

**WIPRO INFORMATION
TECHNOLOGY KAZAKHSTAN LLP
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
MARCH 31, 2015**

WIPRO INFORMATION TECHNOLOGY KAZAKHSTAN LLP

BALANCE SHEET

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

As at March 31, As at March 31,
2015 2014

I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	3	9,427,853	-
Reserves and surplus	4	(29,818,864)	(11,389,513)
		<u>(20,391,011)</u>	<u>(11,389,513)</u>
2. Share application money pending allotment			
		-	-
3. Non-current liabilities			
		-	-
4. Current liabilities			
Trade payables	5	8,839,246	5,928,959
Other current liabilities	6	23,819,220	11,832,328
		<u>32,658,466</u>	<u>17,761,286</u>
TOTAL EQUITY AND LIABILITIES		<u><u>12,267,455</u></u>	<u><u>6,371,773</u></u>
II ASSETS			
1. Non-current assets			
		-	-
2. Current assets			
Trade receivables	7	11,516,344	-
Cash and bank balances	8	681,229	5,625,819
Short term loans and advances	9	69,882	745,954
		<u>12,267,455</u>	<u>6,371,773</u>
TOTAL ASSETS		<u><u>12,267,455</u></u>	<u><u>6,371,773</u></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

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

For and on behalf of the Board of Directors

sd/-
Innokenty Petrov
Director

WIPRO INFORMATION TECHNOLOGY KAZAKHSTAN LLP
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	21,366,616	-
Less: Excise duty		-	-
Revenue from operations (net)		21,366,616	-
Other income	12	78,919	27
Total Revenue		21,445,535	27
EXPENSES			
Employee benefits expense	13	8,120,572	2,210,585
Finance costs	14	328,607	156,989
Other expenses	15	31,527,225	10,798,576
Total Expenses		39,976,404	13,166,150
Profit before tax		(18,530,869)	(13,166,124)
Tax expense			
Current tax		-	-
Deferred tax		-	-
		-	-
Net Profit		(18,530,869)	(13,166,124)
Earnings per equity share			
Basic		-	-
Diluted		-	-

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

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

For and on behalf of the Board of Directors

sd/-
Innokenty Petrov
Director

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

	<u>For the year ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
A. Cash flows from operating activities:		
Profit / (Loss) before tax	(18,530,869)	(13,166,121)
<i>Adjustments:</i>		
Unrealised exchange differences - net	101,520	1,776,609
Provision for employee benefits		-
Interest on borrowings	305,550	143,441
Working capital changes :		
Trade and other receivable	(11,516,344)	-
Loans and advances	676,072	(745,955)
Provision and Other current liabilities	11,681,343	-
Trade and other payables	2,910,287	6,246,425
Net cash generated from operations	(14,372,441)	(5,745,601)
Direct taxes refund / paid	-	-
Net cash generated by operating activities	(14,372,441)	(5,745,601)
B. Cash flows from investing activities:		
Net cash generated by / (used in) investing activities	-	-
C. Cash flows from financing activities:		
Proceeds from borrowing from Group company	-	11,371,420
Proceeds from issuance of common stock by subsidiary	9,427,853	-
Net cash generated by / (used in) financing activities	9,427,853	11,371,420
Net (decrease) / increase in cash and cash equivalents during the period	(4,944,590)	5,625,819
Cash and cash equivalents at the beginning of the period	5,625,819	-
Effect of translation of cash balance	-	-
Cash and cash equivalents at the end of the period (*Refer Note 8)	681,229	5,625,819

The accompanying notes form an integral part of the Cashflow Statement

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

sd/-

Innokenty Petrov

Director

WIPRO INFORMATION TECHNOLOGY KAZAKHSTAN LLP
NOTES TO THE FINANCIAL STATEMENTS
(Amount in ₹, except share and per share data, unless otherwise stated)

1. Company overview

WIPRO INFORMATION TECHNOLOGY KAZAKHSTAN LLP (“the Company”) is a subsidiary of Wipro Information Technology Netherlands BV (“the holding company”). The Company is incorporated in KAZAKHSTAN and is engaged in IT services. The functional currency of the Company is KZT 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) 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.

(v) 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.

(vi) 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.

(vii) 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.

(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.

(ix) Cash flow statement

Cash flows are reported using the 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 regular revenue generating, investing and financing activities of the Company are segregated.

(x) 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. Nonaccumulating 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.

	As at March31, 2015	As at March 31, 2014
Note 3 Share Capital		
The LLP does not have any authorised, issued, subscribed equity shares. Accordingly, disclosures related to Share Capital is not applicable.		
LLP Share Capital	9,427,853	-
	9,427,853	-

	As at March 31, 2015	As at March 31, 2014
Note 4 Reserves and Surplus		
Translation reserve		
Balance brought forward from previous year	1,776,608	-
Movement during the period	101,520	1,776,608
	1,878,128	1,776,608
Surplus from statement of profit and loss		
Balance brought forward from previous year	(13,166,121)	-
Add: Profit for the year	(18,530,869)	(13,166,121)
Closing balance	(31,696,992)	(13,166,121)
Summary of reserves and surplus		
Balance brought forward from previous year	(11,389,513)	-
Movement during the year	(18,429,349)	(11,389,513)
	(29,818,864)	(11,389,513)
Note 5 Trade payables		
Trade Payables	3,365,902	3,627,054
Accrued expenses	5,473,343	2,301,905
	8,839,246	5,928,959
Note 6 Other current liabilities		
Current Maturities of loan term borrowings	11,876,834	11,371,420
Statutory liabilities	663,236	130,411
Employee benefit obligation	1,447,595	
Accrued Interest	448,991	143,441
Balances due to related parties	9,382,565	187,056
	23,819,220	11,832,328
Note 7 Trade Receivable		
Unsecured:		
Receivables from Group Companies - Less than six months		
Considered good*	11,516,344	-
	11,516,344	-
Note 8 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
In current accounts	681,229	5,625,819
	681,229	5,625,819
Note 9 Short-term loans and advances		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Employee travel & other advances	57,961	-
Balances with excise, customs and other authorities	-	730,830
Advance income tax	11,921	-
Others	-	15,125
	69,882	745,954

Year ended March 31,

2015

2014

Note 10 Revenue from Operations

Sale of services	21,366,616	-
Revenue from operations (gross)	21,366,616	-

Note 11 Other Income

Interest on bank deposits and others	78,919	27
	78,919	27

Note 12 Employee benefits expense

Salaries and wages	6,678,756	2,210,585
Contribution to provident and other funds	1,437,461	
Expenses on employee stock purchase plan (ESPP)	-	
Staff welfare expenses	4,356	
	8,120,572	2,210,585

Note 13 Finance costs

Interest Cost	305,550	143,441
Bank charges and others	23,058	13,547
	328,607	156,989

Note 14 Other expenses

Travel	23,103,118	822,859
Repairs and Maintenance	12,042	-
Rent	1,478,421	1,839,653
Power and fuel	30,023	80,767
Communication	-	150,614
Legal and professional charges	6,147,917	6,604,386
Staff recruitment	320,779	-
Insurance	5,785	-
Other exchange differences, net	265,298	1,152,230
Rates and taxes	21,333	-
Miscellaneous expenses	142,511	148,066
	31,527,225	10,798,576

Note 15. 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 Information Technology Netherlands BV	Parent company
Wipro Limited	Ultimate Holding Company
Wipro Cyprus Private Limited	Fellow Subsidiary

	As at March 31,	
	2015	2014
Wipro limited		
Sale of Services	21,366,616	-
Wipro Cyprus Private Limited		
Interest	305,550	143,441

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

	As at March 31,	
	2015	2014
Other Payable:		
Wipro Information Technology Netherlands BV - Parent company....	152,117	187,056
Wipro Limited - Ultimate Holding Company	9,230,448	-
Loan Payable:		
Wipro Cyprus Private Limited- Fellow subsidiary.....	11,876,834	11,227,978
Interest Payable:		
Wipro Cyprus Private Limited- Fellow subsidiary.....	448,991	143,441
Trade Receivable		
Wipro Limited - Ultimate Holding Company	11,516,344	
Other Receivable		
Wipro Limited - Ultimate Holding Company	-	15,125

Note 16. 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.

Note 17. Transfer pricing

The Company's management is of the opinion that its international transactions with related parties are at arms length and believes that the transfer pricing legislation will not have any impact on the financial statements for the year ended 31st March 2014, particularly on the amount of tax expense and that of the provision for taxation.

Note 18. Micro, small and medium enterprises,

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.

Note 19. 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.

The Notes referred to above form an integral part of the Statement of the financial statements

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
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