

**WIPRO SA BROAD-BASED
OWNERSHIP SCHEME SPV (RF)
(PTY) LTD**

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED MARCH 31, 2015

WIPRO SA BROAD-BASED OWNERSHIP SCHEME SPV (RF) (PTY) LTD**BALANCE SHEET****(Amount in ₹ except share and per share data, unless otherwise stated)**As at March 31,
2015As at March 31,
2014**I. EQUITY AND LIABILITIES****Shareholders' funds**

Share capital	3	773,973,684	773,973,684
Reserves and surplus	4	(2,890,607)	(54,069)
		771,083,077	773,919,615

Current liabilities

Trade payables	5	28,306	31,259
Other current liabilities	6	1,609,954	28,265
Short term provisions	7	2,796,428	-
		4,434,688	59,524

TOTAL EQUITY AND LIABILITIES**775,517,765** 773,979,139**II ASSETS****Non-current assets**

Non-current investments	8	773,973,684	773,973,684
		773,973,684	773,973,684

Current assets

Cash and bank balances	9	1,543,533	5,455
Short term loans and advances	10	548	-
		1,544,081	5,455

TOTAL ASSETS**775,517,765** 773,979,139

The accompanying notes form an integral part of the Balance Sheet

As per our report of even date attached

*for D.Prasanna & Co.***Chartered Accountants****Firm Registration number : 009619S**

For and on behalf of the Board of Directors

sd/-

D.Prasanna Kumar

Proprietor

Membership No. 211367

sd/-

Sibongile Mguda

Director

WIPRO SA BROAD-BASED OWNERSHIP SCHEME SPV (RF) (PTY) LTD
STATEMENT OF PROFIT AND LOSS ACCOUNT
(Amount in ₹ except share and per share data, unless otherwise stated)

	Notes	Year ended March 31,	
		2015	2014
REVENUE			
Revenue from operations (net)		-	-
Other income	11	10,863,119	-
Total Revenue		10,863,119	-
EXPENSES			
Finance costs	12	29,742	24,410
Other expenses	13	30,617	33,452
Total Expenses		60,359	57,862
Profit before tax		10,802,760	(57,862)
Tax expense			
Current tax		3,024,773	-
Net Profit		7,777,987	(57,862)
Earnings per equity share			
Basic		7,777,987	(57,862)
Diluted		7,777,987	(57,862)
*Refer Note 15			

The accompanying notes form an integral part of the Statement of Profit and Loss

As per our report of even date attached

For and on behalf of the Board of Directors

for *D.Prasanna & Co.*

Chartered Accountants

Firm Registration number : 009619S

sd/-

D.Prasanna Kumar

Proprietor

Membership No. 211367

sd/-

Sibongile Mguda

Director

WIPRO SA BROAD-BASED OWNERSHIP SCHEME SPV (RF) (PTY) LTD
CASH FLOW STATEMENT FOR THE YEAR MARCH 31,2015
(Amount in ₹ except share and per share data, unless otherwise stated)

	Year ended March 31,	Year ended March 31,
	2015	2014
A. Cash flows from operating activities:		
Profit / (Loss) before tax	10,802,760	(57,862)
<i>Adjustments:</i>		
Dividend Received	(10,851,671)	
Unrealised exchange differences - net	237,146	3,793
Working capital changes :		
Trade and other receivable	(548)	-
Provision for Tax	(228,345)	-
Trade and other payables	1,578,736	59,523
Net cash generated by operating activities	1,538,078	5,454
B. Cash flows from investing activities:		
Purchase of investments	-	(773,973,684)
Dividend / interest income received	10,851,671	-
Net cash generated by / (used in) investing activities	10,851,671	(773,973,684)
C. Cash flows from financing activities:		
Dividends paid (including distribution tax)	(10,851,671)	-
Proceeds from issuance of shares	-	773,973,684
Net cash generated by / (used in) financing activities	(10,851,671)	773,973,684
Net (decrease) / increase in cash and cash equivalents during the period	1,538,079	5,454
Cash and cash equivalents at the beginning of the period	5,454	-
Effect of translation of cash balance	-	-
Cash and cash equivalents at the end of the period (Refer Note 9)	1,543,533	5,454

The accompanying notes form an integral part of the Cashflow Statement

As per our report of even date attached
for D.Prasanna & Co.

Chartered Accountants

Firm Registration number : 009619S

For and on behalf of the Board of Directors

sd/-

D.Prasanna Kumar

Proprietor

Membership No. 211367

sd/-

Sibongile Mguda

Director

WIPRO SA BROAD-BASED OWNERSHIP SCHEME SPV (RF) (PTY) LTD
NOTES TO THE FINANCIAL STATEMENTS
(Amount in ₹ except share and per share data, unless otherwise stated)

1. Company overview

Wipro SA Broad-Based Ownership Scheme SPV (RF) (PTY) Ltd (“the Company”) is a subsidiary of Wipro Broad-Based Ownership Scheme Trust incorporated in Cape Town, South Africa. The Company is engaged in the business of designing microprocessors, related technology, software, and sell design development systems (soft IP), to enhance the performance, cost-effectiveness and power-efficiency of Integrated Circuit applications mainly focused on the wireless & communication industry. The functional currency of the Company is ZAR and the reporting currency for these financial statements is INR. These financial statements have been prepared and audited to attach with the accounts of the holding company, to comply with the provisions of Indian Companies Act, 2013.

2. Significant accounting policies

i. Basis of preparation of financial statements

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

ii. Use of estimates

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

iii. Revenue recognition

Services:

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

A. Time and material contracts

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

B. Fixed-price contracts

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

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

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

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

C. Maintenance Contracts

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

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

Products:

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

Other income

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

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

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

iv. Investments

Long term investments are stated at cost less other than temporary diminution in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

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.

vi. Foreign currency transaction

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

vii. Translation of financial statements

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

viii. Income Tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred tax assets and liabilities are recognized 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 of 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 recognized in the period that includes the enactment/substantial enactment date.

Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized 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 values at each balance sheet date.

ix. Cash flow statement

Cash flows are reported using the 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 regular revenue generating, investing and financing activities of the Company are segregated.

x. Employee benefits

Compensated absences:

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accumulating compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The Company recognizes accumulated compensated absences based on actuarial valuation. Non accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

Pension and social contribution:

Pension and social contribution plan, a defined contribution scheme, the Company makes monthly contributions based on a specified percentage of each covered employee's salary.

xi. 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.

Note 3 Share Capital

(i) The details of share capital are given below:-

Authorised capital

1 equity share of NIL Par Value

	As at March31, 2015	As at March 31, 2014
	<u>773,973,684</u>	<u>773,973,684</u>
	<u>773,973,684</u>	<u>773,973,684</u>
	<u>773,973,684</u>	<u>773,973,684</u>
	<u>773,973,684</u>	<u>773,973,684</u>

Issued, subscribed and fully paid-up capital

1 equity share of NIL Par Value [Refer note (ii) below]

The Company has issued no par value equity shares. Pursuant to regulations in South Africa, the proceeds from issuance of no par value shares are accounted as share capital only.

(ii) The following is the reconciliation of number of shares as at March 31, 2015.

Number of common stock outstanding as at beginning of the year	1	-
Number of common stock issued during the year	-	1
Number of common stock outstanding as at the end of the year	<u>1</u>	<u>1</u>

(iii) Details of share holding pattern by related parties

	As of March 31,			
	2015		2014	
Name of shareholders	No. of shares	% of holdings	No. of shares	% of holdings
Wipro SA Broad based Ownership Scheme Trust	1	100%	1	100%
Total	1	100%	1	100%

(iv) From inception till date, no shares have been allotted as bonus shares by capitilisaion of General Reserves. Further, no shares have been allotted as fully paid pursuant to a contract without payment but received in cash. No Shares have been bought back.

	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
Note 4 Reserves and Surplus		
Translation reserve		
Balance brought forward from previous year	3,793	-
Movement during the period	237,146	3,793
	<u>240,939</u>	<u>3,793</u>
Surplus from statement of profit and loss		
Balance brought forward from previous year	(57,862)	-
Add: Profit for the year	7,777,987	(57,862)
Less: Appropriations		
- Proposed dividend	10,851,671	-
Closing balance	<u>(3,131,546)</u>	<u>(57,862)</u>
Summary of reserves and surplus		
Balance brought forward from previous year	(54,069)	-
Movement during the year	(2,836,538)	(54,069)
	<u>(2,890,607)</u>	<u>(54,069)</u>
Note 5 Trade payables		
Accrued expenses	28,306	31,259
	<u>28,306</u>	<u>31,259</u>
Note 6 Other current liabilities		
Statutory liabilities	1,504,869	-
Balances due to related parties	105,085	28,264
	<u>1,609,954</u>	<u>28,264</u>
Note 7 Short term provisions		
Provision for tax	2,796,428	-
	<u>2,796,428</u>	<u>-</u>
Note 8 Non-current investments		
(Valued at cost unless stated otherwise)		
Non-trade – unquoted		
Investment in equity shares		
- Wipro Technologies South Africa Proprietary Limited (37 shares of ZAR 1 each)	773,973,684	773,973,684
	<u>773,973,684</u>	<u>773,973,684</u>
Less: Provision for diminution in value of non-current investments	-	-
	<u>773,973,684</u>	<u>773,973,684</u>

Note 9 Cash and bank balances**Cash and cash equivalents**

Balances with banks

In current accounts

<u>As at March 31,</u> <u>2015</u>	<u>As at March 31,</u> <u>2014</u>
1,543,533	5,455
<u>1,543,533</u>	<u>5,455</u>

Note 10 Short-term loans and advances*(Unsecured, considered good unless otherwise stated)*

Balances with statutory authorities

548	-
<u>548</u>	<u>-</u>

Year ended March 31,

2015

2014

Note 11 Other Income

Dividend Income

Bank Interest

10,851,671	-
11,448	-
<u>10,863,119</u>	<u>-</u>

Note 12 Finance costs

Bank charges and others

29,742	24,410
<u>29,742</u>	<u>24,410</u>

Note 13 Other expenses

Auditors' remuneration

Audit fees

30,617	33,452
<u>30,617</u>	<u>33,452</u>

Note 14 Related party transactions

Name	Relation
List of related parties and relationships:	
Wipro Technologies South Africa Proprietary Limited	Subsidiary
Wipro SA Broad based Ownership Scheme Trust	Parent Company

The Company had the following transactions with related parties during

	Year ended March 31,	
	2014	2013
Dividend Received		
Wipro Technologies South Africa Proprietary Limited	10,851,671	-
Dividend Paid		
Wipro SA Broad based Ownership Scheme Trust	10,851,671	-
	10,851,671	-

The following is the listing of receivables and payables to related parties

	Year ended March 31,	
	2015	2014
Payables:		
Wipro Technologies South Africa Proprietary Limited	79,492	-
Wipro SA Broad based Ownership Scheme Trust	25,593	25,593
	105,085	25,593

Note 15 Earnings per share

	Year ended March 31,	
	2015	2014
Computation of EPS		
Profit / (Loss) for the period as per statement of profit and loss.	7,777,987	(57,862)
Weighted average number of equity shares used for computing basic and diluted EPS	1	1
Gain/Loss per share basic and diluted (face value: Nil)	7,777,987	(57,862)

Note 16 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 17 Micro, Small and Medium Enterprises, Development Act, 2006

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 18 Others

Hitherto the applicability of revised Schedule III from the current year, the Company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule III does not impact recognition and measurement principle followed for the preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of Balance Sheet.

for D.Prasanna & Co.

Chartered Accountants

Firm Registration number : 009619S

For and on behalf of the Board of Directors

sd/-

D.Prasanna Kumar

Proprietor

Membership No. 211367

sd/-

Sibongile Mguda

Director

