

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Wipro IT Services SE (Formally known as Wipro Cyprus SE)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Wipro IT Services SE (Formally known as Wipro Cyprus SE) (“the Company”), which comprise the balance sheet as at 31st March 2020, 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 standalone 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 standalone financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 standalone 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 standalone 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 Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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



& Associates

Chartered Accountants

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

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

ICAI Firm Registration No. 105047W

Sd

Deepak Rao

Partner

Membership No. 113292

UDIN: 20113292AAAAKA7800

Place: Bengaluru

Date: 12-06-2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WIPRO IT SERVICES SE (FORMALLY KNOWN AS WIPRO CYPRUS SE)

Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

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

Sd

Deepak Rao
Partner
Membership No. 113292
UDIN: 20113292AAAAKA7800
Place: Bengaluru
Date: 12-06-2020

Wipro IT Services SE (formerly Wipro Cyprus SE)

Balance Sheet as at 31 March 2020

(Amount in '000 INR except share and per share data, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Financial assets			
Investments	5	28,282,579	33,425,588
Loans	6	1,433,113	1,446,065
Total non-current assets		29,715,692	34,871,653
Current assets			
Financial assets			
Cash and cash equivalents	7	2,322,221	1,140,694
Loans	8	83,956	187,164
Other assets	9	5,236,094	1,558,247
Current tax assets (net)	10	-	48,743
Other current assets	11	634	833
Total current assets		7,642,906	2,935,681
Total assets		37,358,598	37,807,334
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	10,223	10,223
Preference Share Capital	13	-	3,056
Other equity	13	23,486,226	29,129,694
Total equity		23,496,449	29,142,973
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	14	9,495,651	5,065,383
Trade payables	15	6,432	7,275
Other current liabilities	17	4,345,663	3,591,703
Current tax (net)	16	14,403	-
Total current liabilities		13,862,149	8,664,361
Total liabilities		13,862,149	8,664,361
Total equity and liabilities		37,358,598	37,807,334

See accompanying notes to 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
Wipro IT Services SE (formerly Wipro Cyprus SE)

Sd/-
Deepak Rao
Partner
Membership No: 113292

Sd/-
Ashish Chawla
Director

Sd/-
Ramesh Phillips
Director

Place: Bengaluru
Date: June 12, 2020

Place:
Date: June 12, 2020

Place:
Date: June 12, 2020

Wipro IT Services SE (formerly Wipro Cyprus SE)

Statement of Profit and Loss for the year ended 31 March 2020

(Amount in '000 INR except share and per share data, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	18	3,120,100	442,010
Other income	19	112,461	-
(Loss) or gain from sale of investments and Impairment reversal	19A	(1,901,344)	337,721
Total income		1,331,218	779,731
Expenses			
Finance costs	20	158,404	142,209
Other expenses	21	9,080	33,586
Total expenses		167,484	175,795
Profit /(Loss) before exceptional items and tax		1,163,734	603,936
Exceptional items		-	-
Profit /(Loss) before tax		1,163,734	603,936
Income tax expense			
Current tax	22	137,632	55,440
Deferred tax		-	-
Total income tax expense		137,632	55,440
Profit/(Loss) for the year		1,026,102	548,496
Total other comprehensive income for the year		1,026,102	548,496
Earnings / (Loss) per share			
Basic and Diluted earnings / (loss) per share (INR)	23	6.27	3.35

See accompanying notes to 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 IT Services SE (formerly Wipro Cyprus SE)

Sd/-
Deepak Rao
 Partner
 Membership No: 113292

Sd/-
Ashish Chawla
 Director

Sd/-
Ramesh Phillips
 Director

Place: Bengaluru
 Date: June 12, 2020

Place:
 Date: June 12, 2020

Place:
 Date: June 12, 2020

Wipro IT Services SE (formerly Wipro Cyprus SE)
Statement of changes in equity for the year ended 31 March 2020
(Amount in '000 INR except share and per share data, unless otherwise stated)

(A) Equity share capital	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares of 1 euro each issued, subscribed and fully paid				
Opening	163,617	10,223	163,612	10,223
Add: issue during the year			5	*
Closing	163,617	10,223	163,617	10,223

*Amounts below rounding off norm adopted by the Company

(B) Other equity

	Preference shares	Reserve and surplus			Total
		Securities premium reserve	General reserve	Retained earnings	
Balance as at 1 April 2018	3,056	23,945,592	-	4,635,606	28,584,254
Loss for the year	-	-	-	548,496	548,496
Other comprehensive income	-	-	-	-	-
Total other comprehensive income for the year	3,056	23,945,592	-	5,184,101	29,132,750
Balance as at 31 March 2019	3,056	23,945,592	-	5,184,101	29,132,750

	Preference shares	Reserve and surplus			Total
		Securities premium reserve	General reserve	Retained earnings	
Balance as at 1 April 2019	3,056	23,945,592	-	5,184,101	29,132,749
Less: Redemption during the year	(3,056)	(5,052,322)	(1,617,245)	-	(6,672,624)
Profit for the year	-	-	-	1,026,102	1,026,102
Other comprehensive income	-	-	-	-	-
Total other comprehensive income for the year	-	18,893,270	(1,617,245)	6,210,203	23,486,227
Balance as at 31 March 2020	-	18,893,270	(1,617,245)	6,210,203	23,486,227

See accompanying notes to the financial statements

1-30

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

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

For and on behalf of the Board of Directors of
Wipro IT Services SE (formerly Wipro Cyprus SE)

Sd/-
Deepak Rao
Partner
Membership No: 113292

Sd/-
Ashish Chawla
Director

Sd/-
Ramesh Phillips
Director

Place: Bengaluru
Date: June 12, 2020

Place:
Date: June 12, 2020

Place:
Date: June 12, 2020

Wipro IT Services SE (formerly Wipro Cyprus SE)
Statement of cash flows for the year ended 31 March 2020
(Amount in '000 INR except share and per share data, unless otherwise stated)

	Year Ended March 31, 2020	Year Ended March 31, 2019
A Cash flows from operating activities:		
Profit/(Loss) after tax	1,026,102	548,496
<i>Adjustments:</i>		
Provision for diminution in the value of non-current investments	-	-*
Income tax expense	137,632	55,440
Exchange differences, net	(71,692)	6,950
Interest on borrowings		
Provision made/ (Written back)	1,407	9,429
Reversal of Provision for diminution in the value of non-current investments	-	(337,721)
Working capital changes :		
Loans and advances and other assets	(3,577,273)	473,246
Inventories		
Liabilities and provisions	5,197,788	71,978
Net cash generated from operations	2,713,963	827,826
Direct taxes paid, net	(74,511)	(29,493)
Net cash generated by operating activities	2,639,452	798,333
B Cash flows from investing activities:		
Purchase of investments	-	-
Proceeds from sale / maturity of investments	-	-
Investment in subsidiaries (Net)	5,143,009	(700,456)
Net cash (used in) / generated from investing activities	5,143,009	(700,456)
C Cash flows from financing activities:		
Proceeds from Issue of Share Capital	-*	-
Redemption of Preference Share	(6,672,624)	-
Net cash used in financing activities	(6,672,624)	-
Net increase in cash and cash equivalents during the year	1,109,835	97,876
Cash and cash equivalents at the beginning of the year	1,140,694	1,049,768
Effect of exchange rate changes on cash balance	71,692	(6,950)
Cash and cash equivalents at the end of the year [refer note 7]	2,322,221	1,140,694

*Amounts below rounding off norm adopted by the Company

See accompanying notes to financial statements 1-30

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
Wipro IT Services SE (formerly Wipro Cyprus SE)

Sd/-
Deepak Rao
Partner
Membership No: 113292

Sd/-
Ashish Chawla
Director

Sd/-
Ramesh Phillips
Director

Place: Bengaluru
Date: June 12, 2020

Place:
Date: June 12, 2020

Place:
Date: June 12, 2020

Wipro IT Services SE (formerly Wipro Cyprus SE)
Notes forming part of the Financial Statements for the year ended 31st March 2020

1 The Company overview

Wipro IT Services SE (“Wipro IT Services SE” or “Company”), is a subsidiary of Wipro Limited (the holding company). The Company is incorporated in UK and the principal activity of the company is to act as an investing & holding company. During the previous year the name of the entity changed from Wipro Cyprus Private Limited to Wipro Cyprus Public Limited with effect from 13th June 2018. Wipro Cyprus Private Limited, a Cypriot Company by incorporation has been re-domiciled to United Kingdom with effect from 22nd March 2019 and the name of the entity changed to Wipro Cyprus SE, this is part of company’s overall restructuring plan to consolidate the holding structure and operations in the UK-European region under one legal entity headquartered in the UK. Further, the name of the entity changed from Wipro Cyprus SE to Wipro IT Services SE on 23rd August 2019.

2 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.

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.

(iii) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

a) Revenue recognition: Interest Income is recognised using the time proportion method, based on the rates implicit in the transaction. Dividend income from Equity investments is recognised when the right to receive such dividend is established.

b) Income taxes: The major tax jurisdictions for the Company is United Kingdom. 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.

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 realizable, 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: On application of Ind AS109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company’s past history, customer’s creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

3 Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, 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.

(iii) Financial instruments

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

Non derivative financial instruments are recognized initially at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

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

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 statement of financial position, 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 recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled revenues, cash and cash equivalents and other assets.

C. Trade and other payables

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

(iv) Equity

a) Share capital and share premium

The authorized share capital of the Company as of March 31, 2020 is INR 10,223 (000's) divided into 163,617 equity shares of EUR 1 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

b) Retained earnings

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

c) Dividend

A final dividend, including tax thereon, on common stock is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

d) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(v) Revenue

Revenue from operations consists of Interest Income on loans given to group companies and dividends received on the investments made in the Group companies. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

(vi) Finance Cost

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

(vii) Other income

Other income comprises interest income on deposits, dividend income and gains / (losses) on disposal of financial assets that are measured at FVTPL, and debt instruments classified as FVTOCI.

(viii) Income tax

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

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(ix) Cash Flow Statement

Cash flows are reported using indirect method, whereby net profits after 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.

(x) 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.

(xi) Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27- Separate Financial statement

4 New Accounting standards adopted by the Company:

The accounting policies adopted in the preparation of the standalone financial statements are consistent with those followed in the preparation of the Company's annual standalone financial statements for the year ended March 31, 2019.

Ind AS 116 - Leases

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.

Further, the company does not indulge in any leasing practices and thus the Ind AS 116 is not applicable.

4A 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.

Wipro IT Services SE (formerly Wipro Cyprus SE)
Notes forming part of the Financial Statements for the year ended 31 March 2020
(Amount in '000 INR except share and per share data, unless otherwise stated)

5 Financial Assets- Investments

	As at 31 March 2020	As at 31 March 2019
Investment in equity instrument designated as at fair value through OCI (fully paid)		
Unquoted equity shares		
Refer - Note 1	28,282,579	33,425,588
	28,282,579	33,425,588
Current	-	-
Non- Current	28,282,579	33,425,588
	28,282,579	33,425,588
Aggregate book value of:		
Quoted investments	-	-
Unquoted investments	28,282,579	33,425,588
Aggregate market value of:		
Quoted investments	-	-
Unquoted investments	28,282,579	33,425,588

Note-1:

Name	% of Holding - 31-03-2020	% of Holding - 31-03-2019	Value of Investment as on 31-03-2020	Value of Investment as on 31-03-2019
Wipro Information Technology Netherlands BV.	100.00%	100.00%	4,599,526	4,599,526
Wipro Technologies SRL	99.99%	97.28%	168,983	168,983
Wipro Holdings Hungary Korlátolt Felelősségű Társaság	100.00%	100.00%	20,321,673	20,321,674
Wipro Technologies S.A DE C.V	91.08%	91.00%	624,220	624,220
Wipro BPO Philippines LTD. Inc	99.99%	99.99%	180,047	180,047
Wipro Arabia Co. Limited	66.67%	66.67%	238,803	238,803
Wipro Information Technology Egypt SAE	99.99%	99.90%*	-	-*
Wipro Poland Sp. Z.o.o	99.00%	99.00%	684	684
Wipro Technologies SA	97.38%	2.62%	274,355	274,355
Wipro Technologies South Africa (Proprietary) Limited	69.42%	69.42%	22,096	22,096
Wipro IT Services Poland Sp.z o. o	100.00%	100.00%	27,611	27,611
Wipro Gulf LLC	99.90%	99.90%	348,085	348,085
Wipro Shanghai China Limited	87.88%	87.88%	79,533	79,533
PT WT Indonesia	99.60%	99.60%	72,295	72,295
Wipro Doha LLC	49.00%	49.00%	3,405	1,645
Wipro (Thailand) Co Limited	99.90%	99.90%	153,824	153,824
Wipro Bahrain Limited WLL	100.00%	100.00%	6,250	6,250
Wipro Technologies Australia Pty Ltd.	100.00%	100.00%	1,130,733	1,130,733
Cellent GmbH	0.00%	100.00%	-	4,801,676
Wipro Corporate Technologies Ghana Limited	100.00%	100.00%	28,545	33,941
Wipro IT Services Ukraine LLC	99.99%	99.99%	4,959	5
Rainbow Software LLC	99.99%	99.99%	55	55
Wipro Technologies Peru S.A.C	0.02%	0.03%	9	9
Wipro Technologies Nigeria Ltd	1.00%	1.00%	57	57
Wipro Technologies Ltd, Russia	0.01%	0.01%	0	0
Wipro Doha LLC	49.00%	49.00%	-	1,760
Less: Provision Created			(7,313)	(5,396)
Add: Provision written back			4,144	343,117
			28,282,579	33,425,588

*Amounts below rounding off norm adopted by the Company

The annual financial statements presented are not consolidated annual financial statements as the entity qualifies for the consolidation exemption in Ind AS 110 Consolidated Financial Statements.

The exemption is allowed provided that all of the following criteria are complied with:

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

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

Wipro IT Services SE (formerly Wipro Cyprus SE)

Notes forming part of the Financial Statements for the year ended 31 March 2020

(Amount in '000 INR except share and per share data, unless otherwise stated)

	<u>31 March 2020</u>	<u>31 March 2019</u>
6 Non-Current Financial assets - Loans		
<u>Unsecured, considered good</u>		
With Group Companies - Considered good	1,433,113	1,446,066
Total	<u><u>1,433,113</u></u>	<u><u>1,446,066</u></u>
7 Cash and bank balances	<u>31 March 2020</u>	<u>31 March 2019</u>
<u>Cash and cash equivalents</u>		
Balances with banks		
On current accounts	2,322,221	1,140,694
Total cash and cash equivalents	<u><u>2,322,221</u></u>	<u><u>1,140,694</u></u>
8 Current Financial assets - Loans		
<u>Unsecured, considered good</u>		
With Group Companies - Considered good	214,244	304,970
Less: Provision for doubtful receivables	(130,287)	(117,806)
	<u><u>83,956</u></u>	<u><u>187,164</u></u>
9 Current Financial assets - Others		
Interest accrued but not due	988,049	
Balance with Group Companies	5,235,106	1,558,247
	<u><u>5,236,094</u></u>	<u><u>1,558,247</u></u>
10 Current tax assets		
Current tax assets	-	48,743
	<u><u>-</u></u>	<u><u>48,743</u></u>
11 Other current assets		
Balance with tax authorities	634	833
Total	<u><u>634</u></u>	<u><u>833</u></u>

12 Equity share capital

The Company has only one class of equity share capital having a par value of INR 10 per share, referred to herein as equity shares.

	31 March 2020	31 March 2019
Authorized		
1,63,617 (31 March 2020: 1,63,617) equity shares of 1 euro each	10,223	10,223
1,63,617 (31 March 2019: 1,63,617) Ordinary non-classified shares of 1 euro each*	-	-
	10,223	10,223
Issued, subscribed and paid up		
1,63,617 (31 March 2019: 1,63,617) equity shares of 1 euro each fully paid	10,223	10,223
Total	10,223	10,223

*The amount of non classified share is not disclosed as the same cannot be ascertained due to exchange rate that would prevail during subscription

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	163,617	10,223	163,612	10,223
Add: Issued during the year	-	-*	5	-
Outstanding at the end of the year	163,617	10,223	163,617	10,223

*Amounts below rounding off norm adopted by the Company

(b) Shares held by holding Company/ultimate holding Company and/ or their subsidiaries/ associates

	31 March 2020	31 March 2019
Wipro Limited, the ultimate holding Company		
1,63,617 (31 March 2019: 1,63,617)	163,617	163,617
Name of other Subsidiaries/Associate Company, subsidiary/associate Company		
1 (31 March 2019: 1) held by Wipro Holdings UK Limited	1	1

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	31 March 2020		31 March 2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Wipro Limited	163,617	100.00%	163,617	100.00%

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

13 Other equity

(A) The Company has preference share capital having a par value of INR 1 per share, referred to herein as preference share capital.

	31 March 2020	31 March 2019
Authorized		
45,000 (31 March 2019: 45,000) Preference Shares of 1 euro each	3,056	3,056
	3,056	3,056
Issued, subscribed and paid up		
Nil (31 March 2019: 45,000) Preference Shares of 1 euro each	-	3,056
Total	-	3,056

(i) Reconciliation of preference shares outstanding at the beginning and at the end of the year*

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	45,000	-	45,000	3,056
Add/Less: Issued/Redeemed during the year	(45,000)	-	-	-
Outstanding at the end of the year	-	-	45,000	3,056

(ii) Shares held by holding Company/ultimate holding Company and/ or their subsidiaries/ associates

	31 March 2020	31 March 2019
Wipro Limited, the ultimate holding Company		
Convertible preference shares held by Wipro Limited	-	45,000

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2020		31 March 2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Wipro Limited	-	-	45,000	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(v) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

	31 March 2020	31 March 2019
(C) Securities premium reserve (SPR)*		
Opening balance	23,945,592	23,945,592
Less : Redemption during the year	(6,669,568)	-
Add : Securities premium credited on share issue	-	-
Closing balance	17,276,024	23,945,592

*SPR record premium on issue of shares to be utilized in accordance with the Companies Act 2013.

	31 March 2020	31 March 2019
(F) Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	5,184,101	4,635,606
Add: Net loss/profit for the current year	1,026,102	548,496
Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	-	-
Closing balance	6,210,203	5,184,101
Total other equity	23,486,227	29,132,749

	31 March 2020	31 March 2019
14 Short -term borrowings		
Secured, from bank, term loan (Refer footnote i)		
Term loan	-	-
Unsecured, Loans from related parties (Refer footnote ii)	9,495,651	5,065,383
Total short-term borrowings (I)	9,495,651	5,065,383

(i) Loan from Wipro Holdings Investments KFT, 2,267,700 (in 000's), Loan from Wipro Holdings UK Limited 3,150,877 in (000's) & Loan from Wipro Holdings Hungary KFT, 4,042,553 (in 000's).

(ii) Loan from Wipro Holdings Investments KFT, 2,074,350 (in 000's) and Loan from Wipro Holdings UK Limited Euro 2,991,033 in (000's) in 2019

	31 March 2020	31 March 2019
15 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	6,432	7,275
Total trade payables (II)	6,432	7,275

Total financial liability (I+II) 9,502,083 5,072,658

	31 March 2020	31 March 2019
16 Current Tax Liability (net)		
Current tax payable	14,403	-
Total current tax liabilities	14,403	-

	31 March 2020	31 March 2019
17 Other current liabilities		
Balances due to related parties	4,345,663	3,591,703
Total other current liabilities	4,345,663	3,591,703

Wipro IT Services SE (formerly Wipro Cyprus SE)
Notes forming part of the Financial Statements for the year ended 31 March 2020
(Amount in '000 INR except share and per share data, unless otherwise stated)

	31 March 2020	31 March 2019
18 Revenue from operations		
Loan interest income	70,417	63,851
Dividend Income	3,049,683	378,159
Total revenue from operations	3,120,100	442,010
19 Other income		
Interest income	-	-
Foreign exchange fluctuation	112,327	-
Liabilities written back	135	-
Total other income	112,461	-
19A (Loss) or gain from sale of investments and Impairment reversal		
Provision for impairment on investment written back	537,288	337,721
(Loss) or gain from sale of investments and Impairment reversal	(2,438,632)	-
	(1,901,344)	337,721
20 Finance costs		
Interest on borrowing	-	19,283
Interest on unsecured loans from related parties	157,973	122,592
Interest on delay in payment of taxes	432	334
Total finance costs	158,404	142,209
21 Other expenses		
Rates & Taxes	-	8,973
Bad Debt - Loan	1,407	9,429
Bank Charges	420	1,226
Legal and professional charges	7,203	12,481
Foreign exchange fluctuation	-	1,476
Miscellaneous expenses	49	1
Total other expenses	9,080	33,586
22 Income tax expense		
- Current tax taxes	-	-
- Pertains to Current Year	119,439	14,646
- Pertains to Previous Year	18,193	40,793
- Deferred tax charge / (income)	-	-
Total	137,632	55,440
(G) Reconciliation of tax charge		
Profit before tax	1,157,947	603,936
Tax rate Applicable	19%	21%
Income tax expense at tax rates applicable	220,010	127,035
Tax effects of:		
- Item not deductible for tax	362,558	28,496
- Prior periods	18,193	40,793
- Income exempt from tax	(707,801)	(71,850)
- Current Year Tax Losses (No DTA created)	125,233	8,360
- Impairment provision (No DTA created)	-	(118,013)
- Others (Net)	119,439	40,619
Income tax expense	137,632	55,440

Wipro IT Services SE (formerly Wipro Cyprus SE)
 Notes forming part of the Financial Statements for the year ended 31 March 2020
 (Amount in '000 INR except share and per share data, unless otherwise stated)

23 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 2020	31 March 2019
Loss attributable to equity holders	1,026,102	548,496
Less: preference dividend after-tax	-	-
Loss attributable to equity holders after preference dividend	1,026,102	548,496
Add: Interest on convertible preference shares	-	-
Loss attributable to equity holders adjusted for the effect of dilution	1,026,102	548,496
Weighted average number of equity shares for basic EPS*	163,617	163,617
Weighted average number of equity shares adjusted for the effect of dilution	<u>163,617</u>	<u>163,617</u>

Basic and Diluted loss per share (INR)

6.27

3.35

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

24 Related Party Disclosures: 31 March 2020

(A) Names of related parties and description of relationship as identified and certified by the Company:

Holding Company

Wipro Limited

Entity under common control

Name of the related party

Nature of relationship

Wipro Doha LLC	Subsidiary company
Wipro Technology SA DE CV	Subsidiary company
Wipro Philippines, Inc	Subsidiary company
Wipro Holdings Hungary Korlátolt Felelősségű Társaság	Subsidiary company
Wipro Holdings Investment Korlátolt Felelősségű Társaság	Fellow Subsidiary Company
Wipro Information Technology Egypt SAE	Subsidiary Company
Wipro Arabia Co. Limited	Subsidiary company
Women's Business Park Technology Limited	Fellow Subsidiary Company
Wipro Poland SP. Z.O.O	Subsidiary company
Wipro IT Services Poland SP.Z.O.O	Subsidiary company
Wipro Technologies Australia Pty Ltd	Subsidiary Company
Wipro Corporate Technologies Ghana Limited	Subsidiary Company
Wipro Technologies South Africa (Proprietary) Limited	Subsidiary company
Wipro Technologies Nigeria Ltd	Fellow Subsidiary Company
Wipro IT Service Ukraine LLC	Subsidiary company
Wipro Information Technology Netherlands BV	Subsidiary company
Wipro Portugal S.A	Fellow Subsidiary Company
Wipro Technologies Limited - Russia	Fellow Subsidiary Company
Wipro Technology Chile SpA	Fellow Subsidiary Company
Wipro Solutions Canada Ltd	Fellow Subsidiary Company
Wipro Information Technology Kazakhstan LLP	Fellow Subsidiary Company
Wipro Technologies W.T. Sociedad Anonima	Fellow Subsidiary Company
Wipro Outsourcing Services (Ireland) Limited	Fellow Subsidiary Company
Wipro Technologies VZ, C.A.	Fellow Subsidiary Company
WIPRO Technologies Peru S.A.C.	Fellow Subsidiary Company
Wipro do Brasil Servicos de Tecnologia SA	Fellow Subsidiary Company
Wipro do Brasil Tecnologia Ltda	Fellow Subsidiary Company
Wipro Technologies SA	Subsidiary company
Wipro Technologies SRL	Subsidiary company
PT WT Indonesia	Subsidiary company
Wipro (Thailand) Co. Limited	Subsidiary company
Wipro Bahrain Limited WLL	Subsidiary company
Wipro Gulf LLC	Subsidiary company
Rainbow Software LLC	Subsidiary company
DesignIt Denmark A/S	Fellow Subsidiary Company
Wipro Holdings UK ltd	Fellow Subsidiary Company
Wipro Holdings Holdings KFT	Fellow Subsidiary Company
Cellent GmbH	Fellow Subsidiary Company
Wipro Technologies GmbH	Fellow Subsidiary Company
WIPRO TECHNOLOGIES CANADA LTD	Fellow Subsidiary Company

(B) The Company has the following related party transactions:

Particulars	31 March 2020	31 March 2019
<u>Dividend Received</u>		
Wipro Technologies Nigeria Ltd	769	
Wipro Arabia Co. Limited	3,048,914	
Wipro Gulf LLC	-	378,159
	-	
<u>Interest Income</u>		
Wipro Information Technology Egypt SAE	1,389	2,753
Wipro Outsourcing Services (Ireland) Limited	873	998
Wipro LLC (formerly Wipro Inc)	-	-
Wipro Information Technology Austria GmbH(A) (Formerly Wipro Holdings Austria)	-	-
Wipro Information Technology Netherlands BV.	10,788	10,472
Wipro Technologies GmbH	3,896	
Wipro Technologies SA	-	2,793
Limited Liability Company Wipro Technologies Limited	-	-
PT WT Indonesia	-	-
Wipro Technologies GmbH	-	3,243
Wipro Technology Chile SPA	2,639	2,704
Wipro Technologies Australia Pty Ltd	22,552	26,001
Wipro IT Services Poland Sp z o o	4,092	6,766
WIPRO TECHNOLOGIES CANADA LTD	3,704	-
Wipro Information Technology Kazakhstan LLP	1,334	1,485
Wipro Solutions Canada Limited	-	3,657
DesignIt Denmark A/S	4,274	2,751
	-	
<u>Interest Expense</u>		
	-	
Wipro Holdings UK ltd	61,078	61,992
Wipro Technologies SRL	175	116
Wipro Technologies Austria GmbH	-	33
New Logic Technologies SARM	-	38
Wipro Technologies Austria GmbH	-	71
Wipro Information Technology Netherlands BV	405	277
Wipro Portugal S.A	236	333
Wipro Technologies	23	
Wipro Holdings Hungary Korlátolt Felelősségű Társaság	28,492	
Enabler UK Limited	-	-
Wipro Technologies GmbH	-	107
Wipro Holdings Investment Korlátolt Felelősségű Társaság	66,407	56,163
	-	
<u>Loan Taken</u>		
Wipro Holdings Holdings KFT	3,840,210	-
	-	
<u>Loan & Interest Repaid by/(to) - Net amount</u>		
Wipro Solutions Canada Limited	5,561	
Wipro Holdings Holdings KFT	39,094	
Wipro Technologies SA	-	4,049
Wipro IT Services Poland SP.ZOO	134,962	
Wipro Technology Chile SPA	2,558	1,198
Wipro Information Technology Netherland BV	10,553	10,704
Wipro Technologies Australia Pty Ltd	-	113,244
Wipro Information Technology Kazhakstan LLP	-	3,057
<u>Equity Infusion</u>		
Wipro Technologies S.A DE C. V	-	583,284
WIPRO IT SERVICES UKRAINE LLC	4,954	3
Wipro Technologies SA	-	117,168
PT WI Indonesia	-	-
<u>Investment sold</u>		
Cellent GmbH	5,685,250	-
<u>Preference Share Redemption</u>		
Wipro Limited	3,056	-

* Excludes the transactions related to the reimbursement expenses.

(C) Amount due to/from (Net) related party as on:

	<u>31 March 2020</u>	<u>31 March 2019</u>
Wipro Arabia Limited	(616,087)	(1,257,148)
New Logic Technologies SARL	-	(75,207)
Wipro Limited	(79,278)	(100,200)
Wipro Portugal S.A	(509,595)	(333,000)
Wipro Retail UK Limited	-	-
Wipro Technologies Austria GmbH	-	(108,350)
Wipro Holdings UK Ltd	(3,330,966)	(3,067,734)
Wipro Technologies SRL	(520,680)	(324,899)
Wipro Outsourcing Services (Ireland) Limited	105,848	111,020
Wipro Gulf LLC	-	379,917
Wipro Information Technology Egypt SAE	127,232	115,016
PT WT Indonesia Limited	-	-
Wipro Technologies SA	-	-
Wipro Technologies GmbH	2,585,807	344,254
Wipro Solutions Canada Ltd	146,352	144,911
Wipro Information Technology Netherlands BV	(167,805)	(579,900)
Wipro Technology Chile SPA	61,311	57,354
Wipro Technologies Australia Pty Ltd	916,101	952,573
Wipro IT Services Poland SP.Z.O.O	-	127,263
Wipro LLC	-	-
Wipro Information Technology Kazakhstan LLP	35,957	31,745
DesignIt Denmark A/S	751,404	361,186
Wipro IT Service Ukraine LLC	4,241	2,711
Wipro Corporate Technologies Ghana Limited	-	-
Rainbow Software LLC	707	207
Wipro Holdings Hungary Kft	(4,071,201)	-
Wipro Holdings Investment Kft	(2,398,199)	(2,129,521)
	-	-

25 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.

26 Fair values of financial assets and financial liabilities

There are no financial assets and liabilities that have been offset in the financials

The fair value of cash and cash equivalents, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company's investments are primarily in short-term investments, which do not expose it to significant interest rate risk. The Company usually provides to loan at a floating rate.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The company does not foresee such a risk as its current assets (excluding intercompany balance) are greater than its current liability (excluding intercompany balance)

27 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 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
2020		
INR	+45	31,315
INR	-45	(31,315)
2019		
INR	+45	24,065
INR	-45	(24,065)

(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
2020	1% -1%	69,589 (69,589)
2019	1% -1%	50,272 (50,272)

(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 a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. 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:

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
31-Mar-20				
Short term borrowings		9,495,651	-	-
Long-term borrowings	-	-	-	-
Trade payables		6,432	-	-
Other financial liability	3,083,890	1,170,505	-	-
	<u>3,083,890</u>	<u>10,672,588</u>	<u>-</u>	<u>-</u>
31-Mar-19				
Short term borrowings		5,065,383	-	-
Long-term borrowings	-	-	-	-
Trade payables		7,275	-	-
Other financial liability	1,952,636	1,639,067	-	-
	<u>1,952,637</u>	<u>6,711,726</u>	<u>-</u>	<u>-</u>

28 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, 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 Convertible Preference Shares and 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.

	31-Mar-20	31-Mar-19
Equity Share Capital	10,223	10,223
Convertible Preference Shares	-	3,056
Other Equity	23,486,227	29,129,694
Total equity	(i) 23,496,450	29,142,973
Borrowings other than convertible preference shares	9,495,651	5,065,383
Less: cash and cash equivalents	(2,322,221)	(1,140,694)
Total debt	(ii) 7,173,431	3,924,688
Overall financing	(iii) = (i) + (ii) 30,669,880	33,067,661
Gearing ratio	(ii) / (iii) 0.23	0.12

29 Impact of Covid-19 on Going concern assumption

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. In response, the governments have taken various actions and ensured many precautionary measures which posed significant disruption to business operations and adversely impacting most of the industries which has resulted in global slowdown.

Management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of this Financial Statements.

30 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

See accompanying notes to financial statements

1-30

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 IT Services SE (formerly Wipro Cyprus SE)

Sd/-
Deepak Rao
Partner
Membership No: 113292

Sd/-
Ashish Chawla
Director

Sd/-
Ramesh Phillips
Director

Place: Bengaluru
Date: June 12, 2020

Place:
Date: June 12, 2020

Place:
Date: June 12, 2020