



WIPRO TECHNOLOGIES SA

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
MARCH 31, 2015**

WIPRO TECHNOLOGIES SA
BALANCE SHEET AS AT MARCH 31,2015

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

	Notes	As at March 31, 2015	As at March 31, 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	174,854,546	174,854,546
Reserves and surplus	4	(120,305,331)	(118,563,653)
		54,549,215	56,290,893
Non-current liabilities			
Long term provisions	5	1,074,942	962,238
		1,074,942	962,238
Current liabilities			
Short term borrowings		-	-
Trade payables	6	12,240,028	11,652,149
Other current liabilities	7	95,460,827	81,419,070
Short term provisions	8	2,876,296	-
		110,577,151	93,071,219
TOTAL EQUITY AND LIABILITIES		166,201,308	150,324,350
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
Tangible assets	9	2,662,026	3,977,284
Long term loans and advances	10	8,914,637	5,516,487
		11,576,663	9,493,772
Current assets			
Trade receivables	11	113,850,319	91,758,227
Cash and bank balances	12	18,932,531	13,397,224
Short term loans and advances	13	10,942,507	27,565,897
Other current assets	14	10,899,288	8,109,230
		154,624,645	140,830,578
TOTAL ASSETS		166,201,308	150,324,350

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

sd/-
Rodolfo Koennecke
Director

Bangalore

WIPRO TECHNOLOGIES SA
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)	15	211,345,085	320,246,477
Less: Excise duty		-	-
Revenue from operations (net)		<u>211,345,085</u>	320,246,477
Other income	16	<u>389,995</u>	-
Total Revenue		<u>211,735,080</u>	320,246,477
EXPENSES			
Employee benefits expense	17	115,094,790	143,073,562
Finance costs	18	377,976	4,628,539
Depreciation and amortisation expense	9	2,457,022	2,548,958
Other expenses	19	<u>92,542,629</u>	122,169,596
Total Expenses		<u>210,472,417</u>	272,420,655
Profit before tax		1,262,663	47,825,822
Tax expense			
Current tax		-	-
Deferred tax		-	-
		<u>-</u>	<u>-</u>
Net Profit		<u>1,262,663</u>	47,825,822
Earnings per equity share			
(Equity shares of par value ARS 1 each)			
Basic & Diluted		105	3,985

The accompanying notes form an integral part of the Statement of Profit and Loss Statement

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

For and on behalf of the Board of Dir

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

sd/-
Rodolfo Koennecke
Director

WIPRO TECHNOLOGIES SA
CASH FLOW STATEMENT FOR THE YEAR MARCH 31,2015
(Amount in ₹ except share and per share data, unless otherwise stated)

	Period ended March 31, 2015	Year ended March 31, 2014
A. Cash flows from operating activities:		
Profit / (Loss) before tax	1,262,663	47,825,822
Adjustments:		
Depreciation and amortization	2,457,022	2,548,958
Unrealised exchange differences	(2,827,881)	(19,361,822)
Provision for bad and doubtful debts	4,856,050	-
Working capital changes :		
Trade and other receivable	(26,948,142)	(73,094,674)
Other current assets	(2,790,058)	(8,109,230)
Loans and advances	17,764,553	22,966,974
Provisions and Other Current Liabilities	17,030,757	7,020,785
Trade and other payables	587,879	(12,830,646)
Net cash generated from operations	11,392,843	(33,033,834)
Direct taxes refund / paid	-	7,397,660
Net cash generated by operating activities	11,392,842.68	(25,636,174)
B. Cash flows from investing activities:		
Acquisition of fixed assets	(2,493,667)	(1,908,894)
Long term loans and advances	(3,398,150)	698,222
Proceeds from sale of fixed assets	34,282	-
Net cash generated by / (used in) investing activities	(5,857,535)	(1,210,672)
C. Cash flows from financing activities:		
Net cash generated by / (used in) financing activities	-	-
Net (decrease) / increase in cash and cash equivalents during the period	5,535,307	(26,846,846)
Cash and cash equivalents at the beginning of the period	13,397,224	40,244,070
Cash and cash equivalents at the end of the period [Note 13]	18,932,531	13,397,224

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/-
Rodolfo Koenneck Director
Director

WIPRO TECHNOLOGIES S.A

NOTES TO THE FINANCIAL STATEMENTS

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

1. Company overview

Wipro Technologies SA is a subsidiary of Wipro Cyprus Private Limited. The Company is incorporated in Argentina and is engaged in software development services.

The functional currency of the Company is ARS 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 recognized 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 are 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 amortized 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. Leases

Leases of assets, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Lease rentals in respect of assets taken under operating leases are charged to statement of profit and loss on a straight line basis over the lease term.

In certain arrangements, the Company recognizes revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned income and the estimated residual value of the leased equipment on consummation of such leases. Unearned income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognizes unearned income as financing revenue over the lease term using the effective interest method.

vi. Investments

Long term investments are stated at cost less other than temporary diminution in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

vii. 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.

Transactions:

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:

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.

viii. 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 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 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 realized.

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

ix. 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.

x. 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.

xi. 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, 2,015	As at March 31, 2,014
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Note 3 Share Capital

(i) The details of share capital are given below:-

Authorised capital

12000 (2014: 12000) equity shares of ARS 1 each

151,494	151,494
151,494	151,494

Issued, subscribed and fully paid-up capital

12000 (2014: 12000) equity shares of ARS 1 each [Refer note (ii) below]

Equity Contribution

151,494	151,494
174,703,052	174,703,052
174,854,546	174,854,546

(ii) The following is the reconciliation of number of shares as at March 31, 2015.

12,000	12,000
-	-
12,000	12,000

Number of common stock issued during the year

Number of common stock outstanding as at the end of the year

(iii) Following is the Shareholding Pattern

	As of March 31,			
	2015		2014	
Name of Shareholders	No. of Shares	% of holdings	No. of Shares	% of holdings
Wipro Cyprus Pvt Ltd	11,400	95%	11,400	95%
Wipro Information Technology Netherlands BV	600	5%	600	5%
Total	12,000	100%	12,000	100%

As at March 31, 2,015	As at March 31, 2,014
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Note 4 Reserves & Surplus

Translation reserve

Balance brought forward from previous year

(34,243,831) (13,194,662)

Movement during the period

(3,004,341) (21,049,169)

(37,248,172) (34,243,831)

Surplus from statement of profit and loss

Balance brought forward from previous year

(84,319,823) (132,145,645)

Add: Profit for the year

1,262,663 47,825,822

Closing balance

(83,057,159) (84,319,823)

Summary of reserves and surplus

Balance brought forward from previous year

(118,563,653) (145,340,307)

Movement during the year

(1,741,678) 26,776,653

(120,305,331) (118,563,653)

	As at March31, 2,015	As at March 31, 2,014
Note 5 Long term Provisions		
Employee benefit obligation	1,074,942	962,238
	1,074,942	962,238
Note 6 Trade payables		
Accrued expenses	12,240,028	11,652,149
	12,240,028	11,652,149
Note 7 Other current liabilities		
Unearned revenue	-	2,070,227
Statutory liabilities	5,305,461	5,706,331
Balances due to related parties	11,224,444	-
Others	-	(2,606,546)
Loan from group Companies	78,930,921	76,249,058
	95,460,827	81,419,070
Note 8 Short term provisions		
Employee benefit obligations	2,876,296	-
	2,876,296	-
	As at March31, 2,015	As at March 31, 2,014
Note 10 Long term loans and advances		
(Unsecured, considered good unless otherwise stated)		
Security deposits	1,539,455	1,677,480
Advance income tax, net of provision for tax	7,375,182	3,839,008
	8,914,637	5,516,487
Note 11 Trade Receivable		
Unsecured:		
Over six months from the date they were due for payment		
Considered good	1,871,818	-
Considered doubtful	4,714,424	-
	6,586,242	-
Less: Provision for doubtful receivables	(4,714,424)	-
	1,871,818	-

Other receivables *

Considered good	111,978,501	91,758,227
	<hr/>	<hr/>
	111,978,501	91,758,227
Less: Provision for doubtful receivables	-	-
	<hr/>	<hr/>
	111,978,501	91,758,227
	<hr/>	<hr/>
	113,850,319	91,758,227
	<hr/>	<hr/>

* Inclusive of Related party receivables given in Note 19

Note 12 Cash and bank balances**Cash and cash equivalents**

In current accounts	18,932,531	13,397,224
	<hr/>	<hr/>
	18,932,531	13,397,224
	<hr/>	<hr/>

Note 13 Short-term loans and advances

(Unsecured, considered good unless otherwise stated)

Salary Advance	2,382,679	1,418,780
Advance to suppliers	3,712,114	722,144
Prepaid expenses	1,830,942	1,504,945
Others	3,016,773	23,920,029
	<hr/>	<hr/>
	10,942,507	27,565,897
Less: Provision for doubtful loans and advances	-	-
	<hr/>	<hr/>
	10,942,507	27,565,897
	<hr/>	<hr/>

Note 14 Other current assets**Unsecured and considered good:**

Unbilled revenue	10,899,288	8,109,230
	<hr/>	<hr/>
	10,899,288	8,109,230
	<hr/>	<hr/>

	As at March 31, 2,015	As at March 31, 2,014
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Note 15 Revenue from Operations

Sale of services	211,345,085	320,246,477
Revenue from operations (gross)	211,345,085	320,246,477

Note 16 Other Income

Interest income from Bank and others	389,995	-
	389,995	-

Note 17 Employee benefits expense

Salaries and wages	88,931,505	105,654,497
Contribution to provident and other funds	19,475,424	22,909,825
Leave encashment payments	-	5,305,472
Staff welfare expenses	6,687,861	9,203,769
	115,094,790	143,073,562

Note 18 Finance costs

Interest Cost	1,982,045	1,647,037
Exchange difference on borrowings	(1,604,069)	-
Bank charges and others	-	2,981,502
	377,976	4,628,539

Note 19 Other expenses

Sub contracting / technical fees / third party application	42,815,695	1,862,974
Travel	3,284,817	5,611,963
Repairs and Maintenance	2,040,996	2,721,364
Power and fuel	145,802	304,187
Rent	4,274,821	5,705,690
Provision/write off of bad debts	4,856,050	-
Communication	2,910,886	2,378,759
Legal and professional charges	15,156,208	80,628,283
Staff recruitment	600,263	2,681,188
Insurance	725,618	596,779
Rates and taxes	6,224,421	12,068,296
Miscellaneous expenses	6,418,008	3,192,855
Other exchange differences, net	3,089,044	4,417,258.00
	92,542,629	122,169,596

20. Related party transactions

Name	Relation
List of related parties and relationships:	
Wipro Limited	Ultimate Holding company
Wipro Cyprus Private Limited	Holding company
Wipro Information Technology Netherlands BV	Holding company
WIPRO LLC	Group Company
Wipro do Brasil Tecnologia Ltda (formely Enabler Brasil LTDA)	Group Company
WIPRO PORTUGAL S.A. (formely Enabler Infomatics SA)	Group Company

The Company had the following transactions with related parties

	For the year ended March 31,	
	2015	2014
Sub-contract and technical fees provided		
Wipro Limited	40,465,063	57,325,168
Wipro do Brasil Tecnologia Ltda (formely Enabler Brasil LTDA).	11,819,706	16,132,690
Interest on Loan		
Wipro Cyprus Pvt Ltd	1,963,410	1,928,067

The following is the listing of receivables and payables to related parties

	As at March 31,	
	2015	2014
Payables:		
Wipro Limited	8,976,446	11,552,642
Wipro LLC	2,066,145	-
Wipro Gallagher Solutions Inc.	132,778	-
Wipro Cyprus Pvt Ltd	77,194,756	200,380,243
Wipro Information Technology Netherlands BV	178,878	-
Wipro do Brasil Tecnologia Ltda (formely Enabler Brasil LTDA).	-	75,344
Wipro Inc.	-	3,391,878
Receivables:		
Wipro Limited	25,453,457	-
Wipro do Brasil Tecnologia Ltda (formely Enabler Brasil LTDA).	37,925,581	-

21. Earnings/ (Loss) per share

	As at March 31,	
	2015	2014
Computation of EPS		
Profit for the year as per statement of profit and loss	1,262,663	47,825,822
Weighted average number of equity shares used for computing basic and diluted EPS	12,000	12,000
Loss per share basic and diluted (face value: CLP 1,000 each)	105	3,985

22. 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.

23. 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 and on behalf of the Board of Directors

for D.Prasanna & Co.

Chartered Accountants

Firm Registration number : 009619S

sd/-

D.Prasanna Kumar

Proprietor

Membership No. 211367

Bangalore

sd/-

Rodolfo Koennecke

Director

9. Tangible assets

Particular	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK*	
	As of April 1, 2014	Additions	Effect of Translation*	Disposals	As of March 31, 2015	As of April 1, 2014	Depreciation for the year	Effect of Translation*	Disposals / adjustments	As of March 31, 2015	As of March 31, 2015	As of March 31, 2014
Tangible fixed assets												
Buildings **	-	305,771	(8,918)		296,853	-	56,414	(1,645)	-	54,768	242,085	-
Plant & machinery ***	5,174,365	2,187,896	(290,546)	1,578,689	5,493,025	3,248,907	1,880,994	(214,372)	403,244	4,512,284	980,742	1,925,458
Furniture & fixture	2,775,495	-	(216,229)	-	2,559,266	746,958	2,911,216	(124,283)	-	3,533,891	(974,625)	2,028,537
Office equipments	3,958,096	-	(138,749)	-	3,819,347	3,934,806	(2,391,601)	(137,682)	-	1,405,523	2,413,825	23,290
	11,907,956	2,493,667	(654,442)	1,578,689	12,168,492	7,930,671	2,457,022	(477,982)	403,244	9,506,466	2,662,026	3,977,284
Previous Year (FY 2013-14)	14,860,522	1,908,894	(4,861,461)	-	11,907,955	8,555,831	2,548,958	(3,174,118)	-	7,930,671	3,977,284	6,304,693

* Represents translation of fixed assets of non-integral operations into Indian Rupee

** Building includes lease hold improvements.

*** Plant and machinery includes computers and computer software.