Financial Statements and Auditor's Report

WIPRO INFORMATION TECHNOLOGY NETHERLANDS BV

(formerly Retail Box BV)

31 March 2020

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro Information Technology Netherlands BV

Report on the Audit of the IND AS Financial Statements

Opinion

We have audited the IND AS financial statements of Wipro Information Technology Netherlands BV ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of Profit and Loss including other comprehensive income, 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 (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements are prepared in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, 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) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 under the provisions of the Act and the Rules thereunder, 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.

Responsibilities of the Management and Those Charged with Governance for Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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.

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 on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- 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.

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.

Other Matters

The audited financial statements of the Company for the corresponding year ended 31 March 2019 prepared in accordance with Ind AS included in these financial statements, have been audited by the predecessor auditors whose audit report dated 16 June 2019 expressed an unmodified opinion on those audited financial statements.

Our opinion is not modified in respect of this matter

Restriction on distribution or 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 **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No.208545

Place of Signature: Bangalore
Date: 29th May 2020

WIPRO INFORMATION TECHNOLOGY NETHERLANDS BV
(formerly Retail Box BV)
Balance Sheet as at 31 March 2020
(Amount in EUR, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Financial assets			
Investments	3	54,648,339	52,899,889
		54,648,339	**52,899,889**
Current assets			
Financial assets			
Trade receivables	4	7,232,588	6,762,611
Unbilled revenues		1,405,661	2,032,087
Other financial assets	5	19,017,629	21,324,484
		27,655,878	**30,119,182**
		82,304,217	**83,019,071**
EQUITY			
Share capital	6	22,046,000	22,046,000
Other equity		28,995,032	28,356,719
		51,041,032	**50,402,719**
LIABILITIES			
Current liabilities			
Financial liabilities			
Borrowings	7	24,046,864	23,706,280
Trade payables	8	5,821,539	6,835,887
Other current liabilities	9	1,187,379	1,313,480
Provisions	10	207,403	760,705
		31,263,185	**32,616,352**
		82,304,217	**83,019,071**
Summary of significant accounting policies	2		

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

As per our report attached
For PKF Sridhar and Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No.208545

Place : Bengaluru
Date: 29th May 2020

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

Sd/-
Theo Spijkerman
Director

WIPRO INFORMATION TECHNOLOGY NETHERLANDS BV
(formerly Retail Box BV)
Statement of Profit and Loss for the year ended 31 March 2020
(Amount in EUR, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
REVENUE			
Revenue from operations	11	17,700,940	19,822,276
Other Income	12	190,735	5,675,040
		17,891,675	**25,497,316**
EXPENSES			
Finance cost	13	439,220	452,808
Other expenses	14	16,498,120	18,940,611
		16,937,340	**19,393,419**
Profit/(loss) before tax		**954,335**	**6,103,898**
Tax expense			
Current tax		316,021	42,328
Tax expense		**316,021**	**42,328**
Profit for the year		**638,313**	**6,061,570**
Earnings per equity share of par value EUR 1 each			
Basic and diluted	15	0.03	0.27
Summary of significant accounting policies	2		

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

As per our report attached
For PKF Sridhar and Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

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

Sd/-
Seethalakshmi M
Partner
Membership No.208545

Sd/-
Theo Spijkerman
Director

Place : Bengaluru
Date: 29th May 2020

WIPRO INFORMATION TECHNOLOGY NETHERLANDS BV

(formerly Retail Box BV)

Statement of Cash Flows for the year ended 31 March 2020

(Amount in EUR, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities:			
Profit/(loss) before tax		**954,335**	**6,061,570**
Adjustments:			
Dividend		-	(5,504,844)
Interest income		(190,735)	(170,196)
Interest expense		439,220	452,808
Unrealised exchange differences, net		254,054	902,113
Loss on sale of investment		-	-
Diminution in the value of investments		56,951	2,395
Operating profit before working capital changes		**1,513,825**	**1,743,845**
Adjustments for working capital changes:			
(Decrease) in trade and other receivable		(279,243)	(1,818,087)
(Increase)/Decrease in unbilled revenue and other financial assets		5,912,865	(4,940,833)
Increase in trade and other payables		(1,034,952)	2,612,792
Net cash generated from operations		**6,112,495**	**(2,402,283)**
Direct taxes paid, net of refunds		869,324	98,055
Net cash generated by operating activities	**(A)**	**5,243,171**	**(2,500,338)**
Cash flows from investing activities:			
Purchase of investments		(1,807,568)	(2,721,894)
Proceeds from sale of investments investments		-	-
Dividend Received		-	5,504,844
Interest Received			170,196
Net cash generated by / (used in) investing activities	**(B)**	**(1,807,568)**	**2,953,146**
Cash flows from financing activities:			
Proceeds from loans taken			
Loans paid		(2,996,384)	-
Interest paid		(439,220)	(452,808)
Net cash generated by / (used in) financing activities	**(C)**	**(3,435,603)**	**(452,808)**
Net increase/ (decrease) in cash and cash equivalents during the year(A+B+C)		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		-	-

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

As per our report attached
For PKF Sridhar and Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

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

Sd/-
Seethalakshmi M
Partner
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Sd/-
Theo Spijkerman
Director

Place : Bengaluru
Date: 29th May 2020

WIPRO INFORMATION TECHNOLOGY NETHERLANDS BV
(formerly Retail Box BV)

Statement of Changes in Equity as on 31 March 2020

(Amount in EUR, unless otherwise stated)

Particulars	Equity Share Capital	Other equity		Total other equity
		Securities premium account	Retained Earnings	
Balance as at 01 April 2018	**22,046,000**	**2,219,182**	**20,075,967**	**22,295,149**
Profit for the period	-	-	6,061,570	6,061,570
Balance as at 31 March 2019	**22,046,000**	**2,219,182**	**26,137,537**	**28,356,719**
Profit for the period	-	-	638,313	638,313
Balance as at 31 March 2020	**22,046,000**	**2,219,182**	**26,775,850**	**28,995,032**

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

As per our report attached
For PKF Sridhar and Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No.208545

Place : Bengaluru
Date: 29th May 2020

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

Sd/-
Theo Spijkerman
Director

Wipro Information Technology Netherlands BV
NOTES TO THE FINANCIAL STATEMENTS
(Amount in Euro, unless otherwise stated)

1 **Background**

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

2 **Summary of significant accounting policies**

a) **Statement of compliance**

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable. 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, except for new accounting standards adopted by the Company.

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

All amounts included in the financial statements are reported in USD, unless otherwise stated. Previous year figures have been regrouped/re-arranged, wherever necessary.

Consolidation

These financial statements represent the separate financial statements of the Company. The Ministry of Corporate Affairs (MCA) through its circular dated 27 July 2016 has exempted a company from preparing and filing of consolidated financial statements if its ultimate or intermediate holding company is filing consolidated financial statements. Further Sub - Para (iv) to Para 4 of Ind AS 110 - Consolidated Financial Statements exempts a company from consolidation if its ultimate parent produces Ind AS complied consolidated financial statement, which are available for public use. In view of above exemptions, the Company is not required to file the consolidated financial statements. The Company has complied with Ind AS 27: Separate financial statements whereby investments in subsidiaries, joint ventures and associates are to be valued either

• at cost; or

• in accordance with Ind AS 109.

The Company has elected to measure its investment in subsidiaries and associates at cost determined in accordance with Ind AS 27 at original cost of investment in subsidiaries and associates.

b) **Basis of preparation**

The financial statements have been prepared on going concern basis under the historical cost basis except for certain financial assets and liabilities which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

c) **Use of estimates and judgment**

The preparation of the financial statements is in conformity with Ind AS 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 periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from estimates.

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

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

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

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

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

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

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

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

The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19.However the impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

c) **Current versus non-current classification**

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

(i) An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

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

(iii) A liability is classified as current when:

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

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

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

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

3. Significant accounting policies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions and translation

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

(iii) Financial instruments

a) Non-derivative financial instruments:

Non derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset.
- Financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.
- Non- derivative financial instruments are recognised initially at fair value.

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

A. Cash and cash equivalents

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

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

B. Other financial assets:

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

C. Trade and other payables

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

D. Derecognition of financial instruments

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

D. Plant Property and Equipment

Recognition and measurement

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

Depreciation

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

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

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

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

De- recognition

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

d) **Impairment of property, plant and equipment**

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

e) **Employee Benefits**

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

Compensated absences

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

Social Security

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

f) **Equity**

i) **Share capital**

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

ii) **Retained earnings**

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

i) **Equity (Cont'd)**

iii) Other comprehensive income

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

j) **Provisions and contingencies**

Provisions

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

Contingent liabilities

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

Contingent assets

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

Onerous contracts

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

k) **Revenue**

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

To recognise revenues, the Company 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) recognise 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 recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

Revenue from maintenance contracts is recognised on a straight line basis over the period of the contract unless there is an objective and reliable evidence that services are delivered /completed on a pattern different than straight line basis . When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

Element based- Revenue from element based contracts are recognised based on number of elements/tickets delivered during the month,

In case of an element based contracts, the revenue recognised will be equal to the value of invoice raised leading to Nil unbilled. In these situations, unbilled may arise only in certain situations where the invoicing is not done monthly or billing cycle does not correspond to the month/quarter end reporting dates.

I) **Leases**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

a) control the use of an identified asset,

b) obtain substantially all the economic benefits from use of the identified asset, and

c) direct the use of the identified asset.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

(vii) Impairment

A) Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

B) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets 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 recognised in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

l) Finance and other income

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

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

n) Earnings per share

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be antidilutive.

o) Cash flow statement

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

New Accounting standards adopted by the Company:

Ind AS 116 – Lease

On April 1, 2019, the Company has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. The Company has made use of the following practical expedients available in its transition to Ind AS 116.

(a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019.

(b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application

(c) The Company excluded the initial direct costs from measurement of the RoU asset;

(d) The Company does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

The impact of adoption of INDAS 116 is not insignificant on financial statements.

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

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the financial statements of the Company.

Amendment to Ind AS 12 – Income Taxes

The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on the financial statements of the Company.

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 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 adoption of amendment to Ind AS 19 did not have any material impact on the financial statements of the Company.

New Accounting Standards not yet adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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	As at 31 March 2020	As at 31 March 2019
3 Non-current investments		
Non-trade – unquoted		
Investment in equity shares		
Wipro Portugal SA	5,131,207	5,131,207
Wipro Technologies SA	258,267	258,267
Wipro (Thailand) Co Limited	702	702
Wipro do Brazil Technologia Limited	10,686,089	10,686,089
Wipro Technologies GmbH	1,574,997	1,574,997
Wipro Technologies Limited Russia	222	222
Wipro Poland Sp Zoo	108	108
Wipro Technologies Norway AS	-	-
Wipro Peru	519,372	519,372
Wipro Gulf LLC	5,541	5,541
Wipro Egypt	3	3
Wipro Chile Pty Ltd	2,127,497	2,127,497
Wipro IT Kazakhstan LLP	118,957	118,957
Wipro IT Services Canada	22,327,734	22,327,734
Wipro do Brazil Sistemas de Informática Ltda	2,394	2,394
Wipro Outsourcing Services (Ireland) Ltd	1,000	1,000
Infoserver	9,098,461	9,098,461
Wipro Technology GmbH	1,125,000	1,125,000
	54,782,955	52,977,554
Less: Provision for diminution in value of non-current investments	(134,616)	(77,665)
	54,648,339	**52,899,889**

	As at 31 March 2020	As at 31 March 2019
4 Trade receivables		
Unsecured		
Considered good	7,232,588	6,762,611
	7,232,588	**6,762,611**

	As at 31 March 2020	As at 31 March 2019
5 Other financial assets		
Dues from related parties (refer note 17)	19,017,629	21,317,452
Prepaid expenses	-	7,032
Other advances	-	-
Cash & Bank	(0)	-
	19,017,629	**21,324,484**

	As at 31 March 2020	As at 31 March 2019
6 Share Capital		
Authorised Capital		
22,046,000 (2020: 22,046,000) equity shares of Euro 1 each	22,046,000	22,046,000
	22,046,000	**22,046,000**
Issued, subscribed and paid-up capital		
22,046,000 (2020: 22,046,000) equity shares of Euro 1 each	22,046,000	22,046,000
	22,046,000	**22,046,000**

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

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

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

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

c) Terms / Rights attached to equity shares

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

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

	As at 31 March 2020	As at 31 March 2019
7 Borrowings		
Loan taken from related parties (refer note 16)	24,046,864	23,706,280
	24,046,864	**23,706,280**

	As at 31 March 2020	As at 31 March 2019
8 Trade payables		
Dues to others	22,511	-
Accrued expense	73,370	67,611
Dues to related parties (refer note 17)	5,725,657	6,768,276
	5,821,539	**6,835,887**

	As at 31 March 2020	As at 31 March 2019
9 Other current liabilities		
Statutory liabilities	1,187,379	1,313,480
	1,187,379	**1,313,480**

	As at 31 March 2020	As at 31 March 2019
10 Provisions		
Provisions for tax (net of advance tax : Nil [2018-19: Nil])	1,076,727	760,705
	207,403	**760,705**

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WIPRO INFORMATION TECHNOLOGY NETHERLANDS BV
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Summary of significant accounting policies and other explanatory information
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	Year ended 31 March 2020	Year ended 31 March 2019
11 Revenue from operations		
Sale of services	17,700,940	19,822,276
	17,700,940	**19,822,276**

	Year ended 31 March 2020	Year ended 31 March 2019
12 Other income		
Interest income (refer note 17)	190,735	170,196
Other exchange differences, net	-	-
Dividend (refer note 17)	-	5,504,844
	190,735	**5,675,040**

	Year ended 31 March 2020	Year ended 31 March 2019
13 Finance cost		
Interest expense (refer note 17)	439,220	452,808
	439,220	**452,808**

	Year ended 31 March 2020	Year ended 31 March 2019
14 Other expenses		
Sub contracting / technical fees / third party application (refer note 17)	15,925,407	17,870,460
Legal and professional charges	220,198	161,326
Loss on sale of investment	56,951	2,404
Other exchange differences, net	254,054	902,113
Miscellaneous expenses	41,510	4,308
	16,498,120	**18,940,611**

	Year ended 31 March 2020	Year ended 31 March 2019
15 Earnings per Share (EPS)		
Net profit after tax attributable to the equity shareholders	638,313	6,061,570
Weighted average number of equity shares - for basic and diluted EPS	22,046,000	22,046,000
Earnings per share - Basic and diluted	0.03	0.27

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Summary of significant accounting policies and other explanatory information

(Amount in EUR, unless otherwise stated)

16 Borrowings

Sl.No	Particulars	Rate of interest	Repayment details	31 March 2020	31 March 2019
Loans from related parties					
Unsecured					
1	Wipro Outsourcing Services (Ireland) Ltd	12 Months USD LIBOR plus 200 basis points p.a.	Repayable on demand	4,019,726	4,019,726
		Effective rate of interest per annum		2%	2%
2	Wipro Holdings Hungary	12 Months USD LIBOR plus 85 basis points p.a.	Repayable on demand	4,549,452	4,746,042
		Effective rate of interest per annum		3.02%	4.09%
3	Wipro Holdings Hungary	12 Months EURO LIBOR plus 85 basis points p.a.	Repayable on demand	10,042,735	9,929,022
		Effective rate of interest per annum		0.85%	1.73%
4	Wipro Cyprus Private Limited	12 Months USD LIBOR plus 200 basis points p.a.	Repayable on demand	5,434,950	5,011,490
		Effective rate of interest per annum		2.51%	2.60%
		Total		**24,046,864**	**23,706,280**

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17 Related party disclosure

i) Parties where control exists:

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

ii) The Company has the following related party transactions:

Particulars	Relationship	Year ended 31 March 2020	Year ended 31 March 2019
Interest Income			
Wipro Cyprus Private Limited	Holding Company	5,131	3,460
Wipro Technology Chile SPA	Fellow Subsidiary	738	736
Wipro Technologies GmBH	Fellow Subsidiary	166,455	166,000
Designit Denmark A/S	Fellow Subsidiary	18,411	-
Interest Expenses			
Wipro Outsourcing Services	Subsidiary Company	80,219	80,000
Wipro Cyprus Private Limited	Holding Company	136,364	130,142
Wipro Holdings Hungary	Fellow Subsidiary	222,637	242,666
Dividend Income			
Wipro Portugal SA	Subsidiary Company	-	5,500,000
Wipro Gulf LLC		-	4,844
Purchase of services			
Wipro Limited	Ultimate Holding Company	15,925,407	17,870,460
Loans repaid			
Wipro Inc., USA	Subsidiary Company	-	-
Loans obtained			
Wipro Inc., USA	Fellow Subsidiary	-	-
Wipro Holdings Hungary	Fellow Subsidiary	-	-
Loans Given			
Designit Denmark A/S	Fellow Subsidiary	3,000,000	-

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

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
Other financial assets			
Wipro Technologies GMBH	Fellow Subsidiary	8,499,989	8,533,378
Wipro Cyprus Private Limited	Holding Company	7,452,583	12,787,549
Wipro Technologies Norway AS	Fellow Subsidiary	-	-
Wipro Technology Chile SPA	Fellow Subsidiary	27,869	28,053
Designit Denmark A/S	Fellow Subsidiary	3,014,795	-
Wipro Technologies VZ, C.A	Subsidiary Company	22,830	
Wipro Limited	Ultimate Holding Company	-	-

17 Related party disclosure (cont'd)

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

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
Trade payables			
Wipro Limited	Ultimate Holding Company	5,725,657	6,768,276
Borrowings			
Wipro Inc., USA	Fellow Subsidiary	-	-
Wipro Cyprus Private Limited	Holding Company	5,434,950	5,011,490
Wipro Holdings Hungary	Fellow Subsidiary	14,592,188	14,675,064
Wipro Outsourcing Services (Ireland) Ltd	Subsidiary Company	4,019,726	4,019,726

18 Effective Tax Rate (ETR) reconciliation

	Year ended 31 March 2020	Year ended 31 March 2019
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	316,021	42,328
Income tax of earlier years		
	316,021	**42,328**

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

	Year ended 31 March 2020	Year ended 31 March 2019
Profit/(loss) before income tax	954,335	6,103,897
Enacted tax rates in Netherland (%)	23.95%	24.84%
Computed expected tax expense	228,584	1,515,974
Tax effect due to set-off of unabsorbed brought forward losses from earlier years	-	-
Tax on Dividend Income	-	(1,375,571)
Tax on Penalty paid	-	(20)
Tax effect of refund receipts related to past years	-	(98,055)
Tax expense as per financials	**228,584**	**42,328**

19 Capital management

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

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

Particulars	Note	As at 31 March 2020	As at 31 March 2019
Borrowings	Financial liability	24,046,864	23,706,280
Less: Cash and cash equivalents	Financial asset	-	-
Net debt		**24,046,864**	**23,706,280**
Equity share capital	Equity	22,046,000	22,046,000
Other equity	Equity	28,995,032	28,356,718
Total capital		**51,041,032**	**50,402,718**
Gearing ratio		0.47	0.47

In order to achieve the objective of maximising shareholders value, the Company's capital management, amongst other things,

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.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Euro	Sensitivity analysis

(A) Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

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

(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).

(iii) Credit risk

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

Credit risk management

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

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

Expected credit loss for trade receivables under simplified approach

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

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

The company has only one customer balance which constitutes the 100% of the debtors.

(iv).Liquidity risk

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

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

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20 Financial instruments

B Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Investments	3	-	-	54,648,339	54,648,339	54,648,339
Trade receivables	4	-	-	7,232,588	7,232,588	7,232,588
Unbilled revenue				1,405,661	1,405,661	1,405,661
Other financial assets	5	-	-	19,017,629	19,017,629	19,017,629
Total financial assets		-	-	**82,304,217**	**82,304,217**	**82,304,217**
Financial liabilities :						
Borrowings	7	-	-	24,046,864	24,046,864	24,046,864
Trade payables	8	-	-	5,821,539	5,821,539	5,821,539
Total financial liabilities		-	-	**29,868,403**	**29,868,403**	**29,868,403**

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Investments	3	-	-	52,899,888	52,899,888	52,899,888
Trade receivables	4	-	-	6,762,611	6,762,611	6,762,611
Unbilled revenue				2,032,087	2,032,087	2,032,087
Other financial assets	5	-	-	21,324,484	21,324,484	21,324,484
Total financial assets		-	-	**83,019,070**	**83,019,070**	**83,019,070**
Financial liabilities :						
Borrowings	7	-	-	23,706,280	23,706,280	23,706,280
Trade payables	8	-	-	6,835,887	6,835,887	6,835,887
Total financial liabilities		-	-	**30,542,167**	**30,542,167**	**30,542,167**

Notes to financial instruments

i. The management assessed that the fair value of trade receivables, loans, other financial assets, trade payables and borrowings approximate the carrying amount largely due to short-term maturity of these instruments.The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.The Company has measured investments in equity shares of subsidiaries and joint ventures at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost.

ii. **Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three

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

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

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

Measurement of fair value of financial instruments

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

C Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from USD, EUR,GBP,RUB and INR. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The management evaluates rate exposure arisisng from these transactions and enters into Forign currency derivative instruments to mitigate such exposure. The compny follows risk management policies, including use of derivatives like forign currency exchange forward options etc.

The below table presents foreign currency risk from non-derivative financial instruments as of March 31, 2020 and 2019:

Particulars	USD
Trade Payables	10,967,545.85
Other receivables	33,814.00

Sensitivity Analysis - Effect on statement of profit/(loss) & other comprehensive income

Particulars	As at 31 March 2020	As at 31 March 2019
Exchange rate - Increase by 1%	99,912	97,567
Exchange rate - Decrease by 1%	(99,912)	(97,567)

* The effect of exchange rate flucatation was stated in Euro

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20 Financial risk management (cont'd)

D Liquidity risk (cont'd)

Maturities of financial liabilities

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

31 March 2020	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	24,046,864	-	-	24,046,864
Trade payables	5,821,539	-	-	5,821,539
Total	**29,868,403**	**-**	**-**	**29,868,403**

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

E Interest rate risk

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

Particulars	31 March 2020	31 March 2020
Variable rate borrowing	24,046,864	23,706,280
Fixed rate borrowing		
	24,046,864	**23,706,280**

Interest rate risk

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

Particulars	31-Mar-20	31-Mar-19
Interest rates – increase by 50 basis points (50 bps)	120,234	118,531
Interest rates – decrease by 50 basis points (50 bps)	(120,234)	(118,531)

21 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2020 and the date of authorization of these

22 Comparatives

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

23 Impact of COVID-19

The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19.However the impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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

As per our report attached
For PKF Sridhar and Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No.208545

Place : Bengaluru
Date: 29th May 2020

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

Sd/-
Theo Spijkerman
Director