

D. PRASANNA & Co.,
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Wipro Enterprises Inc.,**

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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

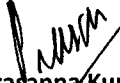


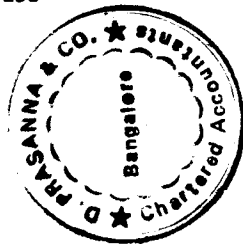
accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit Opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so 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 31st March, 2016, and its Loss and its cash flows for the year ended on that date.

For **D. Prasanna & Co.,**
Chartered Accountants
Firm Registration Number. 009619S


D. Prasanna Kumar
Proprietor
Membership No. 211367



Place:Bangalore
Date:

Wipro Enterprises Inc.

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
MARCH 31, 2016**

Wipro Enterprises Inc
BALANCE SHEET

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


| | Notes | As on March 31, | |
|----------------------------------------|-------|-----------------|--------------|
| | | 2016 | 2015 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholder's funds | | | |
| Share capital | 3 | 58,141,250 | 58,141,250 |
| Reserves and surplus | 4 | (152,238,118) | (74,721,745) |
| | | (94,096,868) | (16,580,495) |
| Non-current liabilities | | | |
| Deferred tax liabilities (net) | | - | - |
| Other Long term liabilities..... | | - | - |
| Long-term Loans | 5 | 232,885,271 | 62,500,000 |
| | | 232,885,271 | 62,500,000 |
| Current liabilities | | | |
| Short-term borrowings | 6 | | 93,750,000 |
| Trade payables | 7 | 1,258,337 | 11,881,978 |
| Other current liabilities | 8 | 18,902,270 | 18,557,402 |
| Short term provisions..... | | - | - |
| | | 20,160,606 | 124,189,380 |
| TOTAL EQUITY AND LIABILITIES | | 158,949,010 | 170,108,885 |
| <u>ASSETS</u> | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 19 | 75,848,925 | 80,997,337 |
| Intangible assets | | - | - |
| Capital work-in-progress | | 47,964,966 | 15,837,194 |
| Non-current investments | | - | - |
| Long-term loans and advances | | - | - |
| | | 123,813,891 | 96,834,530 |
| Current assets | | | |
| Inventories | 9 | 15,857,285 | 33,108,621 |
| Trade receivables | 10 | 319,227 | 7,169,028 |
| Cash and cash equivalents | 11 | 15,927,865 | 31,555,299 |
| Short-term loans and advances | 12 | 3,030,741 | 1,441,406 |
| Other current assets | | - | - |
| | | 35,135,119 | 73,274,355 |
| TOTAL ASSETS | | 158,949,010 | 170,108,885 |
| Significant accounting policies | 2 | | |

The Notes referred to above form an integral part of the Balance Sheet

As per our report of even date attached

for D Prasanna & Co
Chartered Accountants

Firm Registration no: 009619S



D. Prasanna Kumar
Proprietor

Bangalore

Date : _____



For and on behalf of the Board of Directors


Jon Olson
Director

Bangalore

Date : _____

Wipro Enterprises Inc
STATEMENT OF PROFIT AND LOSS
(Amount in INR+B25, except share and per share data, unless otherwise stated)

| | Notes | For the year ended March 31, | |
|--------------------------------------------------------------------|-------|------------------------------|-------------------|
| | | 2016 | 2015 |
| REVENUE | | | |
| Revenue from operations (gross) | 13 | 6,386,452 | 13,771,102 |
| Less: excise duty | | - | - |
| Revenue from operations (net) | | 6,386,452 | 13,771,102 |
| Other income | 14 | - | 6,126,106 |
| Total revenue | | 6,386,452 | 19,897,209 |
| EXPENSES | | | |
| Cost of Materials Consumed | 15 | 6,658,164 | 14,232,977 |
| Purchases of Stock in Trade [Refer note 50(ii)] | | | |
| Changes in inventories of finished goods, WIP and SIT | | | |
| Employee benefits expense | 16 | 29,727,387 | 22,583,919 |
| Finance costs | 17 | 4,603,995 | 1,765,407 |
| Depreciation and amortization expense | | 12,818,192 | 5,798,629 |
| Other expense | 18 | 28,079,855 | 27,599,143 |
| Total expense | | 81,887,594 | 71,980,074 |
| Profit before exceptional and extraordinary items and tax (III-IV) | | (75,501,141) | (52,082,866) |
| Exceptional Items | | - | - |
| Profit before extraordinary items and tax (V-VI) | | (75,501,141) | (52,082,866) |
| Extraordinary items | | - | - |
| Loss before tax | | (75,501,141) | (52,082,866) |
| Tax expenses | | | |
| - current tax | | - | - |
| -deffered tax | | - | - |
| Net loss | | (75,501,141) | (52,082,866) |
| Earnings per equity share | | (755,011) | (520,829) |

Significant accounting policies


2

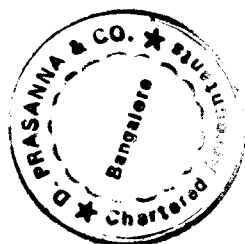
The Notes referred to above form an integral part of the Statement of Profit and Loss

As per our report of even date attached

for D Prasanna & Co
Chartered Accountants
Firm Registration no: 009619S

For and on behalf of the Board of Directors


D. Prasanna Kumar
Proprietor
Bangalore



Date : _____


Jon Olson
Director
Bangalore

Date : _____

Wipro Enterprises Inc
CASHFLOW STATEMENT

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

| | Year ended March 31, 2016 | Year ended March 31, 2015 |
|--------------------------------------------------------------------------|---------------------------------|---------------------------------|
| A. Cash flows from operating activities: | | |
| Loss before tax | (75,501,141) | (52,082,866) |
| <i>Adjustments:</i> | | |
| Depreciation and amortization | 12,818,192 | 5,798,629 |
| Unrealised Exchange Difference net | (6,697,475) | |
| Interest on borrowings | 4,603,995 | 1,765,407 |
| Dividend / interest - net | - | |
| (Profit) / Loss on sale of investments | - | |
| Gain on sale of fixed assets | - | |
| Working capital changes : | 12,233,028 | (23,968,722) |
| Net cash generated from operations | (52,543,401) | (68,487,552) |
| Direct taxes paid | - | |
| Net cash generated by operating activities | (52,543,401) | (68,487,552) |
| B. Cash flows from investing activities: | | |
| Payment of contingent consideration on acquisition | - | |
| Acquisition of fixed assets | (35,115,309) | (27,168,513) |
| Investment in Subsidiaries | - | |
| Net cash used in investing activities | (35,115,310) | (27,168,513) |
| C. Cash flows from financing activities: | | |
| Proceeds from issuance of shares | - | |
| Share application money pending allotment | - | |
| Proceeds from issuance of common stock by subsidiary | - | |
| Interest paid on borrowings | - | |
| Loans taken from related parties, net | 165,781,277 | |
| Proceeds of borrowings / loans - Net | (93,750,000) | 122,219,444 |
| Net cash generated by / (used in) financing activities | 72,031,277 | 122,219,444 |
| Net (decrease) / increase in cash and cash equivalents during the period | (15,627,434) | 26,563,380 |
| Cash and cash equivalents at the beginning of the period | 31,555,299 | 4,203,661 |
| Cash acquired on merger | - | |
| Effect of translation of cash balance | - | 788,258 |
| Cash and cash equivalents at the end of the period | 15,927,864 | 31,555,299 |

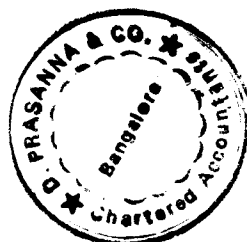
As per our report of even date attached

for D Prasanna & Co
Chartered Accountants
Firm Registration no: 009619S

D. Prasanna Kumar
Proprietor

Bangalore

Date : _____



For and on behalf of the Board of Directors

SDH
Jon Olson
Director

Bangalore

Date : _____

WIPRO ENTERPRISES INC
NOTES TO THE FINANCIAL STATEMENTS
(Amount in INR, unless otherwise stated)

1. Company overview

Wipro Enterprises Inc. (“the Company”) is a subsidiary of Wipro Enterprises Cyprus Ltd (‘the holding company’). The Company is incorporated in USA. These financial statements have been prepared to attach with the accounts of the holding company, to comply with the provisions of The Companies Act, 2013 in India.

2. Significant accounting policies

(i) Basis of preparation of financial statements

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under section 133 of the Companies Act 2013, other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013 to the extent applicable. The accounting policies have been consistently applied by the Company. The financial statements are presented in Indian rupees and rounded off to the nearest rupee.

(ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision in accounting estimates is recognized prospectively in current and future periods.

(iii) Revenue recognition

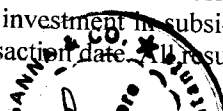
Revenue is recognized in accordance with Accounting Standard 9.

(iv) Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation. Depreciation is provided on the straight line method. The rates of depreciation prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum rate. If the management’s estimate of the useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on management’s estimate of the useful life/ remaining useful life.

(v) Translation of financial statements

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



out of year-end conversion has been transferred to Translation Reserve in Reserve and Surplus.

(vi) **Related Party Details**

The Company had the following transactions with related parties

| | For the year ended March 31, | |
|-------------------------------------|------------------------------|------------|
| | 2016 | 2015 |
| Wipro Enterprises Cyprus Ltd | | |
| Capital Infusion | - | - |
| Loan | 170,385,271 | 32,560,000 |

(vii) The Company leases office buildings under cancelable and non-cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee.:

| | As at March 31, | |
|------------------------------------------|-----------------|------------|
| | 2015 | 2014 |
| Not later than 1 year | - | - |
| Later than 1 year not later than 5 years | 32,241,635 | 31,480,625 |
| Later than 5 years | - | - |

(viii) The Company operates only in Hydraulic cylinders segments. Hence no segment disclosure is applicable


(ix) The Company is a foreign company and is not governed by the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (the Act). Hence, the disclosures under the Act are not applicable to the Company.


(x) Corresponding figures for previous year presented have been regrouped, where necessary, to confirm to the current year classification.

As per our report of even date attached

for D Prasanna & Co
Chartered Accountants
Firm Registration no: 009619S

For and on behalf of the Board of Directors


D. Prasanna Kumar
Proprietor


Jon Olson
Director

Bangalore

Bangalore

Date : _____

Date : _____



Schedules to Balance Sheet

3. Share Capital

(i) The details of share capital are given below

| Particulars | As of March 31, | |
|-----------------------------------------------|-----------------|------------|
| | 2016 | 2015 |
| Authorised capital | | |
| | | - |
| | | - |
| Issued, subscribed and paid-up capital | | |
| Equity Contribution* | 58141250 | 58141250 |
| | 58,141,250 | 58,141,250 |

4. Reserves and surplus

| Particulars | As of March 31, | |
|------------------------------------------------|-----------------|--------------|
| | 2016 | 2015 |
| Translation reserve | | |
| Balance brought forward from previous year | 2,236,873 | 1,889,879 |
| Movement during the year | (2,015,231) | 346,994 |
| | 221,641.84 | 2,236,873 |
| Profit and Loss Account - Debit Balance | | |
| Balance brought forward from previous year | (76,958,618) | (24,875,752) |
| Add: Transfer from 4(a) | (75,501,141) | (52,082,866) |
| Less: Appropriations | (152,459,759) | (76,958,618) |
| - Interim dividend | - | - |
| - Proposed dividend | - | - |
| - Tax on dividend | - | - |
| - Amount transferred to general reserve | - | - |
| Closing balance | (152,238,118) | (74,721,745) |

5. Secured Loans*

| Particulars | As of March 31, | |
|------------------------------------------|-----------------|------------|
| | 2016 | 2015 |
| Term Loan | | - |
| Working Capital Loan | 232,885,271 | 62,500,000 |
| Warranty provision [Refer note 40]..... | | - |
| | 232,885,271 | 62,500,000 |
| Loans are secured by Corporate Guarantee | | |

6. Short term borrowings

| Particulars | As of March 31, | |
|-----------------------|-----------------|------------|
| | 2016 | 2015 |
| Loan from banks | | 93,750,000 |
| | - | 93,750,000 |



Schedules to Balance Sheet (Cont...)

7. Trade payables

| Particulars | As of March 31, | |
|-----------------------------------------------------|------------------|-------------------|
| | 2016 | 2015 |
| Sundry creditors – Payable to Holding Company | | |
| Sundry creditors – Payable to Group Company | 1,258,337 | 11,881,978 |
| Sundry Creditors – Payable To employees | | |
| Sundry creditors – (refer note. 29) | | - |
| | <u>1,258,337</u> | <u>11,881,978</u> |

8. Other current liabilities

| Particulars | As of March 31, | |
|---------------------------------------------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| Employee related Dues | | - |
| Other liabilities | 18,902,270 | 16,487,152 |
| Advances from customers | | |
| Current maturities of long-term borrowings – Loan from others | | |
| Interest due but not paid | | 2,070,250 |
| Unclaimed dividends | | |
| Interest accrued but not due..... | | |
| | <u>18,902,270</u> | <u>18,557,402</u> |

9. Inventories

| Particulars | As of March 31, | |
|--------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| Inter corporate deposit | | |
| - Subsidiary companies * | | |
| - Others | | |
| Raw Material | | - |
| Work In Progress | 15,857,285 | 33,108,621 |
| Capital advances..... | | |
| Prepaid expenses | | - |
| Finished Goods | | - |
| Other advances | | - |
| | <u>15,857,285</u> | <u>33,108,621</u> |

10. Trade receivables (unsecured)

| Particulars | As of March 31, | |
|----------------------------------------------------------------|-----------------|------------------|
| | 2016 | 2015 |
| Trade receivable consists of: | | |
| Over six months from the date they were due for payment | | |
| Considered good | 319,227 | 7,169,028 |
| Considered doubtful | | - |
| | <u>319,227</u> | <u>7,169,028</u> |
| Other receivables | | |
| Considered good | | - |
| Considered doubtful | | - |
| | | - |
| Less: Provision for doubtful debts | | |
| | <u>319,227</u> | <u>7,169,028</u> |



Schedules to Balance Sheet (Cont...)

11. Cash and cash equivalents

| Particulars | As of March 31, | |
|-----------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| Balances with banks | | |
| - In Current Account | 15,927,865 | 31,555,299 |
| - Unclaimed dividend | | - |
| - In deposit accounts | | - |
| Cheques, drafts on hand | | - |
| Cash in hand | | - |
| | <u>15,927,865</u> | <u>31,555,299</u> |

12. Short term loans and advances

(Unsecured, considered good unless otherwise stated)

| Particulars | As of March 31, | |
|-------------------------------------------|------------------|------------------|
| | 2016 | 2015 |
| Employee travel and other advances | | - |
| Advance to suppliers | | - |
| Balance with excise and customs | | - |
| Prepaid expenses | 1,503,024 | - |
| Other deposits | 1,527,718 | 1,441,406 |
| VAT Recoverable | | - |
| Advance income tax less provision for tax | | - |
| Considered doubtful | | - |
| Less: Provision for doubtful debts | | - |
| | <u>3,030,741</u> | <u>1,441,406</u> |

13. Revenue from operations (gross)

| Particulars | As of March 31, | |
|-------------------------|------------------|-------------------|
| | 2016 | 2015 |
| Sales of products | | - |
| Sale of Cylinders | 6,386,452 | 13,771,102 |
| Other operating income | | - |
| - Scrap sales | | - |
| | <u>6,386,452</u> | <u>13,771,102</u> |

14. Other income

| Particulars | As of March 31, | |
|-------------------------------------------------------------|-----------------|------------------|
| | 2016 | 2015 |
| Income from current investments | | - |
| Interest on debt instruments and others | | - |
| Exchange fluctuations on foreign currency borrowings, net.. | | - |
| Interest on loan to subsidiaries | | - |
| Exchange differences, net | | - |
| Government grant | | 6,126,106 |
| Balance no longer required written back | | - |
| Miscellaneous income | | - |
| | <u>-</u> | <u>6,126,106</u> |



Schedules to Balance Sheet (Cont..)

15. Cost of materials consumed

| | As of March 31, | |
|----------------------------|------------------|-------------------|
| | 2016 | 2015 |
| Opening stocks | | |
| Add: Purchases | | |
| Less: Closing stocks | | |
| | <u>6,658,164</u> | <u>14,232,977</u> |

16. Employee benefits expense

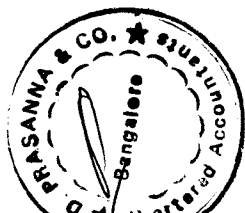
| Particulars | As of March 31, | |
|------------------------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| Salaries and wages | 28,226,036 | 21,894,798 |
| Contribution to provident and other funds..... | | 359,499 |
| Expenses on employee stock option plans (RSU) | | |
| Staff welfare expenses | 1,501,350 | 329,622 |
| | <u>29,727,387</u> | <u>22,583,919</u> |

17. Finance costs

| Particulars | As of March 31, | |
|------------------|------------------|------------------|
| | 2016 | 2015 |
| Interest on loan | 4,603,995 | 1,765,407 |
| | <u>4,603,995</u> | <u>1,765,407</u> |

18. Other expenses

| Particulars | As of March 31, | |
|-----------------------------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| Raw Material, Finished and Processed Goods consumed | | |
| Travel | 55,386 | 8,555 |
| Communication | 2,873,577 | 174,852 |
| Legal and professional charges | 2,513,173 | 970,042 |
| Other exchange difference (net) | | |
| Repairs others | | |
| Provision for Doubtful Debt..... | | |
| Corporate gurantee commission | | |
| Rent | 12,418,485 | 9,763,850 |
| Advertisement & Sales Promotions | 1,374,998 | |
| Insurance | | |
| Auditors' remuneration | | |
| As auditor | 471,822 | 726,951 |
| Carriage & Freight | 75,133 | 146,380 |
| Conveyance | 175,154 | |
| Power | 1,411,847 | |
| Insurance | 3,563,661 | 3,728,006 |
| Manpower Outside | 163,373 | 5,109,272 |
| Printing & Stationery | 316,098 | 597,169 |
| Repairs | 1,493,668 | 397,184 |
| Recruitment Expenses | | 220,546 |
| Bank Charges | | |
| Miscellaneous expenses | 1,173,480 | 5,756,336 |
| | <u>28,079,855</u> | <u>27,599,143</u> |



Schedules to Balance Sheet (Cont...)

19. Tangible Assets

| Particular | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | | NET BLOCK | |
|------------------------------|---------------------|------------|-------------------------|----------------------|--------------------------|-----------------------------|-------------------------|-------------|----------------------|----------------------|---------------------|
| | As of April 1, 2015 | Additions | Effect of Translation * | As of March 31, 2016 | As of April 1, 2015 | Depreciated on for the year | Effect of Translation * | Disposals / | As of March 31, 2016 | As of March 31, 2016 | As of April 1, 2015 |
| Tangible fixed assets | | | | | | | | | | | |
| Land @ | - | - | - | - | - | - | - | - | - | - | - |
| Buildings | 5,325,333 | 2,987,537 | - | 8,312,870 | 621,291 | 877,410 | 11,961 | - | 1,510,662 | 6,802,208 | 4,438,325 |
| Plant & machinery ** | 74,046,396 | - | - | 74,046,396 | 4,020,829 | 9,131,317 | 124,482 | - | 13,276,629 | 60,769,768 | 65,696,507 |
| Furniture & fixture | 4,687,866 | - | - | 4,687,866 | 510,985 | 878,719 | 11,979 | - | 1,401,683 | 3,286,183 | 3,940,938 |
| Vehicles | - | - | - | - | - | - | - | - | - | - | - |
| Office equipments | 8,080,400 | - | - | 8,080,400 | 1,132,567 | 1,930,746 | 26,321 | - | 3,089,634 | 4,990,766 | 6,921,567 |
| | 92,139,996 | 2,987,537 | - | 95,127,533 | 6,285,672 | 12,818,192 | 174,743 | - | 19,278,608 | 75,848,925 | 80,997,337 |
| Previous year - 2015 | - | 85,000,560 | 1,815,085 | 86,927,412 | - | 5,798,629 | 118,454 | - | 5,343,932 | 80,997,337 | - |

