Financial Statements and Auditor's Report

Wipro Information Technology Netherlands BV

(formerly Retail Box BV)

31 March 2019

Independent Auditor's Report

To the board of directors of Wipro Information Technology Netherlands BV *(formerly Retail Box BV Limited)*

Opinion

1. We have audited the accompanying financial statements of Wipro Information Technology Netherlands BV *(formerly Retail Box BV Limited)* ('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 Netherlands BV
(formerly Retail Box BV)
Balance Sheet as at 31 March 2019
(Amount in EUR, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Financial assets			
Investments	**3**	52,899,888	50,180,387
		52,899,888	**50,180,387**
Current assets			
Financial assets			
Trade receivables	**4**	6,762,611	4,944,524
Unbilled revenues		2,032,087	1,217,126
Other financial assets	**5**	21,324,484	17,198,612
		30,119,182	**23,360,262**
		83,019,070	**73,540,649**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	**6**	22,046,000	22,046,000
Other equity		28,356,718	22,295,149
		50,402,718	**44,341,149**
LIABILITIES			
Current liabilities			
Financial liabilities			
Borrowings	**7**	23,706,280	22,866,189
Trade payables	**8**	6,835,887	5,339,402
Other current liabilities	**9**	1,313,480	373,587
Provisions	**10**	760,705	620,322
		32,616,352	**29,199,500**
		83,019,070	**73,540,649**

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 Netherlands BV
(formerly Retail Box BV)

Sd/-
Theo Spijkerman
Director

16 June 2018

Wipro Information Technology Netherlands BV

(formerly Retail Box BV)

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

(Amount in EUR, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
REVENUE			
Revenue from operations	**11**	19,822,276	13,362,830
Other Income	**12**	5,675,040	7,601,043
		25,497,316	**20,963,873**
EXPENSES			
Finance cost	**13**	452,808	551,419
Other expenses	**14**	18,940,611	12,197,931
		19,393,419	**12,749,350**
Profit/(loss) before tax		**6,103,897**	**8,214,523**
Tax expense			
Current tax		42,328	502,109
Tax expense		**42,328**	**502,109**
Profit for the year		**6,061,570**	**7,712,414**
Earnings per equity share of par value EUR 1 each			
Basic and diluted	**15**	0.27	0.35
Summary of significant accounting policies	**2**		

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(formerly Retail Box BV)

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Theo Spijkerman
Director

16 June 2018

Wipro Information Technology Netherlands BV

(formerly Retail Box BV)

Statement of Cash Flows for the year ended 31 March 2019

(Amount in EUR, unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities:			
Profit/(loss) after tax		**6,061,570**	**8,214,523**
Adjustments:			
Dividend		(5,504,844)	(5,700,000)
Interest income		(170,196)	(168,403)
Interest expense		452,808	551,419
Unrealised exchange differences, net		902,113	(1,451,279)
Loss on sale of investment		-	9,665
Diminution in the value of investments		2,395	-
Operating profit before working capital changes		**1,743,845**	**1,455,925**
Adjustments for working capital changes:			
(Decrease) in trade and other receivable		(1,818,087)	(2,941,682)
(Increase)/Decrease in unbilled revenue and other financial assets		(4,940,833)	1,805,486
Increase in trade and other payables		2,612,792	1,088,499
Net cash generated from operations		**(2,402,283)**	**1,408,228**
Direct taxes paid, net of refunds		98,055	-
Net cash generated by operating activities	**(A)**	**(2,500,338)**	**1,408,228**
Cash flows from investing activities:			
Purchase of investments		(2,721,894)	(7,963,328)
Proceeds from sale of investments investments		-	99,671
Dividend Received		5,504,844	5,700,000
Interest Received		170,196	168,403
Net cash generated by / (used in) investing activities	**(B)**	**2,953,146**	**(1,995,254)**
Cash flows from financing activities:			
Proceeds from loans taken		-	10,326,453
Loans paid		-	(9,188,009)
Interest paid		(452,808)	(551,419)
Net cash generated by / (used in) financing activities	**(C)**	**(452,808)**	**587,025**
Net increase/ (decrease) in cash and cash equivalents during the year(A+B+C)		**-**	**-**
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		**-**	**-**

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

For and on behalf of the Board of Directors of Wipro Information Technology Netherlands BV
(formerly Retail Box BV)

Sd/-
Theo Spijkerman
Director

16 June 2018

Wipro Information Technology Netherlands BV

(formerly Retail Box BV)

Statement of Changes in Equity as on 31 March 2019

(Amount in EUR, unless otherwise stated)

Particulars	Equity Share Capital	Other equity		Total other equity
		Securities premium account	Retained Earnings	
Balance as at 01 April 2017	**22,046,000**	**2,219,182**	**12,363,553**	**14,582,735**
Profit for the period	-	-	7,712,414	7,712,414
Balance as at 31 March 2018	**22,046,000**	**2,219,182**	**20,075,967**	**22,295,149**
Profit for the period	-	-	6,061,570	6,061,570
Balance as at 31 March 2019	**22,046,000**	**2,219,182**	**26,137,536**	**28,356,718**

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

For and on behalf of the Board of Directors of Wipro Information Technology Netherlands BV
(formerly Retail Box BV)

Sd/-
Theo Spijkerman
Director

16 June 2018

1 Background

Wipro Information Technology Netherlands BV {Formerly Retail Box BV} ("The Company") is a subsidiary of Wipro Cyprus Private Limited, incorporated and domiciled in Netherlands. The principal business of Company is to engage in consultancy matters related to Information technology in Retail space. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

2 Summary of significant accounting policies

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').

b) Basis of preparation

The financial statements have been prepared on going concern basis under the historical cost basis except for certain financial assets and liabilities which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, 'Share-based Payment', leasing transactions that are within the scope of Ind AS 17, 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 'Inventories', or value in use in Ind AS 36 'Impairment of assets'.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

c) Use of estimates and judgment

The preparation of the financial statements in confirmity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from estimates.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Fair value measurements

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

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Critical judgements in applying accounting policies

Recognition of deferred tax liability on undistributed profits – The extent to which the Company can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgment.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c) Significant management judgements (cont'd)

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgment.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

(i) An asset is classified as current when it is:
- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

(ii) All other assets are classified as non-current.

(iii) A liability is classified as current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on nature of service and the time between acquisition of assets for development and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities which pertains to the business.

e) Foreign currency

Functional and presentation currency

The financial statements are presented in JPY which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest JPY, unless otherwise indicated.

Foreign currency transactions

(a) Initial Recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

f) Property, plant and equipment

Recognition and measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met, any expected costs of decommissioning and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. All other repairs and maintainance cost are recognised in statement of profit and loss as incurred. 'The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortized over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Asset description	Useful lives (in years)
Plant and machinery	2 to 7 years
Furniture and fixture	5 to 6 years
Office equipments	5 to 6 years

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

g) Impairment of property, plant and equipment

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

h) Employee Benefits

Expenses and liabilities in respect of employee benefits are recognised in the financial statements in accordance with Ind AS 19, Employee Benefits.

Compensated absences

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

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.

i) Equity

i) Share capital

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

ii) Retained earnings

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

i) Equity (Cont'd)

iii) Other comprehensive income

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

j) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

k) Inventories

Inventories are valued at lower of cost and net realizable value, including necessary provision for obsolescence. Cost is determined using the weighted average method.

l) Revenue

Commission Income is recognized, as services are rendered, in accordance with the terms of agreement entered in to by the Company with its customer, primarily its holding company.

Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

Revenue from finance lease contracts is, as of the commencement date of the lease contract, recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured.

m) Finance and other income

Finance and other income comprises interest income on deposits, dividend income and gains / (losses) due to foreign exchange etc. Interest income is recognized using the effective interest method.

The company follows the practice of paying the rent for space occupied by parent as well as by itself. The parent occupies 75% of space and re-imburses the same to the company which is recognized as rental income.

n) Financial Instruments

i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instruments at Fari Value Through Other Comprehensive Income (FVTOCI);

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at Fair Value Through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

n) Financial Instruments

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

ii. Gains or losses on liabilities held for trading

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

n) Financial Instruments (cont'd)

iii. Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Non-derivative Financial instruments

Non derivative financial instruments consist of:

i) 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;

ii) 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:

i) 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.

ii) 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.

iii) 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.

p) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.

q) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

r) 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.

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.

s) Earnings per share

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources. 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 antidilutive.

t) 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.

u) Operating lease

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

v) Finance lease

Assets acquired on lease which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the assets, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

w) 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 interim condensed standalone financial statements. New standards, amendments to standards and interpretations that could have potential impact on the standalone 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 recognized 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 accoridingly , 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. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) 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 standalone financial statement is insignificant.

x) Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

y) 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 recognise 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 recognised 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 Netherlands BV

(formerly Retail Box BV)

Summary of significant accounting policies and other explanatory information

(Amount in EUR, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
3 Non-current investments		
Non-trade – unquoted		
Investment in equity shares		
Wipro Portugal SA	5,131,207	5,131,207
Wipro Technologies SA	258,267	258,267
Wipro (Thailand) Co Limited	702	702
Wipro do Brazil Technologia Limited	10,686,089	10,686,089
Wipro Technologies GmbH	1,574,997	1,574,997
Wipro Technologies Limited Russia	222	222
Wipro Poland Sp Zoo	108	108
Wipro Technologies Norway AS	-	-
Wipro Peru	519,372	342,302
Wipro Gulf LLC	5,541	5,541
Wipro Egypt	3	3
Wipro Chile Pty Ltd	2,127,497	1,842,807
Wipro IT Kazakhstan LLP	118,957	118,957
Wipro IT Services Canada	22,327,734	22,327,734
Wipro do Brazil Sistemas de Informática Ltda	2,394	2,394
Wipro Outsourcing Services (Ireland) Ltd	1,000	1,000
Infoserver	9,098,461	7,963,328
Wipro Technology GmbH	1,125,000	-
	52,977,554	50,255,658
Less: Provision for diminution in value of non-current investments	(77,666)	(75,271)
	52,899,888	**50,180,387**

	As at 31 March 2019	As at 31 March 2018
4 Trade receivables		
Unsecured		
Considered good	6,762,611	4,944,524
	6,762,611	**4,944,524**

	As at 31 March 2019	As at 31 March 2018
5 Other financial assets		
Dues from related parties (refer note 17)	21,317,452	17,020,795
Prepaid expenses	7,032	9,334
Other advances	-	168,483
	21,324,484	**17,198,612**

Wipro Information Technology Netherlands BV

(formerly Retail Box BV)

Summary of significant accounting policies and other explanatory information

(Amount in EUR, unless otherwise stated)

		As at 31 March 2019	As at 31 March 2018
6	**Share Capital**		
	Authorised Capital		
	22,046,000 (2019: 22,046,000) equity shares of Euro 1 each	22,046,000	22,046,000
		22,046,000	**22,046,000**
	Issued, subscribed and paid-up capital		
	22,046,000 (2019: 22,046,000) equity shares of Euro 1 each	22,046,000	22,046,000
		22,046,000	**22,046,000**

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

	Number	Number
Number of equity shares outstanding as at beginning of the year	22,046,000	22,046,000
Number of equity shares issued during the year	-	-
Number of equity shares outstanding as at end of the year	**22,046,000**	**22,046,000**

b) Details of shareholders having more than 5% of the total equity shares of the company

Name of shareholder	**Number**	**Number**
Wipro Cyprus Private Limited (100% holding)	22,046,000	22,046,000
	22,046,000	**22,046,000**

c) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of EUR 1 per share. Each holder of equity shares is entitled to

d) There has been no issue of bonus shares or issue of shares for consideration other than cash or share buy back during five years

		As at 31 March 2019	As at 31 March 2018
7	**Borrowings**		
	Loan taken from related parties (refer note 17)	23,706,280	22,866,189
		23,706,280	**22,866,189**

		As at 31 March 2019	As at 31 March 2018
8	**Trade payables**		
	Dues to others	-	135
	Accrued expense	67,611	75,954
	Dues to related parties (refer note 17)	6,768,276	5,263,313
		6,835,887	**5,339,402**

		As at 31 March 2019	As at 31 March 2018
9	**Other current liabilities**		
	Statutory liabilities	1,313,480	373,587
		1,313,480	**373,587**

		As at 31 March 2019	As at 31 March 2018
10	**Provisions**		
	Provisions for tax (net of advance tax : Nil [2018: Nil])	760,705	620,322
		760,705	**620,322**

Summary of significant accounting policies and other explanatory information

(Amount in EUR, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
11 Revenue from operations		
Sale of services	19,822,276	13,362,830
	19,822,276	**13,362,830**

	Year ended 31 March 2019	Year ended 31 March 2018
12 Other income		
Interest income (refer note 17)	170,196	168,403
Other exchange differences, net	-	1,732,640
Dividend (refer note 17)	5,504,844	5,700,000
	5,675,040	**7,601,043**

	Year ended 31 March 2019	Year ended 31 March 2018
13 Finance cost		
Interest expense (refer note 17)	452,808	551,419
	452,808	**551,419**

	Year ended 31 March 2019	Year ended 31 March 2018
14 Other expenses		
Sub contracting / technical fees / third party application (refer note 17)	17,870,460	11,996,173
Legal and professional charges	161,326	170,705
Loss on sale of investment	2,404	9,665
Other exchange differences, net	902,113	-
Miscellaneous expenses	4,308	21,388
	18,940,611	**12,197,931**

	Year ended 31 March 2019	Year ended 31 March 2018
15 Earnings per Share (EPS)		
Net profit after tax attributable to the equity shareholders	6,061,570	7,712,414
Weighted average number of equity shares - for basic and diluted EPS	22,046,000	22,046,000
Earnings per share - Basic and diluted	0.27	0.35

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Wipro Information Technology Netherlands BV

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Summary of significant accounting policies and other explanatory information

(Amount in EUR, unless otherwise stated)

16 Borrowings

Sl.No	Particulars	Rate of interest	Repayment details	31 March 2019	31 March 2018
Loans from related parties					
Unsecured					
1	Wipro Outsourcing Services (Ireland) Ltd	12 Months USD LIBOR plus 200 basis points p.a.	Repayable on demand	4,019,726	4,019,726
		Effective rate of interest per annum		2%	2%
2	Wipro Holdings Hungary	12 Months USD LIBOR plus 85 basis points p.a.	Repayable on demand	4,746,042	4,166,584
		Effective rate of interest per annum		4.09%	4.11%
3	Wipro Holdings Hungary	12 Months USD LIBOR plus 85 basis points p.a.	Repayable on demand	9,929,022	10,048,767
		Effective rate of interest per annum		1.73%	2.00%
4	Wipro Cyprus Private Limited	12 Months USD LIBOR plus 200 basis points p.a.	Repayable on demand	5,011,490	4,631,112
		Effective rate of interest per annum		2.60%	2.54%
5	Wipro Inc., USA	12 Months USD LIBOR plus 200 basis points p.a.	Repayable on demand		-
		Effective rate of interest per annum		0.00%	0.00%
		Total		**23,706,280**	**22,866,189**

17 Related party disclosure

i) Parties where control exists:

Name of the related party	**Nature of relationship**
Wipro Cyprus Private Limited	Holding Company
Wipro Limited	Ultimate Holding Company
Wipro Technologies Argentina SA	Subsidiary Company
Wipro Chile Pty ltd	Subsidiary Company
Wipro Portugal SA	Subsidiary Company
Wipro Outsourcing Services (Ireland) Limited	Subsidiary Company
Wipro Inc. USA	Fellow Subsidiary
Wipro Technologies Norway AS	Fellow Subsidiary
Wipro Technologies SA	Fellow Subsidiary
Wipro Holdings Hungary	Fellow Subsidiary
Wipro Technologies GmbH	Fellow Subsidiary
Wipro Gulf LLC	Fellow Subsidiary
Wipro IT Kazakhstan LLP	Subsidiary Company
Wipro (Thailand) Company Limited	Fellow Subsidiary
Wipro Technology Chile SPA	Fellow Subsidiary

ii) The Company has the following related party transactions:

Particulars	Relationship	Year ended 31 March 2019	Year ended 31 March 2018
Interest Income			
Wipro Cyprus Private Limited	Holding Company	3,460	1,666
Wipro Technology Chile SPA	Fellow Subsidiary	736	737
Wipro Technologies GmBH	Fellow Subsidiary	166,000	167,793
Interest Expenses			
Wipro Outsourcing Services	Subsidiary Company	80,000	80,000
Wipro Inc., USA	Fellow Subsidiary	-	51,310
Wipro Cyprus Private Limited	Holding Company	130,142	127,311
Wipro Holdings Hungary	Fellow Subsidiary	242,666	292,798
Dividend Income			
Wipro Portugal SA	Subsidiary Company	5,500,000	5,700,000
Wipro Gulf LLC	Fellow Subsidiary	4,844	-
Purchase of services			
Wipro Limited	Ultimate Holding Company	17,870,460	11,996,173
Loans repaid			
Wipro Inc., USA	Subsidiary Company	-	8,055,901
Loans obtained			
Wipro Inc., USA	Fellow Subsidiary	-	-
Wipro Holdings Hungary	Fellow Subsidiary	-	10,000,000

iii) Balances with related parties as at the year end:

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Other financial assets			
Wipro Technologies GMBH	Fellow Subsidiary	8,533,378	8,953,668
Wipro Cyprus Private Limited	Holding Company	12,787,549	7,925,240
Wipro Technologies Norway AS	Fellow Subsidiary	-	98,187
Wipro Technology Chile SPA	Fellow Subsidiary	28,053	31,570
Wipro Limited	Ultimate Holding Company	-	12,130

17 Related party disclosure (cont'd)

iii) Balances with related parties as at the year end (cont'd):

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Trade payables			
Wipro Limited	Ultimate Holding Company	6,768,276	5,263,313
Borrowings			
Wipro Inc., USA	Fellow Subsidiary	-	-
Wipro Cyprus Private Limited	Holding Company	5,011,490	4,631,112
Wipro Holdings Hungary	Fellow Subsidiary	14,675,064	14,215,351
Wipro Outsourcing Services (Ireland) Ltd	Subsidiary Company	4,019,726	4,019,726

18 Effective Tax Rate (ETR) reconciliation

	Year ended 31 March 2019	Year ended 31 March 2018
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	42,328	502,109
Income tax of earlier years		
	42,328	**502,109**

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;

	Year ended 31 March 2019	Year ended 31 March 2018
Profit/(loss) before income tax	6,103,897	8,214,523
Enacted tax rates in Netherland (%)	24.84%	24.88%
Computed expected tax expense	1,515,974	2,043,631
Tax effect due to set-off of unabsorbed brought forward losses from earlier years	-	(725)
Tax on Dividend Income	(1,375,571)	(1,425,000)
Tax on Penalty paid	(20)	-
Tax effect of refund receipts related to past years	(98,055)	(115,797)
Tax expense as per financials	**42,328**	**502,109**

19 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other

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

Particulars	Note	As at 31 March 2019	As at 31 March 2018
Borrowings	Financial liability	23,706,280	22,866,189
Less: Cash and cash equivalents	Financial asset	-	-
Net debt		**23,706,280**	**22,866,189**
Equity share capital	Equity	22,046,000	22,046,000
Other equity	Equity	28,356,718	22,295,149
Total capital		**50,402,718**	**44,341,149**
Gearing ratio		0.47	0.52

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 Netherlands BV

(formerly Retail Box BV)

Summary of significant accounting policies and other explanatory information

(Amount in EUR, 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 :						
Investments	3	-	-	52,899,888	52,899,888	52,899,888
Trade receivables	4	-	-	6,762,611	6,762,611	6,762,611
Other financial assets	5	-	-	21,324,484	21,324,484	21,324,484
Total financial assets		**-**	**-**	**80,986,983**	**80,986,983**	**80,986,983**
Financial liabilities :						
Borrowings	7	-	-	23,706,280	23,706,280	23,706,280
Trade payables	8	-	-	6,835,887	6,835,887	6,835,887
Total financial liabilities		-	-	**30,542,167**	**30,542,167**	**30,542,167**

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 value	Total fair value
Financial assets :						
Investments	3	-	-	50,180,387	50,180,387	50,180,387
Trade receivables	4	-	-	4,944,524	4,944,524	4,944,524
Other financial assets	5	-	-	17,198,612	17,198,612	17,198,612
Total financial assets		**-**	**-**	**72,323,523**	**72,323,523**	**72,323,523**
Financial liabilities :						
Borrowings	7	-	-	22,866,189	22,866,189	22,866,189
Trade payables	8	-	-	5,339,402	5,339,402	5,339,402
Total financial liabilities		-	-	**28,205,591**	**28,205,591**	**28,205,591**

Notes to financial instruments

i. The management assessed that the fair value of trade receivables, loans, other financial assets, trade payables and borrowings approximate the carrying amount largely
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties,
The Company has measured investments in equity shares of subsidiaries and joint ventures at the deemed cost. The Company has considered the carrying amount

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

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

Level 3: Inputs for the assets or liabilities that are not based on observable inputs 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

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21 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 interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

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

Credit risk management

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

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset

Expected credit loss for trade receivables under simplified approach

Trade receivables are secured in a form that registry of sold residential/commercial units is not processed till the time the Company does not receive the entire payment. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

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

B Liquidity risk

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

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

Wipro Information Technology Netherlands BV
(formerly Retail Box BV)
Summary of significant accounting policies and other explanatory information
(Amount in EUR, unless otherwise stated)

21 Financial risk management (cont'd)

B Liquidity risk (cont'd)

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual

31 March 2019	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	23,706,280	-	-	23,706,280
Trade payables	6,835,887	-	-	6,835,887
Total	**30,542,167**	**-**	**-**	**30,542,167**

31 March 2018	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	22,866,189	-	-	22,866,189
Trade payables	5,339,402	-	-	5,339,402
Total	**28,205,591**	**-**	**-**	**28,205,591**

C 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	23,706,280	22,866,189
Fixed rate borrowing		
	23,706,280	**22,866,189**

Interest rate risk

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

Particulars	31-Mar-19	31-Mar-18
Interest rates – increase by 50 basis points (50 bps)	118,531	114,331
Interest rates – decrease by 50 basis points (50 bps)	(118,531)	(114,331)

22 Segment reporting

The Company is provider of IT Services which is considered to be the only reportable business segment as per Ind AS 108 - 'Segment Reporting'. The company operates primarily in Netherlands and there is no other significant geographical segment. The company has only one customer which contributes 100% of revenue and has no other significant customer.

23 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

24 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 Netherlands BV
(formerly Retail Box BV)

Sd/-
Theo Spijkerman
Director

16 June 2018