

WIPRO DOHA LLC
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
MARCH 31, 2015

WIPRO DOHA LLC

BALANCE SHEET

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

		As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	3	3,404,870	3,404,870
Reserves and surplus	4	(8,815,271)	(2,535,848)
		<u>(5,410,401)</u>	869,022
2. Share application money pending allotment			
		-	-
3. Non-current liabilities			
4 Current liabilities			
Short term borrowings		-	-
Trade payables	5	42,675,849	-
Other current liabilities	6	17,166,425	2,710,454
Short term provisions	8	-	-
		<u>59,842,274</u>	2,710,454
TOTAL EQUITY AND LIABILITIES		<u>54,431,873</u>	<u>3,579,476</u>
II ASSETS			
1. Non-current assets			
2 Current assets			
Trade receivables	7	14,082,348	-
Cash and bank balances	8	3,737,765	3,579,476
Short term loans and advances	9	3,278,951	-
Other current assets	10	33,332,809	-
		<u>54,431,873</u>	3,579,476
TOTAL ASSETS		<u>54,431,873</u>	<u>3,579,476</u>

The accompanying notes form an integral part of the balance sheet

As per our report attached

for **D.Prasanna & Co.**

Chartered Accountants

Firm Registration number : 009619S

For and on behalf of the Board of Directors

sd/-

D.Prasanna Kumar

Proprietor

Membership No. 211367

Bangalore

sd/-

Director

Hariprasad Sasidharan V

WIPRO DOHA LLC
STATEMENT OF PROFIT AND LOSS ACCOUNT
(Amount in ₹ except share and per share data, unless otherwise stated)

	Notes	Year ended March 31,	
		2015	2014
REVENUE			
Revenue from operations (gross)	11	46,360,729	-
Less: Excise duty		-	-
Revenue from operations (net)		46,360,729	-
Other income	12	-	-
Total Revenue		46,360,729	-
EXPENSES			
Other expenses	13	52,642,307	2,418,098
Total Expenses		52,642,307	2,418,098
Profit before tax		(6,281,578)	(2,418,098)
Tax expense			
Current tax		-	-
Deferred tax		-	-
		-	-
Net Profit		(6,281,578)	(2,418,098)
Earnings per equity share			
Basic		(31,408)	(12,090)
Diluted		(31,407)	(12,090)

The accompanying notes form an integral part of the Statement of Profit & loss

As per our report attached

for **D.Prasanna & Co.**

Chartered Accountants

Firm Registration number : 009619S

For and on behalf of the Board of Directors

sd/-

D.Prasanna Kumar

Proprietor

Membership No. 211367

Bangalore

sd/-

Director

Hariprasad Sasidharan V

WIPRO DOHA LLC
CASH FLOW STATEMENT

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

	For the year ended March 31,	
	2015	2014
A. Cash flows from operating activities:		
Profit / (Loss) before tax	(6,281,578)	(2,418,098)
<i>Adjustments:</i>		
Unrealised exchange differences - net	2,155	(117,750)
Working capital changes :		
Trade and other receivable	(14,082,348)	2,418,098
Other current Assets	(33,332,809)	-
Trade and other payables	42,675,849	-
Net cash generated by / (used in) operating activities	(11,018,731)	(117,750)
B. Cash flows from financing activities:		
Proceeds from issuance of Equity shares		3,404,870
Proceeds of borrowings / loans	14,455,971	292,356
Net cash generated by / (used in) financing activities	14,455,971	3,697,226
C Cash flows from Investment activities:		
Security deposits	(3,278,951)	
Net cash generated by / (used in) Investing activities	(3,278,951)	-
Net (decrease) / increase in cash and cash equivalents during the period	158,289	3,579,476
Cash and cash equivalents at the beginning of the period	3,579,476	-
Cash and cash equivalents at the end of the period	3,737,765	3,579,476

The accompanying notes form an integral part of the Cashflow statement

As per our report attached
for **D.Prasanna & Co.**
Chartered Accountants
Firm Registration number : 009619S

sd/-
D.Prasanna Kumar
Proprietor
Membership No. 211367

For and on behalf of the Board of Directors

sd/-
Director
Hariprasad Sasidharan V

WIPRO DOHA LLC.
NOTES TO THE FINANCIAL STATEMENTS

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

1. Company overview

WIPRO DOHA LLC (“the Company”) is a joint venture of Wipro Cyprus Limited. The Company was incorporated in DOHA and is engaged in services of Technology solutions. The functional currency of the Company is QAR 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, 2013

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.

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

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.

Foreign currency 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.

Translation of financial statements

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

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

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

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

VII. 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.

VIII. Employee benefits

Compensated absences:

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accumulating compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The Company recognizes accumulated compensated absences based on actuarial valuation. Non accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

Pension and social contribution:

Pension and social contribution plan, a defined contribution scheme, the Company makes monthly contributions based on a specified percentage of each covered employee's salary.

IX. Earnings per share

The number of shares used in computing basic earning 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

X. 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.

	As at March 31, 2015	As at March 31, 2014
Note 3 Share Capital		
Authorised capital		
200 equity shares of QAR 1000 each	3,404,870	3,404,870
Issued, subscribed and paid-up capital		
200 equity shares of QAR 1000 each	3,404,870	3,404,870
	3,404,870	3,404,870

(i) **Details of Shareholders pattern**

Sl No.	Name of Shareholders	As at March 31 2014	
		No. of Share	% of holdings
1	Wipro Cyprus Private Limited	98	49%
2	Links Facility Services Qatar LLC	102	51%

(ii) From inception till date no shares have been allotted as bonus shares by capitalisation of General reserves.

No shares has been bought back.

(iii) **Rights, preferenes and restrictions attached to Equity Shares.**

Every share in the capital of the Company gives its owner the right to an equal share in the Copmany's Profits losses and an equal right to vote at any Shareholder's General Assembly, However, notwithstanding the fact parties here to agrees that Wipro Cyprus holds only 49% of Shares Wipro Cyprus Pvt. Ltd.in entitled to 97% of Profits and losses of the company in accordance with the provisions of Article (232) of the Commercial Company's law.

	As at March 31, 2015	As at March 31, 2014
Note 4 Reserves and Surplus		
Translation reserve		
Balance brought forward from previous year	(117,750)	-
Movement during the period	2,155	(117,750)
	(115,595)	(117,750)
Surplus from statement of profit and loss		
Balance brought forward from previous year	(2,418,098)	-
Add: Profit/(loss) for the year	(6,281,578)	(2,418,098)
Closing balance	(6,281,578)	(2,418,098)
Summary of reserves and surplus		
Balance brought forward from previous year	(2,535,848)	
Movement during the year	(6,279,423)	(2,535,848)
	(8,815,271)	(2,535,848)

	As at March 31, 2015	As at March 31, 2014
Note 5 Trade payables		
Payable to ultimate holding company	42,675,849	
	<u>42,675,849</u>	-
Note 6 Other current liabilities		
Balances due to related parties	17,166,425	2,710,454
	<u>17,166,425</u>	<u>2,710,454</u>
Note 7 Trade Receivable		
Other receivables		
Considered good	14,082,348	-
	<u>14,082,348</u>	-
Note 8 Cash and bank balances		
Balances with banks		
In current accounts	3,737,765	3,579,476
	<u>3,737,765</u>	<u>3,579,476</u>
Note 9 Short-term loans and advances		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Balance with Group Companies	2,890	-
Security deposits	3,276,062	-
	<u>3,278,951</u>	-
Note 10 Other current assets		
Unsecured and considered good:		
Unbilled revenue	33,332,809	-
	<u>33,332,809</u>	-
	Year ended March 31,	
	2015	2014
Note 11 Revenue from Operations		
Sale of services	46,360,729	-
Revenue from operations (gross)	<u>46,360,729</u>	-
Note 13 Other expenses		
Sub contracting / technical fees / third party application	41,724,625	-
Pre-incorporation Expenses	-	2,418,098
Rent	8,902,895	-
Legal and professional charges	2,011,135	-
Other exchange differences, net	1,348	-
Miscellaneous expenses	2,304	-
	<u>52,642,307</u>	<u>2,418,098</u>

14. 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 Limited	Ultimate Holding Company	
Wipro Cyprus	Holding company	
Link Facility Services Qatar LLC	Joint Venture Partner	

	Year ended March 31,	
	2015	2014
Wipro limited		
Sub contracting charges	41,724,625	-

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

	Year ended March 31,	
	2015	2014
Payable:		
Wipro limited - ultimate holding company	42,672,959	-
Wipro Cyprus Limited	17,166,425	2,710,454

15. 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.

16. Micro, small and medium enterprises, development act, 2006

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.

17. Others

Hitherto the applicability of revised Schedule III from the current year, the Company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule III does not impact recognition and measurement principle followed for the preparation of financial statements.

However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of Balance Sheet.

As per our report attached
for **D.Prasanna & Co.**
Chartered Accountants
Firm Registration number : 009619S

For and on behalf of the Board of Directors

sd/-
D.Prasanna Kumar
Proprietor
Membership No. 211367
Bangalore

sd/-
Director
Hariprasad Sasidharan V

