Wipro Technologies South Africa
Proprietary Limited
(Registration number 2010/016829/07)
Annual Financial Statements
for the year ended 31 March 2019

Auditors
BDO South Africa Incorporated
52 Corlett Drive, Illovo
Johannesburg, 2196
South Africa
Issued 18 June 2019

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provision of information technology services in South Africa
Directors	V Mhlarhi G Collings M Mosehle Ankur Prakash (Resigned on 31st July 2018)
Registered office	2 Maude Street The Forum 10th Floor Sandton 2196
Business address	2 Maude Street The Forum 10th Floor Sandton 2196
Holding company	Wipro Cyprus SE* (Incorporated in UK) (entity name changed to Wipro Cyprus SE w.e.f March 22 2019)
Ultimate holding company	Wipro Limited (Incorporated in India)
Auditors	BDO South Africa Incorporated
Secretary	KilgeUy Statutory Services (Pty) Ltd
Company registration number	2010/016829/07
Preparer	The annual financial statements were internally compiled by: Mr Kalp Dalal - Chartered Accountant, India

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholders:

Index	Page
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 6
Directors' Report	7 - 8
Statement of Financial Position	9
Statement of Profit or Loss and Other Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Accounting Policies	13 - 20
Notes to the Annual Financial Statements	21 - 28
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Profit or Loss	29

Level of assurance

These annual financial statements have been audited in compliance with section 30(2)(b)(i)(aa) of the Companies Act of South Africa.

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2020 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 9 to 29, which have been prepared on the going concern basis, were approved by the board on 18 June 2019 and were signed on their behalf by:

Approval of annual financial statements

SD/-
V Mhlarhi

SD/-
M Mosehle

SD/-
G Collings

BDO

Tel: +27 011 488 1700
Fax: +27 010 060 7000
www.bdo.co.za

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Private Bag X60500
Houghton, 2041
South Africa

Independent Auditor's Report

To the Shareholders of Wipro Technologies South Africa Proprietary Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wipro Technologies South Africa Proprietary Limited (the company) set out on pages 9 to 28, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wipro Technologies South Africa Proprietary Limited as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Wipro Technologies South Africa Proprietary Limited Financial Statements for the year ended 31 March 2019" which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's reports thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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 the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Wipro Technologies South Africa Proprietary Limited for 2 years.

BDO South Africa Inc.

BDO South Africa Incorporated
Per: Happymore Mutiwasekwa
Director
Registered Auditor

18 June 2019
52 Corlett Drive
Illovo
2196

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Wipro Technologies South Africa Proprietary Limited for the year ended 31 March 2019.

1. Nature of business

The company is engaged in provision of information technology services in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

No dividends were declared or paid during the year. (2018: Also no dividend declared or paid)

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Nationality
Ankur Prakash (Resigned on 31st July 2018)	Indian
V Mhlarhi	South African
G Collings	South African
M Mosehle	South African

6. Holding company

The company's holding company is Wipro Cyprus SE which holds 69.42% (2018: 69.42%) of the company's equity. Wipro Cyprus Private Limited is incorporated in UK.(the holding company name changed from Wipro Cyprus Private Limited to Wipro Cyprus SE as the company migrated to UK and incorporated under UK laws w.e.f March 22 2019.

7. Ultimate holding company

The company's ultimate holding company is Wipro Limited which is incorporated in India.

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Directors' Report

9. Going Concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Auditors

BDO South Africa Inc. was appointed as auditors for the company for 2019.

11. Secretary

The company secretary is Kilgetty Statutory Services (Pty) Ltd.

Postal address:	PO Box 2275 Cape Town 8000
Business address:	6th Floor 119 Hertzog Boulevard2 Foreshore Cape Town 8000

12. Investment in subsidiary

Details of the company's investment in subsidiary is set out in Note 4 of the financial statements.

13. Consolidation

The financial statements presented are not consolidated financial statements as the company qualifies for consolidation exemption in "IFRS 10.4(a) Consolidated Financial Statements"

The annual financial statements set out on pages 9 to 26, which have been prepared on the going concern basis, were approved by the board on 18 June 2019 and were signed on their behalf by:

Approval of annual financial statements:

SD/-
V Mhlarhi

SD/-
M Mosehle

SD/-
G Collings

Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Annual Financial Statements for the year ended 31 March 2019

Statement of Financial Position as at 31st March 2019

Figures in Rand	Note(s)	2019	2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	2,600,797	5,510,108
Investment in subsidiary	4	935,462	935,462
Deferred tax	5	8,729,965	4,547,213
		12,266,224	10,992,783
Current Assets			
Trade and other receivables	6	117,536,150	90,241,618
Current tax receivable		9,323,450	47,481,594
Cash and cash equivalents	7	56,326,686	109,611,003
		183,186,285	247,334,215
Total Assets		195,452,510	258,326,998
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	5,224,756	5,224,756
Retained income		97,251,921	108,415,703
		102,476,677	113,640,459
LIABILITIES			
Non-Current Liabilities			
Provision for leave pay	9	885,175	634,147
Current Liabilities			
Trade and other payables	10	90,973,928	143,442,481
Provision for leave pay	9	1,116,730	609,911
		92,090,658	144,052,392
Total Liabilities		92,975,833	144,686,539
Total Equity and Liabilities		195,452,510	258,326,998

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2019	2018
Revenue	11	383,329,675	538,598,204
Cost of sales	12	(261,072,851)	(369,695,000)
Gross profit		**122,256,823**	**168,903,204**
Other operating losses	13	(2,189,568)	(9,217,239)
Other operating expenses	14	(135,951,424)	(107,157,332)
Operating (loss)/profit		(15,884,169)	**52,528,634**
Investment income	15	4,028,788	6,508,378
(Loss)/profit before taxation		(11,855,381)	**59,037,012**
Taxation	16	691,600	(12,514,231)
(Loss)/profit for the year		(11,163,781)	**46,522,780**

Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Total equity
Balance at 01 April 2017	121	5,224,635	5,224,756	61,892,923	67,117,679
Profit for the year	-	-	-	46,522,780	46,522,780
Dividends	-	-	-	-	-
Balance at 31 March 2018	121	5,224,635	5,224,756	108,415,703	113,640,459
Loss for the year	-	-	-	(11,163,781)	(11,163,781)
Balance at 31 March 2019	121	5,224,635	5,224,756	97,251,921	102,476,678

Statement of Cash Flows

Figures in Rand	Note(s)	2019	2018
Cash generated from operations	17	(88,572,900)	56,085,251
Adjustment for			
Interest received		4,028,788	2,305,566
Tax paid	18	34,666,991	(23,252,402)
Net cash from operating activities		(49,877,121)	35,138,415
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(4,067,047)	(6,508,305)
Proceeds on disposal of property, plant and equipment	3	4,221,050	-
		154,003	-6,508,305
Total cash movement for the year		(49,723,118)	28,630,110
Cash at the beginning of the year		109,611,003	89,579,699
Effect of exchange rate movement on cash balances		(3,561,199)	(8,598,806)
Total cash at end of the year	7	56,326,686	109,611,003

Corporate information

Wipro Technologies South Africa Proprietary Limited is a private company incorporated and domiciled in South Africa. The company is in the provision of information technology services in South Africa.

1 Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and the Companies Act of South Africa

The annual financial statements have been prepared on the historic cost convention and on an accrual basis, except for certain financial instruments which are measured at fair value and unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. Items included in the financial statements are measured using the currency of the primary economic environment in which these entities operate (i.e., the "functional currency"). These financial statements are presented in Rand, which is the functional currency of the company.

These policies have been consistently applied to the period presented in these financial statements unless otherwise stated.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The 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.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value- in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors together with economic factors.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Revenue recognition

The company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit 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.

1.2 **Significant judgements and sources of estimation uncertainty. Continued**

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 past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Useful lives of property, plant and equipment

The company depreciates property, plant and equipment on a straightline basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

1.3 **Property, plant and equipment**

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

- Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised,

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value from the date the assets 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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.
The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Leasehold improvements	3 years
Furniture and fixtures	5 years and 3 months
Office equipment	5 years and 3 months
Computer equipment	2 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.
The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the de recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 **Financial instruments**

Effective April 1, 2018, the company adopted IFRS 9 Financial Instruments with retrospective application from April 1, 2017. The following is the summary of new and revised significant accounting policies related to financial instruments.

Financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investment in equity and eligible current and non-current assets. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the company has not retained control over the financial asset.

Financial liabilities, which include long and short-term loans and borrowings and trade payables.

1.4 Financial instruments continued

Financial instruments are recognized initially at fair value. Subsequent to initial recognition, 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 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.

Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. If the company retains substantially all the risks and rewards of a transferred financial asset, the company continues to recognize the financial asset and also recognizes a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.5 Investment in subsidiaries

The company obtains control of subsidiary when it becomes exposed, to or gain rights to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

Investment in subsidiaries are measured at cost less any accumulated impairment.

1.6 Equity and share capital

i) Share capital

Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium. 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.

1.7 Impairment

i) Financial assets

The company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables 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 the effective interest rate.
Loss allowances for trade receivables and lease receivables are measured at an amount equal to lifetime expected credit loss. 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 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.

ii) Non - financial assets

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

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting 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 tax assets and liabilities

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.

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.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

• a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or

• a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.11 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 recognized 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, we apply 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.

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 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 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 recognized 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 materials contracts

Revenues and costs relating to time and materials, transaction-based or volume-based contracts are recognized as the related services are rendered.

B. Fixed-price development contracts

Revenues from fixed-price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the company is not able to reasonably measure the progress of completion, revenue is recognized 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 recognized in the consolidated statement of income 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.

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

C. Maintenance contracts

Revenues related to fixed-price maintenance, testing and business process services are recognized 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 recognized 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 recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

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

D. Products

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

1.11 Revenue (continued)

E. Others

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

▫ Revenues are shown net of allowances/ returns sales tax, value added tax, goods and services tax and applicable discounts and allowances. Revenue includes excise duty.

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

▫ Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset and amortized over the contract term.

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

The company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the company does not assess the existence 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, we evaluate whether we are the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, we first evaluate whether we control the good or service before it is transferred to the customer. If we control the good or service before it is transferred to the customer, we are the principal; if not, we are the agent.

1.11 Revenue (continued)

Trade receivables and Contract balances

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. We present such receivables as part of Trade receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in IFRS 9 using expected credit loss method.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are presented in Other current assets and primarily relate to unbilled amounts on fixed-price contracts utilizing the percentage of completion method of revenue recognition.

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. contract liabilities or deferred revenue, consist of advance payments and billings in excess of revenues recognized and disclosed as part of current and noncurrent liabilities. The company classifies deferred revenue as current or noncurrent based on the timing of when we expect to recognize the revenue

Remaining Performance Obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and an explanation of when the entity expects to recognize as revenue. As a practical expedient, disclosure is not required for:

i.performance obligation that has an original expected duration of one year or less;

ii.contracts for which revenue is recognized based on the right to invoice for services performed.

Applying the above practical expedient, the company has not disclosed remaining performance obligations for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis, transaction or volume basis.

1.12 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded. on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

• foreign currency monetary items are translated using the closing rate;

• non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and

• non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Effective April 1,2018, the company has adopted IFRIC 22 Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

1.13 Related party transactions

Related parties include the related companies, the directors and any employee who is able to exert significant influence on the operating policies of the company. Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The company considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Where there is a related party transactions with the company, the transactions are disclosed as to the type of relationship that exists with the company and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

2 New Standards and Interpretation

2.1 Standards and interpretations effective and adopted in the current year

i) IFRS 15 Revenue from customer contracts

On April 1, 2018, we adopted IFRS 15, "Revenue from Contracts with Customers" using the cumulative catch up transition method applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted.

On account of adoption of IFRS 15, unbilled revenues pertaining to fixed price development contracts of R 24,787,731 as at March 31, 2019 has been considered as non-financial contract assets, which are billable on completion milestones specified in the contracts.

Unbilled revenues of R 8,758,712, which are billable based on passage of time been classified as unbilled receivables.

ii) IFRS 9 - Financial instruments

The company has elected to early adopt IFRS 9, Financial Instruments effective April 1, 2018 with retrospective application from April 1, 2017.

IFRS 9 introduces a single approach for the classification and measurement of financial assets according to their cash flow characteristics and the business model they are managed in, and provides a new impairment model based on expected credit losses.

Application of the new measurement and presentation requirements of IFRS 9 did not have a impact on equity.

2.2 New standards, amendments and interpretation issued but not yet effective and have not been adopted early by the company

The following are standards and amendments to existing standards that have been published and are relevant and mandatory for the company's accounting period beginning on or after 1 April 2019 but have not been early adopted by the company.

i) IFRS 16 Leases

On January 13, 2016, the international accounting standards board issued IFRS 16, Leases. IFRS 16 will replace the existing leases Standard, IAS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 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 effective date for adoption of IFRS 16 is annual periods beginning on or after January 1, 2019. 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 retospective 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 January 1, 2019.

The company will adopt this standard using modified retrospective method effective April 1 2019 and accordingly the comparative for year ended March 31 2018 and 2019, will not be retrospectively adjusted. Based on the current assessment by the directors, the company does not expect a significant impact to opening retained earnings on adoption of IFRS 16.

ii) Amendments to IAS 19 Employee benefits

On February 7, 2018, the international accounting standards board issued amendments to IAS 19. Amendments to IAS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The effective date for adoption of amendment to IAS 19 is annual periods beginning on or after January 1, 2019. The Board is currently reviewing the impact the standard may have on the preparation of the financial statements when the standard is adopted. Due to recent release of this standard, the entity has not yet made a detailed assessment of impact of this standard.

iii) IFRIC 23 Uncertainty over Income Tax treatments

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 IAS 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 IFRIC 23 is annual periods beginning on or after January 1, 2019.

The Board is currently reviewing the impact the standard may have on the preparation of the financial statements when the standard is adopted. Due to recent release of this standard, the entity has not yet made a detailed assessment of impact of this standard.

3 Property, plant and equipment

Financial Year	2019			2018		
Particulars	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	3,452,451	(3,345,644)	106,807	3,451,186	(2,794,570)	656,616
Office equipment	261,513	(230,840)	30,673	232,644	(206,780)	25,864
IT equipment	5,497,954	(3,044,307)	2,453,647	7,880,527	(3,062,569)	4,817,958
Leasehold improvements	221,175	(211,505)	9,670	221,175	(211,505)	9,670
Total	9,433,093	(6,832,296)	2,600,797	11,785,533	(6,275,425)	5,510,108

(Amount in Rand)

Reconciliation of property, plant and equipment -2019	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	656,616	1,265	-	551,074	106,807
Office equipment	25,864	28,869	-	24,060	30,673
IT equipment	4,817,958	4,036,914	4,671,107	1,730,118	2,453,647
Leasehold improvements	9,670	-	-	-	9,670
Total	5,510,108	4,067,048	4,671,107	2,305,252	2,600,797

(Amount in Rand)

Reconciliation of property, plant and equipment -2018	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,255,634	-	-	599,018	656,616
Office equipment	70,067	-	-	44,203	25,864
IT equipment	84,491	6,498,725		1,765,258	4,817,958
Leasehold improvements	90	9,580	-	-	9,670
Total	1,410,282	6,508,305	-	2,408,479	5,510,108

Figures in Rand	2019	2018

4 Investment in subsidiary

Name of company	% Holding 2019	% Holding 2018	Carrying Amount 2019	Carrying Amount 2018
Wipro Technologies Nigeria Limited	99.00%	99.00%	935,462	935,462

The investment in Wipro Technologies Nigeria Limited consists of 99 000 shares of NGN 163 each. The carrying amounts of the subsidiaries are shown net of impairment losses.

The annual financial statements presented are not consolidated annual financial statements as the entity qualifies for the consolidation exemption in IFRS 10 Consolidated Financial Statements.

The exemption is allowed provided that all of the following criteria are complied with:
• The entity is wholly owned or partially owned, where none of the other shareholder's object to the fact that consolidated annual financial statements are not prepared.
• The entity's debt or equity instruments are not traded in a public market
• The entity did not file, and is not in the process of filing its annual financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instrument in a public market, and
• The entity's ultimate or intermediary parent produces consolidated annual financial statements available for public use which comply with International Financial Reporting Standards.

Wipro Limited, incorporated in India, produces consolidated annual financial statements available for public use. These annual financial statements can be obtained from Doddakanelli, Sarjapur Road, Bangalore - 560035.

5 Deferred tax

	2019	2018
Deferred tax asset		
Provisions	2,474,929	2,885,850
Provision for doubtful debts	5,851,784	1,432,586
Other and adjustments	453,531	280,510
	8,780,244	4,598,946
Deferred tax liability		
Prepaid expenses	(50,279)	(51,733)
	8,729,965	4,547,213

	2019	2018
Reconciliation of deferred tax asset		
At beginning of year	4,547,213	11,113,371
Temporary differences on prepaid expenses	1,454	(40,419)
Temporary differences on other assets	173,021	(3,729,853)
Temporary differences on provisions	4,008,277	(2,795,886)
At end of year	8,729,965	4,547,213

Deferred tax assets have been recognised on temporary differences where having reviewed the financial projections of the company, the directors are of the opinion that it is probable that these assets will be recovered. The deferred tax asset and liability relate to income tax in the same jurisdiction and the law allows net settlement. Therefore they have been offset in the Statement of financial position.

6 Trade and other receivables

	2019	2018
Prepayments	179,568	184,760
Deposits	765,774	356,017
VAT	4,896,545	5,056,465
Trade debtors	74,764,120	51,902,815
Unbilled revenue - financial asset	8,758,712	-
Unbilled revenue - non financial asset	24,787,731	32,451,969
Other receivables	3,383,701	289,591
Total	117,536,150	90,241,618

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2019, R 21,457,843 (2018: R 44,911,289) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:	2019	2018
1 month past due	5,319,288	40,798,343
2 months past due	6,398,591	615,611
3 months past due	9,739,965	3,497,334

Trade and other receivables impaired

As at 31 March 2019, trade and other receivables of R 27,865,639 (2018: 6,821,837)

Reconciliation of allowances for credit losses	2019	2018
Opening balance	6,821,837	23,494,882
Raised	21,043,803	898,235
Reversed	-	(17,571,280)
Total	27,865,639	6,821,837

7 Cash and cash equivalents

Cash and cash equivalents consist of:	2019	2018
Short term deposits	20,000,000	-
Bank balances	36,326,686	109,611,003
	56,326,686	109,611,003

Figures in Rand	2019	2018

8 Share capital

	2019	2018
Authorised		
1,000 Ordinary shares of R1 each	1,000	1,000

879 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

	2019	2018
Issued		
121 Ordinary shares of R1 each	121	121
Share premium	5,224,635	5,224,635
Total	5,224,756	5,224,756

9 Provision for leave pay

	2019	2018
Non-current liability portion provision for leave pay	885,175	634,147
Current liability portion provision for leave pay	1,116,730	609,911
Total	2,001,905	1,244,058

10 Trade and other payables

	2019	2018
Trade payables	7,029,229	2,756,155
Payable to group companies	71,415,462	119,859,464
VAT	823,901	-
Unearned revenue	1,317,509	4,783,400
Other current liabilities	869,236	464,296
Statutory dues payable	-	790,907
Accrued expenses	9,126,409	14,613,884
Other payables	392,181	174,374
Total	90,973,928	143,442,481

11 Revenue

	2019	2018
Rendering of IT services	365,178,899	538,598,204
Rendering of IT services to group companies	18,150,776	-
Total	383,329,675	538,598,204

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by offerings and contract-type. The company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	2019
Revenue by offerings	
IT Implementation and Maintenance services	383,329,675
Revenue by market	
Banking, Financial Services and Insurance	289,620,155
Health Business unit	5,803,904
Consumer Business unit	36,343,491
Communications	18,053,645
Manufacturing	15,357,703
Technology	18,150,776
Revenue by contract type	
Fixed Price	252,999,339
Time & Materials	130,330,336
Revenue by nature	
Revenue from IT Services	369,283,225
Revenue from IT products	14,046,450
Revenue recognition	
Revenues recognized at point in time	14,046,450
Revenues recognized over period of time	369,283,225

Trade Receivables and Contract balances

The table below shows significant movements in contract assets:

Particulars	2019
Balance as on April 1, 2018	32,451,969
Revenues recognized during the year but not billed	32,228,933
Contract asset billed during the year	(31,134,459)
Impairment/ (reversal) during the year	-
Balance as on March 31, 2019	33,546,443

The table below shows significant movements in contract liabilities:

Particulars	2019
Balance as on April 1, 2018	4,783,400
Amount billed but not recognized as revenues	1,317,509
Revenue recognized from opening balance of contract liabilities	(4,783,400)
Balance as on March 31, 2019	1,317,509

There are no revenues recognized during the reporting period from the performance obligations satisfied in previous periods.

Performance Obligation and Remaining Performance Obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and an explanation of when the entity expects to recognize as revenue. As a practical expedient, disclosure is not required for:

i.performance obligation that has an original expected duration of one year or less;
ii.contracts for which revenue is recognized based on the right to invoice for services performed.
Applying the above practical expedient, the company has not disclosed remaining performance obligations for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis, transaction or volume basis.

As of March 31, 2019 the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was R162,089,743, of which approximately 67% is expected to be recognized as revenues within 2 years, and the remainder thereafter. 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.

The impact on account of applying the erstwhile IAS 18 Revenue instead of IFRS15-Revenue from contract with customers on the financials results of the company for the year ended and as at March 31, 2019 is nil.

Figures in Rand	2019	2018

12 Cost of sales

	2019	2018
Rendering of services		
Sub-contracting charges	21,918,656	18,424,355
Technical services	1,999,752	(230,859)
Cost of products	7,249,837	-
Rendering of services by group companies		
Software development charges	229,904,606	343,708,267
Sub-contracting charges	-	7,030,342
Technical services	-	762,895
Total	261,072,851	369,695,000

13 Other operating losses

Foreign exchange gains (losses)		
Net foreign exchange (losses) gains	(2,189,568)	(9,217,239)
Total other operating gains (losses)	(2,189,568)	(9,217,239)

14 Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

A. Auditor's fees		
Auditor's remuneration-external	168,190	154,500
B. Operating lease charges		
Premises	2,265,720	2,263,180
C. Depreciation		
Depreciation on property, plant and equipment	2,305,252	2,408,479

Expenses by nature

The total cost of sales, selling and distribution expeses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analyzed by nature as follows:

Employee costs*	66,242,492	66,874,466
Operating lease charges	2,265,720	2,263,180
Depreciation	2,305,251	2,408,479
Other expenses	25,602,378	32,816,607
Corporate overheads	11,870,197	14,723,508
Doubtful debts	20,856,603	(16,349,514)
Legal and professional fees	2,069,621	4,420,606
Total	131,212,263	107,157,332

* Employee cost includes defined benefit contribution to the extent of R 2,919,684 for 2019 and R 2,677,128 for 2018.

15 Investment income

Receiver of Revenue	1,875,542	4,202,812
Bank and other cash	2,153,246	2,305,566
Total	4,028,788	6,508,378

16 Taxation

Major components of the tax expense		
Current		
Local income tax - current period	4,248,002	15,944,160
Local income tax - recognised in current tax for prior periods	(756,848)	(9,996,063)
Total	3,491,153	5,948,097
Deferred		
Deferred tax expense - recognised in current year for prior periods	(158,213)	3,892,682
Deferred tax expense	(4,024,540)	2,673,452
Total	(4,182,753)	6,566,134
Total Tax expense	(691,600)	12,514,231
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	(11,855,381)	59,037,011
Tax at the applicable tax rate of 28% (2016: 28%)	(3,319,507)	16,530,363
Tax effect of adjustments on taxable income		
Penalties	249,423	1,420
Donations	3,282,732	2,033,754
Other	10,813	52,075
Taxation- prior year's over provision	(915,061)	(6,103,381)
Total Tax	(691,600)	12,514,231

17 Tax paid

Balance at beginning of the year	47,481,594	25,974,477
Current tax for the year recognised in profit or loss	(3,491,153)	(5,948,097)
Interest receivable from tax authorities	-	4,202,812
Balance at end of the year	(9,323,450)	(47,481,594)
Total	34,666,991	(23,252,402)

Figures in Rand	2019	2018
18 Cash generated from operations		
(Loss)/profit for the year	(11,163,781)	46,522,780
Adjustments made for:		
Depreciation	2,305,251	2,408,479
Tax expense	(691,600)	12,514,231
Gains on disposals, scrapping and settlement of assets and liabilities	452,293	-
Losses/(Gains) on foreign exchange	4,689,035	8,598,830
Interest Received	(4,028,788)	(6,508,378)
Changes in working capital:		
Trade and other receivables	(28,424,604)	136,050,529
Trade and other payables	(52,468,553)	(142,092,608)
Movement in leave pay provision	757,847	(1,408,612)
Total	(88,572,900)	56,085,251

19 Commitments

	2019	2018
Operating leases - as lessee (expense)		
Minimum lease payments due		
within one year	3,628,974	1,627,110
2 to 5 years	2,680,851	-
Total	6,309,825	1,627,110

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of one year. No contingent rent is payable.

20 Directors' emoluments

Executive

2019	Emoluments	Fringe benefits	Total
GW Holme	158,744	1,736	160,480
G Collings	3,545,546	242,939	3,788,485
V Mhlarhi	1,007,585	93,030	1,100,615
	4,711,875	337,704	5,049,579

2018	Emoluments	Fringe benefits	Total
GW Holme	2,986,178	11,404	2,997,582
V Mhlarhi	1,045,108	2,652	1,047,760
	4,031,286	14,056	4,045,342

Figures in Rand	2019	2018

21 Related parties

Relationships	Name of the Party
Ultimate holding company	Wipro Limited
Holding company	Wipro Cyprus SE
Subsidiaries	Wipro Technologies Nigeria Limited
Shareholder with significant influence	Wipro Cyprus SE
Shareholder with significant influence	Wipro Broad Based Ownership Scheme SPV (RF) Proprietary Limited
Associates	Wipro Travel Services Limited
Shareholder with significant influence	Wipro Broad Based Ownership Trust
Associates	Wipro Portugal SA(A)
Associates	Wipro do Brasil Technologia Ltda

Related party balances

Amounts included in trade receivables/(trade payables) regarding related parties	2019	2018
Wipro Limited	(37,729,054)	(105,794,488)
Wipro Limited	18,351,950	-
Wipro Travel Services Limited	(389,627)	(23,033)
Wipro Broad Based Ownership Scheme SPV (RF) Proprietary Limited	-	15,530
Wipro Broad Based Ownership Trust	-	358,130
Wipro Technologies Nigeria Limited	(21,369,720)	(14,440,925)
Wipro Portugal SA(A)	(11,044,644)	-
Wipro do Brasil Technologia Ltda	(882,417)	-

Related party transactions

Services received from / (services rendered to) related parties	2019	2018
Wipro Limited	196,121,914	332,755,228
Wipro Portugal SA(A)	11,250,430	-
Wipro Technologies Nigeria Limited	3,532,012	10,953,039
Wipro do Brasil Technologia Ltda	849,473	-
Management fee/corporate overhead paid to related parties		
Wipro Limited	974,753	14,723,508
Expenses paid by related parties		
Wipro Limited	11,870,197	5,019,173

22 Categories of Financial Instruments

Assets

2019		Financial assets at amortised cost	Total
Trade and other receivables	6	112,460,037	112,460,037
Cash and cash equivalents	7	36,326,686	36,326,686
Total		148,786,723	148,786,723

2018			Total
Trade and other receivables	6	85,000,392	85,000,392
Cash and cash equivalents	7	109,611,003	109,611,003
Total		194,611,395	194,611,395

Liabilities

2019		Financial liabilities at amortised cost	Total
Trade and other payables	10	90,150,029	90,150,029
Provision for leave	9	2,001,905	2,001,905
Total		92,151,934	92,151,934

2018			Total
Trade and other payables	10	142,651,575	142,651,575
Provision for leave pay	9	1,244,058	1,244,058
Total		143,895,633	143,895,633

23 Risk Management

Financial risk management

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Liquidity risk

The company's risk to liquidity is that there may be insufficient funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

At 31 March 2019	Less than 1 year	Between 1 year and 2 years
Trade and other payables	90,973,928	-
Provision for leave pay	1,116,730	885,175

At 31 March 2018	Less than 1 year	Between 1 year and 2 years
Trade and other payables	143,442,481	-
Provision for leave pay	609,911	634,147

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to anyone counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Foreign exchange risk

The company does not hedge foreign exchange fluctuations.

At 31 March 2019, if the currency had strengthened by 10% against the US dollar and UGX currency with all other variables held constant, post-tax profit for the year would have been R 2,306,192 (2018: R 626,203) higher, mainly as a result of foreign exchange gains or losses on translation of US dollar and UGX denominated trade receivables, financial assets at fair value through profit or loss, debt securities classified at amortized cost and foreign exchange losses or gains on translation of US dollar denominated borrowings.

24 Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

25 Events after reporting date

The directors are not aware of any significant matter or circumstance arising since the end of the year, not otherwise dealt with in the financial statements, which significantly affect the financial position of the company or the results to the date of this audit report.

Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Detailed Statement of Financial Performance for the year ended 31st Match, 2019

Figures in Rand	Note(s)	2019	2018
Revenue			
Rendering of IT services		365,178,899	538,598,204
Rendering of IT services to group companies	11	18,150,776	-
Total		383,329,675	538,598,204
Cost of sales			
Direct contracting costs		(261,072,851)	(369,695,000)
Gross profit		122,256,823	168,903,204
Other operating gains (losses)			
Gains on disposal of assets or settlement of liabilities		-	-
Foreign exchange losses	13	(2,189,568)	(9,217,239)
Total		(2,189,568)	(9,217,239)
Expenses	14	(135,951,424)	(107,157,332)
Operating (loss)/profit		(15,884,169)	52,528,634
Investment income	15	4,028,788	6,508,378
(Loss)/profit before taxation		(11,855,381)	59,037,012
Taxation	16	691,600	(12,514,231)
(Loss)/profit for the year		(11,163,781)	46,522,780
Other operating expenses			
Advertising		1,597,977	687,424
Auditors remuneration - external auditors		168,190	154,500
Bank charges		51,440	39,109
Capital asset reimbursement		-	3,600,504
Commission paid		974,753	957,934
Consulting and professional fees		-	40,000
Consumables		18,537	17,298
Corporate overheads		11,870,197	14,723,508
Courier expenses		364,503	69,852
Depreciation		2,305,252	2,408,479
Donations		11,724,041	7,263,405
Allowance for impairment loss recognized under expected credit loss model		20,856,603	(16,349,514)
Employee costs*		66,242,492	66,874,466
Guest house expenses		-	1,665
Hire		-	189
Lease rentals on operating lease		2,265,720	2,263,180
Legal and professional fees		2,069,621	4,420,606
Loss on Sale of property,plant and equipment		452,293	-
Meeting expenses		279,668	316,539
Miscellaneous		45,551	44,596
Printing and stationery		58,663	62,175
Municipal expenses		(507,134)	7,398,815
Recruitment		342	114,188
Repairs and maintenance		284,278	514,089
Staff welfare		61,868	32,354
Subscriptions		-	11,659
Telephone and fax		2,510,946	3,602,190
Training		8,085,283	5,502,132
Travel - local		368,171	493,213
Travel- overseas		3,802,167	1,892,776
Total		135,951,424	107,157,332