

Financial Statements and Independent Auditor's Report

Wipro Technologies S.A. DE C.V.

31 March 2019

Independent Auditor's Report

To the board of directors of Wipro Technologies S.A DE C.V.

Opinion

1. We have audited the accompanying financial statements of Wipro Technologies S.A. DE C.V. (‘the Company’), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Companies Act, 2013 (‘the Act’), of the state of affairs of the Company as at 31 March 2019, and its loss, its cash flows and the changes in equity for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India (‘ICAI’). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

4. The Company’s Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. 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

6. Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by ICAI 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.
7. As part of an audit in accordance with Standards on Auditing issued by ICAI, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
 - 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.
8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on distribution or use

9. This report is intended solely for the information of the Company's and its ultimate holding company's board of directors for their internal use and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Nikhil Vaid
Partner
Membership No.: 213356

Place: Hyderabad
Date: 16 June 2019

Wipro Technologies S.A DE C.V
Balance Sheet as at 31 March 2019

(Amount in MXN unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	91,420,478	73,255,458
Capital work-in-progress		-	31,165,703
Financial assets			
Other financial assets	5	3,832,475	4,070,056
Non-current tax assets		52,556,775	78,124,762
Other non-current assets	6	537,322	-
		148,347,050	186,615,979
Current assets			
Inventories	7	3,456,206	5,896,522
Financial assets			
Trade receivables	8	208,853,296	162,439,379
Cash and cash equivalents	9	76,668,391	108,210,487
Unbilled revenue		53,258,182	70,146,695
Other financial assets	5	2,369,292	2,600,226
Other current assets	6	39,530,634	12,837,935
		384,136,001	362,131,244
		532,483,051	548,747,223
EQUITY AND LIABILITIES			
Share capital	10	200,493,353	10,897,712
Other equity		(276,427,015)	(216,996,549)
		(75,933,662)	(206,098,837)
LIABILITIES			
Non-current liabilities			
Provisions	11	4,174,001	2,794,278
		4,174,001	2,794,278
Current liabilities			
Financial liabilities			
Borrowings	12	308,980,419	-
Trade payables	13	225,487,633	602,236,477
Other financial liabilities	14	19,118,351	120,799,199
Unearned revenue		9,855,176	7,370,446
Other current liabilities	15	35,596,960	19,365,670
Provisions	11	5,204,173	2,279,990
		604,242,712	752,051,782
		532,483,051	548,747,223

Summary of significant accounting policies. 2

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors of Wipro Technologies S.A DE C.V

Sd/-
Mukund Seetharaman
 Director

16 June 2019

Sd/-
Ashish Chawla
 Director

16 June 2019

Wipro Technologies S.A DE C.V
Statement of Profit and Loss for the year ended 31 March 2019

(Amount in MXN unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
INCOME			
Revenue from operations	16	1,261,275,304	1,129,630,956
Other income	17	4,972,134	10,747,369
		1,266,247,438	1,140,378,325
EXPENSES			
Employee benefits expense	18	648,927,214	411,006,106
Depreciation and amortisation expense	4	49,654,781	38,610,058
Finance Expense	19	10,028,663	-
Other expenses	20	617,067,246	774,801,107
		1,325,677,904	1,224,417,271
(Loss) before tax		(59,430,466)	(84,038,946)
Tax expense			
Current tax		-	-
Deferred Tax		-	-
(Loss) for the period		(59,430,466)	(84,038,946)
Other Comprehensive Income		-	-
Total comprehensive income for the period		(59,430,466)	(84,038,946)
Earnings per equity share			
Basic and Diluted	21	(0.34)	(7.71)
Summary of significant accounting policies.	2		

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For and on behalf of the Board of Directors of Wipro Technologies S.A DE C.V

Sd/-
Mukund Seetharaman
 Director

Sd/-
Ashish Chawla
 Director

16 June 2019

16 June 2019

Wipro Technologies S.A DE C.V
Cash Flow Statement for the year ended 31 March 2019

(Amount in MXN unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
A Cash flows from operating activities		
(Loss) after tax	(59,430,466)	(84,038,946)
Adjustments to reconcile profit for the period to net cash flows		
Depreciation and amortisation expense	49,654,781	38,610,058
Exchange differences, net	18,590,936	(12,654,970)
Interest income	(4,436,762)	(4,856,551)
Finance charges	9,422,581	-
Provision for doubtful debts	-	6,119,014
Provision no longer required written back	(535,372)	-
Operating profit before working capital changes	13,265,697	(56,821,395)
(Increase) / decrease in loans and advances and other assets		
(Increase) / decrease in trade receivables and unbilled revenue	(27,247,980)	(119,720,899)
Increase / (Decrease) in trade Payables and Unearned Revenue	(380,804,555)	297,422,060
(Increase) / Decrease in loans and advances and other assets	(24,071,632)	(12,900,187)
Liabilities and provisions	(95,187,752.69)	15,676,364
Net cash generated from operations	(514,046,223)	123,655,943
Income taxes paid	25,567,988	(33,298,296)
Net cash generated by operating activities	(488,478,233)	90,357,647
B Cash flows from investing activities		
Interest income received	4,436,762	4,856,551
Acquisition of fixed assets (including capital work-in-progress)	(42,148,698)	(81,610,691)
Proceeds from sale of assets	5,494,594	-
Net cash (used in) investing activities	(32,217,342)	(76,754,140)
C Cash flows from financing activities		
Proceeds from issue of equity shares	189,595,641	-
Loan	308,980,419	-
Interest paid	(9,422,581)	-
Net cash generated from investing activities	489,153,479	-
Net increase in cash and cash equivalents during the year	(31,542,096)	13,603,507
Cash and cash equivalents as at the beginning of the year	108,210,487	94,606,980
Cash and cash equivalents as at the end of the year	76,668,391	108,210,487
Components of cash and cash equivalents:		
- in current accounts	76,668,391	58,210,487
- deposits with maturity less than three months	-	50,000,000
Bank O/D	-	-
	76,668,391	108,210,487

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors of Wipro Technologies S.A DE C.V

Sd/-
Mukund Seetharaman
 Director

16 June 2019

Sd/-
Ashish Chawla
 Director

16 June 2019

Wipro Technologies S.A DE C.V**Statement of Changes in Equity for the year ended 31 March 2019**

(Amount in MXN unless otherwise stated)

Equity share capital	Balance as at 01 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
Equity shares of Par value of MXN 1 per share	10,897,712	-	10,897,712
	10,897,712	-	10,897,712

Equity share capital	Balance as at 01 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Equity shares of Par value of MXN 1 per share	10,897,712	189,595,641	200,493,353
	10,897,712	189,595,641	200,493,353

Other equity

Particulars	Retained Earnings	Total
Balance as at 01 April 2017	(132,957,603)	(132,957,603)
(Loss) for the period	(84,038,946)	(84,038,946)
Balance as at 31 March 2018	(216,996,549)	(216,996,549)
(Loss) for the period	(59,430,466)	(59,430,466)
Balance as at 31 March 2019	(276,427,015)	(276,427,015)

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors of Wipro Technologies S.A DE C.V

Sd/-
Mukund Seetharaman
Director

16 June 2019

Sd/-
Ashish Chawla
Director

16 June 2019

Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

1. The Company overview

Wipro Technologies S.A de C.V ("the Company") is a subsidiary of Wipro Cyprus Private Limited, incorporated and domiciled in Mexico. The Company is provider of IT Services, including Business Process Services (BPS) and IT Products globally. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

2. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These financial statements are prepared in conformity with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ('the Act').

(ii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS:

- a) Derivative financial instruments;
- b) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and
- c) The defined benefit asset/(liability) is recognised as the present value of defined benefit obligation less fair value of plan assets.

(iii) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- a) **Revenue recognition:** The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost-plus margin approach in estimating the stand-alone selling price. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

- b) **Impairment testing:** Investments in subsidiaries, goodwill and intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which these pertain is less than its carrying value. The recoverable amount of the asset or the cash generating units is higher of value in use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- c) **Income taxes:** The major tax jurisdictions for the Company is Mexico. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.
- d) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.
- e) **Defined benefit plans and compensated absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- f) **Expected credit losses on financial assets:** The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.
- g) **Useful lives of property, plant and equipment:** The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

3. Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in Mexican Pesos (MXN), which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net.

Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

(iii) Financial instruments

a) Non-derivative financial instruments:

Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset.
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.
- Non- derivative financial instruments are recognised initially at fair value.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

A. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

B. Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled receivables and other assets.

C. Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

b) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Equity

a) Share capital and securities premium reserve

The authorised share capital of the Company as at March 31, 2019 is 200,493,353 divided into 200,493,353 equity shares of MXN 1 each, Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as securities premium.

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

b) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

(v) Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

b) Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortised over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortised over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets is reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

<u>Category</u>	<u>Useful life</u>
Buildings	28 to 40 years
Plant and machinery	5 to 21 years
Computer equipment and software	2 to 7 years
Furniture, fixtures and equipment	3 to 10 years
Vehicles	4 to 5 years

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 capitalised 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.

c) Capital advances

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as at each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

(vi) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

a) Arrangements where the Company is the lessee

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at lower of the fair value of the leased property and the present value of the 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. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the lease term.

Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

Leases(Cont'd)

b) Arrangements where the Company is the lessor

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

(vii) Inventories

Inventories are valued at lower of cost and net realisable value, including necessary provision for obsolescence. Cost is determined using the weighted average method.

(viii) Impairment

A) Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments classified as FVTOCI, lease receivables, trade receivables, contract assets and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables, contract assets and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

B) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs 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 reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

(ix) Employee benefits

a) Social Security

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.

b) Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits.

Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

c) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

d) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise 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 recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

(x) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(xi) Revenue

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

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost-plus margin approach in estimating the stand-alone selling price.

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Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

Revenue (Cont'd)

For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the services rendered:

A. Time and materials contracts

Revenues and costs relating to time and materials contracts are recognised as the related services are rendered.

B. Fixed-price contracts

i) Fixed-price development contracts

Revenues from fixed-price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, are recognised 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 is not able to reasonably measure the progress of completion, revenue is recognised only to the extent of costs incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Unbilled revenues on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time.

ii) Maintenance contracts

Revenues related to fixed-price maintenance, testing and business process services are recognised based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognised as the service is performed using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised 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 recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognised as revenue on completion of the term.

iii) Volume based contracts

Revenues and costs are recognised as the related services are rendered.

C. Products

Revenue on product sales are recognised when the customer obtains control of the specified asset.

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Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

D. Others

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the stand-alone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

Revenues are shown net of allowances/ returns, sales tax, value added tax, goods and services tax and applicable discounts and allowances.

The Company accrues the estimated cost of warranties at the time when the revenue is recognised. The accruals are based on the Company's historical experience of material usage and service delivery costs.

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognised as an asset when the Company expects to recover these costs and amortised over the contract term.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognised is amortised on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the Company evaluates whether the Company is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether the Company controls the good or service before it is transferred to the customer. If Company controls the good or service before it is transferred to the customer, Company is the principal; if not, the Company is the agent.

(xii) Finance cost

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

(xiii) Other income

Other income comprises interest income on deposits, dividend income and gains / (losses), net, on disposal of investments. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

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Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

(xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognised in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(xv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options, except where the results would be anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for change effected prior to the approval of the financial statements by the Board of Directors.

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Summary of significant accounting policies and other explanatory information

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(xvi) Cash flow statement

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

The amendment to Ind AS 7, require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

(xvii) Disposal of assets

The gain or loss arising on disposal or retirement of assets are recognised in the statement of profit and loss.

(xviii) Commitments and contingencies

Capital Commitments: As at March 31, 2019 and 2018 the Company had committed to spend approximately MXN 13,085,007 and MXN 6,740,722 respectively, under agreements to purchase/ construct property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Contingent liabilities: As at March 31, 2019 and 2018 the Company did not have any possible obligation contingent on occurrence of some uncertain future event nor any present obligation, the amount for which cannot be measured reliably.

New Accounting standards adopted by the Company:

Ind AS 115 – Revenue from Contract with Customers

On April 1, 2018, the Company adopted Ind AS 115, “Revenue from Contracts with Customers” using the cumulative catch-up transition method applied to contracts that were not completed as at 1st April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The adoption of the new standard has not resulted in any change in opening retained earnings, primarily relating to certain contract costs because these do not meet the criteria for recognition as costs to fulfil a contract.

On account of adoption of Ind AS 115, unbilled revenues pertaining to fixed price development contracts of MXN 25,099,369 as at 31st March 2019 has been considered as non-financial Contract assets, which are billable on completion milestones specified in the contracts.

Unbilled revenues of MXN 53,258,180, which are billable based on passage of time been classified as unbilled receivables.

The adoption of Ind AS 115, did not have any material impact on the statement of profit and loss for the year ended 31st March 2019.

A. Contract Asset and Liabilities

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset.

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. The Company presents such receivables as part of unbilled receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in Ind AS 109 using expected credit loss method.

During the year ended March 31, 2019, the Company recognised revenue of MXN 7,360,316 arising from opening unearned revenue as at 1st April 2018.

During the year ended 31st March 2019, MXN 15,372,788 of unbilled revenue pertaining to fixed-price development contracts (contract assets) which had an amount of MXN 15,550,123 as at 1st April 2018, has been reclassified to trade receivables on completion of milestones. Contract assets and liabilities are reported in a net position on a contract by contract basis at the end of each reporting period.

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Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognised which includes unearned revenue and amounts that will be invoiced and recognised as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date which are, contracts invoiced on time and material basis and volume based.

As at March 31, 2019, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was MXN 31,245,017, of which 100% is expected to be recognised as revenues within 2 years, and the remainder thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

C. Disaggregation of Revenues

The table below presents disaggregated revenues from contracts with customers by business segment, customer location and contract-type. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

	Year ended 31st March 2019
Revenue	
Sales of services	1,251,543,410
Sales of products	9,731,894
	1,261,275,304
Revenue by nature of contract	
Fixed price and volume based	550,500,858
Time and materials	701,042,552
Products	9,731,894
	1,261,275,304

Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration

The Company has applied Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration prospectively effective April 1, 2018. The effect on adoption of this amendment on the financial statements is insignificant.

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Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

New accounting standards not yet adopted:

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 1 2018, and have not been applied in preparing these financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the Company are:

Ind AS 116

On March 30, 2019, the Ministry of Corporate Affairs issued Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2018 and 2019, will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Based on assessment, the adoption of the new standard is expected to recognize a right-of-use assets and corresponding lease liabilities of approximately MXN 18,115,503 and MXN 21,995,184 respectively. There will be reclassification in the cash flow categories in the statement of cash flows.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is insignificant.

Amendment to Ind AS 12 – Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's consolidated financial statements.

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019. The Company will apply the amendment from the effective date and the effect on adoption of the amendment on the consolidated financial statement is insignificant

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Summary of significant accounting policies and other explanatory information

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4 Property, plant and equipment

Particulars	Leasehold improvements	Plant and machinery	Furniture and fixture	Vehicle	Office equipment	Total
Gross block (at cost)						
Balance as at 01 April 2017	28,725,714	63,873,313	6,847,194	723,267	6,539,083	106,708,571
Additions during the year	4,494,711	40,604,800	3,295,829	-	2,049,131	50,444,471
Disposals during the year	-	-	-	-	-	-
Balance as at 31 March 2018	33,220,425	104,478,113	10,143,023	723,267	8,588,214	157,153,042
Additions during the year	18,316,624	45,905,482	5,767,564	481,897	2,842,829	73,314,396
Disposals during the year	-	(10,636,481)	-	-	-	(10,636,481)
Balance as at 31 March 2019	51,537,049	139,747,114	15,910,587	1,205,164	11,431,043	219,830,957
Accumulated depreciation						
Balance as at 01 April 2017	8,012,863	33,964,672	1,614,498	278,399	1,417,611	45,288,043
Charge for the year	5,958,008	29,258,525	1,803,745	173,584	1,416,196	38,610,058
Disposals/Adjustment	-	-	-	-	(517)	(517)
Balance as at 31 March 2018	13,970,871	63,223,197	3,418,243	451,983	2,833,290	83,897,584
Charge for the year	9,121,782	35,813,748	2,560,843	211,924	1,946,484	49,654,781
Disposals/Adjustment	-	(5,141,887)	-	-	-	(5,141,887)
Balance as at 31 March 2019	23,092,653	93,895,058	5,979,086	663,907	4,779,774	128,410,478
Net block						
Balance as at 31 March 2018	19,249,554	41,254,916	6,724,780	271,284	5,754,924	73,255,458
Balance as at 31 March 2019	28,444,396	45,852,056	9,931,501	541,257	6,651,269	91,420,478

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Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
5 Other financial assets		
Non-current		
Security deposits	1,361,008	1,554,936
Finance lease receivables	2,471,467	2,515,120
	3,832,475	4,070,056
Current		
Finance lease receivable	2,037,568	2,351,442
Security deposits	193,928	137,808
Others	137,796	110,976
	2,369,292	2,600,226

Amounts receivable under finance lease:

The components of finance lease receivable are as follows:

	As at 31 March 2019	As at 31 March 2018
Minimum Lease Payments as of		
Not Later than one year	2,164,801	2,524,191
Later than one year but not later than five years	2,519,557	2,603,829
Later than five years	-	-
Gross investment in lease	4,684,358	5,128,020
Less : Unearned finance income	(175,323)	(261,458)
Present value of minimum lease receivables	4,509,035	4,866,562

Present value of minimum lease receivables are as follows:

Not Later than one year	2,037,568	2,351,442
Later than one year and not later than five years	2,471,467	2,515,120
Present value of minimum lease receivables	4,509,035	4,866,562

	As at 31 March 2019	As at 31 March 2018
6 Other assets		
Non-current		
Prepaid expenses	537,322	-
	537,322	-
Current		
Employee travel and other advances	2,868,128	4,903,340
Contract Assets	25,099,369	-
Prepaid expenses	11,490,191	7,934,595
Others	72,946	-
	39,530,634	12,837,935

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Summary of significant accounting policies and other explanatory information

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	As at 31 March 2019	As at 31 March 2018
7 Inventories		
Held for sale	3,456,206	5,896,522
	3,456,206	5,896,522
	As at 31 March 2019	As at 31 March 2018
8 Trade receivable		
Unsecured:		
Considered good	133,626,922	154,376,647
Considered doubtful	7,176,850	7,712,222
	140,803,772	162,088,869
Receivables from related parties (refer note 21)	75,226,374	8,062,732
Less: Provision for doubtful receivables	(7,176,850)	(7,712,222)
	208,853,296	162,439,379
	As at 31 March 2019	As at 31 March 2018
9 Cash and cash equivalents		
Balances with banks		
- in current accounts	76,668,391	58,210,487
- deposits with maturity less than three months	-	50,000,000
	76,668,391	108,210,487

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Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
10 Share capital		
Authorised capital		
[200,493,353 equity shares of MXN 1 each]	200,493,353	10,897,712
	200,493,353	10,897,712
Issued, subscribed and fully paid-up capital		
[200,493,353 equity shares of MXN 1 each]	200,493,353	10,897,712
	200,493,353	10,897,712

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

	Number	Number
Number of equity shares outstanding as at beginning of the year	10,897,712	10,897,712
Number of equity shares issued during the year	189,595,641	-
Number of equity shares outstanding as at end of the year	200,493,353	10,897,712

b) Details of shareholders having more than 5% of the total equity shares of the company

	Number	Number
Name of shareholders		
Wipro Cyprus Private Limited (91% holding)	182,613,048	9,903,135
Wipro LLC(9% holding)	17,880,305	994,577
	200,493,353	10,897,712

c) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of MXN 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Argentine Peso. The dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive 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.

d) There has been no issue of bonus shares or issue of shares for consideration other than cash or share buy back during five years immediately preceding 31 March 2018.

	As at 31 March 2019	As at 31 March 2018
11 Provisions		
Non-current		
Compensated absences	4,174,001	2,794,278
	4,174,001	2,794,278
Current		
Compensated absences	5,204,173	2,279,990
	5,204,173	2,279,990
12 Borrowings		
Current, Unsecured		
Loans from related parties	308,978,423	-
Bank O/D	1,996	-
	308,980,419	-

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Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
13 Trade payables		
Trade payable	30,672,227	17,242,585
Accrued expenses	49,522,376	55,582,097
Debit balances in Cr. for Purchases	72,946	-
Balances dues to group companies (refer note 21)	145,220,084	529,411,795
	225,487,633	602,236,477
	As at 31 March 2019	As at 31 March 2018
14 Other financial liabilities		
Current		
Dues to related parties (refer note-21)	9,114,700	120,799,199
Salary Payable	10,003,651	-
	19,118,351	120,799,199
	As at 31 March 2019	As at 31 March 2018
15 Other Current Liabilities		
Statutory liabilities	32,710,539	19,365,670
Interest accrued but not due	2,886,421	-
	35,596,960	19,365,670

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Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
16 Revenue from operations		
Sale of services	1,261,275,304	1,129,630,956
	1,261,275,304	1,129,630,956
	Year ended 31 March 2019	Year ended 31 March 2018
17 Other income		
Interest income	4,436,762	4,856,551
Exchange gain	-	5,890,818
Provision no longer required, written back	535,372	-
	4,972,134	10,747,369
	Year ended 31 March 2019	Year ended 31 March 2018
18 Employee benefits expense		
Salaries and wages	548,765,809	343,121,726
Contribution to provident and other funds	98,440,804	60,942,816
Share based compensation charge*	(2,787,712)	4,432,673
Staff welfare expenses	4,508,313	2,508,891
	648,927,214	411,006,106

*Certain employees of the Company are covered under the share based compensation plans of the ultimate holding company. These plans are assessed, managed and administered by the ultimate holding company. The ultimate holding company recharges to the Company such compensation costs which has been disclosed as "Share based compensation charge" in the Statement of Profit and Loss as shown above. The detailed disclosure with respect to the share based compensation is appropriately provided in the consolidated financial statement of the ultimate holding company. These financial statements has to be read along with the financial statements of the ultimate holding company with respect to this disclosure.

	Year ended 31 March 2019	Year ended 31 March 2018
19 Finance Costs		
Interest expense	10,028,663	-
	10,028,663	-
	Year ended 31 March 2019	Year ended 31 March 2018
20 Other expenses		
Sub contracting / technical fees / third party application	446,607,990	658,916,012
Travel	16,410,800	20,710,881
Repairs and maintenance	8,632,261	5,960,290
Rent	18,700,649	16,883,321
Provision for doubtful receivables	-	6,119,014
Power and fuel	3,258,664	1,638,208
Communication	16,836,849	17,560,137
Advertisement and sales promotion	2,669,443	7,247,306
Legal and professional charges	22,508,303	12,350,582
Staff recruitment	11,045,098	3,518,756
Insurance	15,012,891	11,727,990
Rates and taxes	2,351,840	297,840
Other exchange differences, net	23,660,249	-
Corporate overhead	17,910,764	7,722,822
Miscellaneous expenses	11,461,445	4,147,948
	617,067,246	774,801,107

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Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

	<u>Year ended</u> <u>31 March 2019</u>	<u>Year ended</u> <u>31 March 2018</u>
21 Earning per share (EPS)		
Net profit attributable to equity shareholders	(59,430,466)	(84,038,946)
Weighted average number of equity shares outstanding during the year for computing EPS (nos)		
Basic	174,521,347	10,897,712
Diluted	174,521,347	10,897,712
Earnings/ (loss) per equity share of par value MXN 1 each		
Basic and Diluted (in MXN)	(0.34)	(7.71)

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Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

22 Related party disclosure

i) Parties where control exists:

Name of the related party	Nature of relationship
Wipro Limited	Ultimate Holding Company
Wipro Cyprus Private Limited	Holding Company
Wipro Holding Hungary Kft	Group company
Wipro (Chengdu) Limited	Group company
Wipro Insurance Solutions LLC Branch	Group company
Wipro Networks Pte Limited	Group company
Wipro Technologies SA (Argentina)	Group company
Wipro do Brasil Tecnologia Ltda	Group company
Wipro Inc	Group company
Wipro Portugal S.A.	Group company
Wipro LLC	Group company
Wipro Travel Services Limited	Group company

ii) The Company has the following related party transactions:

Particulars	Relationship	Year ended	Year ended
		31 March 2019	31 March 2018
Purchase of services			
Wipro Limited	Ultimate Holding Company	255,107,964	305,473,499
Wipro Technologies SA (Argentina)	Group company	2,084,556	-
Wipro do Brasil Tecnologia Ltda	Group company	-	702,758
Wipro Networks Pte Limited	Group company	4,909,149	4,653,219
Wipro (Chengdu) Limited	Group company	5,815,327	-
Sale of services			
Wipro Limited	Ultimate Holding Company	461,538,496	276,384,886
Wipro do Brasil Tecnologia Ltda	Group company	254,968	53,934
Wipro LLC	Group company	30,123,481	7,999,457
Wipro Insurance Solutions LLC Branch	Group company	6,749,156	-
Wipro Technologies SA (Argentina)	Group company	3,056,619	779,691
Loans availed			
Wipro Holding Hungary Kft	Group company	308,980,419	-
Interest expense			
Wipro Holding Hungary Kft	Group company	10,028,663	-
Corporate Overheads			
Wipro Limited	Ultimate Holding Company	17,910,764	7,722,822

iii) Balances with related parties as at year end are summarised below

Particulars	Relationship	As at	As at
		31 March 2019	31 March 2018
Receivables			
Wipro Limited	Ultimate Holding Company	62,418,739	-
Wipro Inc	Group company	3,151,707	7,300,030
Wipro Insurance	Group company	7,934,115	-
Wipro Technologies SA (Argentina)	Group company	1,464,255	762,702
Wipro do Brasil Tecnologia Ltda	Group company	257,558	-
Wipro Travel Services Limited	Group company	-	-
Payables			
Wipro Limited	Ultimate Holding Company	146,205,709	592,809,531
Wipro do Brasil Tecnologia Ltda	Group company	-	56,982,349
Wipro Travel Services Limited	Group company	335,993	15,263
Wipro (Chengdu) Limited	Group company	5,026,325	-
Wipro Technologies SA (Argentina)	Group company	303,730	-
Wipro Networks Pte Limited	Group company	2,463,027	403,852
Borrowings			
Wipro Holding Hungary Kft	Group company	311,864,844	-

Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

23 Operating lease

The Company has taken on lease, Office and residential facilities under cancelable and non-cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases during the year ended 31st March 2019 was MXN 18,700,650 (2018: MXN 16,883,321)

With respect to non-cancellable operating lease, the future minimum lease payments are as follows:

	As at	As at
	31 March 2019	31 March 2018
Not later than one year	17,555,573	19,396,533
Later than one year and not later than five years	19,254,935	29,486,101

- 24 The Company has incurred losses during the year and accordingly has no current tax as per local tax regulations. There are no significant temporary differences or other adjustments which give rise to deferred tax assets or liabilities. In view of the carry forward losses under tax laws, deferred tax is recognised only when there is a convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be utilised by the entity.

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Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

25 Fair value measurements

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Trade receivables	8	-	-	208,853,296	208,853,296	208,853,296
Unbilled Revenue		-	-	53,258,182	53,258,182	53,258,182
Cash and cash equivalents including other bank balances	9	-	-	76,668,391	76,668,391	76,668,391
Other financial assets	5	-	-	6,201,767	6,201,767	6,201,767
Total financial assets		-	-	344,981,636	344,981,636	344,981,636
Financial liabilities :						
Trade payables	13	-	-	225,487,633	225,487,633	225,487,633
Other financial liabilities	14	-	-	19,118,351	19,118,351	19,118,351
Total financial liabilities		-	-	244,605,984	244,605,984	244,605,984

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Trade receivables	8	-	-	162,439,379	162,439,379	162,439,379
Unbilled Revenue		-	-	70,146,695	70,146,695	70,146,695
Cash and cash equivalents including other bank balances	9	-	-	108,210,487	108,210,487	108,210,487
Other financial assets	5	-	-	6,670,282	6,670,282	6,670,282
Total financial assets		-	-	347,466,843	347,466,843	347,466,843
Financial liabilities :						
Trade payables	13	-	-	602,236,477	602,236,477	602,236,477
Other financial liabilities	14	-	-	120,799,199	120,799,199	120,799,199
Total financial liabilities		-	-	723,035,676	723,035,676	723,035,676

Notes to financial instruments

- i. The management assessed that the fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii. Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) for the asset or liability.

Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

26 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2019 and the date of authorization of these standalone financial statements.

27 Financial risk management

The Company's principal financial liabilities, comprises of trade and other payables. The Company's principal financial assets include trade receivables, and cash and bank balances and other balances that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The Company is not exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities as the Company's transactions are carried out in MXN and it does not hold any investments or financial instruments in currency other than MXN.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

i) Cash and cash equivalents

Credit risk from balances with banks is managed in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components as at the Balance sheet date are the carrying amounts as furnished in Note 8. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

Financial risk management (Cont'd)

Liquidity risk (Cont'd)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payments:

As at 31 March 2019	Less than 1 year	1 year to 5 years	More than 5 years
Non-Derivatives			
Other financial liabilities	19,118,351	-	-
Trade Payables	225,487,633	-	-
	244,605,984	-	-

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years
Non-Derivatives			
Other financial liabilities	120,799,199	-	-
Trade Payables	602,236,477	-	-
	723,035,676	-	-

(d) Interest Rate Risk

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	31 March 2019	31 March 2018
Variable rate borrowing	308,980,419	-
Fixed rate borrowing	-	-
	308,980,419	-

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 March 2019	31 March 2018
Interest rates – increase by 50 basis points (50 bps)	1,544,902	-
Interest rates – decrease by 50 basis points (50 bps)	(1,544,902)	-

Wipro Technologies S.A DE C.V

Summary of significant accounting policies and other explanatory information

(Amount in MXN unless otherwise stated)

28 Borrowings

Sl.No	Particulars	Rate of interest	Repayment details	31 March 2019	31 March 2018
Loans and advances from related parties					
1	Wipro Holding Hungary Kft	12M USD LIBOR+0.85%	Repayable on demand	308,980,419	-
	Total			308,980,419	-
		Effective rate of interest per		3.71%	-

Repayment Terms:

The above loan is payable within one year from the Effective Date

29 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity as below:

- Equity includes equity share capital and all other equity components, which attributable to the equity holders
- Net Debt includes borrowings, less cash and cash equivalents.

Particulars	Note	As at	
		31 March 2019	31 March 2018
Borrowings	Financial liabilities	308,980,419	-
Less: Cash and cash equivalents	Financial assets	76,668,391	108,210,487
Net Debt		232,312,028	(108,210,487)
Equity share capital	Equity	200,493,353	10,897,712
Other equity	Equity	(276,427,015)	(216,996,549)
Total capital		(75,933,662)	(206,098,837)

In order to achieve the objective of maximising shareholders value, the Company's capital management, amongst other things, aims to manage its capital structure and makes adjustments in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

30 Segment Information

Management currently identifies a single reportable operating segment as per Ind AS 108- 'Segment Reporting' which is information technology enabled services. These operating segments are monitored by the company's chief operating decision maker. The Company operates primarily in Mexico and there is no other significant geographical segment. The company is having two customers whose revenue is more than 10% of the total revenue, contributing 40% of the total revenue put together.

31 Comparatives

Figures for the previous year have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

For and on behalf of the Board of Directors of Wipro Technologies S.A de C.V

Sd/-
Mukund Seetharaman
Director

16 June 2019

Sd/-
Ashish Chawla
Director

16 June 2019