



& Associates

Chartered Accountants

Floor 6, No. 5, Prestige Khoday Tower
Raj Bhavan Road
Bengaluru 560001, INDIA
Tel: +91 80 6815 0000

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Wipro Holdings (UK) Limited

Report on the Financial Statements

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

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

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

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



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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Other Matter

The financial statements of the Company for the year ended March 31, 2018, were prepared by the management and are not subjected to audit.

Our opinion is not modified in respect of these matters.

Restriction on use

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

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

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Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: June 20, 2019



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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF WIPRO HOLDINGS UK LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

For MSKA & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: June 20, 2019

Wipro Holdings (UK) Ltd
 Balance Sheet as at 31st Mar, 2019
 (All amounts are in GBP thousands, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,364	7,239
Investments	4	57,767	51,044
Total non-current assets		63,131	58,283
Current assets			
Inventories (Traded Goods)	6	120	230
Financial assets			
Trade receivables	7	9,049	5,875
Cash and cash equivalents	8	7,302	5,499
Unbilled revenues		867	5,495
Contract Asset		306	-
Other financial assets	5	39,109	38,481
Current tax assets		1,144	1,979
Total current assets		57,897	57,559
TOTAL ASSETS		1,21,028	1,15,842
EQUITY			
Equity share capital	9A	79,463	79,463
Other equity	9B	(46,963)	(47,230)
Total equity		32,500	32,233
LIABILITIES			
Current liabilities			
Financial liabilities			
Borrowings	12	74,463	73,252
Trade payables	10	8,594	7,265
Other financial liabilities	11	3,718	1,541
Provisions	13	1,753	1,551
Total current liabilities		88,528	83,609
TOTAL EQUITY AND LIABILITIES		1,21,028	1,15,842

See accompanying notes to the financial statements 1- 30

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

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

Sd/-
 Deepak Rao
 Partner
 Membership No: 113292
 Place: Bangalore
 Date: Jun 20, 2019

For and on behalf of the Board of Directors of
 Wipro Holdings (UK) Limited

Sd/-

R. Phillips
 Director

Place: Bangalore
 Date: Jun 20, 2019

Sd/-
 N.S. Balasubramanian
 Director

Wipro Holdings (UK) Limited

Statement of Profit & Loss for the year ended 31st Mar, 2019

(All amounts are in GBP thousands, unless otherwise stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
REVENUE			
Revenue from operations	14	23,801	35,616
Other income	15	2,125	21,335
Total		<u>25,926</u>	<u>56,951</u>
EXPENSES			
Cost of materials consumed	18	1,715	5,761
Sub Contracting/Technical Fees		16,829	22,608
Finance costs	16	1,546	727
Depreciation and amortisation expense	3	1,101	782
Other expenses	17	4,084	31,291
Total Expenses		<u>25,275</u>	<u>61,169</u>
Profit before tax		651	(4,218)
Tax expense			
Current tax		384	(580)
Deferred tax			
Tax expense		384	(580)
Profit for the year		<u><u>267</u></u>	<u><u>(3,638)</u></u>
Earnings / (Loss) per share			
Basic and Diluted earnings / (loss) per share (GBP)		3.36	(45.79)

See accompanying notes to the financial statements 1- 30

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

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

For and on behalf of the Board of Directors of
Wipro Holdings (UK) Limited

Sd/-
Deepak Rao
Partner
Membership No: 113292
Place: Bangalore
Date: Jun 20, 2019

Sd/- Sd/-
R.Phillips N.S.Balasubramanian
Director Director
Place: Bangalore
Date: Jun 20, 2019

Wipro Holdings (UK) Limited
Cash Flow Statement for the year ended March 2019
(All amounts are in GBP thousands, unless otherwise stated)

Year ended 31 March 2019 Year ended 31 March 2018

A. Cash flow from operating activities		
Profit/(Loss) after tax	267	(3,638)
Adjustments		
Depreciation and amortization	1,101	782
Unrealised exchange differences - net	1,080	676
Provision for tax	384	(580)
(Gain) / Loss on sale of fixed assets	-	-
Interest expense	1,546	727
Dividend Income	-	(16,000)
Interest income	(827)	(1,250)
Operating profit before working capital changes	<u>3,552</u>	<u>(19,283)</u>
Adjustments for working capital changes:		
Reduction in Trade receivable	1,147	(1,576)
Reduction in other current assets	(1,239)	18,536
Increase in trade payables	1,329	(2,910)
Increase in Other current liability	2,915	(13,073)
Loans and advances and other assets	1,213	36,310
Net cash generated from operations	<u>8,916</u>	<u>18,005</u>
Direct taxes (paid) / refund	451	(1,399)
Net cash generated by operating activities	<u>9,368</u>	<u>16,606</u>
B. Cash flows from investing activities:		
Acquisition of plant and equipment (net of deletions)	(1,431)	(2,702)
Investment	(6,723)	(31,851)
Dividend Received	-	16,000
Interest Received	137	1,250
Net cash generated by / (used in) investing activities	<u>(8,017)</u>	<u>(17,303)</u>
C. Cash flows from financing activities:		
Issue of Equity shares	-	(727)
Interest paid	(1,547)	(727)
Net cash generated by / (used in) financing activities	<u>(1,547)</u>	<u>(727)</u>
Net (decrease) / increase in cash and Cash equivalents during the year	(196)	(1,425)
Cash and cash equivalents at the beginning of the year	5,499	6,248
Effect of exchange rate changes on Cash	1,080	676
Cash and cash equivalents at the end of the year (refer note 8)	<u>6,383</u>	<u>5,499</u>

See accompanying notes to the financial statements 1- 30

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

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

Sd/-
Deepak Rao

Partner
Membership No: 113292
Place: Bangalore
Date: Jun 20, 2019

For and on behalf of the Board of Directors of
Wipro Holdings (UK) Limited

Sd/-
R.Phillips
Director

Sd/-
N.S.Balasubramanian
Director

Place: Bangalore
Date: Jun 20, 2019

Wipro Holdings (UK) Limited
Statement of changes in equity for the year ended 31st March 2019
(All amounts are in GBP thousands, unless otherwise stated)

(A) Equity share capital	As at 31st March 2019	As at 31st March 2018
Equity shares of [USD 1] each issued, subscribed and fully paid 2019- 130,151,974 2018-130,151,974	79,463	79,463
Opening	-	-
Add: issue during the year	-	-
Closing	<u>79,463</u>	<u>79,463</u>

(B) Other equity	Retained Earnings	Total
Balance as at April 1, 2017	(43,592)	(43,592)
Profit for the year	(3,638)	(3,638)
Balance as at 31 March 2018	<u>(47,230)</u>	<u>(47,230)</u>
Profit for the year	267	267
Balance as at March 31, 2019	<u>(46,963)</u>	<u>(46,963)</u>

See accompanying notes to the financial statements 1- 30

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

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

For and on behalf of the Board of Directors of
Wipro Holdings (UK) Limited

Sd/-
Deepak Rao
Partner
Membership No: 113292

Sd/-
R.Phillips
Director

Sd/-
N.S.Balasubramanian
Director

Place: Bangalore
Date: Jun 20, 2019

Place: Bangalore
Date: Jun 20, 2019

Wipro Holdings (UK) Limited
 Balance Sheet as at 31st Mar, 2019
 (All amounts are in GBP thousands, unless otherwise stated)

Note 3 : Property, plant and equipment
 A - For the financial year 2018-19

	Plant and machinery	Buildings	Total
Gross block (at cost)			
Balance as at 01 April 2018	5,255	3,990	9,245
Additions	145	-	145
Adjustment	(919)		
Balance as at 31 March 2019	4,481	3,990	8,471
Accumulated depreciation			
Balance as at 01 April 2018	1,074	932	2,006
Depreciation charge for the year	993	108	1,101
Balance as at 31 March 2019	2,067	1,040	3,107
Net block			
Balance as at 31 March 2018	4,181	3,058	7,239
Balance as at 31 March 2019	2,414	2,950	5,364

The net book value of Plant and Machinery includes GBP 3,190,850 of software intangibles (2018-3,849,815) . The depreciation charge in respect of software amounted to GBP 108,991 (2018- Nil)

B - For the financial year 2017-18

	Plant and machinery	Buildings	Total
Gross block (at cost)			
Balance as at 01 April 2017	1,268	3,990	5,258
Additions	3,987	-	3,987
Balance as at 31 March 2018	5,255	3,990	9,245
Accumulated depreciation			
Balance as at 01 April 2017	400	824	1,224
Depreciation charge for the year	674	108	782
Balance as at 31 March 2018	1,074	932	2,006
Net block			
Balance as at 31 March 2017	868	3,166	4,034
Balance as at 31 March 2018	4,181	3,058	7,239

4 Details of non-current investments

Investments

A For the financial year 2018-19

	Investment in Group company	Unlisted Investments	Total
Cost			
As at 1st April 2018	1,29,594	-	1,29,594
Additions*	2,700	6,296	8,996
Disposals	(24,362)	-	(24,362)
As at 31st March 2019	1,07,932	6,296	1,14,228
Impairment			
As at 1st April 2018	78,550	-	78,550
Additions	(22,089)	-	(22,089)
As at 31st March 2019	56,461	-	56,461
Net Book Value			
As at 31st March 2018	51,044	-	51,044
As at 31st March 2019	51,471	6,296	57,767

All the above investments are unquoted.

- * During the year the Company has invested GBP 2,700 in Wipro Digital APS
- * During the year the Company has invested GBP 0.036 in Wipro IT Services S. R. L.
- * During the year the Company has done external invested of GBP 6,296 in Tricentis

Subsidiary Undertaking	Holding %
Wipro Digital APS	100
Wipro Information Technology Austria GMBH	100
Wipro IT Services S. R. L.	100
Wipro Europe Limited	100
Wipro Financial Services UK Ltd	100

B For the financial year 2017-18

	Investment in Group company	Unlisted Investments	Total
Cost			
As at 1st April 2017	80,294	-	80,294
Additions*	49,300	-	49,300
Disposals	-	-	-
As at 31st March 2018	1,29,594	-	1,29,594
Impairment			
As at 1st April 2017	61,101	-	61,101
Additions	17,449	-	17,449
As at 31st March 2018	78,550	-	78,550
Net Book Value			
As at 31st March 2017	19,193	-	19,193
As at 31st March 2018	51,044	-	51,044

All the above investments are unquoted.

- * During the year the Company has invested GBP 49,300 in Wipro Digital APS

Subsidiary Undertaking	Holding %
Wipro Digital APS	100
Wipro Information Technology Austria GMBH	100
Wipro Europe Limited	100
Wipro Financial Services UK Ltd	100

Wipro Holdings (UK) Limited
 Balance Sheet as at 31st Mar, 2019
 (All amounts are in GBP thousands, unless otherwise stated)

Note 5 Other Financial Assets

	As at 31st March 2019	As at 31st March 2018
Non-current		
Loan to Group Companies	-	-
Current		
Finance lease receivables	-	166
VAT Recoverable	-	648
Prepaid expenses	1,307	1,267
Loans to subsidiary companies	36,869	36,327
Other Receivable from Group Company	919	-
Other Receivable	14	73
	<u>39,109</u>	<u>38,481</u>

Note 6 Inventories

(At lower of cost and net realizable value)

	As at 31st March 2019	As at 31st March 2018
Traded goods	120	230
	<u>120</u>	<u>230</u>

Note 7 Trade Receivable

Unsecured:

	As at 31st March 2019	As at 31st March 2018
Considered good	9,049	5,875
Considered doubtful	42,955	45,663
	<u>52,004</u>	<u>51,538</u>
With Group Companies - Considered good		
Less: Provision for doubtful receivables	(42,955)	(45,663)
	<u>9,049</u>	<u>5,875</u>

Note 8 Cash and cash equivalent

Cash and cash equivalents

	As at 31st March 2019	As at 31st March 2018
Balances with banks		
In current accounts	7,302	5,499
	<u>7,302</u>	<u>5,499</u>

Note 9A Share Capital	As at 31st March 2019	As at 31st March 2018
Equity Contribution-Wipro Limited	79,463	79,463
	<u>79,463</u>	<u>79,463</u>

Issued, subscribed and paid-up capital

Equity shares of [USD 1] each issued, subscribed and fully paid 2019-130,151,974 2018-130,151,974	79,463	79,463
	<u>79,463</u>	<u>79,463</u>

Share Issued included 1 deferred share of GBP 1. The holder of the deferred share does not have the right to receive notice or to attend and vote at general meetings of the Company, is not entitled to any dividend declared or paid by the Company, and in the event of any winding up, shall be entitled to repayment of the nominal value of such share but shall not be entitled to participate further in any distribution of the Company's assets.

Note 9B Other Equity	As at 31st March 2019	As at 31st March 2018
Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	(47,230)	(43,592)
Add: Net loss for the current year	267	(3,638)
Closing balance	<u>(46,963)</u>	<u>(47,230)</u>
Total other equity	<u>(46,963)</u>	<u>(47,230)</u>

Note 10 Trade payables	As at 31st March 2019	As at 31st March 2018
Trade Payable	1,815	4,095
Payable to group companies	6,779	3,170
	<u>8,594</u>	<u>7,265</u>

Note 11 Other Financial Liabilities	As at 31st March 2019	As at 31st March 2018
Current		
Unearned revenue	624	505
VAT Payable	2,061	-
Other Liabilities	1,033	1,037
	<u>3,718</u>	<u>1,541</u>

Note 12 Borrowings	As at 31st March 2019	As at 31st March 2018
Unsecured:		
Term loan:		
External Borrowings	343	450
Obligation under finance lease	-	38
Loan from Related Parties	74,120	72,764

74,463	73,252
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Current

Unsecured:

Loan from Related Parties

Others borrowings

74,120	72,764
343	488
74,463	73,252

Note 13 Provisions

Current

Expenses

As at 31st March 2019	As at 31st March 2018
1,753	1,551
1,753	1,551

Wipro Holdings (UK) Limited

Summary of significant accounting policies and other explanatory information

(All amounts are in GBP thousands, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Note 14 Revenue from Operations		
Sale of services	23,801	35,616
Revenue from operations (gross)	<u>23,801</u>	<u>35,616</u>
Note 15 Other Income		
Dividend Income	-	16,000
Rental Income	383	383
Interest on debt instruments and others	827	1,250
Others	-	11
VAT Relief on Bad Debts	915	-
Other exchange differences, net	-	3,691
	<u>2,125</u>	<u>21,335</u>
Note 16 Finance costs		
Interest Cost	1,546	727
	<u>1,546</u>	<u>727</u>
Note 17 Other expenses		
Technical fees / third party application	3,008	3,664
Auditors Fees	19	20
Bad debts	-	8,117
Bank charges	27	22
Donations	201	-
Legal & Professional Fees	14	51
Miscellaneous expenses	131	19,298
Rates & Taxes	-	111
Rent Office	-	7
Other exchange differences, net	684	-
Staff Welfare	-	2
	<u>4,084</u>	<u>31,291</u>
Note 18 Cost of Materials Consumed		
Cost of materials consumed	1,715	5,761
	<u>1,715</u>	<u>5,761</u>

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2019
(All amounts are in GBP thousands, unless otherwise stated)

1 The Company overview

Wipro Holdings (UK) Limited (the Company) , is a subsidiary of Wipro Limited (the holding company). The principal activities of the Company are to act as a holding entity for step down subsidiaries and provide IT enabled services. Wipro Limited holds 100% equity of the Company.

2 Basis of preparation of financial statements

2.1 Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been applied consistently to all periods presented in these financial statements.

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

(ii) Basis of Measurement

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

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(iii) Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note M for detailed discussion on estimates and judgments.

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2019
(All amounts are in GBP thousands, unless otherwise stated)

3 Significant accounting policies

A. Financial Instruments

Non-derivative financial instruments:

Non derivative financial instruments consist of:

- financial assets, which includes cash and cash equivalents, trade receivables and eligible current and non current asset;
- financial liabilities, which includes trade payables, eligible current and non current liabilities.

These financial instruments are recognised initially at fair value. Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset has been transferred. In cases where substantial risks and rewards of ownership of the financial asset are neither transferred or retained, financial asset are de-recognised 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 equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

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 and other assets

iii Trade and Other Payables

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

B Revenue recognition

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

Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered.

i Time and material contracts

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

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2019
(All amounts are in GBP thousands, unless otherwise stated)

ii Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts 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

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

'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'.

iii Maintenance Contracts

Revenue from maintenance contracts is recognized rateably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, 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.

Revenue recognition is done on straight line basis over the term of performance obligation using the output method (with respect to time)

iv Others

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale. 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. Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term.

Contract expenses are recognised as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

v Products:

Revenue from sale of products is recognised when the significant risks and rewards of ownership has been transferred in accordance with the sales contract. Revenue from product sales is shown net of excise duty and net of sales tax separately charged and applicable discounts.

vi Other income

Interest is recognized using the time proportion method, based on the rates implicit in the transaction.

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2019
(All amounts are in GBP thousands, unless otherwise stated)

C Property, plant and equipment

i Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

ii 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

Category	Useful life
Buildings	28 to 40 years
Plant and machinery	5 to 21 years
Computer equipment and software	2 to 7 years
Furniture, fixtures and equipment	3 to 10 years
Vehicles	4 to 5 years

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 cost of property, plant and equipment not available for use before each reporting date are disclosed under capital work-in-progress. Deposits & advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date are shown as capital advances under the head of other non-current assets.

D Foreign currency transactions and translations

(i) Functional and presentation currency

These financial statements are presented in the British Pound, the national currency of United Kingdom, which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

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

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2019
(All amounts are in GBP thousands, unless otherwise stated)

E Taxes

Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

F Leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Lease rentals in respect of assets taken under operating leases are charged to statement of profit and loss on a straight line basis over the lease term.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2019
(All amounts are in GBP thousands, unless otherwise stated)

G Cash flow statement

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

H Equity and share capital

(a) Share capital

The authorized share capital of the Company as of March 31, 2019 is 130,151,974 equity shares of face value USD 1 each

The voting right of an equity share holder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity. Voting right cannot be exercised in respect of shares on which any call or other sums presentably payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

(b) Retained earnings

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

I Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

J Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2019
(All amounts are in GBP thousands, unless otherwise stated)

K Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets.

L Inventories

Inventories are valued at the lower of cost and net realisable value.

Materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

M Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, 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 years.

i Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates 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.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

Wipro Holdings (UK) Limited
Notes forming part of the Financial Statements for the year ended 31 March 2019
(All amounts are in GBP thousands, unless otherwise stated)

(b) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate

3- A Standards (including amendments) issued but not yet effective

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

(a) Ind AS 116- Leases

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

Wipro Holdings (UK) Limited

Summary of significant accounting policies and other explanatory information

(All amounts are in GBP thousands, unless otherwise stated)

19 Related party disclosure

i) Parties where control exists

Nature of relationship	Name of Related Party
Ultimate Holding Company	Wipro Limited
Subsidiary	Wipro Financial Services UK Limited
Subsidiary	Wipro IT Services S. R. L.
Fellow Subsidiary	Wipro Cyprus Pvt Ltd
Fellow Subsidiary	Wipro Technologies GmbH
Fellow Subsidiary	PT WT Indonesia
Subsidiary	Wipro Europe Limited
Fellow Subsidiary	Wipro Technologies Nigeria Limited
Subsidiary	Wipro Digital ApS
Fellow Subsidiary	Opus Capital Markets Consultants LLC
Fellow Subsidiary	Wipro LLC
Fellow Subsidiary	Wipro Portugal SA
Fellow Subsidiary	Wipro Holdings Hungary Kft
Fellow Subsidiary	Wipro IT Services, Inc.
Fellow Subsidiary	Designit Denmark AS
Fellow Subsidiary	Appirio Ltd (UK)
Fellow Subsidiary	Wipro Technologies SRL
Fellow Subsidiary	Wipro Information Technology Austria GMBH

ii) The Company has the following related party transactions:

Particulars	Relationship	31 March 2019	31 March 2018
Share Capital			
Dividend received			
Wipro Financial Services UK Limited		-	16,000
Interest Income			
Wipro Cyprus Pvt Ltd		679	739
Wipro Technologies GmbH		28	19
Wipro Europe Limited		14	13
Wipro Technologies Nigeria Limited		3	4
Wipro Digital ApS		-	7
Wipro IT Services S. R. L.		6	
Commission Income			
Wipro Limited		-	4
Rental Income			
Wipro Limited		383	383
Interest Expense			
Wipro Portugal SA		441	98
Wipro Holdings Hungary Kft		1,093	512
Wipro Financial Services UK Limited			31
Commission Income			
Wipro Corporate		15	15

Loan & Interest Repaid by/ (to)		
Opus Capital Markets Consultants, LLC	-	14
Wipro Cyprus Private Limited	-	(11,697)
Wipro Digital ApS	(7)	1,200
Wipro Financial Services UK Limited	31	(4,956)
Wipro Holdings Hungary Kft	-	(28,314)
Wipro IT Services Inc.	71	11,532
Wipro IT Services S. R. L.	960	-
Wipro LLC	-	74
Wipro Portugal SA	211	(22,178)
Wipro Technologies Nigeria Limited	-	(231)
Software Services Received		
Wipro Limited	16,550	24,506
Designit Denmark AS		30

iii) **Balances with related parties as at year end are summarised below:**

Particulars	31 March 2019	31 March 2018
Appirio Ltd (UK)	(165)	(165)
Designit Denmark AS	-	(5)
Wipro Cyprus Private Limited	33,878	33,931
Wipro Digital ApS	368	404
Wipro Europe Limited	555	492
Wipro Financial Services UK Limited	132	(200)
Wipro GMBH	-	(7)
Wipro Holdings Hungary Kft	(52,359)	(50,744)
Wipro IT Services Inc.	(75)	(1,031)
Wipro IT Services S. R. L.	941	-
Wipro Limited	(6,128)	(1,676)
Wipro Portugal SA	(21,762)	(22,108)
Wipro retail Germany	1,388	1,390
Wipro Technologies Nigeria Limited	115	104
Wipro Technologies SRL	-	-*

*Amounts below rounding off norm adopted by the Company

- iv) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. Corporate Guarantee has been provided by Wipro Limited on behalf of Wipro Holdings UK Limited for its external customers amounting to GBP 1,671 (in 000's).

For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

20 Income Tax

i Tax losses of are available for offsetting against future taxable profits of the Company or Group Companies. Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits and there are no other tax planning opportunities or other evidence of recoverability in the near future.

	31 March 2019	31 March 2018
ii Income tax expense		
- Current tax taxes	384	(580)
- Adjustments in respect of current income tax of previous year	-	-
- Deferred tax charge / (Income)	-	-
Income tax expense reported in the statement of profit or loss	<u>384</u>	<u>(580)</u>

	31 March 2019	31 March 2018
iii Reconciliation of tax charge		
Profit before tax	651	(4,218)
Income tax expense at tax rates applicable	124	(801)
Tax effects of:		
- Item not deductible for tax		
- Others	261	221
Income tax expense	<u>384</u>	<u>(580)</u>

21 Earnings/ Loss per share

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

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

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

	31 March 2019	31 March 2018
Profit / (Loss) attributable to equity holders	267	(3,638)
Less: preference dividend after-tax	-	-
Loss attributable to equity holders after preference dividend	267	(3,638)
Add: Interest on convertible preference shares	-	-
Loss attributable to equity holders adjusted for the effect of dilution	<u>267</u>	<u>(3,638)</u>
Weighted average number of equity shares for basic EPS	7,94,63,096	7,94,63,096
Weighted average number of equity shares adjusted for the effect of dilution	<u>7,94,63,096</u>	<u>7,94,63,096</u>
Basic and Diluted loss per share (GBP)	3.36	(45.79)

22 Leases

Operating leases where Company is a lessee:

The Company has entered into lease transactions mainly for leasing of office premise during the previous financial year ended 31 March 2018. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to Nil (31 March 2018: 07) included in Note 17.

As on 31 March 2019 and 31 March 2018 there were no non-cancellable operating leases.

23 Segment reporting

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

24 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

25 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

No financial assets/liabilities have been valued using level 1, level 2 and level 3 fair value measurements.

26 Financial risk management objectives and policies

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

(A) Market risk

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

(i) Interest rate risk

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

Interest rate sensitivity

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

	Increase/ decrease in basis points	Effect on profit before tax
2019		
GBP	+45	(168)
GBP	-45	168
2018		
GBP	+45	(166)
GBP	-45	166

(ii) Foreign currency risk

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

Foreign currency sensitivity

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

	Change in US\$ rate	Effect on profit before tax
2019	1%	93
	-1%	(93)
2018	1%	74
	-1%	(74)

(B) Credit risk

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

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities.

(C) Liquidity risk

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

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

<u>2019</u>	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Short term borrowings	-	74,463	-	-	74,463
Long-term borrowings	-	-	-	-	-
Trade payables	-	8,594	-	-	8,594
Other financial liability	-	3,718	-	-	3,718
	-	86,775	-	-	86,775
<u>2018</u>					
Short term borrowings	-	73,252	-	-	73,252
Long-term borrowings	-	-	-	-	-
Trade payables	-	7,265	-	-	7,265
Other financial liability	-	1,541	-	-	1,541
	-	82,058	-	-	82,058

27 Capital management

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

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

		2019	2018
Equity		79,463	79,463
Convertible preference share		-	-
Other Equity		(46,963)	(47,230)
Total equity	(i)	32,500	32,233
Borrowings other than convertible preference shares		74,463	73,252
Less: cash and cash equivalents		(7,302)	(5,499)
Total debt	(ii)	67,161	67,753
Overall financing	(iii) = (i) + (ii)	99,661	99,986
Gearing ratio	(ii) / (iii)	0.67	0.68

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

28 Capital commitments : as at 31 March 2019, 31 March 2018 the Company had committed to spend approximately GBP 50.358 and Nil respectively, under agreements to purchase equipment's.

29 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS.

30 All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

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

Sd/-
Deepak Rao
Partner
Membership No: 113292
Place: Bangalore
Date: Jun 20, 2019

For and on behalf of the Board of Directors of
Wipro Holdings (UK) Limited

Sd/-
R. Phillips
Director

Place: Bangalore
Date: Jun 20, 2019

Sd/-
N.S.Balasubramanian
Director