

WIPRO TRAVEL SERVICES LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

	Notes	(Amount in ₹)	
		2016	As at March 31, 2015
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share capital	3.1	661,710	661,710
Reserves and surplus	3.2	111,814,352	94,336,904
		112,476,062	94,998,614
Current Liabilities			
Trade payables	3.3	218,454,846	282,993,326
Other current liabilities	3.4	36,047,574	81,051,312
		254,502,420	364,044,638
TOTAL EQUITY AND LIABILITIES		366,978,482	459,043,252
<u>ASSETS</u>			
Non-current assets			
Deferred tax assets (net)	3.14	46,096	50,467
Long term loans and advances	3.5	33,067,185	40,555,421
		33,113,281	40,605,888
Current assets			
Trade receivables	3.6	259,274,131	307,821,767
Cash and cash equivalents	3.7	43,016,030	58,409,723
Short-term loans and advances	3.8	8,260,688	26,846,551
Other Current Assets	3.9	23,314,352	25,359,323
		333,865,201	418,437,364
TOTAL ASSETS		366,978,482	459,043,252

Significant accounting policies 2

Notes to accounts 3

*Trade payables does not include any any balances due to micro and small enterprises

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for Appaji & co

Chartered Accountants

Firm Registration number : 014147S

For and on behalf of the Board of Directors

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Appaji K

Partner

Membership No. 214156

Dipak Kumar Bohra

Director

Srinivasan G

Director

Bangalore

3rd June 2016

WIPRO TRAVEL SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Notes	(Amount in ₹)	
		For the year ended March 31,	
		2016	2015
REVENUE			
Revenue from operations	3.10	83,827,840	78,719,207
Other income	3.11	306,435	(635,823)
Total revenue		84,134,275	78,083,384
EXPENSES			
Management Service Cost	3.12	25,931,007	29,445,754
Other expense	3.13	32,094,403	29,478,920
Total expense		58,025,410	58,924,674
Profit before tax		26,108,865	19,158,712
Tax expense			
Current tax		8,627,046	5,725,550
Deferred tax		4,371	490,493
		8,631,417	6,216,043
Net profit		17,477,448	12,942,669
Earnings per equity share			
(Equity shares of par value Rs 10/- each)	3.16		
Basic		264.13	195.59
Diluted		264.13	195.59
Significant accounting policies	2		
Notes to accounts	3		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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Appaji K
Partner
 Membership No. 214156

Dipak Kumar Bohra
Director

Srinivasan G
Director

Bangalore
 3rd June 2016

WIPRO TRAVEL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	(Amount in ₹)	
	Year ended March 31,	
	2016	2015
A. Cash flows from operating activities:		
Profit before tax	26,108,865	19,158,712
<i>Adjustments:</i>		
Depreciation and amortisation	-	-
Adjustment towards increase in deferred tax.		
<i>Working capital changes :</i>		
Trade receivables and loans and advances	69,178,470	(87,494,843)
Liabilities and provisions	(109,542,219)	130,434,023
Net cash generated from operations	(14,254,883)	62,097,890
Direct taxes (paid)/refund, net	(1,138,810)	(15,382,024)
Net cash generated by / (used in) operating activities	(15,393,693)	46,715,866
B. Cash flows from investing activities:		
Net cash used in investing activities	-	-
C. Cash flows from financing activities:		
Net cash used in financing activities	-	-
Net (decrease) / increase in cash and cash equivalents during the year	(15,393,693)	46,715,866
Cash and cash equivalents at the beginning of the year	58,409,723	11,693,857
Cash and cash equivalents at the end of the year (Note refer 3.10)	43,016,030	58,409,723

As per our report of even date attached

for Appaji & co
Chartered Accountants
Firm Registration number : 014147S

For and on behalf of the Board of Directors

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Appaji K
Partner
Membership No. 214156

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Dipak Kumar Bohra
Director

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Srinivasan G
Director

Bangalore
3rd June 2016

WIPRO TRAVEL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 Company overview

Wipro Travel Services Limited ("the Company") is a subsidiary of Wipro Limited ("the holding company"). The Company is engaged in the business of booking air travel tickets for group companies (Wipro Limited and its subsidiary and associate companies).

2 Significant accounting policies

(i) Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under sec 133 of Companies Act 2013 (Act) guidance note read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of Act (to the extent notified and applicable), Accounting Standards issued by the 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, income and expenses, 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

The Company recognises commission income on travel tickets booked on a net basis when the services have been rendered. The company has service level agreement with the holding company. Accordingly, the Company acts as an agent for booking tickets without being the primary obligor. Discount given to the customer is presented as reduction of revenue.

Income from incentives is recognized when the right to receive such incentives is established and Accrued in the books accordingly.

(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	28-40 years
Computers including telecom equipment and software (included under plant and machinery)	2-7 years
Furniture and fixtures	3-10 years
Electrical installations (included under plant and machinery)	2-7 years
Vehicles	4-5 years

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

For the class of assets mentioned above, based on technical assessment the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

(v) 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/substantive 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 realized.

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

(vi) Earnings per share

The basic and diluted earnings per share is computed by dividing the net profit attributable to equity share holders for the year, by the weighted average number of equity shares outstanding for the year.

(vii) 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.

(viii) Impairment of assets

Financial assets:

The Company assesses at each period end whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. The amount of loss for receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Impairment loss, if any, is recognised in the statement of profit and loss. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, the recognised impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

Other than financial assets

The Company assesses at each balance sheet date whether there is any indication that a non-financial asset including goodwill may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. In respect of goodwill, the impairment loss will be reversed only when it was caused by specific external events of an exceptional nature that is not expected to recur and their effects have been reversed by subsequent external events.

(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) Leases

a) Arrangements where the Company is the lessee

Leases of assets, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Lease rentals in respect of assets taken under operating leases are charged to profit and loss account on a straight line basis over the lease term.

b) Arrangements where the Company is the lessor

In certain arrangements, the Company recognizes revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned interest income and the estimated residual value of the leased equipment on consummation of such leases. Unearned interest income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognizes unearned interest income as financing revenue over the lease term using the effective interest method.

3 Notes to accounts

3.1 Share capital

	(Amount in ₹)	
	As at March 31,	
	2016	2015
Authorised capital		
10,000,000 (2015: 10,000,000) equity shares of Rs. 10 each	100,000,000	100,000,000
	100,000,000	100,000,000
Issued, subscribed and paid-up capital		
66,171 (2015: 66,171) equity shares of Rs. 10 each.	661,710	661,710
	661,710	661,710

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each share holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the equity share holders will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

(i) Details of shareholders having more than 5% of the total equity shares of the Company

Name of Shareholder	As of March 31, 2016		As of March 31, 2015	
	No of Shares	% held	No of Shares	% held
Wipro Limited (holding company)	66,165	99.99	66,165	99.99
	66,165	99.99	66,165	99.99

(ii) Reconciliation of number of shares

Name of Shareholder	As of March 31	
	2016	2015
Opening number of equity shares	66,171	66,171
Equity shares issued during the year	-	-
Closing number of equity shares outstanding	66,171	66,171

3.2 Reserves and surplus

	(Amount in ₹)	
	As at March 31,	
	2016	2015
General reserve		
Balance brought forward from previous year	19,159,182	19,159,182
Add: Transferred from Profit and Loss account	-	-
	19,159,182	19,159,182
Surplus from statement of profit and loss		
Balance brought forward from previous year	75,177,722	62,235,054
Add: Profit for the year	17,477,448	12,942,667
Closing balance	92,655,170	75,177,722
Summary of reserves and surplus		
Balance brought forward from previous year	94,336,904	81,394,236
Movement during the year	17,477,448	12,942,667
	111,814,352	94,336,904

3.3 Trade payables

	(Amount in ₹)	
	As at March 31,	
	2016	2015
Sundry creditors - due to micro and small enterprises *	-	-
Sundry creditors - due to other than micro and small enterprises	218,454,846	282,993,326
	218,454,846	282,993,326

*The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act).
The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act and believe that the impact of interest if any, will not be material.

3.4 Other current liabilities

	(Amount in ₹)	
	As at March 31,	
	2016	2015
Advances from vendors	36,047,574	81,051,312
	36,047,574	81,051,312

3.5 Long term loans and advances

	(Amount in ₹)	
	As at March 31,	
	2016	2015
Advance income tax, net of provision for tax	33,067,185	40,555,421
	33,067,185	40,555,421

3.6 Trade receivables (unsecured)

	(Amount in ₹)	
	As at March 31,	
	2016	2015
Over six months from the date they were due for payment		
Considered good	36,013,609	22,127,918
Considered doubtful	-	-
	36,013,609	22,127,918
Other receivables		
Considered good	223,260,522	285,693,850
Considered doubtful	-	-
	223,260,522	285,693,850
Less: Provision for doubtful debts	-	-
	259,274,131	307,821,767

3.7 Cash and cash equivalents

	(Amount in ₹)	
	As at March 31,	
	2016	2015
Balances with banks		
- in current accounts	43,016,030	58,409,723
	43,016,030	58,409,723

3.8 Short-term loans and advances

	(Amount in ₹)	
	As at March 31,	
	2016	2015
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers	6,941,538	26,630,329
Statutory liabilities	1,319,150	216,222
	8,260,688	26,846,551

3.9 Other Current Assets

	(Amount in ₹)	
	As at March 31,	
	2016	2015
Secured and considered good:		
Accrued Income	23,314,352	25,359,323
	23,314,352	25,359,323

3.10 Revenue from operations

	(Amount in ₹)	
	As at March 31,	
	2016	2015
Income from incentives and commission	83,827,840	78,719,207
	83,827,840	78,719,207

3.11 Other income

	(Amount in ₹)	
	Year ended March 31,	
	2016	2015
Exchange gain, net	18,196	(635,823)
Interest Income	287,866	-
Service Tax - SB Cess output (0.5%) - Booked	373	-
	306,435	(635,823)

3.12 Management Service Cost

	(Amount in ₹)	
	Year ended March 31,	
	2016	2015
Management Fee from Wipro Technologies	25,024,691	28,481,657
Staff welfare expenses	906,316	964,098
	25,931,007	29,445,754

3.13 Other expenses

	(Amount in ₹)	
	Year ended March 31,	
	2016	2015
Subcontracting charges	22,290,949	16,207,135
Rent	3,576,717	4,644,000
Communication	433,220	260,002
Rates and taxes	110,784	4,704,827
Auditors remuneration - Towards Statutory Audit	49,750	60,000
Printing and stationery	10,365	21,988
Legal & Professional Charges	4,100,360	2,083,978
Conveyance-Local	270,404	342,550
Recruitment Expenses	1,669	229,537
Miscellaneous expenses	1,233,738	902,552
Bank Charges	16,447	22,350
	32,094,403	29,478,920

3.14 Deferred tax

Deferred tax comprises the following:

Particulars	(Amount in ₹)	
	As at March 31,	
	2016	2015
Opening Deferred tax asset/ (liability), net	50,467	540,960
Provision for employee benefits		
Surplus of depreciation allowable under income-tax law over depreciation provided	46,096	50,467
Closing Deferred tax asset/ (liability), net	46,096	50,467
Charged/ (Credited) to P&L	4,371	490,493

3.15 Related party relationships and transactions

Particulars	Transactions	(Amount in ₹)	
		For the year ended March 31,	
		2016	2015
Wipro Limited	Rent	3,576,717	4,644,000
Wipro Limited	Reimbursement of Management Fees	25,015,124	29,445,754
Wipro Limited		4,070,425	5,172,549
Wipro Arabia Limited		22,666	12,434
Wipro Promax Analytical Solutions Europe Ltd		463	
Wipro Retail Germany		355	1,360
Wipro Technologies South Africa Pty Limited		9,573	10,366
Wipro Shanghai Ltd		1,949	475
Wipro Technologies SRL, Romania		43	157
Wipro UK Limited			
Wipro Bahrain Limited WLL		1,005	260
Wipro Chengdu Limited		220	2,367
Wipro Outsourcing Services, Ireland			
Wipro (Thailand) Co Limited		68	200
Wipro Technologies Chile		32	75
Wipro US Oil & Gas			90
Wipro Japan KK		928	788
Wipro Technologies Inc			
Wipro do Brazil Technologia Ltd		5,419	520
Infocrossing INC		270	627
Wipro Gallagher Solutions Inc		917	
Wipro Technologies S.A. De C.V		280	60
Wipro Solutions Canada Limited		58	
Wipro BPO Philippines Ltd. Inc		37	
Wipro LLC		553	1,909
Wipro Limited Nigeria		1,548	1,511
PT WT Indonesia		2,324	8,278
Wipro Gulf LLC			225
Wipro Enterprises Limited		89,077	58,656
Others:			
Mr. Azim Premji & Family		718	1,125
Azim Premji Educational Trust		484	674
Azim Premji Foundation		49,908	71,967
Azim Premji Philanthropic Initiative		3,138	
Azim Premji University		15,323	22,915
Vineet Agarwal		712	18
Total Others		208,066	197,059
Grand Total		32,870,332	39,459,361

The following are receivables from related parties as at the balance sheet date:

Particulars	(Amount in ₹)	
	As at March 31,	
	2016	2015
<i>Trade Receivables</i>		
Wipro Limited	212,055,208	261,467,525
Others		
Wipro Infomation Technology Egypt SAE	-	-
Wipro Promax Analytical Solutions Europe Ltd	(24,555)	96,364
Wipro Retail Germany	747,488	45,035
Wipro Technologies South Africa Pty Limited	15,608,659	12,007,764
Wipro Technologies Inc	511,229	886,487
Wipro Shanghai Limited	135,550	-
Wipro New Logic	758,024	758,024
Wipro Thailand	238,188	182,282
Wipro Infocrossing	720,356	-
Wipro UK Limited	-	92,112
Wipro Bahrain Limited WLL	1,965,997	70,400
Wipro Chengadu Limited	68,918	44,410
Wipro US Oil & Gas	-	-
Wipro Technologies S.A DE C. V	1,308,938	232,652
Wipro Outsourcing Services, Ireland	12,008	29,381
Wipro Portugal S.A.	-	-
Wipro Japan KK	728,548	309,813
Wipro do Brazil Technologia Ltda	4,990,226	1,340,358
Wipro Arabia Limited	3,568,410	4,738,941
Wipro Technology Services Limited	-	347,434
Wipro Gallagher Solutions Inc	33,058	60,377
Wipro Technologies SRL, Romania	-	(11,031)
Wipro Poland Sp. z o.o.	-	-
Wipro Consumer Care	-	3,048,352
Wipro Solar	-	74,989
Wipro Fluid Power	7,069,226	4,375,201
Wipro Water	-	445,483
Azim Premji Foundation	1,660,564	6,233,865
Azim Premji Educational Trust	265,659	94,915
Azim Premji Foundation for Development	1,785,417	7,731,572
Azim Premji University	3,918,824	2,956,078
Azim Premji Investment	188,314	148,556
Azim Premji Philanthropic Initiatives P Ltd	832,426	
Mr. Premji & Family	63,877	5,487

Vineet Agarwal		63,375	8,940
Total Others		47,218,924	46,354,241
Total Trade Receivables		259,274,131	307,821,766

3.16 Earnings per share

The computation of equity shares used in calculating basic and diluted earnings per share is set out below:

Particulars	For the year ended March 31,	
	2016	2015
Weighted average equity shares outstanding	66,171	66,171
Net income considered for computing Basic and Diluted EPS (₹)	17,477,448	12,942,669
Profit per share basic and diluted (par value: Rs. 10 each)	264.13	195.59

The Company does not have any potentially dilutive equity shares.

3.17 Leases

The Company has taken office premises under cancelable operating lease. Total amount of lease rentals debited to profit and loss account in respect of cancelable operating leases for financial year 2015-16 amounted to ₹ 35,76,717 (F.Y. 2014-15: ₹ 46,44,000)

3.18 Segment reporting

The Company has only one business and geographic segment. Hence segment information is not required to be disclosed.

3.19 Contingent Liabilities

Contingent Liabilities not provided for :

Particulars	(Amount in ₹)	
	For the year ended March 31,	
	2016	2015
Service Tax	5,397,098	5,397,098
Bank Guarantee given to IATA towards performance of obligations	8,440,000	13,870,000

3.20 Capital Commitments

The capital commitments as at March 31, 2016 is Nil (March 31, 2015: Nil)

3.21 Derivatives

The unhedged foreign exchange exposure as at March 31, 2016 is Nil (March 31, 2015: Nil)

3.22 Earnings / Expenditure in Foreign Exchange

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.

3.23 Previous years figures have been reclassified to confirm to current year's classification.

As per our report of even date attached
for Appaji & co
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Firm Registration number : 014147S

For and on behalf of the Board of Directors

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