

## **Independent Auditor's Report**

**To the Board of Directors of Wipro IT Services Poland S.P. Zoo**

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

1. We have audited the accompanying financial statements of **Wipro IT Services Poland S.P. Zoo** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 Indian Accounting Standards (Ind AS) 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 (financial position) of the Company as at 31 March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Other matter**

8. The comparative financial information for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued financial statements for the year ended 31 March 2016 and 31 March 2015 respectively prepared in accordance with Accounting Standards issued by the ICAI which were audited by the predecessor auditor whose reports dated DD MM YYYY and 31 May 2015 respectively expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter
9. 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.

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

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

Place: Bengaluru  
Date: 2 June 2017

**Wipro IT Services Poland Sp Zoo**  
**Balance Sheet as at 31 March 2017**

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

	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	223,971,355	147,981,751	19,305,952
Capital work-in-progress		10,167,593	795,480	-
Financial assets				
Other financial assets	5	25,293,778	16,623,421	272,954,479
Non-current tax assets		52,103,122	86,686,480	-
Other non-current assets	6	20,002,395	817,525	-
		<b>331,538,243</b>	<b>252,904,657</b>	<b>292,260,431</b>
<b>Current assets</b>				
Financial assets				
Trade receivables	4	645,491,195	767,492,768	73,344,339
Cash and cash equivalents	7	306,285,606	7,097,447	3,436,725
Unbilled revenues		456,637,980	147,564,348	16,027,341
Other financial assets	5	3,051,065	40,931,676	256,959,609
Other current assets	6	154,182,162	12,629,047	131,142,185
		<b>1,565,648,008</b>	<b>975,715,286</b>	<b>480,910,199</b>
		<b>1,897,186,251</b>	<b>1,228,619,943</b>	<b>773,170,630</b>
<b>EQUITY</b>				
Share capital	8	169,504	169,504	169,504
Other equity	8	370,908,509	226,413,301	63,823,937
		<b>371,078,013</b>	<b>226,582,805</b>	<b>63,993,441</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	12	1,022,437,299	510,574,297	621,088,145
Other financial liabilities	10	-	-	2,230,452
Provisions	12	9,097,759	10,203,569	5,445,771
		<b>1,031,535,058</b>	<b>520,777,866</b>	<b>628,764,368</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	9	-	17,521,868	15,860,722
Trade payables	13	315,688,773	392,439,043	44,646,131
Other financial liabilities	10	163,489,136	62,482,767	7,864,140
Current tax liabilities		-	-	10,258,810
Other current liabilities	11	5,264,272	2,032,670	1,783,018
Provisions	12	10,130,999	6,782,923	-
		<b>494,573,180</b>	<b>481,259,271</b>	<b>80,412,821</b>
		<b>1,897,186,251</b>	<b>1,228,619,943</b>	<b>773,170,630</b>
Summary of significant accounting policies	2			

The accompanying notes are integral part of the financial statements

For and on behalf of the Board of Directors of Wipro IT Services Poland Sp Zoo

Sd/-  
**Ramesh Philip**  
 Director

Place:  
 Date: 02 June 2017

**Wipro IT Services Poland Sp Zoo****Statement of Profit and Loss for the year ended 31 March 2017**

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

	Note	Year ended 31 March 2017	Year ended 31 March 2016
<b>REVENUE</b>			
Revenue from operations	14	2,508,611,990	1,377,256,049
Other income	15	-	23,383,035
		<b>2,508,611,990</b>	<b>1,400,639,084</b>
<b>EXPENSES</b>			
Employee benefits expense	16	806,986,248	445,879,858
Finance costs	17	38,241,510	22,989,069
Depreciation and amortisation expense	3	125,674,728	36,204,298
Sub contracting / technical fees / third party application		1,024,016,567	567,174,220
Other expenses	18	265,470,124	140,433,583
		<b>2,260,389,177</b>	<b>1,212,681,028</b>
<b>Profit before tax</b>		<b>248,222,813</b>	<b>187,958,056</b>
<b>Tax expense</b>			
Current tax		82,101,793	35,886,031
<b>Tax expense</b>		<b>82,101,793</b>	<b>35,886,031</b>
<b>Profit after Tax</b>		<b>166,121,020</b>	<b>152,072,024</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to statement of profit or loss (Net of</b>			
Exchange difference on foreign currency translation		(21,213,514)	10,517,340
Defined benefit plan actuarial gains/(losses)		-	-
<b>Total Other Comprehensive Income for the period, net of tax</b>		<b>(21,213,514)</b>	<b>10,517,340</b>
<b>Total comprehensive income for the period</b>		<b>144,907,506</b>	<b>162,589,365</b>
<b>Earnings per equity share</b>			
(Equity shares of par value PLN 50 each)	19		
Basic		830,605	760,360
Diluted		830,605	760,360
<b>No of shares</b>			
Basic		200	200
Diluted		200	200
Summary of significant accounting policies	2		
The accompanying notes form an integral part of these condensed interim financial statements			

**For and on behalf of the Board of Directors of Wipro IT Services Poland Sp Zoo****Sd/-**  
**Ramesh Philip**  
DirectorPlace:  
Date: 02 June 2017

**Wipro IT Services Poland Sp Zoo****Statement of Cash flows for the year ended 31 March 2017**

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

	Year ended 31 March 2017	Year ended 31 March 2016
<b>A. Cash flows from operating activities:</b>		
Profit/ (Loss) after tax	166,121,020	152,072,024
<b>Adjustments:</b>		
Depreciation and amortisation	125,674,728	36,204,298
Provision for bad and doubtful advances	5,151,219	-
Interest paid	38,241,510	22,989,069
Provision for tax	82,101,793	35,886,031
Other Comprehensive income	-	-
<b>Operating profit before working capital changes</b>	<b>417,290,270</b>	<b>247,151,422</b>
<b>Adjustments for working capital changes:</b>		
<b>Increase/decrease in</b>		
Trade payables	(50,153,980)	347,792,912
Other current liabilities	3,480,285	249,651
Other Financial Liabilities	108,701,065	52,388,175
Current provision	3,953,633	6,782,923
Non-current provision	(380,145)	4,757,798
Trade receivables	98,326,587	(694,148,429)
Non-current financial assets	(10,168,467)	256,331,058
Current financial assets	(293,395,048)	84,490,926
Other current assets	(147,119,726)	118,513,139
Other non-current assets	(19,824,379)	(817,525)
<b>Net cash generated from / (used in) operations</b>	<b>110,710,095</b>	<b>423,492,051</b>
Direct taxes (paid)/refund, net	(52,923,675)	(132,831,322)
<b>Net cash generated by / (used in) operating activities</b>	<b>57,786,420</b>	<b>290,660,729</b>
<b>B. Cash flows from investing activities:</b>		
Acquisition of fixed assets	(218,042,307)	(165,675,576)
<b>Net cash from / (used in) investing activities</b>	<b>(218,042,307)</b>	<b>(165,675,576)</b>
<b>C. Cash flows from financing activities:</b>		
Proceeds/ (Repayment) from Unsecured Loan	494,341,134	(108,852,701)
Interest paid on borrowings	(38,241,510)	(22,989,069)
<b>Net cash used in financing activities</b>	<b>456,099,624</b>	<b>(131,841,770)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>295,843,737</b>	<b>(6,856,617)</b>
Cash and cash equivalents at the beginning of the period	7,097,447	3,436,725
Effect of foreign exchange translation	2,932,124	10,517,339
<b>Cash and cash equivalents at the end of the period</b>	<b>305,873,307</b>	<b>7,097,447</b>
<b>Components of cash and cash equivalents (note 7)</b>		
Components of cash and cash equivalents		
Balances with banks in current account	306,285,606	7,097,447
<b>Total cash and cash equivalents</b>	<b>306,285,606</b>	<b>7,097,447</b>

The accompanying notes form an integral part of these condensed interim financial statements

For and on behalf of the Board of Directors of Wipro IT Services Poland Sp Zoo

Sd/-  
Ramesh Philip  
Director

Place:  
Date: 02 June 2017

**Wipro IT Services Poland Sp Zoo****Statement of Changes in Equity for the year ended 31 March 2017**

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

**Equity share capital**

Balance as at 01 April 2015	Changes in equity share capital during the year	Balance as at 31 March 2016
169,504	-	169,504

  

Balance as at 01 April 2016	Changes in equity share capital during the year	Balance as at 31 March 2017
169,504	-	169,504

**Other equity**

Particulars	Securities premium account	Retained Earnings	Other Comprehensive income	Foreign currency translation reserve	Total
<b>Balance as at 01 April 2015</b>	<b>27,442,050</b>	<b>41,936,467</b>		<b>(5,554,580)</b>	<b>63,823,937</b>
Profit for the period	-	152,072,024		-	152,072,024
Other comprehensive income for the period	-	-		-	-
Exchange difference on foreign currency translation	-	-		10,517,340	10,517,340
<b>Balance as at 31 March 2016</b>	<b>27,442,050</b>	<b>194,008,491</b>		<b>4,962,760</b>	<b>226,413,301</b>
Profit for the period	-	166,121,020		-	166,121,020
Other comprehensive income for the period	-	-	(412,298)	-	(412,298)
Exchange difference on foreign currency translation	-	-		(21,213,514)	(21,213,514)
Movement during the year	-	-		-	-
<b>Balance as at 31 March 2017</b>	<b>27,442,050</b>	<b>360,129,511</b>		<b>(16,250,754)</b>	<b>370,908,509</b>

The accompanying notes form an integral part of these condensed interim financial statements

For and on behalf of the Board of Directors of Wipro IT Services Poland Sp Zoo

Sd/-  
Ramesh Philip  
DirectorPlace:  
Date: 02 June 2017

## Wipro IT Services Poland Sp Zoo

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

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

#### 1 Background

Wipro IT Services Poland SP Zoo ("the Company") is a subsidiary of Wipro Cyprus Private Limited, incorporated and domiciled in Poland. The Company is provider of IT Services, including Business Process Services (BPS) services, globally and IT Products. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

#### 2 Summary of significant accounting policies

##### a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

These financial statements have been prepared on a historical cost convention and on accrual basis. Accounting policies have been applied consistently to all periods presented in these financial statements.

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

##### b) Use of estimates and judgment

The preparation of the financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

##### c) Foreign currency

###### Functional currency

The functional currency of the Company is the Polish Zloty. These financial statements are presented in Indian Rupees.

###### 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 functional currency of the Company is PLN 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 'Other equity' and 'Effect of exchange rate changes on cash and cash equivalents' included in 'cash flow statement', respectively.

##### d) Non-derivative financial instruments

Sd/- Non derivative financial instruments consist of:

i) financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;

ii) financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

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

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

## Wipro IT Services Poland Sp Zoo

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

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

#### i) Cash and cash equivalents:

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

#### ii) Other financial assets

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

#### iii) Trade and other payables

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

### e) Equity

#### i) Share capital

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

#### ii) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

#### iii) Other comprehensive income

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

#### iv) Foreign currency translation reserve

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

### f) Property, plant and equipment

#### *Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

#### *Depreciation*

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortized over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Leasehold building	4 to 6 years
Plant & machinery	2 to 6 years
Furniture & fixture	5 to 6 years



## Wipro IT Services Poland Sp Zoo

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

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

#### g) Employee benefits

##### *Compensated absences*

The employees of the Company are entitled to compensated 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 using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur.

##### *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.

#### g) Provisions and contingencies

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

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

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

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

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

#### h) Revenue

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:**

##### *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.

##### **Other income:**

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

#### i) Finance and other income

Finance and other income comprises interest income on deposits, dividend income and gains / (losses) etc. Interest income is recognized using the effective interest method.

## Wipro IT Services Poland Sp Zoo

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

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

#### j) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

#### k) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

#### l) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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## Wipro IT Services Poland Sp Zoo

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

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

#### 3 Property, plant and equipment

	Leasehold building	Plant & Machinery	Furniture & fixture	Total
<b>Gross block (at cost)</b>				
<b>Balance as at 1 April 2015</b>	<b>1,684,896</b>	<b>20,985,016</b>	<b>2,187,710</b>	<b>24,857,622</b>
Additions	17,840,560	127,791,520	19,072,216	164,704,296
Disposals	-	-	-	-
Effect of translation	130,714	1,628,019	169,723	1,928,456
<b>Balance as at 31 March 2016</b>	<b>19,656,170</b>	<b>150,404,555</b>	<b>21,429,649</b>	<b>191,490,374</b>
Additions	10,350,902	174,714,856	23,604,436	208,670,194
Disposals	-	-	-	-
Effect of translation	(1,419,364)	(10,860,653)	(1,547,427)	(13,827,444)
<b>Balance as at 31 March 2017</b>	<b>28,587,708</b>	<b>314,258,758</b>	<b>43,486,658</b>	<b>386,333,124</b>
<b>Accumulated depreciation</b>				
<b>Balance as at 1 April 2015</b>	<b>287,115</b>	<b>4,988,697</b>	<b>275,858</b>	<b>5,551,670</b>
Depreciation charge for the year	4,386,923	28,792,137	3,025,238	36,204,298
Disposals	-	-	-	-
Effect of translation	182,458	1,438,334	131,863	1,752,655
<b>Balance as at 31 March 2016</b>	<b>4,856,496</b>	<b>35,219,168</b>	<b>3,432,959</b>	<b>43,508,623</b>
Depreciation charge for the year	4,044,617	115,833,483	5,796,628	125,674,728
Disposals	-	-	-	-
Effect of translation	(469,115)	(417,622)	(5,934,845)	(6,821,582)
<b>Balance as at 31 March 2017</b>	<b>8,431,998</b>	<b>150,635,029</b>	<b>3,294,742</b>	<b>162,361,769</b>
<b>Net block</b>				
<b>Balance as at 1 April 2015</b>	<b>1,397,781</b>	<b>15,996,319</b>	<b>1,911,852</b>	<b>19,305,952</b>
<b>Balance as at 31 March 2016</b>	<b>14,799,674</b>	<b>115,185,387</b>	<b>17,996,690</b>	<b>147,981,751</b>
<b>Balance as at 31 March 2017</b>	<b>20,155,710</b>	<b>163,623,729</b>	<b>40,191,916</b>	<b>223,971,355</b>

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## Wipro IT Services Poland Sp Zoo

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

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

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>4 Trade receivable</b>			
<b>Unsecured</b>			
Considered good	483,111,953	713,303,596	32,996,042
Considered doubtful	5,000,387	-	-
	<u>488,112,340</u>	<u>713,303,596</u>	<u>32,996,042</u>
With group companies - considered good	157,378,855	54,189,172	40,348,297
	<u><b>645,491,195</b></u>	<u><b>767,492,768</b></u>	<u><b>73,344,339</b></u>
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>5 Other financial assets</b>			
<b>Non-current</b>			
Security deposits	25,293,778	16,623,421	5,594,312
Others	-	-	267,360,167
	<u>25,293,778</u>	<u>16,623,421</u>	<u>272,954,479</u>
<b>Current</b>			
Employee travel & other advances	2,704,156	631,943	65,696
Others	346,909	34,291,005	256,893,913
Security deposits	-	6,008,728	-
	<u>3,051,065</u>	<u>40,931,676</u>	<u>256,959,609</u>
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>6 Other assets</b>			
<b>Non-current</b>			
Prepaid expenses	20,002,395	817,525	-
	<u>20,002,395</u>	<u>817,525</u>	<u>-</u>
<b>Current</b>			
Employee travel & other advances	3,751,460	5,907,892	7,438,588
Advance to suppliers	1,761,806	-	-
Balances with excise, customs and other authorities	105,855,982	6,308,712	123,645,600
Prepaid expenses	42,812,914	412,443	57,997
	<u>154,182,162</u>	<u>12,629,047</u>	<u>131,142,185</u>
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>7 Cash and cash equivalents</b>			
Balances with banks			
In current accounts	306,285,606	7,097,447	3,436,725
	<u>306,285,606</u>	<u>7,097,447</u>	<u>3,436,725</u>

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## Wipro IT Services Poland Sp Zoo

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

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

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>8 Share capital</b>			
<b>Authorised capital</b>			
200 (2016: 200, 2015: 200) equity shares [Par value of of PLN 50 per share]	169,504	169,504	169,504
	<b>169,504</b>	<b>169,504</b>	<b>169,504</b>
<b>Issued, subscribed and fully paid-up capital</b>			
200 (2016: 200, 2015: 200) equity shares [Par value of of PLN 50 per share]	169,504	169,504	169,504
	<b>169,504</b>	<b>169,504</b>	<b>169,504</b>
<b>a) The following is the reconciliation of number of shares as at 31 March 2017</b>			
Number of common stock outstanding as at beginning of the year	200	200	200
Number of common stock issued during the year	-	-	-
Number of common stock outstanding as at the end of the year	<b>200</b>	<b>200</b>	<b>200</b>
<b>b) Details of share holding pattern by related parties</b>			
<b>Name of shareholder</b>	<b>No of shares</b>	<b>No of shares</b>	<b>No of shares</b>
Wipro Cyprus	200	200	200
	<b>200</b>	<b>200</b>	<b>200</b>
	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
<b>9 Borrowings</b>			
<b>Non- current</b>			
<i>Unsecured:</i>			
Loan from related parties	1,022,437,299	510,574,297	621,088,145
	<b>1,022,437,299</b>	<b>510,574,297</b>	<b>621,088,145</b>
<b>Current</b>			
<i>Unsecured</i>			
Loan from related parties	-	17,521,868	15,860,722
	<b>-</b>	<b>17,521,868</b>	<b>15,860,722</b>
	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
<b>10 Other financial liabilities</b>			
<b>Non-current</b>			
Deposits and other advances received	-	-	2,230,452
	<b>-</b>	<b>-</b>	<b>2,230,452</b>
<b>Current</b>			
Salary payable	62,207,370	62,895,746	12,254,157
Other liabilities	54,003,091	2,403,491	-
Employee benefit obligations	7,175,040	4,295,224	3,044,699
Balances due to related parties	40,103,635	(7,111,694)	(7,434,716)
	<b>163,489,136</b>	<b>62,482,767</b>	<b>7,864,140</b>
	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 1 April 2015</b>
<b>11 Other liabilities</b>			
<b>Current</b>			
Advances from customers	160	-	-
Statutory liabilities	5,264,112	2,032,670	1,783,018
	<b>5,264,272</b>	<b>2,032,670</b>	<b>1,783,018</b>

## Wipro IT Services Poland Sp Zoo

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

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

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>12 Provisions</b>			
<b>Non Current</b>			
Employee benefit obligation	9,097,759	10,203,569	5,445,771
	<b>9,097,759</b>	<b>10,203,569</b>	<b>5,445,771</b>
<b>Current</b>			
Employee benefit obligations	10,130,999	6,782,923	-
	<b>10,130,999</b>	<b>6,782,923</b>	-
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>13 Trade payables</b>			
Trade Payable	259,583,321	185,965,160	11,742,724
Payable to group companies	56,105,452	206,473,883	32,903,407
	<b>315,688,773</b>	<b>392,439,043</b>	<b>44,646,131</b>

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## Wipro IT Services Poland Sp Zoo

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

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

	Year ended 31 March 2017	Year ended 31 March 2016
<b>14 Revenue from operations</b>		
Sale of services	2,508,611,990	1,377,256,049
	<b>2,508,611,990</b>	<b>1,377,256,049</b>
	Year ended 31 March 2017	Year ended 31 March 2016
<b>15 Other income</b>		
Interest on debt instruments and others	-	18,905,218
Other exchange differences, net	-	4,477,817
	-	<b>23,383,035</b>
	Year ended 31 March 2017	Year ended 31 March 2016
<b>16 Employee benefits expense</b>		
Salaries and wages	767,147,463	415,063,015
Contribution to provident and other funds	17,957,615	15,749,479
Staff welfare expenses	21,881,170	15,067,364
	<b>806,986,248</b>	<b>445,879,858</b>
	Year ended 31 March 2017	Year ended 31 March 2016
<b>17 Finance cost</b>		
Interest expense	38,241,510	22,989,069
	<b>38,241,510</b>	<b>22,989,069</b>
	Year ended 31 March 2017	Year ended 31 March 2016
<b>18 Other expenses</b>		
Travel	14,860,860	19,626,383
Repairs and maintenance	21,357,014	17,577,452
Rent	62,014,307	45,437,969
Provision/write off of bad debts	5,151,219	-
Corporate Overhead	19,671,327	-
Power and fuel	2,857,767	1,857,801
Communication	35,233,097	16,974,924
Advertisement and sales promotion	40,954	-
Legal and professional charges	31,615,475	16,849,681
Staff recruitment	5,766,773	5,843,633
Rates and taxes	774,087	3,403,879
Other exchange differences, net	55,434,028	-
Miscellaneous expenses	10,693,216	12,861,861
	<b>265,470,124</b>	<b>140,433,583</b>
	Year ended 31 March 2017	Year ended 31 March 2016
<b>19 Earning per share (EPS)</b>		
Net profit after tax attributable to the equity shareholders	166,121,020	152,072,024
Weighted average number of equity shares - for basic and diluted EPS	200	200
Earnings per share - Basic and diluted	830,605	760,360
Nominal value per share (in PLN)	50	50

## Wipro IT Services Poland Sp Zoo

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

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

#### 20 Related party disclosure

##### i) Parties where control exists

Name of the related party	Nature of relationship
Wipro Limited	Ultimate Holding Company
Wipro Cyprus Private Limited	Holding company
Wipro Holding Hungary KFT	Fellow Subsidiary
Wipro Travel Services Limited	Fellow Subsidiary
Wipro Poland Sp. Z o.o	Fellow Subsidiary
Wipro Technologies GmbH	Fellow Subsidiary
Wipro Technologies Inc	Fellow Subsidiary

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

Particulars	Relationship	Year ended	Year ended
		31 March 2017	31 March 2016
<b>Purchase of services</b>			
Wipro Limited	Ultimate Holding Company	370,603,431	247,029,600
Wipro Poland Sp. Z o.o	Fellow Subsidiary	8,760,475	8,599,198
Wipro Technologies GmbH	Fellow Subsidiary	-	2,173,779
<b>Sale of services</b>			
Wipro Limited	Ultimate Holding Company	946,277,079	10,333,342
<b>Loans availed</b>			
Wipro Technologies Inc	Fellow Subsidiary	520,997,217	-
Wipro Holding Hungary KFT	Fellow Subsidiary	-	262,986,418
<b>Loans repaid</b>			
Wipro Cyprus Private Limited	Holding company	-	428,937,279
<b>Interest expense</b>			
Wipro Technologies Inc	Fellow Subsidiary	10,221,105	-
Wipro Holding Hungary KFT	Fellow Subsidiary	9,238,050	3,642,832
Wipro Cyprus Private Limited	Holding company	6,111,026	9,616,142
<b>Travel cost</b>			
Wipro Limited	Ultimate Holding Company	1,698,237	3,416,713
Wipro Travel Services Limited	Fellow Subsidiary	74,675	30,179
<b>Rent cost</b>			
Wipro Poland Sp. Z o.o	Fellow Subsidiary	19,275,713	10,470,214
<b>Security deposit</b>			
Wipro Poland Sp. Z o.o	Fellow Subsidiary	7,836,906	-
<b>Legal cost</b>			
Wipro Limited	Ultimate Holding Company	(23,446,470)	-
<b>Corporate overhead</b>			
Wipro Limited	Ultimate Holding Company	19,493,885	-
<b>Miscellaneous exp</b>			
Wipro Limited	Ultimate Holding Company	649,780	125,704
Wipro Poland Sp. Z o.o	Fellow Subsidiary	150,704	23,205



## Wipro IT Services Poland Sp Zoo

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

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

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

Particulars	Relationship	As at 31 March 2017	As at 31 March 2016
Wipro Limited	Ultimate Holding Company	104,896,577	(150,808,241)
Wipro Poland Sp. Z o.o	Fellow Subsidiary	(43,532,216)	(14,572,378)
Wipro Cyprus Private Limited	Holding company	(229,330,589)	(234,640,075)
Wipro Technologies Inc	Fellow Subsidiary	(515,663,892)	-
Wipro Holding Hungary KFT	Fellow Subsidiary	(277,442,819)	(293,456,090)
Wipro Travel Services Limited	Fellow Subsidiary	(194,592)	(130,085)
Wipro Technologies GmbH	Fellow Subsidiary	-	(2,253,152)

#### 21 Operating leases

The Company has taken on lease, office and residential facilities under cancellable and non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee.

	Year ended 31 March 2017	Year ended 31 March 2016
Not later than one year	56,979,228	23,570,128
Later than one year and less than five years	163,077,404	114,132,171
Later than 5 years	-	-
	<b>220,056,632</b>	<b>137,702,299</b>

#### 22 Effective Tax Rate (ETR) reconciliation

The reconciliation between provision of income tax and amounts computed by applying the statutory income tax rate applicable in Poland to profit before taxes is as follows:

	Year ended 31 March 2017	Year ended 31 March 2016
Profit before taxes	248,222,813	187,958,056
Enacted income tax rate	19%	19%
Computed expected tax expense	47,162,334	35,712,031
Effect of:		
Expenses disallowed for tax purposes	10,535,271	(455,747)
Others, net	24,404,188	629,747
<b>Total income tax expense</b>	<b>82,101,793</b>	<b>35,886,031</b>

#### 23 Financial risk management

##### Interest rate risk

The Company's borrowings are primarily from holding company and other group companies and no market borrowings/ borrowings at floating interest rates, so no exposure to interest rate risks.

##### Credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly. There is no significant concentration of credit risk.

##### Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of 31 March 2017, cash and cash equivalents are held with major banks and financial institutions.

## **Wipro IT Services Poland Sp Zoo**

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

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

#### **22 First time adoption**

These financial statements of Wipro IT Services Poland Sp Zoo for the year ended 31 March 2017, have been prepared in accordance with Ind AS. This is the Company's first set of financial statements in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard with 01 April 2015, as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended 31 March 2017, and the comparative information.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss is set out below:

- i) Security deposits have been reported at their discounted values as compared to undiscounted value of under IGAAP. The resulting difference has been presented as part of other financial assets. Unwinding of the interest is recorded in the Statement of Profit and Loss under other income.
- ii) Profit/loss on actuarial valuation of defined benefit plans is passed through 'Other Comprehensive Income'.

#### **23 Prior period comparatives**

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

**For and on behalf of the Board of Directors of Wipro IT Services Poland Sp Zoo**

**Sd/-**  
**Ramesh Philip**  
Director

Place:  
Date: 02 June 2017