

**WIPRO PROMAX ANALYTICS
SOLUTIONS (EUROPE) LIMITED**

FINANCIAL STATEMENTS

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

WIPRO PROMAX ANALYTICS SOLUTIONS (EUROPE) 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)	13	30,965,663	83,266,549
Less: Excise duty		-	-
Revenue from operations (net)		30,965,663	83,266,549
Other income	14	-	2,354,856
Total Revenue		30,965,663	85,621,405
EXPENSES			
Employee benefits expense	15	40,576,744	54,251,194
Finance costs	16	917,759	1,201,975
Depreciation and amortisation expense	8	11,052	75,052
Other expenses	17	40,752,137	16,866,386
Total Expenses		82,257,692	72,394,607
Profit before tax		(51,292,029)	13,226,798
Tax expense			
Current tax		-	-
Deferred tax		456,684	-
		456,684	-
Net Profit		(51,748,713)	13,226,798
Earnings per equity share			
(Equity shares of par value GBP 1 each)			
Basic		(517,487)	132,268
Diluted		(517,487)	132,268
*Refer Note 19			

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

Ramesh Philips

sd/-

Director

Jatin Dalal

WIPRO PROMAX ANALYTICS SOLUTIONS (EUROPE) LIMITED
CASH FLOW STATEMENT
(Amount in INR except share and per share data, unless otherwise stated)

	Year ended March 31,	
	2015	2014
A. Cash flows from operating activities:		
Profit / (Loss) before tax	(51,292,029)	13,226,798
<i>Adjustments:</i>		
Depreciation and amortization	11,052	75,052
Unrealised exchange differences - net	3,211,979	(1,853,687)
Working capital changes :		
Trade and other receivable	9,963,572	(6,256,884)
Loans and advances	(15,317,237)	11,603,428
Trade and other payables	(4,110,719)	23,462,378
Net cash generated from / (used in) operations	(57,533,381)	40,257,084
Direct taxes paid / (refund)	-	-
Net cash generated by / (used in) operating activities	(57,533,381)	40,257,084
B. Cash flows from investing activities:		
Acquisition of property, fixed assets plant and equipment (including advances)	2,096	(50,126)
Net cash generated by / (used in) investing activities	2,096	(50,126)
C. Cash flows from financing activities:		
Proceeds of borrowings / loans	-	3,622,086
Net cash generated by / (used in) financing activities	-	3,622,086
Net (decrease) / increase in cash and cash equivalents during the period	(57,531,288)	43,829,046
Cash and cash equivalents at the beginning of the period	60,814,677	16,985,631
Cash and cash equivalents at the end of the period	3,283,389	60,814,677
(Refer note 10)		

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/- sd/-
Director **Director**
Ramesh Philips Jatin Dalal

WIPRO PROMAX ANALYTICS SOLUTIONS (EUROPE)
NOTES TO THE FINANCIAL STATEMENTS
(Amount in INR except share and per share data, unless otherwise stated)

1. Company overview

WIPRO PROMAX ANALYTICS SOLUTIONS (EUROPE) LIMITED (“the Company”) is a subsidiary of Wipro Holdings UK Limited (“The holding Company”). Wipro Limited, a company incorporated in India, is the ultimate holding company of the Company. The Company is incorporated in Europe and is engaged in IT services. The functional currency of the Company is GBP 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. 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 – 10 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.

iv. 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.

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 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.

vii. 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.

Note 3 Share Capital

(i) The details of share capital are given below:-

Authorised capital

	As at March 31, 2015	As at March 31, 2014
50,000 (2014: 50,000) equity shares [Par value of of 1 GBP per	8,642	8,642
	8,642	8,642

Issued, subscribed and fully paid-up capital

50,000 (2014: 50,000) equity shares of 1 GBP per share	8,642	8,642
	8,642	8,642

(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	100	100
Number of common stock issued during the year	-	-
Number of common stock outstanding as at the end of the year	100	100

(iii) Details of share holding pattern by related parties

	As of March 31,			
	2015		2014	
Name of shareholders	No. of share	% of holdings	No. of share	% of holdings
Wipro Promax Holdings Pty Ltd	-	0%	100	100%
Wipro Holdings UK Limited	100	100%	-	0%
Total	100	100%	-	0%

	As at March 31, 2015	As at March 31, 2014
Note 4 Reserves and Surplus		
Translation reserve		
Balance brought forward from previous year	(244,544)	1,527,807
Movement during the period	3,207,540	(1,772,351)
	2,962,996	(244,544)
Surplus from statement of profit and loss		
Balance brought forward from previous year	864,520	(12,362,278)
Add: Profit for the year	(51,748,713)	13,226,798
Closing balance	(50,884,193)	864,520
Summary of reserves and surplus		
Balance brought forward from previous year	619,976	(10,834,471)
Movement during the year	(48,541,173)	11,454,447
	(47,921,197)	619,976
Note 5 Trade payables		
Trade Payables	937,208	91,536
Payable to ultimate holding company	12,217,341	-
Accrued expenses	1,232,205	3,022,319
	14,386,754	3,113,855
Note 6 Other current liabilities		
Current Maturities of loan term borrowings	30,414,500	31,350,460
Salary Payable	13,474,100	-
Unearned revenue	-	7,917,560
Statutory liabilities	267,353	13,222,741
Balances due to related parties	10,856,658	18,387,463
	55,012,611	70,878,224
Note 7 Short term provisions		
Employee benefit obligations	3,841,716	3,345,153
Provision for tax	-	14,568
	3,841,716	3,359,721
Note 9 Trade Receivable		
Unsecured:		
Over six months from the date they were due for payment		
Considered doubtful	1,293,704	-
	1,293,704	-
Less: Provision for doubtful receivables	(1,293,704)	-
	-	-
Other receivables		
Considered good	533,333	15,825,306
	533,333	15,825,306
Note 10 Cash and bank balances		
Cash and cash equivalents		
In current accounts	3,274,141	60,804,714
Cash in Hand	9,248	9,963
	3,283,389	60,814,677

Note 11 Short-term loans and advances*(Unsecured, considered good unless otherwise stated)*

Employee travel & other advances	48,179	51,897
Balance with Group Companies	14,773,934	-
Balances with excise, customs and other authorities	182,141	-
Other deposits	-	89,655
Security deposits	83,232	-
Advance income tax	371,303	-
	<u>15,458,789</u>	<u>141,552</u>

Note 12 Other current assets**Unsecured and considered good:**

Unbilled revenue	6,025,716	697,315
	<u>6,025,716</u>	<u>697,315</u>

Year ended March 31,

<u>2015</u>	<u>2014</u>
-------------	-------------

Note 13 Revenue from Operations

Sale of services	30,965,663	83,266,549
Revenue from operations (gross)	<u>30,965,663</u>	<u>83,266,549</u>

Note 14 Other Income

Interest on debt instruments and others	-	2,070
Other exchange differences, net	-	2,352,786
	<u>-</u>	<u>2,354,856</u>

Note 15 Employee benefits expense

Salaries and wages	40,576,744	51,870,315
Staff welfare expenses	-	2,380,879
	<u>40,576,744</u>	<u>54,251,194</u>

Note 16 Finance costs

Interest Cost	917,759	665,867
Bank charges and others	-	536,108
	<u>917,759</u>	<u>1,201,975</u>

Note 17 Other expenses

Sub contracting / technical fees / third party application	17,729,019	7,163,585
Travel	6,538,139	4,845,608
Repairs and Maintenance	43,229	57,097
Rent	-	480,178
Provision/write off of bad debts	1,380,552	
Communication	584,721	1,021,853
Advertisement and sales promotion	-	454,714
Legal and professional charges	1,915,347	1,852,855
Staff recruitment	6,791,830	
Insurance	-	19,701
Rates and taxes	218,602	790,651
Other exchange differences, net	4,616,502	-
Auditors' remuneration		
Audit fees	197,365	10,000
Miscellaneous expenses	736,830	170,144
	<u>40,752,137</u>	<u>16,866,386</u>

18. 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 Promax Holdings Pty Ltd	Holding Company
Wipro Ltd	Ultimate Holding Company
Wipro Holdings UK Limited	Fellow Subsidiary

The following is the listing of transactions with related parties during the year ended March 31, 2015

Name of the party	For the year ended March 31,	
	2015	2014
Sub contracting charges- Income - Wipro Limited	17,729,019	7,163,585
Interest Expense - Wipro Holdings UK Limited	917,759	665,867

The following is the listing of payables to related parties as at March 31, 2015

Name of the party	Year ended March 31,	
	2015	2014
Wipro Limited	6,511,815	3,779,767
Wipro Travel Services Limited	96,247	596,129
Wipro Holdings UK Limited	30,498,398	31,350,460

The following is the listing of receivables to related parties as at March 31, 2015

Name of the party	Year ended March 31,	
	2015	2014
Wipro Promax Analytics Solutions Pty Ltd	852,921	-

19. Earnings per Share (EPS)

Particulars	Year ended March 31,	
	2015	2014
Profit/(Loss) for the year as per profit and loss account	(51,748,713)	13,226,798
Weighted average number of equity shares used for computing basic and diluted EPS	100	100
Profit per share basic and diluted (Par value: GBP 1)	(517,487)	132,268

Note 20 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.

21. 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 ***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

Ramesh Philips

sd/-

Director

Jatin Dalal

8. Tangible assets

Particular	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK*			
	As of April 1, 2014	Additions	Transfer in	Effect of Translation *	Disposals	As of March 31, 2015	As of April 1, 2014	Depreciation for the year	Transfer in	Effect of Translation *	Disposals / adjustments	As of March 31, 2015	As of March 31, 2015	As of March 31, 2014
Tangible fixed assets														
Buildings **	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & machinery ***	784,474	-	-	(56,198)	-	728,276	781,516	2,862	-	(56,166)	-	728,211	65	2,959
Furniture & fixture	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	95,532	-	-	(6,844)	-	88,688	59,542	8,191	-	(4,780)	-	62,952	25,736	35,990
	880,006	-	-	(63,042)	-	816,965	841,057	11,052	-	(60,946)	-	791,164	25,801	38,949
Previous year – 2014	692,688	38,004	-	149,313	-	880,005	628,813	75,052	-	137,191	-	841,056	38,949	63,874

* 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.