



WIPRO TECHNOLOGIES NORWAY AS

FINANCIAL STATEMENTS

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

WIPRO TECHNOLOGIES NORWAY AS

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	52,893,768	52,893,768
Reserves and surplus	4	(31,421,396)	(14,327,616)
		21,472,372	38,566,152
2. Share application money pending allotment			
		-	-
3. Non-current liabilities			
		-	-
4. Current liabilities			
Trade payables	5	561,044	1,219,418
Other current liabilities	6	440,662	1,268,514
		1,001,706	2,487,932
TOTAL EQUITY AND LIABILITIES		22,474,078	41,054,084
II ASSETS			
1. Non-current assets			
Fixed assets			
Tangible assets	7	1,210,200	2,010,112
		1,210,200	2,010,112
2. Current assets			
Cash and bank balances	8	14,709,249	36,067,868
Short term loans and advances	9	6,554,629	2,976,104
		21,263,878	39,043,972
TOTAL ASSETS		22,474,078	41,054,084

The accompanying notes form an integral part of the balance sheet

As per our report of even date 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/-
Ramesh Philips
Director

WIPRO TECHNOLOGIES NORWAY AS
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		-	-
Other income	10	-	6,715
Total Revenue		-	6,715
EXPENSES			
Finance costs	11	-	30
Depreciation and amortisation expense	7	411,130	334,200
Other expenses	12	9,563,725	11,366,853
Total Expenses		9,974,855	11,701,083
Profit before tax		(9,974,855)	(11,694,368)
Net Profit		(9,974,855)	(11,694,368)
Earnings per equity share			
(Equity shares of par value NOK 10000 each)			
Basic		(19,831)	(23,249)
Diluted		(19,831)	(23,249)
*Refer Note 17			

The accompanying notes form an integral part of the Statement of profit and loss

As per our report of even date attached
for Appaji & Co.
Chartered Accountants
Firm Registration number : 014147S

For and on behalf of the Board of Directors

sd/-
CA.K .Appaji
Partner
Membership No. 214156

sd/-
Ramesh Philips
Director

WIPRO TECHNOLOGIES NORWAY AS
CASH FLOW STATEMENT FOR THE YEAR MARCH 31,2015
(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	(9,974,855)	(11,694,368)
<i>Adjustments:</i>		
Depreciation and amortization	411,130	334,200
Unrealised exchange differences - net	(6,730,144)	(2,620,066)
Working capital changes :		
Loans and advances	(3,578,525)	(2,976,104)
Provision and Other current liabilities	(827,852)	1,268,517
Trade and other payables	(658,374)	1,219,418
Net cash generated from operations	(21,358,620)	(14,468,404)
Direct taxes refund / paid	-	-
Net cash generated by operating activities	(21,358,620)	(14,468,404)
B. Cash flows from investing activities:		
Acquisition of property, fixed assets	-	(2,357,497)
Net cash generated by / (used in) investing activities	-	(2,357,497)
C. Cash flows from financing activities:		
Proceeds from issuance of common stock by subsidiary	-	52,893,768
Net cash generated by / (used in) financing activities	-	52,893,768
Net (decrease) / increase in cash and cash equivalents during the period	(21,358,619)	36,067,868
Cash and cash equivalents at the beginning of the period	36,067,868	-
Cash and cash equivalents at the end of the period (*Refer Note 8)	14,709,249	36,067,868

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

As per our report of even date attached
for Appaji & Co.
Chartered Accountants
Firm Registration number :014147S

For and on behalf of the Board of Directors

sd/-
CA.K .Appaji
Partner
Membership No. 214156

sd/-
Ramesh Philips
Director

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

1. Company overview

WIPRO TECHNOLOGIES NORWAY AS (“the Company”) is a subsidiary of Wipro Information Technology Netherlands BV (“the holding company”). The Company is incorporated in Norway and is engaged in IT services. The functional currency of the Company is NOK 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) Fixed Assets and Depreciation

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 – 7 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.

(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, that are not anti dilutive in nature. 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.

(viii) Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating 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) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(x) 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.

Note 3 Share Capital

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

Authorised capital

503 (2013: 503) equity shares of NOK 10000 each

	As at March 31, 2015	As at March 31, 2014
	52,893,768	52,893,768
	<u>52,893,768</u>	<u>52,893,768</u>

Issued, subscribed and fully paid-up capital

503 (2013: 503) equity shares of NOK 10000 each

	52,893,768	52,893,768
	<u>52,893,768</u>	<u>52,893,768</u>

(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

503

-

Number of common stock issued during the year

-

503

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

503

503

(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	503	100%	503	100%
Total	503	100%	503	100%

Note 4 Reserves and Surplus

Translation reserve

Balance brought forward from previous year

(2,633,248)

-

Movement during the period

(7,118,925)

(2,633,248)

(9,752,174)

(2,633,248)

Surplus from statement of profit and loss

Balance brought forward from previous year

(11,694,367)

-

Adjustment on account of demerger

-

-

Add: Profit for the year

(9,974,854)

(11,694,367)

Closing balance

(21,669,223)

(11,694,367)

Summary of reserves and surplus

Balance brought forward from previous year

(14,327,616)

-

Movement during the year

(17,093,779)

(14,327,616)

(31,421,396)

(14,327,616)

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

Note 5 Trade payables

Trade Payables	312,880	87,840
Accrued expenses	248,163	1,131,578
	561,044	1,219,418

Note 6 Other current liabilities

Balances due to ultimate holding company	-	728,321
Balances due to related parties	440,662	540,193
	440,662	1,268,514

Note 8 Cash and bank balances

Cash and cash equivalents

Balances with banks		
In current accounts	14,709,249	36,067,868
	14,709,249	36,067,868

Note 9 Short-term loans and advances

(Unsecured, considered good unless otherwise stated)

Balance with Ultimate Holding Company	1,533,671	-
Balances with excise, customs and other authorities	5,020,958	2,834,556
Security deposits	-	141,549
	6,554,629	2,976,104

Year ended March 31,

	2015	2014
Note 10 Other Income		
Miscellaneous income	-	6,715
	-	6,715
Note 11 Finance costs		
Interest Cost	-	30
	-	30
Note 12 Other expenses		
Sub contracting / technical fees / third party application	5,198,985	5,258,227
Repairs and Maintenance	411,269	233,802
Rent	2,517,110	2,467,934
Power and fuel	(13,826)	265,560
Communication	(862,232)	1,339,172
Legal and professional charges	1,361,256	756,073
Other exchange differences, net	15,508	-
Rates and taxes	728,967	39,590
Auditors' remuneration		
oe Audit fees	115,219	-
Miscellaneous expenses	91,470	1,006,495
	9,563,725	11,366,853

13. 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 Portugal S.A	Fellow Subsidiary

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

	As at March 31,	
	2015	2014
Other Payable:		
Wipro limited - ultimate holding company.....	-	728,321
Wipro Portugal S.A - fellow subsidiary.....	440,662	540,193
Other Receivable		
Wipro Limited - Ultimate Holding Company	1,533,671	-

14. 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.

15. 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.

16. 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.

17. Earnings per share

	Year ended March 31,	
	2015	2014
Computation of EPS		
Profit / (Loss) for the period as per statement of profit and l	(9,974,855)	(11,694,368)
Weighted average number of equity shares used for computing basic and diluted EPS	503	503
Gain/Loss per share basic and diluted (face value: NOK 100	(19,831)	(23,249)

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 of even date attached
for Appaji & Co.

Chartered Accountants

Firm Registration number :014147S

For and on behalf of the Board of Directors of

sd/-

CA.K .Appaji

Partner

Membership No. 214156

sd/-

Ramesh Philips

Director

7. Tangible assets

Particular	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK*	
	As of April 1, 2014	Additions	Effect of Translation *	Disposals	As of March 31, 2015	As of April 1, 2014	Depreciated on for the year	Effect of Translation *	Disposals / adjustments	As of March 31, 2015	As of March 31, 2015	As of March 31, 2014
Tangible fixed assets												
Furniture & fixture	2,295,807	-	(520,601)	-	1,775,207	328,646	402,998	(140,233)	-	591,411	1,183,795	1,967,161
Office equipments	46,326	-	(10,505)	-	35,821	3,376	8,132	(2,091)	-	9,416	26,404	42,951
	2,342,133	-	(531,106)	-	1,811,027	332,022	411,130	(142,324)	-	600,828	1,210,200	2,010,112
Previous year – 2014	-	2,357,497	(15,363)	-	2,342,134	-	334,200	(2,178)	-	332,022	-	2,010,112

* 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.