

# Special Purpose Financial Statements and Independent Auditor's Report

Wipro Information Technology Kazakhstan

31 March 2022

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of WIPRO Information Technology Kazakhstan

### **Report on the Audit of the Special Purpose Financial Statements**

#### **Opinion**

We have audited the accompanying special purpose financial statements of WIPRO Information Technology Kazakhstan (“the Company”), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as “the Special Purpose Financial Statements”). As explained in Note 2(a) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited (“the Parent”) solely for inclusion in the annual report of Wipro limited for the year ended 31 March 2022 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of presentation referred to in Note 2(a) to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2022, and loss 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 Standards are further described in the Auditor’s Responsibilities for the Audit of the Special Purpose 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) 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 on the Special Purpose Financial Statements.

#### **Material Uncertainty Related to Going Concern**

We draw attention to note 2(a) to the accompanying financial statements which indicates that the Company has incurred losses of KZT 44.13 millions during the current year and has accumulated losses of KZT 150.30 millions as at 31 March 2022. These events or conditions indicate that a material uncertainty exists which may cast a significant doubt on the Company’s ability to continue as going concern. However, basis the ongoing support of the Ultimate Holding Company and the ongoing assessment of business opportunities, the management considers going concern basis of accounting for preparation of accompanying financial statements to be appropriate. Our opinion is not modified in respect of this matter.

## **Basis of Accounting and Restriction on Use**

Without modifying our opinion, we draw attention to Note 2(a) to the Special Purpose Financial Statements, on the basis of the preparation to the special purpose financial statements. The Special Purpose Financial Statements are prepared for inclusion in the annual report of the Ultimate Holding Company under the requirements of Section 129(3) of the Companies Act, 2013. As a result, the Special Purpose Financial Statements may not be suitable for any other purpose. Our report is intended solely for the Company and Wipro Limited and should not be distributed to or used by parties other than the Company and Wipro Limited. 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.

## **Management Responsibility for the Special Purpose 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 special purpose 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 special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose 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.

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

## **Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 special purpose 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 special purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

Seethalakshmi M

Partner

Membership No. 208545

Bengaluru

20 June 2022

**Wipro Information Technology Kazakhstan**  
**Balance Sheet as at 31 March 2022**

(Amount in KZT, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Current assets</b>			
Financial assets			
Trade receivables	3	2,915,567	30,966,900
Cash and cash equivalents	4	467,585,043	774,649,344
Contract assets		-	10,161,457.26
Other current assets	5	14,469,452	1,528,410
<b>Total current assets</b>		<b>484,970,062</b>	<b>817,306,111</b>
<b>Total assets</b>		<b>484,970,062</b>	<b>817,306,111</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	6	29,441,800	29,441,800
Other equity		(150,305,413)	(106,169,994)
<b>TOTAL EQUITY</b>		<b>(120,863,613)</b>	<b>(76,728,194)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	7	286,817,281	566,393,846
Provisions	8	1,272,930	1,231,601
<b>Total Non-current liabilities</b>		<b>288,090,211</b>	<b>567,625,447</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	9	306,122,331	307,756,658
Other financial liabilities	10	10,394,953	445,391
Provisions	8	1,226,180	862,053
Current tax liabilities		-	16,988,801.92
Other current liabilities	11	-	355,954
<b>Total current liabilities</b>		<b>317,743,464</b>	<b>326,408,857</b>
<b>Total liabilities</b>		<b>605,833,675</b>	<b>894,034,304</b>
<b>Total equity and liabilities</b>		<b>484,970,062</b>	<b>817,306,110</b>

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

As per our reports attached  
**For PKF Sridhar and Santhanam LLP**  
Chartered accountants

Sd/-  
**Seethalakshmi M**  
Partner  
Membership No: 208545  
Bangalore  
20 June 2022

**For and on behalf of the Board**  
**Wipro Information Technology Kazakhstan LLP**

Sd/-  
**Antonina Romanteyeva**  
Director  
Kazakhstan  
20 June 2022

**Wipro Information Technology Kazakhstan**  
**Statement of Profit and loss for the year ended 31 March 2022**

(Amount in KZT, unless otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	12	43,837,020	223,281,003
Other income	13	36,087,299	136,824,766
<b>Total Income</b>		<b>79,924,319</b>	<b>360,105,769</b>
<b>Expenses</b>			
Software development charges		40,224,526	134,328,180
Employee benefits expense	14	73,592,205	94,959,842
Finance cost	15	7,589,312	12,200,891
Legal and professional charges		14,863,466	12,596,849
Rent		3,013,639	4,770,663
Other expenses	16	1,911,271	880,784
<b>Total expenses</b>		<b>141,194,419</b>	<b>259,737,209</b>
<b>Profit/(loss) before tax</b>		<b>(61,270,100)</b>	<b>100,368,560</b>
<b>Tax expense</b>			
Current tax		-	20,073,712
Prior period tax adjustments		(17,134,680)	78,867,897
Total tax expenses		(17,134,680)	98,941,609
<b>Profit / (loss) for the year</b>		<b>(44,135,420)</b>	<b>1,426,951</b>
Other comprehensive Income		-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>(44,135,420)</b>	<b>1,426,951</b>

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

As per our reports attached

**For PKF Sridhar and Santhanam LLP**  
Chartered accountants

Sd/-  
**Seethalakshmi M**  
Partner  
Membership No: 208545  
Bangalore  
20 June 2022

For and on behalf of the Board  
**Wipro Information Technology Kazakhstan LLP**

Sd/-  
**Antonina Romanteyeva**  
Director

Kazakhstan  
20 June 2022

## Wipro Information Technology Kazakhstan

### Statement of Changes in Equity for the year ended 31 March 2022

(Amount in KZT, unless otherwise stated)

	Balance as at 01 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
Equity share capital	29,441,800	-	29,441,800	-	29,441,800
	<b>29,441,800</b>	<b>-</b>	<b>29,441,800</b>	<b>-</b>	<b>29,441,800</b>

#### Other equity

Particulars	Retained Earnings	Total
Balance as at 1 April 2020	(107,596,944)	(107,596,944)
Profit for the year	1,426,951	1,426,951
Balance as at 31 March 2021	(106,169,993)	(106,169,993)
Profit for the year	(44,135,420)	(44,135,420)
Balance as at 31 March 2022	(150,305,413)	(150,305,413)

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

As per our reports attached  
For **PKF Sridhar and Santhanam LLP**  
Chartered accountants

Sd/-  
**Seethalakshmi M**  
Partner  
Membership No: 208545  
Bangalore  
20 June 2022

Sd/-  
**Antonina Romanteyeva**  
Director  
Kazakhstan  
20 June 2022

**Wipro Information Technology Kazakhstan**  
**Statement of Cash Flow for the year ended 31 March 2022**

(Amount in KZT, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flow from operating activities</b>		
<b>Profit / (loss) for the year</b>	<b>(61,270,100)</b>	<b>100,368,560</b>
Adjustments		
Provision for doubtful debts	453,551	-
Unrealised exchange differences - net	(45,333,699)	43,659,950
Finance cost	7,589,312	12,200,891
<b>Operating profit / (loss) before working capital changes</b>	<b>(98,560,936)</b>	<b>156,229,401</b>
<b>Adjustments for working capital changes:</b>		
Decrease in trade receivables and unbilled revenue	37,905,117	373,396,301
(Increase)/decrease in loans and advances and other assets	(12,941,043)	999,241
Increase in trade and other payables	8,364,738	(538,695,794)
<b>Net cash generated from / (used in) operations</b>	<b>(65,232,124)</b>	<b>(8,070,851)</b>
Direct taxes paid	-	(79,699,104)
<b>Net cash generated by operating activities</b>	<b>(A) (65,232,124)</b>	<b>(87,769,955)</b>
<b>Cash flows from investing activities:</b>		
Interest received	-	-
<b>Net cash generated by investing activities</b>	<b>(B) -</b>	<b>-</b>
<b>Cash flows from financing activities:</b>		
Proceeds from loan taken	(279,576,565)	(21,238,775)
Interest repayment on loans	(7,589,312)	(12,200,891)
<b>Net cash generated by financing activities</b>	<b>(C) (287,165,877)</b>	<b>(33,439,667)</b>
<b>(A+B+C)</b>	<b>(352,398,000)</b>	<b>(121,209,622)</b>
Cash and cash equivalents at the beginning of the year (without unrealised exchange rate fluctuation differences)	593,443,842	714,653,464
Effect of exchange rate changes on cash		
<b>Cash and cash equivalents at the end of the year</b>	<b>241,045,841</b>	<b>593,443,842</b>
<b>Components of cash and cash equivalents (note 4)</b>		
Balances with banks		
Cash and cash equivalents	241,045,841	593,443,842
Effect of translation differences of exchange rate	226,539,202	181,205,502
	<b>467,585,043</b>	<b>774,649,344</b>

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

As per our reports attached  
**For PKF Sridhar and Santhanam LLP**  
Chartered accountants

Sd/-  
**Seethalakshmi M**  
Partner  
Membership No: 208545  
Bangalore  
20 June 2022

For and on behalf of the Board  
**Wipro Information Technology Kazakhstan L**

Sd/-  
**Antonina Romanteyeva**  
Director

Kazakhstan  
20 June 2022

**Wipro Information Technology Kazakhstan**  
**Notes to the special purpose financial statements**

(Amount in KZT, unless otherwise stated)

**1 The Company overview**

Wipro Information Technology Kazakhstan LLP ("the Company") is a subsidiary of Wipro Information Technology Netherlands BV, incorporated and domiciled in Kazakhstan. The Company is provider of IT Services, including Business Process Services (BPS) globally. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

**2 Basis of preparation of financial statements and summary of significant accounting policies**

**a) Statement of compliance**

This special purpose financial statement is prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013.

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)].

**(i) New amended standards and interpretations**

i. Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'

ii. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.

iii. Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non-adjusting event.

iv. Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.

v. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.

vi. Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.

vii. Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.

viii. Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

ix. Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of the amendments has any material impact on the financial statements for the current year.

(ii) Other amendments to the existing standards - None

(iii) New standards notified and yet to be adopted by the Company - None

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 Kazakhstani Tenge (KZT) except share and per share data, unless otherwise stated.

The Company has accumulated losses of KZT 150.3 millions as at 31 March 2022. The financial statement has been prepared on the assumption that the Company will continue as a going concern, based on the continuing financial support by the shareholders / investors. Further, the Company and its holding Company has adequate liquid assets to support the operation of the Company for next one year. Accordingly, the Company will be able to realise its assets and discharge its liabilities as recorded in these financial statements in the normal course of business.

**b) Basis of measurement**

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS:

a) Derivative financial instruments;

b) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and

c) The defined benefit asset/(liability) is recognised as the present value of defined benefit obligation less fair value of plan assets.

**c) Use of estimates and judgment**

The preparation of the financial statements in conformity with Ind AS requires 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 recognised 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 recognised in the financial statements are included in the following notes:

**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 jurisdiction for the Company is Kazakhstan. 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) Defined benefit plans and compensated absences**

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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 date.

**e) 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.

(Amount in KZT, unless otherwise stated)

**Significant accounting policies**

**(i) Functional and presentation currency**

These financial statements are presented in Kazakhstani Tenge, 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 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.

**(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 receivables, 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 receivables and other assets.

**D. 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.

**b) 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.

**(iv) Equity:**

The Charter Capital of the LLP as on 31st March 2022 is KZT 29,441,800.

**(v) Leases:**

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

The Company at the inception 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) and low-value assets.

The cost of the right-of-use assets 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 is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, 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 is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

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 assets 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 consolidated statement of income.

For 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.

**(vi) Impairment:**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments classified as FVTOCI, lease receivables, trade receivables, lease receivables, contract assets and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables, contract assets and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

**(vii) Employee Benefits:**

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.

**(viii) Provisions:**

Provisions are recognised 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 recognised 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 recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(Amount in KZT, unless otherwise stated)

**(ix) 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 recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations 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.

The method for recognizing revenues and costs depends on the nature of the services rendered:

**a. Time and material contracts**

Revenues and costs relating to time and materials contracts are recognised as the related services are rendered.

**b. Fixed Price contracts**

*i) Fixed price development contracts*

Revenues from fixed-price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, are recognised using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company is not able to reasonably measure the progress of completion, revenue is recognised only to the extent of costs incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones. "Unbilled revenues" represent cost and earnings in excess of billings as at the end of the reporting period.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

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

*ii) Maintenance contracts*

Revenues related to fixed-price maintenance, testing and business process services are recognised based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognised as the service is performed using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the stage of completion.

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

*iii) Volume based contracts*

Revenues and costs are recognised as the related services are rendered.

**c. Products**

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

**d. Others**

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

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

Revenues are shown net of allowances/ returns, sales tax, value added tax, goods and services tax and applicable discounts and allowances.

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

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognised as an asset when the Company expects to recover these costs and amortised over the contract term.

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

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the Company evaluates whether the Company is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether the Company controls the good or service before it is transferred to the customer. If Company controls the good or service before it is transferred to the customer, Company is the principal; if not, the Company is the agent.

**A. Contract Asset and Liabilities**

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset.

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. The Company presents such receivables as part of unbilled receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in Ind AS 109 using expected credit loss method.

**B. Disaggregation of Revenues**

The table below presents disaggregated revenues from contracts with customers by business segment, customer location and contract-type. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

<b>Revenue</b>	<b>YE March 2022</b>	<b>YE March 2021</b>
Sales of services	43,837,020	223,281,003
Sales of products	-	-
	<u>43,837,020</u>	<u>223,281,003</u>
<b>Revenue by nature of contract</b>		
Fixed price and volume based	-	7,289,410
Time and materials	43,837,020	215,991,593
Products	-	-
	<u>43,837,020</u>	<u>223,281,003</u>

**(x) Finance Cost:**

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, 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 recognised in the statement of profit and loss using the effective interest method.

**(xi) Income tax:**

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

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

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

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

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

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

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

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

**(xii) 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.

The amendment to Ind AS 7, require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

**(xiii) Disposal of Assets**

The gain or loss arising on disposal or retirement of assets are recognised in the statement of profit and loss.

**Wipro Information Technology Kazakhstan**  
**Notes to the special purpose financial statements**

(Amount in KZT, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>3 Trade receivables</b>		
Considered good (unsecured)	2,686,896	30,966,900
Balance having significant increase in credit risk	-	-
Credit impaired	23,670,222	22,988,000
	<b>26,357,118</b>	<b>53,954,900</b>
Less: allowance for credit impaired	(23,441,551)	(22,988,000)
	<b>2,915,567</b>	<b>30,966,900</b>
<b>Movement in provision for doubtful debts</b>		
Opening balance	22,988,000	91,011,190
Addition during the year	453,551	-
Unused amounts reversed	-	68,023,190
Closing balance	<b>23,441,551</b>	<b>22,988,000</b>
<b>4 Cash and cash equivalents</b>		
Balances with bank in current accounts	467,585,043	774,649,344
	<b>467,585,043</b>	<b>774,649,344</b>
<b>5 Other assets</b>		
Prepaid expenses	-	753,410
Employee travel and other advances	387,500	775,000
Balance with government authorities	14,081,952	-
	<b>14,469,452</b>	<b>1,528,410</b>
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>6 Share capital</b>		
Charter capital	29,441,800	29,441,800
	<b>29,441,800</b>	<b>29,441,800</b>

The LLP does not have any authorised, issued and subscribed equity shares. Accordingly disclosures related to share capital are not applicable. Accordingly, no disclosures for earnings per share is made in these financial statements.

**a) Details of shareholders having more than 5% of the total paid up capital of the company**

Wipro Information Technology Netherlands BV (100% holding)	29,441,800	29,441,800
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**b) Reserves and surplus**

**Retained earnings**

Opening balance	(106,169,993)	(107,596,944)
Profit for the year	(44,135,420)	1,426,951
Closing balance	<b>(150,305,413)</b>	<b>(106,169,993)</b>

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**Wipro Information Technology Kazakhstan**  
**Notes to the special purpose financial statements**

(Amount in KZT, unless otherwise stated)

**7 Borrowings**

**Unsecured**

Loans from related parties	286,817,281	566,393,846
	<b>286,817,281</b>	<b>566,393,846</b>

Particulars	Terms	Repayment details	As at 31 March 2022	As at 31 March 2021
Wipro Romania BPO Service	LIBOR + 200 basis points	Repayable as per terms of	286,227,628	273,780,485
Wipro Cyprus Private Limited			-	205,784,002
Wipro Holdings Hungary Kft		agreement	589,653	86,829,359
			<b>286,817,281</b>	<b>566,393,846</b>

**8 Provisions**

**Non-current**

Compensated absences	1,272,930	1,231,601
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**Current**

Compensated absences	1,226,180	862,053
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**9 Trade payables**

Balances payable to related parties	297,501,480	256,143,282
Accrued expenses	8,620,851	51,613,376
	<b>306,122,331</b>	<b>307,756,658</b>

**10 Other financial liabilities**

Dues to employees	252,405	445,391
Other Balances payable to related parties	10,142,548	-
	<b>10,394,953</b>	<b>445,391</b>

**11 Other liabilities**

Statutory dues payable	-	355,954
	-	<b>355,954</b>

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**Wipro Information Technology Kazakhstan**  
**Notes to the special purpose financial statements**

(Amount in KZT, unless otherwise stated)

	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>12 Revenue from operations</b>		
Sale of services	43,837,020	223,281,003
	<b>43,837,020</b>	<b>223,281,003</b>
<b>13 Other income</b>		
Reversals of provision for doubtful debts written off	-	68,023,190
Other exchange differences, (net)	-	68,801,576
Liability written back	36,087,299	-
	<b>36,087,299</b>	<b>136,824,766</b>
<b>14 Employee benefits expense</b>		
Salaries and wages	73,113,693	97,393,363
Compensated absences	405,456	(2,436,358)
Staff welfare expenses	73,056	2,836
	<b>73,592,205</b>	<b>94,959,842</b>
<b>15 Finance cost</b>		
Interest on borrowings	7,589,312	12,200,891
	<b>7,589,312</b>	<b>12,200,891</b>
<b>16 Other expenses</b>		
Rates and taxes	145,878	18,315
Electricity	37,405	53,300
Travel and conveyance	13,329	56,411
Communication	332,591	378,027
Printing and stationery	-	22,940
Bank charges	284,029	241,478
Provision for doubtful debts	453,551	-
Other exchange differences, (net)	622,411	-
Business meeting expenses	-	80,725
Miscellaneous expenses	22,077	29,588
	<b>1,911,271</b>	<b>880,784</b>

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**Wipro Information Technology Kazakhstan**  
**Notes to the special purpose financial statements**

(Amount in KZT, unless otherwise stated)

**17 Related party disclosure**

**a Parties where control exists:**

<b>Name of the related party</b>	<b>Nature of relationship</b>
Wipro Limited	Ultimate holding company
Wipro Information Technology Netherlands BV	Holding company
Wipro Technologies S.RL	Fellow subsidiary
Wipro IT Services UK Societas (Formally known as Wipro Cyprus Pvt Ltd)	Fellow subsidiary
Wipro Holdings HungaryKft	Fellow subsidiary
Wipro Travel Services Ltd	Fellow subsidiary
Wipro Technologies GmbH	Fellow subsidiary

**b The Company has the following related party transactions:**

<b>Particulars</b>	<b>Relationship</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Other Reimbursements</b>			
Wipro Limited - Payable	Ultimate Holding Co	174,483	40,689
Wipro Limited - Receivable	Ultimate Holding Co	2,782,080	-
<b>Software development charges</b>			
Wipro Limited	Ultimate Holding Co	40,224,526	134,328,180
<b>Interest on loan</b>			
Wipro Technologies S.RL	Fellow Subsidiary	6,205,279	6,339,441
Wipro IT Services UK Societas	Fellow Subsidiary	588,172	4,692,055
Wipro Holdings HungaryKft	Fellow Subsidiary	795,861	1,169,395

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

<b>Particulars</b>	<b>Relationship</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Payables:</b>			
Wipro Limited	Ultimate Holding Co	300,467,284	263,880,243
Wipro Technologies GmbH	Fellow Subsidiary	7,176,743	6,373,924
<b>Borrowings:</b>			
Wipro Technologies S.RL	Fellow Subsidiary	286,227,628	273,780,485
Wipro Cyprus Pvt Ltd	Fellow Subsidiary	-	205,784,002
Wipro Holdings HungaryKft	Fellow Subsidiary	589,653	86,829,359

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**Wipro Information Technology Kazakhstan**  
**Notes to the special purpose financial statements**

(Amount in KZT, unless otherwise stated)

**18 Effective Tax Rate (ETR) reconciliation**

	<b>As at</b>	<b>As at</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	-	20,073,712
Deferred tax	-	-
	<b>-</b>	<b>20,073,712</b>

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:

	<b>As at</b>	<b>As at</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
Profit before income tax	(61,270,100)	100,368,560
Enacted tax rates in Kazakhstan (%)	20.00%	20.00%
Computed expected tax expense	-	20,073,712
Others	-	-
<b>Tax expense as per financials</b>	<b>-</b>	<b>20,073,712</b>

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**Wipro Information Technology Kazakhstan**  
**Notes to the special purpose financial statements**

(Amount in KZT, unless otherwise stated)

**19 Financial instruments**

**Financial instruments by category**

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows :

Particulars	Note	FVT PL	FVT OCI	Amortized cost	Total carrying value	Total fair value
<b>Financial assets :</b>						
Trade receivables	3	-	-	2,915,567	2,915,567	2,915,567
Unbilled revenues		-	-	-	-	-
Cash and cash equivalents	4	-	-	467,585,043	467,585,043	467,585,043
<b>Total financial assets</b>		-	-	<b>470,500,610</b>	<b>470,500,610</b>	<b>470,500,610</b>
<b>Financial liabilities :</b>						
Borrowings	7	-	-	286,817,281	286,817,281	286,817,281
Trade payables	9	-	-	306,122,331	306,122,331	306,122,331
Other financial liabilities	10	-	-	10,394,953	10,394,953	10,394,953
<b>Total financial liabilities</b>		-	-	<b>603,334,565</b>	<b>603,334,566</b>	<b>603,334,566</b>

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows :

Particulars	Note	FVT PL	FVT OCI	Amortized cost	Total carrying value	Total fair value
<b>Financial assets :</b>						
Trade receivables	3	-	-	30,966,900	30,966,900	30,966,900
Unbilled revenues		-	-	10,161,457	10,161,457	10,161,457
Cash and cash equivalents	4	-	-	774,649,344	774,649,344	774,649,344
<b>Total financial assets</b>		-	-	<b>815,777,701</b>	<b>815,777,701</b>	<b>815,777,701</b>
<b>Financial liabilities :</b>						
Borrowings	7	-	-	566,393,846	566,393,846	566,393,846
Trade payables	9	-	-	307,756,658	307,756,658	307,756,658
Other financial liabilities	10	-	-	445,391	445,391	445,391
<b>Total financial liabilities</b>		-	-	<b>874,595,895</b>	<b>874,595,895</b>	<b>874,595,895</b>

**Notes to financial instruments**

- i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

**Financial instruments (continued)**

**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 Levels are defined based on the observability of significant inputs to the measurement, as follows:

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 prices).

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

**Wipro Information Technology Kazakhstan**  
**Notes to the special purpose financial statements**

(Amount in KZT, unless otherwise stated)

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**20 Capital management**

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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

- Equity includes equity share capital and all other equity components, which attributable to the equity holders
- Net Debt includes borrowings, less cash and cash equivalents.

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Borrowings	Financial liability	286,817,281	566,393,846
Less: Cash and cash equivalents	Financial asset	(467,585,043)	(774,649,344)
<b>Net debt</b>		<b>(180,767,762)</b>	<b>(208,255,498)</b>
Equity share capital	Equity	29,441,800	29,441,800
Other equity	Equity	(150,305,413)	(106,169,993)
<b>Total capital</b>		<b>(120,863,613)</b>	<b>(76,728,193)</b>

**Gearing ratio**

**1.50**

**2.71**

In order to achieve the objective of maximising shareholders value, the Company's capital management, amongst other things, aims to manage its capital structure and makes adjustments in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

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**Wipro Information Technology Kazakhstan**  
**Notes to the special purpose financial statements**

(Amount in KZT, unless otherwise stated)

**21 Financial risk management**

The Company’s activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>
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 KZT	Sensitivity analysis

The Company’s risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

**A Credit risk**

Credit risk arises from cash and cash equivalents, trade receivables 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.

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.

There is a concentration of credit risk, since more than 50% of account receivables is with one customer however this is continuously monitored by managing debtors ageing and analysis of cost effectiveness of insuring receivables and general credit collection procedure

**B 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 of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The Company is exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities.

**C 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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**Wipro Information Technology Kazakhstan**  
**Notes to the special purpose financial statements**

(Amount in KZT, unless otherwise stated)

**Financial risk management (continued)**

**D Liquidity risk (continued)**

**Maturities of financial liabilities**

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<b>31-Mar-22</b>	<b>Less than 1 year</b>	<b>1 year to 5 years</b>	<b>5 years and above</b>	<b>Total</b>
<b>Non-derivatives</b>				
Borrowings	-	286,817,281	-	286,817,281
Trade payables	306,122,331	-	-	306,122,331
Other financial liabilities	10,394,953	-	-	10,394,953
<b>Total</b>	<b>316,517,284</b>	<b>286,817,281</b>	<b>-</b>	<b>603,334,566</b>

<b>31-Mar-21</b>	<b>Less than 1 year</b>	<b>1 year to 5 years</b>	<b>5 years and above</b>	<b>Total</b>
<b>Non-derivatives</b>				
Borrowings	-	566,393,846	-	566,393,846
Trade payables	307,756,658	-	-	307,756,658
Other financial liabilities	445,391	-	-	445,391
<b>Total</b>	<b>308,202,049</b>	<b>566,393,846</b>	<b>-</b>	<b>874,595,895</b>

**E Interest rate risk**

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

<b>Particulars</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Variable rate borrowing	286,817,281	566,393,846
Fixed rate borrowing	-	-
	<b>286,817,281</b>	<b>566,393,846</b>

*(This space has been intentionally left blank)*

**Wipro Information Technology Kazakhstan**  
**Notes to the special purpose financial statements**

(Amount in KZT, unless otherwise stated)

**22 Defined benefit plans- Compensated absences**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise 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 recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

**Financial assumptions**

<b>Particulars</b>	<b>As at March 2022</b>	<b>As at March 2021</b>
Discount rate (per annum)	3.766%	1.233%
Salary growth rate (per annum)	3% for the first year and 2% thereafter	2.000%

**23 Events occurring after the reporting date**

No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorization of these standalone financial statements.

As per our reports attached  
**For PKF Sridhar and Santhanam LLP**

Chartered accountants

Sd/-  
**Seethalakshmi M**  
Partner  
Membership No: 208545

Bangalore  
20 June 2022

**For and on behalf of the Board of Directors of  
Wipro Information Technology Kazakhstan LLP**

Sd/-  
**Antonina Romanteyeva**  
Director

Kazakhstan  
20 June 2022