

WIPRO GULF LLC
(Formerly SAIC GULF LLC)
BALANCE SHEET

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

	Notes	31-Mar 2015	31-Jan 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share Capital	3	17,425,011	17,425,011
Reserves and Surplus	4	(5,819,312)	(61,511,848)
		11,605,699	(44,086,837)
Current Liabilities			
Trade payables	5	439,659,614	353,057,971
Other current liabilities	6	187,208,303	24,634,493
		631,703,628	377,692,464
TOTAL EQUITY AND LIABILITIES		643,309,327	333,605,627
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
Tangible assets	7	1,860,114	4,609,797
Deferred tax assets (net)		7,092,808	-
		8,952,922	4,609,797
Current assets			
Trade receivables	8	174,654,598	239,832,923
Cash and Cash equivalents	9	224,469,936	80,544,815
Short-term loans and advances	10	3,136,541	-
Other current assets	11	232,095,330	8,618,092
		634,356,405	328,995,830
TOTAL ASSETS		643,309,327	333,605,627

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

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

Proprietor

Membership No. 214156

Bangalore

sd/-

Director

sd/-

Director

WIPRO GULF LLC
(Formerly SAIC GULF LLC)
STATEMENT OF PROFIT & LOSS A/C
(in ₹, except share and per share data, unless otherwise stated)

	Notes	For the year ended	
		31-Mar 2015	31-Jan 2014
REVENUE			
Revenue from operations	12	803,619,574	341,625,975
Other Income	13	4,688	-
Total Revenue		803,624,262	341,625,975
EXPENSES			
Employee benefits expense	14	137,911,153	161,524,974
Finance Costs	15	1,203,986	158,459
Depreciation and amortization expense	7	2,677,704	1,989,438
Other expense	16	609,683,543	174,302,858
Total Expense		751,476,386	337,975,729
Profit/(Loss) before tax		52,147,876	3,650,246
Tax expense			
- current tax		4,728,943	-
- deferred tax		(6,936,207)	-
Net Profit/(Loss)		54,355,140	3,650,246
Earnings per equity share	17		
(Equity shares of par value OMR 1 each)			
Basic		362	24
Diluted		362	24

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

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
Proprietor
Membership No. 214156
Bangalore

sd/- sd/-
Director **Director**

WIPRO GULF LLC
(Formerly SAIC GULF LLC)
NOTES TO THE FINANCIAL STATEMENTS
(₹ in millions, except share and per share data, unless otherwise stated)

1. Company overview

Wipro Gulf LLC (“**Wipro Gulf LLC**” or “Company”) is a fully owned subsidiary of Wipro Cyprus Private Limited. Wipro Limited is the ultimate holding company. Wipro is a leading India based provider of IT Services, including Business Process Outsourcing (BPO) services, globally. The functional currency of the Company is OMR and reporting currency for this financial statement is Rupee (₹). These financial statements have been prepared and audited to attach with the accounts of the holding company, to comply with the provisions of Indian Companies Act, 2013.

2. Significant accounting policies

i. Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured on a fair value basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of Act (to the extent notified and applicable), Accounting Standards (‘AS’) issued by Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

ii. Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

iii. Fixed assets, intangible assets and work-in-progress

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.

iv. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of 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.

The Company recognizes provision for onerous contracts based on the estimate of excess of unavoidable costs of meeting obligations under the contracts over the expected economic benefits.

v. Revenue recognition

Services:

The company recognizes revenue when significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depend on the nature of the services rendered:

A. Time and material contracts

Revenues and costs relating to time and material contracts are recognized as the related services are rendered.

B. Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. When total cost estimated exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' included in other current assets represent cost and earnings in excess of billings as at the balance sheet date. 'Unearned revenues' included in other current liabilities represent billing in excess of revenue recognized.

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

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license.

C. Maintenance Contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

In certain projects, a fixed quantum of services or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to actual output achieved till date as a percentage of total contractual output. Any residual services utilized by the customer is recognized as revenue on completion of the terms.

Products:

Revenue from sale of products is recognized when the significant risks and rewards of ownership has been transferred in accordance with the sale contract. Revenue from product sales is shown gross of excise duty and net of sales tax separately charged and applicable discounts.

Other income

Agency commission is accrued when shipment of consignment is dispatched by the principal.

Interest is recognized using the time proportion method, based on the rates implicit in the transaction.

Dividend income is recognized when the company's right to receive dividend is established.

vi. 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

vii.. **Fixed Assets and Depreciation**

The Company has provided for depreciation using straight line method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 except in the case of following assets which are depreciated based on useful lives estimated by the Management:

Class of asset	Estimated useful life
Buildings	30 – 60 years
Computer including telecom equipment and software (included under plant and machinery)	2 – 7 years
Furniture and fixtures	5 – 6 years
Electrical installations (included under plant and machinery)	5 years
Vehicles	4 years

Freehold land is not depreciated.

Assets under finance lease are amortised over their estimated useful life or the lease term, whichever is lower.

For these class of assets, based on internal technical assessment the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

vii. Taxes

Income tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements by each entity in the Company.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment/ substantial enactment date

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

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

viii. Earnings per share

The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. 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.

ix. 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

3. Share Capital

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

	31-Mar	31-Jan
	2015	2014
Authorised Capital		
[150,000 (2014: 150,000) equity shares of OMR 1 each]	17,425,011	17,425,011
Issued, subscribed and paid-up capital		
150,000 (2014: 150,000) equity shares of OMR 1 each [Refer note (ii) below]	17,425,011	17,425,011
	17,425,011	17,425,011

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

	31-Mar	31-Jan
	2015	2014
Opening number of equity shares	150,000	150,000
Equity shares issued during the year	-	-
Closing number of equity shares / ADRs outstanding	150,000	150,000

(iii) Details of shareholding more than 5% shares of the Company

	31-Mar	31-Jan
	2015	2014
Equity shares		
Wipro Cyprus Private Limited*	149,850	149,850
Wipro Information Technology Netherlands BV*	150	150
	150,000	150,000

4. Reserves and Surplus

	31-Mar	31-Jan
	2015	2014
Transalation Reserve		
As at the beginning of the year	(8,310,567)	(1,269,944)
Movements during the year	1,337,396	(7,040,623)
	(6,973,171)	(8,310,567)
Surplus from statement of profit and loss		
Balance brought forward from previous year	(53,201,278)	(56,851,524)
Add: Profit/(Loss) for the year	54,355,140	3,650,246
	1,153,862	(53,201,278)
Summary of reserves and surplus		
Balance brought forward from previous year	(61,511,848)	(58,121,469)
Movement during the year	55,692,536	(3,390,379)
	(5,819,312)	(61,511,848)

4 (a) Additions to General Reserve include:

Particulars	31-Mar	31-Jan
	2015	2014
Transfer from Statement of Profit and Loss	54,355,140	3,650,246
	54,355,140	3,650,246

5. Trade payables

	31-Mar	31-Jan
	2015	2014
Sundry creditors	5,801,032	4,157,278
Sundry creditors – Payble to fellow subsidiaries	433,858,582	348,900,693
	439,659,614	353,057,971

6. Other current liabilities

	31-Mar	31-Jan
	2015	2014
Accrued expenses	186,773,208	23,593,364
Deferred Income	-	1,041,129
Other Liabilities	435,095	-
	187,208,303	24,634,493

7. Fixed Assets

Particular	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	As of Feb 1, 2014	Additions	(Deduction) / Adjustment	Effect of Translati on	As of Mar 31, 2015	As of Feb 1, 2014	Depreciati on for the year	Effect of Translati on	Disposals / adjustmen ts	As of Mar 31, 2015	As of Mar 31, 2015	As of Jan 31, 2014
Tangible fixed assets **												
Plant & machinery *	3,029,485	-	-	(7,574)	3,021,911	1,210,748	1,626,845	33,704	-	2,871,297	150,614	1,818,737
Furniture & fixture	4,881,183	-	-	(12,201)	4,868,982	2,090,123	1,050,859	18,500	-	3,159,482	1,709,500	2,791,060
	7,910,668	-	-	(19,775)	7,890,893	3,300,871	2,677,704	52,204	-	6,030,779	1,860,114	4,609,797
Previous year – 2014	4,916,836	2,123,001	-	870,831	7,910,668	1,174,911	1,989,438	136,522	-	3,300,871	4,609,797	3,741,925

8. Trade Receivables (Unsecured)

	31-Mar	31-Jan
	2015	2014
Debts outstanding for a period exceeding six months from the date they are due for payment		
Considered good	-	-
Considered doubtful	-	-
	-	-
Other debts		
Considered good	169,421,421	114,214,286
Receivables from fellow subsidiaries	5,233,177	125,618,637
Considered doubtful	-	-
	174,654,598	239,832,923
Less: Provision for doubtful debts	-	-
	174,654,598	239,832,923

9. Cash and bank balances

	31-Mar	31-Jan
	2015	2014
Balances with Banks		
- In current accounts	29,710,656	80,544,815
- In deposit accounts	194,759,280	-
	224,469,936	80,544,815

10. Short term loans and advances

(Unsecured, considered good unless otherwise stated)

	31-Mar	31-Jan
	2015	2014
Employee travel and other advances	3,136,541	-
	3,136,541	-

11. Other current assets

	31-Mar	31-Jan
	2015	2014
Other assets (Unbilled Revenue)	232,095,330	8,618,092
	232,095,330	8,618,092

12. Revenue from operations

	31-Mar	31-Jan
	2015	2014
Sale of services	803,619,574	341,625,975
	803,619,574	341,625,975

13. Other income

	31-Mar	31-Jan
	2015	2014
Interest from banks	4688	-
	4,688	-

14. Employee benefits expense

	31-Mar	31-Jan
	2015	2014
Salaries and wages	126,606,209	148,525,428
Employee bonus expenses	9,848,407	12,101,700
Gratuity & Leave encashment	1,456,537	897,846
	137,911,153	161,524,974

15. Finance costs

	31-Mar	31-Jan
	2015	2014
Interest on loans from fellow subsidiaries	1,203,986	158,459
	1,203,986	158,459

16. Other expenses

	31-Mar	31-Jan
	2015	2014
Sub contracting / technical fees / third party application	558,637,051	135,185,549
Travel	9,311,441	12,622,680
Communication	14,186,192	4,974,987
Legal and professional charges	3,679,553	219,768
Other Exchange Difference net	1,040,231	3,724,521
Transportation & Conveyance	386,331	300,342
Repairs to office	1,756,977	741,780
Power and fuel	83,318	146,545
Rent	5,699,492	5,233,419
Insurance	-	46,207
Miscellaneous expenses	14,902,957	11,107,060
	609,683,543	174,302,858

17. Earnings per share

	31-Mar	31-Jan
	2015	2014
Weighted average shares outstanding	150,000	150,000
Net Income considered for computing basic EPS	54,355,140	3,650,246
Earnings per equity share		
Basic	362	24
Diluted	362	24

16. The Company is a foreign company and is not governed by the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (the Act). Hence, the disclosures under the Act are not applicable to the Company.

17. The Company neither has more than one business segment nor more than one geographic segment; hence segment reporting is not required to be disclosed.

18. Related party relationships

Name of the entity	Relationship
Wipro Cyprus Private Limited	Holding Company
Wipro Limited	Ultimate Holding Company
Wipro UK Limited	Fellow Subsidiary
Wipro Travel Services Limited	Fellow Subsidiary
Wipro Information Technology Netherlands B	Fellow Subsidiary

Details of the transactions/balances with related parties:

Nature of the transaction	Amount
<u>Sales of services</u>	
Wipro Limited	42,614,635
Wipro UK Limited	1,156,902
<u>Outstanding Balances as on 31-Mar-15</u>	
Payable to Wipro Limited	337,245,836
Payable to Wipro UK Limited	91,010,546
Payable to Wipro Travel Services Limited	369,023

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
Proprietor
Membership No. 214156
Bangalore

sd/- sd/-
Director Director