

**WIPRO TECHNOLOGIES LIMITED,
RUSSIA**

FINANCIAL STATEMENTS

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

WIPRO TECHNOLOGIES LIMITED, RUSSIA

BALANCE SHEET

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

		As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	3	16,953	16,953
Reserves and surplus	4	195,990,911	249,795,110
		196,007,864	249,812,063
2. Share application money pending allotment			
		-	-
3. Non-current liabilities			
		-	-
4. Current liabilities			
Trade payables	5	48,374,656	78,207,284
Other current liabilities	6	90,015,517	102,277,630
Short term provisions	7	39,357,502	56,611,759
		177,747,675	237,096,673
TOTAL EQUITY AND LIABILITIES		373,755,539	486,908,736
II ASSETS			
1. Non-current assets			
		-	-
2. Current assets			
Trade receivables	8	15,295,587	6,917,337
Cash and bank balances	9	238,691,346	356,645,750
Short term loans and advances	10	117,702,131	122,904,815
Other current assets	11	2,066,475	440,834
		373,755,539	486,908,736
TOTAL ASSETS		373,755,539	486,908,736

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/-
F L Schilingemann
Director

WIPRO TECHNOLOGIES LIMITED, RUSSIA
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)	12	83,365,053	38,489,376
Less: Excise duty		-	-
Revenue from operations (net)		83,365,053	38,489,376
Other income	13	51,576,672	45,030,328
Total Revenue		134,941,725	83,519,704
EXPENSES			
Employee benefits expense	14	8,592,511	-
Other expenses	15	74,226,102	45,596,462
Total Expenses		82,818,613	45,596,462
Profit before tax		52,123,112	37,923,242
Tax expense			
Current tax		4,120,459	7,584,648
Deferred tax		-	-
		4,120,459	7,584,648
Net Profit		48,002,653	30,338,593
Earnings per equity share			
(Equity shares of par value of RUB 1 each)			
Basic		4,800	3,034
Diluted		4,800	3,034
*Refer Note 17			

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

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sd/-
D.Prasanna Kumar
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Membership No. 211367

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F L Schilingemann
Director

WIPRO TECHNOLOGIES LIMITED, RUSSIA

CASH FLOW STATEMENT

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

For the year ended March 31,

	2015	2014
A. Cash flows from operating activities:		
Profit / (Loss) before tax	52,123,112	37,923,242
<i>Adjustments:</i>		
Unrealised exchange differences - net	(101,806,852)	(12,569,071)
Dividend / interest - net	(20,055,853)	(15,955,732)
Working capital changes :		
Trade and other receivable	(8,378,250)	15,979,049
Other current assets	3,577,043	463,018
Other Current Liabilities	(33,636,829)	(150,869,864)
Trade and other payables	(29,832,628)	21,918,619
Net cash generated from / (used in) operations	(138,010,257)	(103,110,740)
Direct taxes paid	-	(18,905,781)
Net cash generated by operating / (used in) activities	(138,010,257)	(122,016,521)
B. Cash flows from investing activities:		
Dividend / interest income received	20,055,853	15,955,732
Net cash generated by / (used in) investing activities	20,055,853	15,955,732
C. Cash flows from financing activities:		
Net cash generated by / (used in) financing activities	-	-
Cash equivalents during the period	(117,954,404)	(106,060,789)
Cash and cash equivalents at the beginning of the period	356,645,750	462,706,541
Cash and cash equivalents at the end of the period (*Refer Note 9)	238,691,346	356,645,750

The notes referred to above form an integral part of the Cash Flow Statement

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

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F L Schilingemann
Director

WIPRO TECHNOLOGIES LIMITED, RUSSIA
NOTES TO THE FINANCIAL STATEMENTS
(Amount in ₹, except share and per share data, unless otherwise stated)

1. Company overview

Wipro Technologies Limited, Russia (“the Company”) is a subsidiary of Wipro Information Technology Netherlands BV (‘the holding company’). The Company is incorporated in Russia and is engaged in software development services. The functional currency of the Company is RUB 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. 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.

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.

xi. 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

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

Authorised capital

10,000 (2011: 10,000) equity shares of RUB 1 each

	As at March 31, 2015	As at March 31, 2014
	16,953	16,953
	16,953	16,953
	16,953	16,953
	16,953	16,953

Issued, subscribed and fully paid-up capital

10,000 (2011: 10,000) equity shares of RUB 1 each

(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

10,000

10,000

Number of common stock issued during the year

-

-

Number of common stock outstanding as at the end of the year

10,000

10,000

(iii) Details of share holding pattern by related parties

	As of March 31,			
	2015		2014	
Name of shareholders	No. of shares	% of holdings	No. of shares	% of holdings
Wipro Information Technology Netherlands BV	9,999	99.99%	9,999	99.99%
Wipro Cyprus Private Limited	1	0.01%	1	0.01%
Total	10,000	100%	10,000	100%

Note 4 Reserves and Surplus**Translation reserve**

	<u>As at March31,</u> <u>2015</u>	<u>As at March 31,</u> <u>2014</u>
Balance brought forward from previous year	4,376,885	16,945,956
Movement during the period	<u>(101,806,852)</u>	<u>(12,569,071)</u>
	<u>(97,429,967)</u>	4,376,885

Surplus from statement of profit and loss

Balance brought forward from previous year	245,418,225	215,079,632
Add: Profit for the year	<u>48,002,653</u>	<u>30,338,593</u>
Closing balance	<u>293,420,878</u>	<u>245,418,225</u>

Summary of reserves and surplus

Balance brought forward from previous year	249,795,110	232,025,588
Movement during the year	<u>(53,804,199)</u>	<u>17,769,522</u>
	<u>195,990,911</u>	<u>249,795,110</u>

<u>As at March31,</u> <u>2015</u>	<u>As at March 31,</u> <u>2014</u>
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Note 5 Trade payables

Trade Payables	-	1,622,366
Payable to ultimate holding company	45,010,942	75,496,233
Accrued expenses	<u>3,363,714</u>	<u>1,088,685</u>
	<u>48,374,656</u>	<u>78,207,284</u>

Note 6 Other current liabilities

Salary Payable	-	-
Statutory liabilities	15,248,853	-
Balances due to related parties	<u>74,766,664</u>	<u>102,277,630</u>
	<u>90,015,517</u>	<u>102,277,630</u>

Note 7 Short term provisions

Provision for tax	<u>39,357,502</u>	<u>56,611,759</u>
	<u>39,357,502</u>	<u>56,611,759</u>

Note 8 Trade Receivable**Unsecured:****Trade receivables (Less than Six months)**

Considered good	<u>15,295,587</u>	<u>6,917,337</u>
	<u>15,295,587</u>	<u>6,917,337</u>

	As at March 31, 2015	As at March 31, 2014
Note 9 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
In current accounts	24,051,346	33,390,050
In deposit accounts	214,640,000	323,255,700
	<u>238,691,346</u>	<u>356,645,750</u>
Note 10 Short-term loans and advances		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Balance with Group Companies	40,220,679	-
Balances with excise, customs and other authorities	-	1,982,634
Advance income tax	77,481,452	120,922,182
	<u>117,702,131</u>	<u>122,904,815</u>
Note 11 Other current assets		
Unsecured and considered good:		
Interest receivable	2,066,475	440,834
	<u>2,066,475</u>	<u>440,834</u>
	Year ended March 31,	
	2015	2014
Note 12 Revenue from Operations		
Sale of services	83,365,053	38,489,376
Revenue from operations (gross)	<u>83,365,053</u>	<u>38,489,376</u>
Note 13 Other Income		
Interest on Bank Deposits and others	20,055,853	15,955,732
Other exchange differences, net	31,520,819	29,074,596
	<u>51,576,672</u>	<u>45,030,328</u>
Note 14 Employee benefits expense		
Salaries and wages	6,721,541	-
Contribution to provident and other funds	1,870,970	-
	<u>8,592,511</u>	<u>-</u>
Note 15 Other expenses		
Sub contracting / technical fees / third party application	64,634,005	36,924,598
Travel	25,024	-
Advertisement and sales promotion	36,443	-
Legal and professional charges	5,626,735	8,202,528
Rates and taxes	352,611	-
Auditors' remuneration		
Audit fees	3,253,856	129,866
Miscellaneous expenses	297,429	339,470
	<u>74,226,102</u>	<u>45,596,462</u>

Note 16. Related party transactions

Name	Relation
List of related parties and relationships:	
Wipro Limited	Ultimate Holding company
Wipro Information Technology Netherlands BV	Holding Company
Wipro Cyprus Private Limited	Holding Company

The Company had the following transactions with related parties during the

Particulars	Year ended March 31,	
	2015	2014
Sub Contracting Charges:		
Wipro Limited	64,634,005	36,924,598
Sales to Ultimate Holding Company		
Wipro Limited	11,549,493	-
	64,634,005	36,924,598

The following is the listing of payables to related parties

Particulars	As at March 31,	
	2015	2014
Receivables:		
Wipro Limited	9,516,887	-
Payables:		
Wipro Limited	61,392,926	177,773,863
	70,909,813	177,773,863

Note 17. Earnings per share

Particulars	As at March 31,	
	2015	2014
Computation of EPS		
Profit for the year as per profit and loss account	48,002,653	30,338,593
Weighted average number of equity shares used for computing basic and diluted EPS	10,000	10,000
Earnings per share basic and diluted (face value: RUB 1 each)	4,800	3,034

Note 18. 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 19. 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.

Note 20. 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

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