

**Independent Auditors' Report
To the Board of Directors of Wipro Energy IT Services Private Limited**

Report on the condensed interim financial statements

We have audited the accompanying condensed interim financial statements of WIPRO ENERGY IT SERVICES PRIVATE LIMITED ('the Company'), which comprise the condensed interim balance sheet as at December 31, 2013, the condensed interim statement of profit and loss for the nine months then ended, the condensed interim cash flow statement for the nine months then ended and other explanatory information.

The condensed interim financial statements are intended only to provide an update on the previous annual financial statements.

Management's responsibility for the condensed interim financial statements

Management is responsible for the preparation of these condensed interim financial statements in accordance with the Accounting Standard (AS) 25, Interim Financial Reporting, notified under sub-section (3C) of the section 211 of the Companies Act, 1956 ('the Act') which, as per a clarification issued by the Ministry of Corporate Affairs, continue to apply under section 133 of the Companies Act, 2013, (which has superseded section 211 (3C) of the Companies Act, 1956 w.e.f September 12, 2013) and other accounting standards so notified to the extent applicable to the condensed interim financial statements. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the condensed interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the condensed interim financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the condensed interim financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed interim financial statements, whether due to fraud or error. In making those risk

PKF SRIDHAR & SANTHANAM

Chartered Accountants

assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the condensed interim financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the condensed interim financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the condensed interim financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of condensed interim balance sheet, the state of affairs of the Company as at December 31, 2013;
- (ii) in the case of the condensed interim statement of profit and loss, of the profit for the nine months ended on that date; and
- (iii) in the case of condensed interim cash flow statements, of the cash flows for the nine months ended on that date.

for PKF Sridhar & Santhanam

Chartered Accountants

Firm Registration number: 0039908




S. HARI HARAN

Partner

Membership No.: 020158

New Delhi

February 17th, 2014

WIPRO ENERGY IT SERVICES INDIA PRIVATE LIMITED
(Formerly SAIC India Private Limited)

CONDENSED INTERIM BALANCE SHEET AS AT

	Notes	<u>Dec-13</u> Rupees	<u>Mar-13</u> Rupees
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share Capital		8,791,360	8,791,360
Reserves and Surplus		491,214,222	438,093,289
		<u>500,005,582</u>	<u>446,884,649</u>
Non- current liabilities			
Long-term Provisions.....		14,185,691	19,149,243
		<u>14,185,691</u>	<u>19,149,243</u>
Current Liabilities			
Trade payables.....		276,202,003	425,181,244
Other current liabilities.....		94,289,955	61,937,635
Short term provisions.....		2,652,670	3,608,925
		<u>373,144,628</u>	<u>490,727,804</u>
TOTAL EQUITY AND LIABILITIES		<u><u>887,335,901</u></u>	<u><u>956,761,696</u></u>
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
Tangible assets		8,822,789	14,658,214
Intangible assets.....		238,956	3,599,339
Deferred tax assets (net)		15,821,512	17,638,838
Long-term loans and advances		114,828,467	113,858,748
		<u>139,711,724</u>	<u>149,755,139</u>
Current assets			
Trade receivables		190,557,855	398,222,755
Cash and bank balances.....		400,922,909	331,953,635
Short-term loans and advances		58,945,686	48,232,745
Other current assets.....		97,197,727	28,597,422
		<u>747,624,177</u>	<u>807,006,557</u>
TOTAL ASSETS.....		<u><u>887,335,901</u></u>	<u><u>956,761,696</u></u>

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

As per our report attached

For and on behalf of the Board of Directors

for **PKF Sridhar & Santhanam**
Chartered Accountants
Firm's Registration No:003990S



S. HARIHARAN
Partner
Membership No. 020158

New Delhi
February 17th, 2014

NAVNEET KHANDELWAL
Director

SUBRAMANIAN LAKSHMANAN
Director

WIPRO ENERGY IT SERVICES INDIA PRIVATE LIMITED
(Formerly SAIC India Private Limited)

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS
ENDED DECEMBER 31, 2013

	<u>Dec-13</u> <u>Rupees</u>
REVENUE	
Revenue from operations.....	476,536,386
Other Income	40,306,214
Total Revenue	516,842,600
EXPENSES	
Employee benefits expense	153,650,128
Finance Costs	-
Depreciation and amortization expense	11,599,256
Other expense	272,080,994
Total Expense	437,330,378
 Profit before tax	 79,512,222
TAX EXPENSES	
Current tax	24,573,963
Deferred tax	1,817,326
 Net Profit	 <u>53,120,933</u>
 Earnings per equity share	
(Equity shares of par value * 10/- each)	
Basic	60.42
Diluted	60.42

The Notes referred to above form an integral part of the condensed interim statement of Profit and Loss

As per our report attached

For and on behalf of the Board of Directors


for PKF Sridhar & Santhanam
Chartered Accountants
Firm's Registration No: 003990S



S. HARSHARAN
Partner

Membership No. 020158

New Delhi
February 11, 2014


NAVNEET KHANDELWAL
Director


SUBRAMANIAN LAKSHMANAN
Director

WIPRO ENERGY IT SERVICES INDIA PRIVATE LIMITED
Formerly SAIC India Private Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED
DECEMBER 31, 2013

	<u>Dec, 2013</u>
	<u>Rupees</u>
Cash flows from operating activities	48,329,307
Cash flows from investing activities	20,639,967
Cash flows from financing activities	-
Net (decrease) / increase in cash and cash equivalents during the period...	68,969,274
Cash and cash equivalents at the beginning of the period.....	331,953,635
Cash and cash equivalents at the end of the period	<u>400,922,909</u>
<u>Components of cash and cash equivalents</u>	
Balances with banks in current account.....	381,836
Balances with banks in deposit accounts.....	400,541,073
Total Cash and cash equivalents	<u>400,922,909</u>

As per our report attached

for **PKF Sridhar & Santhanam**
Chartered Accountants
Firm's Registration No:003990S


S. HARIHARAN ACCOUNTANTS

Partner
Membership No. 020158

New Delhi
February 17th, 2014

For and on behalf of the Board of Directors


NAVNEET KHANDELWAL
Director


SUBRAMANIAN LAKSHMANAN
Director

WIPRO ENERGY IT SERVICES INDIA PRIVATE LIMITED
(Formerly SAIC India Private Limited)

NOTES FORMING PART OF THE ACCOUNTS

1. Background

WIPRO Energy IT Services India Private Limited ('the Company') was incorporated on 27 March, 1996 and is a subsidiary of Wipro Limited.

The Company mainly provides technical services to its Parent, other group companies on a 'cost plus markup', and to other parties in accordance with agreements entered.

2. Significant Accounting Policies

The condensed interim financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company.

These condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended March 31, 2013. The accounting policies followed in preparation of these condensed interim financial statements are consistent with those followed in the preparation of March 31, 2013 annual financial statements.

3. Segment Information

i. Business segments

The Company operates in a single business segment and is primarily engaged in the business of development and engineering of computer software and lending of services for research and development of computer software and application software to its Parent, group companies and others.

ii. Geographic segments

Secondary segmental reporting is performed on the basis of the geographical location of customers. The Company provides services overseas primarily in United State of America, United Kingdom and others.

Geographical revenues are segregated based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognised.

Segmental reporting

Details	India	Outside India			Total
		United States of America	United Kingdom	Others	
Segment revenue	121,920,791	346,643,091	8,157,789	114,715	476,536,386
Segment assets (operating assets)	516,972,409	214,105,715	7,987,364	8,858,691	747,924,178

4. Contingent liabilities

Particulars	As at	As at
	31.12.2013	31.03.2013
	(Rupees)	(Rupees)
i. Bank guarantees for executing general bond with customs, sales tax and excise departments.	41,073	41,073
ii. On account of Service Tax matters in dispute	685,609	
iii. On account of Income Tax matters in dispute*	137,701,500	121,045,021

* This tax liability is indemnified by SAIC Inc, the seller of the company, to Wipro Limited under the "Asset and Stock Purchase Agreement" between SAIC Inc. and Wipro Limited.

5. This period being the first period of application of Accounting Standard ('AS') 25, Interim Financial Reporting, previous period comparatives are not provided in accordance with para 44 of AS 25.

As per our report attached

For and on behalf of the Board of Directors

for PKF Sridhar & Santhanam
Chartered Accountants
Firm's Registration No: 003990S



S. HARI HARAN

Partner

Membership No. 020158

New Delhi
February 17th, 2014

NAVNEET
KHANDELWAL
Director

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Director