

**INDEPENDENT AUDITOR'S REPORT**

To The Members of **Wipro Gallagher Solutions Inc**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Wipro Gallagher Solutions Inc, ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit Opinion on the standalone financial statements.

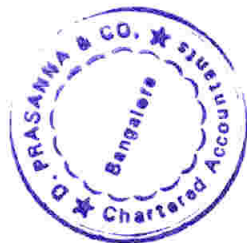
### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and its cash flows for the year ended on that date.


### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Sec. 164(2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us".
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

Bangalore  
Date:



For M/s. D. Prasanna & Co.,  
Chartered Accountants  
FRN. 009619S

  
Prasanna Kumar D  
Proprietor  
M. No. 211367

**WIPRO GALLAGHER SOLUTIONS INC.**

**BALANCE SHEET**

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

|                                      | Notes | As on March 31,             |                             |
|--------------------------------------|-------|-----------------------------|-----------------------------|
|                                      |       | 2015                        | 2014                        |
| <b><u>EQUITY AND LIABILITIES</u></b> |       |                             |                             |
| <b>Shareholder's funds</b>           |       |                             |                             |
| Share Capital                        | 3     | 1,710,162,302               | 1,519,464,180               |
| Reserves and Surplus                 | 4     | (431,722,135)               | 3,307,783                   |
|                                      |       | <u>1,278,440,167</u>        | <u>1,522,771,963</u>        |
| <b>Non- current liabilities</b>      |       |                             |                             |
| Deferred Tax liabilities (Net)       |       | 8,757,732                   | 8,391,279                   |
| Long-term Provisions                 | 5     | 14,068,874                  | 78,226,025                  |
|                                      |       | <u>22,826,606</u>           | <u>86,617,303</u>           |
| <b>Current Liabilities</b>           |       |                             |                             |
| Short term borrowings                | 6     | 1,743,021,254               | 1,647,014,952               |
| Trade payables                       | 7     | 322,931,364                 | 102,301,597                 |
| Other current liabilities            | 8     | 212,657,870                 | 96,386,286                  |
| Short term provisions                | 9     | 167,440,514                 | 13,999,345                  |
|                                      |       | <u>2,446,051,002</u>        | <u>1,859,702,180</u>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |       | <b><u>3,747,317,775</u></b> | <b><u>3,469,091,447</u></b> |
| <b><u>ASSETS</u></b>                 |       |                             |                             |
| <b>Non-current assets</b>            |       |                             |                             |
| <b>Fixed assets</b>                  |       |                             |                             |
| Tangible assets                      | 10    | 15,695,882                  | 21,040,287                  |
| Intangible assets                    | 11    | 97,312,088                  | 201,350,931                 |
| Capital work-in-progress             |       | 4,543                       | 4,353                       |
| Non-current investments              | 12    | 2,913,169,494               | 2,783,393,331               |
| Long-term loans and advances         | 13    | 84,666,930                  | -                           |
|                                      |       | <u>3,110,848,937</u>        | <u>3,005,788,902</u>        |
| <b>Current assets</b>                |       |                             |                             |
| Trade receivables                    | 14    | 279,110,028                 | 185,050,672                 |
| Cash and Cash equivalents            | 15    | 265,829,769                 | 203,972,726                 |
| Short-term loans and advances        | 16    | 13,902,608                  | 2,645,014                   |
| Other current assets                 | 17    | 77,626,433                  | 71,634,133                  |
|                                      |       | <u>636,468,838</u>          | <u>463,302,545</u>          |
| <b>TOTAL ASSETS</b>                  |       | <b><u>3,747,317,775</u></b> | <b><u>3,469,091,447</u></b> |

The Notes referred to above 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

Bangalore

For and on behalf of the Board of Directors

Sd/-

**MUKESH LODHA**

Director

Sd/-

**ASHISH CHAWLA**

Director

**WIPRO GALLAGHER SOLUTIONS INC.**  
**STATEMENT OF PROFIT AND LOSS**  
(Amount in INR, except share and per share data, unless otherwise stated)

|   | Notes   | For the year ended March 31, |                      |
|---|---------|------------------------------|----------------------|
|   |         | 2015                         | 2014                 |
| <b>REVENUE</b>                              |         |                              |                      |
| Revenue from operations (gross)             | 18      | 1,030,569,722                | 1,245,561,757        |
| Less: Excise duty                           |         | -                            | -                    |
| Revenue from operations (net)               |         | 1,030,569,722                | 1,245,561,757        |
| Other Income                                | 19      | 13,291,045                   | 11,261,261           |
| <b>Total Revenue</b>                        |         | <b>1,043,860,767</b>         | <b>1,256,823,018</b> |
| <b>EXPENSES</b>                             |         |                              |                      |
| Employee benefits expenses                  | 20      | 802,239,781                  | 674,252,269          |
| Finance Costs                               | 21      | 43,561,438                   | 11,258,613           |
| Depreciation and amortization expense       | 10 & 11 | 119,992,444                  | 28,256,537           |
| Other expense                               | 22      | 449,874,891                  | 434,575,019          |
| <b>Total Expense</b>                        |         | <b>1,415,668,554</b>         | <b>1,148,342,438</b> |
| <b>Profit / (Loss) before tax</b>           |         | <b>(371,807,788)</b>         | <b>108,480,580</b>   |
| <b>Tax expense (including deferred tax)</b> |         | -                            | 98,382,840           |
| <b>Net Profit / (Loss)</b>                  |         | <b>(371,807,788)</b>         | <b>10,097,740</b>    |
| <b>Earnings per equity share</b>            |         |                              |                      |
| (Equity shares of par value USD 1 each)     |         |                              |                      |
| Basic & Diluted                             | 24      | (743,616)                    | 20,195               |

The Notes referred to above 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

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

For and on behalf of the Board of Directors

sd/-  
**MUKESH LODHA**  
Director

sd/-  
**ASHISH CHAWLA**  
Director

**WIPRO GALLAGHER SOLUTIONS INC.**

**CASH FLOW STATEMENT**

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

For the year ended March 31,

|   | 2015                 | 2014                   |
|---|----------------------|------------------------|
| <b>A. Cash flows from operating activities:</b>               |                      |                        |
| Profit / (Loss) before tax                                    | (371,807,788)        | 108,480,580            |
| <b>Adjustments:</b>   |                      |                        |
| Depreciation  | 119,992,444          | 28,256,536             |
| Unrealised exchange differences - net                         | (70,294,214)         | 10,518,482             |
| Interest on borrowings  | 43,561,438           | 11,258,613             |
| <b>Working capital changes :</b>                              |                      |                        |
| Trade receivables   | (111,469,958)        | (34,372,670)           |
| Loans and advances & Other current assets                     | (111,272,671)        | 65,050,491             |
| Current liabilities & provisions                              | 362,968,624          | (278,988,596)          |
| <b>Net cash generated by / (used in) operations</b>           | <b>(138,322,125)</b> | <b>(89,796,564)</b>    |
| Direct taxes paid   | (62,278,286)         | (3,959,241)            |
| <b>Net cash generated by / (used in) operating activities</b> | <b>(200,600,411)</b> | <b>(93,755,805)</b>    |
| <b>B. Cash flows from investing activities:</b>               |                      |                        |
| Payment for fixed assets (including capital advances)         | (3,537,303)          | (220,665,605)          |
| Sale of investments   | -                    | 138,201,322            |
| Investment in Subsidiary                                      | -                    | (2,783,393,331)        |
| <b>Net cash generated by / (used in) investing activities</b> | <b>(3,537,303)</b>   | <b>(2,865,857,614)</b> |
| <b>C. Cash flows from financing activities:</b>               |                      |                        |
| Equity infusion by parent                                     | 190,698,122          | 1,444,019,040          |
| Proceeds from Short-term borrowings                           | 96,006,302           | 1,647,014,952          |
| Interest on borrowings  | (20,709,667)         | (11,258,613)           |
| <b>Net cash generated by / (used in) financing activities</b> | <b>265,994,757</b>   | <b>3,079,775,379</b>   |
| Net increase in cash and cash equivalents during the year     | 61,857,043           | 120,161,960            |
| Cash and cash equivalents at the beginning of the year        | 203,972,726          | 83,810,766             |
| <b>Cash and cash equivalents at the end of the year</b>       | <b>265,829,769</b>   | <b>203,972,726</b>     |

As per our report attached  
for **D.Prasanna & Co.**

Chartered Accountants

Firm Registration number : 009619S

sd/-

**D.Prasanna Kumar**

Proprietor

Membership No. 211367

Bangalore

For and on behalf of the Board of Directors

sd/-

**MUKESH LODHA**

Director

sd/-

**ASHISH CHAWLA**

Director

**WIPRO GALLAGHER SOLUTIONS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Amount in INR, except share and per share data, unless otherwise stated)**

**1.1 Company overview**

Wipro Gallagher Solutions Inc. ("the Company") a Florida C Corporation and its wholly owned subsidiary Opus Capital Markets Consultants LLC is owned by Wipro LLC (the holding Company), a wholly owned subsidiary of Wipro Limited, a company traded on the New York Stock Exchange. WGS develops markets and supports personal computer based software products, both standalone and networked, for mortgage brokers, banks, credit unions, and savings institutions throughout the United States and in Australia, South America and New Zealand.

**1.2 Business Combination**

Effective January 1, 2014 WGS purchased all membership interest in Opus Capital Markets Consultants LLC and Opus Technology LLC in accordance with the membership interest purchase agreement (MIPA) dated December 2, 2013. The business combination was accounted for under the acquisition method of accounting.

As at December 31, 2014, the fair value of earn-out liability was determined to be INR 144 MN as a result of changes in estimates of revenue and earnings over the earn-out period. The revision of the estimates has inter alia resulted in reduction in the carrying value of intangibles recognized on acquisition. Accordingly, a net gain of INR 470 MN has been recorded in the statement of revenue.

The fair value of earn-out consideration as at the period end was estimated by applying the Discounted Cash Flow approach. The fair value estimates are based on discount rate of 7% and probability adjusted revenue and earnings.

During the three months ended March 31, 2015, an amount of INR 39 MN has been paid to the sellers representing earn-out payments for the calendar year 2014.

Effective March 31, 2015, Opus Technology LLC has merged with Opus Capital Markets Consultants LLC with the latter being the surviving entity.

**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 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 are 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 amortized over their estimated useful life or the lease term, whichever is lower.

For these classes 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.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment loss, if any.

#### v. Leases

Leases of assets, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Lease rentals in respect of assets taken under operating leases are charged to statement of profit and loss on a straight line basis over the lease term.

In certain arrangements, the Company recognizes revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned income and the estimated residual value of the leased equipment on consummation of such leases. Unearned income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognizes unearned income as financing revenue over the lease term using the effective interest method.



## **vi. 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.

## **vii. 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.

## **viii. 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.

## **ix. Earnings per share**

The number of shares used in computing basic earnings 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.

**x. 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.

**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.

3. Share Capital

(i) The details of share capital are given below

|   | As of March 31,      |                      |
|---|----------------------|----------------------|
|   | 2015                 | 2014                 |
| <b>Issued, subscribed and paid-up capital</b>                                       |                      |                      |
| Wipro LLC - 500 (2013-14: 500 ) equity shares of USD 1 each [Refer note (ii) below] | 25,140               | 25,140               |
| Equity contribution *   | 1,710,137,162        | 1,519,439,040        |
|   | <b>1,710,162,302</b> | <b>1,519,464,180</b> |

\* As per the local laws, the allotment of shares is not mandatory. Hence the additional investment by Wipro Inc, the holding company is disclosed as equity contribution.

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

|  | As of March 31, 2015 |                      | As of March 31, 2014 |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | No. of Shares        | Amount               | No. of Shares        | Amount               |
| Number of Common stock outstanding as at beginning of the year | 500                  | 1,519,464,180        | 500                  | 75,420,000           |
| Number of Common stock issued during the year                  | -                    | 190,698,122          | -                    | 1,444,019,040        |
| Number of Common stock outstanding as at the end of the year   | <b>500</b>           | <b>1,710,162,302</b> | <b>500</b>           | <b>1,519,439,040</b> |

(iii) Following is the Shareholding Pattern

| Name of Shareholder | As of March 31, 2015 |               | As of March 31, 2014 |               |
|---------------------|----------------------|---------------|----------------------|---------------|
|                     | No. of Shares        | % of holdings | No. of Shares        | % of holdings |
| Wipro LLC           | 500                  | 100%          | 500                  | 100%          |

**Terms & Rights**

The company has only one class of Equity shares having a par value of USD 1 each. Each shareholders of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the common stock holder will be entitled to receive the remaining assets of the company after distribution of preferential amounts, if any, in proportion to the number of common stock held by the shareholders.

#### 4. Reserves and Surplus

|  | As of March 31,      |                     |
|--|----------------------|---------------------|
|  | 2015                 | 2014                |
| <b>Translation Reserve</b>                       |                      |                     |
| Balance brought forward from previous year       | 18,024,048           | 7,505,566           |
| Movement during the period                       | (63,222,130)         | 10,518,482          |
|  | <b>(45,198,082)</b>  | <b>18,024,048</b>   |
| <b>Surplus from Statement of Profit and Loss</b> |                      |                     |
| Balance brought forward from previous year       | (14,716,265)         | (24,814,005)        |
| Add: Profit / (Loss) for the year                | (371,807,788)        | 10,097,740          |
|  | <b>(386,524,053)</b> | <b>(14,716,265)</b> |
| <b>Summary of reserves and surplus</b>           |                      |                     |
| Balance brought forward from previous year       | 3,307,783            | (17,308,439)        |
| Movement during the year                         | (435,029,918)        | 20,616,222          |
|  | <b>(431,722,135)</b> | <b>3,307,783</b>    |

#### 5. Long term provisions

|  | As of March 31,   |                   |
|--|-------------------|-------------------|
|  | 2015              | 2014              |
| Provision for Taxation( net of advance tax ) | -                 | 66,999,303        |
| Employee retirement benefits                 | 14,068,874        | 11,226,722        |
|  | <b>14,068,874</b> | <b>78,226,025</b> |

#### 6. Short term Borrowings

|                                  | As of March 31,      |                      |
|----------------------------------|----------------------|----------------------|
|                                  | 2015                 | 2014                 |
| Loan from Wipro Holdings Hungary | 24,408,837           | -                    |
| Loan from Wipro LLC              | 1,718,612,417        | 1,647,014,952        |
|                                  | <b>1,743,021,254</b> | <b>1,647,014,952</b> |

#### 7. Trade payables

|                               | As of March 31,    |                    |
|-------------------------------|--------------------|--------------------|
|                               | 2015               | 2014               |
| Sundry creditors - Others     | 348,108            | 332,885            |
| Payable to Group Companies    | 178,684,487        | 31,295,861         |
| Accrued Salaries and Benefits | 24,900,745         | 47,200,332         |
| Accrued Expenses              | 118,998,024        | 23,472,519         |
|                               | <b>322,931,364</b> | <b>102,301,597</b> |

#### 8. Other current liabilities

|   | As of March 31,    |                   |
|---|--------------------|-------------------|
|   | 2015               | 2014              |
| Unearned revenue                                      | 162,584,716        | 73,539,981        |
| Statutory liabilities                                 | 6,394,664          | 8,609,029         |
| Payable to Group Companies                            | 7,135,467          | 2,934,926         |
| Interest accrued and due - payable to Group Companies | 33,478,807         | 10,627,036        |
| Others  | 3,064,216          | 675,314           |
|   | <b>212,657,870</b> | <b>96,386,286</b> |

**9. Short term provisions**

|                              | As of March 31,    |                   |
|------------------------------|--------------------|-------------------|
|                              | 2015               | 2014              |
| Employee retirement benefits | 13,967,445         | 12,662,345        |
| Others                       | 153,473,069        | 1,337,000         |
|                              | <u>167,440,514</u> | <u>13,999,345</u> |

**12. Non Current Investments**

|   | As of March 31,      |                      |
|---|----------------------|----------------------|
|   | 2015                 | 2014                 |
| <b>Investments in Subsidiary companies - Unquoted</b> |                      |                      |
| Opus Capital Markets Consultants LLC                  | 2,913,169,494        | 1,951,206,131        |
| 1,020,000 Equity Shares                               |                      |                      |
| Opus Technology Services LLC                          | -                    | 832,187,200          |
| 10,000 Equity Shares                                  |                      |                      |
|   | <u>2,913,169,494</u> | <u>2,783,393,331</u> |

**13. Long term loans and advances**

|   | As of March 31,   |          |
|---|-------------------|----------|
|   | 2015              | 2014     |
| Advance income tax (net of provision for tax) | 84,666,930        | -        |
|   | <u>84,666,930</u> | <u>-</u> |

**14. Trade Receivables (Unsecured)**

|   | As of March 31,    |                    |
|---|--------------------|--------------------|
|   | 2015               | 2014               |
| <b>Debts outstanding for a period exceeding six months from the date they are due for payment</b> |                    |                    |
| Considered doubtful   | 18,455,985         | 3,355,837          |
|   | <u>18,455,985</u>  | <u>3,355,837</u>   |
| <b>Other debts</b>  |                    |                    |
| Considered good   | 279,110,028        | 185,050,672        |
| Considered doubtful   | -                  | -                  |
|   | <u>279,110,028</u> | <u>185,050,672</u> |
| Less: Provision for doubtful debts  | 18,455,985         | 3,355,837          |
|   | <u>279,110,028</u> | <u>185,050,672</u> |

**15. Cash and bank balances**

|                       | As of March 31,    |                    |
|-----------------------|--------------------|--------------------|
|                       | 2015               | 2014               |
| Balances with Banks   |                    |                    |
| - In current accounts | 265,829,769        | 203,972,726        |
|                       | <u>265,829,769</u> | <u>203,972,726</u> |

**16. Short term loans and advances (Unsecured, considered good unless otherwise stated)**

|                  | As of March 31,   |                  |
|------------------|-------------------|------------------|
|                  | 2015              | 2014             |
| Prepaid expenses | 13,902,608        | 2,645,014        |
|                  | <u>13,902,608</u> | <u>2,645,014</u> |

**17. Other current assets**

|  | As of March 31,   |                   |
|--|-------------------|-------------------|
|  | 2015              | 2014              |
| Unbilled revenue                         | -                 | 71,634,133        |
| Receivable from Ultimate Holding Company | 77,626,433        | -                 |
|  | <u>77,626,433</u> | <u>71,634,133</u> |

**18. Revenue from operations**

|                  | As of March 31,      |                      |
|------------------|----------------------|----------------------|
|                  | 2015                 | 2014                 |
| Sale of services | 1,030,569,722        | 1,245,561,757        |
|                  | <b>1,030,569,722</b> | <b>1,245,561,757</b> |

**19. Other income**

|   | As of March 31,   |                   |
|---|-------------------|-------------------|
|   | 2015              | 2014              |
| Interest on debt instruments and others | 128,678           | 340,721           |
| Other exchange differences, net         | 133,030           | (91,933)          |
| Miscellaneous income                    | 13,029,336        | 11,012,473        |
|   | <b>13,291,045</b> | <b>11,261,261</b> |

**20. Employee benefits expense**

|   | As of March 31,    |                    |
|---|--------------------|--------------------|
|   | 2015               | 2014               |
| Salaries and wages                            | 794,308,710        | 661,734,909        |
| Gratuity & Leave encashment                   | 3,035,198          | 6,837,939          |
| Expenses on employee stock option plans (RSU) | 940,271            | 1,410,568          |
| Staff welfare expenses                        | 3,955,602          | 4,268,852          |
|   | <b>802,239,781</b> | <b>674,252,269</b> |

**21. Finance costs**

|  | As of March 31,   |                   |
|--|-------------------|-------------------|
|  | 2015              | 2014              |
| Interest on unsecured Loan from Wipro LLC              | 143,608           | -                 |
| Interest on unsecured Loan from Wipro Hungary Holdings | 43,417,830        | 11,258,613        |
|  | <b>43,561,438</b> | <b>11,258,613</b> |

**22. Other expenses**

|  | As of March 31,    |                    |
|--|--------------------|--------------------|
|  | 2015               | 2014               |
| Sub contracting / technical fees / third party application | 294,187,542        | 313,713,799        |
| Travel   | 24,380,997         | 24,060,988         |
| Communication  | 6,142,400          | 4,086,103          |
| Advertisement & Sales Promotion                            | 1,491,949          | 2,497,675          |
| Legal and professional charges                             | 55,067,951         | 27,456,909         |
| Printing & Stationery                                      | 2,936,135          | 1,376,161          |
| Postage and telegram                                       | 607,986            | 393,171            |
| Staff Recruitment  | 3,231,406          | 3,834,823          |
| Conveyance   | 1,584,825          | 328,255            |
| Provision for Doubtful Debts                               | 14,622,132         | 3,357,725          |
| Provision for Doubtful Advances                            | (27,256)           | 311,597            |
| Repairs to Machinery                                       | 551,391            | 34,578             |
| Corporate guarantee Commission                             | 813,554            | 1,069,552          |
| Rent   | 29,786,282         | 31,179,734         |
| Car Hire Charges   | 3,753,519          | 2,428,360          |
| Office Maintenance   | 2,343,116          | 1,565,694          |
| Rates and taxes  | 2,341,389          | 2,809,135          |
| Auditors' remuneration                                     | 15,000             | 15,000             |
| Bank Charges   | 1,372,512          | 1,326,482          |
| Miscellaneous expenses                                     | 4,672,065          | 12,729,278         |
|  | <b>449,874,891</b> | <b>434,575,019</b> |

### 23. Related Party Transactions

The following are the entities with which the Company has related party transactions

| Name of the party          | Relationship with the Company |
|----------------------------|-------------------------------|
| Wipro Limited              | Ultimate Holding Company      |
| Wipro LLC                  | Holding Company               |
| Wipro Travel Services Ltd. | Group Company                 |
| Wipro Holdings Hungary     | Group Company                 |
| Infocrossing Inc.          | Group Company                 |

The Company had the following transactions with related parties during the

|   | Year ended March 31, |             |
|---|----------------------|-------------|
|   | 2015                 | 2014        |
| <b>Sub contracting charges</b>                    |                      |             |
| Wipro Limited                                     | 252,572,746          | 289,981,014 |
| Wipro LLC   | 4,524,736            | -           |
| Infocrossing Inc.                                 | 4,466,868            | -           |
| <b>Interest expenses on loan taken</b>            |                      |             |
| Wipro LLC   | 143,608              | -           |
| Wipro Holdings Hungary                            | 43,417,830           | 11,258,613  |
| <b>Corporate Guarantee Commission</b>             |                      |             |
| Wipro Limited                                     | 813,554              | 1,069,552   |
| <b>Stock option cost charged</b>                  |                      |             |
| Wipro Limited                                     | 940,271              | 1,410,568   |
| <b>Equity infused during the year</b>             |                      |             |
| Wipro LLC   | 190,698,122          | -           |
| <b>Working capital loan taken during the year</b> |                      |             |
| Wipro LLC   | 24,408,837           | -           |

The following are the balances payables to related parties

| Name of the party                               | As of March 31,      |                      |
|---|----------------------|----------------------|
|   | 2015                 | 2014                 |
| <b>Payable to :</b>                             |                      |                      |
| Wipro Limited                                   | 176,939,663          | 27,174,431           |
| Wipro LLC                                       | 4,627,305            | -                    |
| Wipro Travel Services Limited                   | 60,750               | 60,377               |
| Infocrossing Inc                                | 4,192,236            | 7,866,852            |
|   | <b>185,819,954</b>   | <b>35,101,660</b>    |
| <b>Loans payable (incl. accrued interest) :</b> |                      |                      |
| Wipro Holdings Hungary                          | 1,751,944,444        | 1,647,014,952        |
| Wipro LLC                                       | 24,555,617           | -                    |
|   | <b>1,776,500,061</b> | <b>1,647,014,952</b> |
| <b>Receivable from :</b>                        |                      |                      |
| Wipro Limited                                   | 77,626,433           | 819,637              |
| Wipro LLC                                       | -                    | 564,534              |
|   | <b>77,626,433</b>    | <b>1,384,171</b>     |

### 24. Earnings per Share (EPS)

| Particulars   | Year ended March 31, |            |
|---|----------------------|------------|
|   | 2015                 | 2014       |
| Profit / (Loss) for the year as per statement of profit and loss                  | (371,807,788)        | 10,097,740 |
| Weighted average number of equity shares used for computing basic and diluted EPS | 500                  | 500        |
| Profit per share basic and diluted (Par value: USD 1)                             | (743,616)            | 20,195     |

## 25. Operating lease

The company is obligated under non-cancellable operating leases for office premises. The total rental expense under non-cancellable operating leases amounted to Rs. 29,786,282 for the year ended March 31, 2015. (2014 - Rs.31,179,734)

| Particulars                              | Year ended March 31, |                   |
|--|----------------------|-------------------|
|  | 2015                 | 2014              |
| Not later than 1 year                    | 29,503,473           | 27,707,288        |
| Later than 1 year not later than 5 years | 4,933,587            | 32,996,098        |
| Later than 5 years                       | -                    | -                 |
|  | <b>34,439,075</b>    | <b>60,705,400</b> |

## 26. Employee Stock Options

Wipro Limited, the Ultimate holding company, has granted employee stock options to employees of the Company. For the year ended March 31, 2013, the Company has been charged Rs. 940,271 (2014: Rs 1,410,567) for the stock compensation expense arising from options granted by parent.

## 27. 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.

## 28. 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.

## 29. Contingent Liabilities

Contingent Liability not provided for Rs. Nil(March 31,2014: Nil)

## 30. Capital Commitment

Estimated amount of capital commitments remaining to be executed and not provided for(net of advance) is Rs. Nil(March 31,15: Nil)

31. Previous year figures have been regrouped and reclassified wherever necessary

As per our report attached

for **D.Prasanna & Co.**

Chartered Accountants

Firm Registration number : 009619S

Sd/-

**D.Prasanna Kumar**

Proprietor

Membership No. 211367

Bangalore

For and on behalf of the Board of Directors

Sd/-

**MUKESH LODHA**

Director

Sd/-

**ASHISH CHAWLA**

Director



10. Tangible assets

| Particular              | GROSS BLOCK         |                  |  | ACCUMULATED DEPRECIATION |                     |                           | NET BLOCK                                      |                      |                      |
|-------------------------|---------------------|------------------|--|--------------------------|---------------------|---------------------------|--|----------------------|----------------------|
|                         | As of April 1, 2014 | Additions        | Effect of Translation*<br>As of March 31, 2015 | Disposals                | As of April 1, 2014 | Depreciation for the year | Effect of Translation*<br>As of March 31, 2015 | As of March 31, 2014 | As of March 31, 2015 |
| Tangible fixed assets   |                     |                  |  |                          |                     |                           |  |                      |                      |
| Buildings               | 14,807,859          | -                | 646,669  | -                        | 1,864,318           | 386,886                   | 90,186   | 13,113,138           | 12,943,541           |
| Plant & machinery       | 335,939,390         | 3,537,112        | 14,750,882                                     | -                        | 329,550,300         | 7,609,342                 | 14,564,178                                     | 2,503,564            | 6,389,089            |
| Furniture & fixture     | 53,272,235          | -                | 2,326,434                                      | -                        | 52,097,809          | 1,158,579                 | 2,301,410                                      | 40,871               | (32,487)             |
| Office equipments       | 6,972,931           | -                | 304,513  | -                        | 6,439,700           | 506,722                   | 292,713  | 38,309               | 1,740,145            |
|                         | <b>410,992,415</b>  | <b>3,537,112</b> | <b>18,028,498</b>                              | <b>-</b>                 | <b>389,952,127</b>  | <b>9,661,528</b>          | <b>17,248,487</b>                              | <b>15,695,882</b>    | <b>21,040,287</b>    |
| Previous year - 2013-14 | 367,164,726         | 5,982,418        | 37,880,755                                     | 35,485                   | 337,715,751         | 17,467,511                | 34,768,865                                     | 21,040,287           | 29,448,975           |

\* Represents Translation of Fixed Assets of non-integral operations into Indian rupees.

# Plant and Machinery includes computers and Computer Software.

11. Intangible assets

| Particular              | GROSS BLOCK         |             |  | ACCUMULATED AMORTISATION |                     |                           | NET BLOCK                                      |                      |                      |
|-------------------------|---------------------|-------------|--|--------------------------|---------------------|---------------------------|--|----------------------|----------------------|
|                         | As of April 1, 2014 | Additions   | Effect of Translation*<br>As of March 31, 2015 | Disposals                | As of April 1, 2014 | Depreciation for the year | Effect of Translation*<br>As of March 31, 2015 | As of March 31, 2014 | As of March 31, 2015 |
| Intangible fixed assets |                     |             |  |                          |                     |                           |  |                      |                      |
| Technical know-how      | 680,578             | -           | 29,721   | -                        | 478,542             | 138,841                   | 24,046   | 68,870               | 202,035              |
| Patents and Trademarks  | 211,735,680         | -           | 7,629,902                                      | -                        | 10,586,784          | 110,192,075               | 1,343,505                                      | 97,243,218           | 201,148,896          |
|                         | <b>212,416,258</b>  | <b>-</b>    | <b>7,659,624</b>                               | <b>-</b>                 | <b>11,065,326</b>   | <b>110,330,916</b>        | <b>1,367,551</b>                               | <b>97,312,088</b>    | <b>201,350,931</b>   |
| Previous year - 2013-14 | 616,873             | 213,042,772 | (1,243,388)                                    | -                        | 310,436             | 10,789,026                | (34,136)                                       | 201,350,931          | 306,437              |

\* Represents Translation of Fixed Assets of non-integral operations into Indian rupees.