

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Wipro IT Services Inc

Report on the Financial Statements

We have audited the accompanying financial statements of Wipro IT Services Inc (the Company), which comprises of the Balance Sheet as at March 31, 2018, 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

The Management of the Company is responsible for the matters stated as per Indian Accounting Standards (Ind AS) issued by Institute of Chartered Accountants (ICAI) with respect to 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. This responsibility also includes maintenance of adequate accounting records for safeguarding of 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

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the general guidelines issued by ICAI, the accounting and auditing standards and matters which are required to be included in the audit report.

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.

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 control 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required and 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 March 31, 2018, and its loss for the year ended on that date.

Other Matter

The comparative financial information for the year ended 31 March 2017 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued financial statement for the year ended 31 March 2017 prepared in accordance with Indian Accounting Standards (Ind AS) issued by the ICAI which was audited by the predecessor auditor whose report dated 02 June 2017 expressed unmodified opinion on that financial statements. Our opinion is not modified in respect of this matter.

Restriction on use

This report is intended solely for the information of the Company's and its ultimate holding company's board of directors 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, for our audit work, for this report, or for the opinions we have formed.

For MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No. 105047W

SR

Deepak Rao
Partner
Membership No. 113292

Place : Bengaluru
Date : 21 June 2018

Wipro IT Services Inc.**Balance Sheet as at 31 March 2018**

(Amount in USD, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Other intangible assets	3	1,482,228	2,968,184
Financial assets			
Investments	4	639,811,694	670,583,571
Deferred tax assets	23	8,757,326	839,923
Non-current tax assets		9,874	9,874
Other non-current assets	7	292,603	-
Total non-current assets		650,353,725	674,401,552
Current assets			
Financial assets			
Cash and cash equivalents	6	2,627,385	129,961
Other financial assets	5	17,244,583	37,553,967
Current tax assets		143,363	2,989,200
Other current assets	7	150,000	-
Total current assets		20,165,331	40,673,128
TOTAL ASSETS		670,519,057	715,074,680
EQUITY			
Share capital	8	1,286	1,100
Other equity	8	(259,300,931)	(226,992,858)
Total equity		(259,299,645)	(226,991,758)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	9	622,000,000	-
Other financial liabilities	10	-	17,684
Other non-current liabilities	11	111,693	-
Total non-current liabilities		622,111,693	17,684
Current liabilities			
Financial liabilities			
Borrowings	9	305,000,000	939,000,000
Trade payables	12	59,363	546,062
Other financial liabilities	10	2,647,646	2,502,692
Total current liabilities		307,707,009	942,048,754
TOTAL EQUITY AND LIABILITIES		670,519,057	715,074,680

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

For and on behalf of the Board of Directors of Wipro IT Services Inc.

Sd/-
N S Bala
Director

Sd/-
Ashish Chawla
Director

Place:
Date: 21.06.2018

Place:
Date: 21.06.2018

Wipro IT Services Inc.
Statement of Profit and Loss for the year ended 31 March 2018
(Amount in USD, unless otherwise stated)

	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
REVENUE			
Other income	13	1,025,834	7,271,130
Total		1,025,834	7,271,130
EXPENSES			
Employee benefits expense	14	-	142,480
Finance costs	15	21,530,135	7,691,958
Depreciation and amortisation €	3	1,485,956	1,485,956
Other expenses	16	48,277,503	229,561,598
Total Expenses		71,293,595	238,881,992
Profit before tax		(70,267,761)	(231,610,862)
Tax expense			
Current tax		-	(2,989,200)
Deferred tax		(5,071,567)	(520,085)
Total tax expense		(5,071,567)	(3,509,284)
Profit for the period		(65,196,194)	(228,101,578)
<u>Other Comprehensive Income</u>			
Items that will not be reclassified to statement of profit or loss (Net of tax)			
Change in fair value of financial instruments through OCI		111,693	-
Total comprehensive income for the period		(65,084,501)	(228,101,578)
Earnings per equity share			
(Equity shares of par value \$ 0.01 each)	17		
Basic		(5,698)	(35,354)
Diluted		(5,698)	(35,354)
No of shares			
Basic		11,441	6,452
Diluted		11,441	6,452

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

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

For and on behalf of the Board of Directors of Wipro IT Services Inc.

Sd/-
N S Bala
Director

Sd/-
Ashish Chawla
Director

Place:
Date: 21.06.2018

Place:
Date: 21.06.2018

Wipro IT Services Inc.
Cash flow statement for the year ended 31 March 2018
(Amount in USD, unless otherwise stated)

	31 March 2018	31 March 2017
Cash flows from operating activities		
Profit/(loss) before tax	(70,267,761)	(231,610,862)
Depreciation and amortisation	1,485,956	1,485,956
Exchange differences, net	23,069	1,838
Interest on borrowings	21,530,135	7,691,958
Other income	(732,267)	(384,604)
Provision for diminution in value of non-current investments	48,122,030	228,470,861
Operating profit before working capital changes	161,162	5,655,147
Loans and advances and other assets	(5,134,340)	3,160,268
Liabilities and provisions	247,736	8,631,109
Net cash generated from operations	(4,725,442)	17,446,524
Income taxes paid/ (refund)	-	102,170
Net cash generated by operating activities	(A) (4,725,442)	17,344,354
Cash flows from investing activities		
Interest income received	24,730,595	7,474
Loan Given	(6,500,000)	(30,107,696)
Investment in Subsidiaries	(17,350,152)	(461,230,648)
Net cash (used in) investing activities	(B) 880,443	(491,330,870)
Cash flows from financing activities		
Interest paid on borrowings	(16,657,576)	(6,699,089)
Proceed from equity	33,000,000	2,000,000
Proceeds/ (Repayment) from borrowings	(10,000,000)	478,757,064
Net cash generated from financing activities	(C) 6,342,423	474,057,975
Net increase/ (decrease) in cash and cash equivalents during the year	(A+B+C) 2,497,424	71,459
Effect of exchange rate on cash balance		-
Cash and cash equivalents as at the beginning of the year	129,961	58,502
Cash and cash equivalents as at the end of the year (refer note 6)	2,627,385	129,961

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

For and on behalf of the Board of Directors of Wipro IT Services Inc.

Sd/-
N S Bala
Director

Sd/-
Ashish Chawla
Director

Place:
Date: 21.06.2018

Place:
Date: 21.06.2018

Wipro IT Services Inc.

Statement of Changes in Equity for the year ended 31 March 2018

(Amount in USD, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Balance as of April 1, 2016	Changes during the Period	Balance as of March 31, 2017
1000	100	1100

Balance as of April 1, 2017	Changes during the Period	Balance as of March 31, 2018
1100	185.72	1285.72

B. OTHER EQUITY

Particulars	Share Premium	Retained Earnings	Cash flow hedging Reserve	Total other equity
Balance as at April 1, 2016	-	(891,180)	-	(891,180)
Total Comprehensive income for the period				
Profit for the period	-	(228,101,578)	-	(228,101,578)
Other comprehensive income for the period	-	-	-	-
Total Comprehensive income for the period	-	(228,101,578)	-	(228,101,578)
Issue of equity shares on exercise of options	1,999,900	-	-	1,999,900
	1,999,900	(228,101,578)	-	(226,101,678)
Balance as at April 1, 2017	1,999,900	(228,992,758)	-	(226,992,858)
Total Comprehensive income for the period				
Profit for the period	-	(65,196,194)	-	(65,196,194)
Other comprehensive income for the period	-	-	(111,693)	(111,693)
Total Comprehensive income for the period	-	(65,196,194)	(111,693)	(65,307,887)
Issue of equity shares on exercise of options	32,999,814	-	-	32,999,814
	32,999,814	(65,196,194)	(111,693)	(32,308,073)
Balance as at March 31, 2018	34,999,714	(294,188,952)	(111,693)	(259,300,931)

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

For and on behalf of the Board of Directors of Wipro IT Services Inc.

Sd/-
N S Bala
Director

Sd/-
Ashish Chawla
Director

Place:
Date: 21.06.2018

Place:
Date: 21.06.2018

Wipro IT Services Inc.

Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

1 Background

Wipro IT Services Inc. ("the Company") is a subsidiary of Wipro LLC ('the holding company') a wholly owned subsidiary of Wipro Limited. The Company is incorporated in USA and is engaged in the software development services.

The Company has accumulated loss primarily arising on account of impairment of its investment in a subsidiary. In addition, the Company's current liabilities exceeded its current assets. The accompanying financial statements have been prepared on going concern assumption, based on the receipt of funding received from the holding company, which is indicative of the financial support from the holding company. Consequently, no adjustment have been made to the carrying values or classification of the assets and liabilities. These financial statements were authorized for issue by the Board of Directors on 21 June, 2018.

2 Summary of significant accounting policies

a) Statement of compliance and 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.

(i) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

c) Foreign currency

Functional currency

The functional currency of the Company is the US Dollars. The financial statements are presented in US Dollars.

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.

d) Non-derivative Financial instruments

Non derivative financial instruments consist of:

- i) financial assets, which include cash and cash equivalents, investments in equity and eligible current and non-current assets;
- ii) financial liabilities, which include long and short-term loans and borrowings, 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:

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.

Wipro IT Services Inc.

Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

ii) Investments

Investment in subsidiaries are measured at cost less impairment.

iii) 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.

iv) 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.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and if so the nature of item being hedged and the type of hedging relationship designated.

The Company designated their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The full fair value of the hedging derivative is classified as non current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivative are also classified as a current asset or liability when expected to be realised/ settled within 12 months of the balance sheet date.

The impact of changes to fair value (gain/loss) at the period end are recognised in the Cash Flow Hedging Reserve within equity in the Statement of Changes in Equity.

e) Equity

i) Share capital and share premium

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) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated.

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually. The estimated useful lives of the amortizable intangible assets for the current and comparative periods is 3 years.

Non-compete fee

The non-compete covenant is in connection with the investment in Healthplan Services, Inc. and is being amortized over a period of three (3) years.

g) Impairment

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.

Wipro IT Services Inc.

Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

h) 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.

i) Finance expenses

Finance expenses comprise interest cost on borrowings, impairment losses recognized on financial assets, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

j) 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.

k) 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.

l) 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.

Wipro IT Services Inc.

Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

m) 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.

n) Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

(ii) Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

(i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The company do not have any trade receivable, the adoption of this amendment will not have a material effect on its financial statements.

Wipro IT Services Inc.**Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

3 Intangible Assets

Particulars	Non-compete fee	Total
Gross block		
Balance as at 01 April 2016	-	-
Additions during the year	4,580,000	4,580,000
Disposals during the year	(125,860)	(125,860)
Translation adjustment	-	-
Balance as at 31 March 2017	4,454,140	4,454,140
Additions during the year	-	-
Disposals/Adjustment for the year	-	-
Translation adjustment	-	-
Balance as at 31 March 2018	4,454,140	4,454,140
Accumulated ammortisation		
Balance as at 01 April 2016	-	-
Charge for the year	1,485,956	1,485,956
Disposals/Adjustment	-	-
Translation adjustment	-	-
Balance as at 31 March 2017	1,485,956	1,485,956
Charge for the year	1,485,956	1,485,956
Disposals/Adjustment for the year	-	-
Translation adjustment	-	-
Balance as at 31 March 2018	2,971,912	2,971,912
Net block		
Balance as at 31 March 2017	2,968,184	2,968,184
Balance as at 31 March 2018	1,482,228	1,482,228

Wipro IT Services Inc.**Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
4 Investments		
Unquoted investments:		
Non-current		
Investments in subsidiaries	639,811,694	670,583,571
	639,811,694	670,583,571
Details of investment in unquoted equity instruments of subsidiaries		
Name of the subsidiary		
Healthplan Holding Corp (1000 shares of USD 0.01 each)(2017:1000 shares of USD 0.01 each)	437,882,881	437,882,881
Appirio Inc. (1000 shares of USD 0.01 each)(2017:1000 shares of USD 0.01 each)	460,966,083	461,171,552
Denim Group, Ltd. (510 Series A Preferred Partnership Units)	8,833,333	-
Cooper Software, Inc. (11,221,002 shares of USD 0.02 each)	8,722,289	-
Less: Provision for diminution in value of investments	(276,592,892)	(228,470,862)
	639,811,694	670,583,571
	As at 31 March 2018	As at 31 March 2017
5 Other Financial Assets		
Current		
Other Receivables	71,188	3,268,184
Loans to subsidiary companies	16,961,963	33,961,962
Interest Accrued on loan to Subsidiaries	211,432	323,821
	17,244,583	37,553,967
	As at 31 March 2018	As at 31 March 2017
6 Cash and cash equivalents		
Balances with banks		
In current accounts	2,627,385	129,961
	2,627,385	129,961
7 Other non-current assets		
Prepaid expenses	292,603	-
	292,603	-
7 Other current assets		
Prepaid expenses	150,000	-
	150,000	-

Wipro IT Services Inc.**Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
9 Borrowings		
Non Current		
Unsecured:		
Term loan:		
Others	622,000,000	-
	622,000,000	-
Current		
Unsecured:		
Loan repayable on demand	305,000,000	937,000,000
Loan from Holding Company	-	2,000,000
Deposits	-	-
	305,000,000	939,000,000
	As at 31 March 2018	As at 31 March 2017
10 Other Financial Liabilities		
Non-current		
Interest Accrued on loan from Holding Company	-	17,684
	-	17,684
Current		
Interest accrued but not due on borrowings	1,932,047	632,164
Other Liabilities	-	1,083,594
Balances due to related parties	715,599	786,934
	2,647,646	2,502,692
11 Other Liabilities		
Non-current		
Derivative Liabilities	111,693	-
	111,693	-
	As at 31 March 2018	As at 31 March 2017
12 Trade payables		
Trade Payable	59,363	546,062
	59,363	546,062

Wipro IT Services Inc.**Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
8 Share Capital		
I. Authorized capital		
29572 (31 March 2017: 11000) equity shares of USD 0.01 par value (in USD)	1,285.72	1,100
	1,285.72	1,100
II. Issued, subscribed and fully paid-up capital		
29572 (31 March 2017: 11000) equity shares of USD 0.01 par value (in USD)	1,285.72	1,100
	1,285.72	1,100
a) Reconciliation of issued, subscribed and paid-up capital		
Number of shares as at beginning of the year	11,000	1,000
Number of shares issued during the year	18,572	10,000
Number of shares as at end of the year	29,572	11,000
b) Details of share holding pattern by related parties		
Name of shareholder		
Wipro LLC	29,572	11,000
	29,572	11,000
Other Equity		
Securities Premium Reserve		
Balance as at the beginning of the year	1,999,900	
Movement during the year	32,999,814	1,999,900
Balance as at the end of the year	34,999,714	1,999,900
Retained Earnings		
Balance as at the beginning of the year	(228,992,758)	(891,180)
Movement during the year	(65,196,194)	(228,101,578)
Balance as at the end of the year	(294,188,952)	(228,992,758)
Cash flow hedging reserve		
Balance as at the beginning of the year	-	-
Movement during the year	(111,693)	-
Balance as at the end of the year	(111,693)	-
	(259,300,931)	(226,992,858)

Wipro IT Services Inc.**Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
13 Other Income		
Interest on debt instruments and others	732,267	384,604
Others	293,567	6,886,526
	1,025,834	7,271,130
	Year ended 31 March 2018	Year ended 31 March 2017
14 Employee benefits expense		
Salaries and wages	-	142,480
	-	142,480
	Year ended 31 March 2018	Year ended 31 March 2017
15 Finance costs		
Interest Cost	21,530,135	7,691,958
	21,530,135	7,691,958
	Year ended 31 March 2018	Year ended 31 March 2017
16 Other expenses		
Provision for diminution in value of non-current investments	48,122,030	228,470,861
Other exchange differences, net	23,069	1,838
Legal and professional charges	93,806	420,918
Auditors' remuneration	35,500	-
Miscellaneous expenses	3,098	667,980
	48,277,503	229,561,598

Wipro IT Services Inc.
Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
17 Earning per share (EPS)		
Net profit after tax attributable to the equity shareholders	(65,196,194)	(228,101,578)
Weighted average number of equity shares - for basic and diluted EPS	11,441	6,452
Earnings per share - Basic and diluted	(5,698)	(35,354)
Nominal value per share (in USD)	0.01	0.01

18 Related party disclosure
i) Parties where control exists:

Nature of relationship	Name of the related party
Ultimate Holding Company	Wipro Limited
Holding company	Wipro LLC
Subsidiaries	
Subsidiary	HPH Holdings Corp*
Subsidiary	Apprio Inc
Subsidiary	Healthplan Holding Inc *
Subsidiary	HealthPlan Services Insurance Agency, Inc. *
Subsidiary	HealthPlan Services, Inc. *
Subsidiary	Harrington Health Services Inc. *
Subsidiary	Cooper Software, Inc.

Other related Parties with whom transactions exist

Nature of relationship	Name of the related party
Fellow Subsidiary	Opus Capital Markets Consultants LLC
Fellow Subsidiary	Wipro Gallagher Solutions, Inc.
Fellow Subsidiary	Wipro Data Centre and Cloud Services, Inc.
Fellow Subsidiary	Wipro Holdings UK Limited
Associates	Denim Group, Ltd.

* Healthplan Holding Inc; HealthPlan Services Insurance Agency, Inc HealthPlan Services, Inc.; HealthPlan Services, Inc. & Harrington Health Services Inc., are direct subsidiaries of HPH Holdings Corp

ii) The Company has the following related party transactions:

Particulars	Relationship	31 March 2018	31 March 2017
Corporate Gurantee Commision Charges			
Wipro Limited	Ultimate Holding Company	-	704,034
Interest expense			
Wipro LLC	Holding Company	11,688	120,882
Interest income			
Apprio Inc	Subsidiary	575,161	172,300
HealthPlan Services, Inc.	Subsidiary	166,433	112,790
Loans availed			
Wipro LLC	Holding Company	-	40,000,000
Cooper Software, Inc.	Subsidiary	27,956,957	-
HealthPlan Services, Inc.	Subsidiary	419,182,292	-
Loans repaid			
Wipro LLC	Holding Company	2,000,000	38,000,000
Cooper Software, Inc.	Subsidiary	123,015	-
HealthPlan Services, Inc.	Subsidiary	6,500,000	-
Apprio Inc	Subsidiary	2,500,000	-
Loan Provided			
Apprio Inc	Subsidiary	-	15,000,000
HealthPlan Services, Inc.	Subsidiary	6,500,000	3,900,000
Cooper Software, Inc.	Subsidiary	433,511	-
Issue of Shares at Premium			
Wipro LLC	Holding Company	33,000,000	2,000,000
Other			
Apprio Inc	Subsidiary	4,590,868	-

Wipro IT Services Inc.**Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

iii) The company has following transactions with Fellow Subsidiaries:

Particulars	Relationship	31 March 2018	31 March 2017
Interest expense			
Opus Capital Markets Consultants LLC	Fellow Subsidiary	-	16,158
Wipro Gallagher Solutions, Inc.	Fellow Subsidiary	-	3,482
Wipro Data Centre and Cloud Services, Inc.	Fellow Subsidiary	-	19,749
Interest income			
Wipro Holdings UK Limited	Fellow Subsidiary	-	92,040
Loans availed			
Opus Capital Markets Consultants LLC	Fellow Subsidiary	-	8,000,000
Wipro Gallagher Solutions, Inc.	Fellow Subsidiary	-	2,000,000
Wipro Data Centre and Cloud Services, Inc.	Fellow Subsidiary	-	12,000,000
Loans repaid			
Opus Capital Markets Consultants LLC	Fellow Subsidiary	-	8,000,000
Wipro LLC	Holding Company	2,000,000	38,000,000
Wipro Gallagher Solutions, Inc.	Fellow Subsidiary	-	2,000,000
Wipro Data Centre and Cloud Services, Inc.	Fellow Subsidiary	-	12,000,000
Wipro Holdings UK Limited	Fellow Subsidiary	15,000,000	-
Loan Provided			
Wipro Holdings UK Limited	Fellow Subsidiary	-	15,000,000

iv) Balances with related parties as at year end are summarised below*

Particulars	Relationship	31 March 2018	31 March 2017
Wipro Limited	Ultimate Holding Company	(704,034)	(704,034)
Healthplan Holding Corp	Subsidiary	4,187,875	4,021,442
Appirio, Inc.	Subsidiary	12,327,514	15,051,112
HPH Holdings Corp	Subsidiary	-	(9,874)
Wipro LLC	Holding Company	-	(2,017,684)
Cooper Software, Inc.	Subsidiary	310,496	-
Wipro Holdings UK Limited	Fellow Subsidiary	92,040	15,092,040

Wipro IT Services Inc.**Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

19 Segment information

The Company's business activity, falls within a single primary business segment, Therefore, disclosures as required under IND AS 108, 'Segment-reporting', has not been separately presented in the financial statements since the information is available directly from the Statement of Profit and Loss.

20 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by entering into interest rate swap agreement. If interest rates were to increase by 50bps from March 31, 2018, additional net annual interest expense on floating rate borrowing would amount to approximately \$ 4.64mn.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the INR exchange rate wrt USD, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material. (Exposure:- Balance due to Related Party - INR 2542000.00)

	Change in INR rate	Effect on profit before tax
2018	Appreciation by 5%	\$ 2,052.95
	Depreciation by 5%	\$ (1,856.80)
2017	Appreciation by 5%	\$ 2,060.36
	Depreciation by 5%	\$ (1,864.13)

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018 and 31 March 2017 is the carrying amounts as mentioned in Note 4 and 6.

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

	One year or less	More than one year	Total
31 March 2018			
Long-term borrowings	305,000,000	622,000,000	927,000,000
Trade payables	59,363	-	59,363
Other financial liability	2,647,646	111,693	2,759,340
	<u>307,707,009</u>	<u>622,111,693</u>	<u>929,818,702</u>
31 March 2017			
Long-term borrowings	939,000,000	-	939,000,000
Trade payables	546,062	-	546,062
Other financial liability	2,502,692	17,684	2,520,375
	<u>942,048,754</u>	<u>17,684</u>	<u>942,066,438</u>

21 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets. Non-current borrowing comprises term loans. The impact of fair value on such portion is not material and therefore not considered for above disclosure.

22 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

Wipro IT Services Inc.
Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Fair value measurement hierarchy for liabilities:

(a) Financial liabilities measured at fair value:	31-Mar-18	31-Mar-17
Level 2		
Financial liabilities measured at fair value through profit or loss		
Derivative - Interest Rate Swap	111,693	-
<u>Financial Assets/ Liabilities measured at amortized cost</u>		
Financial assets measured at amortized cost		
Investments	639,811,694	670,583,571
Loans	16,961,963	33,961,962
Cash and cash equivalents	2,627,385	129,961
Financial liabilities measured at amortized cost		
Liability component of convertible preference shares		
Borrowings (non-current)	622,000,000	-
Borrowings (current)	305,000,000	939,000,000
Trade payables	59,363	546,062
Other Payables	2,647,646	2,520,375

23 Taxation

Income tax expense in the Statement of Profit and Loss comprises of:

	Year ended 31 March 2018	Year ended 31 March 2017
Current tax	-	(2,989,200)
Deferred tax	(5,071,567)	(520,085)
	(5,071,567)	(3,509,285)

Effective Tax Rate (ETR) reconciliation

	As at March 31, 2018	March 31, 2017
	USD	USD
Loss before taxes	(70,267,761)	(231,610,862)
Enacted income tax rate in USA	35.00%	35.00%
Computed expected tax expense	(24,593,716)	(81,063,802)
Effect of:		
Income exempt from tax	-	-
Basis differences that will reverse during a tax holiday period	1,120,460	80,041,402
Reversal of deferred tax liability for past years due to rate reduction	325,100	-
Expenses disallowed for tax purposes	13,369,551	(2,486,885)
Income taxes relating to prior years	-	-
Others, net	4,707,038	-
	(5,071,567)	(3,509,285)

24 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 Inc.

Sd/-	Sd/-
N S Bala	Ashish Chawla
Director	Director

Place:	Place:
Date: 21.06.2018	Date: 21.06.2018