WIPRO TECHNOLOGIES PERU S.A.C.

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED MARCH 31, 2016

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

	Notes	As at March 31, 2016
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3	**23,637,164**
Reserves and surplus	4	**13,413,995**
		37,051,159
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	**5,982,497**
Other current liabilities	6	**6,999,851**
		12,982,348
TOTAL EQUITY AND LIABILITIES		**50,033,507**
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	7	**371,320**
		371,320
Current assets		
Trade receivables	8	**21,135,740**
Cash and bank balances	9	**26,530,196**
Short term loans and advances	10	**355,748**
Other current assets	11	**1,640,504**
		49,662,187
TOTAL ASSETS		**50,033,507**
Significant accounting policies	2	

The accompanying notes form an integral part of the Balance Sheet

As per our report of even date attached

for D.Prasanna & Co.
Chartered Accountants
Firm Registration number : 009619S

sd/-
D.Prasanna Kumar
Proprietor
Membership No. 211367

For and on behalf of the Board of Directors

sd/-
Director

WIPRO TECHNOLOGIES PERU S.A.C.

STATEMENT OF PROFIT AND LOSS ACCOUNT

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

	Notes	Year ended March 31, 2016
REVENUE		
Revenue from operations	12	**42,894,094**
Total Revenue		**42,894,094**
EXPENSES		
Employee benefits expense	13	**14,116,794**
Depreciation and amortisation expense	7	**183,291**
Other expenses	14	**14,563,710**
Total Expenses		**28,863,795**
Profit before tax		**14,030,299**
Tax expense		
Current tax		**-**
Net profit		**14,030,299**
Earnings per equity share		
(Equity shares of par value PEN 1 each)		
Basic		**17**
Diluted		**17**
Significant accounting policies	2	

The accompanying notes form an integral part of Profit and Loss statement.

As per our report of even date attached

for D.Prasanna & Co.
Chartered Accountants
Firm Registration number : 009619S

sd/-
D.Prasanna Kumar
Proprietor
Membership No. 211367

For and on behalf of the Board of Directors

sd/-
Director

WIPRO TECHNOLOGIES PERU S.A.C.
CASH FLOW STATEMENT FOR THE YEAR MARCH 31, 2016
(Amount in ₹ except share and per share data, unless otherwise stated)

	Period ended March 31, 2016
A. Cash flows from operating activities:	
Profit / (Loss) before tax	14,030,299
Adjustments:	
Depreciation and amortization	183,291
Unrealised exchange differences - net	(610,684)
Trade and other receivable	(21,135,740)
Loans and advances	(1,655,489)
Provisions and Other Current Liabilities	6,999,851
Trade and other payables	5,982,497
Net cash generated from operations	3,794,025
Direct taxes (paid)/refund	(340,764)
Net cash generated by operating activities	3,453,261
B. Cash flows from investing activities:	
Acquisition of fixed assets	(560,231)
Net cash generated by / (used in) investing activities	(560,231)
C. Cash flows from financing activities:	
Proceeds from borrowings	-
Proceeds from issuance of common stock by subsidiary	23,637,166
Net cash generated by / (used in) financing activities	23,637,166
Net (decrease) / increase in cash and cash equivalents during the period	26,530,196
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period [Note 9]	26,530,196

As per our report attached
for ***D.Prasanna & Co.***
Chartered Accountants
Firm Registration number : 009619S

sd/-
D.Prasanna Kumar
Proprietor
Membership No. 211367
Bangalore

sd/-
Director

WIPRO TECHNOLOGIES PERU S.A.C.

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

1. Company overview

Wipro Technology Peru S.A.C. is a subsidiary of Wipro Information Technology Netherlands BV & Wipro Cyprus Private Ltd, incorporated and domiciled in Peru. The Company is provider of IT Services, including Business Process Services (BPS) services, globally and IT Products. The functional currency of the Company is PEN 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.

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. The Company recognizes accumulated compensated absences based on actuarial valuation carried out by independent actuary using the projected unit credit method. 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.

	As at March 31, 2016
Note 3 Share Capital	

(i) The details of share capital are given below:-

Authorised capital	
1,181,940 Common stock of PEN 1 each	**23,637,164**
	23,637,164
Issued, subscribed and fully paid-up capital	
1,181,940 Common stock of PEN 1 each	**23,637,164**
	23,637,164

(ii) The following is the reconciliation of number of shares as at March 31, 2016.

Number of common stock outstanding as at beginning of the year	**-**
Number of common stock issued during the year	**1,181,940**
Number of common stock outstanding as at the end of the year	**1,181,940**

(iii) Details of shareholding pattern by related parties

Particulars	**As at March 31, 2016**	
Name of shareholders	**No. of Shares**	**% of holdings**
Wipro Information Technology Netherlands BV	1,181,527	99.97%
Wipro Cyprus Private Limited	413	0.03%
Total	**1,181,940**	**100%**

Terms & Rights

The Company has only one class of equity shares having a par value of PEN 1 each. Each shareholder of equity shares is entitled to one vote per share.

	As at March 31, 2016
Note 4 Reserves and Surplus	
Translation reserve	
Balance brought forward from previous year	**-**
Movement during the period	**(616,304)**
	(616,304)
Surplus from statement of profit and loss	
Balance brought forward from previous year	**-**
Add: Profit for the year	**14,030,299**
Closing balance	**14,030,299**
Summary of reserves and surplus	
Balance brought forward from previous year	**-**
Movement during the year	**13,413,995**
	13,413,995

Note 5 Trade payables	
Accrued expenses	**5,982,497**
	5,982,497

Note 6 Other current liabilities	
Statutory liabilities	**3,736,857**
Balances due to related parties	**3,187,727**
Others	**75,267**
	6,999,851

Note 8 Trade Receivable	
Other receivables	
Considered good	**21,135,740**
Considered doubtful	**-**
	21,135,740
Less: Provision for doubtful receivables	**-**
	21,135,740

Note 9 Cash and bank balances	
Cash and cash equivalents	
Balances with banks	
In current accounts	**26,530,196**
	26,530,196

	As at March 31, 2016
Note 10 Short-term loans and advances	
(Unsecured, considered good unless otherwise stated)	
Advance to suppliers	**14,984**
Advance income tax	**340,764**
	355,748
Less: Provision for doubful loans and advances	**-**
	355,748

Note 11 Other current assets	
Unsecured and considered good:	
Unbilled revenue	**1,640,504**
	1,640,504

Note 12 Revenue from operations	As at March 31, 2016
Sale of services	**42,894,094**
Revenue from operations (gross)	**42,894,094**

Note 13 Employee benefits expense	
Salaries and wages	**12,524,097**
Contribution to provident and other funds	**1,592,298**
Staff welfare expenses	**399**
	14,116,794

Note 14 Other expenses	
Legal and professional charges	**10,078,052**
Sub contracting / technical fees / third party application	**1,745,712**
Staff recruitment	**1,608,906**
Travel	**545,886**
Other exchange differences, net	**184,697**
Communication	**167,023**
Rates and taxes	**137,877**
Advertisement and sales promotion	**31,893**
Miscellaneous expenses	**63,664**
	14,563,710

15. Related party transactions

Name	Relation
List of related parties and relationships:	
Wipro Limited	Ultimate Holding company
Wipro Information Technology Netherlands BV	Holding company
Wipro Cyprus Private Limited	Holding company

The Company had the following significant transactions with related parties

	For the year ended March 31,
	2016
Intercompany payments made:	
Wipro Limited	**649,275**
Wipro Cyprus Pvt Ltd	**2,538,452**

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

	As at March 31,
	2016
Payables:	
Wipro Limited	**649,275**
Wipro Cyprus Pvt Ltd	**2,538,452**

16. Earnings per share

	As at March 31,
	2016
Computation of EPS	
Profit for the year as per statement of profit and Profit	**14,030,299**
Weighted average number of equity shares used for computing basic EPS	**832,162**
Profit per share basic (face value: PEN 1 each)	**17**
Weighted average number of equity shares used for computing basic and diluted EPS	**832,162**
Profit per share basic (face value: PEN 1 each)	**17**

17. 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.

18. Others

The Company has commenced operations in financial year 2015-16, hence, compárables for FY 14-15 has not been provided.

As per our report attached
for D.Prasanna & Co.
Chartered Accountants
Firm Registration number : 009619S

For and on behalf of the Board of Directors

sd/-
D.Prasanna Kumar
Proprietor
Membership No. 211367
Bangalore
Date:

sd/-
Director

7. **Tangible assets**

Particular	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK*	
	As of April 1, 2015	Additions	Effect of Translation *	Disposals	As of March 31, 2016	As of April 1, 2015	Depreciation for the year	Effect of Translation *	Disposals / adjustments	As of March 31, 2016	As of March 31, 2016	As of March 31, 2015
Tangible fixed assets												
Buildings **	-	-	-		-	-	-	-	-	-	-	-
Plant & machinery ***	-	560,231	(8,354)	-	551,877	-	183,291	(2,734)	-	180,557	371,320	-
Furniture & fixture	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	-	-	-	-	-	-	-	-	-	-	-	-
	-	560,231	(8,354)	-	551,877	-	183,291	(2,734)	-	180,557	371,320	-
Previous Year (FY 2014-15)	-	-	-	-	-	-	-	-	-	-	-	-

* Represents translation of fixed assets of non-integral operations into Indian Rupee
** Building includes lease hold improvements.
*** Plant and machinery includes computers and computer software.