

**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**

12,267,455                              6,371,773

**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**

12,267,455                              6,371,773

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
<b>REVENUE</b>			
Revenue from operations (gross)	11	21,366,616	-
Less: Excise duty		-	-
Revenue from operations (net)		21,366,616	-
Other income	12	78,919	27
<b>Total Revenue</b>		<b>21,445,535</b>	<b>27</b>
<b>EXPENSES</b>			
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
<b>Total Expenses</b>		<b>39,976,404</b>	<b>13,166,150</b>
<b>Profit before tax</b>		<b>(18,530,869)</b>	<b>(13,166,124)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
		-	-
<b>Net Profit</b>		<b>(18,530,869)</b>	<b>(13,166,124)</b>
<b>Earnings per equity share</b>			
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>
<b>A. Cash flows from operating activities:</b>		
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
<b>Working capital changes :</b>		
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
<b>Net cash generated from operations</b>	<b>(14,372,441)</b>	<b>(5,745,601)</b>
Direct taxes refund / paid	-	-
<b>Net cash generated by operating activities</b>	<b>(14,372,441)</b>	<b>(5,745,601)</b>
<b>B. Cash flows from investing activities:</b>		
<b>Net cash generated by / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash flows from financing activities:</b>		
Proceeds from borrowing from Group company	-	11,371,420
Proceeds from issuance of common stock by subsidiary	9,427,853	-
<b>Net cash generated by / (used in) financing activities</b>	<b>9,427,853</b>	<b>11,371,420</b>
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	-	-
<b>Cash and cash equivalents at the end of the period (*Refer Note 8)</b>	<b>681,229</b>	<b>5,625,819</b>

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.



	As at March 31, 2015	As at March 31, 2014
<b>Note 4 Reserves and Surplus</b>		
<b>Translation reserve</b>		
Balance brought forward from previous year	1,776,608	-
Movement during the period	101,520	1,776,608
	<b>1,878,128</b>	<b>1,776,608</b>
<b>Surplus from statement of profit and loss</b>		
Balance brought forward from previous year	(13,166,121)	-
Add: Profit for the year	(18,530,869)	(13,166,121)
Closing balance	<b>(31,696,992)</b>	<b>(13,166,121)</b>
<b>Summary of reserves and surplus</b>		
Balance brought forward from previous year	(11,389,513)	-
Movement during the year	(18,429,349)	(11,389,513)
	<b>(29,818,864)</b>	<b>(11,389,513)</b>
<b>Note 5 Trade payables</b>		
Trade Payables	3,365,902	3,627,054
Accrued expenses	5,473,343	2,301,905
	<b>8,839,246</b>	<b>5,928,959</b>
<b>Note 6 Other current liabilities</b>		
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
	<b>23,819,220</b>	<b>11,832,328</b>
<b>Note 7 Trade Receivable</b>		
<b>Unsecured:</b>		
<b>Receivables from Group Companies - Less than six months</b>		
Considered good*	11,516,344	-
	<b>11,516,344</b>	<b>-</b>
<b>Note 8 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
In current accounts	681,229	5,625,819
	<b>681,229</b>	<b>5,625,819</b>
<b>Note 9 Short-term loans and advances</b>		
<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
	<b>69,882</b>	<b>745,954</b>



**Year ended March 31,**

**2015**

**2014**

**Note 10 Revenue from Operations**

Sale of services	21,366,616	-
Revenue from operations (gross)	<b>21,366,616</b>	<b>-</b>

**Note 11 Other Income**

Interest on bank deposits and others	78,919	27
	<b>78,919</b>	<b>27</b>

**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	
	<b>8,120,572</b>	<b>2,210,585</b>

**Note 13 Finance costs**

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

**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
	<b>31,527,225</b>	<b>10,798,576</b>

**Note 15. Related party transaction:**

The following are the entities with which the company has related party transactions:

<b>Name of the party</b>	<b>Relationship with the Company</b>
Wipro Information Technology Netherlands BV	Parent company
Wipro Limited	Ultimate Holding Company
Wipro Cyprus Private Limited	Fellow Subsidiary

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

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

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

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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/-  
Innokenty Petrov  
**Director**

