

Financial Statements and Auditor's Report

**Wipro Information Technology Egypt Sae**

31 March 2020

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of Wipro Information Technology Egypt SAE

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

#### **Opinion**

We have audited the financial statements of Wipro Information Technology Egypt SAE ("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 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.

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

We draw attention to note 2(i) to the accompanying financial statements which indicates that the Company has not commenced business, however has incurred a net profit of EGP 2,217,815 due to unrealized gain on foreign exchange fluctuation during the financial year ended 31 March 2020, and has accumulated losses aggregating to EGP 29,110,7059 as at that date. These events or conditions indicate that a material uncertainty exists which may cast a significant doubt on the Company's ability to continue as going concern. However, basis the ongoing support of the Ultimate Holding Company and the ongoing assessment of business opportunities, the management considers going concern basis of accounting for preparation of accompanying financial statements to be appropriate. Our opinion is not modified in respect of this matter.

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

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Other Matters**

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

Our opinion is not modified in respect of this matter.

### **Restriction on distribution or use**

This report is intended solely for the information of the Company's and its ultimate holding company's board of directors for their internal use and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the Company's and ultimate holding Company's Board of Directors, for our audit work, for this report, or for the opinions we have formed.

### **For PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

Sd/-

Seethalakshmi M

Partner

Membership No. 208545

Place of Signature: Bengaluru

Date: 29 May 2020

**Wipro Information Technology Egypt Sae**  
**Balance Sheet as at 31 March 2020**

(Amount in EGP, unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
Deferred tax assets (net)	3	3,366	3,366
		<b>3,366</b>	<b>3,366</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	4	-	-
Other financial assets	5	5,894,205	6,872,668
		<b>5,894,205</b>	<b>6,872,668</b>
		<b>5,897,571</b>	<b>6,876,034</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6	825,000	825,000
Other equity		(29,110,705)	(31,328,520)
		<b>(28,285,705)</b>	<b>(30,503,520)</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	7	20,744,148	23,401,369
Trade payables	8	857,455	1,229,698
Other financial liabilities	9	10,329,269	10,398,823
Other current liabilities	10	1,325,968	1,423,228
Current tax liabilities (net)	11	926,436	926,436
		<b>34,183,276</b>	<b>37,379,554</b>
		<b>5,897,571</b>	<b>6,876,034</b>
Summary of significant accounting policies	2		

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

As per our report attached

**For PKF Sridhar & Santhanam LLP**  
**Chartered Accountants**

Firm Registration No.: 003990S/S200018

**For and on behalf of Wipro Information**  
**Technology Egypt SAE**

Sd/-

**Seethalakshmi M**

Partner

Membership No: 208545

Sd/-

**Kothandaraman Gopalkrishnan**

Place: Bengaluru

Date: 29th May 2020

**Wipro Information Technology Egypt Sae**  
**Statement of Profit and Loss for the year ended 31 March 2020**

(Amount in EGP, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>REVENUE</b>			
Other income	12	2,543,813	556,480
		<b>2,543,813</b>	<b>556,480</b>
<b>EXPENSES</b>			
Finance costs	13	325,998	699,692
		<b>325,998</b>	<b>699,692</b>
<b>Profit / (Loss) before tax</b>		<b>2,217,815</b>	<b>(143,212)</b>
Current tax		-	-
Deferred tax		-	-
<b>Tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the year</b>		<b>2,217,815</b>	<b>(143,212)</b>
Other Comprehensive Income		-	-
<b>Total Other Comprehensive Income / (Loss) for the year, net of tax</b>		<b>2,217,815</b>	<b>(143,212)</b>
<b>Earnings / (Loss) per equity share of par value EGP 100 each</b>			
Basic and diluted	14	268.83	(17.36)
Summary of significant accounting policies	2		

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

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

**For and on behalf of Wipro Information  
Technology Egypt SAE**

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

Sd/-  
**Kothandaraman Gopalkrishnan**

Place: Bengaluru  
Date: 29th May 2020

**Wipro Information Technology Egypt Sae**  
**Cash Flow Statement for the year ended 31 March 2020**

(Amount in EGP, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash flow from operating activities</b>		
<b>Profit for the period</b>	2,217,815	(143,212)
Adjustments		
Unrealised exchange differences - net	(2,543,813)	(556,480)
Provision for tax	-	-
Interest expense	325,998	699,692
<b>Operating profit before working capital changes</b>	-	-
<b>Adjustments for working capital changes:</b>		
Other financial assets	3,522,276	556,480
Trade and other financial liabilities	(441,797)	709,566
Other current liabilities	(97,260)	(27,671)
<b>Net cash generated from operations</b>	<b>2,983,219</b>	<b>1,238,375</b>
Direct taxes (paid) / refund	-	-
<b>Net cash generated by operating activities</b>	<b>(A) 2,983,219</b>	<b>1,238,375</b>
<b>Cash flows from investing activities:</b>	<b>(B)</b>	<b>-</b>
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	(2,657,221)	(538,683)
Proceeds from borrowings	-	-
Interest paid on borrowings	(325,998)	(699,692)
<b>Net cash used in financing activities</b>	<b>(C) (2,983,219)</b>	<b>(1,238,375)</b>
<b>Net increase in cash and cash equivalents during the period (A+B+C)</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the period	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>-</b>	<b>-</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks	-	-

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

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

**For and on behalf of Wipro Information  
Technology Egypt SAE**

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

Sd/-  
**Kothandaraman Gopalkrishnan**

Place: Bengaluru  
Date: 29th May 2020

**Wipro Information Technology Egypt Sae**  
**Statement of Changes in Equity for the year ended 31 March 2020**

(Amount in EGP, unless otherwise stated)

**A) Share Capital**

Equity share capital	Balance as at 01 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Equity share capital of Face value EGP 100 each	825,000		825,000
	<b>825,000</b>	<b>-</b>	<b>825,000</b>

Equity share capital	Balance as at 01 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
Equity share capital of Face value EGP 100 each	825,000		825,000
	<b>825,000</b>	<b>-</b>	<b>825,000</b>

**B) Other equity**

Particulars	Share application money pending allotment	Retained earnings	Total
<b>Balance as at 1 April 2018</b>	<b>1,969,275</b>	<b>(33,154,583)</b>	<b>(31,185,308)</b>
Profit for the period		(143,212)	(143,212)
<b>Balance as at 31 March 2019</b>	<b>1,969,275</b>	<b>(33,297,795)</b>	<b>(31,328,520)</b>
Loss for the period		2,217,815	2,217,815
<b>Balance as at 31 March 2020</b>	<b>1,969,275</b>	<b>(31,079,980)</b>	<b>(29,110,705)</b>

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

As per our report attached

**For PKF Sridhar & Santhanam LLP**  
**Chartered Accountants**

Firm Registration No.: 003990S/S200018

**For and on behalf of Wipro Information**  
**Technology Egypt SAE**

Sd/-

**Seethalakshmi M**

Partner

Membership No: 208545

Sd/-

**Kothandaraman Gopalkrishnan**

Place: Bengaluru

Date: 29th May 2020



# Wipro Information Technology Egypt Sae

## Summary of significant accounting policies and other explanatory information

(Amount in EGP, unless otherwise stated)

### 1 The Company overview

Wipro Information Technology Egypt SAE ("the Company") is a subsidiary of Wipro IT Services SE, incorporated and domiciled in Egypt. Wipro Information Technology Egypt SAE is a services provider that aims to deliver technology solutions to drive business needs of its Clients in Egypt in Engineering Services, Industrial Products, Systems & Integration and Information Technology. 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 not commenced business since inception and has incurred net profit of EGP 2,217,815 due to unrealized gain on foreign exchange fluctuation during the year ended 31 March 2020 (EGP 143,212 during the year ended on 31 March 2019) and has accumulated losses amounting EGP 29,110,705. However, based on the continued support from the Ultimate Holding Company, 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 the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

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

**b) Impact of Covid'19:** Kindly refer Note No. 22 for impact of Covid'19 on company's operations.

### 3 Significant accounting policies

#### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which this entity operates (i.e. the "functional currency"). The functional currency of the company is EGP and these financial statements are also presented in EGP.

#### (ii) Foreign currency transactions and translation

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

## **Wipro Information Technology Egypt Sae** **Summary of significant accounting policies and other explanatory information**

(Amount in EGP, unless otherwise stated)

### **(iii) Financial instruments**

#### **a) Non-derivative financial instruments:**

Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

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

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

#### **A. Other financial assets:**

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

#### **B. Trade and other payables**

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

### **(iv) Equity and share capital**

#### **a) Share capital and share premium**

The authorized share capital of the Company as of March 31, 2020 and March 31, 2019 is 8250 Equity shares of 100 EGP per share. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

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.

#### **c) Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is presented within equity in the FCTR.

#### **d) Other reserves**

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

## **Wipro Information Technology Egypt Sae**

### **Summary of significant accounting policies and other explanatory information**

(Amount in EGP, unless otherwise stated)

#### **(ix) Provisions**

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

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

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

Provisions for onerous contracts are recognized 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.

#### **(xi) Finance Costs**

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

#### **(xii) Other income**

Other income comprises interest income on deposits, dividend income and gains / (losses) on disposal of financial assets that are measured at FVTPL, and debt instruments classified as FVTOCI. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

#### **(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 and warrants, except where the results would be anti-dilutive.

#### **(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 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.

## **Wipro Information Technology Egypt Sae**

### **Summary of significant accounting policies and other explanatory information**

(Amount in EGP, unless otherwise stated)

#### **(xvi) New Accounting standards adopted by the Company**

##### **Ind AS 116 – Lease**

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

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

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

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

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

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

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

##### **Amendment to Ind AS 12 – Income Taxes**

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

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

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the re-measurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company.

##### **(xvii) New Accounting Standards not yet adopted by the Company:**

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

## Wipro Information Technology Egypt Sae Balance Sheet as at 31 March 2020

(Amount in EGP, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>3 Deferred tax assets (net)</b>		
Business loss carried forward	3,366	3,366
	<b>3,366</b>	<b>3,366</b>

	As at 31 March 2020	As at 31 March 2019
<b>4 Trade receivables</b>		
<b>Unsecured</b>		
Considered good	-	-
Considered doubtful	971,193	971,193
	<b>971,193</b>	<b>971,193</b>
Less: Provision for doubtful receivables*	(971,193)	(971,193)
	-	-

\* There is no movement in provision for doubtful receivables as all the trade receivables have been provided for and no provision is created or reversed during the current year.

	As at 31 March 2020	As at 31 March 2019
<b>5 Other financial assets</b>		
<b>Current</b>		
Balance with group companies	5,894,205	6,872,668
	<b>5,894,205</b>	<b>6,872,668</b>

	As at 31 March 2020	As at 31 March 2019
<b>6 Share capital</b>		
<b>Authorised capital</b>		
50,000 equity shares of EGP 100 each	5,000,000	5,000,000
	<b>5,000,000</b>	<b>5,000,000</b>
<b>Issued, subscribed and paid-up capital</b>		
8,250 equity shares of EGP 100 each	825,000	825,000
	<b>825,000</b>	<b>825,000</b>

<b>a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>		
Number of common stock outstanding as at beginning and end of the year	<b>8,250</b>	<b>8,250</b>

<b>b) Details of shares held</b>		
Wipro IT Services SE (99.9% holding)	8,249	8,249
	<b>8,249</b>	<b>8,249</b>

	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>7 Borrowings</b>		
<i>Unsecured</i>		
Loans and advances from related parties (refer note 16)	20,744,148	23,401,369
	<b>20,744,148</b>	<b>23,401,369</b>
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>8 Trade payables</b>		
Trade payables	857,455	1,229,698
	<b>857,455</b>	<b>1,229,698</b>
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>9 Other financial liabilities</b>		
<b>Current</b>		
Balances due to related parties	4,531,833	4,927,386
Interest accrued but not yet paid (refer note 16)	5,797,436	5,471,437
	<b>10,329,269</b>	<b>10,398,823</b>
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>10 Other current liabilities</b>		
Statutory liabilities	1,325,968	1,423,228
	<b>1,325,968</b>	<b>1,423,228</b>
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>11 Current tax liabilities</b>		
Provision for tax	926,436	926,436
	<b>926,436</b>	<b>926,436</b>

*(This space has been intentionally left blank)*

**Wipro Information Technology Egypt Sae**  
**Balance Sheet as at 31 March 2020**

(Amount in EGP, unless otherwise stated)

	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>12 Other income</b>		
Gain on foreign exchange adjustments, net	2,543,813	556,480
	<b>2,543,813</b>	<b>556,480</b>
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>13 Finance cost</b>		
Interest expense	325,998	699,692
	<b>325,998</b>	<b>699,692</b>
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>14 Earning per share (EPS)</b>		
Net profit / (loss) after tax attributable to the equity shareholders	2,217,815	(143,212)
Weighted average number of equity shares - for basic and diluted EPS	8,250	8,250
Earnings / (loss) per share - Basic and diluted	268.83	(17.36)

*(This space has been intentionally left blank)*

## Wipro Information Technology Egypt Sae Balance Sheet as at 31 March 2020

(Amount in EGP, unless otherwise stated)

### 15 Borrowings

SI.No	Particulars	Nature of security	Repayment details	31 March 2020	31 March 2019
<b>Loans and advances from related parties</b>					
1	Wipro IT Services SE	12 months USD LIBOR rate plus 200 basis points p.a.	Repayable on demand	20,744,148	23,401,369
<b>Total</b>				<b>20,744,148</b>	<b>23,401,369</b>
Effective rate of interest per annum				1.57%	2.99%

### 16 Related party disclosure

#### A Parties where control exists:

Name of the related party	Nature of relationship
Wipro Limited	Ultimate holding company
Wipro IT Services S E	Holding company
Wipro Arabia Limited	Fellow subsidiary
Wipro Bahrain Limited WLL	Fellow subsidiary

#### B The Company has the following related party transactions:

Particulars	Relationship	Year ended 31 March 2020	Year ended 31 March 2019
<b>Interest expense</b>			
Wipro IT Services S E	Holding Company	325,998	699,692
<b>Loan taken</b>			
Wipro IT Services S E	Holding Company	-	-
<b>Loan repayment</b>			
Wipro IT Services S E	Holding Company	2,657,221	538,683
<b>Interest paid</b>			
Wipro IT Services S E	Holding Company	-	-

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

Particulars	Relationship	As at 31 March 2020	As at 31 March 2019
<b>Borrowings (including accrued interest)</b>			
Wipro IT Services S E	Holding company	26,541,584	28,872,806
<b>Other financial liabilities</b>			
Wipro Limited	Ultimate holding company	4,507,413	4,900,508
Wipro Arabia Limited	Fellow subsidiary	24,421	26,879
<b>Other financial assets</b>			
Wipro Limited	Ultimate holding company	5,874,288	6,852,751
Wipro Bahrain Limited WLL	Fellow subsidiary	19,917	19,917



**Wipro Information Technology Egypt Sae**  
**Summary of significant accounting policies and other explanatory information**

(Amount in EGP, unless otherwise stated)

**17 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
<b>Financial assets :</b>						
Trade receivables	4	-	-	-	-	-
Other financial assets	5	-	-	5,894,205	5,894,205	5,894,205
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>5,894,205</b>	<b>5,894,205</b>	<b>5,894,205</b>
<b>Financial liabilities :</b>						
Borrowings	7	-	-	20,744,148	20,744,148	20,744,148
Trade payables	8	-	-	857,455	857,455	857,455
Other financial liabilities	9	-	-	10,329,269	10,329,269	10,329,269
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>31,930,872</b>	<b>31,930,872</b>	<b>31,930,872</b>

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
<b>Financial assets :</b>						
Trade receivables	4	-	-	-	-	-
Other financial assets	5	-	-	6,872,668	6,872,668	6,872,668
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>6,872,668</b>	<b>6,872,668</b>	<b>6,872,668</b>
<b>Financial liabilities :</b>						
Borrowings	7	-	-	23,940,052	23,940,052	23,940,052
Trade payables	8	-	-	1,229,698	1,229,698	1,229,698
Other financial liabilities	9	-	-	10,398,823	10,398,823	10,398,823
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>35,568,573</b>	<b>35,568,573</b>	<b>35,568,573</b>

**Notes to financial instruments**

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

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

## Wipro Information Technology Egypt Sae

### Summary of significant accounting policies and other explanatory information

(Amount in EGP, unless otherwise stated)

#### 18 Financial instruments (cont'd)

##### ii. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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

#### 19 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
Foreign Currency Risk	Assets or liabilities denominated in Foreign currency	Sensitivity analysis
Credit risk	Trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

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 as interest rate risk, credit risk.

Kindly refer Note No. 22 for impact of Covid'19 on company's operations.

## A Foreign currency risk

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

The management evaluates rate exposure arising from these transactions and enters into Foreign currency derivative instruments to mitigate such exposure. The company follows risk management policies, including use of derivatives like foreign currency exchange forward options etc.

As at 31st March 2020, 1% change in Spot exchange rate with USD will result in approximately EGP 13,333 change in Statement of Income for the year 2020.

As at Particulars	31st March 2020			31st March 2019		
	USD	INR	SAR	USD	INR	SAR
Provision	(1,570,497)	(18,973)		(1,570,497)	(18,973)	
Tax	(262,340)			(262,340)		
Trade Payables	(6,622,827)	(610)	306	(6,948,826)	(610)	306
<b>Total assets /liabilities</b>	<b>(8,455,665)</b>	<b>(19,583)</b>	<b>306</b>	<b>(8,781,663)</b>	<b>(19,583)</b>	<b>306</b>

Currency .	31st March 2020	31st March 2019
INR	0.21	0.25
SAR	4.19	4.63
USD	15.77	17.36

Particulars	Foreign exchange (USD)		Foreign exchange (INR)		Foreign exchange (SAR)	
	Carrying value	USD (1%)	Carrying value	INR (1%)	Carrying value	SAR (1%)
EX Rate (Increase)		0.16		0.00		0.04
Net assets/ liabilities	(8,455,665)	(13,333)	(19,583)	(0)	306	0

## B Credit risk

Credit risk arises from , trade receivables and other financial assets carried at amortized cost and deposits with banks and financial institutions.

### 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.

## C Liquidity risk

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

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

## Wipro Information Technology Egypt Sae

### Summary of significant accounting policies and other explanatory information

(Amount in EGP, unless otherwise stated)

#### 20 Financial risk management (cont'd)

##### C Liquidity risk (cont'd)

###### Maturities of financial liabilities

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

31 March 2020	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Borrowings		20,744,148	-	20,744,148
Trade payables		857,455	-	857,455
Other financial liabilities	325,998	10,003,271	-	10,329,269
<b>Total</b>	<b>325,998</b>	<b>31,604,874</b>	<b>-</b>	<b>31,930,872</b>
<hr/>				
31 March 2019	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Borrowings		23,401,369	-	23,401,369
Trade payables		1,229,698	-	1,229,698
Other financial liabilities	818,038	9,580,785	-	10,398,823
<b>Total</b>	<b>818,038</b>	<b>34,211,852</b>	<b>-</b>	<b>35,029,890</b>

##### D Interest rate risk

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

Particulars	31 March 2020	31 March 2019
Variable rate borrowing	20,744,148	23,401,369
Fixed rate borrowing	-	-
	<b>20,744,148</b>	<b>23,401,369</b>

##### 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)	103,721	117,007
Interest rates – decrease by 50 basis points (50 bps)	(103,721)	(117,007)

#### 21 Events occurring after the reporting date

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

#### 22 Uncertainty relating to the global health pandemic on COVID-19

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

#### 23 Comparatives

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

As per our report attached

**For PKF Sridhar & Santhanam LLP**  
**Chartered Accountants**

Firm Registration No.: 003990S/S200018

**For and on behalf of Wipro Information**  
**Technology Egypt SAE**

Sd/-

**Seethalakshmi M**

Partner

Membership No: 208545

Sd/-

**Kothandaraman Gopalkrishnan**

Place: Bengaluru

Date: 29th May 2020