

WIPRO BAHRAIN LIMITED WLL

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
MARCH 31, 2015**

WIPRO BAHRAIN LIMITED WLL

BALANCE SHEET

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

	Notes	As on March 31,	
		2015	2014
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share Capital	3	6,249,685	6,249,685
Reserves and Surplus	4	80,145,336	177,864,059
		86,395,021	184,113,744
Non- current liabilities			
Long-term Provisions.....	5	24,859,132	15,320,575
		24,859,132	15,320,575
Current Liabilities			
Trade payables.....	6	30,981,846	51,143,075
Other current liabilities.....	7	2,277,941	1,069,427
		33,259,788	52,212,502
TOTAL EQUITY AND LIABILITIES		144,513,941	251,646,821
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
Tangible assets	8	17	15
		17	15
Current assets			
Trade receivables	9	56,012,770	98,505,371
Cash and bank balances.....	10	35,612,888	119,450,757
Short-term loans and advances	11	6,736,194	5,376,382
Other current assets.....	12	46,152,072	28,314,296
		144,513,924	251,646,806
TOTAL ASSETS.....		144,513,941	251,646,821

The Notes referred to above form an integral part of the Balance Sheet

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

sd/-
(Shyam Prasad Shetty.Y.)
Partner
Membership no. 202597

For and on behalf of Board of Directors

sd/-
Srinivas G
Director

sd/-
Soumitro Ghosh
Director

Place : Bangalore
Date : 12/05/2015

WIPRO BAHRAIN LIMITED WLL

STATEMENT OF PROFIT AND LOSS ACCOUNT

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

	Notes	For the year ended March 31,	
		2015	2014
REVENUE			
Revenue from operations (gross).....	13	210,030,149	187,889,697
Revenue from operations (net).....		210,030,149	187,889,697
Total Revenue		210,030,149	187,889,697
EXPENSES			
Cost of Materials Consumed	15	14,858,531	19,815,003
Employee benefits expense	16	122,732,720	111,192,491
Finance Costs	17	250,667	696,185
Depreciation expense.....		-	31,302
Other expense	18	40,367,278	16,759,961
Total Expense		178,209,197	148,494,942
Profit before tax		31,820,954	39,394,756
Profit after tax		31,820,954	39,394,756
Earnings per equity share [Refer note 21]			
(Equity shares of par value BHD 100/- each)			
Basic		63,642	78,790
Diluted		63,642	78,790

The Notes referred to above form an integral part of the Statement of Profit and Loss

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

sd/-
(Shyam Prasad Shetty.Y.)
Partner
Membership no. 202597

For and on behalf of Board of Directors

sd/-
Srinivas G
Director

sd/-
Soumitro Ghosh
Director

Place : Bangalore
Date : 12/05/2015

WIPRO BAHRAIN LIMITED WLL

CASH FLOW STATEMENT

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

	Year ended March 31,	
	2015	2014
A. Cash flows from operating activities:		
Profit before tax.....	31,820,954	39,394,756
<i>Adjustments:</i>		
Depreciation and amortisation.....	-	31,302
Exchange differences, net.....	5,661,227	13,351,429
<i>Working capital changes :</i>		
Increase / (decrease) in trade payables.....	(20,161,228)	6,349,896
Increase / (decrease) in long-term provisions.....	9,538,557	6,204,804
Increase / (decrease) in other current liabilities.....	1,208,514	10,875,753
Increase / (decrease) in trade receivables.....	42,492,601	(19,423,059)
Increase / (decrease) in short-term loans & advances.....	(1,359,811)	(3,666,127)
Increase / (decrease) in other current assets.....	(17,837,777)	10,857,560
Net cash generated from / (used in) operations.....	51,363,035	63,976,314
Net cash generated by / (used in) operating activities.....	51,363,035	63,976,314
B. Cash flows from investing activities:		
Acquisition of fixed assets (including capital advances, intangible assets & CWIP)	-	-
Net cash from / (used in) investing activities.....	-	-
C. Cash flows from financing activities:		
Dividends paid (including distribution tax).....	(135,200,904)	-
Net cash used in financing activities.....	(135,200,904)	-
Net (decrease) / increase in cash and cash equivalents during the period.....	(83,837,868)	63,976,314
Cash and cash equivalents at the beginning of the period.....	119,450,757	55,474,443
Cash and cash equivalents at the end of the period	35,612,888	119,450,757

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

sd/-
(Shyam Prasad Shetty.Y.)
Partner
Membership no. 202597

For and on behalf of Board of Directors

sd/-
Srinivas G
Director

sd/-
Soumitro Ghosh
Director

Place : Bangalore
Date : 12/05/2015

NOTES TO THE FINANCIAL STATEMENT

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

1. Company overview

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

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

2. Significant accounting policies

i. Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured on a fair value basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of Act (to the extent notified and applicable), Accounting Standards (‘AS’) issued by Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

ii. Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

iii. Revenue recognition

Services:

The company recognizes revenue when significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depend on the nature of the services rendered:

A. Time and material contracts

Revenues and costs relating to time and material contracts are recognized as the related services are rendered.

B. Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the “percentage-of-completion” method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. When total cost estimated exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

‘Unbilled revenues’ included in other current assets represent cost and earnings in excess of billings as at the balance sheet date. ‘Unearned revenues’ included in other current liabilities represent billing in excess of revenue recognized.

Revenue from customer training, support and other services is recognized as the related services are performed.

FINANCIAL STATEMENTS OF Wipro Bahrain Limited WLL

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license.

C. Maintenance Contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

In certain projects, a fixed quantum of services or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to actual output achieved till date as a percentage of total contractual output. Any residual services utilized by the customer is recognized as revenue on completion of the terms.

Products:

Revenue from sale of products is recognized when the significant risks and rewards of ownership has been transferred in accordance with the sale contract. Revenue from product sales is shown gross of excise duty and net of sales tax separately charged and applicable discounts.

Other income

Agency commission is accrued when shipment of consignment is dispatched by the principal.

Interest is recognized using the time proportion method, based on the rates implicit in the transaction.

Dividend income is recognized when the company's right to receive dividend is established.

iv. Fixed Assets and Depreciation

The Company has provided for depreciation using straight line method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 except in the case of following assets which are depreciated based on useful lives estimated by the Management:

Class of asset	Estimated useful life
Buildings	30 – 60 years
Computer including telecom equipment and software (included under plant and machinery)	2 – 7 years
Furniture and fixtures	5 – 6 years
Electrical installations (included under plant and machinery)	5 years
Vehicles	4 years

Freehold land is not depreciated.

Assets under finance lease are amortised over their estimated useful life or the lease term, whichever is lower.

For these class of assets, based on internal technical assessment the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

v. Foreign currency transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates prevailing on the date of transaction.

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the statement of profit and loss.

The Company is a foreign subsidiary of Wipro Limited and has been treated as a non-integral operating unit for translation. For the purpose of accounts during the period, all income and expenses items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate on the balance sheet date. The equity share capital, reserves and investment in subsidiaries are carried forward at the rate of exchange prevailing on the transaction date. All resulting exchange difference arising out of year-end conversion has been transferred to Translation Reserve in Reserve and Surplus.

vi. Income tax

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

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment/substantial enactment date.

Deferred tax assets on timing differences are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

vii. Earnings per share

The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

viii. Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

ix. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

FINANCIAL STATEMENTS OF WIPRO LIMITED - STANDALONE
 NOTES TO BALANCE SHEET

	As of March 31,	
	2015	2014
Note 3 Share Capital		
Authorised capital		
500 (March 31, 2014: 500) equity shares of BHD. 100 each	6,249,685	6,249,685
	<u>6,249,685</u>	<u>6,249,685</u>
Issued, subscribed and paid-up capital		
500 (March 31, 2014: 500) equity shares of BHD. 100 each [Refer note (ii) below]	6,249,685	6,249,685
	<u>6,249,685</u>	<u>6,249,685</u>
(ii) The following is the reconciliation of number of shares as at March 31, 2015		
Opening number of equity shares.....	500	500
Closing number of equity shares outstanding.....	<u>500</u>	<u>500</u>
Note 4 Reserves and Surplus		
Revaluation Reserve		
Balance brought forward from previous year	22,080,973	8,726,442
Additions during the year	5,661,227	13,354,531
	<u>27,742,201</u>	<u>22,080,973</u>
General reserve		
Balance brought forward from previous year	155,783,085	116,388,329
Transferred from Profit & Loss Account	31,820,954	39,394,756
Deductions during the year - Dividend	(135,200,904)	-
	<u>52,403,135</u>	<u>155,783,085</u>
Surplus from statement of profit and loss		
Balance brought forward from previous year	-	-
Add: Profit for the year	31,820,954	39,394,756
Less: Appropriations		
- Amount transferred to general reserve	31,820,954	39,394,756
Closing balance.....	<u>-</u>	<u>-</u>
Summary of reserves and surplus		
Balance brought forward from previous year	177,864,059	125,114,772
Movement during the year	37,482,181	52,749,287
	<u>80,145,336</u>	<u>177,864,059</u>
	As of March 31,	
	2015	2014
Note 5 Long-term Provisions		
Employee retirement benefits	21,349,689	13,881,244
Deferred Compensation	3,509,442	1,439,331
	<u>24,859,132</u>	<u>15,320,575</u>
Note 6 Trade payables		
Sundry creditors	3,243,168	12,693,191
Payables to Group companies	5,505,753	38,449,884
Payables to Holding company	22,232,925	
	<u>30,981,846</u>	<u>51,143,075</u>

Note 7 Other current liabilities

Unearned revenue	2,103,307	914,594
Advances from customers	174,634	154,833
	<u>2,277,941</u>	<u>1,069,427</u>

Note 8 Tangible Assets

	Plant and machinery	Plant and machinery
Gross carrying value		
As at April 1, 2014.....	148,683	134,748
Additions.....	-	-
Translation Adjustment.....	6,460	13,935
As at March 31, 2015.....	<u>155,143</u>	<u>148,683</u>
Depreciation		
As at April 1, 2014.....	148,668	106,532
Charge for the year.....	-	31,302
Translation Adjustment.....	6,460	10,834
As at March 31, 2015.....	<u>155,130</u>	<u>148,668</u>
Net Block		
As at March 31, 2015.....	<u>17</u>	<u>15</u>

As of March 31,

<u>2015</u>	<u>2014</u>
-------------	-------------

Note 9 Trade Receivables

Debts outstanding for a period exceeding six months		
Considered good	27,259,162	70,200,646
Considered doubtful	12,940,640	-
Less: Provision for doubtful debts	(12,940,640)	-
	<u>27,259,162</u>	<u>70,200,646</u>
Other receivables		
Considered good	28,753,570	28,304,725
Less: Provision for doubtful debts	-	-
	<u>28,753,570</u>	<u>28,304,725</u>
Total (A + B).....	<u>56,012,770</u>	<u>98,505,371</u>

Note 10 Cash and cash equivalents

Balances with scheduled banks		
In current account	35,612,888	119,450,757
	<u>35,612,888</u>	<u>119,450,757</u>

Note 11 Short-term loans and advances

Employee travel & other advances	5,402,160	4,051,438
Others	437,418	419,204
Prepaid expenses	896,615	905,709
	<u>6,736,194</u>	<u>5,376,352</u>

Note 12 Other current assets

Receivable from Group companies	19,955,299	-
Unbilled revenue	26,196,774	28,314,296
	<u>46,152,072</u>	<u>28,314,296</u>

FINANCIAL STATEMENTS OF WIPRO BAHRAIN WLL LTD - STANDALONE
NOTES TO PROFIT AND LOSS ACCOUNT

	Year ended March 31,	
	2015	2014
Note 13 Revenue from Operations		
Sale of products	5,614,087	16,941,776
Sale of services	204,416,062	170,947,921
Revenue from operations (gross)	210,030,149	187,889,697
Note 14 Other Income		
	-	-
	-	-
Note 15 Cost of Materials Consumed		
Opening stocks	-	-
Add: Purchases	14,858,531	19,815,003
Less: Closing stocks	-	-
	14,858,531	19,815,003
Note 16 Employee benefits expense		
Salaries and wages	109,678,895	101,419,181
Contribution to provident and other funds	5,691,465	5,661,437
Leave Encashments	6,048,371	3,560,439
Staff welfare expenses	1,313,989	551,434
	122,732,720	111,192,491
Note 17 Finance costs		
Bank charges and others	250,667	696,185
	250,667	696,185
Note 18 Other expenses		
Travel	13,933,817	6,181,684
Rent	1,925,574	1,876,281
Stores and spares	55,385	-
Insurance	6,825,411	5,698,430
Communication	2,433,916	1,587,202
Legal and professional charges	876,886	177,873
Other exchange differences, net	849,089	221,082
Provision for doubtful debts	12,654,407	-
Miscellaneous expenses	812,794	1,017,408
	40,367,278	16,759,961

Note 19. Related Party Transactions.

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

Name of the party	Relationship with The Company
Wipro Limited	Ultimate Holding Company
Wipro Arabia Ltd	Fellow Subsidiary
Wipro Information Technology Egypt SAE	Fellow Subsidiary
Wipro Travel service Ltd	Fellow Subsidiary
Wipro Cyprus Pvt. Ltd	Holding Company

The Company had the following transactions with related parties during the year ended March 31, 2015.

(In Rs)

Name of the party	For the year ended	
	March 31, 2015	March 31, 2014
Dividend Income – Wipro Cyprus Ltd	135,200,904	-

The following is the listing of receivables and payables to related parties as at March 31, 2014.

Name of the party	For the year ended	
	March 31, 2015	March 31, 2014
Payables:		
Wipro Limited	5,228,228	33,815,978
Wipro Information Technology Egypt SAE	207,512	207,512
Wipro Cyprus Pvt. Ltd	22,232,925	-
Wipro Travel Service	70,013	116,461
Wipro Arabia Ltd	-	4,309,933

Name of the party	For the year ended	
	March 31, 2015	March 31, 2014
Receivable:		
Wipro Arabia Ltd	19,955,299	-

Note 20. Earnings per share

(In Rs)

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Profit for the year as per profit and loss account	31,820,954	39,394,756
Weighted average number of equity shares used for computing basic and diluted EPS	500	500
Earnings per share basic and diluted (face value: BHD 100 each)	63,642	78,790

Note 21. Segment reporting.

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

Note 22.

The Company is a foreign company and is not governed by the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (the Act). Hence, the disclosures under the Act are not applicable to the Company.

Note 23.

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

As per our report of even date attached

For, **Y. S. SHETTY & Co.**
Chartered Accountants
Firm Registration number : 006308S

For and on behalf of Board of Directors

sd/-
(Shyam Prasad Shetty Y)
Partner
Membership number : **202597**
Place: Bangalore
Date : 12/05/2015

sd/-
Srinivas G
Director

sd/-
Soumitro Ghosh
Director

Note 6 Tangible Assets

	Plant and machinery	Plant and machinery	Total
Gross carrying value			
As at April 1, 2014.....	148,683	134,748	134,748
Additions.....			-
Disposals.....		-	-
Other adjustments.....	6,460	13,935	13,935
As at March 31, 2015.....	<u>155,143</u>	<u>148,683</u>	<u>148,683</u>
Depreciation			
As at April 1, 2014.....	148,667	106,532	106,532
Charge for the year.....	17	31,302	31,302
Translation Adjustment	6,460	10,834	10,834
As at March 31, 2015.....	<u>155,143</u>	<u>148,667</u>	<u>148,667</u>
As at March 31, 2015.....	<u>0</u>	<u>16</u>	<u>16</u>

(iii) Details of Shareholding Pattern by Related Parties

Sl No.	Name of Shareholders	As at March 31 2015		As at March 31 2014	
		No. of Share	% of holdings	No. of Share	% of holdings
1	Wipro Singapore Pte Limited	-	-	-	-
2	Wipro Cyprus Private Limited	500	100	500	100