



WIPRO TECHNOLOGIES VZ SPA

FINANCIAL STATEMENTS

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

WIPRO TECHNOLOGIES VZ, C.A.
BALANCE SHEET AS AT MARCH 31,2015
(Amount in ₹ except share and per share data, unless otherwise stated)

	Notes	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	-	-
Reserves and surplus	4	(2,664,863)	(1,760,673)
		(2,664,863)	(1,760,673)
Non-current liabilities			
Payable to Wipro LLC	5	70,489,940	133,160,194
Current liabilities			
Trade payables	6	103,973	189,758
Accrued interest on inter company loan	7	5,380,311	1,815,314
		5,484,283	2,005,072
TOTAL EQUITY AND LIABILITIES		73,309,360	133,404,593
II ASSETS			
Current assets			
Cash and bank balances	8	73,309,360	133,404,593
		73,309,360	133,404,593
TOTAL ASSETS		73,309,360	133,404,593

The accompanying notes form an integral part of the Balance Sheet

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

sd/-
CA.K .Appaji
Partner
Membership No. 214156
Place: Bangalore
Date:

For and on behalf of the Board of Directors

sd/-
Marcio Borges
Director

WIPRO TECHNOLOGIES VZ, C.A.
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	9	405,458	-
Total Revenue		405,458	-
EXPENSES			
Finance costs	10	3,564,997	1,815,314
Other expenses	11	7,070	4,591
Total Expenses		3,572,067	1,819,905
Profit before tax		(3,166,609)	(1,819,905)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Net Profit		(3,166,609)	(1,819,905)

The accompanying notes form an integral part of the Profit & Loss Statement

As per our report 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
Place: Bangalore
Date:

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Marcio Borges
Director

WIPRO TECHNOLOGIES VZ, C.A.
CASH FLOW STATEMENT FOR THE YEAR MARCH 31,2015
(Amount in ₹ except share and per share data, unless otherwise stated)

	Period ended March 31, 2015	Year ended March 31, 2014
A. Cash flows from operating activities:		
Profit / (Loss) before tax	(3,166,609)	(1,819,905)
<i>Adjustments:</i>		
Unrealised exchange differences - net	2,262,419	59,232
Interest on borrowings	3,564,997	1,815,314
Trade and other payables	(85,785)	189,758
Net cash generated from operations	2,575,021	244,399
Net cash generated by operating activities	2,575,021	244,399
B. Cash flows from investing activities:	-	-
Net cash generated by / (used in) investing activities	-	-
C. Cash flows from financing activities:		
Proceeds from borrowings / loans	-	133,160,194
Effect of exchange rate changes on loan balances [Note 2.5]	(62,670,254)	-
Net cash generated by / (used in) financing activities	(62,670,254)	133,160,194
Net (decrease) / increase in cash and cash equivalents during the period	(60,095,233)	133,404,593
Cash and cash equivalents at the beginning of the period	133,404,593	-
Cash and cash equivalents at the end of the period	73,309,360	133,404,593

As per our report attached

for Appaji & Co.

Chartered Accountants

Firm Registration number :014147S

sd/-

CA.K .Appaji

Partner

Membership No. 214156

Place: Bangalore

Date:

For and on behalf of the Board of Directors

sd/-

Marcio Borges

Director

WIPRO TECHNOLOGIES VZ, C.A.

NOTES TO THE FINANCIAL STATEMENTS

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

1. Company overview

Wipro Technologies VZ, C.A. (“the Company”) is a subsidiary of Wipro Information Technology Netherlands BV incorporated in Venezuela on June 13, 2013. It is engaged in the business of designing microprocessors, related technology, software, and sell design development systems (soft IP), to enhance the performance, cost-effectiveness and power-efficiency of Integrated Circuit applications mainly focused on the wireless & communication industry.

The functional currency of the Company is VEF 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 recognized 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 company did not have any operations for the year ended March 31, 2015.

iv. Investments

Long term investments are stated at cost less other than temporary diminution in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

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.

Transactions:

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:

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.

Currently, Venezuela has a complex multi-layered exchange rate system monitored by its regulatory authorities that offer 3 different exchange rates i.e. 1) CADIVI, 2) SICAD1, 3) SIMADI.

We have used SICAD 1 rate for translation of the financial statements into INR. Our view is based upon the exchange agreement No. 25 which allows use of SICAD 1 rate for foreign investments, technology Import and technical assistance

vi. Income tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred tax assets and liabilities are recognized 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 recognized in the period that includes the enactment/ substantial enactment date.

Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized 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 realized.

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

vii. Cash flow statement

Cash flows are reported using 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 operating, investing and financing activities of the Company are segregated.

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.

Notes to Condensed interim balance sheet

Note 3 Share Capital

Particulars	As at March 31, 2015	As at March 31, 2014
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(i) The details of share capital are given below:-

Authorised capital

50000 common stock of VEF 1 each	475,240	475,240
	<u>475,240</u>	<u>475,240</u>

Note 4 Reserves and Surplus

Translation reserve

Balance brought forward from previous year	59,232	-
Movement during the period	2,262,419	59,232
	<u>2,321,651</u>	<u>59,232</u>

Surplus from statement of profit and loss

Balance brought forward from previous year	(1,819,905)	-
Add: Profit for the year	(3,166,609)	(1,819,905)
Closing balance	<u>(4,986,514)</u>	<u>(1,819,905)</u>

Summary of reserves and surplus

Balance brought forward from previous year	(1,760,673)	-
Movement during the year	(904,190)	(1,760,673)
	<u>(2,664,863)</u>	<u>(1,760,673)</u>

Note 5 Other Long term liabilities

Payable to Wipro LLC	70,489,940	133,160,194
Deposits and other advances received		-
	<u>70,489,940</u>	<u>133,160,194</u>

Note 6 Trade payables

Accrued expenses	103,973	189,758
	<u>103,973</u>	<u>189,758</u>

Note 7 Other current liabilities

Accrued interest on inter company loan	5,380,311	1,815,314
	<u>5,380,311</u>	<u>1,815,314</u>

Note 8 Cash and bank balances

Cash and cash equivalents

Balances with banks		
In current accounts	398,760	133,404,593
In deposit accounts	72,910,600	-
	<u>73,309,360</u>	<u>133,404,593</u>

Particulars	As at March31, 2015	As at March31, 2014
Note 9 Other Income		
Interest on debt instruments and others	405,458	
	405,458	-
Note 10 Finance costs		
Interest Cost	3,564,997	1,815,314
Bank charges and others		4,591
	3,564,997	1,819,905
Note 11 Other expenses		
Miscellaneous expenses	7,070	
	7,070	-

12. Related party transactions

Name	Relation
List of related parties and relationships:	
Wipro Limited	Ultimate Holding Company
Wipro Information Technology BV	Holding Company
Wipro Cyprus Private Limited	Holding Company
Wipro LLC	Fellow Subsidiary

The Company had the following transactions with related parties during the year ended

	Year Ended, March 31	
	2015	2014
Loan Taken		
Wipro LLC:		
Principle O/S	70,489,940	133,160,194
Interest on Loan	5,380,311	1,815,314
	75,870,251	134,975,508

The following is the listing of receivables and payables to related parties

	Year Ended, March 31	
	2015	2014
Payables:		
Wipro LLC:		
	75,870,251	134,975,508
	75,870,251	134,975,508

12. Related party transactions

Name	Relation
List of related parties and relationships:	
Wipro Limited	Ultimate Holding Company
Wipro Information Technology BV	Holding Company
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	2015	2014
Loan Taken		
Wipro LLC:		
Principle O/S	70,489,940	133,160,194
Interest on Loan	5,380,311	1,815,314
	<u>75,870,251</u>	<u>134,975,508</u>

The following is the listing of receivables and payables to related parties

	Year Ended, March 31	
	2015	2014
Payables:		
Wipro LLC:	75,870,251	134,975,508
	<u>75,870,251</u>	<u>134,975,508</u>

12. 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.

13. 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 Appaji & Co.

Chartered Accountants

Firm Registration number :014147S

sd/-

CA.K .Appaji

Partner

Membership No. 214156

Place: Bangalore

Date:

For and on behalf of the Board of I

sd/-

Marcio Borges

Director