

**Wipro Do Brasil Sistemas De Informatica
Ltda**

FINANCIAL STATEMENTS

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

WIPRO DO BRASIL SISTEMAS DE INFORMATICA Ltda.
BALANCE SHEET AS AT MARCH 31,2015
(Amount in ₹ except share and per share data, unless otherwise stated)

	Notes	As at March 31, 2015
<u>EQUITY AND LIABILITIES</u>		
Shareholders' funds		
Share capital	3	8,038,197
Reserves and surplus	4	(4,111,552)
		3,926,645
Share application money pending allotment	5	25,407,201
Non-current liabilities		
Long term provisions		-
Current liabilities		
Trade payables	6	16,946,211
Short term provisions	7	273,557
		17,219,768
TOTAL EQUITY AND LIABILITIES		46,553,614
<u>ASSETS</u>		
Non-current assets		
Fixed assets		-
Current assets		
Trade receivables	8	2,021,440
Cash and bank balances	9	44,526,666
Short term loans and advances	10	5,508
		46,553,614
TOTAL ASSETS		46,553,614

The accompanying notes form an integral part of the balance sheet

As per our report of even date attached

As per our report attached
for Appaji & Co.
Chartered Accountants
Firm Registration number :014147S

For and on behalf of the Board of Directors

sd/-
CA.K .Appaji
Partner
Membership No. 214156
Place: Bangalore
Date:

sd/-
Anindya Roy Choudhary
Director

sd/-
Wilson Jose Anderson Ballao
Director

WIPRO DO BRASIL SISTEMAS DE INFORMATICA Ltda.

STATEMENT OF PROFIT AND LOSS ACCOUNT

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

	Notes	Year ended March 31, 2015
REVENUE		
Revenue from operations	11	54,284,198
Other income		-
Total Revenue		54,284,198
EXPENSES		
Cost of materials and services consumed	12	49,055,580
Other expenses	13	1,062,727
Total Expenses		50,118,307
Profit before tax		4,165,891
Tax expense		
Current tax		1,416,403
Deferred tax		-
		1,416,403
Net Profit		2,749,488
Earnings per equity share		
(Equity shares of par value BRL 1 each)		
Basic		6.87
Diluted		1.95

The accompanying notes form an integral part of the balance sheet

As per our report of even date attached

As per our report attached

for Appaji & Co.

Chartered Accountants

Firm Registration number :014147S

sd/-

CA.K.Appaji

Partner

Membership No. 214156

Place: Bangalore

Date:

For and on behalf of the Board of Directors

sd/-

Anindya Roy Choudhary

Director

sd/-

Wilson Jose Anderson Ballao

Director

WIPRO DO BRASIL SISTEMAS DE INFORMATICA Ltda.
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
A. Cash flows from operating activities:	
Profit / (Loss) before tax	4,165,891
<i>Adjustments:</i>	
Unrealised exchange differences	(6,861,041)
Working capital changes :	
Trade and other receivable	(2,021,440)
Loans and advances	(5,508)
Trade and other payables	16,946,211
Net cash generated from operations	12,224,114
Direct taxes refund / paid	1,142,846
Net cash generated by operating activities	11,081,268
B. Cash flows from investing activities:	
Net cash generated by / (used in) investing activities	-
C. Cash flows from financing activities:	
Share application money pending allotment	25,407,201
Proceeds from issuance of shares	8,038,197
Net cash generated by / (used in) financing activities	33,445,398
Net (decrease) / increase in cash and cash equivalents during the period	44,526,666
Cash and cash equivalents at the end of the period [Note 9]	44,526,666

As per our report attached

for Appaji & Co.

Chartered Accountants

Firm Registration number :014147S

sd/-

CA.K .Appaji

Partner

Membership No. 214156

Place: Bangalore

Date:

For and on behalf of the Board of Directors

sd/-

Anindya Roy Choudharj

Director

sd/-

Wilson Jose Anderson Balla

Director

Wipro Do Brasil Sistemas De Informatica Ltda
NOTES TO THE FINANCIAL STATEMENTS
(Amount in ₹ except share and per share data, unless otherwise stated)

1. Company overview

Wipro Do Brasil Sistemas De Informatica Ltda is a subsidiary of Wipro Information Technology Netherlands BV, Wipro Do Brasil Tecnologia Ltda and Wipro Portugal S.A. The Company is incorporated to trade in IT, electronic and communication products to serve the customers in Brazil and US as a near shore development center. Besides, it also provides development and licensing of customizable computer programs.

The functional currency of the Company is BRL 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. **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.

Translations:

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.

v. **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.

vi. **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.

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. 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.

Notes to balance sheet

	As at March 31, 2015
Note 3 Share Capital	
(i) The details of share capital are given below:-	
Authorised capital	
1,407,319 equity shares of 1 BRL each	33,445,397
	33,445,397
Issued, subscribed and fully paid-up capital	
equity shares of each [Refer note (iii) below]	8,038,197
	8,038,197

(ii) Share application money pending allotment

Share application money pending allotment

25,407,201

1,007,319 Common stock of 1 BRL each

(iii) Details of share holding pattern by related parties

	As of March 31, 2015	
Name of shareholders	No. of shares	% of holdings
Wipro Information Technology Netherlands BV	8,000	2%
Wipro Portugal, S.A.	384,000	96%
Wipro Do Brasil Tecnologia Ltda	8,000	2%
Total	400,000	100%

	<u>As at March31,</u> <u>2015</u>
Note 4 Reserves and Surplus	
Translation reserve	
Balance brought forward from previous year	
Movement during the period	<u>(6,861,041)</u>
	<u>(6,861,041)</u>
Surplus from statement of profit and loss	
Balance brought forward from previous year	
Add: Profit for the year	<u>2,749,488</u>
Closing balance	<u>2,749,488</u>
Summary of reserves and surplus	
Balance brought forward from previous year	-
Movement during the year	<u>(4,111,553)</u>
	<u>(4,111,552)</u>
Note 6 Trade payables	
Trade Payables-Due to other than micro and small enterprises	<u>16,884,334</u>
Accrued expenses	<u>61,877</u>
	<u>16,946,211</u>
Note 7 Short term provisions	
Provision for tax	<u>273,557</u>
	<u>273,557</u>
Note 8 Trade Receivable	
Other receivables	
Considered good	<u>2,021,440</u>
Considered doubtful	-
	<u>2,021,440</u>
Less: Provision for doubtful receivables	-
	<u>2,021,440</u>
	<u>2,021,440</u>
Note 9 Cash and bank balances	
Cash and cash equivalents	
Balances with banks	
In current accounts	<u>44,526,666</u>
	<u>44,526,666</u>

Note 10 Short-term loans and advances*(Unsecured, considered good unless otherwise stated)*

Balances with excise, customs and other authorities

5,5085,5085,508**As at March31,
2015****Note 11 Revenue from Operations**

Sale of products

31,679,634

Sale of services

22,604,564

Revenue from operations (gross)

54,284,198**Note 12 Cost of Materials Consumed**

Cost of materials consumed

49,055,580**49,055,580****Note 13 Other expenses**

Legal and professional charges

904,422

Rates and taxes

2,402

Miscellaneous expenses

155,903**1,062,727**

14. Related party transactions

Name	Relation
List of related parties and relationships:	
Wipro Limited	Ultimate Holding Company
Wipro Information Technology BV	Holding Company
Wipro Do Brasil Tecnologia Ltd	Holding Company
Wipro Portugal S.A	Holding Company

The Company has had no transactions with related parties during the year ended

15. 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.

As per our report attached

for Appaji & Co.

Chartered Accountants

Firm Registration number :014147S

For and on behalf of the Board of Directors

sd/-

CA.K .Appaji

Partner

Membership No. 214156

Place: Bangalore

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