WIPRO TECHNOLOGIES VZ, C.A.

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED
MARCH 31, 2016

WIPRO TECHNOLOGIES VZ, C.A.
BALANCE SHEET AS AT MARCH 31, 2016
(Amount in ₹ except share and per share data, unless otherwise stated)

	Notes	As at March 31, 2016	2015
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	-	-
Reserves and surplus	4	**(170,665)**	(2,664,863)
		(170,665)	(2,664,863)
Current liabilities			
Trade payables			
(A)Total outstanding dues of micro and small enterprises		-	-
(B)Total outstanding dues of creditors other than micro and small enterprises	5	**4,890**	103,973
Other current liabilities	6	**3,658,457**	75,870,250
		3,663,347	75,974,223
TOTAL EQUITY AND LIABILITIES		**3,492,682**	73,309,360
II ASSETS			
Current assets			
Cash and bank balances	7	**3,492,682**	73,309,360
		3,492,682	73,309,360
TOTAL ASSETS		**3,492,682**	73,309,360
Significant accounting policies	2		

The accompanying notes 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
Place: Bangalore
Date:

sd/-

WIPRO TECHNOLOGIES VZ, C.A.

STATEMENT OF PROFIT AND LOSS ACCOUNT

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

	Notes	Year ended March 31,	
		2016	2015
REVENUE			
Revenue from operations		**-**	-
Other income	8	**44,704**	405,458
Total Revenue		**44,704**	405,458
EXPENSES			
Finance costs	9	**89,230**	3,564,997
Other expenses	10	**206**	7,070
Total Expenses		**89,436**	3,572,067
Loss before tax		**(44,732)**	(3,166,609)
Tax expense			
Current tax		**-**	-
Net Loss		**(44,732)**	(3,166,609)
Significant accounting policies	2		

The accompanying notes form an integral part of the Profit & Loss Statement

As per our report attached
for Appaji& Co.
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CA.K .Appaji
Partner
Membership No. 214156
Place: Bangalore
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WIPRO TECHNOLOGIES VZ, C.A.
CASH FLOW STATEMENT FOR THE YEAR MARCH 31, 2016
(Amount in ₹ except share and per share data, unless otherwise stated)

	Year ended March 31,	
A. Cash flows from operating activities:	**2016**	2015
Profit / (Loss) before tax	**(44,732)**	(3,166,609)
Adjustments:		
Unrealised exchange differences - net	**2,538,931**	2,262,419
Divident/Interest Income	**(44,704)**	(405,458)
Interest on borrowings	**89,230**	3,564,997
Working capital changes :		
Trade and other payables	**(99,083)**	3,479,212
Net cash generated from operations	**2,439,642**	5,734,560
Net cash generated by operating activities	**2,439,642**	5,734,560
B. Cash flows from investing activities:	**-**	-
Dividend / interest income received	**44,704**	405,458
Net cash generated by / (used in) investing activities	**44,704**	405,458
C. Cash flows from financing activities:		
Proceeds from borrowings / loans	**-**	-
Interest paid on borrowings	**(89,230)**	(3,564,997)
Effect of exchange rate changes on loan balances [Note 2.vi]	**(72,211,794)**	(62,670,254)
Net cash generated by / (used in) financing activities	**(72,301,024)**	(66,235,251)
Net (decrease) / increase in cash and cash equivalents during the period	**(69,816,678)**	(60,095,233)
Cash and cash equivalents at the beginning of the period	**73,309,360**	133,404,593
Cash and cash equivalents at the end of the period (Note: 7)	**3,492,682**	73,309,360

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
Place: Bangalore
Date:

sd/-

WIPRO TECHNOLOGIES VZ, C.A.

NOTES TO THE FINANCIAL STATEMENTS
(Amount in ₹ except share and per share data, unless otherwise stated)

1. Company overview

WIPRO TECHNOLOGIES VZ, C.A. is a subsidiary of Wipro Information Technology Netherlands BV, incorporated and domiciled in Chile. The Company is provider of IT Services, including Business Process Services (BPS) services, globally and IT Products. The functional currency of the Company is CLP 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 Generally Accepted Accounting Principles in India (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 mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable, Accounting Standards (‘AS’) issued by Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

ii. Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. 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.

iii. Fixed Asset

Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.

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

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment loss, if any.

Cost of fixed assets not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.

iv. Provisions and contingent liabilities

Provisions are recognized 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.

v. 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 ratably 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.

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 recognized as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

Other income:

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

vi. 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, except for the exchange difference arising on monetary items that qualify as hedging instruments in a cash flow hedge or hedge of a net investment in a non-integral foreign operation. In such cases the exchange difference is initially recognized in hedging reserve or Foreign Currency Translation Reserve (FCTR), respectively. Such exchange differences are subsequently recognized in the statement of profit and loss on occurrence of the underlying hedged transaction or on disposal of the investment, respectively. Further, foreign currency differences arising from translation of intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the statement of profit and loss as part of the profit or loss on disposal.

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.

Venezuela government has introduced two new currency exchange rates DIPRO and DICOM replacing the existing exchange rates SICAD, official rate and SIMADI on 10th Mar 2016. It also published Exchange Agreement No. 35 establishing the rules governing the foreign exchange administration regime, effective date being 10th Mar 2016.

Below is the overview of the new currency pairs.

a. **DIPRO -** DIPRO will consolidate SICAD and the Official rate. However, it will have restricted use like, payments in the state sectors of healthcare, culture, sports, scientific investigations, and in other cases of special urgency.
b. **DICOM -**DICOM will replace SIMADI and will govern all other transactions not covered by DIPRO.

We have used DICOM rate for translation of the financial statements into INR. Our view is based upon the exchange agreement No. 35 which allows use of DICOM rate for foreign investments, technology Import and technical assistance.

vii. Depreciation and amortization

The Company has provided for depreciation using straight line method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 except in the case of following assets which are depreciated based on useful lives estimated by the Management:

Class of asset	**Estimated useful life**
Buildings	28 – 40 years
Computer including telecom equipment and software (included under plant and machinery)	2 – 7 years
Furniture and fixtures	5 – 6 years
Electrical installations (included under plant and machinery)	5 years
Vehicles	4 years

For the class of assets mentioned above, based on internal technical assessment the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Freehold land is not depreciated.

Intangible assets are amortized over their estimated useful life on a straight line basis.

Payments for leasehold land are amortized over the period of lease.

Fixed assets individually costing Rupees five thousand or less are depreciated at 100% over a period of one year.

Assets under finance lease are amortized over their estimated useful life or the lease term, whichever is lower

viii. 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.

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 recognized 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.

ix. Employee benefits

Compensated absences:

The employees of the Company are entitled to compensate absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss account.

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.

x. 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 recognized 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 recognized 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 recognized in the period that includes the enactment/substantive enactment date.

Deferred tax assets on timing differences are recognized 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 recognized 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.

xi. 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 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.

xii. 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.

Note 3 Share Capital

Particulars	As at March 31, 2016	2015
(i) The details of share capital are given below:-		
Authorised capital		
50,000 (2014: 50,000) common stock of VEF 1 each	**475,240**	475,240
Note 4 Reserves and Surplus		
Translation reserve		
Balance brought forward from previous year	**2,321,651**	59,232
Movement during the period	**2,538,930**	2,262,419
	4,860,581	**2,321,651**
Surplus from statement of profit and loss		
Balance brought forward from previous year	**(4,986,514)**	(1,819,905)
Add: Loss for the year	**(44,732)**	(3,166,609)
Closing balance	**(5,031,247)**	(4,986,514)
Summary of reserves and surplus		
Balance brought forward from previous year	**(2,664,863)**	(1,760,673)
Movement during the year	**2,494,198**	(904,190)
	(170,665)	(2,664,863)
Note 5 Trade payables		
Accrued expenses	**4,890**	103,973
	4,890	103,973
Note 6 Other current liabilities		
Balances due to related parties	**3,658,457**	75,870,250
	3,658,457	75,870,250
Note 7 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
In current accounts	**11,445**	398,760
In deposit accounts	**3,481,237**	72,910,600
	3,492,682	**73,309,360**

	As at March 31,	
	2016	2015
Note 8 Other Income		
Interest Income	**44,704**	405,458
	44,704	405,458
Note 9 Finance costs		
Interest Cost	**89,230**	3,564,997
	89,230	3,564,997
Note 10 Other expenses		
Miscellaneous expenses	**206**	7,070
	206	7,070

11. Related party transactions

Name	Relation
List of related parties and relationships:	
Wipro Limited	Ultimate Holding Company
Wipro Information Technology BV	Holding Company
Wipro Cyprus Private Limited	Holding Company
Wipro LLC	Fellow Subsidiary

The Company had the following transactions with related parties during the year ended

	Year Ended, March 31	
	2016	2015
Interest on Loan		
Wipro LLC:	**89,230**	3,564,997
	89,230	3,564,997

The following is the listing of receivables and payables to related parties

	Year Ended, March 31	
	2016	2015
Payables:		
Wipro LLC:	**3,658,456**	75,870,251
	3,658,456	75,870,251

12. Micro, Small and Medium Enterprises, Development Act, 2006

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.

13. Others

Correponding figures presented for the last year have been regrouped, wherever necessary, to conform to current year classification.

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

For and on behalf of the Board of Directors

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CA.K .Appaji
Partner
Membership No. 214156
Place: Bangalore
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Director