

WIPRO DOHA LLC

FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED  
MARCH 31, 2016

# WIPRO DOHA LLC

## BALANCE SHEET

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

		As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Share capital	3	34,04,870	34,04,870
Reserves and surplus	4	519,29,076	(88,15,271)
		<u>553,33,946</u>	<u>(54,10,401)</u>
<b>2. Share application money pending allotment <sup>(1)</sup></b>		-	-
<b>3. Non-current liabilities</b>			
Long term provisions	5	5,94,812	-
		<u>5,94,812</u>	-
<b>2. Current liabilities</b>			
Trade payables	6	2178,91,017	426,75,849
Other current liabilities	7	598,71,519	171,66,425
Short term provisions	8	69,42,037	-
		<u>2847,04,573</u>	<u>598,42,274</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>3406,33,331</b></u>	<u><b>544,31,873</b></u>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
Fixed assets			
Tangible assets	9	193,39,385	-
Intangible assets and goodwill		-	-
Capital work-in-progress		-	-
		<u>193,39,385</u>	-
<b>1. Current assets</b>			
Inventories	10	-	-
Trade receivables	11	1665,43,394	140,82,348
Cash and bank balances	12	458,00,707	37,37,765
Short term loans and advances	13	15,76,477	32,78,951
Other current assets	14	1073,73,368	333,32,809
		<u>3212,93,946</u>	<u>544,31,873</u>
<b>TOTAL ASSETS</b>		<u><b>3406,33,331</b></u>	<u><b>544,31,873</b></u>

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

For and on behalf of the Board of Directors

**D.Prasanna Kumar**  
Proprietor  
Membership No. 211367  
Bangalore

S/d

**WIPRO DOHA LLC**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT**  
(Amount in ` except share and per share data, unless otherwise stated)

	Notes	Year ended March 31,	
		2016	2015
<b>REVENUE</b>			
Revenue from operations (gross)	15	4427,73,000	463,60,729
Less: Excise duty			-
Revenue from operations (net)		4427,73,000	463,60,729
Other income	16	-	-
<b>Total Revenue</b>		<b>4427,73,000</b>	<b>463,60,729</b>
<b>EXPENSES</b>			
Cost of materials consumed	17		-
Purchases of stock-in-trade		309,88,196	-
Changes in inventories of finished goods, work in progress and stock-in-trade	18	-	-
Employee benefits expense	19	402,06,803	-
Sub Contracting/Technical Fees			
Finance costs		-	-
Depreciation and amortisation expense	9	24,43,217	-
Other expenses	20	3024,56,418	526,42,307
<b>Total Expenses</b>		<b>3760,94,634</b>	<b>526,42,307</b>
<b>Profit before tax</b>		<b>666,78,366</b>	<b>(62,81,578)</b>
<b>Tax expense</b>			
( Current tax		65,40,741	-
[ Deferred tax			-
			-
<b>Net Profit</b>		<b>601,37,625</b>	<b>(62,81,578)</b>
<b>Earnings per equity share</b>			
Basic		3,00,688	(31,408)
Diluted		3,00,688	(31,407)

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

For and on behalf of the Board of Directors

**D.Prasanna Kumar**  
Proprietor  
Membership No. 211367  
Bangalore

S/d

**WIPRO DOHA LLC**  
**CASH FLOW STATEMENT**

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

	<b>For the year ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>A. Cash flows from operating activities:</b>		
Profit / (Loss) before tax	<b>666,78,366</b>	<b>(62,81,578)</b>
<i>Adjustments:</i>		
<i>Depreciation and amortization</i>		
Depreciation and amortization	24,43,217	
Amortisation of stock compensation		
Unrealised exchange differences - net	6,95,798	2,155
Interest on borrowings		
Dividend / interest - net		
(Profit) / Loss on sale of investments		
Gain on sale of fixed assets		
<b>Working capital changes :</b>		
Trade and other receivable	(1524,61,046)	(140,82,348)
Loans and advances	17,02,474	(32,78,951)
Inventories		
Other current Assets	(740,40,559)	(333,32,809)
Trade and other payables	1752,15,168	426,75,849
Provision	9,07,033	-
Direct taxes paid		
<b>Net cash generated by / (used in) operating activities</b>	<b>211,40,451</b>	<b>(142,97,682)</b>
<b>B. Cash flows from investing activities:</b>		
Acquisition of property, fixed assets	(217,82,602)	-
<b>Net cash generated by / (used in) investing activities</b>	<b>(217,82,602)</b>	<b>-</b>
<b>B. Cash flows from financing activities:</b>		
Proceeds of borrowings / loans	427,05,094.00	144,55,971.00
<b>Net cash generated by / (used in) financing activities</b>	<b>427,05,094</b>	<b>144,55,971</b>
Net (decrease) / increase in cash and cash equivalents during the period	420,62,943	1,58,289
Cash and cash equivalents at the beginning of the period	37,37,765	35,79,476
<b>Cash and cash equivalents at the end of the period</b>	<b>458,00,708</b>	<b>37,37,765</b>

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

For and on behalf of the Board of Directors

**D.Prasanna Kumar**  
Proprietor  
Membership No. 211367  
Bangalore

S/d

## **NOTES TO THE FINANCIAL STATEMENT**

**(In Rupee, except share and per share data, unless otherwise stated)**

### **1. Company overview**

WIPRO DOHA LLC (“the Company”) is a joint venture of Wipro Cyprus Limited. The Company was incorporated in DOHA and is engaged in services of Technology solutions. The functional currency of the Company is QAR 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 Indian 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, the provisions of Act (to the extent notified and 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. Revenue recognition**

Services:

The company recognizes revenue when 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 depend 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. When total cost estimated 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’ included in other current assets represent cost and earnings in excess of billings as at the balance sheet date. ‘Unearned revenues’ included in other current liabilities represent billing in excess of revenue recognized.

Revenue from customer training, support and other services is recognized as the related services are performed. Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license.

#### 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 services or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to actual output achieved till date as a percentage of total contractual output. Any residual services utilized by the customer is recognized as revenue on completion of the terms.

#### Products:

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

#### Other income

Agency commission is accrued when shipment of consignment is dispatched by the principal. Interest is recognized using the time proportion method, based on the rates implicit in the transaction. Dividend income is recognized when the company's right to receive dividend is established

### IV. Fixed Assets and Depreciation

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:

<b>Class of asset</b>	<b>Estimated useful life</b>
Buildings	30 – 60 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

Freehold land is not depreciated. Assets under finance lease are amortized over their estimated useful life or the lease term, whichever is lower.

For these class of assets, 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.

## **V. Foreign Currency Transactions**

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

### **Foreign Currency Transactions**

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 of financial statements**

The Company is a foreign subsidiary of Wipro Limited and has been treated as a non integral operating unit for translation. For the purpose of financial statements during the period, all income and expenses items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate on the balance sheet date. The equity share capital, reserves and investment in subsidiaries are carried forward at the rate of exchange prevailing on the transaction date. All resulting exchange difference arising out of year-end conversion has been transferred to Translation Reserve in Reserve and Surplus.

## **VI. Income Tax**

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

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 of deferred tax assets and Liabilities of a change in tax rate is recognized in the period that includes the enactment/substantial enactment date.

Deferred tax assets on timing difference are recognized only if there is a reasonably 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 against which such deferred tax assets can be realized.

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

## **VII. Cash flow statement**

Cash flows are reported using 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 operating, investing and financing activities of the Company are segregated.

## **VIII. Employee Benefits**

Compensated absences:

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accumulating compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The Company recognizes accumulated compensated absences based on actuarial valuation. 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.

Pension and social Contributions:

A defined contribution scheme, the Company makes monthly contributions based on a specified percentage of each covered employee's salary.

### IX. Earnings per share

The number of shares used in computing basic and diluted earnings per share is the weighted average number of shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average 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 shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

### X. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources 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.

	As at March31, 2016	As at March31, 2015
<b>Note 3 Share Capital</b>		
<b>Authorised capital</b>		
200 equity shares of QAR 1000 each.....	34,04,870	34,04,870
<b>Issued, subscribed and paid-up capital</b>		
200 equity shares of QAR 1000 each.....	34,04,870	34,04,870
	<b>34,04,870</b>	<b>34,04,870</b>

<b>(i) Details of Shareholders pattern</b>			
Sl No.	Name of Shareholders	As at March 31 2016	
		No. of Share	% of holdings
1	Wipro Cyprus Private Limited	98	49%
2	Links Facility Services Qatar LLC	102	51%

(ii) From inception till date no shares have been allotted as bonus shares by capitalisation of General reserves.

No shares has been bought back.

(iii) **Rights, preferncnes and restrictions attached to Equity Shares.**  
 Every share in the capital of the Company gives its owner the right to an equal share in the Copmany's Profits losses and an equal right to vote at any Shareholder's General Assembly, However, notwithstanding the fact parties here to agrees that Wipro Cyprus holds only 49% of Shares Wipro Cyprus Pvt. Ltd.in entitled to 97% of Profits and losses of the company in accordance with the provisions of Article (232) of the Commercial Company's law.

**Note 4 Reserves and Surplus****Translation reserve**

	As at March31, 2016	As at March31, 2015
Balance brought forward from previous year	(1,15,595)	(1,17,750)
Movement during the period	6,06,722	2,155
	<u>4,91,127</u>	<u>(1,15,595)</u>

**Surplus from statement of profit and loss**

Balance brought forward from previous year	(86,99,676)	(24,18,098)
Add: Profit/(loss) for the year	601,37,625	(62,81,578)
- Amount transferred to general reserve	-	-
Closing balance	<u>514,37,949</u>	<u>(86,99,676)</u>

**Summary of reserves and surplus**

Balance brought forward from previous year	(88,15,271)	(25,35,848)
Movement during the year	607,44,348	(62,79,423)
	<u>519,29,076</u>	<u>(88,15,271)</u>

**Note 5 Long term Provisions**

Employee benefit obligation	5,94,812	-
Warranty provision	-	-
	<u>5,94,812</u>	<u>-</u>

**Note 6 Trade payables**

Trade Payables-Due to micro and small enterprises	-	-
Trade Payables-Due to other than micro and small enterprises	86,73,692	-
Payable to ultimate holding company	2025,47,052	426,75,849
Accrued expenses	66,70,273	-
	<u>2178,91,017</u>	<u>426,75,849</u>

**Note 7 Other current liabilities**

Salary Payable	-	-
Unearned revenue	248,55,585	-
Balances due to related parties	350,15,934	171,66,425
	<u>598,71,519</u>	<u>171,66,425</u>

**Note 8 Short term provisions**

Employee benefit obligations	-	-
Provision for tax	66,29,816	-
Warranty provision	3,12,221	-
	<u>69,42,037</u>	<u>-</u>

	As at March31, 2016	As at March31, 2015
<b>Note 10 Inventories</b>		
Finished goods	-	-
Traded goods	-	-
Stores and spares	-	-
	-	-
<b>Note 11 Trade Receivable</b>		
<b>Unsecured:</b>		
<b>Over six months from the date they were due for payment</b>		
Considered good	38,31,308	-
Considered doubtful	0.00	-
	<u>38,31,307.76</u>	-
Less: Provision for doubtful receivables	-	-
	<u>38,31,308.00</u>	-
<b>Other receivables</b>		
Considered good	1627,12,086	140,82,348
Considered doubtful	-	-
	<u>1627,12,086</u>	<u>140,82,348</u>
Less: Provision for doubtful receivables	-	-
	<u>1627,12,086</u>	<u>140,82,348</u>
	<u>1665,43,394</u>	<u>140,82,348</u>
<b>Note 12 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
In current accounts	458,00,707	37,37,765
	<u>458,00,707</u>	<u>37,37,765</u>
<b>Note 13 Short-term loans and advances</b>		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Employee travel & other advances	(11,25,489)	-
Balance with Group Companies	2,450	2,890
Prepaid expenses	14,92,507	-
Security deposits	12,07,009	32,76,062
	<u>15,76,477</u>	<u>32,78,951</u>
Less: Provision for doubtful loans and advances		-
		-
	<u>15,76,477</u>	<u>32,78,951</u>
<b>Note 14 Other current assets</b>		
<b>Unsecured and considered good:</b>		
Unbilled revenue	1073,73,368	333,32,809
	<u>1073,73,368</u>	<u>333,32,809</u>
	<u>1073,73,368</u>	<u>333,32,809</u>

	As at March31, 2016	As at March31, 2015
<b>Note 15 Revenue from Operations</b>		
Sale of products	352,03,560	-
Sale of services	4075,69,440	463,60,729
Revenue from operations (gross)	<b>4427,73,000</b>	<b>463,60,729</b>
<b>Note 16 Other Income</b>		
Miscellaneous income	-	-
	-	-
<b>Note 17 Cost of Materials Consumed</b>		
Opening stocks	-	-
Add: Purchases	309,88,196	-
Less: Closing stocks	-	-
	<b>309,88,196</b>	<b>0</b>
<b>Note 18 Changes in inventories of finished goods, work in progress and Stock-in- trade</b>		
Opening stock		
In process	-	-
Finished products	-	-
Traded goods	-	-
	<b>0</b>	<b>0</b>
Less: Closing stock		
In process	-	-
Finished products	-	-
Traded goods	-	-
	<b>0</b>	<b>0</b>
	-	-
<b>Note 19 Employee benefits expense</b>		
Salaries and wages	392,76,205	-
Contribution to provident and other funds	5,86,844	-
Expenses on employee stock purchase plan (ESPP)	-	-
Employee Insurance expenses	-	-
Staff welfare expenses	3,43,753	-
	<b>402,06,803</b>	<b>-</b>
<b>Note 20 Other expenses</b>		
Sub contracting / technical fees / third party application	2621,23,637	417,24,625
Travel	82,00,075	-
Provision for diminution in value of non-current investments	-	-
Repairs and Maintenance	43,61,307	-
Rent	229,39,359	89,02,895
Provision/write off of bad debts	-	-
Communication	20,73,815	-
Advertisement and sales promotion	5,38,398	-
Legal and professional charges	(9,20,455)	20,11,135
Staff recruitment	4,307	-
Other exchange differences, net	2,68,348	1,348
Stores and spares	3,31,666	-
Insurance	13,10,901	-
Rates and taxes	10,517	-
Miscellaneous expenses	12,14,542	2,304
	<b>3024,56,418</b>	<b>526,42,307</b>

## 21. Related Party Transactions.

The following are the entities with which the Company has related party transactions:

Name of the party	Relationship with The Company
Wipro Limited	Ultimate Holding Company
Wipro Cyprus Pvt. Ltd.	Holding Company
Link Facility Services Qatar LLC	Group Company

The Company had the following transactions with related parties during the year ended March 31, 2016.  
(In Rs.)

Particulars	For the year ended	For the year ended
	March 31, 2016	March 31, 2015
<i>Wipro Limited</i>		
Offshore Subcontracting Charges	244,277,553	47,724,625

The following is the listing of receivables and payables to related parties as at March 31, 2016.

(In Rs)

Name of the party	For the year ended	For the year ended
	March 31, 2016	March 31, 2015
<i>Payables:</i>		
Wipro Limited	<b>236,778,178</b>	42,672,959
Wipro Cyprus Pvt. Ltd	<b>728,767</b>	17,166,425
Wipro Travel Service	<b>56,041</b>	
<i>Payables:</i>		
Wipro Limited	<b>2,450</b>	0

## 22. Segment reporting.

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

## 23. Transfer pricing.

The Company's management is of the opinion that its international transactions with related parties are at arm's length and that the Company's management believes that the transfer pricing legislation will not have any impact on the financial statements for the year ended 31 March 2014, particularly on the amount of tax expense and that of the provision for taxation.

**24. 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.

**25.** The figures of the previous period have been regrouped / reclassified, where necessary, to conform to the current year classification

As per our report of even date attached

*For D. Prasanna & Co.*

For and on behalf of Board of Directors

*Chartered Accountants*

*Firm Registration number: 009619S*

s/d/-

**D. Prasanna Kumar**

*Proprietor*

Membership number : 211367

s/d/-

Place: Bangalore

Date:

Note 09 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
<b>Tangible fixed assets</b>												
Buildings **	-	209,79,701.61	2,85,714.41	-	212,65,416.02	-	23,84,578.20	32,474.64	-	24,17,052.85	188,48,363.17	-
Plant & machinery ***	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & fixture	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	-	5,43,063.67	7,395.77	-	5,50,459.44	-	58,639.03	798.58	-	59,437.61	4,91,021.83	-
	-	215,22,765.28	2,93,110.18	-	218,15,875.46	-	24,43,217.23	33,273.23	-	24,76,490.46	193,39,385.00	-

\* 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.