

WIPRO UK LIMITED
(Formerly SAIC UK Limited)
BALANCE SHEET

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

	Notes	As on	
		Mar 31, 2015	Mar 31, 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share Capital	3	51,377,647	51,377,647
Reserves and Surplus	4	513,527,153	1,277,489,113
		564,904,800	1,328,866,760
Non- current liabilities			
Long-term Provisions	5	13,193,730	66,281,280
		13,193,730	66,281,280
Current Liabilities			
Trade payables	6	930,525,408	92,082,824
Other current liabilities	7	1,936,219,592	412,022,680
Short term provisions	8	154,910,819	102,721,383
		3,021,655,819	606,826,887
TOTAL EQUITY AND LIABILITIES		3,599,754,349	2,001,974,927
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
Tangible assets	9	17,845,265	26,187,789
Capital work-in-progress		-	898,194
Deferred tax assets (net)		136,814	42,264,051
Long-term loans and advances	10	103,034,269	-
		121,016,348	69,350,034
Current assets			
Trade receivables	11	412,956,669	519,863,701
Cash and Cash equivalents	12	141,205,474	842,558,474
Short-term loans and advances	13	1,361,472,620	229,584,433
Other current assets	14	1,563,103,238	340,618,285
		3,478,738,001	1,932,624,893
TOTAL ASSETS		3,599,754,349	2,001,974,927

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 UK LIMITED
(Formerly SAIC UK Limited)
STATEMENT OF PROFIT & LOSS
(in ₹, except share and per share data, unless otherwise stated)

	Notes	For the year ended,	
		Mar 31, 2015	Mar 31, 2014
REVENUE			
Revenue from operations	15	2,802,629,359	4,914,990,705
Other Income	16	2,150,916	3,349,283
Total Revenue		2,804,780,275	4,918,339,988
EXPENSES			
Employee benefits expense	17	1,459,156,555	2,151,018,674
Depreciation and amortization expense	9	20,152,643	32,399,294
Other expense	18	1,102,597,687	2,263,780,436
Total Expense		2,581,906,885	4,447,198,404
Profit/(Loss) before tax		222,873,390	471,141,584
Tax expense			
- current tax		149,463,511	99,271,077
- deferred tax		41,721,879	-
Net Profit		31,688,000	471,141,584
Earnings per equity share	19		
(Equity shares of par value GBP 1 each)			
Basic		45	667
Diluted		45	667

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 UK LIMITED
(Formerly SAIC UK Limited)
CASHFLOW STATEMENT

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

	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash flows from operating activities:		
Profit before tax	222,873,390	471,141,584
<i>Adjustments:</i>		
Depreciation	20,152,643	-
Unrealised exchange differences - net	(5,181,394)	153,804,148
Interest - net	(2,150,916)	-
Working capital changes :		
Trade receivables	106,907,032	(54,770,924)
Loans and advances	(2,535,471,520)	1,989,542,054
Current liabilities & provisions	2,361,741,382	(2,150,833,582)
Net cash used for operations	168,870,617	408,883,280
Direct taxes paid	(71,399,400)	(56,418,624)
Net cash used for operating activities	97,471,217	352,464,656
B. Cash flows from investing activities:		
Payment for fixed assets (including capital advances),net	(11,508,779)	10,165,033
Interest income received	2,150,916	-
Net cash used in investing activities	(9,357,863)	10,165,033
C. Cash flows from financing activities:		
Dividends paid	(789,466,354)	-
Net cash generated from financing activities	(789,466,354)	-
Net increase in cash and cash equivalents during the year	(701,353,000)	362,629,689
Cash and cash equivalents at the beginning of the year	842,558,474	479,928,785
Cash and cash equivalents at the end of the year	141,205,474	842,558,474

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

Sd/-
CA.K.Appaji
Proprietor
Membership No. 214156
Bangalore

For and on behalf of the Board of Directors

Sd/-
Director

Sd/-
Director

WIPRO UK LIMITED
(Formerly SAIC UK Limited)
NOTES TO THE FINANCIAL STATEMENTS
(In ₹, except share and per share data, unless otherwise stated)

1. Company Overview

Wipro UK Limited (“the Company”) is a subsidiary of Wipro Europe Limited (‘the holding company’). Wipro Limited is the ultimate holding company. The Company is engaged in providing IT and IT enabled services in the field of Oil and Gas. The functional currency of the Company is GBP (£) 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.

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) 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.

(iv) Fixed Asset 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.

(v) 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.

(vi) 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 conversion has been transferred to Translation Reserve in Reserve and Surplus.

(vii) Goodwill

Goodwill acquired on acquisition of business is not being amortised. It is tested for impairment on a periodic basis and written off if found impaired.

(viii) 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.

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(ix) 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.

(x) 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 on	
	Mar 31, 2015	Mar 31, 2014
Authorised Capital		
[706,725 (Jan 2012: 706,725) equity shares of GBP 1 each]	51377647	51,377,647
Issued, subscribed and paid-up capital		
706,725 (Jan 2012: 706,725) equity shares of GBP 1 each [Refer note (ii) below]	51,377,647	51,377,647
(Of the above 706,725 (Jan 2012: 706,725) equity shares of GBP 1 each are held by Wipro Europe Limited (formerly SAIC Europe Limited), the holding company)		
	51,377,647	51,377,647

(ii) The following is the reconciliation of number of shares as at Mar 31, 2014

	As on	
	Mar 31, 2015	Mar 31, 2014
Opening number of equity shares	706,725	706,725
Equity shares	-	-
Closing number of equity shares / ADRs outstanding	706,725	706,725

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

	As on	
	Mar 31, 2015	Mar 31, 2014
Equity shares		
Shares held by holding company (100% of the shares)	706,725	706,725
	706,725	706,725

4. Reserves and Surplus:

	As of March 31,	
	2015	2,014
Securities premium account		
As at the beginning of the year	705,263,425	705,263,425
Adjustment entry for Goodwill	(198,159,280)	-
	507,104,145	705,263,425
Translation Reserve		
As at the beginning of the year	237,575,359	83,771,211
Movements during the year	(6,183,606)	153,804,148
	231,391,753	237,575,359
Surplus from statement of profit and loss		
Balance brought forward from previous year	334,650,329	(37,220,178)
Adjustment entry for Goodwill	198,159,280	
Add: Profit for the year	31,688,000	371,870,507
Less : Dividend distributed out of prior year profits	(789,466,354)	-
	(224,968,745)	334,650,329

Summary of reserves and surplus

Balance brought forward from previous year	1,277,489,113	751,814,458
Movement during the year	(763,961,960)	525,674,655
	513,527,153	1,277,489,113

4 (a) Additions to General Reserve include:

Particulars	For the year ended	
	Mar 31, 2015	Mar 31, 2014
Transfer from Statement of Profit and Loss	31,688,000	371,870,507
	31,688,000	371,870,507

5. Long term provisions

	As of March 31,	
	2015	2,014
Pension	13,193,730	66,281,280
	13,193,730	66,281,280

6. Trade payables

	As of March 31,	
	2015	2,014
Sundry creditors	131,683,613	67,881,205
Sundry creditors – Payable to Fellow subsidiaries/Holding/Ultimate Holding Company	798,841,795	24,201,619
	930,525,408	92,082,824

7. Other current liabilities

	As of March 31,	
	2015	2,014
Accrued expenses	62,476,836	199,606,609
Unearned revenue	131,534,892	903,037
Statutory liabilities	1,531,820,051	124,077,103
Other salary recoveries payable	50,742,770	9,579,630
Others	159,645,043	77,856,301
	1,936,219,592	412,022,680

8. Short term provisions

	As of March 31,	
	2015	2,014
Provision for tax less advance tax	154,910,819	102,721,383
	154,910,819	102,721,383

10. Long term loans and advances

(Unsecured, considered good unless otherwise stated)

	As of March 31,	
	2015	2,014
Advance income tax less provision for tax	103,034,269	148,996,635
	103,034,269	148,996,635

11. Trade Receivables (Unsecured)

	As of March 31,	
	2015	2,014
Debts outstanding for a period exceeding six months from the date they are due for payment		
Considered good	-	-
Considered doubtful	8,312,749	-
	8,312,749	-
Other debts		
Considered good	412,956,669	519,863,701
Considered doubtful	-	4,797,939
	412,956,669	524,661,640
Less: Provision for doubtful debts	8,312,749	4,797,939
	412,956,669	519,863,701

12. Cash and bank balances

	As of March 31,	
	2015	2,014
Balances with Banks		
- In current accounts	141,205,474	842,290,105
Cheques, cash on hand	-	268,369
	141,205,474	842,558,474

13. Short term loans and advances

(Unsecured, considered good unless otherwise stated)

	As of March 31,	
	2015	2014
Employee travel and other advances	4,886,999	3,264,183
Prepaid expenses	45,198,997	66,347,542
Rent deposits	108,400	2,292,847
Receivable from fellow subsidiaries	1,296,425,813	(1,979,029)
Others	14,852,411	10,662,254
	1,361,472,620	80,587,798

14. Other current assets

	As of March 31,	
	2015	2014
Unbilled revenue	1,563,103,238	340,618,285
	1,563,103,238	340,618,285

15. Revenue from operations

	As of March 31,	
	2015	2014
Sale of services	2,802,629,359	4,914,990,705
	2,802,629,359	4,914,990,705

16. Other income

	As of March 31,	
	2015	2014
Interest from banks	2,150,916	3,349,283
	2,150,916	3,349,283

17. Employee benefits expense

	As of March 31,	
	2015	2014
Salaries and wages	1,439,869,408	2,094,614,433
Training and Development	-	1,096,085
Stock compensation expense	377,954	449,053
Employee Bonus	4,459,494	36,787,702
Staff welfare expenses	14,449,699	18,071,401
	1,459,156,555	2,151,018,674

18. Other expenses

	As of March 31,	
	2015	2014
Sub contracting / technical fees / third party application	337,852,659	1,385,777,581
Travel	192,579,095	190,520,950
Pension	134,010,825	151,004,337
Communication	51,754,808	10,431,789
Legal and professional charges	14,623,883	18,593,668
Office repair and maintenance	-	8,230,323
Provision for Doubtful Debt	4,048,068	3,696,553
Repairs and maintenance	113,890,250	197,453,197
Power and fuel	17,138,675	24,055,158
Rent	104,491,510	79,416,141
Stores and spares	394	867,229
Insurance	27,264,474	30,327,098
Rates and taxes	2,159,124	22,545,036
Other exchange differences, net	76,183,335	10,384,027
Bank Charges	-	3,030,992
Miscellaneous expenses	26,600,587	127,446,357
	1,102,597,687	2,263,780,436

19. Earnings per share

	As of March 31,	
	2015	2014
Weighted average shares outstanding	706,725	706,725
Net Income considered for computing basic EPS	31,688,000	471,141,584
Basic	45	667

20. Related Party Transaction

The following are the entities with which the Company had related party transactions:

Name of the party	Relationship with The Company
Wipro Europe Limited	Holding Company
Wipro Limited	Ultimate Holding Company
Wipro Europe	Fellow Subsidiary
Wipro Hungary Holdings	Fellow Subsidiary
Wipro Gulf LLC	Fellow Subsidiary
Wipro Energy IT Services Private Limited	Fellow Subsidiary
Wipro Travel Services Limited	Fellow Subsidiary

The Company had the following transactions with related parties:

	Amount
Sales	
Wipro Limited	840,882,969
Wipro Technologies GmbH	16,303,534
Wipro Australia Pty Ltd	3,751,884
Wipro Gulf LLC	6,016,297
Subcontracting charges	
Wipro Limited	179,485,193
Wipro Europe	40,848,648
Wipro Gulf LLC	15,806,728
Outstanding balances with related parties:	
Payable to Wipro Europe Limited	53,772,369
Receivable from Wipro Limited	339,493,885
Payable to Wipro Retail - Portugal	19,051
Receivable from Wipro Technologies GmbH	3,122,498
Receivable from Wipro Australia Pty Ltd	3,469,704
Receivable from Wipro Europe SARL	58,726,158
Receivable from Wipro Gulf LLC	91,078,092
Payable to Wipro Travel Services Limited	92,112
Payable to Wipro Holdings (UK) PLC	366,499

20. 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.

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

22. Hitherto the applicability of revised Schedule III from the current year, the Company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule III does not impact recognition and measurement principle followed for the preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of Balance Sheet.

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

For and on behalf of the Board of Directors

sd/-
CA.K .Appaji
Proprietor
Membership No. 214156
Bangalore

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