

**Wipro Technologies South Africa
(Proprietary) Limited**
(Registration number 2010/016829/07)
Annual Financial Statements
for the year ended 31 March 2017

Smith Yong and Associates
Chartered Accountants (SA)
Registered Auditors
Issued 31 May 2017

Wipro Technologies South Africa (Proprietary) Limited

(Registration number 2010/016829/07)

Annual Financial Statements for the year ended 31 March 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provision of information technology services in South Africa
Directors	S Mguda GW Holme A Prakash
Registered office	2 Maude Street The Forum 10th Floor Sandton 2196
Business address	2 Maude Street The Forum 10th Floor Sandton 2196
Holding company	Wipro Cyprus Private Limited incorporated in Cyprus
Ultimate holding company	Wipro Limited incorporated in India
Auditors	Smith Yong and Associates Chartered Accountants (SA) Registered Auditors
Secretary	Kilgetty Statutory Services (Pty) Ltd
Company registration number	2010/016829/07
Preparer	The annual financial statements were independently compiled by: Alchemy Financial Services Incorporated

Wipro Technologies South Africa (Proprietary) Limited

(Registration number 2010/016829/07)

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The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2018 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the board on 31 May 2017 and were signed on their behalf by:

Approval of financial statements

SD/-
GW Holme

SD/-
S Mguda

SD/-
A Prakash

Independent Auditor's Report

To the shareholders of Wipro Technologies South Africa (Proprietary) Limited

Opinion

We have audited the Annual Financial Statements of Wipro Technologies South Africa (Proprietary) Limited set out on pages 8 to 31, which comprise the Statement of Financial Position as at 31 March 2017, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of Wipro Technologies South Africa (Proprietary) Limited as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditor's report thereon.

Our opinion on the Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Annual Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SD/-

Smith Yong and Associates
Chartered Accountants (SA)
Registered Auditors

31 May 2017
Allensnek

Wipro Technologies South Africa (Proprietary) Limited

(Registration number 2010/016829/07)

Annual Financial Statements for the year ended 31 March 2017

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Wipro Technologies South Africa (Proprietary) Limited for the year ended 31 March 2017.

1. Nature of business

The company is engaged in provision of information technology services in South Africa

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

A dividend of R11,772,400.26, inclusive of dividends tax, was declared on 30 March 2017 and paid to the shareholders in May 2017.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	
S Mguda	South African
GW Holme	South African
A Prakash	Indian

There have been no changes to the directorate for the year under review.

6. Holding company

The company's holding company is Wipro Cyprus Private Limited which holds 69.42% (2016: 69.42%) of the company's equity. Wipro Cyprus Private Limited is incorporated in Cyprus.

7. Ultimate holding company

The company's ultimate holding company is Wipro Limited which is incorporated in India.

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

9. Auditors

Alchemy Audit Services Incorporated resigned as auditors and Smith Yong and Associates was appointed and will continue in office as auditors for the company for 2017.

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Annual Financial Statements for the year ended 31 March 2017

Directors' Report

10. Secretary

The company secretary is Kilgetty Statutory Services (Pty) Ltd.

Postal address: P O Box 2275
Cape Town
8000

Business address: 6th Floor
119 Hertzog Boulevard
Foreshore
Cape Town
8001

11. Non-current assets

No major changes in the nature of the non-current assets of the company during the year under review.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the board on 31 May 2017, and were signed on its behalf by:

Approval of financial statements

SD/-

GW Holme

31 May 2017

SD/-

S Mguda

31 May 2017

SD/-

A Prakash

31 May 2017

Wipro Technologies South Africa (Proprietary) Limited

(Registration number 2010/016829/07)

Annual Financial Statements for the year ended 31 March 2017

Statement of Financial Position as at 31 March 2017

Figures in Rand	Note(s)	2017	2016
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	1,410,282	2,196,278
Investments in subsidiaries	4	935,462	935,462
Deferred tax	5	11,113,371	9,029,476
		<u>13,459,115</u>	<u>12,161,216</u>
Current Assets			
Trade and other receivables	6	226,292,147	278,678,827
Current tax receivable		25,974,477	33,411,077
Cash and cash equivalents	7	89,579,699	88,484,566
		<u>341,846,323</u>	<u>400,574,470</u>
Total Assets		<u>355,305,438</u>	<u>412,735,686</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	5,224,756	5,224,756
Retained income		61,892,923	34,466,711
		<u>67,117,679</u>	<u>39,691,467</u>
LIABILITIES			
Non-Current Liabilities			
Provision for leave pay	9	516,762	1,861,105
Current Liabilities			
Trade and other payables	10	285,535,089	371,183,114
Provision for leave pay	9	2,135,908	-
		<u>287,670,997</u>	<u>371,183,114</u>
Total Liabilities		<u>288,187,759</u>	<u>373,044,219</u>
Total Equity and Liabilities		<u>355,305,438</u>	<u>412,735,686</u>

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Annual Financial Statements for the year ended 31 March 2017

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Revenue	11	801,584,724	985,346,434
Cost of sales	12	(612,148,175)	(894,180,621)
Gross profit		189,436,549	91,165,813
Other operating gains (losses)	13	(4,857,073)	4,531,857
		-	-
Other operating expenses		(137,367,135)	(108,436,248)
Operating profit (loss)	14	47,212,341	(12,738,578)
Investment income	15	2,976,818	4,962,045
Profit (loss) before taxation		50,189,159	(7,776,533)
Taxation	16	(10,990,547)	(4,977,230)
Profit (loss) for the year		39,198,612	(12,753,763)

Wipro Technologies South Africa (Proprietary) Limited

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Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Total equity
Balance at 01 April 2015	121	5,224,635	5,224,756	47,220,474	52,445,230
Loss for the year	-	-	-	(12,753,763)	(12,753,763)
Balance at 01 April 2016	121	5,224,635	5,224,756	34,466,711	39,691,467
Profit for the year	-	-	-	39,198,612	39,198,612
Dividends	-	-	-	(11,772,400)	(11,772,400)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	(11,772,400)	(11,772,400)
Balance at 31 March 2017	121	5,224,635	5,224,756	61,892,923	67,117,679
Note(s)	8	8	8		

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Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Profit before taxation		50,189,159	(7,776,533)
Adjustments for:			
Depreciation and amortisation		880,662	1,141,568
Gains on disposals, scrappings and settlements of assets and liabilities		(1,519)	-
Losses (gains) on foreign exchange		4,858,592	(4,531,857)
Interest received		(2,976,818)	(4,962,045)
Changes in working capital:			
Trade and other receivables		52,386,680	(17,740,489)
Trade and other payables		(85,648,025)	136,043,311
Cash generated from operations		19,688,731	102,173,955
Interest income		2,976,818	4,962,045
Finance costs		-	-
Tax paid	17	(5,637,842)	(54,230,302)
Net cash from operating activities		17,027,707	52,905,698
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(101,282)	(84,947)
Sale of property, plant and equipment	3	8,135	-
Net cash from investing activities		(93,147)	(84,947)
Cash flows from financing activities			
Movement in provision for leave pay		791,565	560,449
Dividends paid		(11,772,400)	-
Net cash from financing activities		(10,980,835)	560,449
Total cash movement for the year		5,953,725	53,381,200
Cash at the beginning of the year		88,484,566	30,571,509
Effect of exchange rate movement on cash balances		(4,858,592)	4,531,857
Total cash at end of the year	7	89,579,699	88,484,566

Wipro Technologies South Africa (Proprietary) Limited

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Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

Corporate information

Wipro Technologies South Africa (Proprietary) Limited is a private company incorporated and domiciled in South Africa.

The annual financial statements for the year ended 31 March 2017 were authorised for issue on 31 May 2017.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors together with economic factors.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability. Refer note 5 – Deferred tax.

Wipro Technologies South Africa (Proprietary) Limited

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Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Leasehold improvements	3 years
Furniture and fixtures	5 years and 3 months
Office equipment	5 years and 3 months
Computer equipment	2 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Interests in subsidiaries

Interests in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

Wipro Technologies South Africa (Proprietary) Limited

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Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

1.5 Financial instruments

Initial recognition and measurement

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These included trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Wipro Technologies South Africa (Proprietary) Limited

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Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

1.6 Tax (continued)

Deferred tax assets and liabilities

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.9 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

1.9 Revenue (continued)

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

The method for recognising revenue and costs depends on the nature of the services rendered:

Time and materials contracts

Revenue and costs relating to time and materials contracts are recognised as the related services are rendered.

Fixed-price contracts

Revenue from fixed-price contracts, including system development and integration contracts are recognised using the "percentage of completion" method. Percentage of completion is determined based on project costs incurred to date a percentage of the total project costs required to complete the project. The cost expended method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the company does not have sufficient basis to measure the progress of the completion or to estimate the total contract revenue and costs, revenue is recognised only to the extent of contract costs incurred of which recoverability is probable. When total cost estimates exceed the revenue in an agreement, the estimated losses are recognised in the statement of income in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenue' represents cost and earnings in excess of billing as at the end of the reporting period. 'Unearned revenue' represents billing in excess of revenue recognised. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

Maintenance contracts

Revenue from maintenance contracts is recognised 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 recognised as 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 service or output units is agreed at a fixed price for a fixed term. In such contracts revenue is recognised with respect to the actual output achieved till date as a percentage of the total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.

Products

Revenue from products are recognised when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

Multiple element arrangements

Revenue from contracts with multiple-element arrangements are recognised using the guidance in IAS 18, Revenue. The company allocates the arrangement consideration to separately identifiable components based on their relative fair values or on the residual method. Fair values are determined based on sale prices of components when it is regularly sold separately, third-party prices for similar components or cost plus an appropriate business-specific profit margin related to the relevant components.

Others

The company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognised at the time of sale.

The company accrues the estimated cost of warranties at the time when the revenue is recognised. The accruals are based on the company's historical experience of material usage and service delivery costs

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Accounting Policies

1.9 Revenue (continued)

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.10 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.11 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

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Figures in Rand

2017

2016

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2017 or later periods:

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

Company as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

The effective date of the standard is for years beginning on or after 01 January 2019.

It is unlikely that the standard will have a material impact on the company's annual financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

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Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018.

It is unlikely that the standard will have a material impact on the company's annual financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2018.

The impact of this standard is currently being assessed.

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2. New Standards and Interpretations (continued)

Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers

The amendment provides clarification and further guidance regarding certain issues in IFRS 15. These items include guidance in assessing whether promises to transfer goods or services are separately identifiable; guidance regarding agent versus principal considerations; and guidance regarding licenses and royalties.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The impact of this amendment is currently being assessed.

Amendments to IAS 7: Disclosure initiative

The amendment requires entities to provide additional disclosures for changes in liabilities arising from financing activities. Specifically, entities are now required to provide disclosure of the following changes in liabilities arising from financing activities:

- changes from financing cash flows;
- changes arising from obtaining or losing control of subsidiaries or other businesses;
- the effect of changes in foreign exchanges;
- changes in fair values; and
- other changes.

The effective date of the amendment is for years beginning on or after 01 January 2017.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

In terms of IAS 12 Income Taxes, deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The following amendments have been made, which may have an impact on the company:

If tax law restricts the utilisation of losses to deductions against income of a specific type, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type.

Additional guidelines were prescribed for evaluating whether the company will have sufficient taxable profit in future periods. The company is required to compare the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences. This comparison shows the extent to which the future taxable profit is sufficient for the entity to deduct the amounts resulting from the reversal of those deductible temporary differences.

The amendment also provides that the estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

The effective date of the amendment is for years beginning on or after 01 January 2017.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

The amendment defines bearer plants and include bearer plants within the scope of IAS 16 Property, Plant and Equipment. A bearer plant is defined as a living plant used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce. Bearer plants were previously within the scope of IAS 41 Agriculture.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The company expects to adopt the amendment for the first time in the 2017 annual financial statements.

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Notes to the Annual Financial Statements

3. Property, plant and equipment

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	3,451,186	(2,195,552)	1,255,634	3,461,636	(1,557,399)	1,904,237
Office equipment	232,644	(162,577)	70,067	232,644	(118,374)	114,270
IT equipment	1,393,969	(1,309,478)	84,491	1,292,687	(1,115,006)	177,681
Leasehold improvements	211,595	(211,505)	90	211,595	(211,505)	90
Total	5,289,394	(3,879,112)	1,410,282	5,198,562	(3,002,284)	2,196,278

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,904,237	-	(6,616)	(641,987)	1,255,634
Office equipment	114,270	-	-	(44,203)	70,067
IT equipment	177,681	101,282	-	(194,472)	84,491
Leasehold improvements	90	-	-	-	90
	2,196,278	101,282	(6,616)	(880,662)	1,410,282

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	2,548,170	12,000	(655,933)	1,904,237
Office equipment	158,473	-	(44,203)	114,270
IT equipment	546,166	72,947	(441,432)	177,681
Leasehold improvements	90	-	-	90
	3,252,899	84,947	(1,141,568)	2,196,278

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

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4. Investments in subsidiaries

Name of company	% holding 2017	% holding 2016	Carrying amount 2017	Carrying amount 2016
Wipro Technologies Nigeria Limited	99.00 %	99.00 %	935,462	935,462

The investment in Wipro Technologies Nigeria Limited consists of 99 000 shares of NGN 163 each. The carrying amounts of the subsidiaries are shown net of impairment losses.

The annual financial statements presented are not consolidated annual financial statements as the entity qualifies for the consolidation exemption in IAS 27 Separate and Consolidated Financial Statements.

The exemption is allowed provided that all of the following criteria are complied with:

- The entity is wholly owned or partially owned, where none of the other shareholder's object to the fact that consolidated annual financial statements are not prepared,
- The entity's debt or equity instruments are not traded in a public market,
- The entity did not file, and is not in the process of filing its annual financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instrument in a public market, and
- The entity's ultimate or intermediary parent produces consolidated annual financial statements available for public use which comply with International Financial Reporting Standards.

Wipro Limited, incorporated in India, produces consolidated annual financial statements available for public use. These annual financial statements can be obtained from Doddakanelli, Sarjapur Road, Bangalore - 560035.

5. Deferred tax

Deferred tax	11,113,371	9,029,476
Reconciliation of deferred tax asset / (liability)		
At beginning of year	9,029,476	945,494
Taxable / (deductible) temporary difference movement on tangible fixed assets	729,443	(117,688)
Taxable / (deductible) temporary difference on provisions	1,354,452	8,201,670
	11,113,371	9,029,476
Utilisation of deferred tax		
Within 1 year	2,311,129	9,187,074
After 1 year	8,802,242	(157,598)
	11,113,371	9,029,476

6. Trade and other receivables

Employee costs in advance	(52,703)	292,724
Prepayments	40,408	8,348,479
Deposits	355,473	359,117
VAT	-	20,339,511
Sundry debtors	128,115,370	151,023,268
Other receivable	97,833,599	98,315,728
	226,292,147	278,678,827

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6. Trade and other receivables (continued)

Trade and other receivables which would have been past due or impaired, but which have been renegotiated are as follows:

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2017, R 38,574,897 (2016: R 8,049,053) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	9,884,091	6,177,430
2 months past due	2,384,964	11,322,126
3 months past due	26,305,842	(9,450,503)

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	<u>89,579,699</u>	<u>88,484,566</u>
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8. Share capital

Authorised

1,000 Ordinary shares of R1 each	<u>1,000</u>	<u>1,000</u>
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879 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued

121 Ordinary shares of R1 each	121	121
Share premium	5,224,635	5,224,635
	<u>5,224,756</u>	<u>5,224,756</u>

9. Provision for leave pay

Non-current portion provision for leave pay	516,762	1,861,105
Current portion provision for leave pay	2,135,908	-
	<u>2,652,670</u>	<u>1,861,105</u>

10. Trade and other payables

Trade payables	(12,600)	(1,059,456)
Payable to group companies	247,686,057	327,238,261
VAT	10,301,176	-
Other current liabilities	16,627,766	14,796,823
Statutory dues payable	2,277,263	26,228
Accrued expenses	7,462,418	29,032,389
Other payables	1,193,009	1,148,869
	<u>285,535,089</u>	<u>371,183,114</u>

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11. Revenue

Rendering of services	801,477,883	984,193,091
Rendering of services from group companies	106,841	1,153,343
	<u>801,584,724</u>	<u>985,346,434</u>

12. Cost of sales

Rendering of services		
Cost deferral	(11,649,921)	11,649,921
Sub-contracting charges	11,453,527	2,724,757
Technical services	(3,141,429)	3,062,130
Other fees	(488)	489
Rendering of services from group companies		
Software development charges	600,734,934	850,605,868
Sub-contracting charges	4,370,422	19,952,169
Technical services	10,381,130	6,185,287
	<u>612,148,175</u>	<u>894,180,621</u>

13. Other operating gains (losses)

Gains (losses) on disposals, scrappings and settlements		
Property, plant and equipment	1,519	-
	<u>1,519</u>	<u>-</u>
Foreign exchange gains (losses)		
Net foreign exchange (losses) gains	(4,858,592)	4,531,857
	<u>(4,857,073)</u>	<u>4,531,857</u>

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Notes to the Annual Financial Statements

14. Operating profit (loss)

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external

Audit fees	219,939	294,106
Audit fee - prior year	-	(130,000)
	<u>219,939</u>	<u>164,106</u>

Leases

Operating lease charges

Premises	<u>2,719,181</u>	<u>2,738,555</u>
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Depreciation and amortisation

Depreciation of property, plant and equipment	<u>880,662</u>	<u>1,141,568</u>
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Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Employee costs	89,471,620	74,438,179
Operating lease charges	2,719,181	2,738,555
Depreciation, amortisation and impairment	880,662	1,141,568
Other expenses	627,748,216	911,016,797
Corporate overheads	19,758,562	20,982,177
Doubtful debts	7,970,507	(13,036,959)
Legal and professional fees	966,562	5,336,552
	<u>749,515,310</u>	<u>1,002,616,869</u>

15. Investment income

Interest income

From investments in financial assets:

Bank and other cash	<u>2,976,818</u>	<u>4,962,045</u>
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Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

16. Taxation

Major components of the tax expense

Current

Local income tax - current period	10,559,460	3,508,680
Local income tax - recognised in current tax for prior periods	(801,743)	8,185,927
Foreign income tax or withholding tax - recognised in current tax for prior periods	3,316,725	1,366,605

13,074,442	13,061,212
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Deferred

Deferred tax	(2,083,895)	(8,083,982)
10,990,547	4,977,230	

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	50,189,159	(7,776,533)
Tax at the applicable tax rate of 28% (2016: 28%)	14,052,965	(2,177,429)

Tax effect of adjustments on taxable income

Depreciation	246,585	319,639
Wear and tear allowances	(243,304)	(237,078)
Provision non-deductible current year (excluding doubtful debts)	5,837,672	10,695,419
Provision for doubtful debts non-deductible in current year	6,578,567	4,397,456
Provision for doubtful debts - 25% deductible in current year	(1,644,642)	(1,099,364)
Provision for doubtful debts - 25% deductible in prior year	1,099,364	2,033,931
Provisions non-deductible in prior year including doubtful debts	(12,507,866)	(15,092,875)
Donations	118,160	352,047
Prepaid expenses - current year	(11,314)	(2,337,574)
Prepaid expenses - prior year	2,322,443	6,581,087
Other non-deductible expenses	22,424	73,421
Local income tax - recognised in current tax for prior periods	(801,743)	8,185,927
Foreign income tax or withholding tax - prior period	3,316,725	1,366,605
Tax losses utilised	(5,311,594)	-

13,074,442	13,061,212
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17. Tax paid

Balance at beginning of the year	33,411,077	(7,758,013)
Current tax for the year recognised in profit or loss	(13,074,442)	(13,061,212)
Balance at end of the year	(25,974,477)	(33,411,077)
(5,637,842)	(54,230,302)	

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Notes to the Annual Financial Statements

18. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due
- within one year

589,134

1,892,623

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of one year. No contingent rent is payable.

19. Directors' emoluments

Executive

2017

	Emoluments	Fringe benefits	Total
GW Holme	2,739,716	117,594	2,857,310

2016

	Emoluments	Fringe benefits	Total
S Singh	520,054	104,500	624,554
GW Holme	931,064	45,651	976,715
	1,451,118	150,151	1,601,269

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Notes to the Annual Financial Statements

20. Related parties

Relationships

Ultimate holding company	Wipro Limited
Holding company	Wipro Cyprus Private Limited
Subsidiaries	Refer to note 4
Shareholder with significant influence	Wipro Cyprus Private Limited Wipro Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Wipro Limited	(231,001,045)	(324,233,332)
Wipro Travel Services Limited	(152,647)	(3,469,805)
Wipro Broad Based Ownership Scheme SPV (RF) (Pty) Ltd	(3,584,470)	15,530
Wipro Broad Based Ownership Scheme Trust	358,130	449,345
Wipro Cyprus Private Limited	(8,172,400)	-
Wipro Technologies Nigeria Limited	(5,133,623)	-

Related party transactions

Services received from / (services rendered to) related parties

Wipro Limited	596,717,876	850,605,868
Wipro Travel Services Limited	-	772,611
Wipro Limited	-	(322,876)
Wipro Solutions Canada Limited	-	(830,467)
Wipro Technologies Nigeria Limited	4,951,503	-
Wipro Broad Based Ownership Scheme SPV (RF) (Pty) Ltd	(101,300)	-

Management fee / corporate overheads paid to related parties

Wipro Limited	19,758,562	20,982,177
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Independent director fee paid to

Sibongile Mguda	40,000	40,000
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Expenses paid by related party

Wipro Limited	35,001,563	27,622,224
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Notes to the Annual Financial Statements

21. Categories of financial instruments

	Note(s)	D instru amc c
Categories of financial instruments - 2017		
Assets		
Non-Current Assets		
Property, plant and equipment	3	
Investments in subsidiaries	4	
Deferred tax	5	
Current Assets		
Trade and other receivables	6	226,
Current tax receivable		
Cash and cash equivalents	7	89,
		<u>315,</u>
Total Assets		<u>315,</u>
Equity and Liabilities		
Equity		
Equity Attributable to Equity Holders of Parent:		
Share capital	8	
Retained income	8	
		<u>_____</u>
Total Equity		<u>_____</u>
Liabilities		

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Notes to the Annual Financial Statements

21. Categories of financial instruments (continued)

	Note(s)	D instru amc c
Non-Current Liabilities		
Provision for leave pay	9	_____
Current Liabilities		
Trade and other payables	10	
Provision for leave pay	9	_____
Total Liabilities		_____
Total Equity and Liabilities		_____

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22. Risk management

Financial risk management

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

At 31 March 2017

	Less than 1 year	Between 1 and 2 years
Trade and other payables	285,535,089	-
Provision for leave pay	2,135,908	516,762

At 31 March 2016

	Less than 1 year	Between 1 and 2 years
Trade and other payables		371,183,114
Provision for leave pay		1,861,105

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Foreign exchange risk

The company does not hedge foreign exchange fluctuations.

At 31 March 2017, if the currency had strengthened by 10% against the US dollar with all other variables held constant, post-tax profit for the year would have been R 3,584,782 (2016: R 2,712,000) higher, mainly as a result of foreign exchange gains or losses on translation of US dollar denominated trade receivables, financial assets at fair value through profit or loss, debt securities classified as available-for-sale and foreign exchange losses or gains on translation of US dollar denominated borrowings.

Foreign currency exposure at the end of the reporting period

Liabilities

Trade payables INR 16,455,015.25 (2016: INR 31,313,677)	4.8599	4.4974
Trade payables USD 3,782,919 (2016: USD 1,661,829)	0.0749	0.0679

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Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016
Revenue			
Rendering of services		801,477,883	984,193,091
Rendering of services to group companies		106,841	1,153,343
	11	<u>801,584,724</u>	<u>985,346,434</u>
Cost of sales			
Direct contracting costs		(612,148,175)	(894,180,621)
Gross profit		<u>189,436,549</u>	<u>91,165,813</u>
Other operating gains (losses)			
Gains on disposal of assets or settlement of liabilities		1,519	-
Foreign exchange (losses) gains		(4,858,592)	4,531,857
	13	<u>(4,857,073)</u>	<u>4,531,857</u>
Expenses (Refer to page 33)		<u>(137,367,135)</u>	<u>(108,436,248)</u>
Operating profit (loss)	14	<u>47,212,341</u>	<u>(12,738,578)</u>
Investment income	15	2,976,818	4,962,045
Profit (loss) before taxation		<u>50,189,159</u>	<u>(7,776,533)</u>
Taxation	16	(10,990,547)	(4,977,230)
Profit (loss) for the year		<u>39,198,612</u>	<u>(12,753,763)</u>

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Annual Financial Statements for the year ended 31 March 2017

Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016
Other operating expenses			
Advertising		2,169,240	310,029
Auditors remuneration - external auditors	14	219,939	164,106
Bank charges		38,185	133,464
Books and periodicals		-	38
Capital asset reimbursement		73,706	5,649
Commission paid		1,040,376	1,050,054
Consulting and professional fees		40,000	-
Consumables		19,456	13,897
Corporate overheads		19,758,562	20,982,177
Courier expenses		204,899	162,952
Depreciation		880,662	1,141,568
Donations		422,000	1,257,312
Doubtful debts		7,970,507	(13,036,959)
Employee costs		89,471,620	74,438,179
Guest house expenses		911	3,715
Hire		2,350	11,179
Insurance		-	143,863
Lease rentals on operating lease		2,719,181	2,738,555
Legal and professional fees		966,562	5,336,552
Meeting expenses		248,255	746,999
Miscellaneous		137,280	24,543
Postage		-	12,724
Printing and stationery		105,682	227,831
Municipal expenses		676,235	598,102
Recruitment		33,675	1,190,093
Repairs and maintenance		261,445	235,603
Secretarial fees		-	26,955
Staff welfare		239,096	449,530
Subscriptions		58,081	143,391
Telephone and fax		3,497,906	3,501,178
Training		4,217,495	3,285,133
Travel - local		141,418	366,029
Travel - overseas		1,752,411	2,771,807
		137,367,135	108,436,248