,925	6,361,925
Wipro Travel Services Ltd	Fellow Subsidiary	44,668	44,668
Borrowings:			
Wipro Romania BPO Service	Fellow Subsidiary	230,570,709	214,208,047
Wipro Cyprus Pvt Ltd	Fellow Subsidiary	174,295,002	135,969,072
Wipro Holdings HungaryKft	Fellow Subsidiary	76,522,861	68,730,034

Wipro Information Technology Kazakhstan LLP
Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

18 Effective Tax Rate (ETR) reconciliation

	As at	As at
	31 March 2019	31 March 2018
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	28,570,775	1,171,086
	28,570,775	1,171,086

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as below:

	As at	As at
	31 March 2019	31 March 2018
Profit before income tax	122,965,745	5,667,038
Enacted tax rates in Kazakhstan (%)	20.00%	20.00%
Computed expected tax expense	24,593,149	1,133,408
Others	3,977,626	37,678
Tax expense as per financials	28,570,775	1,171,086

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Wipro Information Technology Kazakhstan LLP
Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

19 Borrowings disclosure

SI.No	Related Party	Interest Rate	Repayment details	31 March 2019	31 March 2018
1	Wipro Romania BPO Service Effective interest rate	LIBOR + 200 basis points 5.66%	Repayable on demand	230,570,709	214,208,047
2	Wipro Cyprus Private Limited Effective interest rate	LIBOR + 200 basis points 5.87%	Repayable on demand	174,295,002	135,969,072
3	Wipro Holdings Hungary Kft Effective interest rate	LIBOR + 200 basis points 4.71%	Repayable on demand	76,522,861	68,730,034
Total				481,388,572	418,907,153

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Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

20 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Trade receivables	4	-	-	301,028,984	301,028,984	301,028,984
Unbilled revenues		-	-	128,025,400	128,025,400	128,025,400
Cash and cash equivalents	5	-	-	860,374,001	860,374,001	860,374,001
Total financial assets		-	-	1,289,428,386	1,289,428,386	1,289,428,386
Financial liabilities :						
Borrowings	8	-	-	481,388,572	481,388,572	481,388,572
Trade payables	9	-	-	808,497,696	808,497,696	808,497,696
Other financial liabilities	10	-	-	70,461,697	70,461,697	70,461,697
Total financial liabilities		-	-	1,360,347,965	1,360,347,965	1,360,347,965

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying	Total fair value
Financial assets :						
Trade receivables	4	-	-	275,150,873	275,150,873	275,150,873
Unbilled revenues		-	-	23,589,641	23,589,641	23,589,641
Other financial assets		-	-	-	-	-
Cash and cash equivalents	5	-	-	648,606,010	648,606,010	648,606,010
Total financial assets		-	-	947,346,524	947,346,524	947,346,524
Financial liabilities :						
Borrowings	8	-	-	418,907,153	418,907,153	418,907,153
Trade payables	9	-	-	724,404,880	724,404,880	724,404,880
Other financial liabilities	10	-	-	27,508,051	27,508,051	27,508,051
Total financial liabilities		-	-	1,170,820,084	1,170,820,084	1,170,820,084

Notes to financial instruments

- i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

Financial instruments (continued)

ii. Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

21 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity as below:

- Equity includes equity share capital and all other equity components, which attributable to the equity holders
- Net Debt includes borrowings, less cash and cash equivalents.

Particulars	Note	As at 31 March 2019	As at 31 March 2018
Borrowings	Financial liability	481,388,572	418,907,153
Less: Cash and cash equivalents	Financial asset	(860,374,001)	(648,606,010)
Net Debt		(378,985,429)	(229,698,857)
Equity share capital	Equity	29,441,800	29,441,800
Other equity	Equity	(137,145,311)	(231,540,280)
Total capital		(107,703,511)	(202,098,480)

In order to achieve the objective of maximising shareholders value, the Company's capital management, amongst other things, aims to manage its capital structure and makes adjustments in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

22 Financial risk management

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

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

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

A Credit risk

Credit risk arises from cash and cash equivalents, trade receivables and deposits with banks and financial institutions.

Credit risk management

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

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

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

B 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 of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The Company is exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities.

C Liquidity risk

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

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

Wipro Information Technology Kazakhstan LLP

Summary of significant accounting policies and other explanatory information

(Amount in KZT, unless otherwise stated)

22 Financial risk management (continued)

D Liquidity risk (continued)

Maturities of financial liabilities

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

31 March 2019	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	481,388,572	-	-	481,388,572
Trade payables	808,497,696	-	-	808,497,696
Other financial liabilities	70,461,697	-	-	70,461,697
Total	1,360,347,965	-	-	1,360,347,965
<hr/>				
31 March 2018	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	418,907,153	-	-	418,907,153
Trade payables	724,404,880	-	-	724,404,880
Other financial liabilities	27,508,051	-	-	27,508,051
Total	1,170,820,084	-	-	1,170,820,084

E Interest rate risk

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

Particulars	31 March 2019	31 March 2018
Variable rate borrowing	481,388,572	418,907,153
Fixed rate borrowing	-	-
	481,388,572	418,907,153

Interest rate risk

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

Particulars	31 March 2019	31 March 2018
Interest rates – increase by 50 basis points (50 bps)	2,406,943	2,094,536
Interest rates – decrease by 50 basis points (50 bps)	(2,406,943)	(2,094,536)

23 Segment reporting

The Company is engaged in providing IT Services, including Business Process Services (BPS) globally which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'. The Company operates primarily in Kazakhstan and there is no other significant geographical segment. The company has two customer who contribute more than 10% of total revenue and together contribute 100% of revenue. The Company has no other significant customer.

24 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2019 and the date of authorization of these standalone financial statements.

25 Comparatives

Figures for the previous year have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors of Wipro Information Technology Kazakhstan LLP

Sd/-
Antonina Romanteyeva
Director

16 June 2019