

**Wipro Technologies South Africa
Proprietary Limited**
(Registration number 2010/016829/07)
Annual Financial Statements
for the year ended 31 March 2018

BDO South Africa Incorporated
22 Wellington Road, Parktown
Johannesburg, 2193
South Africa
Issued 22 June 2018

Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Annual Financial Statements for the year ended 31 March 2018

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 (resigned on 12th February' 2018) GW Holme (resigned on 12th February' 2018) A Prakash V Mhlarhi (appointed on 20th October' 2017) G Collings (appointed on 13th February' 2018) M Mosehle (appointed on 13th February' 2018)
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	BDO LLP
Secretary	KilgeUy Statutory Services (Pty) Ltd
Company registration number	2010/016829/07
Preparer	The annual financial statements were internally compiled by: Mr Kalp Dalal - Chartered Accountant

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

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Level of assurance

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

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa 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 2019 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 pages 8 to 25, which have been prepared on the going concern basis, were approved by the board on 22 June 2018 and were signed on their behalf by:

Approval of annual financial statements

Sd/-
A Prakash

Sd/-
V Mhlarhi

Sd/-
G Collings

Sd/-
M Mosehle

Independent Auditor's Report

To the Shareholder of Wipro Technologies South Africa Proprietary Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wipro Technologies South Africa Proprietary Limited set out on pages 8 to 25, which comprise the statement of financial position as at 31 March 2018, 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 financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wipro Technologies South Africa Proprietary Limited as at 31 March 2018, 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 of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the 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.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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/-

BDO South Africa Incorporated
Per: Happymore Mutiwasekwa
Director
Registered Auditor

22 Wellington Road
Parktown, 2193

22 June 2018

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 2018.

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 of South Africa. 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

No dividends were declared or paid during the year. (2017: R11,772,400)

5. Directorate

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

Directors	Nationality
S Mguda (resigned on 12th February' 2018)	South African
GW Holme (resigned on 12th February' 2018)	South African
A Prakash	Indian
V Mhlarhi (appointed on 20th October' 2017)	South African
G Collings (appointed on 13th February' 2018)	South African
M Mosehle (appointed on 13th February' 2018)	South African

6. Holding company

The company's holding company is Wipro Cyprus Private Limited which holds 69.42% (2017: 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.

Directors' Report

9. Going Concern

The director believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The director has satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The director is not aware of any new material changes that may adversely impact the company. The director is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Auditors

BDO South Africa Inc. was appointed as auditors for the company for 2018.

11. Secretary

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

Postal address: PO Box 2275
Cape Town
8000

Business address: 6th Floor
119 Hertzog Boulevard2
Foreshore
Cape Town
8000

The annual financial statements set out on pages 8 to 25, which have been prepared on the going concern basis, were approved by the board on 22 June 2018 and were signed on their behalf by:

Approval of annual financial statements

Sd/-
A Prakash

Sd/-
V Mhlarhi

Sd/-
G Collings

Sd/-
M Mosehle

Wipro Technologies South Africa Proprietary Limited
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Statement of Financial Position as at 31st March 2018

Figures in Rand	Note(s)	2018	2017
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	5,510,108	1,410,282
Investments in subsidiaries	4	935,462	935,462
Deferred tax	5	4,547,213	11,113,371
		<u>10,992,783</u>	<u>13,459,115</u>
Current Assets			
Trade and other receivables	6	90,241,618	226,292,147
Current tax receivable		47,481,594	25,974,477
Cash and cash equivalents	7	109,611,003	89,579,699
		<u>247,334,215</u>	<u>341,846,324</u>
Total Assets		<u>258,326,998</u>	<u>355,305,438</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	5,224,756	5,224,756
Retained income		108,415,703	61,892,923
		<u>113,640,459</u>	<u>67,117,679</u>
LIABILITIES			
Non-Current Liabilities			
Provision for leave pay	9	634,147	516,762
Current Liabilities			
Trade and other payables	10	143,442,481	285,535,089
Provision for leave pay	9	609,911	2,135,908
		<u>144,052,392</u>	<u>287,670,997</u>
Total Liabilities		<u>144,686,539</u>	<u>288,187,759</u>
Total Equity and Liabilities		<u>258,326,998</u>	<u>355,305,438</u>

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Revenue	11	538,598,204	801,584,724
Cost of sales	12	(369,695,000)	(612,148,175)
Gross profit		168,903,204	189,436,549
Other operating losses	13	(9,217,239)	(4,857,073)
Other operating expenses	14	(107,157,332)	(137,367,135)
Operating profit		52,528,633	47,212,341
Investment income	15	6,508,378	2,976,818
Profit before taxation		59,037,011	50,189,159
Taxation	16	(12,514,231)	(10,990,547)
Profit for the year		46,522,780	39,198,612

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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 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)
Balance at 31 March 2017	121	5,224,635	5,224,756	61,892,923	67,117,679
Profit for the year	-	-	-	46,522,780	46,522,780
Balance at 31 March 2018	121	5,224,635	5,224,756	108,415,703	113,640,459
Note(s)			8		

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Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash generated from operations	17	56,085,251	20,480,296
Interest income		2,305,566	2,976,818
Finance costs			
Tax paid	18	(23,252,402)	(5,637,842)
Net cash from operating activities		35,138,415	17,819,272
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(6,508,305)	(101,282)
Proceeds on disposal of property, plant and equipment	3	-	8,135
Net cash from investing activities		(6,508,305)	(93,147)
Cash flows from financing activities			
Dividends paid		-	(11,772,400)
Net cash from financing activities		-	-11,772,400
Total cash movement for the year		28,630,110	5,953,725
Cash at the beginning of the year		89,579,699	88,484,566
Effect of exchange rate movement on cash balances		(8,598,806)	(4,858,592)
Total cash at end of the year	7	109,611,003	89,579,699

Corporate information

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

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 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 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. 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 tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors together with economic factors.

1.2 Contd.

Provisions

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

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 or replace part of 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 de recognition 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 Investments

Investments 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.

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.

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 recorded at fair value and are subsequently measured at amortised costs.

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.

1.6 Tax (continued)

Deferred tax assets and liabilities

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

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

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

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.

2 New Standards and Interpretation

2.1 Standards and interpretations effective and adopted in the current year

None of the standards, amendments and interpretations that came into effect for the current period has had or will have a material effect on the company.

2.2 Standards and interpretations not yet effective

The new standards IFRS 9 Financial Instruments which becomes effective from 01 January 2018, IFRS 15 Revenue from Contracts with Customers which becomes effective from 01 January 2018 and IFRS 16 Leases which becomes effective from 01 January 2019 are being assessed by the directors.

Other amendments and interpretations not yet effective will have no effect on the company.

Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Notes to the Financial Statements for the year ended 31st March, 2018

3 Property, plant and equipment

Financial Year	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	3,451,186	(2,794,570)	656,616	3,451,186	(2,195,552)	1,255,634
Office equipment	232,644	(206,780)	25,864	232,644	(162,577)	70,067
IT equipment	7,880,527	(3,062,569)	4,817,958	1,393,969	(1,309,478)	84,491
Leasehold improvements	221,175	(211,505)	9,670	211,595	(211,505)	90
Total	11,785,532	(6,275,424)	5,510,108	5,289,394	(3,879,112)	1,410,282

(Amount in Rand)

Reconciliation of property, plant and equipment -2018	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,255,634	-	-	599,018	656,616
Office equipment	70,067	-	-	44,203	25,864
IT equipment	84,491	6,498,725	-	1,765,258	4,817,958
Leasehold improvements	90	9,580	-	-	9,670
Total	1,410,282	6,508,305	-	2,408,479	5,510,108

(Amount in Rand)

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
Total	2,196,278	101,282	(6,616)	(880,662)	1,410,282

Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Notes to the Financial Statements for the year ended 31st March, 2018
Figures in Rand

2018 2017

4 Investments in subsidiaries

Name of company	% Holding 2018	% Holding 2017	Carrying Amount 2018	Carrying Amount 2017
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 IFRS 10 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
- 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 asset				
Provisions			2,885,850	2,180,372
Provision for doubtful debts			1,432,586	4,933,925
Other and adjustments			280,510	4,010,388
			<u>4,598,946</u>	<u>11,124,685</u>
Deferred tax liability				
Prepaid expenses			(51,733)	(11,314)
			<u>4,547,213</u>	<u>11,113,371</u>
Reconciliation of deferred tax asset				
At beginning of year			11,113,371	9,029,476
Temporary differences on prepayments			(40,419)	729,443
Temporary differences on other assets			(3,729,853)	-
Temporary differences on provisions			(2,795,886)	1,354,452
At end of year			<u>4,547,213</u>	<u>11,113,371</u>

6 Trade and other receivables

Prepayments			184,760	40,408
Deposits			356,017	355,473
VAT			5,056,465	-
Sundry debtors			51,902,815	128,115,370
Other receivables			32,741,561	97,780,896
Total			<u>90,241,618</u>	<u>226,292,147</u>

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 2018, R 44,911,289 (2017: R 38,574,897) were past due but not impaired.

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

1 month past due	40,798,343	9,884,091
2 months past due	615,611	2,384,964
3 months past due	3,497,334	26,305,842

Trade and other receivables impaired

As at 31 March 2018, trade and other receivables of R 6,821,837 (2017: 23,494,882)

Reconciliation of provision for doubtful debts

Opening Balance	23,494,882	15,705,201
Raised	898,235	10,056,142
Reversed	(17,571,280)	(2,266,461)
Total	<u>6,821,837</u>	<u>23,494,882</u>

7 Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	<u>109,611,003</u>	<u>89,579,699</u>
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Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Notes to the Financial Statements for the year ended 31st March, 2018
Figures in Rand

	2018	2017
8 Share capital		
Authorised		
1,000 Ordinary shares of R1 each	1,000	1,000
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
Total	<u>5,224,756</u>	<u>5,224,756</u>
9 Provision for leave pay		
Current liability portion provision for leave pay	609,911	516,762
Non-current liability portion provision for leave pay	634,147	2,135,908
Total	<u>1,244,058</u>	<u>2,652,670</u>
10 Trade and other payables		
Trade payables	2,756,155	(12,600)
Payable to group companies	119,859,464	247,686,057
VAT	-	10,301,176
Other current liabilities	5,247,696	16,627,766
Statutory dues payable	790,907	2,277,263
Accrued expenses	14,613,883	7,462,418
Other payables	174,374	1,193,009
Total	<u>143,442,481</u>	<u>285,535,089</u>
11 Revenue		
Rendering of services	538,598,204	801,477,883
Rendering of services from group companies	-	106,841
Total	<u>538,598,204</u>	<u>801,584,724</u>
12 Cost of sales		
Rendering of services	-	(11,649,921)
Cost deferral	-	11,453,527
Sub-contracting charges	18,424,355	(3,141,429)
Technical services	(230,859)	(488)
Other fees	-	-
Rendering of services from group companies		
Software development charges	343,708,267	600,734,934
Sub-contracting charges	7,030,342	4,370,422
Technical services	762,895	10,381,130
Total	<u>369,695,000</u>	<u>612,148,175</u>
13. Other operating losses		
Foreign exchange gains (losses)		
Net foreign exchange (losses) gains	(9,217,239)	(4,858,592)
Total other operating gains (losses)	<u>(9,217,239)</u>	<u>(4,858,592)</u>

Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Notes to the Financial Statements for the year ended 31st March, 2018
Figures in Rand

	2018	2017
14 Operating profit		
Operating profit for the year is stated after charging (crediting) the following, amongst others:		
A. Auditor's fees		
Auditor's remuneration - external	154,500	219,939
B. Operating lease charges		
Premises	2,263,180	2,719,181
C. Depreciation		
Depreciation of property, plant and equipment	2,408,479	880,662
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	66,874,466	89,471,620
Operating lease charges	2,263,180	2,719,181
Depreciation	2,408,479	880,662
Other expenses	689,748,026	627,748,219
Corporate overheads	14,723,508	19,758,562
Doubtful debts	(16,349,514)	7,970,507
Legal and professional fees	4,420,606	966,562
Total	764,088,751	749,515,313
15 Investment income		
Receiver of revenue	4,202,812	-
Bank and other cash	2,305,566	2,976,818
Total	6,508,378	2,976,818
16 Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	15,944,160	10,559,460
Local income tax - recognised in current tax for prior periods	(9,996,063)	(801,743)
Foreign income tax or withholding tax - recognised in current tax for prior periods	-	3,316,725
Total	5,948,097	13,074,442
Deferred		
Deferred tax expense - recognised in current year for prior periods	3,892,682	-
Deferred tax expense	2,673,452	(2,083,895)
Total	6,566,134	(2,083,895)
Total tax expense	12,514,231	10,990,547
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	59,037,011	50,189,159
Tax at the applicable tax rate of 28% (2017: 28%)	16,530,363	14,052,965
Tax effect of adjustments on taxable income		
Penalties	1,420	-
Donations	2,033,754	118,160
Other	52,075	(5,695,560)
Taxation- prior year over provision	(6,103,381)	2,514,982
Tax losses utilised	-	(5,311,594)
Total Tax	12,514,231	10,990,547

Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Notes to the Financial Statements for the year ended 31st March, 2018
Figures in Rand

	2018	2017
17 Cash generated from operations		
Profit before taxation	59,037,011	50,189,159
Adjustments made for:		
Depreciation	2,408,479	880,662
Gains on disposals, scrapping and settlement of assets and liabilities	-	(1,519)
Loss on foreign exchange	8,598,830	4,858,592
Interest received	(6,508,378)	(2,976,818)
Movement in leave pay provision	(1,408,612)	791,565
Changes in working capital:		
Trade and other receivables	136,050,529	52,386,680
Trade and other payables	(142,092,608)	(85,648,025)
Total	56,085,251	20,480,296
18 Tax paid		
Balance at beginning of the year	25,974,477	33,411,077
Current tax for the year recognised in profit or loss	(5,948,097)	(13,074,442)
Interest on overpayment of provisional tax	4,202,812	-
Balance at end of the year	(47,481,594)	(25,974,477)
Total	(23,252,402)	(5,637,842)
19 Commitments		
Operating leases - as lessee (expense)		
Minimum lease payments due within one year	1,627,110	589,134

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.

20 Directors' emoluments

2018	Emoluments	Fringe benefits	Total
GW Holme	2,986,178	11,404	2,997,582
V Mhlarhi	1,045,108	2,652	1,047,760
	<u>4,031,286</u>	<u>14,056</u>	<u>4,045,342</u>
2017	Emoluments	Fringe benefits	Total
GW Holme	2,739,716	117,594	5,597,026

Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Notes to the Financial Statements for the year ended 31st March, 2018

Figures in Rand **2018** **2017**

21 Related parties

Relationships	Name of the Party
Ultimate holding company	Wipro Limited
Holding company	Wipro Cyprus Private Limited
Subsidiaries	Refer to Note 4 of financials statements
	Wipro Cyprus Private Limited
Shareholder with significant influence	Wipro Broad Based Ownership Scheme SPV (RF) Proprietary Limited

Related party balances

Amounts included in trade receivables/(trade payables) regarding related parties

Wipro Limited	(105,794,488)	(231,001,045)
Wipro Travel Services Limited	(23,033)	(152,647)
Wipro Broad Based Ownership Scheme SPV (RF) Proprietary Limited	15,530	(3,584,470)
Wipro Broad Based Ownership Trust	358,130	358,130
Wipro Cyprus Private Limited	-	(8,172,400)
Wipro Technologies Nigeria Limited	(14,440,925)	(5,133,623)

Related party transactions

Services received from / (services rendered to) related parties

Wipro Limited	332,755,228	596,717,876
Wipro Broad Based Ownership Scheme SPV (RF) Proprietary Limited	-	(101,300)
Wipro Technologies Nigeria Limited	10,953,039	4,951,503

Management fee/corporate overhead paid to related parties

Wipro Limited	14,723,508	19,758,562
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Independent director fee paid to

Sibongile Mguda	-	40,000
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Expenses paid by related parties

Wipro Limited	5,019,173	35,001,563
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Dividend paid to related parties

Wipro Broad Based Ownership Scheme SPV (RF) Proprietary Limited	4,159,825	-
Wipro Cyprus Private Limited	8,172,575	-

Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Notes to the Financial Statements for the year ended 31st March, 2018

Figures in Rand 2018 2017

22 Categories of Financial Instruments

Assets		Loans and receivables	Total
2018			
Trade and other receivables	6	84,996,346	84,996,346
Cash and cash equivalents	7	109,611,003	109,611,003
Total		194,607,349	194,607,349
2017			
Trade and other receivables	6	226,251,739	226,251,739
Cash and cash equivalents	7	89,579,699	89,579,699
Total		315,831,438	315,831,438
Liabilities			
2018		Financial liabilities at amortised cost	Total
Trade and other payables	10	143,442,481	143,442,481
Provision for leave pay	9	1,244,058	1,244,058
Total		144,686,539	144,686,539
2017		Loans and receivables	Total
Trade and other payables	10	275,233,913	275,233,913
Provision for leave pay	9	2,652,670	2,652,670
Total		277,886,583	277,886,583

23 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 that there may be insufficient 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 2018	Less than 1 year	Between 1 year and 2 years
Trade and other payables	143,442,481	-
Provision for leave pay	609,911	634,147
At 31 March 2017	Less than 1 year	Between 1 year and 2 years
Trade and other payables	285,535,089	-
Provision for leave pay	2,135,908	516,762

Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Notes to the Financial Statements for the year ended 31st March, 2018

Figures in Rand	2018	2017
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Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to anyone 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 2018, 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 626,203 (2017: R 3,584,782) 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.

24 Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

25 Events after reporting date

The directors are not aware of any significant matter or circumstance arising since the end of the year, not otherwise dealt with in the financial statements, which significantly affect the financial position of the company or the results to the date of this audit report.

Wipro Technologies South Africa Proprietary Limited
(Registration number 2010/016829/07)
Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017
Revenue			
Rendering of services		538,598,204	801,477,883
Rendering of services to group companies	11	-	106,841
Total		538,598,204	801,584,724
Cost of sales			
Direct contracting costs		(369,695,000)	(612,148,175)
Gross profit		168,903,204	189,436,549
Other operating gains (losses)			
Gains on disposal of assets or settlement of liabilities		-	1,519
Foreign exchange losses	13	(9,217,239)	(4,858,592)
Total		(9,217,239)	(4,857,073)
Expenses	14	(107,157,332)	(137,367,135)
Operating profit		52,528,633	47,212,341
Investment income	15	6,508,378	2,976,818
Profit before taxation		59,037,011	50,189,159
Taxation	16	(12,514,231)	(10,990,547)
Profit for the year		46,522,780	39,198,612
Other operating expenses			
Advertising	14	687,424	2,169,240
Auditors remuneration - external auditors		154,500	219,939
Bank charges		39,109	38,185
Capital asset reimbursement		3,600,504	73,706
Commission paid		957,934	1,040,376
Consulting and professional fees		40,000	40,000
Consumables		17,298	19,456
Corporate overheads		14,723,508	19,758,562
Courier expenses		69,852	204,899
Depreciation		2,408,479	892,829
Donations		7,263,405	422,000
Doubtful debts		(16,349,514)	7,970,506
Employee costs		66,874,466	89,471,619
Guest house expenses		1,665	911
Hire		189	2,350
Lease rentals on operating lease		2,263,180	2,719,181
Legal and professional fees		4,420,606	966,562
Meeting expenses		316,539	248,255
Miscellaneous		44,596	125,114
Printing and stationery		62,175	105,682
Municipal expenses		7,398,815	676,235
Recruitment		114,188	33,675
Repairs and maintenance		514,089	261,445
Staff welfare		32,354	239,096
Subscriptions		11,659	58,081
Telephone and fax		3,602,190	3,497,906
Training		5,502,132	4,217,495
Travel - local		493,213	141,418
Travel- overseas		1,892,776	1,752,411
Total		107,157,332	137,367,135