

**WIPRO TECHNOLOGIES NIGERIA
LIMITED**

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED MARCH 31, 2015

WIPRO TECHNOLOGIES NIGERIA LIMITED

BALANCE SHEET AS AT MARCH 31,2015

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

	Notes	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	3	5,683,810	5,683,810
Reserves and surplus	4	29,202,342	56,752,217
		34,886,152	62,436,027
2. Share application money pending allotment			
		-	-
3. Non-current liabilities			
Long term provisions	5	-	650,813
		-	650,813
4. Current liabilities			
Short term borrowings	6	28,583,980	85,417,468
Trade payables	7	158,842,039	74,190,182
Other current liabilities	8	6,107,668	14,660,061
Short term provisions	9	1,102,786	26,769,348
		194,636,473	201,037,060
TOTAL EQUITY AND LIABILITIES		229,522,625	264,123,900
II ASSETS			
1. Non-current assets			
Fixed assets			
Tangible assets	10	175,652	-
		175,652	-
2. Current assets			
Trade receivables	11	73,036,664	162,735,659
Cash and bank balances	12	65,931,302	85,734,456
Short term loans and advances	13	68,366,225	15,653,785
Other current assets	14	22,012,782	-
		229,346,973	264,123,900
TOTAL ASSETS		229,522,625	264,123,900

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/-

Chandra Prakash Sahal

Director

sd/-

Shaileendra Singh

Director

WIPRO TECHNOLOGIES NIGERIA LIMITED
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 (gross)	15	469,311,002	291,865,473
Less: Excise duty		-	-
Revenue from operations (net)		469,311,002	291,865,473
Other income	16	3,477,616	44,983
Total Revenue		472,788,618	291,910,456
EXPENSES			
Employee benefits expense	17	42,198,415	25,326,745
Finance costs	18	18,127,760	4,433,692
Depreciation and amortisation expense	10	25,852	-
Other expenses	19	413,223,736	169,999,208
Total Expenses		473,575,763	199,759,645
Profit before tax		(787,146)	92,150,811
Tax expense			
Current tax		20,885,769	27,645,243
Net Profit		(21,672,915)	64,505,568

Earnings per equity share

(Equity shares of par value NGN. 163 each)

Basic	(217)	645
Diluted	(217)	645

*Refer Note 21

The accompanying notes form an integral part of the Statement of profit and loss

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/-

Chandra Prakash Sahal

Director

sd/-

Shailendra Singh

Director

WIPRO TECHNOLOGIES NIGERIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR MARCH 31,2015
(Amount in ₹ except share and per share data, unless otherwise stated)

	Period ended March 31, 2015	Year ended March 31, 2014
A. Cash flows from operating activities:		
Profit / (Loss) before tax	(787,146)	92,150,811
<i>Adjustments:</i>		
Depreciation and amortization	25,852	-
Unrealised exchange differences - net	(5,853,681)	(2,045,195)
Interest on Fixed Deposits	(3,477,616)	(44,983)
Interest on borrowings (Unpaid)	2,082,941	1,615,719
Working capital changes :		
Trade and other receivable	89,698,995	(162,735,659)
Loans and advances	(126,889,328)	27,973,219
Provisions and Other Current Liabilities	(36,952,709)	16,024,775
Trade and other payables	84,651,857	(520,290)
Net cash generated from operations	2,499,166	(27,581,603)
Direct taxes refund / paid	(31,278,337)	26,769,348
Net cash generated by operating activities	33,777,502	(812,255)
B. Cash flows from investing activities:		
Interest on Fixed Deposits	3,477,616	44,983
Acquisition of property, fixed assets	(224,784)	-
Net cash generated by / (used in) investing activities	3,252,832	44,983
C. Cash flows from financing activities:		
Proceeds from borrowings / loans	(56,833,488)	79,969,410
Net cash generated by / (used in) financing activities	(56,833,488)	79,969,410
Net (decrease) / increase in cash and cash equivalents during the period	(19,803,154)	79,202,137
Cash and cash equivalents at the beginning of the period	85,734,456	6,532,319
Effect of translation of cash balance	-	-
Cash and cash equivalents at the end of the period (Refer Note 12)	65,931,302	85,734,456

The accompanying notes form an integral part of the Cashflow Statement

As per our report 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/-
Director
Chandra Prakash Sahal

sd/-
Director
Shaileendra Singh

WIPRO TECHNOLOGIES NIGERIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(Amount in ₹ except share and per share data, unless otherwise stated)

1. Company overview

Wipro Technologies Nigeria limited is a subsidiary of Wipro Technologies South Africa Proprietary Pvt Ltd incorporated in 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 NGN 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. Fixed assets and work-in-progress

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.

Foreign currency transaction

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

Translation of financial statements

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

vi. 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.

vii. Earnings per share

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

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

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. 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.

x. 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

100000 (2014: 100000) equity shares of NGN 163 each

	As at March 31, 2015	As at March 31, 2014
	5,683,810	5,683,810
	5,683,810	5,683,810
Issued, subscribed and fully paid-up capital		
100000 equity shares of NGN 163 each [Refer note (ii) below]	5,683,810	5,683,810
	5,683,810	5,683,810

(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	100,000	100,000
Number of common stock issued during the year	-	-
Number of common stock outstanding as at the end of the year	100,000	100,000

(iii) Details of share holding pattern

	As of March 31,			
	2015		2014	
Name of shareholders	No. of shares	% of holdings	No. of shares	% of holdings
Wipro Cyprus Private Limited	1,000	1%	1,000	1%
Wipro Technologies South Africa Pty Ltd	99,000	99%	99,000	99%
Total	100,000	100%	100,000	100%

	As at March 31, 2015	As at March 31, 2014
Note 4 Reserves and Surplus		
Translation reserve		
Balance brought forward from previous year	(2,141,765)	(96,571)
Movement during the period	(5,876,960)	(2,045,195)
	(8,018,725)	(2,141,765)
Surplus from statement of profit and loss		
Balance brought forward from previous year	58,893,983	(5,611,585)
Add: Profit for the year	(21,672,915)	64,505,568
Less: Appropriations		
- Proposed dividend	-	-
Closing balance	37,221,067	58,893,983
Summary of reserves and surplus		
Balance brought forward from previous year	56,752,217	(5,708,156)
Movement during the year	(27,549,875)	62,460,373
	29,202,342	56,752,217
Note 5 Long term Provisions		
Employee benefit obligation	-	650,813
	-	650,813
Note 6 Short term borrowings		
Unsecured:		
Loan from group Companies	28,583,980	85,417,468
	28,583,980	85,417,468
Note 7 Trade payables		
Trade Payables	37,521,152	1,118,263
Payable to Group Co's	82,551,770	4,699,820
Accrued expenses	38,769,117	68,372,099
	158,842,039	74,190,182
Note 8 Other current liabilities		
Salary Payable	239,267	197,381
Unearned revenue	-	12,966,847
Statutory liabilities	2,407,151	1,200,948
Balances due to related parties	3,461,250	-
Others	-	294,886
	6,107,668	14,660,061

	As at March 31, 2015	As at March 31, 2014
Note 9 Short term provisions		
Employee benefit obligations	1,102,786	
Provision for tax	-	26,769,348
	1,102,786	26,769,348

Note 11 Trade Receivable

Unsecured:

Over six months from the date they were due for payment

Considered good	81,891	-
Considered doubtful	44,095	-
	125,987	-
Less: Provision for doubtful receivables	(44,095)	-
	81,891	-

Other receivables

Considered good	72,954,773	162,735,659
	72,954,773	162,735,659
Less: Provision for doubtful receivables	-	-
	72,954,773	162,735,659
	73,036,664	162,735,659

Note 12 Cash and bank balances

Cash and cash equivalents

Balances with banks		
In current accounts	6,271,302	85,734,456
In deposit accounts	59,660,000	-
	65,931,302	85,734,456

Note 13 Short-term loans and advances

(Unsecured, considered good unless otherwise stated)

Employee travel & other advances	2,749,854	1,499,938
Advance to suppliers	1,381,600	527,475
Balances with excise, customs and other authorities	-	1,541,131
Prepaid expenses	33,005,861	12,085,241
Security deposits	1,671,893	-
Advance income tax	29,775,989	
	68,585,197	15,653,785
Less: Provision for doubtful loans and advances	(218,972)	-
	68,366,225	15,653,785

Note 14 Other current assets

Unsecured and considered good:

Interest receivable	7,355	-
Unbilled revenue	22,005,427	-
	22,012,782	-

	Year ended March 31,	
	2015	2014
Note 15 Revenue from Operations		
Sale of services	469,311,002	291,865,473
Revenue from operations (gross)	<u>469,311,002</u>	<u>291,865,473</u>
Note 16 Other Income		
Interest on Fixed Deposits	3,477,616	44,983
Other exchange differences, net	-	-
	<u>3,477,616</u>	<u>44,983</u>
Note 17 Employee benefits expense		
Salaries and wages	38,597,310	21,578,388
Contribution to provident and other funds	199,366	2,299,937
Staff welfare expenses	3,401,739	1,448,421.25
	<u>42,198,415</u>	<u>25,326,745</u>
Note 18 Finance costs		
Interest Cost	2,082,941	1,615,719
Exchange difference on borrowings	16,044,819	2,817,974
	<u>18,127,760</u>	<u>4,433,692</u>
Note 19 Other expenses		
Sub contracting / technical fees / third party application	325,364,009	138,850,720
Travel	13,574,794	8,099,112
Repairs and Maintenance	2,676,341	367,081
Rent	38,079,729	15,340,621
Provision/write off of bad debts	49,939	-
Communication	2,092,937	224,850
Legal and professional charges	9,908,941	4,848,583
Other exchange differences, net	11,008,176	-
Rates and taxes	42,031	5,772
Auditors' remuneration		
Audit fees	1,070,954	346,666
Miscellaneous expenses	9,355,885	1,915,802
	<u>413,223,736</u>	<u>169,999,208</u>

Note 20 Related party transactions

Name	Relation
List of related parties and relationships:	
Wipro Technologies South Africa Pty Ltd	Holding Company
Wipro Cyprus Private Limited	Holding Company
Wipro Limited	Ultimate Holding Company
Wipro Holdings UK Limited	Fellow Subsidiary

The Company had the following transactions with related parties during

	Year ended March 31,	
	2015	2014
Wipro Limited		
Sub contracting charges	79,467,841	1,230,142,716
Wipro Holding UK Limited		
Loan taken	-	5,448,059
Loan repayment	56,833,488	-
Interest on loan	2,082,941	1,615,719
	58,916,429	7,063,778

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

	Year ended March 31,	
	2015	2014
Payables:		
Wipro Travel Services Pvt Limited	3,212,484	1,177,796
Wipro Limited	82,557,037	3,339,764
Wipro Holding UK Limited	28,583,980	85,417,468
Wipro Infotech	243,499	245,036
	692,737,665	90,180,064

Note 21 Earnings per share

	Year ended March 31,	
	2015	2014
Computation of EPS		
Profit / (Loss) for the period as per statement of profit and loss.	(21,672,915)	64,505,568
Weighted average number of equity shares used for computing basic	100,000	100,000
Gain/Loss per share basic and diluted (Face Value :NGN 163 each)	(217)	645

Note 22 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 23 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 24 Transfer pricing

The Company's management is of the opinion that its international transactions with related parties are at arms length and believes that the transfer pricing legislation will not have any impact on the financial statements from the year ended 31st March 2015, particularly on the amount of tax expense and that of the provision for taxation.

24. 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.

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/-

Chandra Prakash Sahal Shailendra Singh

Director

sd/-

Director

Note 10 Tangible assets

Particular	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK*	
	As of April 1, 2014	Additions	Effect of Translation *	Disposals	As of March 31, 2015	As of April 1, 2014	Depreciation for the year	Effect of Translation *	Disposals / adjustments	As of March 31, 2015	As of March 31, 2015	As of March 31, 2014
Tangible fixed assets												
Office equipments	-	224,783.54	(26,304.14)	-	198,479.40	-	25,852.42	(3,025.25)	-	22,827.17	175,652.23	-
	-	224,783.54	(26,304.14)	-	198,479.40	-	25,852.42	(3,025.25)	-	22,827.17	175,652.23	-
Previous Year (FY 2013-14)	-	-	-	-	-	-	-	-	-	-	-	-

* Represents translation of fixed assets of non-integral operations into Indian Rupee