



WIPRO GULF LLC

FINANCIAL STATEMENTS

**AS OF AND FOR THE PERIOD ENDED
MARCH 31, 2016**

WIPRO GULF LLC

BALANCE SHEET

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

		Year ended March 31,	
		2016	2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	3	174,25,011	174,25,011
Reserves and surplus	4	3524,61,492	(58,19,312)
		3698,86,503	116,05,699
3. Non-current liabilities			
Long term borrowings		-	-
Deferred tax liabilities		-	-
Other long term liabilities		-	-
Long term provisions	5	68,30,555	-
		68,30,555	-
2. Current liabilities			
Short term borrowings		-	-
Trade payables	6	4551,57,786	6264,32,822
Other current liabilities	7	2753,90,125	4,35,095
Short term provisions	8	590,26,336	48,35,711
		7895,74,247	6317,03,628
TOTAL EQUITY AND LIABILITIES		11662,91,305	6433,09,327
II ASSETS			
1. Non-current assets			
Fixed assets			
Tangible assets	9	8,31,494	18,60,114
Non-current investments		-	-
Deferred tax assets		75,18,712	70,92,808
Long term loans and advances	10	288,46,791	-
		371,96,997	89,52,922
1. Current assets			
Trade receivables	11	726,04,993	1694,21,421
Cash and bank balances	12	5485,41,214	2244,69,936
Short term loans and advances	13	1714,28,044	83,69,718
Other current assets	14	3365,20,057	2320,95,330
		11290,94,308	6343,56,405
TOTAL ASSETS		11662,91,305	6433,09,327

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

For and on behalf of the Board of Directors

CA.K .Appaji
Proprietor
Membership No. 214156
Bangalore

S/d

S/d

WIPRO GULF LLC
STATEMENT OF PROFIT AND LOSS ACCOUNT
(Amount in Rupees except share and per share data, unless otherwise stated)

	Notes	Year ended March 31,	
		2016	2015
REVENUE			
Revenue from operations (gross)	15	18011,96,204	8036,19,574
Less: Excise duty		-	-
Revenue from operations (net)		18011,96,204	8036,19,574
Other income	16	1,10,639	4,688
Total Revenue		18013,06,843	8036,24,262
EXPENSES			
Cost of materials consumed		-	-
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, work in progress and stock-in-trade		-	-
Employee benefits expense	17	1178,42,627	1379,11,153
Sub Contracting/Technical Fees			
Finance costs	18	-	12,03,986
Depreciation and amortisation expense	9	11,24,943	26,77,704
Other expenses	19	12797,68,583	6096,83,543
Total Expenses		13987,36,153	7514,76,386
Profit before tax		4025,70,691	521,47,876
Tax expense			
Current tax		498,07,146	47,28,943
Deferred tax		-	(69,36,207)
		498,07,146	(22,07,264)
Net Profit		3527,63,545	543,55,140
Earnings per equity share			
Basic		2,351.76	362
Diluted		2,351.76	362

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

For and on behalf of the Board of Directors

CA.K .Appaji
Proprietor
Membership No. 214156
Bangalore

S/d

S/d

WIPRO GULF LLC
CASH FLOW STATEMENT

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

	For the year ended March 31,	
	2016	2015
A. Cash flows from operating activities:		
Profit / (Loss) before tax	4025,70,691	521,47,876
<i>Adjustments:</i>		
<i>Depreciation and amortization</i>		
Depreciation and amortization	11,24,943	26,77,704
Unrealised exchange differences - net	59,65,996	13,37,396
Interest on borrowings	-	12,03,986
Dividend / interest - net	(1,10,639)	(4,688)
Working capital changes :		
Trade and other receivable	968,16,428	651,78,325
Loans and advances	(1630,58,326)	(31,14,395)
Other current Assets	(1044,24,727)	(2234,77,238)
Other Non current Assets	(273,25,053)	-
Trade and other payables	(1712,75,036)	2487,40,358
Provision	2851,98,099	4,35,095
Direct taxes paid	(15,21,738)	
Net cash generated by / (used in) operating activities	3239,60,637	1451,24,419
B. Cash flows from investing activities:		
Dividend / interest income received	1,10,639	4,688
Net cash generated by / (used in) investing activities	1,10,639	4,688
B. Cash flows from financing activities:		
Interest paid on borrowings	-	(12,03,986)
Net cash generated by / (used in) financing activities	-	(12,03,986)
Net (decrease) / increase in cash and cash equivalents during the period	3240,71,276	1439,25,121
Cash and cash equivalents at the beginning of the period	2244,69,938	805,44,817
Cash and cash equivalents at the end of the period	5485,41,214	2244,69,938

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

For and on behalf of the Board of Directors

S/d

S/d

CA.K .Appaji
Proprietor
Membership No. 214156
Bangalore

WIPRO GULF LLC
(Formerly SAIC GULF LLC)
NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rupees, 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

Note 3 Share Capital

	<u>31-Mar</u> <u>2016</u>	<u>31-Mar</u> <u>2015</u>
Authorised capital		
[150,000 (2014: 150,000) equity shares of OMR 1 each]	<u>17,425,011</u>	<u>17,425,011</u>
Issued, subscribed and paid-up capital		
150,000 (2014: 150,000) equity shares of OMR 1 each [Refer note (ii) below]	<u>17,425,011</u>	<u>17,425,011</u>
	<u>17,425,011</u>	<u>17,425,011</u>
(ii) The following is the reconciliation of number of shares.		
Opening number of equity shares	150,000	150,000
Equity shares issued during the year	-	-
Closing number of equity shares / ADRs outstanding	<u>150,000</u>	<u>150,000</u>
(iii) Details of shareholding more than 5% shares of the Company		
Equity shares		
Wipro Cyprus Private Limited*	149,850	149,850
Wipro Information Technology Netherlands BV*	150	150
	<u>150,000</u>	<u>150,000</u>

Note 4 Reserves and Surplus

Translation reserve

Balance brought forward from previous year	(6,973,171)	(8,310,567)
Movement during the period	<u>5,517,260</u>	<u>1,337,396</u>
	<u>(1,455,911)</u>	<u>(6,973,171)</u>

Surplus from statement of profit and loss

Balance brought forward from previous year	1,153,859	(53,201,281)
Add: Profit/(loss) for the year	352,763,544	54,355,140
Less: Appropriations		
- Amount transferred to general reserve	-	-
Closing balance	<u>353,917,403</u>	<u>1,153,859</u>

Summary of reserves and surplus

Balance brought forward from previous year	(5,819,312)	(61,511,848)
Movement during the year	<u>358,280,804</u>	<u>55,692,536</u>
	<u>352,461,492</u>	<u>(5,819,312)</u>

Note 5 Long term Provisions

Employee benefit obligation	6,830,555	-
Warranty provision	-	-
	<u>6,830,555</u>	<u>-</u>

Note 6 Trade payables

Trade Payables-Due to micro and small enterprises	-	-
Trade Payables-Due to other than micro and small enterprises	202,153	5,801,032
Payable to ultimate holding company	90,055,235	433,858,582
Accrued expenses	<u>364,900,398</u>	<u>186,773,208</u>
	<u>455,157,786</u>	<u>626,432,822</u>

Note 7 Other current liabilities

	31-Mar 2016	31-Mar 2015
Current Maturities of loan term borrowings	-	-
Salary Payable	411,626	435,095
Unearned revenue	-	-
Statutory liabilities	3,617,555	-
Other Liabilities	6,299,193	-
Balances due to related parties	265,061,751	-
	275,390,125	435,095

Note 8 Short term provisions

Employee benefit obligations	3,412,513	-
Provision for tax	55,613,822	4,835,711
Proposed dividend	-	-
	59,026,336	4,835,711

Note 9 Fixed 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, 2015
Tangible fixed assets											
Buildings **	-	-	-	-	-	-	-	-	-	-	-
Plant & machinery ***	3,021,911	-	181,458	-	3,203,369	2,871,297	157,506	174,566	-	3,203,369	150,614
Furniture & fixture	4,868,982	-	292,369	-	5,161,351	3,159,482	967,437	202,938	-	4,329,857	1,709,500
Office equipments	-	-	-	-	-	-	-	-	-	-	-
	7,890,893	-	473,827	-	8,364,720	6,030,779	1,124,943	377,505	-	7,533,226	1,860,114

* 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.

Note 10 Long term loans and advances

(Unsecured, considered good unless otherwise stated)

	31-Mar 2016	31-Mar 2015
Prepaid expenses	27,325,053	-
Advance income tax, net of provision for tax	1,521,738	-
	28,846,791	-

	<u>31-Mar</u> <u>2016</u>	<u>31-Mar</u> <u>2015</u>
Note 11 Trade Receivable (Unsecured)		
Over six months from the date they were due for payment		
Considered good	4,232,005	-
Considered doubtful	0.02	-
	<u>4,232,005.09</u>	<u>-</u>
Less: Provision for doubtful receivables	-	-
	<u>4,232,005.00</u>	<u>-</u>
Other receivables		
Considered good	68,372,988	169,421,421
Considered doubtful	-	-
	<u>68,372,988</u>	<u>169,421,421</u>
Less: Provision for doubtful receivables	-	-
	<u>68,372,988</u>	<u>169,421,421</u>
	<u>72,604,993</u>	<u>169,421,421</u>

Note 12 Cash and bank balances

	<u>31-Mar</u> <u>2016</u>	<u>31-Mar</u> <u>2015</u>
Cash and cash equivalents		
Balances with banks		
In current accounts	84,019,618	29,710,656
Unclaimed Dividend	-	-
In deposit accounts	464,521,596	194,759,280
Cheques, Drafts on hand	-	-
Cash in Hand	-	-
	<u>548,541,214</u>	<u>224,469,936</u>

Note 13 Short-term loans and advances

(Unsecured, considered good unless otherwise stated)

Employee travel & other advances	(1,168,049)	3,136,541
Advance to suppliers	(98,482)	-
Balance with Group Companies	162,774,028	5,233,177
Balances with excise, customs and other authorities	-	-
Prepaid expenses	9,920,547	-
	<u>171,428,044</u>	<u>8,369,718</u>
Less: Provision for doubtful loans and advances	-	-
	<u>171,428,044</u>	<u>8,369,718</u>

Note 14 Other current assets

	<u>31-Mar</u> <u>2016</u>	<u>31-Mar</u> <u>2015</u>
Secured and considered good:		
Finance lease receivables	-	-
	<u>-</u>	<u>-</u>
Unsecured and considered good:		
Unbilled revenue	336,520,057	232,095,330
	<u>336,520,057</u>	<u>232,095,330</u>
	<u>336,520,057</u>	<u>232,095,330</u>

	31-Mar 2016	31-Mar 2015
Note 15 Revenue from Operations		
Sale of products	-	0
Sale of services	1,801,196,204	803,619,574
Revenue from operations (gross)	1,801,196,204	803,619,574
Note 16 Other Income		
Interest on debt instruments and others	110,639	4,688
	110,639	4,688
Note 17 Employee benefits expense		
Salaries and wages	109,770,097	136,454,616
Contribution to provident and other funds	6,578,941	1,456,537
Expenses on employee stock purchase plan (ESPP)	11,272	-
Employee Insurance expenses	-	-
Staff welfare expenses	1,482,317	0
	117,842,627	137,911,153
Note 18 Finance costs		
Interest Cost	-	1,203,986
Exchange difference on borrowings	-	-
Bank charges and others	-	-
	-	1,203,986
Note 19 Other expenses		
Sub contracting / technical fees / third party application	1,194,764,320	558,637,051
Travel	8,372,506	9,311,441
Provision for diminution in value of non-current investments	-	-
Repairs and Maintenance	544,474	1,756,977
Rent	5,252,258	5,699,492
Provision/write off of bad debts	-	-
Corporate Overhead	-	-
Power and fuel	35,384	83,318
Communication	11,530,912	14,186,192
Advertisement and sales promotion	-	-
Legal and professional charges	1,032,113	3,679,553
Stores and spares	3,979,515	-
Other exchange differences, net	6,893,703	1,040,231
Auditors' remuneration	-	-
Audit fees	169,726	-
Out of pocket expenses	3,395	-
Miscellaneous expenses	47,190,278	15,289,288
	1,279,768,583	609,683,543

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. Related party relationships

The following are the entities with which the company has related party transactions:

Name of the party	Relationship with the Company
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 transactions/ Balances with related parties:

	Year ended March 31,	
	2016	2015
Sub contracting / Software Development charges		
Wipro Limited	96,446,741	42,614,635
Wipro UK Limited	12,852,723	1,156,902

The following are the balances of receivables and payables to related parties:

	Year ended March 31,	
	2016	2015
Payables:		
Wipro limited -	200,960,430	337,245,836.00
Wipro Travel Services Limited.....	-	369,023
Receivables:		
Wipro UK Limited.....	8,617,472	91,010,546