WIPRO PROMAX IP PTY LTD

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED
MARCH 31, 2016

Wipro Promax IP Pty Ltd

BALANCE SHEET

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

	Note	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	3	**5,460**	5,460
Reserves and surplus	4	**1,409,425**	(1,241,257)
		1,414,885	(1,235,797)
2. Current liabilities			
Trade payables	5	**-**	135,179,867
Other current liabilities	6	**-**	2,522,439
		-	137,702,306
TOTAL EQUITY AND LIABILITIES		**1,414,885**	136,466,509
II ASSETS			
1. Non-current assets			
Deferred tax assets		**-**	1,323,223
		-	1,323,223
2. Current assets			
Short term loans and advances	7	-	135,143,286
Other current assets	8	**1,414,885**	-
		1,414,885	135,143,286
TOTAL ASSETS		**1,414,885**	136,466,509

The accompanying notes form an integral part of the Balance Sheet

As per our report attached
for D. Prasanna & Co.
Chartered Accountants
Firm Registration No.- 009619S

sd/-
D. Prasanna Kumar
Proprietor
Membership No. 211367

Bangalore

For and on behalf of the Board of Directors

sd/-
Manoj Nagpaul
Director

Wipro Promax IP Pty Ltd

STATEMENT OF PROFIT AND LOSS ACCOUNT

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

	Notes	Year ended March 31, 2016	2015
REVENUE			
Revenue from operations		-	-
Less: Excise duty		-	-
Revenue from operations (net)		-	-
Other income	9	**2,583,197**	(2,806,960)
Total Revenue		**2,583,197**	(2,806,960)
EXPENSES			
Depreciation and amortisation expense			6,920,089
Total Expenses		-	6,920,089
Profit before tax		**2,583,197**	(9,727,049)
Tax expense			
Provision for Taxation		-	-
		-	-
Net Profit / Loss		**2,583,197**	(9,727,049)
Earnings per equity share			
(Equity shares of par value USD 300 each)			
Basic		**25,832**	(97,270)
Diluted		**25,832**	(97,270)
*Refer Note 14			

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

As per our report attached
for D. Prasanna & Co.
Chartered Accountants
Firm Registration No.- 009619S

sd/-
D. Prasanna Kumar
Proprietor
Membership No. 211367
Bangalore

For and on behalf of the Board of Directors

sd/-
Manoj Nagpaul
Director

WIPRO PROMAX IP PTY LTD

NOTES TO THE FINANCIAL STATEMENTS
(Amount in INR except share and per share data, unless otherwise stated)

1. Company Overview

Wipro Promax IP Pty Ltd ("the Company") is a subsidiary of Wipro Australia Pty Ltd, incorporated and domiciled in Australia. The Company is provider of IT Services, including Business Process Services (BPS) services, globally and IT Products. The functional currency of the Company is AUD 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 the Companies Act, 2013.

2. Significant accounting policies

2.1. 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, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable, Accounting Standards ('AS') issued by Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

2.2. 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 recognized in the year in which the estimates are revised and in any future year affected.

2.3. Fixed Assets

Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment loss, if any.

Cost of fixed assets not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.

2.4. Investments

Non-current 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.

2.5. Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of 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.

Provision for onerous contracts is recognized when the expected benefits to be derived from the contract are lower than the unavoidable cost of meeting the future obligations under the contract.

2.6. Revenue Recognition

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products.

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. *The cost expended (or input) 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 a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for* *which recoverability is probable.* When total cost estimates 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' represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. *Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.*

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

D. Others

- The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.
- The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.
- Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term.
- Contract expenses are recognised as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

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.

2.7. 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.

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

Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The difference arising from the translation is recognised in the statement of profit and loss, except for the exchange difference arising on monetary items that qualify as hedging instruments in a cash flow hedge or hedge of a net investment in a non-integral foreign operation. In such cases the exchange difference is initially recognised in hedging reserve or Foreign Currency Translation Reserve (FCTR), respectively. Such exchange differences are subsequently recognised in the statement of profit and loss on occurrence of the underlying hedged transaction or on disposal of the investment, respectively. Further, foreign currency differences arising from translation of intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the statement of profit and loss as part of the profit or loss on disposal.

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.

2.8. Depreciation and Amortization

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	28 – 40 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

For the class of assets mentioned above, 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.

Freehold land is not depreciated.

Intangible assets are amortized over their estimated useful life on a straight line basis.

Payments for leasehold land are amortised over the period of lease.

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

2.9. Employee Benefits

Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash 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 absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation carried out by independent actuary using the projected unit credit method. 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 account.

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.

2.10. Taxes

Income tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations.

Deferred tax:

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 of the Company.

Deferred taxes are recognised in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

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/substantive 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 realized. 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 realized.

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

The Company offsets, on a year on year basis, the current and non-current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

2.11. Earnings Per Share

Basic:
The number of equity shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year excluding equity shares held by controlled trusts.

Diluted:
The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity 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 equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

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	As at March31, 2016	As at March31, 2015
Note 3 Share Capital		
(i) The details of share capital are given below:-		
Authorised capital		
Equity shares [Par value of 1 AUD per share]	**5,460**	5,460
	5,460	5,460
Issued, subscribed and fully paid-up capital		
Equity shares [Par value of 1 AUD per share]	**5,460**	5,460
	5,460	5,460
(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**	100
Number of common stock issued during the year	**-**	-
Number of common stock outstanding as at the end of the year	**100**	100

(iii) Details of share holding pattern by related parties

	As of March 31,			
	2016		2015	
Name of shareholders	**No. of shares**	**% of holdings**	**No. of shares**	**% of holdings**
Wipro Australia Pty Ltd	**7**	**100%**	7	100%
Total	**7**	**100%**	7	100%

	As at March31, 2016	As at March31, 2015
Note 4 Reserves and Surplus		
Translation reserve		
Balance brought forward from previous year	**2,506,535**	2,662,687
Movement during the period	**(5,546,435)**	(156,152)
	(3,039,900)	2,506,535
Surplus from statement of profit and loss		
Balance brought forward from previous year	**1,866,128**	5,979,257
Add: Profit for the year	**2,583,197**	(9,727,049)
Closing balance	**4,449,325**	(3,747,792)
Summary of reserves and surplus		
Balance brought forward from previous year	**(1,241,257)**	8,641,943
Movement during the year	**2,650,682**	(9,883,200)
	1,409,425	(1,241,257)
Note 5 Trade payables		
Payable to group company	**-**	135,179,867
	-	135,179,867
Note 6 Other current liabilities		
Balances due to related parties	-	2,522,439
	-	2,522,439
Note 7 Short-term loans and advances		
(Unsecured, considered good unless otherwise stated)		
Balance with Group Companies	-	135,143,286
	-	135,143,286
Note 8 Other Current Assets		
Other Current Assets	**1,414,885**	-
	1,414,885	-

	Year ended March 31, 2016	Year ended March 31, 2015
Note 9 Other Income		
Other exchange differences, net	**(858,189)**	2,806,960
Income due to write back of provision	**3,441,386**	**-**
	2,583,197	2,806,960

Note 11 Related Party Transaction

The following are the entities with which the Company has related party transa

Name of the party	Relationship with the Company
Wipro Limited	Ultimate Holding Company
Wipro Technologies Australia Pty Ltd	Fellow Subsidiary

The following is the listing of payables to related parties as at March 31, 2016

Name of the party	Year ended March 31,	
	2016	2015
Wipro Technologies Australia Pty Ltd	**-**	36,581

Note 12 Earnings per Share (EPS)

Particulars	Year ended March 31,	
	2016	2015
Loss for the year as per profit and loss account	**2,583,197**	(9,727,049)
Weighted average number of equity shares used for computing basic and diluted EPS	**100**	100
Profit per share basic and diluted (Par value: USD 300)	**25,832**	(97,270)

Note 13

The company has filed for liquidation during the year and is still pending to be liquidated

As per our report attached
for D. Prasanna & Co.
Chartered Accountants
Firm Registration No.- 009619S

sd/-
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Membership No. 211367
Bangalore

For and on behalf of the Board of Directors

sd/-
Manoj Nagpaul
Director

Note 10 Tangible assets

Particular	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK*	
	As of April 1, 2015	Additions	Effect of Translation *	Disposals	As of March 31, 2016	As of April 1, 2015	Depreciation for the year	Effect of Translation *	Disposals / adjustments	As of March 31, 2016	As of March 31, 2016	As of March 31, 2015
Tangible fixed assets												
Buildings **	-	-	-	-	-	-	-	-	-	-	-	-
Plant & machinery ***	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & fixture	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Previous year – 2015	133,455,615	-	(4,769,591)	(128,626,023)	-	20,852,348	6,920,089	(1,063,794)	(26,708,643)	-	-	-