

**WIPRO (THAILAND) CO., LTD.**  
**REPORT AND FINANCIAL STATEMENTS**

31 MARCH 2019



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10110 Thailand

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Wipro (Thailand) Co., Ltd.

### Opinion

I have audited the financial statements of Wipro (Thailand) Co., Ltd. ("the Company"), which comprise the statement of financial position as at 31 March 2019, and the statement of income and statement of changes in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Wipro (Thailand) Co., Ltd. as at 31 March 2019, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other Matter

The financial statements of Wipro (Thailand) Co., Ltd. for the year ended 31 March 2018 were audited by another auditor in the same auditing firm whose report dated on 14 June 2018 expressed an unqualified opinion.



### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is Sakonwan Withayasarana.

SD/-

Sakonwan Withayasarana

Certified Public Accountant (Thailand) No. 10881

BDO Limited

BANGKOK : .....

WIPRO (THAILAND) CO., LTD.  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019

		(Unit : Baht)	
	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	164,211,069	151,081,897
Trade and other receivables	6	16,808,915	27,671,254
Current portion of financial lease receivables	7	2,339,974	608,486
Inventories	8	747,760	1,825,311
Other current assets		160,949	1,063,799
Total current assets		<u>184,268,667</u>	<u>182,250,747</u>
<b>NON-CURRENT ASSETS</b>			
Financial lease receivables	7	5,531,787	1,488,258
Equipment	9	10,322,033	9,208,191
Withholding tax receivables	10	13,816,780	19,848,182
Deposits		1,583,315	160,045
Total non-current assets		<u>31,253,915</u>	<u>30,704,676</u>
<b>TOTAL ASSETS</b>		<u><u>215,522,582</u></u>	<u><u>212,955,423</u></u>

The accompanying notes are an integral part of the financial statements.

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DIRECTOR(S)

WIPRO (THAILAND) CO., LTD.

STATEMENT OF FINANCIAL POSITION (Continued)

AS AT 31 MARCH 2019

		(Unit : Baht)	
	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	11,873,916	12,609,235
Current portion of employee benefit obligations		-	309,327
Income tax payables	14	-	1,531,511
Other current liabilities		<u>292,942</u>	<u>608,177</u>
Total current liabilities		<u>12,166,858</u>	<u>15,058,250</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefit obligations		<u>427,026</u>	<u>137,404</u>
Total non-current liabilities		<u>427,026</u>	<u>137,404</u>
<b>TOTAL LIABILITIES</b>		<u>12,593,884</u>	<u>15,195,654</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital			
Authorized share capital			
1,030,000 ordinary shares of Baht 100 each		<u>103,000,000</u>	<u>103,000,000</u>
Paid-up share capital			
1,030,000 ordinary shares of Baht 100 each, fully paid		103,000,000	103,000,000
Retained earnings			
Appropriated			
Legal reserve	12	10,300,000	10,300,000
Unappropriated		<u>89,628,698</u>	<u>84,459,769</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>202,928,698</u>	<u>197,759,769</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>215,522,582</u>	<u>212,955,423</u>

The accompanying notes are an integral part of the financial statements.

SD/- DIRECTOR(S)

WIPRO (THAILAND) CO., LTD.  
 STATEMENT OF INCOME  
 FOR THE YEAR ENDED 31 MARCH 2019

		(Unit : Baht)	
	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>			
Revenue from rendering services	13	94,084,091	110,464,706
Other income	13	<u>2,400,113</u>	<u>1,807,544</u>
<b>TOTAL REVENUES</b>		<u>96,484,204</u>	<u>112,272,250</u>
<b>EXPENSES</b>			
Cost of rendering services		74,635,396	80,177,547
Administrative expenses		<u>13,157,150</u>	<u>7,948,757</u>
<b>TOTAL EXPENSES</b>		<u>87,792,546</u>	<u>88,126,304</u>
<b>PROFIT BEFORE INCOME TAX BENEFIT (EXPENSE)</b>		8,691,658	24,145,946
INCOME TAX EXPENSE	14	(3,696,039)	(5,517,151)
INCOME TAX BENEFIT	14	<u>173,310</u>	<u>3,139,472</u>
<b>NET PROFIT</b>		<u>5,168,929</u>	<u>21,768,267</u>

The accompanying notes are an integral part of the financial statements.

SDI- \_\_\_\_\_ DIRECTOR(S)

WIPRO (THAILAND) CO., LTD.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

*(Unit : Baht)*

	Paid-up share capital	Retained earnings		Total shareholders' equity
		Appropriated - Legal reserve	Unappropriated	
Balance as at 1 April 2017	103,000,000	10,300,000	62,691,502	175,991,502
Net profit	-	-	21,768,267	21,768,267
Balance as at 31 March 2018	103,000,000	10,300,000	84,459,769	197,759,769
Net profit	-	-	5,168,929	5,168,929
Balance as at 31 March 2019	103,000,000	10,300,000	89,628,698	202,928,698

The accompanying notes are an integral part of the financial statements.

SD/-

DIRECTOR(S)



WIPRO (THAILAND) CO., LTD.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION

Wipro (Thailand) Co., Ltd. ("the Company") was incorporated as a limited company under the Thai Civil and Commercial Code on 5 November 2008. The principal business operation of the Company is software consultancy activities, enterprise software and digital content. Its registered office is located at Unit 17-02B, 11th floor, Chartered Square Building, 152 North Sathorn Road, Silom Sub-district, Bangrak District, Bangkok.

The Company's shareholding structure is as follows:

<u>Shareholder</u>	<u>Country</u>	<u>Type of share</u>	<u>Shareholding portion</u>
Wipro Cyprus Private Limited	Republic of Cyprus	Ordinary	99.97%
Others		Ordinary	<u>0.03%</u>
Total			<u>100.00%</u>

The ultimate parent of the Group is Wipro Limited, which is incorporated in India.

The Company has extensive transactions and relationships with related parties. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliations.

2. BASIS OF THE FINANCIAL STATEMENTS' PREPARATION AND PRESENTATION

The financial statements have been prepared in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities ("TFRS for NPAEs") as issued by the Federation of Accounting Professions and their presentation has been made in compliance with the stipulations of the Department of Business Development dated 28 September 2011, issued under the Accounting Act, B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the significant accounting policies.

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DIRECTOR(S)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Revenue and expenses recognition

Service income is recognised when service is rendered to the customer.

Other income and expenses are recognised on an accrual basis.

#### 3.2 Cash and cash equivalents

Cash and cash equivalents are cash on hand and all types of deposits at financial institutions with original maturities of 3 months or less, and excluding deposits at financial institutions used as collateral.

#### 3.3 Trade receivables

Trade receivables are stated at their invoice value less allowance for doubtful accounts, if any.

An allowance for doubtful accounts is calculated on the expected uncollectible debts based on past collection experience and the analysis of aging of each debtor.

#### 3.4 Financial lease receivables

Financial lease receivables are stated at debt balances net of unearned income and allowance for doubtful accounts. Current portion of financial lease receivables are presented under current assets.

#### 3.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the specific identification method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

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DIRECTOR(S)

### 3.6 Equipment

Equipment are stated at cost less accumulated depreciation and allowance for diminution in value (if any).

Depreciation is calculated by the straight-line method based on the estimated useful lives of the assets as follows:

Computer	2 - 3 years
Furniture and fixtures	5 years
Office equipment	7 years

Expenditure for addition, renewal or betterment, which result in a substantial increase in an asset's current replacement value, is capitalised. Repairs and maintenance are recognised as expenses in the statement of income during the financial period in which they are incurred.

### 3.7 Provisions

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

### 3.8 Employee benefit obligations

The Company records employee benefits obligation and other long-term benefits obligation under the Company's employment policy which are calculated based on the employee's salaries, turnover rate, years of services and other factors determined by the Company as at the statement of financial position date.

The effect of changes in estimate are recognised in the statement of income in the period during which the transactions are incurred.

### 3.9 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

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DIRECTOR(S)

### 3.10 Operating lease

Lease agreements in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases are charged to the statement of income over the lease term.

When an operating lease is terminated before expiry date of the lease period, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

### 3.11 Foreign currency transactions

Transactions denominated in foreign currencies incurred during the year are translated into Baht at the exchange rate on the transactions dates. Monetary assets and liabilities denominated in foreign currencies at the statements of financial position date are translated into Baht at the reference exchange rates established by the Bank of Thailand on that date.

Gains or losses on foreign exchange rate arising on settlements and translation are recognised as income or expense in the statement of income.

## 4. USES OF MANAGEMENT'S JUDGMENTS

The preparation of financial statements in conformity with TFRS for NPAEs and generally accepted accounting principles also requires the Company's management to exercise judgment in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the last date of the reporting period and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

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DIRECTOR(S)

5. CASH AND CASH EQUIVALENTS

	<i>(Unit : Baht)</i>	
	<u>2019</u>	<u>2018</u>
Cash at banks		
Current accounts	6,904,459	11,240,836
Fixed deposit account less than 3 months	156,829,234	139,841,061
Cash in transit	<u>477,376</u>	<u>-</u>
Total	<u>164,211,069</u>	<u>151,081,897</u>
Interest rate (% per annum)		
Fixed deposit account less than 3 months	1.40 - 1.50	1.40 - 1.50

6. TRADE AND OTHER RECEIVABLES

	<i>(Unit : Baht)</i>	
	<u>2019</u>	<u>2018</u>
Trade receivables		
Trade receivables	14,196,864	14,720,398
Less: Allowance for doubtful accounts	<u>(169,655)</u>	<u>(238,912)</u>
	<u>14,027,209</u>	<u>14,481,486</u>
Other receivables		
Prepaid expenses	546,785	2,138
Unbilled receivables	1,732,106	12,975,883
Others	<u>502,815</u>	<u>211,747</u>
	<u>2,781,706</u>	<u>13,189,768</u>
Total	<u>16,808,915</u>	<u>27,671,254</u>

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DIRECTOR(S)

7. FINANCIAL LEASE RECEIVABLES

	<i>(Unit : Baht)</i>	
	<u>2019</u>	<u>2018</u>
Financial lease receivables	8,524,922	2,210,882
Less : Deferred interest income	<u>(653,161)</u>	<u>(114,138)</u>
	7,871,761	2,096,744
Less : Portion due within one year	<u>(2,339,974)</u>	<u>(608,486)</u>
Financial lease receivables - net	<u>5,531,787</u>	<u>1,488,258</u>

As at 31 March 2019, the Company has the amount of financial lease receivables approximately Baht 8.52 million, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 4 to 5 years.

As at 31 March 2019, future minimum lease receive required under the finance lease agreements were as follows:

	<i>(Unit : Baht)</i>		
	<u>Less than 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease receives	2,342,934	6,181,988	8,524,922
Deferred interest income	<u>(297,590)</u>	<u>(355,571)</u>	<u>(653,161)</u>
Total	<u>2,045,344</u>	<u>5,826,417</u>	<u>7,871,761</u>

8. INVENTORIES

	<i>(Unit : Baht)</i>	
	<u>2019</u>	<u>2018</u>
Computer	<u>747,760</u>	<u>1,825,311</u>

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DIRECTOR(S)

9. EQUIPMENT

	(Unit : Baht)			
	Beginning balance	Purchase/ Increase	Disposal/ write-off	Ending balance
<b>Cost</b>				
Computer	14,144,450	9,915,480	(710,228)	23,349,702
Furniture and fixtures	1,134,870	105,897	-	1,240,767
Office equipment	37,000	-	-	37,000
<b>Total</b>	<u>15,316,320</u>	<u>10,021,377</u>	<u>(710,228)</u>	<u>24,627,469</u>
<b>Accumulated depreciation</b>				
Computer	5,239,245	8,678,574	(710,228)	13,207,591
Furniture and fixtures	844,187	223,674	-	1,067,861
Office equipment	24,697	5,287	-	29,984
<b>Total</b>	<u>6,108,129</u>	<u>8,907,535</u>	<u>(710,228)</u>	<u>14,305,436</u>
<b>Net book value</b>	<u>9,208,191</u>			<u>10,322,033</u>

Depreciation under statements of income for the years ended

31 March 2019	8,907,535
31 March 2018	3,779,497

10. WITHHOLDING TAX RECEIVABLES

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Withholding tax for the years:		
2013	-	6,896,628
2014	3,847,906	3,847,906
2015	4,777,938	4,777,938
2016	2,830,087	2,830,087
2017	1,495,623	1,495,623
2019	<u>865,226</u>	-
<b>Total</b>	<u>13,816,780</u>	<u>19,848,182</u>

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DIRECTOR(S)

#### 11. TRADE AND OTHER PAYABLES

	<i>(Unit : Baht)</i>	
	<u>2019</u>	<u>2018</u>
Trade payables		
Trade payables	<u>7,315,485</u>	<u>4,830,499</u>
Other payables		
Other payables	1,441,715	3,195,711
Accrued expenses	<u>3,116,716</u>	<u>4,583,025</u>
	<u>4,558,431</u>	<u>7,778,736</u>
Total	<u>11,873,916</u>	<u>12,609,235</u>

#### 12. LEGAL RESERVE

Under the provisions of the Civil and Commercial Code, the Company is required to set aside as legal reserve at least 5% of its net income at each dividend declaration until the reserve reaches 10% of authorised capital. The reserve is not available for dividend distribution.

The Company had already appropriated retained earnings as legal reserve amounting to Baht 10.3 million equivalent to 10% of the authorised capital.

#### 13. INVESTMENT PROMOTIONAL RIGHT AND PRIVILEGES

The Company is obtained promotional privileges by The Board of Investment on 30 January 2009 in the business category of Enterprise Software, Digital Content and Embedded Software. The significant privileges include the exemption of import duty on machinery and the exemption of corporate profit tax from the net profit from operations, which has been promoted for a period of eight years since the date that the Company generated income from such operation on 30 June 2009. The Company has to comply with the conditions related to the rights and benefits received as stated in the promotional certificates and the exemption from corporate income tax will be utilised until 29 June 2017.

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DIRECTOR(S)



Based on the Announcement of the Board of Investment No. Por 14/2541 dated 30 December 1998 regarding revenue reporting of a promoted industry, the Company is required to report the revenues separately between promoted and non-promoted business, which are presented for the years ended 31 March 2019 and 2018 as follows:

(Unit : Baht)

	2019			2018		
	Promoted	Non Promoted	Total	Promoted	Non Promoted	Total
Revenue from services	-	94,084,091	94,084,091	2,301,263	108,163,443	110,464,706
Other income	-	2,400,113	2,400,113	-	1,807,544	1,807,544
Total	-	96,484,204	96,484,204	2,301,263	109,970,987	112,272,250

#### 14. INCOME TAX BENEFIT (EXPENSE)

The previous period income tax benefit is recorded in current year income statement due to the change in estimation of tax provision after the audit report date.

For the years ended 31 March 2019 and 2018, the Company has income tax expenses to be paid at the rate that is not equal to the taxable rate of 20% because the Company has the adjustments of certain revenues and expenses for income tax calculation to comply with the Revenue Code.

#### 15. COMMITMENTS

As at 31 March, the Company has an outstanding commitment related to uncancellable rental of office and services as follows:

(Unit : Baht)

	2019	2018
<u>Maturity schedule</u>		
Within 1 year	700,888	640,188
Over 1 year and not more than 5 years	-	613,514
Total	700,888	1,253,702

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DIRECTOR(S)

16. RECLASSIFICATION

Certain corresponding figures as at 31 March 2018 have been reclassified to conform to the current year's classification. The followings are details of reclassification.

	<i>(Unit : Baht)</i>	
	<u>As reclassified</u>	<u>As previously reported</u>
<b>Statement of financial position</b>		
Withholding tax deducted at source	-	19,848,182
Withholding tax receivables	19,848,182	-

The reclassification had no effect to previously reported profit (loss) or shareholder's equity.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issuing by the Company's authorized director on .....

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DIRECTOR(S)