

**3D NETWORKS (UK) LIMITED**

**FINANCIAL STATEMENTS**

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

### 3D NETWORKS (UK) LIMITED

#### BALANCE SHEET

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

	Notes	As on March 31,	
		2016	2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholder's funds</b>			
Share Capital .....	3	70,00,434	70,00,434
Reserves and Surplus .....	4	(63,79,248)	(63,98,946)
		<u>6,21,186</u>	<u>6,01,488</u>
<b>Non- current liabilities</b>			
Long Term Provisions	5	21,09,002	20,42,131
		<u>21,09,002</u>	<u>20,42,131</u>
<b>Current Liabilities</b>			
Trade payables.....	6	25,36,437	24,56,015
		<u>25,36,437</u>	<u>24,56,015</u>
<b>TOTAL EQUITY AND LIABILITIES .....</b>		<u><b>52,66,625</b></u>	<u>50,99,633</u>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
		-	-
<b>Current assets</b>			
Trade receivables .....	7	12,14,801	11,76,283
Cash and bank balances.....	8	40,46,093	39,17,801
Short-term loans and advances .....	9	-	-
Other current assets.....	10	5,731	5,549
		<u>52,66,625</u>	<u>50,99,633</u>
<b>TOTAL ASSETS.....</b>		<u><b>52,66,625</b></u>	<u>50,99,633</u>

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

As per my report of even date attached

For, **Y. S. SHETTY & CO.**  
Chartered Accountants  
Firm Registration number :006308S

For and on behalf of the Board of Directors

**(Shyam Prasad Shetty.Y.)**  
Partner  
Membership no. 202597  
Place : Bangalore  
Date :

S/d

S/d

**3D NETWORKS (UK) LIMITED**  
**STATEMENT OF PROFIT AND LOSS**

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

	Notes	For the year ended March 31,	
		2016	2015
<b>REVENUE</b>			
Revenue from operations (gross).....	11	-	-
Less: Excise duty.....		-	-
Revenue from operations (net).....		-	-
Other Income .....	12	-	-
<b>Total Revenue</b> .....		<b>-</b>	<b>-</b>
<b>EXPENSES</b>			
Finance Costs .....	13	-	-
Other expense .....	14	-	-
<b>Total Expense</b> .....		<b>-</b>	<b>-</b>
Profit/ (Loss) before exceptional and extraordinary items and tax		-	-
Exceptional Items		-	-
Profit/ (Loss) before extraordinary items and tax		-	-
Extraordinary items		-	-
Profit/ (Loss) before tax .....		-	-
Tax expense		-	-
Provision for Taxation		-	-
Current tax		-	-
Deferred tax.....		-	-
Net Profit/ (Loss).....		<b>-</b>	<b>-</b>
<b>Earnings per equity share [Refer note 17]</b>			
(Equity shares of par value GBP 1/- each)			
Basic .....		-	-
Diluted .....		-	-

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

As per my report of even date attached

For and on behalf of the Board of Directors

For, **Y. S. SHETTY & CO.**

Chartered Accountants

Firm Registration number :006308S

S/d

S/d

**(Shyam Prasad Shetty.Y.)**

Partner

Membership no. **202597**

Place : Bangalore

Date :

**3D NETWORKS (UK) LIMITED**  
**Cash Flow statement**  
(Amount in Rupees, except share and per share data, unless otherwise stated)

	Year ended March 31,	
	2016	2015
<b>A. Cash flows from operating activities:</b>		
Profit/(Loss) before tax.....	-	-
<i>Adjustments:</i>		
Exchange differences, net.....	19,698	(46,416)
<b>Working capital changes :</b>		
Increase / (decrease) in trade payables.....	80,422	(1,89,518)
Increase / (decrease) in Long-term provisions.....	66,871	(1,57,583)
Increase / (decrease) in other current liabilities.....	-	-
Increase / (decrease) in trade receivables.....	(38,518)	90,769
Increase / (decrease) in short-term loans & advances.....	-	-
Increase / (decrease) in other current assets.....	(182)	428
<b>Net cash generated from / (used in) operations.....</b>	<b>1,28,292</b>	<b>(3,02,320)</b>
<b>Net cash generated by / (used in) operating activities.....</b>	<b>1,28,292</b>	<b>(3,02,320)</b>
<b>B. Cash flows from investing activities:</b>		
<b>Net cash from / (used in) investing activities.....</b>	-	-
<b>C. Cash flows from financing activities:</b>		
<b>Net cash used in financing activities.....</b>	-	-
Net (decrease) / increase in cash and cash equivalents during the period...	1,28,292	(3,02,320)
Cash and cash equivalents at the beginning of the period.....	39,17,801	42,20,121
<b>Cash and cash equivalents at the end of the period .....</b>	<b>40,46,093</b>	<b>39,17,801</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current account.....	40,46,093	39,17,801
<b>Total Cash and cash equivalents (Refer note 9).....</b>	<b>40,46,093</b>	<b>39,17,801</b>

For, **Y. S. SHETTY & CO.**  
Chartered Accountants  
Firm Registration number :006308S

For and on behalf of the Board of Directors

**(Shyam Prasad Shetty.Y.)**  
Partner  
Membership no. 202597  
Place : Bangalore  
Date :

S/d

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## Financial Statement of 3D Networks (UK) Limited.

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### NOTES TO THE FINANCIAL STATEMENTS

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

#### Note 1. Company overview

3D Networks (UK) Limited (“the Company”) is a subsidiary of Wipro Holdings (UK) Limited (‘the holding company’). The functional currency of the Company is GBP and the reporting currency for these financial statements is INR. These financial statements have been prepared and audited to attach with the accounts of the holding company, to comply with the provisions of Indian Companies Act, 1956.

#### Note 2. Significant accounting policies

##### i. Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured on a fair value basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of Act (to the extent notified and applicable), Accounting Standards (‘AS’) issued by Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

##### ii. Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

##### iii. Revenue recognition

Services:

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

###### A. Time and material contracts

Revenues and costs relating to time and material contracts are recognized as the related services are rendered.

###### B. Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the “percentage-of-completion” method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. When total cost estimated exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

‘Unbilled revenues’ included in other current assets represent cost and earnings in excess of billings as at the balance sheet date. ‘Unearned revenues’ included in other current liabilities represent billing in excess of revenue recognized.

Revenue from customer training, support and other services is recognized as the related services are performed.

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license.

## Financial Statement of 3D Networks (UK) Limited.

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### C. Maintenance Contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

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

### Products:

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

### Other income

Agency commission is accrued when shipment of consignment is dispatched by the principal.

Interest is recognized using the time proportion method, based on the rates implicit in the transaction.

Dividend income is recognized when the company's right to receive dividend is established.

## iv. Fixed Assets and Depreciation

The Company has provided for depreciation using straight line method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 except in the case of following assets which are depreciated based on useful lives estimated by the Management:

Class of asset	Estimated useful life
Buildings	30 – 60 years
Computer including telecom equipment and software (included under plant and machinery)	2 – 7 years
Furniture and fixtures	5 – 6 years
Electrical installations (included under plant and machinery)	5 years
Vehicles	4 years

Freehold land is not depreciated.

Assets under finance lease are amortised over their estimated useful life or the lease term, whichever is lower.

For these class of assets, based on internal technical assessment the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

## v. Foreign currency transactions

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

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the statement of profit and loss.

## Financial Statement of 3D Networks (UK) Limited.

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

### vi. Income tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements by each entity in the Company.

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

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

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

### vii. Earnings per share

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

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

### viii. 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.

### ix. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

**FINANCIAL STATEMENTS OF 3D NETWORKS (UK) LIMITED**  
**NOTES TO BALANCE SHEET**

**Note 3 Share Capital**

	As of March 31,	
	2016	2015
<b>Authorised capital</b>		
82,088 (2014: 82,088) equity shares of GBP 1 each	70,00,434	70,00,434
	<b>70,00,434</b>	<b>70,00,434</b>
<b>Issued, subscribed and paid-up capital</b>		
82,088 (2014: 82,088) equity shares of GBP 1 each	70,00,434	70,00,434
	<b>70,00,434</b>	<b>70,00,434</b>

(ii) The following is the reconciliation of number of shares as at March 31, 2016.

Opening number of equity shares.....	82,088	82,088
Fresh issue during the year .....	-	-
Closing number of equity shares outstanding.....	<b>82,088</b>	<b>82,088</b>

**Note 4 Reserves and Surplus**

<b>Translation Reserve</b>		
Balance brought forward from previous year	(8,40,500)	(7,94,083)
Additions during the year	19,698	(46,416)
Deductions during the year	-	-
	<b>(8,20,801)</b>	<b>(8,40,500)</b>
<b>General reserve</b>		
Balance brought forward from previous year	(55,58,447)	(55,58,447)
Transferred from Profit & Loss Account	-	-
Deductions during the year	-	-
	<b>(55,58,447)</b>	<b>(55,58,447)</b>
<b>Surplus from statement of profit and loss</b>		
Balance brought forward from previous year .....	-	-
Add: Profit/ (Loss) for the year .....	-	-
Less: Amount transferred to general reserve .....	-	-
Closing balance.....	-	-
<b>Summary of reserves and surplus</b>		
Balance brought forward from previous year	(63,98,946)	(63,52,530)
Addition during the year	19,698	(46,416)
Deduction during the year	-	-
	<b>(63,79,248)</b>	<b>(63,98,946)</b>

**Note 5 Long term provisions**

	As of March 31,	
	2016	2015
Provision for tax less advance tax	21,09,002	20,42,131
	<b>21,09,002</b>	<b>20,42,131</b>

**Note 6 Trade payables**

Sundry creditors	3,26,161	3,15,821
Payables to Gorup companies	22,10,275	21,40,194
	<b>25,36,437</b>	<b>24,56,015</b>

**Note 7 Trade Receivables (Unsecured)**

<b>Debts outstanding for a period exceeding six months from the date they are due for payment</b>		
Considered good .....	12,14,801	11,76,282
Considered doubtful .....	36,44,405	35,28,851
Less: Provision for doubtful.....	(36,44,405)	(35,28,850)
	<b>12,14,801</b>	<b>11,76,283</b>
<b>Other receivables</b>		
Considered good .....	-	-
	<b>-</b>	<b>-</b>
Total (A + B).....	<b>12,14,801</b>	<b>11,76,283</b>

**Note 8 Cash and cash equivalents**

Balances with scheduled banks		
In current account	40,46,093	39,17,801
	<b>40,46,093</b>	<b>39,17,801</b>

**Note 09 Short-term loans and advances**

VAT refund receivable	-	-
	<b>-</b>	<b>-</b>

**Note 10 Other current assets**

VAT Input Tax	5,731	5,549
	<b>5,731</b>	<b>5,549</b>



**FINANCIAL STATEMENTS OF 3D NETWORKS (UK) LIMITED**  
**NOTES TO STATEMENT OF PROFIT AND LOSS**

	<b>Year ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Note 11 Revenue from Operations</b>		
Sale of services	-	-
Revenue from operations (gross)	-	-
<b>Note 12 Other Income</b>		
Other exchange differences, net	-	-
<b>Note 13 Finance costs</b>		
Bank charges and others	-	-
<b>Note 14 Other expenses</b>		
Other exchange differences, net	-	-
Legal and professional charges	-	-
Provision for doubtful debts	-	-

## Financial Statement of 3D Networks (UK) Limited.

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### Note 15.

The Company is a 100% Subsidiary of Wipro Holdings (UK) Limited. These financial statements have been prepared and audited for the purpose of attachment to the accounts of the Holding Company to comply with the provisions of the Indian Companies Act, 1956.

### Note 16. Related Party Transaction

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

Name of the party	Relationship with the Company
Wipro Networks Pte Ltd- Singapore	Fellow Subsidiary

The following are the balances receivables and payables to related parties:

(In Rs)

Name of the party	As at	
	March 31, 2016	March 31, 2015
Wipro Networks Pte Ltd- Singapore	2,210,275	2,140,194

### Note 17. Earnings per share

(In Rs)

Computation of EPS	For the year ended	
	March 31, 2016	March 31, 2015
(Loss)/profit after tax for the year as per profit and loss account	-	-
Weighted average number of equity shares used for computing basic and diluted EPS	82,088	82,088
(Loss)/ earnings per share basic and diluted (face value: GBP 1 each)	-	-

### Note 18. Segment Reporting

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

### Note 19 Transfer Pricing

The Company's management is of the opinion that its international transactions with related parties are at arm's length and that the company is in compliance with the transfer pricing legislation. Accordingly, the company's management believes that the transfer pricing legislation will not have any impact on the financial statements for the year ended March 31, 2013, particularly on the amount of tax expense and that of the provision for taxation.

## Financial Statement of 3D Networks (UK) Limited.

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### Note 20

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.

### Note 21

The figures of the previous year have been regrouped, where necessary, to conform to the current year classification.

For, **Y. S. SHETTY & Co.**  
*Chartered Accountants*  
*Firm Registration number: 006308S*

For and on behalf of Board of Directors

**(Shyam Prasad Shetty Y)**  
*Partner*  
Membership number: **202597**

**S/d**

**S/d**

Place: Bangalore

Date :

## Financial Statement of 3D Networks (UK) Limited.

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(iii) Details of Shareholding Pattern by Related Parties

Sl No.	Name of Shareholders	As at March 31 2016		As at March 31 2015	
		No. of Share	% of holdings	No. of Share	% of holdings
1	Wipro Holdings (UK)Limited	82,088	100	82,088	100