



# **WIPRO EUROPE LIMITED**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED  
MARCH 31, 2016**

**WIPRO EUROPE LIMITED**  
**BALANCE SHEET**

( in ₹, except share and per share data, unless otherwise stated)

	Notes	As at	
		Mar 31, 2016	Mar 31, 2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholder's funds</b>			
Share Capital .....	3	7,269,822	7,269,822
Reserves and Surplus .....	4	392,286,546	601,362,555
		399,556,368	608,632,377
<b>TOTAL EQUITY AND LIABILITIES .....</b>		<b>399,556,368</b>	<b>608,632,377</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Non-current investments .....	5	344,401,696	555,226,523
Deferred tax assets (net) .....			
Long-term loans and advances .....	6	55,154,672	53,405,854
		399,556,368	608,632,377
<b>TOTAL ASSETS.....</b>		<b>399,556,368</b>	<b>608,632,377</b>

The Notes referred to above form an integral part of the Balance Sheet

As per our report attached  
for **Appaji & Co.**  
Chartered Accountants  
Firm Registration number :014147S

For and on behalf of the Board of Directors

Sd/-  
**CA.K .Appaji**  
Partner  
Membership No. 214156  
Bangalore

Sd/-  
**Director**

**WIPRO EUROPE LIMITED**  
**STATEMENT OF PROFIT & LOSS**

	Notes	For the year ended	
		Mar 31, 2016	Mar 31, 2015
<b>REVENUE</b>			
Other Income .....	7	88,263,706	-
<b>Total Revenue .....</b>		<b>88,263,706</b>	<b>-</b>
<b>EXPENSES</b>			
Other expense .....		285,915,978	-
<b>Total Expense .....</b>		<b>285,915,978</b>	<b>-</b>
Profit before exceptional and extraordinary items and tax (III-IV)		(197,652,272)	-
Exceptional Items		-	-
Profit before extraordinary items and tax (V-VI)		<b>(197,652,272)</b>	<b>-</b>
Extraordinary items		-	-
Profit/(Loss) before tax .....		<b>(197,652,272)</b>	<b>-</b>
Tax expense (including deferred tax) .....		-	-
Net Profit .....		<b>(197,652,272)</b>	<b>-</b>
<b>Earnings per equity share</b>			
(Equity shares of par value GBP 1 each)			
Basic .....		<b>(1,977)</b>	<b>-</b>
Diluted .....		<b>(1,977)</b>	<b>-</b>

The Notes referred to above form an integral part of the Statement of Profit and Loss

As per our report attached  
for **Appaji & Co.**  
Chartered Accountants  
Firm Registration number :014147S

For and on behalf of the Board of Directors

Sd/-  
**CA.K .Appaji**  
Partner  
Membership No. 214156  
Bangalore

Sd/-  
**Director**

**WIPRO EUROPE LIMITED**  
**CASHFLOW STATEMENT**

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A. Cash flows from operating activities:</b>		
Profit before tax	(197,652,272)	-
<i>Adjustments:</i>		
Impairment Charge	285,915,978	
Unrealised exchange differences - net	(88,263,706)	-
Net cash generated from operations	-	-
Direct taxes paid	-	
<b>Net cash used in operating activities</b>	-	-
<b>B. Cash flows from investing activities:</b>		
<b>Net cash used in investing activities</b>	-	-
<b>C. Cash flows from financing activities:</b>		
Net increase in cash and cash equivalents during the year	-	-
Cash and cash equivalents at the beginning of the year	-	-
<b>Cash and cash equivalents at the end of the year</b>	-	-

*As per our report attached  
for Appaji & Co.  
Chartered Accountants  
Firm Registration number :014147S*

Sd/  
**CA.K .Appaji**  
Partner  
Membership No. 214156  
Bangalore

For and on behalf of the Board of Directors

Sd/-  
**Director**

**WIPRO EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**( in ₹, except share and per share data, unless otherwise stated)**

**1. Company overview**

Wipro Europe Limited (the Company), is a subsidiary of Wipro Holdings UK Limited and domicile in London. Wipro Limited is the ultimate holding company. The functional currency of the Company is GBP and the reporting currency for these financial statements is INR. These financial statements have been prepared and audited to attach with the accounts of the holding company, to comply with the provisions of the Companies Act, 2013

**2. Significant accounting policies**

i. Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured on a fair value basis. GAAP comprises Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

ii. Use of estimates

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognised in the period in which the estimates are revised and in any future period affected.

iii. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company recognizes provision for onerous contracts based on the estimate of excess of unavoidable costs of meeting obligations under the contracts over the expected economic benefits.

iv. Income recognition

Profit on sale of investment is recorded upon transfer of title by the Company. It is determined as the difference between the sales prices and carrying amount of the related investment.

Dividend is recognized where the Company's right to receive dividend is established.

v. Foreign currency transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates prevailing on the date of transaction.

Transaction:

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the statement of profit and loss.

Translation:

Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The difference arising from the translation is recognized in the statement of profit and loss.

The Company is a foreign subsidiary of Wipro Limited and has been treated as a **non-integral** operating unit for translation. The assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to foreign currency translation reserve.

vi. Impairment of assets

Financial assets:

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. The amount of loss for receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognised in the statement of profit and loss. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, the recognised impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

Other than financial assets:

The Company assesses at each balance sheet date whether there is any indication that a non-financial asset including goodwill may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to 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 balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. In respect of goodwill, the impairment loss will be reversed only when it was caused by specific external events of an exceptional nature that is not expected to recur and their effects have been reversed by subsequent external events.

vii. Taxes

Income tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations.

viii. Earnings per share

Basic:

The number of equity shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period excluding equity shares held by controlled trust.

Diluted:

The number of equity shares used in computing diluted earnings per share comprises the weighted average equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

ix. Cash flow statement

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3. **Share Capital**

(i) The details of share capital are given below.

	<u>As at</u>	
	<u>Mar 31, 2016</u>	<u>Mar 31, 2015</u>
<b>Authorised Capital</b>		
[ 100,000 (2015: 100,000) equity shares of GBP 1 each ]	<u>7,269,822</u>	<u>7,269,822</u>
<b>Issued, subscribed and paid-up capital</b>		
100,000 (2015: 100,000) equity shares of GBP 1 each [Refer note (ii) below] ( held by Wipro Holdings UK Limited, the holding company)	<u>7,269,822</u>	<u>7,269,822</u>
	<u>7,269,822</u>	<u>7,269,822</u>

(ii) The following is the reconciliation of number of shares.

	<u>As at</u>	
	<u>Mar 31, 2016</u>	<u>Mar 31, 2015</u>
Opening number of equity shares	<u>100,000</u>	100,000
Equity shares	-	-
Closing number of equity shares / ADRs outstanding.....	<u>100,000</u>	<u>100,000</u>

(iii) Details of shareholding more than 5% shares of the Company

	<u>As at</u>	
	<u>Mar 31, 2016</u>	<u>Mar 31, 2015</u>
<b>Equity shares</b>		
Shares held by holding company (100% of the shares)	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>100,000</u>

#### 4. Reserves and Surplus:

	As at	
	Mar 31, 2016	Mar 31, 2015
<b>General reserve</b>		
Balance brought forward from previous year .....	(4,121,104)	(4,121,104)
Movements during the year.....	(11,423,737)	-
	<u>(15,544,841)</u>	<u>(4,121,104)</u>
<b>Securities premium account</b>		
As at the beginning of the year.....	589,176,590	589,176,590
Movements during the year.....	-	-
	<u>589,176,590</u>	<u>589,176,590</u>
<b>Translation Reserve</b>		
As at the beginning of the year.....	15,544,841	15,544,841
Movements during the year.....	-	-
	<u>15,544,841</u>	<u>15,544,841</u>
<b>Surplus from statement of profit and loss</b>		
Balance brought forward from previous year .....	762,228	762,228
Add: Profit for the year .....	(197,652,272)	-
	<u>(196,890,044)</u>	<u>762,228</u>
<b>Summary of reserves and surplus</b>		
Balance brought forward from previous year .....	601,362,555	601,362,555
Movement during the year .....	(209,076,009)	-
	<u>392,286,546</u>	<u>601,362,555</u>

#### 5. Non-current investments

(Valued at cost unless stated otherwise)

	As at	
	Mar 31, 2016	Mar 31, 2015
<b>Trade – Unquoted</b>		
<b>Investments in equity instruments</b>		
- 706,725 shares of £ 1 each of Wipro UK Limited .....	541,123,069	541,123,069
- 83,787 shares of £ 0.64 each of New Logic Technologies SARL .....	14,103,454	14,103,454
Less: Provision for diminution in value of non-current investments .....	(210,824,827)	-
	<u>344,401,696</u>	<u>555,226,523</u>



## 6. Long term loans and advances

(Unsecured, considered good unless otherwise stated)

Summary of Long term loans and advances is as follows:

	As at	
	Mar 31, 2016	Mar 31, 2015
Receivable from subsidiary, Wipro UK Limited .....	55,154,672	53,405,854
	<b>55,154,672</b>	<b>53,405,854</b>

## 7. Other income

	For the Year ended	
	Mar 31, 2016	Mar 31, 2015
Exchange fluctuations on foreign currency , net.....	88,263,706	-
	<b>88,263,706</b>	-

## 8. Related party relationships

Name of the entity	Relationship
Wipro UK Limited.....	Subsidiary Company
New Logic Technologies SARL .....	Subsidiary Company
Wipro Holdings UK Limited.....	Holding Company
Wipro Limited.....	Ultimate Holding Company

9. The Company is a foreign company and is not governed by the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (the Act). Hence, the disclosures under the Act are not applicable to the Company.

10. The Financials form part of Consolidated Financial Statements of the Ultimate Holding Company “Wipro Limited” in the annual report. In accordance with Accounting Standard 17, Segment Reporting, the segment information is disclosed in the consolidated financial statements.

The Company neither has more than one business segment nor more than one geographic segment; hence segment reporting is not required to be disclosed

11. Previous year’s figures are regrouped / reclassified, wherever appropriate, to confirm current year classification.