

**WIPRO TECHNOLOGIES GMBH
(FORMERLY ENABLER RETAIL &
CONSULT GMBH)**

FINANCIAL STATEMENTS

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

WIPRO TECHNOLOGIES GMBH (FORMERLY ENABLER & RETAIL CONSULT GMBH)
BALANCE SHEET

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

	Notes	As on March 31,	
		2015	2014
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share Capital	3	572,548,473	572,548,473
Reserves and Surplus	4	(1,164,085,714)	(1,268,609,042)
		<u>(591,537,241)</u>	<u>(696,060,569)</u>
Non- current liabilities			
Long-term borrowings	5	1,790,913,966	610,323,278
		<u>1,790,913,966</u>	<u>610,323,278</u>
Current Liabilities			
Trade payables	6	521,509,862	1,397,240,239
Other current liabilities	7	611,519,684	692,293,906
		<u>1,133,029,546</u>	<u>2,089,534,145</u>
TOTAL EQUITY AND LIABILITIES		<u>2,332,406,271</u>	<u>2,003,796,854</u>
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
Tangible assets	8	1,259,071,735	1,038,604,891
Intangible assets	9	-	-
		<u>1,259,071,735</u>	<u>1,038,604,891</u>
Current assets			
Trade receivables	10	871,062,758	574,817,905
Cash and bank balances	11	34,413	2,196,981
Long Term Loans and Advances	12	-	130,864,590
Short-term loans and advances	13	164,939,578	200,604,538
Other current assets	14	37,297,787	56,707,949
		<u>1,073,334,536</u>	<u>965,191,963</u>
TOTAL ASSETS		<u>2,332,406,271</u>	<u>2,003,796,854</u>

The Notes referred to above form an integral part of the Balance Sheet

"As per our report of even date attached"
for **D.Prasanna & Co.**
Chartered Accountants
Firm Registration number : 009619S

For and on behalf of the Board of Directors

sd/-
Prasanna Kumar D
Proprietor
Membership No. 211367
Bangalore

sd/-
Director
Ulrich Meister

sd/-
Director
Jatin Dalal

WIPRO TECHNOLOGIES GMBH (FORMERLY ENABLER & RETAIL CONSULT GMBH)
PROFIT AND LOSS ACCOUNT

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

	Notes	For the year ended March 31,	
		2015	2014
REVENUE			
Revenue from operations	15	3,005,525,929	1,768,378,652
Other Income		-	-
Total Revenue		3,005,525,929	1,768,378,652
EXPENSES			
Employee benefits expense	16	1,180,265,838	1,351,263,660
Finance Costs	17	96,203,777	64,403,280
Depreciation and amortization expense	8	274,590,443	95,884,979
Other expense	18	1,481,900,363	812,617,217
Total Expense		3,032,960,421	2,324,169,136
Loss before tax		(27,434,492)	(555,790,484)
Tax expense (including deferred tax)		-	88,966
Loss after tax		(27,434,492)	(555,879,450)
Earnings per equity share			
(Equity shares of par value Eur. 1/- each)			
Basic	20	(3.43)	(69.42)
Diluted	20	(3.43)	(69.42)

The Notes referred to above form an integral part of the Profit and Loss Account

“As per our report of even date attached”

for **D.Prasanna & Co.**

Chartered Accountants

Firm Registration number : 009619S

For and on behalf of the Board of Directors

sd/-

Prasanna Kumar

Proprietor

Membership No. 211367

Bangalore

sd/-

Director

Ulrich Meister

sd/-

Director

Jatin Dalal

WIPRO TECHNOLOGIES GMBH (FORMERLY ENABLER & RETAIL CONSULT GMBH)

CASH FLOW STATEMENT

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

	Year ended March 31,	
	2015	2014
A. Cash flows from operating activities:		
Loss before tax	(27,434,492)	(555,790,484)
<i>Adjustments:</i>		
Depreciation and amortization	274,590,443	95,884,979
Provision for Doubtful Debts Written Back	(7,149,547)	-
Unrealised exchange differences - net	387,780,384	(152,084,144)
Dividend / interest - net		
<i>Working capital changes :</i>		
Trade and other receivable	(289,095,306)	(13,267,898)
Loans and advances	185,939,712	(151,285,310)
Trade and other payables	(956,504,598)	765,253,077
Net cash generated from / (used in) operations	(431,873,404)	(11,289,780)
Direct taxes Refund	-	(88,966)
Net cash generated by / (used in) operating activities	(431,873,404)	(11,378,746)
B. Cash flows from investing activities:		
Acquisition of property, fixed assets plant and equipment (including advances)	(750,879,855)	(392,321,025)
Equity Contribution	-	-
Dividend / interest income received	-	-
Net cash generated by / (used in) investing activities	(750,879,855)	(392,321,025)
C. Cash flows from financing activities:		
Proceeds of borrowings / loans	1,180,590,689	316,546,835
Net cash generated by / (used in) financing activities	1,180,590,689	316,546,835
Net (decrease) / increase in cash and cash equivalents during the period	(2,162,570)	(87,152,936)
Effect of translation of cash balance	-	-
Cash and cash equivalents at the beginning of the period	2,196,982	89,349,917
Cash and cash equivalents at the end of the period	34,412	2,196,982

"As per our report of even date 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

Bangalore

sd/-

Director

Ulrich Meister

sd/-

Director

Jatin Dalal

WIPRO TECHNOLOGIES GMBH (FORMERLY ENABLER RETAIL & CONSULT GMBH)
NOTES TO THE FINANCIAL STATEMENTS

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

1. Company overview

Wipro Technologies GmbH, (“The Company”) is a subsidiary of Wipro Portugal S.A. The company is engaged in the development, project and programme management of IT systems and business process improvement for Retailers. The company’s principal geographic market is Europe.

2. Significant accounting policies

i. Basis of preparation of financial statements

The accompanying financial statements are prepared and presented under historical cost convention on accrual basis of accounting, and comply with Accounting Standards (AS) issued by Institute of Chartered Accountants of India (ICAI) to the extent applicable.

ii. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Management believes that the estimates are reasonable

iii. Revenue recognition

Revenue from Software development services comprises revenue from time and material and fixed-price contracts. Revenue from time and material contracts is recognised as related services are performed. Revenue from fixed-price, fixed-time frame contracts is generally recognised in accordance with the “Percentage of Completion” method.

Revenue from application maintenance services is recognized over the period of the contract.

Revenue from customer training, support and other services is recognised as the related services are performed.

Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

‘Unbilled revenues’ included in loans and advances represent cost and earnings in excess of billings as at the balance sheet date. ‘Unearned revenues’ included in current liabilities represent billing in excess of revenue recognised.

iv. Fixed assets and Depreciation

Fixed assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.

The Company has provided for depreciation using straight line method over the useful life of the assets.

v. Foreign currency transactions and translation of financial statements

The functional currency of the company is Euro. Since the company is non integral to the primary operations of Wipro Limited, the ultimate holding company, the assets and liabilities are translated at exchange rate prevailing at the date of balance sheet. The items in the profit and loss account are translated at the average exchange rate during the year. The difference arising out of the translation is transferred to translation reserve.

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. 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 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 values at each balance sheet dates.

vii. Earning per share

The number of shares used in computing basic and diluted earning per share is the weighted average number of shares outstanding during the year. The Company does not have diluted shares.

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.

3. Share Capital

(i) The details of share capital are given below.

	As of March 31,	
	2015	2014
Authorised Capital		
----- 8,000,000 (2014: 8,000,000) equity shares of Euro 1 each	571,095,094	571,095,094
----- 7,000 (2014: 8,007,000) equity shares of Euro 3.57 each	1,453,379	1,453,379
	572,548,473	572,548,473
Issued, subscribed and paid-up capital		
----- 7,000 (2014: 7000) equity shares of Euro 3.57 each [Refer note (ii) below]	516,899,495	516,899,495
----- 8,000,000 (2014: 8,000,000) equity shares of Euro 1 each [Refer note (ii) below]	1,453,379	1,453,379
Equity contribution*	54,195,599	54,195,599
	572,548,473	572,548,473

(ii) The following is the reconciliation of number of shares

	As of March 31,	
	2015	2014
Opening number of equity shares	8,007,000	8,007,000
Equity shares	-	-
Closing number of equity shares / ADRs outstanding	8,007,000	8,007,000

(* Equity shares to the tune of 8,007,000 shares (2014: 8,007,000 shares) of Euro 1 each (7000 shares at EUR 3.57 each) are held by Wipro Portugal SA, the holding company. As per the local laws, the allotment of shares is not mandatory. Hence the additional investment by Wipro Portugal SA, the holding company is disclosed as equity contribution.)

(iii) The following is the share holding pattern

Name of Shareholders	As at March 31 2015		As at March 31 2014	
	No. of Share	% of holdings	No. of Share	% of holdings
Wipro Portugal SA	8,007,000	100%	8,007,000	100%

4. Reserves and Surplus:

	As of March 31,	
	2015	2014
Translation reserve		
Balance brought forward from previous year	(13,132,399)	18,323,860
Movement during the period	131,957,820	(31,456,259)
Closing balance	118,825,419	(13,132,399)
Surplus from statement of profit and loss		
Balance brought forward from previous year	(1,255,476,643)	(699,597,193)
Loss for the year	(27,434,492)	(555,879,450)
Closing balance	(1,282,911,135)	(1,255,476,643)
Summary of reserves and surplus		
Balance brought forward from previous year	(1,268,609,042)	(681,273,333)
Movement during the year	104,523,328	(587,335,709)
Closing balance	(1,164,085,714)	(1,268,609,042)

5. Long term borrowings

	As of March 31,	
	2015	2014
Secured		
Finance lease payable (ref note-21)	463,577,202	-
Unsecured		
Loan from Wipro Cyprus Private Limited	397,515,670	25,889,246
Loan from Wipro Hungary Holdings	164,626,770	210,363,939
Loan from Wipro Netherlands B.V	563,387,062	126,957,393
Loan from Wipro Retails UK	201,807,262	247,112,700
	1,790,913,966	610,323,278

6. Trade payables

	As of March 31,	
	2015	2014
Sundry creditors – Due to other than micro and small enterprises*	41,243,080	123,323,875
Sundry creditors – Payable to Ultimate Holding Company	-	615,793,777
Sundry creditors – Payable to Parent Company	242,013,114	299,341,603
Sundry creditors – Payable to Group Companies	51,750,414	35,128,886
Accrued expenses	186,503,254	323,652,098
	521,509,862	1,397,240,239

* 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

7. Other current liabilities

	As of March 31,	
	2015	2014
Unearned revenue	89,178,402	125,329,810
Payable to Ultimate Holding Company	232,925,031	199,390,678
Payable to Parent Company	260,609,856	319,484,598
Payable to Group Companies	45,035	8,751,878
Others	28,761,361	39,336,942.39
	611,519,684	692,293,906

10. Trade Receivables (Unsecured)

	As of March 31,	
	2015	2014
Debts outstanding for a period exceeding six months from the date they fall due for payment		
Considered good	-	-
Considered doubtful	26,469,532	7,149,547
	26,469,532	7,149,547
Other debts		
Considered good		
-----Receivable from Ultimate Holding Company	661,319,421	220,043,035
-----Receivable from Group Companies	6,129,501	-
-----Others	203,613,836	354,774,870
Considered doubtful	-	-
	897,532,290	581,967,452
Less: Provision for doubtful debts	26,469,532	7,149,547
	871,062,758	574,817,905

11. Cash and bank balances

	As of March 31,	
	2015	2014
Balances with Banks		
- In current accounts		2,119,341
Cash in hand	34,414	77,641
	<u>34,413</u>	<u>2,196,982</u>

12. Long term loans and advances

(Unsecured, considered good unless otherwise stated)

	As of March 31,	
	2015	2014
Finance Lease receivable	-	130,864,590
	<u>-</u>	<u>130,864,590</u>

13. Short term loans and advances

(Unsecured, considered good unless otherwise stated)

	As of March 31,	
	2015	2014
Security Deposits	947,255	805,587
Prepaid expenses	161,803,823	126,463,485
Finance Lease receivable	-	38,726,866
Others	2,188,500	34,608,600
	<u>164,939,578</u>	<u>200,604,538</u>
Less: Provision for doubtful Advances	-	-
	<u>164,939,578</u>	<u>200,604,538</u>

14. Other current assets

	As of March 31,	
	2015	2014
Unbilled revenue	37,297,787	56,707,949
	<u>37,297,787</u>	<u>56,707,949</u>

15. Revenue from operations (gross)

	Year ended March 31,	
	2015	2014
Sale of services	3,005,525,929	1,768,378,652
	<u>3,005,525,929</u>	<u>1,768,378,652</u>

16. Employee benefits expense

	Year ended March 31,	
	2015	2014
Salaries and wages	1,164,417,968	1,347,382,428
Expenses on employee stock option plans (RSU)	7,403,880	1,287,748
Staff welfare expenses	8,443,990	2,593,484
	<u>1,180,265,838</u>	<u>1,351,263,660</u>

17. Finance costs

	Year ended March 31,	
	2015	2014
Interest	40,788,862	4,036,535
Exchange Rate Fluctuation	55,414,915	60,366,746
	<u>96,203,777</u>	<u>64,403,280</u>

18. Other expenses

	Year ended March 31,	
	2015	2014
Sub contracting / technical fees / third party application	846,863,199	340,767,825
Repairs & Maintenance	-	2,169,434
Travel	138,472,003	88,698,864
Legal and Professional	53,421,255	53,391,401
Repairs to building	105,728,758	64,999,088
Power and fuel	73,884,064	36,998,640
Rent	75,397,018	40,587,891
Insurance	4,105,539	4,458,461
Auditors' remuneration		
As auditor	2,342,714	1,301,974
Miscellaneous expenses	181,685,813	179,243,639
	<u>1,481,900,363</u>	<u>812,617,217</u>

19. Related Party Transactions

The Company has the following related parties:

Party	Relationship
Wipro Portugal SA	Parent Company
Wipro Retail UK	Fellow subsidiary
Wipro Limited	Ultimate Holding Company
Wipro Cyprus Private Limited	Holding Company
Wipro Hungary Holdings	Fellow Subsidiary
Wipro Travel Services Limited	Fellow Subsidiary
Wipro Infocrossing Inc	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- Wipro Portugal SA	13,785,085	18,557,491
Loan / Int on loan - Wipro Cyprus Private Limited	4,992,236	5,912,330
Loan / Int on loan- Wipro Hungary Holdings	4,496,331.36	5,274,145
Loan / Int on loan- Wipro Netherland BV	2,263,933	3,332,577
Sales-Wipro Retail UK	25,440,374	20,906,371
Sub contracting charges- Wipro Retail UK	-	2,102,611
Sub contracting charges- Wipro Limited	6,692,502	-
Sales-Wipro Limited	1,736,831,793	790,054,333
Sub contracting charges-Wipro Limited	236,938,857	295,444,921
Loan / Int on loan -Wipro Retail UK	5,244,073	4,474,009
Sub contracting charges- Wipro Romania BPO Service	30,771,377	-
Commission Income-Wipro Limited	191,505	-
Commission Expenses-Wipro Cyprus Private Limited	22,328	-
Wipro Information Technology Austria GmbH	889,705	-
Sales-Wipro Shangai Ltd	727,247	-

The following is the listing of payables to related parties

Name of the party	Year ended March 31,	
	2015	2014
Wipro Limited	431,379,549	595,931,851
Wipro Portugal SA	502,622,970	618,826,283
Wipro Retail UK	-	10,003,841
Wipro Infocrossing Inc	25,053,794	24,403,191
Wipro Travel Services Limited	45,035	4,863,619
Wipro Romania BPO service	12,374,006	-

The following is the listing of loan balances with related parties

Name of the party	Year ended March 31,	
	2015	2014
Wipro Hungary Holdings	176,102,090	210,363,939
Wipro Cyprus Private Limited	397,515,670	25,889,246
Wipro Netherland BV	563,387,062	126,957,393
Wipro Retail UK	201,807,262	250,932,026.94

The following is the listing of receivables to related parties

Name of the party	Year ended March 31,	
	2015	2014
Wipro Information Technology Austria GmbH	172,535	-
Wipro Shangai Ltd	727,247	-
Wipro Retail UK	5,229,719	-

20. Earnings per Share (EPS)

Particulars	Year ended March 31,	
	2015	2014
Loss for the year as per profit and loss account	(27,434,492)	(555,879,450)
Weighted average number of equity shares used for computing basic and diluted EPS	8,007,000	8,007,000
Profit per share basic and diluted (Par value: refer Note 3)	(3.43)	(69.42)

Note 21. Finance Lease Obligation

The company has taken equipments on Finance Lease, the present value of obligation is disclosed below:

	As at March 31,	
	2015	2014
Not later than 1 year	103,891,271	-
Later than 1 year not later than 5 years	377,745,370	-
Later than 5 years	-	-
	481,636,641	-
Future Interest	(18,059,438)	-
Present value of finance lease liability	463,577,202	-

22. Employee Stock Options

Wipro Limited, the holding company, has granted employee stock options to employees of the Company. For the Year ended March 2014, the Company has been charged Rs. 7,403,879 [2014: Rs 1,287,748] for the stock compensation expense arising from options granted by parent.

23. 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.

24. Corresponding figures for previous periods presented have been regrouped, where necessary, to confirm to the current period classification.

25. 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.

The Notes referred to above form an integral part of the Balance Sheet

"As per our report of even date attached"

for **D.Prasanna & Co.**

Chartered Accountants

Firm Registration number : 009619S

For and on behalf of the Board of Directors

sd/-

Prasanna Kumar

Proprietor

Membership No. 211367

Bangalore

sd/-

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Ulrich Meister

sd/-

Director

Jatin Dalal

8. Tangible assets

Particulars	GROSS BLOCK ***				ACCUMULATED DEPRECIATION				NET BLOCK		
	As of April 1, 2014	Additions	Effect of Translation*	Transfer In / Transfer Out	As of March 31, 2015	As of April 1, 2014	Depreciation for the year	Effect of Translation*	Transfer In / Transfer Out	As of March 31, 2015	As of March 31, 2014
Tangible fixed assets											
Land	46,45,387		(8,50,1986)		37,64,3,402	-				37,64,3,402	46,45,387
Buildings	300,899,161		(55,438,704)		245,460,458	41,657,168	7,747,926,67	(5,955,694)		202,011,056	259,241,993
Plant & machinery	909,481,610	750,879,855.20	(269,493,828)		1,390,870,639	76,650,360	266,550,237	(71,871,936)		1,019,541,977	732,834,250
Furniture & fixture	4,476,760		(824,814)		3,651,946	4,297,129	276,737	(687,075)		(234,844)	179,630
Office equipments	3,610,416		(665,195)		2,945,222	3,406,786	15,543	(587,250)		110,145	203,630
	1,264,616,337	750,879,855	(334,924,526)		1,680,571,667	226,011,443	274,590,443	(79,101,955)		1,259,071,735	1,038,604,891
Previous year - 2014	729,505,447	392,321,025	42,789,862		1,264,616,335	87,964,487	95,884,979	22,161,977		1,038,604,891	

* Represents translation of fixed assets of non-integral operations into Indian Rupee

* Plant & machinery includes computers and computer software.

9. Intangible assets

Particular	GROSS BLOCK ***				ACCUMULATED AMORTISATION				NET BLOCK		
	As of April 1, 2014	Additions	Effect of Translation*	Disposals / Adjustments	As of March 31, 2015	As of April 1, 2014	Amortisation for the year	Effect of Translation*	Disposals / Adjustments	As of March 31, 2015	As of March 31, 2014
Intangible fixed assets											
Technical know-how	1,599,184				1,599,184	1,599,184				-	-
	1,599,184				1,599,184	1,599,184				-	-
Previous year - 2014	1,599,184				1,599,184	1,599,184				-	-