

WIPRO BAHRAIN LIMITED WLL

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED
MARCH 31, 2016

WIPRO BAHRAIN LIMITED WLL

BALANCE SHEET

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

	Notes	As on March 31,	
		2016	2015
I. EQUITY AND LIABILITIES			
1. Shareholder's funds			
Share Capital	3	62,49,685	62,49,685
Reserves and Surplus	4	2352,53,552	801,45,336
		2415,03,237	863,95,021
2. Non- current liabilities			
Long-term Provisions.....	5	114,11,236	248,59,132
		114,11,236	248,59,132
3. Current Liabilities			
Trade payables.....	6	1170,73,648	309,81,846
Other current liabilities.....	7	611,95,970	22,77,941
Short term provisions.....	8	6,34,641	-
		1789,04,259	332,59,788
TOTAL EQUITY AND LIABILITIES		4318,18,732	1445,13,941
II ASSETS			
1. Non-current assets			
Fixed assets			
Tangible assets	9	59,173	17
		59,173	17
2. Current assets			
Trade receivables	10	2059,04,103	560,12,770
Cash and bank balances.....	11	325,00,385	356,12,888
Short-term loans and advances	12	50,48,472	67,36,194
Other current assets.....	13	1883,06,598	461,52,072
		4317,59,559	1445,13,924
TOTAL ASSETS.....		4318,18,732	1445,13,941

As per our report attached
 For, **Y. S. SHETTY & CO.**
 Chartered Accountants
 Firm Registration number : 006308S

For and on behalf of Board of Directors

(Shyam Prasad Shetty.Y.)
 Partner
 Membership no. 202597

S/d

S/d

Place : Bangalore
 Date : 27/05/2016

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL**WIPRO BAHRAIN LIMITED WLL
STATEMENT OF PROFIT AND LOSS ACCOUNT**

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

	Notes	For the year ended March 31,	
		2016	2015
REVENUE			
Revenue from operations (gross).....	14	5696,91,998	2100,30,149
Revenue from operations (net).....		5696,91,998	2100,30,149
Other Income	15	100	-
Total Revenue		5696,92,098	2100,30,149
EXPENSES			
Cost of Materials Consumed	16	174,71,390	148,58,531
Employee benefits expense	17	2216,16,206	1227,32,720
Finance Costs	18	23,25,898	2,50,667
Depreciation expense.....		-	-
Other expense	19	1379,89,473	403,67,278
Total Expense		3794,02,968	1782,09,197
Profit before tax		1902,89,131	318,20,954
Profit after tax		1902,89,131	318,20,954
Earnings per equity share [Refer note 21]			
(Equity shares of par value BHD 100/- each)			
Basic		3,80,578	63,642
Diluted		3,80,578	63,642

As per our report attached
For, **Y. S. SHETTY & CO.**
Chartered Accountants
Firm Registration number :006308S

For and on behalf of Board of Directors

(Shyam Prasad Shetty.Y.)
Partner
Membership no. **202597**

S/d

S/d

Place : Bangalore
Date : 27/05/2016

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL

WIPRO BAHRAIN LIMITED WLL

CASH FLOW STATEMENT

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

	Year ended March 31,	
	2016	2015
A. Cash flows from operating activities:		
Profit before tax.....	1902,89,131	318,20,954
<i>Adjustments:</i>		
Depreciation and amortisation.....	-	-
Exchange differences, net.....	72,76,440	56,61,227
Working capital changes :		
Increase / (decrease) in trade payables.....	860,91,802	(201,61,228)
Increase / (decrease) in long-term provisions.....	(134,47,897)	95,38,557
Increase / (decrease) in other current liabilities.....	595,52,670	12,08,514
Increase / (decrease) in trade receivables.....	(1498,91,333)	424,92,601
Increase / (decrease) in short-term loans & advances.....	16,87,722	(13,59,811)
Increase / (decrease) in other current assets.....	(1421,54,526)	(178,37,777)
Net cash generated from / (used in) operations.....	394,04,008	513,63,035
Net cash generated by / (used in) operating activities.....	394,04,008	513,63,035
B. Cash flows from investing activities:		
Acquisition of fixed assets (including capital advances, intangible assets & CWIP)	(58,331)	-
Net cash from / (used in) investing activities.....	(58,331)	-
C. Cash flows from financing activities:		
Dividends paid (including distribution tax).....	(424,58,179)	(1352,00,904)
Net cash used in financing activities.....	(424,58,179)	(1352,00,904)
Net (decrease) / increase in cash and cash equivalents during the period.....	(31,12,502)	(838,37,868)
Cash and cash equivalents at the beginning of the period.....	356,12,888	1194,50,757
Cash and cash equivalents at the end of the period	356,12,888	356,12,888

As per our report attached
 For, **Y. S. SHETTY & CO.**
 Chartered Accountants
 Firm Registration number : 006308S

For and on behalf of Board of Directors

(Shyam Prasad Shetty.Y.)
 Partner
 Membership no. **202597**

S/d

S/d

Place : Bangalore
 Date : 27/05/2016

NOTES TO THE FINANCIAL STATEMENT

(In Rupee, except share and per share data, unless otherwise stated)

1. Company overview

Wipro Bahrain Limited WLL (“the Company”) is a subsidiary of Wipro Cyprus Pvt. Ltd. The Company is registered in Kingdom Of Bahrain effective from 28th October 2009.

Wipro Bahrain Limited WLL is a services provider that aims to deliver technology solutions to drive business needs of its Clients in Kingdom Of Bahrain in Engineering Services, Industrial Products, Systems & Integration and Information Technology, Import, export & sale of computer software/hardware & System Suppliers & Accessories.

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. 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.

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL

'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 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.

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL

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.

v. 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.

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.

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.

vi. Income tax

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

vii. 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.

viii. 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.

ix. 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.

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL

NOTES TO BALANCE SHEET

	As of March 31,	
	2016	2015
Note 3 Share Capital		
Authorised capital		
500 (March 31, 2015: 500) equity shares of BHD. 100 each	62,49,685	62,49,685
	62,49,685	62,49,685
Issued, subscribed and paid-up capital		
500 (March 31, 2015: 500) equity shares of BHD. 100 each [Refer note (ii) below]	62,49,685	62,49,685
	62,49,685	62,49,685
 (ii) The following is the reconciliation of number of shares as at March 31, 2016		
Opening number of equity shares.....	500	500
Closing number of equity shares outstanding.....	500	500
 Note 4 Reserves and Surplus		
Translation Reserve		
Balance brought forward from previous year	277,42,201	220,80,973
Additions during the year	72,77,264	56,61,227
	350,19,466	277,42,201
General reserve		
Balance brought forward from previous year	524,03,085	1557,83,035
Transferred from Profit & Loss Account	1902,89,131	318,20,954
Deductions during the year	(424,58,179)	(1352,00,904)
	2002,34,037	524,03,085
Surplus from statement of profit and loss		
Balance brought forward from previous year		
Add: Profit for the year	1902,89,131	318,20,954
Less: Appropriations		
- Amount transferred to general reserve	1902,89,131	318,20,954
Closing balance.....	-	-
 Summary of reserves and surplus		
Balance brought forward from previous year	801,45,336	1778,64,059
Movement during the year	1975,66,395	374,82,181
	2352,53,552	801,45,336
	As of March 31,	
	2016	2015
 Note 5 Long-term Provisions		
Employee retirement benefits	111,19,396	213,49,689
Deferred Compensation	2,91,839	35,09,442
	114,11,236	248,59,132
 Note 6 Trade payables		
Sundry creditors	132,05,844	32,43,168
Payables to Group companies	1038,67,804	55,05,753
Payables to Holding company	-	222,32,925
	1170,73,648	309,81,846

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL

NOTES TO BALANCE SHEET

	As of March 31,	
	2016	2015
Note 7 Other current liabilities		
Unearned revenue	483,89,723	21,03,307
Outstanding Liabilities	126,88,298	-
Advances from customers	1,17,949	1,74,634
	611,95,970	22,77,941
Note 8 Short term provisions		
Warranty	6,34,641	-
	6,34,641	-
Note 9 Tangible Assets		
	machinery	machinery
Gross carrying value		
As at April 1, 2015.....	1,55,143	1,48,683
Additions.....	58,331	-
Translation Adjustment.....	10,140	6,460
As at March 31, 2016.....	2,23,614	1,55,143
Depreciation		
As at April 1, 2015.....	1,55,144	1,48,668
Charge for the year.....	-	-
Translation Adjustment.....	9,298	6,460
As at March 31, 2016.....	1,64,443	1,55,130
Net Block		
As at March 31, 2016.....	59,174	17
Note 10 Trade Receivables		
Debts outstanding for a period exceeding six months		
Considered good	1361,03,351	272,59,162
Considered doubtful	349,92,952	129,40,640
Less: Provision for doubtful debts	(349,92,952)	(129,40,640)
	1361,03,351	272,59,162
Other receivables		
Considered good	698,00,753	287,53,570
Less: Provision for doubtful debts	-	-
	698,00,753	287,53,570
Total (A + B).....	2059,04,103	560,12,769
Note 11 Cash and cash equivalents		
Balances with scheduled banks		
In current account	325,00,385	356,12,888
	325,00,385	356,12,888
Note 12 Short-term loans and advances		
Employee travel & other advances	33,09,522	54,02,160
Others	20,433	4,37,418
Prepaid expenses	17,18,517	8,96,615
Other deposits		
Advance income tax less provision for tax		
	50,48,472	67,36,194
Note 13 Other current assets		
Receivable from Group companies	-	199,55,299
Unbilled revenue	1883,06,561	261,96,774
	1883,06,561	461,52,072

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL**FINANCIAL STATEMENTS OF WIPRO BAHRAIN WLL LTD****NOTES TO PROFIT AND LOSS ACCOUNT**

	Year ended March 31,	
	2016	2015
Note 14 Revenue from Operations		
Sale of products	206,70,901	56,14,087
Sale of services	5490,21,096	2044,16,062
Revenue from operations (gross)	5696,91,998	2100,30,149
Note 15 Other Income		
Miscellaneous income	100	-
	100	-
Note 16 Cost of Materials Consumed		
Opening stocks		-
Add: Purchases	174,71,390	148,58,531
Less: Closing stocks		-
	174,71,390	148,58,531
Note 17 Employee benefits expense		
Salaries and wages	2021,53,946	1096,78,895
Contribution to provident and other funds	51,13,788	56,91,465
Leave Encashments	120,75,908	60,48,371
Staff welfare expenses	22,72,563	13,13,989
	2216,16,206	1227,32,720
Note 18 Finance costs		
Bank charges and others	23,25,898	2,50,667
	23,25,898	2,50,667
Note 19 Other expenses		
Sub contracting / technical fees / third party application	702,76,419.43	-
Travel	282,49,546	139,33,817
Rent	26,96,301	19,25,574
Stores and spares	96,534	55,385
Insurance	92,32,135	68,25,411
Communication	34,13,820	24,33,916
Staff recruitment	7,62,328	-
Legal and professional charges	9,73,830	8,76,886
Other exchange differences, net	2,93,767	8,49,089
Provision for doubtful debts	209,78,741	126,54,407
Miscellaneous expenses	10,16,053	8,12,794
	1379,89,473	403,67,278

Note 20. 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 Arabia Ltd	Fellow Subsidiary
Wipro Information Technology Egypt SAE	Fellow Subsidiary
Wipro Travel Service Ltd	Fellow Subsidiary
Wipro Cyprus Pvt. Ltd	Holding Company

The Company had the following transactions with related parties during the year ended March 31, 2016.
(In Rs)

Name of the party	For the year ended	
	March 31, 2016	March 31, 2015
Dividend Income – Wipro Cyprus Ltd	42,458,179	135,200,904
Offshore Subcontracting Charges -Wipro Ltd.	75,149,542	-

The following is the listing of receivables and payables to related parties as at March 31, 2016.

Name of the party	For the year ended	
	March 31, 2016	March 31, 2015
Payables:		
Wipro Limited	96,775,130	5,228,228
Wipro Information Technology Egypt SAE	219,974	207,512
Wipro Cyprus Pvt. Ltd	-	22,232,925
Wipro Travel Service	1,975,722	70,013
Wipro Arabia Ltd	4,896,978	-

Name of the party	For the year ended	
	March 31, 2016	March 31, 2015
Receivable:		
Wipro Arabia Ltd	-	19,955,29

Note 21. Earnings per share

(In Rs)

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
Profit for the year as per profit and loss account	190,289,131	31,820,954
Weighted average number of equity shares used for computing basic and diluted EPS	500	500
Earnings per share basic and diluted (face value: BHD 100 each)	380,578	63,642

Note 22. 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.

Note 23. Transfer pricing.

The Company's management is of the opinion that its international transactions with related parties are at arm's length and that the Company's management believes that the transfer pricing legislation will not have any impact on the financial statements for the year ended 31 March 2016, particularly on the amount of tax expense and that of the provision for taxation.

Note 24.

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.

Note 25.

The figures of the previous period have been regrouped / reclassified, where necessary, to confirm to the current year classification.

As per our report of even date attached

For, **Y. S. SHETTY & Co.**

Chartered Accountants

Firm Registration number: 006308S

For and on behalf of Board of Directors

(Shyam Prasad Shetty Y)

Partner

Membership number: **202597**

Place: Bangalore

Date: 27/05/2016

S/d

S/d

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL

FINANCIAL STATEMENTS OF WIPRO LIMITED - STANDALONE

3 (iii) Details of Shareholding Pattern by Related Parties

Sl No.	Name of Shareholders	As at March 31 2016		As at March 31 2015	
		No. of Shares	% of holdings	No. of Shares	% of holdings
1	Wipro Singapore Pte Limited	-	-	-	-
2	Wipro Cyprus Private Limited	500	100.00	500	100.00

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL

FINANCIAL STATEMENTS OF WIPRO BAHRAIN WLL LTD - STANDALONE

9. Tangible assets

Particular	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK*	
	As of April 1, 2015	Additions	Effect of Translation *	Disposals	As of March 31, 2016	As of April 1, 2015	Depreciation for the year	Effect of Translation *	Disposals / adjustments	As of March 31, 2016	As of March 31, 2016	As of March 31, 2015
Tangible fixed assets												
Buildings **	-	-	-	-	-	-	-	-	-	-	-	-
Plant & machinery ***	1,55,143	58,331	10,141	-	2,23,615	1,55,127	-	9,315	-	1,64,442	59,173	17
Furniture & fixture	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	-	-	-	-	-	-	-	-	-	-	-	-
	1,55,143	58,331	10,141	-	2,23,615	1,55,127	-	9,315	-	1,64,442	59,173	17

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

** Building includes lease hold improvements.

*** Plant and machinery includes computers and computer software.