



PT WT INDONESIA LIMITED

FINANCIAL STATEMENTS

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

PT WT INDONESIA LIMITED

BALANCE SHEET

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

	Notes	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	3	11,239,923	11,239,923
Reserves and surplus	4	<u>(91,890,554)</u>	12,707,317
		(80,650,631)	23,947,240
2. Share application money pending allotment			
		-	-
3. Non-current liabilities			
Long term provisions	5	4,488,565	10,208,669
		4,488,565	10,208,669
4. Current liabilities			
Trade payables	6	229,665,031	457,411,890
Other current liabilities	7	1,042,997,230	282,658,694
Short term provisions	8	2,002,131	-
		1,274,664,392	740,070,584
TOTAL EQUITY AND LIABILITIES		1,198,502,326	774,226,494
II ASSETS			
1. Non-current assets			
Fixed assets			
Tangible assets	9	1,117,642	2,800,080
Long term loans and advances	10	10,504,449	7,770,116
Other non-current assets		-	-
		11,622,091	10,570,195
2. Current assets			
Trade receivables	11	35,125,446	13,940,473
Cash and bank balances	12	218,180,887	98,239,429
Short term loans and advances	13	90,622,857	85,858,907
Other current assets	14	842,951,045	565,617,491
		1,186,880,235	763,656,299
TOTAL ASSETS		1,198,502,326	774,226,494

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/-

Director

Manoj Nagpaul

sd/-

Director

Bhavya Kapoor

PT WT INDONESIA LIMITED
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	1,107,978,663	1,807,671,402
Less: Excise duty		-	-
Revenue from operations (net)		1,107,978,663	1,807,671,402
Other income	16	206,420	-
Total Revenue		1,108,185,083	1,807,671,402
EXPENSES			
Employee benefits expense	17	24,647,981	6,508,314
Finance costs	18	23,251,346	6,187,308
Depreciation and amortisation expense	9	1,595,478	547,828
Other expenses	19	1,162,146,409	1,757,633,285
Total Expenses		1,211,641,214	1,770,876,735
Profit before tax		(103,456,131)	36,794,667
Tax expense			
Current tax		4,745,723	9,198,667
Deferred tax		-	-
		4,745,723	9,198,667
Net Profit		(108,201,854)	27,596,000
Earnings per equity share			
(Equity shares of par value IDR 1 each)			
Basic		(433)	110
Diluted		(433)	110
*Refer Note 21			

The accompanying notes form an integral part of the Statement of profit and 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

sd/-
Director
Manoj Nagpaul

sd/-
Director
Bhavya Kapoor

PT WT INDONESIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(Amount in ₹, except share and per share data, unless otherwise stated)

1. Company overview

PT Wipro Indonesia Limited (“the Company”) is a wholly owned subsidiary of Wipro Cyprus Pvt Limited. The Company was incorporated in Indonesia and is engaged in software development services. The functional currency of the Company is IDR 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 and work-in-progress

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. Earnings per share

As per local Chinese regulations, there is no concept of Equity shares and hence Earning Per Share is not computed.

ix. 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.

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 March31, 2015	As at March 31, 2014
Note 3 Share Capital		
(i) The details of share capital are given below:-		
Authorised capital		
250,000 (2014: 250,000) equity shares of IDR 11,230 each	11,239,923	11,239,923
	11,239,923	11,239,923

Issued, subscribed and fully paid-up capital		
250,000 (2014: 250,000) equity shares of IDR 11,230 each [Refer note (ii) below]	11,239,923	11,239,923

(Out of the above shares, 249,000 equity shares are held by holding Company Wipro Cyprus Pvt Limited and 1000 shares are held by PT Unza Vitalis. Wipro Limited is the Ultimate Holding Company.)

11,239,923	11,239,923
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(ii) The following is the reconciliation of number of shares as at March 31, 2015.

Number of common stock outstanding as at beginning of the year	250,000	250,000
Number of common stock issued during the year	-	-
Number of common stock outstanding as at the end of the year	250,000	250,000

(iii) Details of share holding pattern by related parties

	As of March 31,			
	2015		2014	
Name of shareholders	No. of shares	% of holdings	No. of shares	% of holdings
Wipro Cyprus Private Limited	249,000	99.60%	249,000	99.60%
PT Unza Vitalis	1,000	0.40%	1,000	0.40%
Total	250,000	100%	250,000	100%

	As at March31, 2015	As at March 31, 2014
Note 4 Reserves and Surplus		
Translation reserve		
Balance brought forward from previous year	539,369	1,499,062
Movement during the period	3,603,983	(959,693)
	4,143,352	539,369
Surplus from statement of profit and loss		
Balance brought forward from previous year	12,167,948	(15,428,053)
Add: Profit for the year	(108,201,854)	27,596,000
Closing balance	(96,023,906)	12,167,948
Summary of reserves and surplus		
Balance brought forward from previous year	12,707,317	(13,928,991)
Movement during the year	(104,597,871)	26,636,308
	(91,890,554)	12,707,317

	As at March31, 2015	As at March 31, 2014
Note 5 Long term Provisions		
Employee benefit obligation	-	1,010,002
Provision for tax	4,488,565	9,198,667
	4,488,565	10,208,669
Note 6 Trade payables		
Trade Payables	50,543,789	337,419,751
Payable to ultimate holding company	142,993,672	30,874,940
Accrued expenses	36,127,570	89,117,200
	229,665,031	457,411,890
Note 7 Other current liabilities		
Current Maturities of loan term borrowings	1,034,718,269	280,530,844
Salary Payable	102,202	119,416
Statutory liabilities	2,731,794	2,008,434
Balances due to related parties	1,699,997	-
Balances due to ultimate holding company	3,744,968	-
	1,042,997,230	282,658,694
Note 8 Short term provisions		
Employee benefit obligations	2,002,131	-
	2,002,131	-
Note 10 Long term loans and advances		
(Unsecured, considered good unless otherwise stated)		
Advance income tax	3,926,597	-
Prepaid expenses	6,577,853	7,770,116
	10,504,449	7,770,116
Note 11 Trade Receivable		
Unsecured:		
Over six months from the date they were due for payment		
Considered good	35,125,446	13,940,473
	35,125,446	13,940,473
Less: Provision for doubtful receivables	-	-
	35,125,446	13,940,473
Note 12 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
In current accounts	29,846,167	98,239,429
In deposit accounts	188,334,720	-
	218,180,887	98,239,429

Note 13 Short-term loans and advances*(Unsecured, considered good unless otherwise stated)*

Employee travel & other advances	8,213,082	2,483,531
Advance to suppliers	1,200,000	232,581
Balance with Group Companies	565,004	-
Balances with excise, customs and other authorities	79,922,018	41,424,194
Prepaid expenses	620,033	32,843,132
Security deposits	102,720	113,420
Others	-	8,762,049
	90,622,857	85,858,907

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

Unbilled revenue	842,951,045	565,617,491
	842,951,045	565,617,491

	Year ended March 31,	
	2015	2014
Note 15 Revenue from Operations		
Sale of services	1,107,978,663	1,807,671,402
Revenue from operations (gross)	1,107,978,663	1,807,671,402
Note 16 Other Income		
Interest on debt instruments and others	206,420	-
	206,420	-
Note 17 Employee benefits expense		
Salaries and wages	22,228,996	5,627,308
Expenses on employee stock purchase plan (ESPP)	65,385	130,122
Staff welfare expenses	2,353,599	750,884
	24,647,981	6,508,314
Note 18 Finance costs		
Interest Cost	23,251,346	6,187,308
	23,251,346	6,187,308
Note 19 Other expenses		
Sub contracting / technical fees / third party application	821,405,494	591,422,214
Travel	28,709,530	3,248,634
Repairs and Maintenance	111,082,919	1,096,403,123
Rent	2,815,908	15,893,902
Power and fuel	734,283	197,239
Communication	11,905,540	1,406,963
Advertisement and sales promotion	-	276,775
Legal and professional charges	17,190,003	4,035,629
Staff recruitment	337,995	-
Rates and taxes	653,357	3,206,288
Other exchange differences, net	159,233,690	34,999,266
Auditors' remuneration		
Audit fees	1,366,691	291,766
Miscellaneous expenses	6,711,000	6,251,487
	1,162,146,409	1,757,633,285

20. Related party transactions

Name	Relation
List of related parties and relationships:	
Wipro Limited	Ultimate Holding Company
Wipro Cyprus Pvt Ltd	Holding Company
Wipro Holdings Hungary	Group Company
Wipro Holdings UK	Group Company
Wipro (Thailand) Co Ltd	Group Company
Wipro Travel Services Ltd	Group Company

The Company had the following transactions with related parties during the year ended

Particulars	As at March 31,	
	2015	2014
Interest Paid/Accrued to Wipro Holdings Hungary Ltd	5,360,755	2,227,897
Interest Paid/Accrued to Wipro Holdings UK Ltd	11,212,263	3,426,567
Interest Paid/Accrued to Wipro Cyprus Ltd	2,972,316	515,234
Loan Repaid- Wipro Holdings UK Ltd	-	301,248,264
Loan Repaid- Wipro Singapore Pte Limited	-	2,710,128
Loan Repaid- Wipro Holdings Hungary Ltd	312,475,000	-
Loan Taken- Wipro Holdings UK Ltd	-	301,248,264
Loan Taken- Wipro Holdings Hungary Ltd	-	278,302,947
Loan Taken- Wipro Cyprus Pvt Ltd	328,098,750	-
Sub Contracting- Wipro Limited	270,296,176	252,057,821
	930,415,260	1,141,737,121.18

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

	As at March 31,	
	2015	2014
Payables:		
Wipro Cyprus Pvt Ltd	332,639,231	-
Wipro Holdings UK	702,079,038	-
Wipro Holdings Hungary	-	280,530,844
Wipro (Thailand) Co Ltd	81,093	-
Wipro Travel Services Ltd	1,714,335	-
Wipro Limited	146,078,206	23,929,771
	1,182,591,903	3,940,130

21. Earnings per share

	As at March 31,	
	2015	2014
Computation of EPS		
Profit / (Loss) for the year as per profit and loss account	(108,201,854)	27,596,000
Weighted average number of equity shares used for computing basic and diluted EPS	250,000	250,000
Earnings per share basic and diluted (face value: IDR 11,230)	(433)	110

22. 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.

23. 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

24. Others

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

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Director

Bhavya Kapoor

09. 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 / adjustmen ts	As of March 31, 2015	As of March 31, 2015	As of March 31, 2014
Tangible fixed assets												
Buildings **	-	-	-	-	-	-	-	-	-	-	-	-
Plant & machinery ***	3,326,252	95,943	(412,475)	-	3,009,720	522,572	1,576,700	(134,736)	-	1,964,536	1,045,184	2,803,680
Furniture & fixture	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	-	-	93,479	-	93,479	3,600	18,779	(1,357)	-	21,021	72,458	(3,600)
	3,326,252	95,943	(318,996)	-	3,103,198	526,172	1,595,478	(136,093)	-	1,985,557	1,117,642	2,800,080
Previous year – 2014	-	3,463,151	(136,899)	-	3,326,252	-	547,828	(21,656)	-	526,172	2,800,080	-

* 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.