

Financial Statements and Independent Auditor's Report

WIPRO INFORMATION TECHNOLOGY NETHERLANDS BV

31 March 2016

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## **Independent Auditor's Report**

### **To the Board of Directors of Wipro Information Technology Netherlands BV**

#### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of **Wipro Information Technology Netherlands BV** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India. This responsibility also includes maintenance of adequate accounting records 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.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We conducted our audit in accordance with the Standards on Auditing issued by ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

7. 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, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

### **Other matter**

8. This report is intended solely for the information of the Company's and its ultimate holding company's board of directors and members as a body 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 and members as a body, for our audit work, for this report, or for the opinions we have formed.
9. The audit of the financial statements of the Company as at and for the year ending 31 March 2015 was carried out by other auditors, whose report dated 31 May 2015 expressed an unqualified opinion on those statements.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
per **Sanjay Banthia**  
Partner  
Membership No.: 061068

Place: Bengaluru

Date: 3 June 2016

## Balance Sheet as at 31 March 2016

(All amounts are in ₹ unless otherwise stated)

|  | Notes | 31 March 2016        | 31 March 2015        |
|--|-------|----------------------|----------------------|
| <b>Equity And Liabilities</b>              |       |                      |                      |
| <b>Shareholders' funds</b>                 |       |                      |                      |
| Share capital                              | 3     | 1,653,357,605        | 1,653,357,605        |
| Reserves and surplus                       | 4     | 975,394,025          | 839,099,251          |
|  |       | <u>2,628,751,630</u> | <u>2,492,456,856</u> |
| <b>Non-current liabilities</b>             |       |                      |                      |
| Long-term borrowings                       | 5     | 1,051,625,608        | 1,157,431,216        |
| <b>Current liabilities</b>                 |       |                      |                      |
| Trade payables                             | 6     | 69,654,523           | 5,675,850            |
| Other current liabilities                  | 7     | 819,559              | -                    |
| Short-term provisions                      | 8     | 8,916,037            | 3,321,906            |
|  |       | <u>79,390,119</u>    | <u>8,997,756</u>     |
| <b>Total</b>                               |       | <u>3,759,767,357</u> | <u>3,658,885,827</u> |
| <b>Assets</b>                              |       |                      |                      |
| <b>Non-current assets</b>                  |       |                      |                      |
| Non-current investments                    | 9     | 3,050,651,792        | 2,988,258,908        |
|  |       | <u>3,050,651,792</u> | <u>2,988,258,908</u> |
| <b>Current assets</b>                      |       |                      |                      |
| Trade receivables                          | 10    | 21,702,277           | 400,816              |
| Short-term loans and advances              | 11    | 687,413,288          | 670,226,103          |
|  |       | <u>709,115,565</u>   | <u>670,626,919</u>   |
| <b>Total</b>                               |       | <u>3,759,767,357</u> | <u>3,658,885,827</u> |
| Summary of significant accounting policies | 2     |                      |                      |

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

For and on behalf of the Board of Directors of Wipro Information Technology Netherland BV

Sd/-  
Theo Spijkerman  
Director

Sd/-  
Hieronymus Maria van Dijk  
Director

Place: Bangalore  
Date: 3 June 2016

Place: Bangalore  
Date: 3 June 2016

**Wipro Information Technology Netherlands BV**  
**Statement of Profit and Loss for the year ended 31 March 2016**  
(All amounts are in ₹ unless otherwise stated)

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|  | Notes | 31 March 2016      | 31 March 2015       |
|--|-------|--------------------|---------------------|
| <b>Revenue</b>                             |       |                    |                     |
| Revenue from operations                    | 12    | 101,533,337        | 186,732,384         |
| Other income                               | 13    | 278,823,572        | 7,874,554           |
| <b>Total revenue</b>                       |       | <b>380,356,909</b> | <b>194,606,938</b>  |
| <b>Expenses</b>                            |       |                    |                     |
| Employee benefit expenses                  | 14    | -                  | 6,423,620           |
| Finance cost                               | 15    | 28,079,644         | 18,206,769          |
| Other expenses                             | 16    | 138,870,058        | 255,539,142         |
| <b>Total expenses</b>                      |       | <b>166,949,702</b> | <b>280,169,531</b>  |
| <b>Profit / (loss) before tax</b>          |       | <b>213,407,207</b> | <b>(85,562,593)</b> |
| <b>Tax expense</b>                         |       |                    |                     |
| Current tax expense                        |       | 19,136,477         | (7,802,436)         |
| <b>Profit / (loss) after tax</b>           |       | <b>194,270,730</b> | <b>(77,760,157)</b> |
| <b>Earnings per share</b>                  |       |                    |                     |
| -Basic and diluted                         | 17    | 8.81               | (4.55)              |
| Summary of significant accounting policies | 2     |                    |                     |

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

For and on behalf of the Board of Directors of Wipro Information Technology Netherland BV

Sd/-  
**Theo Spijkerman**  
Director

Sd/-  
**Hieronymus Maria van Dijk**  
Director

Place: Bangalore  
Date: 3 June 2016

Place: Bangalore  
Date: 3 June 2016

**Wipro Information Technology Netherlands BV**  
**Cash Flow Statement for the year ended March 2016**  
(All amounts are in ₹ unless otherwise stated)

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|  | 31 March 2016            | 31 March 2015          |
|--|--------------------------|------------------------|
| <b>Cash flows from operating activities:</b>                     |                          |                        |
| <b>Profit/(loss) before tax</b>                                  | 213,407,207              | (85,562,593)           |
| Exchange difference, net   | (100,361,480)            | -                      |
| Dividend/ interest income  | (232,282,420)            | (7,874,554)            |
| Interest on borrowings   | 28,079,644               | 18,206,769             |
| Provision for diminution in the non-current investments          | 33,736,581               | -                      |
| <b>Operating (loss) before working capital changes</b>           | <b>(57,420,468)</b>      | <b>(75,230,378)</b>    |
| Trade receivable and unbilled revenue                            | (20,335,314)             | 89,095,774             |
| Loans and advances and other assets                              | 49,266,979               | (375,095,408)          |
| Liabilities and provisions                                       | 47,092,562               | (221,541,483)          |
| <b>Net cash generated from / (used in) operations</b>            | <b>18,603,759</b>        | <b>(582,771,495)</b>   |
| Income taxes refund  | -                        | 7,802,436              |
| <b>Net cash generated from / (used in) operating activities</b>  | <b>(A) 18,603,759</b>    | <b>(574,969,059)</b>   |
| <b>Cash flows from investing activities:</b>                     |                          |                        |
| Purchase of investments  | (96,129,465)             | (1,787,846,144)        |
| Dividend / interest income received                              | 232,282,420              | 7,874,554              |
| <b>Net cash generated from / (used in) investing activities</b>  | <b>(B) 136,152,955</b>   | <b>(1,779,971,590)</b> |
| <b>Cash flows from financing activities:</b>                     |                          |                        |
| Proceeds from issue of share capital                             | -                        | 1,113,813,354          |
| Proceeds from borrowings   | -                        | 1,100,287,548          |
| Repayment of borrowings  | (119,157,013)            | -                      |
| Interest paid on borrowings                                      | (28,079,644)             | (18,206,769)           |
| <b>Net cash (used in) / generated from financing activities</b>  | <b>(C) (147,236,657)</b> | <b>2,195,894,133</b>   |
| <b>Net increase/ (decrease) in cash and cash equivalents</b>     | <b>(A+B+C) 7,520,057</b> | <b>(159,046,516)</b>   |
| Effect of exchange rate changes on cash                          | (7,520,057)              | 159,046,516            |
| <b>Cash and cash equivalents as at the beginning of the year</b> | <b>-</b>                 | <b>-</b>               |
| <b>Cash and cash equivalents as at the end of the year</b>       | <b>-</b>                 | <b>-</b>               |

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

For and on behalf of the Board of Directors of Wipro Information Technology Netherland BV

Sd/-  
**Theo Spijkerman**  
Director

Sd/-  
**Hieronymus Maria van Dijk**  
Director

Place: Bangalore  
Date: 3 June 2016

Place: Bangalore  
Date: 3 June 2016

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

(All amounts are in ₹, unless otherwise stated)

**1 Background**

Wipro Information Technology Netherlands BV ("the Company") is a subsidiary of Wipro Cyprus Private Limited (the holding company), incorporated and domiciled in Netherlands. The principal business of Company is to engage in consultancy matters related to Information technology in Retail space. The ultimate holding company of the entity is Wipro Limited, incorporated and domiciled in India.

**2 Summary of significant accounting policies****a) Basis of preparation of financial statement**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared financial statements to comply in all material respect with the accounting standards issued by Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

The financial statement have been prepared on accrual basis and under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

These financial statements have been prepared to attach with the accounts of the ultimate holding company, to comply with the provisions of Section 137 (1) Companies Act (the Act), 2013 in India.

**b) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, as at the date of reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

**c) Revenue recognition**

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products.

**Services**

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered.

**A Time and material contracts**

Revenues and costs relating to time and material contracts are recognized as the related services are rendered.

**B Fixed-price contracts**

Revenues from fixed-price contracts, including systems development and integration contracts are recognized 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 does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period.

'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

**C Maintenance contracts**

Revenue from maintenance contracts is recognized rateably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized 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 recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

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

(All amounts are in ₹, unless otherwise stated)

**2 Summary of significant accounting policies****c) Revenue recognition (Cont'd)****D Others**

- The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.
- The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.
- Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term.
- Contract expenses are recognised as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

**E Products**

Revenue from sale of products is recognized when the significant risks and rewards of ownership has been transferred in accordance with the sale contract. Revenue from product sales is shown gross of excise duty and net of sales tax separately charged and applicable discounts.

**Other income**

Agency commission is accrued when shipment of consignment is dispatched by the principal.

Interest is recognized using the time proportion method, based on the rates implicit in the transaction.

Dividend income is recognized when the company's right to receive dividend is established.

**d) Foreign currency transactions****Transaction**

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

**Translation**

The Company is a non-integral unit of Ultimate Holding Company. The functional currency of the Company is EURO and the reporting currency for these financial statements is INR. The translation of financial statements from the local currency to the reporting currency of the Company is performed for balance sheet accounts using the exchange rate in effect at the Balance sheet date and for revenue, expenses and cash flow items using a monthly average exchange rate for the respective periods and the resulted differences is presented as 'foreign currency translation reserve' included in 'Reserve and surplus' and 'Effect of exchange rate changes on cash and cash equivalents' including in 'cash flow statement', respectively.

**e) Taxes****Income tax**

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

**Deferred tax**

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of the Company.

Deferred taxes are recognised in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment/substantive enactment date.

Deferred tax assets on timing differences are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

The Company offsets, on a year on year basis, the current and non-current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

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

(All amounts are in ₹, unless otherwise stated)

**2 Summary of significant accounting policies****(f) Earnings per share****Basic**

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

**Diluted**

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of 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.

**(g) Investments**

Non-current investments are stated at cost less other than temporary diminution in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(h) 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.

**(i) Employee benefits****Compensated absences**

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accumulating compensated absence and utilize it in future periods or receive cash compensation 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 absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

**Pension and social contribution**

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.

**(j) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present obligation as a result of past events, 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. Provision for onerous contracts is recognized when the expected benefits to be derived from the contract are lower than the unavoidable cost of meeting the future obligations under the contract.

**(k) 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 recognized 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 recognized impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

Summary of significant accounting policies and other explanatory information

(All amounts are in ₹, unless otherwise stated)

2 Summary of significant accounting policies

(k) Impairment of assets (Cont'd)

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.

*(This space has been intentionally left blank)*

## Summary of significant accounting policies and other explanatory information

(All amounts are in ₹ unless otherwise stated)

## 3 Share capital

|  | 31 March 2016        | 31 March 2015        |
|--|----------------------|----------------------|
| <b>I Authorized capital</b>  |                      |                      |
| 22,046,000 (31 March 2015: 22,046,000) Equity shares of EURO 1 par value | 1,653,357,605        | 1,653,357,605        |
|  | <u>1,653,357,605</u> | <u>1,653,357,605</u> |
| <b>II Issued, subscribed and paid-up capital</b>                         |                      |                      |
| 22,046,000 (31 March 2015: 22,046,000) Equity shares of EURO 1 par value | 1,653,357,605        | 1,653,357,605        |
|  | <u>1,653,357,605</u> | <u>1,653,357,605</u> |

## a) Reconciliation of issued, subscribed and paid-up capital

## Equity share capital

|   | 31 March 2016     |                      | 31 March 2015     |                      |
|---|-------------------|----------------------|-------------------|----------------------|
|   | No. of shares     | Amount               | No. of shares     | Amount               |
| <b>Balance at the beginning of the year</b> | 22,046,000        | 1,653,357,605        | 8,440,000         | 539,544,251          |
| Add: Issued and subscribed during the year  | -                 | -                    | 13,606,000        | 1,113,813,354        |
| <b>Balance at the end of the year</b>       | <u>22,046,000</u> | <u>1,653,357,605</u> | <u>22,046,000</u> | <u>1,653,357,605</u> |

## b) Details of shares held by the Holding Company

|                              | 31 March 2016     |              | 31 March 2015     |              |
|------------------------------|-------------------|--------------|-------------------|--------------|
|                              | No. of shares     | % of holding | No. of shares     | % of holding |
| Name of the Shareholder      |                   |              |                   |              |
| Wipro Cyprus Private Limited | 22,046,000        | 100%         | 22,046,000        | 100%         |
|                              | <u>22,046,000</u> | <u>100%</u>  | <u>22,046,000</u> | <u>100%</u>  |

## c) Shareholders holding more than 5% of the shares

|                              | 31 March 2016     |              | 31 March 2015     |              |
|------------------------------|-------------------|--------------|-------------------|--------------|
|                              | No. of shares     | % of holding | No. of shares     | % of holding |
| Name of the Shareholder      |                   |              |                   |              |
| Wipro Cyprus Private Limited | 22,046,000        | 100%         | 22,046,000        | 100%         |
|                              | <u>22,046,000</u> | <u>100%</u>  | <u>22,046,000</u> | <u>100%</u>  |

## 4 Reserves and surplus

|  | 31 March 2016      | 31 March 2015      |
|--|--------------------|--------------------|
| <b>Securities premium account</b>                              |                    |                    |
| Balance brought forward from previous year                     | 129,052,952        | 129,052,952        |
| Add: Additions during the year                                 | -                  | -                  |
| <b>Balance at the end of the year</b>                          | <u>129,052,952</u> | <u>129,052,952</u> |
| <b>Translation reserve</b>                                     |                    |                    |
| Balance brought forward from previous year                     | 244,606,322        | 191,667,122        |
| Add: Movement during the period                                | (57,975,956)       | 52,939,200         |
| <b>Balance at the end of the year</b>                          | <u>186,630,366</u> | <u>244,606,322</u> |
| <b>General reserve</b>   |                    |                    |
| Balance brought forward from previous year                     | 465,439,977        | 543,200,134        |
| Add: Movement during the period                                | 194,270,730        | (77,760,157)       |
| <b>Balance at the end of the year</b>                          | <u>659,710,707</u> | <u>465,439,977</u> |
| <b>Surplus / (deficit) in the statement of profit and loss</b> |                    |                    |
| Balance brought forward from previous year                     | -                  | -                  |
| Add : Profit /(loss) for the year                              | 194,270,730        | (77,760,157)       |
| Less : Amount transferred to general reserve                   | (194,270,730)      | 77,760,157         |
| <b>Balance at the end of the year</b>                          | <u>-</u>           | <u>-</u>           |
|  | <u>975,394,025</u> | <u>839,099,251</u> |

## Summary of significant accounting policies and other explanatory information

(All amounts are in ₹ unless otherwise stated)

## 5 Long-term borrowings

|  | 31 March 2016        | 31 March 2015        |
|--|----------------------|----------------------|
| Balance due to related parties (refer note 19) | 1,051,625,608        | 1,157,431,216        |
|  | <b>1,051,625,608</b> | <b>1,157,431,216</b> |

## 6 Trade payables

|                  | 31 March 2016     | 31 March 2015    |
|------------------|-------------------|------------------|
| Due to others*   | 66,181,006        | 419,697          |
| Accrued expenses | 3,473,517         | 5,256,153        |
|                  | <b>69,654,523</b> | <b>5,675,850</b> |

\* includes payable to related parties (refer note 19)

## 7 Other current liabilities

|                          | 31 March 2016  | 31 March 2015 |
|--------------------------|----------------|---------------|
| Duties and taxes payable | 819,559        | -             |
|                          | <b>819,559</b> | <b>-</b>      |

## 8 Short term provisions

|                   | 31 March 2016    | 31 March 2015    |
|-------------------|------------------|------------------|
| Provision for tax | 8,916,037        | 3,321,906        |
|                   | <b>8,916,037</b> | <b>3,321,906</b> |

## 9 Non current investments

*(Valued at cost unless stated otherwise)*

## Non trade-unquoted

## Investment in equity shares

|   | 31 March 2016        | 31 March 2015        |
|---|----------------------|----------------------|
| - Wipro Portugal SA   | 298,303,696          | 298,303,696          |
| - Wipro Technologies Argentina SA                                   | 17,659,856           | 17,659,856           |
| - Wipro (Thailand) Co Limited                                       | 41,852               | 41,852               |
| - Wipro do brasil tecnologia ltda                                   | 696,491,269          | 696,491,269          |
| - Wipro Technologies gmbh   | 97,501,371           | 97,501,371           |
| - Wipro Technologies Limited - Russia                               | 16,339               | 16,339               |
| - Wipro Poland Sp Zoo   | 6,883                | 6,883                |
| - Wipro Norway AS   | 52,893,780           | 52,893,780           |
| - Wipro Peru  | 23,675,305           | -                    |
| - Wipro Gulf CC   | 394,454              | 394,454              |
| - Wipro Egypt   | 224                  | 224                  |
| - Wipro Chile pty ltd   | 114,282,281          | 37,414,605           |
| - Wipro IT Kazakhstan LLP   | 9,405,455            | 9,405,455            |
| - Wipro IT Services Canada  | 1,777,885,124        | 1,777,885,124        |
| - Wipro do Brasil Sistemas de Informacion Ltda                      | 160,886              | 160,886              |
| - Wipro Outsourcing Services (Ireland) Ltd                          | 83,113               | 83,113               |
|   | <b>3,088,801,890</b> | <b>2,988,258,908</b> |
| Less - Provision for diminution in value of non-current investments | 38,150,098           | -                    |
|   | <b>3,050,651,792</b> | <b>2,988,258,908</b> |

## Summary of significant accounting policies and other explanatory information

(All amounts in are in ₹ unless otherwise stated)

**10 Trade receivables***(Unsecured, considered good)*

|                                    | <u>31 March 2016</u>     | <u>31 March 2015</u>  |
|------------------------------------|--------------------------|-----------------------|
| Other debts                        |                          |                       |
| Considered good                    | 21,702,277               | 400,816               |
| Considered doubtful                | -                        | -                     |
|                                    | <u>21,702,277</u>        | <u>400,816</u>        |
| Less: Provision for doubtful debts | -                        | -                     |
|                                    | <u>21,702,277</u>        | <u>400,816</u>        |
|                                    | <u><b>21,702,277</b></u> | <u><b>400,816</b></u> |

**11 Short-term loans and advances***(Unsecured, considered good)*

|  | <u>31 March 2016</u> | <u>31 March 2015</u> |
|--|----------------------|----------------------|
| Balance due from related parties (refer note 19) | 687,224,730          | 670,226,102          |
| Advance income tax                               | 188,558              | -                    |
|  | <u>687,413,288</u>   | <u>670,226,102</u>   |

**12 Revenue from operations**

|                  | <u>31 March 2016</u> | <u>31 March 2015</u> |
|------------------|----------------------|----------------------|
| Sale of services | 101,533,337          | 186,732,384          |
|                  | <u>101,533,337</u>   | <u>186,732,384</u>   |

**13 Other income**

|                                 | <u>31 March 2016</u> | <u>31 March 2015</u> |
|---------------------------------|----------------------|----------------------|
| Interest income (refer note 19) | 16,008,422           | 7,874,554            |
| Dividend income*                | 216,273,998          | -                    |
| Foreign exchange gain, net      | 46,541,152           | -                    |
|                                 | <u>278,823,572</u>   | <u>7,874,554</u>     |

\*includes transactions with related parties (refer note 19)

**14 Employee benefit expense**

|                    | <u>31 March 2016</u> | <u>31 March 2015</u> |
|--------------------|----------------------|----------------------|
| Salaries and wages | -                    | 6,423,620            |
|                    | <u>-</u>             | <u>6,423,620</u>     |

**15 Finance cost**

|                  | <u>31 March 2016</u> | <u>31 March 2015</u> |
|------------------|----------------------|----------------------|
| Interest expense | 28,079,644           | 18,206,769           |
|                  | <u>28,079,644</u>    | <u>18,206,769</u>    |

**16 Other expense**

|  | <u>31 March 2016</u> | <u>31 March 2015</u> |
|--|----------------------|----------------------|
| Sub contracting/ technical fee/ third party application* | 91,379,801           | 168,059,111          |
| Legal & professional                                     | 13,232,893           | 24,268,573           |
| Rent   | -                    | 503,819              |
| Traveling  | -                    | 656,000              |
| Diminution in investments                                | 33,736,581           | -                    |
| Foreign exchange loss, net                               | -                    | 60,601,834           |
| Miscellaneous expenses                                   | 520,783              | 1,449,805            |
|  | <u>138,870,058</u>   | <u>255,539,142</u>   |

\*includes transactions with related parties (refer note 19)

## Summary of significant accounting policies and other explanatory information

(All amounts are in ₹ unless otherwise stated)

| 17 | Earning per share (EPS)  | 31 March 2016 | 31 March 2015 |
|----|--|---------------|---------------|
|    | Net profit after tax attributable to the equity shareholders         | 194,270,730   | (77,760,157)  |
|    | Weighted average number of equity shares - for basic and diluted EPS | 22,046,000    | 17,088,197    |
|    | Earnings per share - Basic and diluted                               | 8.81          | (4.55)        |
|    | Nominal value per equity share (in EURO)                             | 1             | 1             |

## 18 Related party disclosure

## i) Parties where control exists:

| Nature of relationship    | Name of the related party              |
|---------------------------|--|
| Ultimate Holding Company  | Wipro Limited                          |
| Holding Company           | Wipro Cyprus Private Limited           |
| Subsidiary Company        | Wipro Technologies Argentina SA        |
| Fellow Subsidiary Company | Wipro Information Technology Egypt SAE |
| Subsidiary Company        | Wipro Technology Chile SpA             |
| Subsidiary Company        | Wipro Portugal SA                      |
| Subsidiary Company        | Wipro Outsourcing Services             |
| Fellow Subsidiary Company | Wipro Holdings Hungary                 |
| Fellow Subsidiary Company | Wipro Technologies GmbH                |
| Fellow Subsidiary Company | Wipro Thailand                         |

## ii) The Company has the following related party transactions:

| Particulars                                  | Relationship              | 31 March 2016 | 31 March 2015 |
|--|---------------------------|---------------|---------------|
| <b>Interest income</b>                       |                           |               |               |
| Wipro Cyprus Private Limited                 | Holding Company           | 23,069        | 358,123       |
| Wipro Information Technology Chile Spa       | Subsidiary Company        | 53,203        | -             |
| Wipro Technologies GmbH                      | Fellow Subsidiary Company | 14,907,695    | 3,351,025     |
| Wipro Portugal SA                            | Subsidiary Company        | 1,024,490     | 4,108,192     |
| <b>Interest expense</b>                      |                           |               |               |
| Wipro Outsourcing Services (Ireland) Limited | Subsidiary Company        | 9,678,117     | 7,792,079     |
| Wipro Limited                                | Ultimate Holding Company  | 7,357,858     | 6,238,045     |
| Wipro Holdings Hungary                       | Fellow Subsidiary Company | 11,000,344    | 4,108,192     |
| <b>Dividend income</b>                       |                           |               |               |
| Wipro Outsourcing Services (Ireland) Limited | Fellow Subsidiary Company | 216,273,998   | -             |
| <b>Sub contracting charges</b>               |                           |               |               |
| Wipro Limited                                | Ultimate Holding Company  | 91,379,801    | 168,059,111   |
| <b>Loan paid</b>                             |                           |               |               |
| Wipro Holdings Hungary                       | Fellow Subsidiary Company | 194,869,675   | -             |
| <b>Loan received</b>                         |                           |               |               |
| Wipro Outsourcing Services (Ireland) Limited | Subsidiary Company        | 44,552,923    | -             |
| Wipro Cyprus Private Limited                 | Holding Company           | 31,159,739    | -             |

## iii) Balances with related parties as at year end are summarised below\*

| Particulars                                  | Relationship              | 31 March 2016 | 31 March 2015 |
|--|---------------------------|---------------|---------------|
| Wipro Technologies GmbH                      | Fellow Subsidiary Company | 647,980,065   | 563,387,062   |
| Wipro Technologies Argentina SA              | Subsidiary Company        | 189,803       | 178,877       |
| Wipro Technology Chile SpA                   | Subsidiary Company        | 2,270,098     | -             |
| Wipro Limited                                | Ultimate Holding Company  |               | 157,818       |
| Wipro Portugal SA                            | Subsidiary Company        | -             | 43,892,332    |
| Wipro Chile Pty Limited                      | Fellow Subsidiary Company | -             | 1,972,813     |
| Wipro Technologies SA                        | Subsidiary Company        | -             | 172           |
| Wipro IT Kazakhstan LLP                      | Fellow Subsidiary Company | 171,258       | 152,572       |
| Wipro Limited                                | Ultimate Holding Company  | (56,759,498)  | -             |
| Wipro Cyprus Private Limited                 | Holding Company           | (378,333,098) | (313,734,630) |
| Wipro Holdings Hungary                       | Fellow Subsidiary Company | (330,322,832) | (509,782,402) |
| Wipro Outsourcing Services (Ireland) Limited | Subsidiary Company        | (315,534,420) | (273,429,729) |

\* The amounts are classified as long term borrowings, trade payables, other current liabilities and loans and advances, respectively

**Summary of significant accounting policies**

(All amounts are in ₹ unless otherwise stated)

- 19 In view of carry forward losses under tax laws, no deferred tax asset is recognized as at 31 March 2016 on account of lack of virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.
- 20 **Segment reporting**  
The accompanying financial statements are appended to the consolidated financial statements of ultimate holding company, i.e. Wipro Limited as per the requirement of Section 137(1) of the Companies Act 2013. These standalone financial statements should to be read with the consolidated financial statements of Wipro Limited. Accordingly, pursuant to requirement of Accounting Standard (AS) 17, Segment Reporting, the Company discloses the segment information in the consolidated financial statements of ultimate holding company.
- 21 **Prior period comparatives**  
Previous year's figures have been reclassified to confirm to this year's classification.

**For and on behalf of the Board of Directors of Wipro Information Technology Netherlands BV**

Sd/-  
**Theo Spijkerman**  
Director

Sd/-  
**Hieronymus Maria van Dijk**  
Director

Place: Bangalore  
Date: 3 June 2016

Place: Bangalore  
Date: 3 June 2016