

**WIPRO HOLDINGS HUNGARY KORLATOLT FELEL.SSEG TARSASAG**  
**STANDALONE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MARCH 31, 2015**





**WIPRO HOLDINGS HUNGARY KORLATOLT FELEL.SSEG TARSASAG**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**  
(Amount in Rupees)

Particulars	Year ended March 31st	
	2015	2014
<b>A. Cashflows from operating activities:</b>		
Profit/ (Loss) before tax	1,499,590,896	919,747,690
Adjustments:		
Increase in Foreign Currency Translation Reserve	-	1,930,512,500
<b>Working capital changes:</b>		
Increase/ (decrease) in trade payables	(784,440)	1,368,683
Increase/ (decrease) in other current liabilities	(2,213,753)	755,265
Increase/ (decrease) in long-term loans & advances	(1,891,914,493)	(4,763,333,252)
Increase/ (decrease) in short-term loans & advances	(1,240,773,314)	(359,170)
<b>Net cash generated from/ (used in) operations</b>	<b>(1,636,095,104)</b>	<b>(1,911,308,284)</b>
Direct taxes (paid)/ refund, net	(39,726,417)	(11,243,602)
<b>Net cash generated from/ (used in) operating activities</b>	<b>(1,675,821,521)</b>	<b>(1,922,551,886)</b>
<b>B. Cashflows from investing activities:</b>		
Cash from Investing Activities	-	-
<b>Net cash generated from/ (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>C. Cashflows from financing activities:</b>		
Proceeds from Issue of Share Capital	1,671,593,797	1,705,962,500
Dividends paid (including distribution tax)	-	-
<b>Net cash used in financing activities</b>	<b>1,671,593,797</b>	<b>1,705,962,500</b>
Net (decrease)/ increase in cash and cash equivalents during the period	(4,227,724)	(216,589,386)
Cash and cash equivalents at the beginning of the period	122,797,363	339,386,749
<b>Cash and cash equivalents at the end of the period</b>	<b>118,569,639</b>	<b>122,797,363</b>
Components of cash and cash equivalents		
Balances with banks in current account	118,569,639	23,407,659
Balances with banks in deposit accounts	-	99,389,703
<b>Total Cash and cash equivalents (Refer Note 9)</b>	<b>118,569,639</b>	<b>122,797,363</b>

The accompanying notes form an integral part of the Cashflow Statement

As per our report attached  
**for Appaji & Co.**

Chartered Accountants

Firm Registration number : 014147S

sd/-

CA.K .Appaji

Partner

Membership No. 214156

For and on behalf of the Board of Directors

sd/-

Director

Vikram Bhargava

sd/-

Director

Dr. Andor Gellert

**WIPRO HOLDINGS HUNGARY KORLATOLT FELEL.SSEG TARSASAG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Amount in Rupees, except share and per share data, unless otherwise stated)**

1. **Background :**

Wipro Holdings Hungary (“the Company”) is a fully owned subsidiary of Wipro Cyprus Private Limited. The Company was incorporated in Hungary is engaged in lending activity to its group companies. The functional currency of the Company 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:**

a. **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.

b. **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. .

c. **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.

#### d. **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.

The Company is a foreign subsidiary of Wipro Limited and has been treated as integral operating unit for translation. The monetary assets are revaluated at the closing rate on the

balance sheet date.

e. **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. .

f. **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. .

g. **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.

h. **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.



### Note 3 Share Capital

The details of share capital are given below:-

#### Authorised capital

27,503,290 (2012: 3,315) equity shares of USD 1 each.

As at March31, 2015	As at March 31, 2014
------------------------	-------------------------

1,706,123,355	1,706,092,785
<b>1,706,123,355</b>	<b>1,706,092,785</b>

#### Issued, subscribed and fully paid-up capital

27,503,290 (2012: 3,315) equity shares of USD 1 each.

1,706,123,355	1,706,092,785
<b>1,706,123,355</b>	<b>1,706,092,785</b>

#### (i) Terms / Rights attached to Equity Shares

The company has only one class of equity shares having a par value of \$ 1 per share. Each shareholder is entitled to one vote per share. In the event of liquidation of the company, the equity shareholders will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, if any in proportion to the number of shares held by the shareholders.

(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	27,503,290	3,290
Number of common stock issued during the year	500	27,500,000
Number of common stock outstanding as at the end of the year	<b>27,503,790</b>	<b>27,503,290</b>

### Note 4 Reserves and Surplus

#### Capital Reserve

Balance brought forward from previous year

As at March31, 2015	As at March 31, 2014
------------------------	-------------------------

Add: Additions during the year

14,057,992,138	14,057,992,138
1,671,563,226	-
<b>15,729,555,364</b>	<b>14,057,992,138</b>

#### Foregin Translation reserve

Balance brought forward from previous year

7,110,844,962

Movement during the period

-

7,110,844,962

#### General reserve

Balance brought forward from previous year

3,197,452,803

Amount transferred from surplus balance in the statement of profit

1,482,356,642

4,679,809,446

#### Surplus from statement of profit and loss

Balance brought forward from previous year

-

Add: Profit for the year

1,482,356,642

- Amount transferred to general reserve

(1,482,356,642)

Closing balance

-

#### Summary of reserves and surplus

Balance brought forward from previous year

24,366,289,944

Movement during the year

3,153,919,868

27,520,209,812

21,532,074,842

2,834,215,101

24,366,289,944

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Note 5 Trade payables</b>		
Trade Payables	-	942,399
Accrued expenses	<b>838,581</b>	680,621
	<b>838,581</b>	1,623,021
<b>Note 6 Other current liabilities</b>		
Current Maturities of loan term borrowings	-	-
Balances due to related parties	<b>9,910,375</b>	12,124,128
	<b>9,910,375</b>	12,124,128
<b>Note 7 Short term provisions</b>		
Provision for tax	<b>108,612,783</b>	131,104,946
	<b>108,612,783</b>	131,104,946
<b>Note 8 Long term loans and advances</b>		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Loans to Group companies	<b>27,859,530,179</b>	25,967,615,687
	<b>27,859,530,179</b>	25,967,615,687
<b>Note 9 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
In current accounts	<b>118,569,640</b>	23,407,659
In deposit accounts	-	99,389,703
	<b>118,569,640</b>	122,797,362
<b>Note 10 Short-term loans and advances</b>		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Balance with Group Companies	<b>6,017,657</b>	5,769,975
Loans to Group Companies	<b>1,248,961,346</b>	-
Balances with excise, customs and other authorities	<b>878,289</b>	600,233
Advance income tax	<b>111,737,796</b>	120,451,566
	<b>1,367,595,088</b>	126,821,774

	<b>Year ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Note 15 Revenue from Operations</b>		
Interest on Loan	<b>696,867,088</b>	649,440,975
Revenue from operations	<b>696,867,088</b>	649,440,975
<b>Note 11 Other Income</b>		
Other exchange differences, net	<b>810,220,746</b>	277,944,162
	<b>810,220,746</b>	277,944,162
<b>Note 12 Other expenses</b>		
Rent	<b>145,481</b>	163,061
Legal and professional charges	<b>5,832,614</b>	5,612,621
Rates and taxes	<b>34,511</b>	
Audit fees	<b>688,472</b>	1,199,330
Miscellaneous expenses	<b>795,859</b>	652,447
	<b>7,496,938</b>	7,637,447

### 13 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.

14 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

### 15 Related Party Disclosures

(In Rs)

The following is the listing of receivables & payables from related party as on the balance sheet date:

#### Payables:

	As at 31-Mar-15	As at 31-Mar-14
Wipro Technocentre (Singapore) Pte Limited	29,831	-
Wipro Cyprus Private Limited	9,880,544	11,162,279
Wipro Limited	-	961,850
	<b>9,910,374</b>	<b>12,124,128</b>

The following is the listing of receivables from related party as on the balance sheet date:

	As at 31-Mar-15	As at 31-Mar-14
Wipro SA BBES Trust	-	777,899,170
Wipro Gallagher Solution Inc	1,751,944,441	1,657,889,557
Wipro Technologies Indonesia	-	301,498,067
Wipro Poland Sp Zoo	15,860,728	-
Wipro Cyprus Private Limited	695,663,248	86,389,071
Wipro Inc.	23,234,592,383	22,141,557,140
PT WT Indonesia	59	-
Wipro do Brazil Tecnologia Ltda	-	236,544,597
Wipro Technologies GMBH	176,102,093	210,363,938
Wipro Holdings UK limited	569,157,008	544,342,991
Wipro Technologies Canada Limited	1,451,018,617	-
Wipro Information Technology Netherlands BV	509,782,402	-
WIPRO SA BROAD-BASED OWNERSHIP SCHEME SPV (RF) (PTY) LTD	704,398,732	-
Wipro Limited	5,989,471	4,777,002
	<b>29,114,509,182</b>	<b>25,961,261,533</b>

### 17 Earnings Per Share (EPS)

	Year ended March 31,	
	2015	2014
Profit/(Loss) for the year as per profit and loss account	1,482,356,642	903,702,601
Weighted Average number of equity shares used for computing	27,503,558	7,160,824
Profit per share basic and diluted (Par value : USD 1)	54	126

**Note 18. 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 Appaji & Co.**

Chartered Accountants

Firm Registration number : 014147S

sd/-

CA.K .Appaji

Partner

Membership No. 214156

For and on behalf of the Board of Directors

sd/-

Director

Vikram Bhargava

sd/-

Director

Dr. Andor Gellert