Financial Statements and Independent Auditor's Report

Wipro IT Services SRL

31 March 2020

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro IT Services SRL

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wipro IT Services SRL ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act') of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the *financial* statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

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

Our opinion is not modified in respect of this matter

Restriction on distribution or use

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

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Sd/-
M Seethalakshmi
Partner
Membership No. 208545

Place of Signature: Bengaluru
Date: 29th May 2020

Wipro IT Services SRL
Balance Sheet as at 31 March 2020
(Amount in RON, unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Current assets			
Financial assets			
Cash & Cash equivalents	3	19,46,349	40,32,582
Trade Receivables	4	30,49,823	-
Other current assets	5	4,40,666	15,256
		54,36,838	**40,47,838**
TOTAL ASSETS		**54,36,838**	**40,47,838**
EQUITY AND LIABILITIES			
Equity			
Share capital	6	45,200	200
Other equity		11,83,859	(16,74,476)
		12,29,059	**(16,74,276)**
Non-Current Liabilities			
Provisions	7	43,140	16,770
		43,140	**16,770**
Current liabilities			
Financial liabilities			
Borrowings	8	31,20,373	51,95,600
Trade payables	9		
-Dues to micro and small enterprise		-	-
-Dues to others		2,48,272	45,233
Other financial liabilities	10	7,58,068	4,52,890
Provisions	11	37,926	11,621
		41,64,638	**57,05,344**
TOTAL EQUITY AND LIABILITIES		**54,36,838**	**40,47,838**

Summary of significant accounting policies 2

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

As per our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No: 208545
Place: Bengaluru
Date: 29th May 2020

For and on behalf of the Board of Directors
Wipro IT Services SRL

Sd/-
Vivek Bakshi
Director

Wipro IT Services SRL

Statement of Income for the year ended 31 March 2020

(Amount in RON, unless otherwise stated)

	Notes	Year ended 31 Mar 2020	1 Nov 2018 to 31 Mar 2019
REVENUE			
Revenue from Operation	12	1,10,53,259	-
Other Income	13	56,954	-
		1,11,10,213	-
EXPENSES			
Employee Cost	14	69,76,532	16,23,991
Finance costs	15	2,53,665	32,486
Other expenses	16	4,54,538	18,000
		76,84,735	**16,74,476**
Profit / (Loss) before tax		**34,25,478**	**(16,74,476)**
Current tax		5,67,142	-
Deferred tax		-	-
Tax expense		**5,67,142**	**-**
Profit / (Loss) after tax		**28,58,336**	**(16,74,476)**
Other Comprehensive Income		-	-
Total Other Comprehensive Income / (Loss) for the year, net of tax		**28,58,336**	**(16,74,476)**
Earnings / (Loss) per equity share of par value RON 10 each			
Basic and diluted	17	632	(83,724)
Summary of significant accounting policies	2		

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

As per our report of even date
For PKF Sridhar & Santhanam LLP
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Seethalakshmi M
Partner
Membership No: 208545
Place: Bengaluru
Date: 29th May 2020

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Wipro IT Services SRL

Sd/-
Vivek Bakshi
Director

Wipro IT Services SRL
Cash Flow Statement for the year ended 31 March 2020

(Amount in RON, unless otherwise stated)

	Year ended 31 March 2020	1 Nov 2018 to 31 Mar 2019
Cash flow from operating activities		
Profit / (Loss) after tax	28,58,336	(16,74,476)
Adjustments to reconcile net profit/(loss) to net cash used in operating activities:		
Tax expense	5,67,142	-
Interest expense	2,53,665	
Working capital changes:		
Decrease/ (Increase) in Current Assets	(93,772)	(15,256)
Decrease/ (Increase) in Trade receivables	(30,49,823)	-
Increase/ (Decrease) in Non current liabilites	26,370	16,770
Increase/ (Decrease) in trade payable	2,03,039	45,233
Increase/ (Decrease) in Other financial Liabilities	3,05,178	4,52,890
Increase/ (Decrease) in Other Current Liabilities & provisions	26,305	11,621
Net cash generated from operations	**10,96,440**	**(11,63,218)**
Direct taxes (paid)	(8,98,780)	-
Net cash (used in) by operating activities (A)	**1,97,660**	**(11,63,218)**
Net cash (used in) by investing activities (B)	**-**	**-**
Cash flows from financing activities:		
Share Capital Contribution	45,000	200
Interest paid	(2,53,665)	-
Borrowings availed/(repaid)	(20,75,227)	51,95,600
Net cash (used in) by financing activities (C)	**(22,83,892)**	**51,95,800**
Net decrease in cash and Cash equivalents during the period (A)	**(20,86,232)**	**40,32,581**
Cash and cash equivalents at the beginning of the period	**40,32,581**	**-**
Cash and cash equivalents at the end of the year	**19,46,349**	**40,32,581**

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

As per our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

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Seethalakshmi M
Partner
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Place: Bengaluru
Date: 29th May 2020

For and on behalf of the Board of Directors
Wipro IT Services SRL

Sd/-
Vivek Bakshi
Director

Wipro IT Services SRL

Statement of Changes in Equity for the year ended 31 March 2020

(Amount in RON, unless otherwise stated)

A) Share Capital

Equity share capital	**Balance as at 01 April 2019**	**Changes in equity share capital during the year**	**Balance as at 31 March 2020**
Equity share of par value RON 10 each	200	45,000	45,200

Equity share capital	**Balance as at 1 November 2018**	**Changes in equity share capital during the period**	**Balance as at 31 March 2019**
Equity share of par value RON 10 each	-	200	200

B) Other equity

Particulars	**Retained earnings**	**Total**
Balance as at 31 March 2019	(16,74,476)	(16,74,476)
Profit/(Loss) for the year	28,58,336	28,58,336
Other Comprehensive Income	-	-
Balance as at 31 March 2020	**11,83,859**	**11,83,859**
Balance as at 1 November 2018	-	-
Profit/(Loss) for the period	(16,74,476)	(16,74,476)
Other Comprehensive Income	-	-
Balance as at 31 March 2019	**(16,74,476)**	**(16,74,476)**

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

As per our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No: 208545
Place: Bengaluru
Date: 29th May 2020

For and on behalf of the Board of Directors
Wipro IT Services SRL

Sd/-
Vivek Bakshi
Director

1. The Company overview

Wipro IT Services SRL ("the Company") is a 99.98% owned subsidiary of Wipro Holdings (UK) Limited, incorporated and domiciled in Romania. The Company is provider of IT Services, including Business Process Services (BPS) and IT Products. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

2. A. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and the relevant amended rules issued there after.

The company has been incorporated on Ist November 2018. Current Year financial is for 12 months whereas last year financial is for 4 months.

Accounting policies have been applied consistently to all periods presented in these financial statements.

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

The functional currency of the Company is RON.

(ii) 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.

(iii) 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 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, recognised revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

b) **Income taxes:** The tax jurisdictions for the Company is Romania. 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 obligation 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.

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.

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

g) **Leases**: Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee

Estimation uncertainty relating to the global health pandemic on COVID-19

h) In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these standalone financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

B- Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in RON, which is the functional currency of the Company.

(ii) Financial instruments

a) Non-derivative financial instruments:
Non derivative financial instruments consist of:

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

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

A. Cash and cash equivalents

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

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

B. Other financial assets:

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

C. Trade and other payables

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

iii) 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) Impairment

A) Financial assets

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 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.

(v) 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.

(vi) Revenue

The Company derives revenue primarily from software development and being recognized on T&M basis.

(vii) 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.

(viii) Cash flow statement

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

(ix) Foreign currency transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates prevailing on the date of transaction. Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The exchange difference between the rate at which foreign currency transactions are accounted and the rate at which they are re-measured/ realized is recognized in the Statement of Income.

(x) Leases

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

The Company as a lessee

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

a) the right to 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 commencement of the lease contract recognises 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 asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss.

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

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.

Lease payments are classified as Cash used in Financing activities.

The Company as a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

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

Income from Sub-leasing of low value leased assets are recognized on net basis.

(xi) Equity

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

Retained Earnings Comprises of the companies undistributed earnings after taxes

(xxii) Ind AS 116 – Leases

On April 1, 2019, the Company has adopted Ind AS 116, Leases, applied to all lease contracts outstanding as at March 31, 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 expedient available on transition to Ind AS 116, (a) not to reassess whether a contract is or contains a lease, accordingly, the definition of lease in accordance with Ind AS 17 and SIC 27 will continue to be applied to those leases entered or modified 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 the lease liability at 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) excluded the initial direct costs from measurement of the RoU asset; (d) not to recognise 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.

Rent expense amounting to RON 16,872 pertaining to leases of low-value assets has been included under other expenses in Statement of Income for the year ended 31 March 2020

The comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted

Recent Indian Accounting Standards (Ind AS)

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 SRL

Summary of significant accounting policies and other explanatory information

(Amount in RON, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
	Current Assets		
3	**Cash & Cash Equivalents**		
	Current		
	Balance with Bank	19,46,349	40,32,582
		19,46,349	**40,32,582**

		As at 31 March 2020	As at 31 March 2019
4	**Trade receivables**		
	Inter Company receivables, net	30,49,823	-
		30,49,823	**-**

		As at 31 March 2020	As at 31 March 2019
5	**Other Current Assets**		
	Prepaid expenses	-	6,767
	Employee Travel and Other Advances	11,376	-
	Advance income tax, net of provision for tax	3,31,638	-
	Balance with Government Authorities	58,926	2,139
	Medical Leave Contribution	38,727	6,350
		4,40,666	**15,256**

		As at 31 March 2020	As at 31 March 2019
6	**Share capital**		
	Authorised capital		
	4520 Equity share of par value RON 10 each	45,200	200
		45,200	**200**
	Issued, subscribed and paid-up capital		
	4520 Equity share of par value RON 10 each	45,200	200
		45,200	**200**

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

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Number of common stock outstanding as at beginning of the year	20	200	-	-
Number of common stock issued during the year	4,500	45,000	20	200
Number/amount of common stock outstanding as at end of the year	**4,520**	**45,200**	**20**	**200**

b) Details of shares held

Name of shareholders	As at 31 March 2020	As at 31 March 2019
Wipro Holdings (UK) Limited	99.98%	95.00%
Vivek Bakshi	0.02%	5.00%
Total	**100%**	**100%**

	As at 31 March 2020	As at 31 March 2019
7 Provision		
Non Current		
Employee benefit obligations	43,140	16,770
	43,140	**16,770**

	As at 31 March 2020	As at 31 March 2019
8 Borrowings		
Unsecured		
Loans and advances from related parties (refer note 18)	31,20,373	51,95,600
	31,20,373	**51,95,600**

	As at 31 March 2020	As at 31 March 2019
9 Trade payables		
Dues to micro small enterprise	-	-
Dues to others	2,48,272	45,233
	2,48,272	**45,233**
10 Other financial liabilities		
Current		
Employee dues	3,52,480	3,68,800
VAT Payable	2,46,528	-
Statutory liabilites	-	150
Other Payables	97,681	51,454
Interest accrued but not due	61,378	32,486
	7,58,068	**4,52,890**

	As at 31 March 2020	As at 31 March 2019
11 Provisions		
Employee benefit obligations	37,926	11,621
	37,926	**11,621**

		Year ended 31 March 2020	1 Nov 2018 to 31 Mar 2019
12	**Revenue**		
	Revenue from Operation	1,10,53,259	-
		1,10,53,259	**-**

		Year ended 31 March 2020	1 Nov 2018 to 31 Mar 2019
13	**Other Income**		
	Interest income	7,053	-
	Gain on foreign exchange adjustments, net	49,900	-
		56,954	**-**

		Year ended 31 March 2020	1 Nov 2018 to 31 Mar 2019
14	**Employee Cost**		
	Salaries and wages	65,83,062	16,07,057
	Staff welfare	3,93,469	16,933
		69,76,532	**16,23,991**

		Year ended 31 March 2020	1 Nov 2018 to 31 Mar 2019
15	**Finance cost**		
	Interest expense	2,53,665	32,486
		2,53,665	**32,486**

		Year ended 31 March 2020	1 Nov 2018 to 31 Mar 2019
16	**Other expenses**		
	Legal and professional charges	3,74,966	4,043
	Insurance	15,530	2,256
	Loss on foreign exchange adjustments, net	-	16
	Rent	16,872	11,093
	Rates & Taxes	11,473	-
	Auditors Fees	3,529	-
	Bank Charges	2,712	591
	Other Expenses	29,455	-
		4,54,538	**18,000**

		Year ended 31 March 2020	1 Nov 2018 to 31 Mar 2019
17	**Earning per share (EPS)**		
	Net profit/(loss) after tax attributable to the equity shareholders	28,58,336	(16,74,476)
	Weighted average number of equity shares - for basic and diluted EPS	4,520	20
	Earnings per share - Basic and diluted	632	(83,724)

Wipro IT Services SRL
Summary of significant accounting policies and other explanatory information
(Amount in RON, unless otherwise stated)

18 Borrowings

Sl.No	Particulars		As at 31 March 2020	As at 31 March 2019
	Loans and advances from related parties			
1	Wipro Holdings (UK) Ltd.		31,20,373	51,95,600
		Total	**31,20,373**	**51,95,600**

19 Related party disclosure

A Parties where control exists:

Name of the related party	**Nature of relationship**
Ultimate Holding Company	Wipro Limited
Holding company	Wipro Holdings (UK) Ltd
Wipro Technologies SRL	Fellow Subsidiary

B The Company has the following related party transactions:

Particulars	Relationship	Year ended 31 March 2020	1 Nov 2018 to 31 Mar 2019
Interest expense			
Wipro Holdings (UK) Ltd	Holding Company	2,53,665	32,486
Loan (repaid)/availed			
Wipro Holdings (UK) Ltd	Holding Company	(20,75,227)	51,95,600
Sale of Servies			
Wipro Technologies SRL	Fellow Subsidiary	1,10,53,259	-
Interest repaid			
Wipro Holdings (UK) Ltd	Holding Company	2,24,773	-

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

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
Borrowings (including accrued interest)			
Wipro Holding (UK) Ltd	Holding Company	31,81,751	52,28,086
Receivables			
Wipro Technologies SRL	Fellow Subsidiary	30,49,823	-

20 Employee Benefit

Particulars	As at 31 March 2020	As at 31 March 2019
(A) Defined Benefits Plans		
Compensated absences for Employees	81,066	28,391
Actuarial assumptions		
Discount rate (per annum)	4.34%	4.40%
Rate of increase in Salary	2.00%	2.00%
Expected average remaining working lives of employees (years)	29.71	31.62

Demographic Assumptions:-

Withdrawal rates, based on age: (per annum)	As on 31-Mar-2019			As on 31-Mar-2020		
	Band B3 and Below	Band C	Band D and above	Band B3 and Below	Band C	Band D and above
Upto 20 years	32.78%	33.60%	26.43%	39.07%	36.00%	27.97%
21 to 30 years	32.78%	33.60%	26.43%	39.07%	36.00%	27.97%
31 to 35 years	34.71%	33.60%	26.43%	39.03%	36.00%	27.97%
36 to 45 years	29.29%	33.60%	26.43%	31.92%	36.00%	27.97%
46 to 50 years	29.29%	32.22%	26.43%	31.92%	33.19%	27.97%
51 to 55 years	29.29%	32.22%	26.43%	31.92%	33.19%	27.97%
Above 56 years	29.29%	32.22%	26.43%	31.92%	33.19%	27.97%

Wipro IT Services SRL
Summary of significant accounting policies and other explanatory information
(Amount in RON, unless otherwise stated)

Sensitivity Analysis

Particulars	31-Mar-19		31-Mar-20	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	29,080	27,702	82,766	79,366
(% change compared to base due to sensitivity)	*2.4%*	*-2.4%*	*2.1%*	*-2.1%*
Salary Growth Rate (- / + 1%)	27,725	29,077	79,442	82,728
(% change compared to base due to sensitivity)	*-2.3%*	*2.4%*	*-2.0%*	*2.1%*
Attrition Rate (- / + 50%)	27,788	28,677	80,502	81,344
(% change compared to base due to sensitivity)	*-2.1%*	*1.0%*	*-0.7%*	*0.3%*
Mortality Rate (- / + 10%)	28,390	28,391	81,065	81,066
(% change compared to base due to sensitivity)	*0.0%*	*0.0%*	*0.0%*	*0.0%*

Maturity Profile of Defined Benefit Obligation

Expected cash flows over the next (valued on undiscounted basis):	Romanian leu (RON)
1 year	37,926
2 to 5 years	45,701
6 to 10 years	5,360
More than 10 years	373

Movement in Provision

Particulars	As at 31 March 2020	As at 31 March 2019
Defined Benefits Plans		
Opening Balance	28,391	-
Addition during the year	52,675	28,391
Closing Balance	**81,066**	**28,391**

21 Financial instruments
Financial instruments by category

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Cash & Cash equivalents	3	-	-	19,46,349	19,46,349	19,46,349
Trade recevables	4	-	-	30,49,823	30,49,823	30,49,823
Total financial assets		**-**	**-**	**49,96,172**	**49,96,172**	**49,96,172**
Financial liabilities :						
Borrowings	8	-	-	31,20,373	31,20,373	31,20,373
Trade payables	9	-	-	2,48,272	2,48,272	2,48,272
Other financial liabilities	10	-	-	7,58,068	7,58,068	7,58,068
Total financial liabilities		-	-	**41,26,712**	**41,26,712**	**41,26,712**

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Cash & Cash equivalents	3	-	-	40,32,582	40,32,582	40,32,582
Trade recevables	4	-	-	-	-	-
Total financial assets		**-**	**-**	**40,32,582.07**	**40,32,582.07**	**40,32,582.07**
Financial liabilities :						
Borrowings	8	-	-	51,95,600	51,95,600	51,95,600
Trade payables	9	-	-	45,233	45,233	45,233
Other financial liabilities	10	-	-	4,52,890	4,52,890	4,52,890
Total financial liabilities		-	-	**56,93,723**	**56,93,723**	**56,93,723**

Notes to financial instruments

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

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

21 Financial instruments (cont'd)

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 or liabilities.

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

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

The following table presents fair value hierarchy of assets measured at fair value on a recurring basis:

Particulars	As at March 31, 2020				As at March 31, 2019			
	Total	Fair Value measurements at reporting date using			Total	Fair Value measurements at reporting date using		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Assets	-	-	-	-	-	-	-	-

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.

22 Financial risk management

The Company manages market risk through a corporate treasury department, which evaluates and exercises independent control over the entire process of market risk management. The corporate treasury department recommends risk management objectives and policies, which are approved by senior management and Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

A Credit risk

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. Individual risk limits are set accordingly. The company has only one customer which contributes 100% of revenue and has no other significant customer base. This only customer is one of fellow subsidiary of ultimate holding company and hence, we dont see significant concentration of credit risk.

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.

B Liquidity risk

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’s corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company’s net liquidity position through rolling forecasts on the basis of expected cash flows. As of March 31, 2020, cash and cash equivalents are held with major banks and financial institutions.

Wipro IT Services SRL

Summary of significant accounting policies and other explanatory information

(Amount in RON, unless otherwise stated)

22 Financial risk management (cont'd)

B Liquidity risk (cont'd)

Maturities of financial liabilities

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

31 March 2020	**Less than 1 year**	**1 year to 5 years**	**5 years and above**	**Total**
Non-derivatives				
Borrowings	31,20,373		-	31,20,373
Trade payables	2,48,272	-	-	2,48,272
Other financial liabilities	7,58,068	-	-	7,58,068
Total	**41,26,712**	**-**	**-**	**41,26,712**

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

31 March 2019	**Less than 1 year**	**1 year to 5 years**	**5 years and above**	**Total**
Non-derivatives				
Borrowings	51,95,600		-	51,95,600
Trade payables	45,233	-	-	45,233
Other financial liabilities	4,52,890	-	-	4,52,890
Total	**56,93,723**	**-**	**-**	**56,93,723**

C Interest rate risk

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

Particulars	**31 March 2020**	**31 March 2019**
Variable rate borrowing	31,20,373	51,95,600
Fixed rate borrowing	-	-
	31,20,373	**51,95,600**

Interest rate risk

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

Particulars	**31-Mar-20**	**31-Mar-19**
Interest rates – increase by 50 basis points (50 bps)	(15,602)	(25,978)
Interest rates – decrease by 50 basis points (50 bps)	15,602	25,978

D Foreign currency risk

The Company operates internationally and a major portion of its business is transacted in USD. Consequently, the Company is exposed to foreign exchange risk through receiving payment for sales . The exchange rate risk primarily arises from foreign exchange revenue and receivables. The Company follows established risk management policie to mitigate this risk.

As at March 31, 2020, 1% change in spot exchangerate in RON with USD would result in approximately RON 30,591 in Statement of Income for the year ended 31 March 2020

23 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 plus net debt as below:
- Equity includes equity share capital and all other equity components, which attributable to the equity holders
- Net Debt includes interest bearing borrowings and interest accrued on them

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Borrowings	7	31,20,373	51,95,600
Interest accrued		61,378	32,486
Less: Cash & Cash equivalents		19,46,349	40,32,582
Net Debt		**12,35,402**	**11,95,504**
Equity share capital	Equity	45,200	200
Other equity	Equity	11,83,859	(16,74,476)
Total equity		**12,29,059**	**(16,74,276)**
Total Capital		**24,64,462**	**(4,78,772)**
Gearing Ratio (as %age of net debt to total capital)		0.50	(2.50)

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 itsbusiness 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.

Wipro IT Services SRL
Summary of significant accounting policies and other explanatory information
(Amount in RON, unless otherwise stated)

24 Effective Tax Rate (ETR) Reconciliation

Particulars	Year ended 31 March 2020	1 Nov 2018 to 31 Mar 2019
Profit Before Taxtion	34,25,478	(16,74,476)
Enacted Income Tax Rate	16%	16%
Computed Expected Tax Expenses	5,48,077	(2,67,916)
Effect of		
Expenses Disallowed for Tax Purpose	19,066	
Others Net		2,67,916
Adjustments for current tax of prior periods		
Income tax expense	**5,67,142**	**-**

25 Segment information

The Company is engaged in promoting and creating new customers for the holding company and providing software

26 Events occurring after the reporting date

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

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

As per our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No: 208545
Place: Bengaluru
Date: 29th May 2020

For and on behalf of the Board of Directors
Wipro IT Services SRL

Sd/-
Vivek Bakshi
Director