

Financial Statements and Independent Auditor's Report

WIPRO TECHNOLOGIES NORWAY AS

31 March 2016

# Contents

	<b>Page</b>
Independent Auditor's Report	
Balance Sheet	<b>1</b>
Statement of Profit and Loss	<b>2</b>
Cash flow statement	<b>3</b>
Summary of significant accounting policies and other explanatory information	<b>4 - 10</b>

## **Independent Auditor's Report**

**To the Board of Directors of Wipro Technologies Norway AS**

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

1. We have audited the accompanying financial statements of **Wipro Technologies Norway AS** ("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 TECHNOLOGIES NORWAY AS**

1

**Balance Sheet as at 31 March 2016**

(All amounts are in ₹, unless otherwise stated)

	Notes	31 March 2016	31 March 2015
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	52,893,768	52,893,768
Reserves and surplus	4	(34,109,170)	(31,421,398)
		<u>18,784,598</u>	<u>21,472,370</u>
<b>Current liabilities</b>			
Trade payables	5	1,254,085	561,044
Other current liabilities	6	-	440,662
		<u>1,254,085</u>	<u>1,001,706</u>
<b>Total</b>		<u><u>20,038,683</u></u>	<u><u>22,474,076</u></u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed asset			
Tangible asset	7	898,481	1,210,199
		<u>898,481</u>	<u>1,210,199</u>
<b>Current assets</b>			
Cash and cash equivalents	8	7,286,860	14,709,249
Short-term loans and advances	9	7,872,398	5,020,958
Other current assets	10	3,980,944	1,533,670
		<u>19,140,202</u>	<u>21,263,877</u>
<b>Total</b>		<u><u>20,038,683</u></u>	<u><u>22,474,076</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 Technologies Norway AS

Sd/-

**Ramesh Philipps**

Director

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
<b>Revenue</b>			
Other income	11	8,996,365	4,044,763
<b>Total revenue</b>		<b>8,996,365</b>	<b>4,044,763</b>
<b>Expenses</b>			
Depreciation expense	7	352,634	411,130
Other expenses	12	12,091,945	13,608,489
<b>Total expenses</b>		<b>12,444,579</b>	<b>14,019,619</b>
<b>Loss before tax</b>		<b>(3,448,214)</b>	<b>(9,974,856)</b>
<b>Tax expense</b>			
Current tax expense		-	-
<b>Loss after tax</b>		<b>(3,448,214)</b>	<b>(9,974,856)</b>
Earnings per share			
-Basic and diluted	13	(6,855)	(19,831)
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 Technologies Norway AS

Sd/-

**Ramesh Philipps**

Director

Place: Bangalore

Date: 3 June 2016

**WIPRO TECHNOLOGIES NORWAY AS**  
**Cash Flow Statement for the year ended March 2016**  
(All amounts are in ₹, unless otherwise stated)

3

	31 March 2016	31 March 2015
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before tax</b>	(3,448,213)	(9,974,855)
<b>Adjustments :</b>		
Depreciation and amortisation	352,634	411,130
Exchange difference, net	(64,276)	(8,111)
<b>Operating profit before working capital changes</b>	<b>(3,159,855)</b>	<b>(9,571,836)</b>
Loans and advances and other assets	(5,444,027)	(6,268,382)
Liabilities and provisions	728,199	(358,216)
<b>Cash generated used in operations</b>	<b>(7,875,684)</b>	<b>(16,198,434)</b>
Income taxes (paid)/refund	-	-
<b>Net cash flow used in operating activities</b>	<b>(A) (7,875,684)</b>	<b>(16,198,434)</b>
<b>Cash flows from investing activities</b>	<b>(B) -</b>	<b>-</b>
<b>Cash flows from financing activities</b>	<b>(C) -</b>	<b>-</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(A+B+C) (7,875,684)</b>	<b>(16,198,434)</b>
Effect of exchange rate changes on cash	453,295	(5,160,185)
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>14,709,249</b>	<b>36,067,868</b>
<b>Cash and cash equivalents as at the end of the year (refer note 8)</b>	<b><u>7,286,860</u></b>	<b><u>14,709,249</u></b>

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

For and on behalf of the Board of Directors of Wipro Technologies Norway AS

Sd/-  
**Ramesh Philipps**  
Director

Place: Bangalore  
Date: 3 June 2016

# WIPRO TECHNOLOGIES NORWAY AS

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

4

(All amounts are in ₹, unless otherwise stated)

### 1 Background

Wipro Technologies Norway AS ("the Company") is a subsidiary of Wipro Information Technologies Netherlands BV (the holding company) and . It was incorporated and domiciled in Norway. The Company is a provider of IT Services, including Business Process Services (BPS), globally. The ultimate holding company of the entity is Wipro Limited, 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 statements 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 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

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 ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

#### c) Revenue recognition

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered.

#### Other income

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.

#### d) Tangible assets

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

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

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

#### e) Depreciation

The Company has provided for depreciation using straight line method over the useful life of the assets as estimated by the management. Useful life as given represents the period over which management expects to use these assets.

Class of asset	Estimated useful life
Office equipment's	5 - 6 years
Furniture and fixtures	5 - 6 years

#### f) Foreign currency transactions

##### 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.

(All amounts are in ₹, unless otherwise stated)

**2 Summary of significant accounting policies**

**(g) Foreign currency transactions (Cont'd)**

**Translation of financial statements**

The Company is a non-integral unit of Ultimate Holding Company. The functional currency of the Company is NOK 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, expense 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.

**(h) Taxes**

**Income tax:**

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

**Deferred tax:**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of the Company.

Deferred taxes are recognized in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

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

Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

The Company offsets, on a year on year basis, the current and non-current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

**(i) Earnings per share**

**Basic:**

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

**Diluted:**

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

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

**(j) Provisions and contingent liabilities**

Provisions are recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

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

Provision for onerous contracts is recognized when the expected benefits to be derived from the contract are lower than the unavoidable cost of meeting the future obligations under the contract.

**(k) 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.

## Summary of significant accounting policies

(All amounts are in ₹, unless otherwise stated)

## 3 Share capital

	31 March 2016	31 March 2015
<b>I Authorized capital</b>		
503 (31 March 2015: 503) Equity shares of NOK 10,000 par value	52,893,768	52,893,768
	<u>52,893,768</u>	<u>52,893,768</u>
<b>II Issued, subscribed and paid-up capital</b>		
503 (31 March 2015: 503) Equity shares of NOK 10,000 par value	52,893,768	52,893,768
	<u>52,893,768</u>	<u>52,893,768</u>

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	503	52,893,768	503	52,893,768

## b) Shareholding pattern

	31 March 2016		31 March 2015	
	No. of shares	% of holding	No. of shares	% of holding
Name of the Shareholder				
Wipro Information Technologies Netherlands BV	503	100%	503	100%
	<u>503</u>	<u>100%</u>	<u>503</u>	<u>100%</u>

## 4 Reserves and surplus

	31 March 2016	31 March 2015
<b>Translation reserve</b>		
Balance at the beginning of the year	(9,752,174)	(2,633,248)
Add: Movement during the year	760,442	(7,118,926)
<b>Balance at the end of the year</b>	<u>(8,991,732)</u>	<u>(9,752,174)</u>
<b>General reserve</b>		
Balance at the beginning of the year	(21,669,224)	(11,694,368)
Add: Amount transferred from the statement of profit and loss	(3,448,214)	(9,974,856)
<b>Balance at the end of the year</b>	<u>(25,117,438)</u>	<u>(21,669,224)</u>
<b>Deficit in the statement of profit and loss</b>		
Balance brought forward from previous year	-	-
(Loss) for the year	(3,448,214)	(9,974,856)
Less: Amount transferred to general reserve	3,448,214	9,974,856
Balance at the end of the year	<u>-</u>	<u>-</u>
	<u>(34,109,170)</u>	<u>(31,421,398)</u>

## 5 Trade payables

	31 March 2016	31 March 2015
Dues to others	436,722	312,880
Accrued expenses	817,363	248,164
	<u>1,254,085</u>	<u>561,044</u>

## 6 Other current liabilities

	31 March 2016	31 March 2015
Balances due to related parties (refer note 14)	-	440,662
	<u>-</u>	<u>440,662</u>

**WIPRO TECHNOLOGIES NORWAY AS**  
**Summary of significant accounting policies**  
(All amounts are in ₹ unless otherwise stated)

**7 Tangible assets**

Particulars	Furniture & fixture	Office equipments	Total
<b>Gross block</b>			
<b>Balance as at a April 2014</b>	2,295,807	46,326	2,342,133
Additions during the year	-	-	-
Disposals during the year	-	-	-
Translation adjustment	(520,601)	(10,505)	(531,106)
<b>Balance as at 31 March 2015</b>	<b>1,775,206</b>	<b>35,821</b>	<b>1,811,027</b>
Additions during the year	-	-	-
Disposals during the year	-	-	-
Translation adjustment	66,366	1,339	67,705
<b>Balance as at 31 March 2016</b>	<b>1,841,572</b>	<b>37,160</b>	<b>1,878,732</b>
<b>Accumulated depreciation</b>			
<b>Balance as at a April 2014</b>	328,646	3,376	332,022
Charge for the year	402,998	8,132	411,130
Translation adjustment	(140,233)	(2,091)	(142,324)
<b>Balance as at 31 March 2015</b>	<b>591,411</b>	<b>9,417</b>	<b>600,828</b>
Charge for the year	345,659	6,975	352,634
Translation adjustment	26,351	438	26,789
<b>Balance as at 31 March 2016</b>	<b>963,421</b>	<b>16,830</b>	<b>980,251</b>
<b>Net block</b>			
<b>Balance as at 31 March 2015</b>	<b>1,183,795</b>	<b>26,404</b>	<b>1,210,199</b>
<b>Balance as at 31 March 2016</b>	<b>878,151</b>	<b>20,330</b>	<b>898,481</b>

*(This space has been intentionally left blank)*

## Summary of significant accounting policies

(All amounts are in ₹, unless otherwise stated)

## 8 Cash and cash equivalents

	<u>31 March 2016</u>	<u>31 March 2015</u>
Balances with banks		
- In current accounts	7,286,860	14,709,249
	<u>7,286,860</u>	<u>14,709,249</u>

## 9 Short-term loans and advances

*(Unsecured, considered good)*

	<u>31 March 2016</u>	<u>31 March 2015</u>
Duties and taxes recoverable	7,872,398	5,020,958
	<u>7,872,398</u>	<u>5,020,958</u>

## 10 Other current assets

	<u>31 March 2016</u>	<u>31 March 2015</u>
Balance due from related parties (refer note 14)	3,980,944	1,533,670
	<u>3,980,944</u>	<u>1,533,670</u>

*(This space has been intentionally left blank)*

**WIPRO TECHNOLOGIES NORWAY AS**  
**Summary of significant accounting policies**  
(All amounts are in ₹, unless otherwise stated)

**11 Other income**

	<u>31 March 2016</u>	<u>31 March 2015</u>
Miscellaneous income*	8,995,028	4,044,763
Other exchange differences, net	1,337	-
	<u><b>8,996,365</b></u>	<u><b>4,044,763</b></u>

\* Includes transactions with related parties (refer note 14)

**12 Other expenses**

	<u>31 March 2016</u>	<u>31 March 2015</u>
Sub contracting/ technical fee/ third party application	5,712,245	5,314,817
Repairs and maintenance	213,470	20,846
Rent	1,534,669	2,517,110
Communication	2,689,549	3,168,705
Legal and professional	849,941	1,361,256
Printing & stationery	222,801	60,092
Rates and taxes	347,446	728,967
Auditor remuneration	155,496	115,219
Other exchange differences, net	-	15,508
Miscellaneous expenses	366,328	305,969
	<u><b>12,091,945</b></u>	<u><b>13,608,489</b></u>

**13 Earning per share (EPS)**

	<u>31 March 2016</u>	<u>31 March 2015</u>
Net profit after tax attributable to the equity shareholders	(3,448,214)	(9,974,854)
Weighted average number of equity shares - for basic and diluted EPS	503	503
Earnings per share - Basic and diluted	(6,855)	(19,831)
Nominal value per share [in NOK (kr)]	10,000	10,000

*(This space has been intentionally left blank)*

## Summary of significant accounting policies

(All amounts are in ₹, unless otherwise stated)

## 14 Related party disclosure

## i) Parties where control exists:

Relationship	Name
Ultimate Holding Company	Wipro Limited
Holding Company	Wipro Information Technologies Nitherland BV
Fellow Subsidiary	Wipro Portugal S.A.

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

Nature of transactions	Relationship	31 March 2016	31 March 2015
Miscellaneous income			
Wipro Limited	Ultimate Holding Company	8,995,028	4,044,763

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

Name of the party	Relationship	31 March 2016	31 March 2015
Wipro Limited	Ultimate Holding Company	3,980,944	1,533,670
Wipro Portugal S.A.	Fellow Subsidiary	-	(440,662)

\* The amounts are classified as other current assets and other current liabilities respectively.

## 15 Segment reporting

The accompanying financial statements are appended to the consolidated financial statements of ultimate 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 ultimate holding company.

16 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.

## 17 Prior period comparatives

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

For and on behalf of the Board of Directors of Wipro Technologies Norway AS

Sd/-

Ramesh Philipps

Director

Place:Bangalore

Date: 3 June 2016