

Financial Statements and Independent Auditor's Report

WIPRO HOLDINGS (MAURITIUS) LIMITED

31 March 2016

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Independent Auditor's Report

To the Board of Directors of Wipro Holdings (Mauritius) Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its loss and its cash flows for the year ended on that date.

Other matter

8. This report is intended solely for the information of the Company's and its ultimate holding company's board of directors and members as a body and is not intended to be and should not be used by anyone other than specified parties. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, the company's and ultimate holding company's board of directors and members as a body, for our audit work, for this report, or for the opinions we have formed.
9. The audit of the financial statements of the Company as at and for the year ending 31 March 2015 was carried out by other auditors, whose report dated 31 May 2015 expressed an unqualified opinion on those statements.

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

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

Place: Bengaluru

Date: 3 June 2016

Wipro Holdings (Mauritius) Limited

1

Balance Sheet as at 31 March 2016

(All amounts are in ₹, unless otherwise stated)

	Notes	31 March 2016	31 March 2015
Equity and Liabilities			
Shareholders' funds			
Share capital	3	6,350,605,348	4,747,292,848
Reserves and surplus	4	(2,803,000,291)	(906,319,099)
		<u>3,547,605,057</u>	<u>3,840,973,749</u>
Current liabilities			
Trade payable	5	642,089	443,527
Other current liabilities	6	3,755,196	3,839,607
		<u>4,397,285</u>	<u>4,283,134</u>
Total		<u><u>3,552,002,342</u></u>	<u><u>3,845,256,883</u></u>
Assets			
Non-current assets			
Non-current investments	7	3,545,068,385	3,836,238,328
		<u>3,545,068,385</u>	<u>3,836,238,328</u>
Current assets			
Cash and cash equivalents	8	6,752,907	8,880,990
Short-term loans & advances	9	181,050	137,565
		<u>6,933,957</u>	<u>9,018,555</u>
Total		<u><u>3,552,002,342</u></u>	<u><u>3,845,256,883</u></u>
Summary of significant accounting policies	2		

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

For and on behalf of the Board of Directors of Wipro Holdings (Mauritius) Limited

Sd/-
Ashish Chawla
Director

Sd/-
Arunagirinatha Runghien
Director

Place: Bangalore
Date: 3 June 2016

Place: Bangalore
Date: 3 June 2016

Statement of Profit and Loss for the year ended 31 March 2016

(All amounts are in ₹, unless otherwise stated)

	Notes	31 March 2016	31 March 2015
Revenue			
Revenue from operations		-	-
Total revenue		<u>-</u>	<u>-</u>
Expenses			
Other expenses	10	<u>2,602,974,487</u>	<u>1,271,855</u>
Total expenses		<u>2,602,974,487</u>	<u>1,271,855</u>
Profit / (loss) before tax		(2,602,974,487)	(1,271,855)
Tax expense			
Current tax expenses		-	-
Profit / (loss) after tax		<u>(2,602,974,487)</u>	<u>(1,271,855)</u>
Earnings per share			
-Basic and diluted	11	(24.68)	(0.01)
Summary of significant accounting policies	2		

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

For and on behalf of the Board of Directors of Wipro Holdings (Mauritius) Limited

Sd/-
Ashish Chawla
Director

Sd/-
Arunagirinatha Runghien
Director

Place: Bangalore
Date: 3 June 2016

Place: Bangalore
Date: 3 June 2016

Wipro Holdings (Mauritius) Limited
Cash Flow Statement for the year ended March 2016
(All amounts are in ₹, unless otherwise stated)

	31 March 2016	31 March 2015
Cash flows from operating activities		
Profit/ (loss) before tax	(2,602,974,487)	(1,271,855)
Adjustments :		
Provision for diminution in the value of non-current investments	2,600,525,195	-
Operating loss before working capital changes	(2,449,292)	(1,271,855)
Loans & advances	(34,762)	(74)
Liabilities and provisions	(140,767)	(64,294)
Cash generated used in operating activities	(2,624,821)	(1,336,223)
Income taxes paid (net)	-	-
Net cash used in operating activities	(A) (2,624,821)	(1,336,223)
Cash flows from investing activities		
Investment in subsidiaries	(1,596,687,596)	-
Net cash used in investing activities	(B) (1,596,687,596)	-
Cash flows from financing activities		
Proceeds from issue of share capital	1,603,312,500	-
Net cash generated from financing activities	(C) 1,603,312,500	-
Net increase/ (decrease) in cash and cash equivalents	(A+B+C) 4,000,083	(1,336,223)
Effect of exchange rate changes on cash	(6,128,166)	398,497
Cash and cash equivalents as at the beginning of the year	8,880,990	9,818,716
Cash and cash equivalents as at the end of the year (refet note 8)	6,752,907	8,880,990

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

For and on behalf of the Board of Directors of Wipro Holdings (Mauritius) Limited

Sd/-
Ashish Chawla
Director

Sd/-
Arunagirinatha Runghien
Director

Place: Bangalore
Date: 3 June 2016

Place: Bangalore
Date: 3 June 2016

Summary of significant accounting policies and other explanatory information

(All amounts are in ₹, unless otherwise stated)

1 Background

Wipro Holdings (Mauritius) Limited ("Wipro Mauritius" or "Company") is a subsidiary of Wipro Limited (the holding company) incorporated & domiciled in Mauritius.

The Company's holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

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

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

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

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

b) Use of estimates

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

c) Non-current investments

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

d) Foreign currency transactions**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. Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The exchange difference between the rate at which foreign currency transactions are accounted and the rate at which they are re-measured/ realized is recognized in the statement of profit and loss.

Translation

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

e) Taxes**Income tax**

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

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of the Company. Deferred taxes are recognised in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

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

2 Summary of significant accounting policies

e) Taxes (Cont'd)

Deferred tax

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

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date. The Company offsets, on a year on year basis, the current and non-current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

f) Earnings per share

Basic

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

Diluted

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

(g) 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.

(h) Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement, if virtually certain, is recognized as a separate asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(i) 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 recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. In respect of goodwill, the impairment loss will be reversed only when it was caused by specific external events of an exceptional nature that is not expected to recur and their effects have been reversed by subsequent external events.

Summary of significant accounting policies and other explanatory information

(All amounts are in ₹, unless otherwise stated)

3 Share capital

	31 March 2016	31 March 2015
I Authorized capital		
105,468,318 (31 March 2015: 105,468,318) Equity share of USD 1 par value	4,747,292,848	4,747,292,848
25,000,000 (31 March 2015: NIL) Preference share of USD 1 par value	1,603,312,500	-
	6,350,605,348	4,747,292,848
II Issued, subscribed and paid-up capital		
105,468,318 (31 March 2015: 105,468,318) Equity share of USD 1 par value	4,747,292,848	4,747,292,848
25,000,000 (31 March 2015: NIL) Preference share of USD 1 par value	1,603,312,500	-
	6,350,605,348	4,747,292,848

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

Equity share capital

	31 March 2016		31 March 2015	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning and end of the year	105,468,318	4,747,292,848	105,468,318	4,747,292,848

Preference shares capital

Balance at the beginning of the year	-	-	-	-
Add: Issued and subscribed during the year	25,000,000	1,603,312,500	-	-
Balance at the end of the year	25,000,000	1,603,312,500	-	-

b) Shareholding pattern

	31 March 2016		31 March 2015	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of USD 1 each				
Name of the Shareholder				
Wipro Limited	105,468,318	100%	105,468,318	100%
	105,468,318	100%	105,468,318	100%
Preference shares of USD 1 each				
Name of the Shareholder				
Wipro Limited	25,000,000	100%	-	-
	25,000,000	100%	-	-

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Summary of significant accounting policies and other explanatory information

(All amounts are in ₹, unless otherwise stated)

4 Reserves and surplus

	31 March 2016	31 March 2015
Translation reserve		
Balance brought forward from previous year	5,770,816	5,547,078
Add: Movement during the period	706,293,295	223,738
Balance at the end of the year	712,064,111	5,770,816
General reserve		
Balance at the beginning of the year	(912,089,915)	(910,818,060)
Add: Amount transferred from the balance in statement of profit and loss	(2,602,974,487)	(1,271,855)
Balance at the end of the year	(3,515,064,402)	(912,089,915)
Surplus in the statement of profit and loss		
Balance brought forward from previous year	-	-
Add: Profit / (loss) for the year	(2,602,974,487)	(1,271,855)
Less: Amount transferred to general reserve	2,602,974,487	1,271,855
Balance at the end of the year	-	-
Total	(2,803,000,291)	(906,319,099)

5 Trade payables

	31 March 2016	31 March 2015
Accrued expenses	642,089	443,527
	642,089	443,527

6 Other current liabilities

	31 March 2016	31 March 2015
Balances due to related parties (refer note 11)	3,755,196	3,839,607
	3,755,196	3,839,607

7 Non-current investments

(Valued at cost unless stated otherwise)

	31 March 2016		31 March 2015	
	Non-current	Current	Non-current	Current
Non trade-unquoted				
Investment in equity shares				
Wipro Holdings UK Limited	6,333,632,667	-	4,736,945,071	-
	6,333,632,667	-	4,736,945,071	-
Less - Provision for diminution in value of non-current investments	2,788,564,282	-	900,706,743	-
	3,545,068,385	-	3,836,238,328	-

8 Cash and cash equivalents

	31 March 2016	31 March 2015
Balances with banks		
On current accounts	6,752,907	8,880,990
	6,752,907	8,880,990

9 Loans and advances

(Unsecured, considered good)

	31 March 2016		31 March 2015	
	Long-term	Short-term	Long-term	Short-term
Prepaid expenses	-	181,050	-	137,565
	-	181,050	-	137,565

10 Other expenses

	31 March 2016	31 March 2015
Provision for diminution in the value of non-current investments	2,600,525,195	-
Legal and professional	1,736,420	732,706
Director's fee	204,295	152,774
Audit fees	304,277	284,527
Miscellaneous expenses	204,300	101,848
	2,602,974,487	1,271,855

Wipro Holdings (Mauritius) Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in ₹, unless otherwise stated)

11 Earning per share (EPS)

	<u>31 March 2016</u>	<u>31 March 2015</u>
Net profit after tax attributable to the equity shareholders	(2,602,974,487)	(1,271,855)
Weighted average number of equity shares - for basic and diluted EPS	105,468,318	105,468,318
Earnings per share - Basic and diluted	(24.68)	(0.01)
Nominal value per share (in USD)	1	1

12 Related party disclosure

i) Parties where control exists:

Relationship	Name
Holding Company	Wipro Limited
Subsidiary Company	Wipro Holdings UK Limited

ii) Balances with related parties as at year end are summarised below:

Particulars	Relationship	31 March 2016	31 March 2015
Wipro Limited	Holding Company	(3,755,196)	(3,839,607)

* The amounts are classified as other current liabilities.

13 In view of carry forward losses under tax laws, no deferred tax asset is recognized as at 31 March 2016 on account of lack of virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

14 Segment reporting

The accompanying financial statements are appended to the consolidated financial statements of holding company, i.e. Wipro Limited as per the requirement of Section 137(1) of the Companies Act 2013. These standalone financial statements should to be read with the consolidated financial statements of Wipro Limited. Accordingly, pursuant to requirement of Accounting Standard (AS) 17, Segment reporting, the Company discloses the segment information in the consolidated financial statements of holding company.

15 Prior period comparatives

Previous year's figures have been reclassified to conform to this year's classification.

For and on behalf of the Board of Directors of Wipro Holdings (Mauritius) Limited

Sd/-
Ashish Chawla
Director

Sd/-
Arunagirinatha Runghien
Director

Place: Bangalore
Date: 3 June 2016

Place: Bangalore
Date: 3 June 2016