Financial Statements and Independent Auditor's Report

Wipro Solutions Canada Limited

31 March 2020

Sensitivity: Internal Restricted

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro Solutions Canada Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wipro Solutions Canada Limited ("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: Bangalore
Date: 29th May 2020

Wipro Solutions Canada Limited
Balance Sheet as at 31 March 2020
(Amount in CAD, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	20,663,641	21,992,447
ROU Asset	4(a)	2,324,660	
Capital work in progress		-	129,722
Financial assets			
Other financial assets	5	-	-
Deferred tax assets	24	3,750,295	3,299,465
Non Current tax asset	7	14,917,514	-
Other non-current assets	7	8,146,532	6,646,128
		49,802,641	**32,067,762**
Current assets			
Financial assets			
Trade receivables	8	33,347,577	24,351,330
Cash and cash equivalents	9	8,249,147	16,506,388
Unbilled revenues		5,449,640	5,562,576
Loans and advances	6	32,257	509,825
Other financial assets	5	-	-
Other current assets	7	5,574,737	10,643,019
		52,653,358	**57,573,138**
		102,455,999	**89,640,900**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	32,000,100	32,000,100
Other equity		(101,185,709)	(123,276,020)
		(69,185,609)	**(91,275,920)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	11	2,939,870	17,474,106
Other financial liabilities	14	-	-
Non Current tax liabilities (net)		15,004,528	141,168
Provisions	12	26,863	452,068
Deferred tax liabilities	24	24,142	-
		17,995,403	**18,067,342**
Current liabilities			
Financial liabilities			
Borrowings	11	106,500,796	91,041,783
Trade payables	13		
Total outstanding dues of micro and small entreprises		-	-
Total outstanding dues other than above		27,459,295.00	50,777,471
Other financial liabilities	14	10,330,303	12,396,763
Unearned revenues		8,267,454	6,512,492
Other current liabilities	15	633,808	1,074,403
Current tax liabilities (net)		-	729,927
Provisions	12	454,549	316,638
		153,646,205	**162,849,476**
		102,455,999	**89,640,900**

Summary of significant accounting policies and other explanatory information 2-3

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

As per Our reports attached

For PKF Sridhar & Santhanam LLP	**For and on behalf of the Board of Directors**	
Chartered Accountants	**of Wipro Solutions Canada Limited**	
Firm Registration No: 003990S/S200018		
Sd/-	Sd/-	Sd/-
Seethalakshmi M	**Feroz Ahmed**	**Ashish Chawla**
Partner	Director	Director
Membership No: 208545		
Place: Bengaluru	Place:	Place:
Date: 29th May 2020		

Wipro Solutions Canada Limited
Statement of Profit and Loss for the year ended 31 March 2020
(Amount in CAD, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
REVENUE			
Revenue from operations	16	151,328,671	149,643,594
Other income	17	472,082	2,237,645
		151,800,753	**151,881,239**
EXPENSES			
Employee benefits expense	18	17,315,514	25,686,254
Finance costs	19	3,250,779	4,217,774
Depreciation	4	13,113,150	12,894,384
Other expenses	20	93,560,045	102,386,025
		127,239,487	**145,184,438**
Profit before tax		**24,561,266**	**6,696,801**
Tax expense			
Current tax		2,594,945	2,272,427
Deferred tax		(382,958)	(5,055,703)
Total tax expense		**2,211,986**	**(2,783,277)**
Net profit/(loss) for the year		**22,349,280**	**9,480,078**
Other Comprehensive Income			
Items that will not be reclassed to statement of profit or loss (net of tax)			
Re-measurement of gains on defined benefit plans		14,528	20,287
Total Other Comprehensive Income for the year (net of tax)		**14,528**	**20,287**
Total comprehensive income for the year		**22,363,808**	**9,500,365**
Earnings per equity share	21		
Equity shares of par value CAD 1			
Basic and diluted		0.73	0.30
Summary of significant accounting policies and other explanatory information	2-3		

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As per Our reports attached

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
of Wipro Solutions Canada Limited

Sd/-
Feroz Ahmed
Director
Place:

Sd/-
Ashish Chawla
Director
Place:

Wipro Solutions Canada Limited
Cash Flow Statement for the year ended 31 March 2020

(Amount in CAD, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
Cash flow from operating activities			
Profit before tax		**24,561,266**	**6,696,801**
Adjustments			
Depreciation		13,113,150	12,894,384
Finance cost		3,250,779	4,217,774
Provision for doubtful debts		-	(1,972,081)
Provision no longer required written back		(77,327)	-
Unrealised exchange difference		(133,147)	510,264
Profit on sale of disposal of property, plant and equipment		(170,447)	-
Interest income		(224,308)	(265,564)
Operating profit before working capital changes		**40,319,966**	**22,081,578**
Adjustments for working capital changes:			
Decrease / (increase) in trade receivables and unbilled revenue		(8,883,310)	10,264,887
Decrease /(increase) in other current assets		3,567,878	6,245,133
Increase in trade payables and unearned revenues		(21,563,214)	22,071,924
(Decrease) / increase in provisions and other liabilities		(2,794,349)	100,126
Cash generated from operations		**10,646,972**	**60,763,648**
Direct taxes paid		(1,210,770)	646,327
Net cash generated from operating activities	**(A)**	**9,436,202**	**61,409,975**
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(10,842,322)	(10,353,856)
Proceeds from sale of property, plant and equipment		176,037	737
Capital work in progress			
Provision no longer required written back			
Interest received		224,308	265,564
Net cash (used in) investing activities	**(B)**	**(10,441,977)**	**(10,087,555)**
Cash flows from financing activities:			
Interest paid on borrowings		(3,250,779)	(3,597,589)
(Repayment) of borrowings / loans		(4,000,686)	(32,388,263)
Net cash (used in) financing activities	**(C)**	**(7,251,466)**	**(35,985,853)**
Net increase in cash and cash equivalents during the period (A+B+C)		**(8,257,241)**	**15,336,567**
Cash and cash equivalents at the beginning of the period		16,506,388	1,169,818
Cash and cash equivalents at the end of the period (refer note 9)		**8,249,147**	**16,506,385**
Components of cash and cash equivalents (note 9)		8,249,147	16,506,385
Balances with banks			
in current accounts		8,249,147	16,506,388
In deposit accounts		-	-
		8,249,147	**16,506,388**
		-	-

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

As per Our reports attached

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

For and on behalf of the Board of Directors
of Wipro Solutions Canada Limited

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

Sd/-
Feroz Ahmed
Director
Place:

Sd/-
Ashish Chawla
Director
Place:

Wipro Solutions Canada Limited
Statement of Changes in Equity for the year ended 31 March 2020
(Amount in CAD, unless otherwise stated)

Equity share capital	Balance as at 01 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018	Changes in equity share capital during the year	Balance as at 31 March 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
Equity share capital of Face value CAD 1	32,000,100	-	32,000,100	-	32,000,100	-	32,000,100
	32,000,100	**-**	**32,000,100**	**-**	**32,000,100**	**-**	**32,000,100**

Other equity

Particulars	**Retained earnings**	**Other comprehensive income**	**Total**
Balance as at 1 April 2017	**(131,181,955)**	**307,907**	**(130,874,048)**
Profit for the year	(66,445)	-	(66,445)
Other comprehensive income for the year	-	223,058	223,058
Balance as at 31 March 2018	**(131,248,400)**	**530,965**	**(130,717,435)**
Adjustment on adoption of IND AS 115	(2,058,952)	-	(2,058,952)
Profit for the year	9,480,081	-	9,480,081
Other comprehensive income for the year	-	20,287	20,287
Balance as at 31 March 2019	**(123,827,272)**	**551,252**	**(123,276,020)**
Adjustment on adoption of IND AS 116	(273,497)		
Profit for the year	22,349,280		
Other comprehensive income for the year		14,528	
Balance as at 31 March 2020	**(101,751,489)**	**565,780**	**(101,185,709)**

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

As per Our reports attached

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

For and on behalf of the Board of Directors
of Wipro Solutions Canada Limited

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

Sd/-
Feroz Ahmed
Director
Place:

Sd/-
Ashish Chawla
Director
Place:

1 The Company Overview

Wipro Solutions Canada Limited ("the Company") is a subsidiary of Wipro Information Technology Netherlands BV, incorporated and domiciled in Canada. It is engaged in the business of designing microprocessors, related technology, software, and sell design development systems (soft IP), to enhance the performance, cost-effectiveness and power-efficiency of Integrated Circuit applications mainly focused on the wireless and communication industry. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India

2 Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These financial statements are prepared in conformity with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ('the Act').

The Company has accumulated losses amounting CAD 10,17,52,489. However based on the positive future cash flow projections the company believes it will not have any liquidity issues and hence the financial statements have been prepared on a 'Going Concern' basis.

(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 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) Impairment testing: Investments in subsidiaries, goodwill and intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which these pertain is less than its carrying value. The recoverable amount of the asset or the cash generating units is higher of value in use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

c) Income taxes: The major tax jurisdictions for the Company is Canada. 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.

d) 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.

e) 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.

f) 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.

g) Useful lives of property, plant and equipment: The Company depreciates property, plant and equipment on a straightline 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.

h) Impact of Covid'19: Kindly refer Note No. 33 for impact of Covid'19 on company's operations.

3 Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in Canadian Dollar (CAD), 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. Gains/(losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense

(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 noncurrent 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.

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.

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

a) Share capital and securities premium reserve

The authorised share capital of the Company as at March 31, 2020 is 32,000,100 divided into 32,000,100 equity shares of CAD 1 each, Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as securities premium.

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

b) Retained earnings

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

(v) Property plant and equipment

a) Recognition and measurement

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

b) Depreciation

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

Category	Useful lives (in years)
Buildings	28 to 40 years
Plant and machinery	5 to 21 years
Office equipments	2 to 7 years
Furniture, fixtures and office equipment	3 to 10 years
Vehicles	4 to 5 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as at each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress

(vi) Leases (Applicable for 2018-19)

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

a) Arrangements where the Company is the lessee

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the lease term.

b) Arrangements where the Company is the lessor

In certain arrangements, the Company recognises revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned income and the estimated residual value of the leased equipment on consummation of such leases. Unearned income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognises unearned income as finance income over the lease term using the effective interest method.

INDAS 116 Leases (Applicable from 2019-20)

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

The Company as a lessee

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

a)control the use of an identified asset,

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

c)direct the use of the identified asset

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

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

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

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

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

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

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

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

The Company as a lessor

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

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

(vii) Impairment

a)'Financial assets

The Company 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.

b)'Non-financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

(viii) Employee Benefits

a) 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.

b) Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits.

c) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

d) 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.

(ix) 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.

(x) 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.

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:

Services:

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.

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.

(xi) 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.

(xii) Other income:

Other income comprises interest income on deposits, dividend income and gains / (losses), net, on disposal of investments. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established

(xiii) 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.

a) Current income tax

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

b) Deferred income tax

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

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

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

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

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

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

(xiv) Earnings per share

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

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for change effected prior to the approval of the financial statements by the Board of Directors.

(xv) 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 or future 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.

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).

(xvi) Disposal of assets

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

(xvii) Commitments and contingencies

Capital Commitments: As at March 31, 2020 and 2019 the Company had not committed to spend under agreements to purchase/construct property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Contingent liabilities: As at March 31, 2020 and 2019 the Company did not have any possible obligation contingent on occurrence of some uncertain future event nor any present obligation, the amount for which cannot be measured reliably.

New Accounting standards adopted by the Company: Ind AS 116 – Leases
On April 1, 2019, the Company has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. The Company has made use of the following practical expedients available in its transition to Ind AS 116 -
(a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019.

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

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

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

The weighted average rate of discount applied to lease liabilities as at April 1, 2019 is 4.35%.
On adoption of Ind AS 116,
a) the Company had recognized right-of-use assets CAD 4,129,647 and corresponding lease liabilities CAD 4,403,145.
b) the net carrying value of assets procured under the finance lease CAD 878,361 (gross carrying and accumulated depreciation value of CAD 13,139,415 and CAD12,261,054.00, respectively) have been reclassified from property, plant and equipment to right- of-use assets.
c) the obligations under finance leases of CAD 1,277,655 (Current obligation under finance leases CAD 1,277,655) have been reclassified to lease liabilities.

The adoption of the new standard has resulted in an increase of 273,498 in retained earnings, net of deferred tax asset.
During the year ended March 31, 2020, the Company recognized in the statement of profit and loss-
a) Depreciation expense from right-of-use assets of CAD 1,398,345
b) Interest expenses on lease liabilities of CAD 149,804

Lease payments during the year are disclosed under financing activities in the statement of cash flows.
The comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

The adoption of Ind AS 116 did not have any material impact on the Company's statement of profit and loss and earnings per share.

INDAS 115 disclosures
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.

Contract liabilities: During the year ended March 31, 2020 the Company recognized revenue of CAD 6,190,128 arising from contract liabilities as at March 31, 2019. During the year ended March 31, 2019, the Company recognized revenue of CAD 13,878,150 arising from opening unearned revenue as at April 1, 2018.

Contract assets: During the year ended March 31, 2020, CAD 703,646 of contract assets pertaining to fixed-price development contracts have been reclassified to receivables on completion of milestones. During the year ended March 31, 2019, CAD 3,888,755 of unbilled revenue pertaining to fixed-price development contracts (balance as at April 1, 2018 of CAD 4,217,226), has been reclassified to receivables on completion of milestones.

Contract assets and liabilities are reported in a net position on a contract by contract basis at the end of each reporting period.
B. Remaining Performance Obligations
Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes contract liabilities and amounts that will be invoiced and recognized as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from customers in an amount that corresponds directly with the value to the customer of the Company's performance completed to date, which are contracts invoiced on time and material basis and volume based.

As at March 31, 2020, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was CAD 69,943,838 of which approximately 65% is expected to be recognized as revenues within two years, and the remainder thereafter. This includes contracts, with a substantive enforceable termination penalty if the contract is terminated without cause by the customer, based on an overall assessment of the contract carried out at the time of inception. Historically, customers have not terminated contracts without cause

As at March 31, 2019, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was CAD 86,231,859 of which approximately 47% is expected to be recognized as revenues within two years, and the remainder thereafter. This includes contracts, with a substantive enforceable termination penalty if the contract is terminated without cause by the customer, based on an overall assessment of the contract carried out at the time of inception. Historically, customers have not terminated contracts without cause.

Sensitivity: Internal Restricted

C. Disaggregation of Revenues

The tables below present disaggregated revenues from contracts with customers by business segment 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

	Year ended 31st March	Year ended 31st March
Revenue		
Sale of services	151,076,663	145,836,821
Sale of products	252,008	3,806,772
	151,328,671	**149,643,593**
Revenue by nature of contract		
Fixed price and volume based	119,441,664	133,969,625
Time and materials	31,634,999	11,867,196
Products	252,008	3,806,772
	151,328,671	**149,643,593**

Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration

The Company has applied Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration prospectively effective April 1, 2018. The effect on adoption of this amendment on the financial statements is insignificant

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

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.
The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company has applied Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is insignificant.

Amendment to Ind AS 12 – Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's consolidated financial statements.

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

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019. The Company will apply the amendment from the effective date and the effect on adoption of the amendment on the consolidated financial statement is insignificant

Wipro Solutions Canada Limited
Summary of significant accounting policies and other explanatory information
(Amount in CAD, unless otherwise stated)

4 Property, plant and equipment

	Building	Plant and machinery	Furniture and fixture	Vehicle	Office equipment	Total
Gross block (at cost)						
Balance as at 01 April 2017	**2,179,309**	**64,796,836**	**1,801,589**	**149,717**	**271,532**	**69,198,983**
Additions	-	10,536,160	-	-	53,804	10,589,964
Disposals	(151,150)	(4,849,746)	(16,949)	-	(95,329)	(5,113,174)
Balance as at 31 March 2018	**2,028,159**	**70,483,250**	**1,784,640**	**149,717**	**230,007**	**74,675,773**
Additions	2,235,149	7,932,848	-	-	56,136	10,224,134
Disposals	-	(4,917)	-	-	(738)	(5,654)
Balance as at 31 March 2019	**4,263,308**	**78,411,182**	**1,784,640**	**149,717**	**285,406**	**84,894,253**
Additions	-	10,767,371	70,323	-	4,628	10,842,322
Disposals	(1,584,935)	(18,282,667)	(73,141)	-	-	(19,940,743)
Balance as at 31 March 2020	**2,678,373**	**70,895,886**	**1,781,822**	**149,717**	**290,034**	**75,795,832**
Accumulated depreciation						
Balance as at 01 April 2017	**1,280,516**	**35,329,379**	**1,245,467**	**35,001**	**144,690**	**38,035,053**
Depreciation charge	404,190	13,301,394	372,584	35,932	34,312	14,148,412
Disposals	(151,104)	(1,942,086)	(15,923)	-	(62,015)	(2,171,128)
Balance as at 31 March 2018	**1,533,602**	**46,688,687**	**1,602,128**	**70,933**	**116,987**	**50,012,337**
Depreciation charge	416,642	12,244,632	157,172	35,932	40,006	12,894,384
Disposals	-	(3,669)	-	-	(1,246)	(4,916)
Balance as at 31 March 2019	**1,950,244**	**58,929,650**	**1,759,300**	**106,865**	**155,747**	**62,901,806**
Depreciation charge	884,669	9,858,539	16,210	35,932	41,093	10,836,443
Disposals	(1,582,625)	(17,023,434)				(18,606,058)
Balance as at 31 March 2020	**1,252,288**	**51,764,756**	**1,775,510**	**142,797**	**196,840**	**55,132,191**
Net block						
Balance as at 31 March 2018	**494,557**	**23,794,563**	**182,512**	**78,784**	**113,020**	**24,663,436**
Balance as at 31 March 2019	**2,313,064**	**19,481,532**	**25,340**	**42,852**	**129,659**	**21,992,447**
Balance as at 31 March 2020	**1,426,085**	**19,131,130**	**6,312**	**6,920**	**93,194**	**20,663,641**

4(a) Right of use asset

	Building	Plant and machinery	Furniture and fixture	Vehicle	Office equipment	Total
Right of use asset as on 31 march 2019	**2,622,305**	**1,100,700**	-	-	-	3,723,005
Addition	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance as at 31 March 2020	**2,622,305**	**1,100,700**	**-**	**-**	**-**	**3,723,005**
Accumulated depreciation						
Balance as at 01 April 2019	985,441	412,904	-	-	-	1,398,345
Depreciation charge	-	-	-	-	-	-
	985,441	**412,904**	**-**	**-**	**-**	**1,398,345**
Net block						
Balance as at 31 March 2020	**1,636,864**	**687,796**	**-**	**-**	**-**	**2,324,660**

		As at 31 March 2020	As at 31 March 2019
5	**Other financial assets**		
	Non-current		
	Finance lease receivables	-	-
	(Secured by underlying assets given on lease)		
		-	**-**
	Current		
	Finance lease receivables	-	-
	(Secured by underlying assets given on lease)		
		-	**-**

Finance lease receivables

Leasing Arrangements

Finance lease receivables consist of assets that are leased to customers for contract terms ranging from 1 to 5 years, with lease payments due in monthly or quarterly installments

The Components of Finance lease are as follows :

Minimum Lease payments as of	As at 31 March 2020	As at 31 March 2019
Not later than one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-
Gross investment in lease	-	-
Less: Unearned financial income	-	-
Present value of minimum lease payment receivable	-	-

Present value of minimum lease payment receivable is as follows	As at 31 March 2020	As at 31 March 2019
Not later than one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-
Present value of minimum lease payment receivable	-	-
Included in the financial statements as follows		
- Non-current financial lease receivable	-	-
- Current financial lease receivable	-	-

		As at 31 March 2020	As at 31 March 2019
6	**Loans and advances**		
	Current		
	Loan to related party (refer note 23)	32,257	509825
		32,257	**509,825**

		As at 31 March 2020	As at 31 March 2019
7	**Other assets**		
	Non-current		
	Prepaid expenses	3,551,524	1,421,388
	Contract asset	4,595,007	5,224,740
	Advance tax (net of provisions for tax)	14,917,514	-
		23,064,046	**6,646,128**
	Current		
	Balances with excise, customs and other authorities	2,438,485	1,644,771
	Prepaid expenses	3,136,252	7,444,514
	Contract asset	-	1,537,901
	Employee travel and other advances	-	15,833
	Others	-	-
		5,574,737	**10,643,019**

		As at 31 March 2020	As at 31 March 2019
8	**Trade receivables**		
	Unsecured		
	Considered good	32,803,449	24,076,963
	Considered doubtful	91,580	168,907
		32,895,029	24,245,871
	Less: Provision for doubtful receivables	(91,580)	(168,907)
		32,803,449	24,076,964
	With related parties- Considered good	544,128	274,366
		33,347,577	**24,351,330**

		As at 31 March 2020	As at 31 March 2019
9	**Cash and cash equivalents**		
	Balances with banks		
	in current accounts	8,249,147	16,506,388
	In deposit accounts	-	-
		8,249,147	**16,506,388**

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		As at 31 March 2020	As at 31 March 2019
10	**Share capital**		
	Authorised capital		
	32,000,100 (2018: 32,000,100) common shares	32,000,100	32,000,100
		32,000,100	**32,000,100**
	Issued, subscribed and paid-up capital		
	32,000,100 (2018: 32,000,100) common shares	-	-
		-	**-**
a)	**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**		
	Number of shares outstanding as at beginning of the year	32,000,100	32,000,100
	Number of shares issued during the year	-	-
	Number of shares outstanding as at the end of the year	**32,000,100**	**32,000,100**
b)	**Details of share holding pattern by related parties**		
	Name of shareholders		
	Wipro Information Technology Netherlands BV		
	No of Shares	32,000,100	32,000,100
	% of the holding	100%	100%

c) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of CAD 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in Canadian Dollar. The dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.
In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distributing of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

d) There has been no issue of bonus shares or issue of shares for consideration other than cash or share buy back during five years immediately preceding 31 March 2019.

		As at 31 March 2020	As at 31 March 2019
11	**Borrowings**		
	Non Current		
	Secured		
	Obligation under finance lease	2,780,489	-
		2,780,489	**-**
	Unsecured		
	Term loans	159,381	17,474,106
		159,381	**17,474,106**
		2,939,870	**17,474,106**
	Current		
	Unsecured		
	Term loans	68,314,725	53,716,248
	Loan from related parties	38,186,071	37,325,535
		106,500,796	**91,041,783**

Wipro Solutions Canada Limited
Summary of significant accounting policies and other explanatory information
(Amount in CAD, unless otherwise stated)

Note 11 Borrowings (cont'd)

Sl.No	Particulars	Nature of security	Repayment details	31 March 2020	31 March 2019
Term loans from banks					
1	**Deustche Bank**	Unsecured	Repayable on demand	14,000,000	14,000,000
		Rate of interest per annum		CDOR + 1.25%	CDOR + 1.25%
2	**Citi Bank**	Unsecured	Repayment in 4 equal annual installment starting from July 2017.	20,000,000	20,000,000
		Rate of interest per annum		CDOR + 1.25%	CDOR + 1.25%
3	**HSBC Bank**	Unsecured	Repayment in 6 annual installments starting from October, 2017.	30,000,000	30,000,000
		Rate of interest per annum		CDOR + 1.25%	CDOR + 1.25%
4	**Citi Bank**	Unsecured	Repayable in 1 week	4,000,000	6,000,000
		Rate of interest per annum		CDOR 1 month	CDOR 1 month
Term loans from others					
1	**Hewlett-Packard**	Underlying asset	Repayment in 19 quarterly installments starting from January, 2017.	474,106	783,532
		Rate of interest per annum		1.48% to 3.26%	1.48% to 3.26%
2	**IBM**	Underlying asset	Repayment in 4 equal half-yearly installments starting from January ,2018.	-	406,821
		Rate of interest per annum		1.2%	1.2%
3	**Loan from Wipro Holdings Hungary**	Unsecured	Repayble on demand	34,600,000	34,600,000
		Rate of interest per annum		3.33%	3.33%
4	**Loan from Wipro Cyprus Private Limited**	Unsecured	Repayble on demand	2,725,535	2,725,535
		Rate of interest per annum		2.55%	2.55%
		Total		**105,799,641**	**108,515,889**

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Wipro Solutions Canada Limited
Summary of significant accounting policies and other explanatory information
(Amount in CAD, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
12	**Provisions**		
	Non-current		
	Compensated absences	26,863	452,068
		26,863	**452,068**
	Current		
	Compensated absences	428,775	316,638
	Provision on doubtful advances	25,774	-
		454,549	**316,638**

		As at 31 March 2020	As at 31 March 2019
13	**Trade payables**		
	Trade payable	6,781,315	9,505,879
	Payable to related parties	20,677,980	41,271,593
		27,459,295	**50,777,471**

		As at 31 March 2020	As at 31 March 2019
14	**Other financial liabilities**		
	Non Current		
	Provision for tax (Net of advance tax)	15,004,528	-
		15,004,528	**-**
	Current		
	Salary payable	1,518,507	2,588,669
	Interest accrued but not due on borrowings	125,646	1,065,226
	Current maturities of obligation under finance lease	-	1,277,655
	Accrued expenses	5,242,230	1,995,940
	Balances due to related parties	3,425,379	5,469,274
	Provision for tax (Net of advance tax)	-	-
	Employee travel and other advances	18,542	-
		10,330,303	**12,396,763**

		As at 31 March 2020	As at 31 March 2019
15	**Other liabilities**		
	Current		
	Accrued rent straightlining	-	89,414
	Statutory liabilities	633,818	984,988
		633,818	**1,074,403**

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		Year ended 31 March 2020	Year ended 31 March 2019
16	**Revenue from operations**		
	Sale of services	151,328,671	149,643,594
		151,328,671	**149,643,594**

		Year ended 31 March 2020	Year ended 31 March 2019
17	**Other income**		
	Interest income	224,308	265,564
	Provision no longer required written back	77,327	1,972,081
	Other exchange differences (net)	-	-
	Profit on sale of disposal of property, plant and equipment	170,447	-
		472,082	**2,237,645**

		Year ended 31 March 2020	Year ended 31 March 2019
18	**Employee benefits expense**		
	Salaries and wages	16,485,482	24,341,055
	Compensated absences	(72,042)	212,537
	Contribution to provident and other funds	190,615	196,968
	Staff welfare expenses	711,459	935,694
		17,315,514	**25,686,254**

		Year ended 31 March 2020	Year ended 31 March 2019
19	**Finance costs**		
	Interest on:-		
	Bank borrowings	2,055,797	2,788,463
	Finance lease obligation	48,858	125,615
	Loan from fellow subsidiaries (Refer note 24)	1,146,124	1,303,695
		3,250,779	**4,217,774**

		Year ended 31 March 2020	Year ended 31 March 2019
20	**Other expenses**		
	Sub contracting / technical fees / third party application (Refer note 24)	62,389,200	70,982,484
	Travel	51,875	276,641
	Repairs and maintenance	18,236,905	14,985,033
	Rent (Refer note 22)		
	Rent (Refer note 23)	2,722,475	5,535,796
	Provision for doubtful debts	25,774	-
	Communication	3,632,700	3,612,098
	Printing and stationery	1,430,651	1,632,359
	Corporate overhead (Refer note 24)	2,803,105	2,752,926
	Advertisement and sales promotion	15,163	121,568
	Legal and professional	598,334	364,691
	Staff recruitment	-	-
	Other exchange differences (net)	199,225	1,151,176
	Insurance	28,249	31,785
	Rates and taxes	127,501	9,570
	Commission (Refer note 24)	850,000	850,000
	Miscellaneous expenses	448,887	79,897
		93,560,045	**102,386,025**

		Year ended 31 March 2020	Year ended 31 March 2019
21	**Earning per share (EPS)**		
	Net profit after tax attributable to the equity shareholders	22,349,280	9,480,078
	Weighted average number of equity shares - for basic and diluted EPS	32,000,100	32,000,100
	Earnings per share - Basic and diluted	0.70	0.30
	(32,000,100 equity shares of face value CAD 1 each)		

22 Short term lease

The Company has taken a lease, office and residential facilities under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. Rental payments under such lease during the year are CAD 5,535,796 (31 March 2018: CAD 6,304,940).

With respect to non cancellable operating lease, the future minimum lease payments are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Not later than 1 year	-	3,057,858
Later than 1 year but not later than 5 years	-	3,648,509

23 Related party disclosure

a) Related parties

Name	**Relationship**
Wipro Limited	Ultimate Holding Company
Wipro Information Technology Netherlands BV	Holding Company
Designit Newyork	Fellow Subsidiary
Designit Denmark A/S	Fellow Subsidiary
Wipro LLC	Fellow Subsidiary
Wipro Promax Holdings Pty Limited	Fellow Subsidiary
Wipro Holdings Hungary	Fellow Subsidiary
Wipro Travel Services Limited	Fellow Subsidiary
Wipro Outsourcing Services Ireland Limited	Fellow Subsidiary
Wipro Cyprus Private Limited	Fellow Subsidiary
Wipro Technologies Peru S.A.C.	Fellow Subsidiary
Appirio, Inc.	Fellow Subsidiary

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23 Related party disclosure

b) The Company has the following related party transactions:

Particulars	Relationship	Year ended 31 March 2020	Year ended 31 March 2019
Subcontracting services received			
Wipro Limited	Ultimate Holding Company	37,476,834	43,286,782
Designit Denmark A/S	Fellow Subsidiary	306,881	-
Appirio, Inc.	Fellow Subsidiary	664,928	1,687,567
Subcontracting services rendered			
Wipro Limited	Ultimate Holding Company	1,036,301	1,518,580
Wipro LLC	Fellow Subsidiary	-	-
Wipro Promax Holdings Pty Limited	Fellow Subsidiary	37	1,221
Interest on borrowings			
Wipro Holdings Hungary	Fellow Subsidiary	1,076,512	1,234,273
Wipro Cyprus Private Limited	Fellow Subsidiary	69,612	69,422
Corporate guarantee commission			
Wipro Limited	Ultimate Holding Company	850,000	850,000
Corporate Overhead			
Wipro Limited	Ultimate Holding Company	2,803,105	2,752,926
Loan provided during the year			
Wipro Technologies Peru S.A.C.	Fellow Subsidiary	-	-

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

Particulars	Relationship	Year ended 31 March 2020	Year ended 31 March 2019
Payable to :			
Wipro Limited	Ultimate Holding Company	24,850,128	45,047,362
Wipro Travel Services Limited	Fellow Subsidiary	74	85
Appirio, Inc.	Fellow Subsidiary	54,268	1,693,420
Wipro Promax Holdings Pty Limited	Fellow Subsidiary	-	274,338
Loans payable to (incl. accrued interest) :			
Wipro Holdings Hungary	Fellow Subsidiary	34,689,012	35,458,445
Wipro Cyprus Private Limited	Fellow Subsidiary	2,695,947	2,812,075
Loans receivable from :			
Wipro Technologies Peru S.A.C.	Fellow Subsidiary	32,257	509,825
Receivable from			
Wipro Promax Holdings Pty Limited	Fellow Subsidiary	-	28
Wipro Limited	Ultimate Holding Company	544,127	274,338

24 Effective Tax Rate (ETR) reconciliation

	Year ended 31 March 2020	Year ended 31 March 2019
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	2,594,945	2,272,427
Deferred tax	(382,958)	(5,055,703)
	2,211,986	**(2,783,277)**

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

	Year ended 31 March 2020	Year ended 31 March 2019
Profit before income tax	24,561,266	6,696,801
Enacted income tax rate	27.00%	27.00%
Computed expected tax expense	6,631,542	1,808,137
Effect of:		
Tax expenses relating to prior years	(4,515,592)	(4,842,189)
Permanent Differences	96,036	250,775
Others	-	-
Total income tax expense	**2,211,986**	**(2,783,277)**

	As at 31 March 2020	As at 31 March 2019
Deferred tax assets/ Liabilities (net) :	**3,726,153**	**3,299,465**
DTA on Business loss carried forward	-	-
DTA / DTL on Other Originating / reversing temporary differences	3,726,153	3,299,465
Total	**3,726,153**	**3,299,465**

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Wipro Solutions Canada Limited
Summary of significant accounting policies and other explanatory information
Summary of significant accounting policies and other explanatory information

25 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 :							
Trade receivables	8	-	-	-	33,347,577	33,347,577	33,347,577
Cash and cash equivalents	9	-	-	-	8,249,147	8,249,147	8,249,147
Unbilled revenues		-	-	-	5,449,640	5,449,640	5,449,640
Loan & advances	6	-	-	-	32,257	32,257	32,257
Total financial assets		**-**		**-**	**47,078,621**	**47,078,621**	**47,078,621**
Financial liabilities :							
Borrowings	11	-		-	109,440,666	109,440,666	109,440,666
Trade payables	13	-		-	27,459,295	27,459,295	27,459,295
Other financial liabilities	14	-		-	10,330,303	10,330,303	10,330,303
Total financial liabilities		**-**		**-**	**147,230,264**	**147,230,264**	**147,230,264**

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 :						
Trade receivables	8	-	-	24,351,330	24,351,330	24,351,330
Cash and cash equivalents	9	-	-	16,506,388	16,506,388	16,506,388
Unbilled revenues		-	-	5,562,576	5,562,576	5,562,576
Loans and advances	6	-	-	509,825	509,825	509,825
Total financial assets		**-**	**-**	**46,930,119**	**46,930,119**	**46,930,119**
Financial liabilities :						
Borrowings	11	-	-	108,515,889	108,515,889	108,515,889
Trade payables	13	-	-	50,777,471	50,777,471	50,777,471
Other financial liabilities	14	-	-	12,396,763	12,396,763	12,396,763
Total financial liabilities		**-**	**-**	**171,690,123**	**171,690,123**	**171,690,123**

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

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

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

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

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.

Sensitivity: Internal Restricted

26 Employee benefits

A. Defined contribution plan

Sl. No.	Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
1	Contribution to provident fund	-	-
2	Contribution to national pension scheme	190,615	132,637

A. Defined benefit plan

Disclosure as per AS 15 – Employee Benefits for the year ended 31 March 2020
The Company has a defined gratuity plan payable to every eligible employee on separation from employment.
Gratuity

Sl. No.	Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
1	**Assumptions**		
	Discount rate	0.67%	1.60%
	Rate of increase in compensation levels	2.00%	2.00%
	Rate of return on plan assets	-	-
2	**Demographic Assumptions**		
	Mortality	100% of IALM 2012-14	100% of IALM 2006-08
	Retirement Age	65 Years	65 Years
3	**Change in defined benefit obligation**		
	At beginning of period	50,667	65,896
	Service cost	4,462	3.762
	Interest cost	811	1,296
	Actuarial (gains) / losses	(14,528)	(20,288)
	Benefits paid	-	-
	Past service costs	-	-
	At end of period	41,412	50,677
4	**Amounts recognised in Balance Sheet**		
	Defined benefit obligation	-	-
	Fair value of plan asset	-	-
	Liability recognised in Balance Sheet	41,412	50,667
5	**Amounts recognised in Revenue Account / Profit & Loss account**		
	Current service cost	4,462	3,762
	Interest cost	812	1,296
	Expected return on plan asset	-	-
	Past service cost	-	-
	Net actuarial (gains) / losses recognised	-	-
	Total expenses as per books	5,274	5,058
6	**Movement in liability recognised in Balance Sheet**		
	At beginning of period	50,667	65,896
	Expenses as per (6) above	5,274	5,058
	Benefits paid	(14,508)	(20,288)
	At end of period	41,412	50,667

Leave encashment

Sl. No.	Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
1	**Assumptions**		
	Discount rate	**0.67%**	**1.60%**
	Salary escalation rate	2.00%	2.00%
2	**Demographic Assumptions**		
	Mortality	100% of IALM 2012-14	100% of IALM 2006-08
	Employee Turnover/ Withdrawal Rate		
	Retirement Age	58 years	58 years
2	**Change in defined benefit obligation**		
	At beginning of period	683,499	598,302
	Provision made during the year	(269,273)	85,147
	At end of period	414,226	683,449

The estimates of future salary increase considered in actuarial valuation takes into account Company's philosophy towards employee remuneration, regular increments, price inflation and promotional increases.

27 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.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets	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

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, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

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

Expected credit loss for trade receivables under simplified approach

Trade receivables are secured in a form that registry of sold residential/commercial units is not processed till the time the Company does not receive the entire payment. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated. During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

B 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.

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.

31 March 2020	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	106,500,796	2,939,870	-	109,440,666
Trade payables	27,459,295	-	-	27,459,295
Other financial liabilities	10,330,303	-	-	10,330,303
Total	**144,290,394**	**2,939,870**	**-**	**147,230,264**

31 March 2019	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	91,041,783	17,474,106	-	108,515,889
Trade payables	50,777,471	-	-	50,777,471
Other financial liabilities	12,396,763	-	-	12,396,763
Total	**154,216,017**	**17,474,106**	**-**	**171,690,123**

28 Financial risk management (continued)

C Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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	103,074,106	107,325,535
Fixed rate borrowing	2,725,535	2,468,008
	105,799,641	**109,793,543**

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 March 2020	31 March 2019
Interest rates – increase by 50 basis points (50 bps)	515,371	536,628
Interest rates – decrease by 50 basis points (50 bps)	(515,371)	(536,628)

29 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 borrowings, less cash and cash equivalents

		As at 31 March 2020	As at 31 March 2019
Borrowings	Financial liabilities	109,440,666	109,793,543
Less: Cash and ca	Financial assets	8,249,147	16,506,388
Net Debt		**117,689,813**	**126,299,931**
Equity share capit	Equity	32,000,100	32,000,100
Other equity	Equity	(101,185,709)	(123,276,020)
Total capital		**(69,185,609)**	**(91,275,920)**
Gearing Ratio		(1.70)	(1.38)

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.

30 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2018 and the date of authorization of these financial statements.

31 Segment Reporting

Management currently identifies a single reportable operating segment as per Ind AS 108- 'Segment Reporting' which is designing microprocessors and allied services. These operating segments are monitored by the company's chief operating decision maker. The Company operates primarily in Canada and there is no other significant geographical segment.

The company is having three customers whose revenue is more than 10% of the total revenue, contributing 61% of the total revenue put together.

32 Comparatives

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

33 COVID Note

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

As per Our reports attached

For PKF Sridhar & Santhanam LLP	**For and on behalf of the Board of Directors**	
Chartered Accountants	**of Wipro Solutions Canada Limited**	
Firm Registration No: 003990S/S200018		
Sd/-	Sd/-	Sd/-
Seethalakshmi M	**Feroz Ahmed**	**Ashish Chawla**
Partner	Director	Director
Membership No: 208545		
Place: Bengaluru	Place:	Place:
Date: 29th May 2020		

Sensitivity: Internal Restricted