

Financial Statements and Independent Auditor's Report

Wipro Technology Chile SPA

31 March 2019

Independent Auditor's Report

To the board of directors of Wipro Technology Chile SPA

Opinion

1. We have audited the accompanying financial statements of Wipro Technology Chile SPA ('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 Technology Chile SPA
Balance Sheet as at 31 March 2019

(Amount in CLP, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	93,450,944	254,031,978
Financial assets			
Other financial assets	5	281,007,229	265,993,478
Non-Current Tax Assets		3,939,565	17,588,745
		378,397,738	537,614,201
Current assets			
Inventories	7	307,057,489	43,850,553
Financial assets			
Trade receivables	8	1,571,746,259	768,901,422
Cash and cash equivalents	9	136,061,955	504,295,259
Unbilled revenues		29,954,958	388,810,940
Other financial assets	5	38,867,981	55,052,239
Other current assets	6	342,716,447	69,565,085
		2,426,405,089	1,830,475,499
		2,804,802,828	2,368,089,700
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,211,651,680	1,000,586,000
Other equity		(1,700,805,200)	(1,129,385,777)
		(489,153,520)	(128,799,777)
Liabilities			
Non-current liabilities			
Provisions	11	42,503,494	32,786,488
		42,503,494	32,786,488
Current liabilities			
Financial liabilities			
Borrowings	12	1,241,740,561	1,110,234,515
Trade payables	13		
Total outstanding dues of Micro and small enterprises		-	-
Total outstanding dues other than above		869,853,212	815,635,505
Other financial liabilities	14	603,639,103	483,425,025
Unearned revenue		433,920,215	-
Other current liabilities	15	43,755,139	23,768,387
Provisions	11	58,544,623	31,039,556
		3,251,452,853	2,464,102,988
		2,804,802,828	2,368,089,700

Summary of significant accounting policies 2-3

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

For and on behalf of the Board of Directors of Wipro Technology Chile SPA

Sd/-
Ashish Chawla
 Director

16 June 2019

Sd/-
Mukund Seetharaman
 Director

16 June 2019

Wipro Technology Chile SPA
Statement of Profit and Loss for the year ended 31 March 2019

(Amount in CLP, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
REVENUE			
Revenue from operations	16	2,848,996,537	2,300,126,551
Other income	17	6,137,624	182,573,666
		2,855,134,161	2,482,700,217
EXPENSES			
Employee benefits expense	18	1,929,289,059	1,661,973,777
Finance cost	19	56,471,883	45,746,846
Depreciation	4	161,717,410	95,265,954
Other expenses	20	1,265,426,052	934,024,832
		3,412,904,404	2,737,011,409
Profit before tax		(557,770,243)	(254,311,192)
Tax expense			
Current tax		13,649,180	-
Deferred tax		-	-
Profit for the year		(571,419,423)	(254,311,192)
Other Comprehensive income		-	-
Total Other Comprehensive Income for the period, net of tax		-	-
Total comprehensive (loss) / income for the period		(571,419,423)	(254,311,192)
Earnings per equity share			
(Equity shares of par value CLP 1000 each)			
Basic and diluted	21	(514.05)	(254.16)
Summary of significant accounting policies	2-3		

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

For and on behalf of the Board of Directors of Wipro Technology Chile SPA

Sd/-
Ashish Chawla
 Director

16 June 2019

Sd/-
Mukund Seetharaman
 Director

16 June 2019

Wipro Technology Chile SPA
Cash Flow Statement for the year ended March 2019

(Amount in CLP, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit for the period	(571,419,423)	(254,311,192)
Adjustments to reconcile profit for the period to net cash flows		
Depreciation of property, plant and equipment	161,717,410	95,265,954
Provision for Income Tax	13,649,180	-
Unrealised exchange differences (net)	197,000,771	(257,741,574)
Finance charges	56,471,883	45,857,283
Interest income	(3,782,586)	(4,312,113)
Operating profit before working capital changes	(146,362,765)	(375,241,642)
Adjustments for working capital changes:		
(Increase) / decrease in loans and advances and other current assets	(110,125,644)	106,419,904
(Increase)/decrease in trade receivables	(802,844,837)	156,272,793
(Increase)/decrease in inventories	(263,206,936)	57,169,252
Increase/(decrease) in trade payables and unearned revenue	488,137,922	157,241,539
Increase/(decrease) in other liabilities and provisions	308,928,949	(247,373,868)
Net cash received from operations	(525,473,311)	(145,512,022)
Income tax paid	-	(6,682,684)
Net cash flows generated by operating activities	(A) (525,473,311)	(152,194,706)
Cash flows from investing activities		
Purchase of property, plant and equipment	(70,378,683)	(339,849,905)
Proceeds from disposal of Assets	69,242,307	-
Interest income received	3,782,586	4,312,113
Net cash used in investing activities	(B) 2,646,210	(335,537,792)
Cash flows from financing activities:		
Finance charges paid	(56,471,883)	(45,857,283)
Proceeds from issue of equity shares	211,065,680	-
Net cash flows (used in) / received from financing activities	(C) 154,593,797	(45,857,283)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(368,233,304)	(533,589,781)
Cash and cash equivalents at the beginning of the period	504,295,259	1,037,885,040
Cash and cash equivalents at the end of the period (refer note 9)	136,061,955	504,295,259
Components of cash and cash equivalents (note 9)		
Balances with banks		
in current account	136,061,955	504,295,259
in deposit account	-	-
	136,061,955	504,295,259

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

For and on behalf of the Board of Directors of Wipro Technology Chile SPA

Sd/-
Ashish Chawla
 Director

16 June 2019

Sd/-
Mukund Seetharaman
 Director

16 June 2019

Wipro Technology Chile SPA
Statement of Changes in Equity for the year ended 31 March 2019

(Amount in CLP, unless otherwise stated)

Equity share capital

Particulars	Balance as at 01 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
Equity share capital	1,000,586,000	-	1,000,586,000

Particulars	Balance as at 01 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Equity share capital	1,000,586,000	211,065,680	1,211,651,680

Other equity

Particulars	Share Application	Share Premium	Retained	Total
Balance as at 1 April 2017	93,814,370	243,750,000	(1,212,638,955)	(875,074,585)
Profit for the period		Total	(254,311,192)	(254,311,192)
Balance as at 31 March 2018	93,814,370	243,750,000	(1,466,950,147)	(1,129,385,777)
Profit for the period			(571,419,423)	(571,419,423)
Balance as at 31 March 2019	93,814,370	243,750,000	(2,038,369,570)	(1,700,805,200)

* Share application money pending allotment includes 93,814 (2018: 93,814) Common stock of CLP 1,000 each received from Wipro Information Technology Netherlands BV (Holding Company)

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

For and on behalf of the Board of Directors of Wipro Technology Chile SPA

Sd/-
Ashish Chawla
 Director

16 June 2019

Sd/-
Mukund Seetharaman
 Director

16 June 2019

Wipro Technology Chile SPA
Summary of significant accounting policies and other explanatory information
(Amount in CLP unless otherwise stated)

1. The Company overview

Wipro Technologies Chile SPA ("the Company") is a subsidiary of Wipro Information Technology Netherlands BV, incorporated and domiciled in Chile. The Company is provider of IT Services, including Business Process Services (BPS) 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 recognized 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 recognized 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 recognized 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 recognized, 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 Technology Chile SPA
Summary of significant accounting policies and other explanatory information
(Amount in CLP 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 Chile. 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 realizable, 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 Chilean Pesos (CLP), 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 recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net.

Wipro Technology Chile SPA
Summary of significant accounting policies and other explanatory information
(Amount in CLP 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 derecognized 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 derecognized 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 recognized 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 recognized at fair value and subsequently measured at amortized 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 recognized at fair value, and subsequently carried at amortized 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 derecognizes 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 recognize the financial asset and also recognizes a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Wipro Technology Chile SPA
Summary of significant accounting policies and other explanatory information
(Amount in CLP unless otherwise stated)

(iv) Equity

a) Share capital and securities premium reserve

The authorized share capital of the Company as at March 31, 2019 is 1,242,841 divided into 1,211,651 equity shares of CLP 1,000 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.

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 capitalized 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 amortized over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortized 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 capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

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.

Wipro Technology Chile SPA
Summary of significant accounting policies and other explanatory information
(Amount in CLP unless otherwise stated)

(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 capitalized 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 recognized in the statement of profit and loss on a straight-line basis over the lease term.

b) Arrangements where the Company is the lessor

In certain arrangements, the Company recognizes revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned 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 recognizes 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 realizable 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 amortized cost, debt instruments classified as FVTOCI, lease receivables, trade receivables, lease 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.

Wipro Technology Chile SPA
Summary of significant accounting policies and other explanatory information
(Amount in CLP unless otherwise stated)

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 recognized 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 recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized 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.

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 recognized 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 unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur.

(x) Provisions

Provisions are recognized 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 recognized 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 recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Wipro Technology Chile SPA
Summary of significant accounting policies and other explanatory information
(Amount in CLP unless otherwise stated)

Provisions for onerous contracts are recognized 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 recognized 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.

For performance obligations where control is transferred over time, revenues are recognized 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 recognized 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 recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company is not able to reasonably measure the progress of completion, revenue is recognized 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 recognized 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.

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Summary of significant accounting policies and other explanatory information
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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 recognized 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 recognized 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 recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

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

iii) Volume based contracts

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

C. Products

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

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 recognized. 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 recognized as an asset when the Company expects to recover these costs and amortized 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 recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

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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 recognized 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 recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

(xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized 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 recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized 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 recognized 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 utilized.

Deferred income tax liabilities are recognized 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.

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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 utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized 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 realized 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.

(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 recognized in the statement of profit and loss.

(xviii) Commitments and contingencies

a) Capital Commitments

As at 31st March 2019 and 31st March 2018, the Company had committed to spend approximately CLP 1,690,625 and Nil respectively under agreements to purchase/ construct property and equipment. These amounts are net of capital advances paid in respect of these purchases.

c) Contingencies

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.

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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 April 1, 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 CLP 265,889,590 as at March 31, 2019 has been considered as non-financial Contract assets, which are billable on completion milestones specified in the contracts.

Unbilled revenues of CLP 29,954,958, 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 March 31, 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, CLP 282,316,963 of unbilled revenue pertaining to fixed-price development contracts (contract assets) which had an amount of CLP 327,267,982 as at April 1, 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.

B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized which includes unearned revenue and amounts that will be invoiced and recognized 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 CLP 1,964,291,673, of which 100% is expected to be recognized 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.

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Summary of significant accounting policies and other explanatory information
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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 31 March 19
Revenue	
Sales of services	2,658,902,446
Sales of products	190,094,091
	2,848,996,537
Revenue by nature of contract	
Fixed price and volume based	1,556,723,518
Time and materials	1,102,178,928
Products	190,094,091
	2,848,996,537

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

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 recognized 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 CLP 205,406,442 and CLP 238,353,387 respectively. There will be reclassification in the cash flow categories in the statement of cash flows.

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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 recognize the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. 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

(Amount in CLP, unless otherwise stated)

4 Property, plant and equipment

	Plant and Machinery	Buildings	Furniture & Fixtures	Total
Gross block (at cost)				
Balance as at 01 April 2017	50,500,732	-	-	50,500,732
Additions	296,880,237	28,115,368	14,854,300	339,849,905
Disposals	-	-	-	-
Balance as at 31 March 2018	347,380,969	28,115,368	14,854,300	390,350,637
Additions	64,410,243	4,103,940	1,864,500	70,378,683
Disposals/adjustment	(124,942,257)	-	-	(124,942,257)
Balance as at 31 March 2019	286,848,955	32,219,308	16,718,800	335,787,063
Accumulated depreciation				
Balance as at 01 April 2017	41,052,705	-	-	41,052,705
Depreciation charge	94,548,673	477,577	239,704	95,265,954
Disposals	-	-	-	-
Balance as at 31 March 2018	135,601,378	477,577	239,704	136,318,659
Depreciation charge	152,122,448	6,477,594	3,117,368	161,717,410
Disposals	(55,699,950)	-	-	(55,699,950)
Balance as at 31 March 2019	232,023,876	6,955,171	3,357,072	242,336,119
Net block				
Balance as at 31 March 2018	211,779,591	27,637,791	14,614,596	254,031,978
Balance as at 31 March 2019	54,825,079	25,264,137	13,361,728	93,450,944

Wipro Technology Chile SPA

Summary of significant accounting policies and other explanatory information

(Amount in CLP, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
5 Other financial assets		
Non-current		
Security deposits	215,912,500	215,912,500
Finance lease receivables	65,094,729	50,080,978
	281,007,229	265,993,478
Current		
Security deposits	-	1,795,440
Finance lease receivables	38,867,981	53,256,799
	38,867,981	55,052,239

Finance lease receivables

Leasing Arrangements

Finance lease receivables consist of assets that are leased to customers for contract terms ranging from 1 to 5 years, with lease payments due in monthly or quarterly installments.

Amounts receivable under finance lease

The Components of Finance lease are as follows :

	As at 31 March 2019	As at 31 March 2018
Minimum Lease payments as of		
Not later than one year	40,596,746	54,511,077
Later than one year but not later than five years	66,353,075	51,114,262
Later than five years	-	-
Gross investment in lease	106,949,821	105,625,339
Less: Unearned financial income	(2,987,111)	(2,287,562)
present value of minimum lease payment schedule	103,962,710	103,337,777

Present value of minimum lease payment receivable is as follows

	As at 31 March 2019	As at 31 March 2018
Not later than one year	38,867,981	53,256,799
Later than one year but not later than five years	65,094,729	50,080,978
Later than five years	-	-
Present value of minimum lease payment receivable	103,962,710	103,337,777

Included in the financial statements as follows

- Non-current financial lease receivable	65,094,729	50,080,978
- Current financial lease receivable	38,867,981	53,256,799

	As at 31 March 2019	As at 31 March 2018
6 Other assets		
Current		
Prepaid expenses	4,137,945	1,750,276
Contract Assets	265,889,590	-
Employee travel & other advances	13,571,116	24,181,669
Balance with government authorities	-	39,927,354
Others	59,117,796	3,705,786
	342,716,447	69,565,085

7 Inventories

	As at 31 March 2019	As at 31 March 2018
Stock in trade	307,057,489	43,850,553
	307,057,489	43,850,553

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Summary of significant accounting policies and other explanatory information

(Amount in CLP, unless otherwise stated)

	<u>As at</u> <u>31 March 2019</u>	<u>As at</u> <u>31 March 2018</u>
8 Trade receivables		
Unsecured		
Considered good	1,397,041,963	636,939,779
Considered doubtful	14,881,434	17,236,472
	<u>1,411,923,397</u>	<u>654,176,251</u>
Receivables from Related Parties - Considered good (refer note 23)	174,704,296	131,961,644
Less : Provision for doubtful receivables	(14,881,434)	(17,236,472)
	<u>1,571,746,259</u>	<u>768,901,422</u>
	<u>As at</u> <u>31 March 2019</u>	<u>As at</u> <u>31 March 2018</u>
9 Cash and cash equivalents		
Balances with banks		
- in current account	136,061,955	504,295,259
	<u>136,061,955</u>	<u>504,295,259</u>

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Summary of significant accounting policies and other explanatory information

(Amount in CLP, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
10 Share capital		
Authorised capital		
1,242,841 [2018: 1,242,841] Common stock of CLP 1,000 each	1,242,841,000	1,242,841,000
	1,242,841,000	1,242,841,000
Issued, subscribed and paid-up capital		
1,211,651 (2018:1,000,586) Common stock of CLP 1,000 each	1,211,651,680	1,000,586,000
	1,211,651,680	1,000,586,000
a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:	As at 31 March 2019	As at 31 March 2018
Opening number of equity shares	1,000,586	803,240
Add: Equity Shares	211,065	197,346
Closing number of Equity Shares	1,211,651	1,000,586
b) Details of shareholders having more than 5% of the total equity shares of the company	As at 31 March 2019	As at 31 March 2018
Name of Shareholders	No.of Shares	No.of Shares
Wipro Information Technology Netherlands BV (100% holding)	1,211,651	1,000,586
	1,211,651	1,000,586
c) Terms/rights attached to equity shares		
The Company has only one class of equity shares having a par value of CLP 1,000 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in CLP. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.		
d)	There has been no issue of bonus shares or buy back of shares during five years immediately preceeding 31 March 2019.	
	As at 31 March 2019	As at 31 March 2018
11 Provisions		
Non-current		
Compensated absences	42,503,494	32,786,488
	42,503,494	32,786,488
Current		
Compensated absences	58,544,623	31,039,556
	58,544,623	31,039,556
12 Borrowings	As at 31 March 2019	As at 31 March 2018
Current		
<i>Unsecured:</i>		
Loan from related parties (refer note 23)	1,241,740,561	1,110,234,515
	1,241,740,561	1,110,234,515

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Summary of significant accounting policies and other explanatory information

(Amount in CLP, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
13 Trade payables		
Total outstanding dues of Micro and small enterprises	-	-
Total outstanding dues other than above		
- Payables to others	27,950,136	14,285,189
- Payables to related parties (refer note 23)	841,903,076	801,350,316
	869,853,212	815,635,505
	As at 31 March 2019	As at 31 March 2018
14 Other financial liabilities		
Current		
Dues to related parties (refer note 23)	426,055,334	344,341,694
Salary Payable	82,310,739	46,040,802
Interest accrued	42,428,207	29,990,996
Accrued expenses	52,844,823	63,051,533
	603,639,103	483,425,025
	As at 31 March 2019	As at 31 March 2018
15 Other current liabilities		
Statutory liabilities	43,755,139	23,768,387
	43,755,139	23,768,387

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Summary of significant accounting policies and other explanatory information

(Amount in CLP, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
16 Revenue from operations		
Sale of services	2,848,996,537	2,300,126,551
	2,848,996,537	2,300,126,551
17 Other income		
Interest income	3,782,586	4,312,113
Provision no longer required written back	2,355,038	13,061,693
Other exchange differences (net)	-	165,199,860
	6,137,624	182,573,666
18 Employee benefits expense		
Salaries and wages	1,892,041,065	1,639,224,988
Staff welfare expenses	25,921	4,540,525
Compensated absences	37,222,073	18,208,264
	1,929,289,059	1,661,973,777
19 Finance cost		
Interest on borrowings (refer note 23)	56,471,883	45,746,846
	56,471,883	45,746,846
20 Other expenses		
Subcontracting / technical fees / third party application	552,564,605	530,519,047
Other exchange differences (net)	197,000,771	-
Travel and conveyance	108,598,600	189,140,218
Rates and taxes	99,289,025	854,946
Rent (refer note 23)	92,235,896	108,809,976
Legal and professional charges	73,488,488	51,818,094
Communication cost	20,599,680	16,713,034
Staff recruitment	19,032,197	5,054,868
Repairs and maintenance	52,059,203	1,063,330
Advertisement and sales promotion	3,973,885	6,959,780
Miscellaneous expenses	46,583,702	23,091,539
	1,265,426,052	934,024,832
21 Earning per share (EPS)		
Net profit after tax attributable to the equity shareholders	(571,419,423)	(254,311,192)
Weighted average number of equity shares - for basic and diluted EPS	1,111,612	1,000,586
Earnings per share - Basic and diluted	(514.05)	(254.16)

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Summary of significant accounting policies and other explanatory information

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22 Operating leases

The Company has taken a lease, office and residential facilities under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. Rental payments under such lease during the year are CLP 92,235,896 (31 March 2018: CLP 108,809,976).

	As at 31 March 2019	As at 31 March 2018
Not later than 1 year	63,359,518	61,869,596
Later than 1 year but not later than 5 years	175,038,747	220,964,000
Later than 5 years	-	-
	238,398,265	282,833,596

23 Related party disclosure

a) Parties where control exists:

Name of related party	Nature of relationship
Wipro Limited	Ultimate Holding Company
Wipro do Brasil Tecnologia Ltda	Fellow Subsidiary
Wipro Information Technology Netherlands BV	Holding company
Wipro LLC	Fellow Subsidiary
Wipro Cyprus Private Limited	Fellow Subsidiary
Wipro Travel Services Limited	Fellow Subsidiary
Wipro Holdings Hungary Kft	Fellow Subsidiary
Wipro Technologies Argentina	Fellow Subsidiary

b) The Company has the following related party transactions:

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Sale of services			
Wipro Limited	Ultimate Holding Company	838,567,910	650,047,085
Wipro Technologies SA	Fellow Subsidiary	23,206,960	-
Wipro do Brasil Tecnologia Ltda	Fellow Subsidiary	47,611,057	-
Purchase of services			
Wipro Limited	Ultimate Holding Company	190,332,268	249,609,697
Wipro do Brasil Tecnologia Ltda	Fellow Subsidiary	61,612,315	
Interest expense			
Wipro Cyprus Private Limited	Fellow Subsidiary	25,903,889	19,424,359
Wipro LLC	Fellow Subsidiary	22,620,506	18,512,713
Wipro Information Technology Netherlands BV	Holding company	567,120	546,458
Wipro Holdings Hungary Kft	Fellow Subsidiary	7,380,369	7,263,316

c) Balances payable to related parties as at year end are summarised below:

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Payables and dues:			
Wipro Limited	Ultimate Holding Company	1,204,275,360	1,130,088,818
Wipro Travel Services Limited	Fellow Subsidiary	505,969	15,603,192
Wipro do Brasil Tecnologia Ltda	Fellow Subsidiary	63,177,080	-
Borrowings including Interest Accrued			
Wipro Cyprus Private Limited	Fellow Subsidiary	562,317,136	488,844,931
Wipro LLC	Fellow Subsidiary	491,982,489	437,585,643
Wipro Information Technology Netherlands BV	Holding Company	21,358,340	23,679,938
Wipro Holdings Hungary Kft	Fellow Subsidiary	208,510,803	190,114,999

d) Balances receivables from related parties as at year end are summarised below:

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Wipro Limited	Ultimate Holding Company	97,751,264	131,961,644
Wipro do Brasil Tecnologia Ltda	Fellow Subsidiary	48,845,851	-
Wipro Technologies Argentina	Fellow Subsidiary	28,107,180	-

Wipro Technology Chile SPA

Summary of significant accounting policies and other explanatory information

(Amount in CLP, unless otherwise stated)

24 Effective Tax Rate (ETR) reconciliation

	As at	As at
	31 March 2019	31 March 2018
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	13,649,180	-
Deferred tax	-	-
	13,649,180	-

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as below:

	As at	As at
	31 March 2019	31 March 2018
Profit before income tax	(557,770,243)	(254,311,192)
Enacted tax rates in Chile (%)	25.00%	25.00%
Computed expected tax expense	(139,442,561)	(63,577,798)
Current tax for Prior Years	10,395,273	-
Tax effect on expenses disallowed for tax computation	3,253,907	-
Deferred tax assets not created due to lack of reasonable certainty	139,442,561	63,577,798
Tax expense as per financials	13,649,180	-

The Company has incurred losses during the previous 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 Technology Chile SPA

Summary of significant accounting policies and other explanatory information

(Amount in CLP, unless otherwise stated)

25 Borrowings

Sl.No	Related Party	Interest Rate	31 March 2019	31 March 2018
Loans and advances from Related parties				
1	Wipro Cyprus private limited	12 months USD LIBOR plus 200 basis points p.a.	542,359,854	484,264,000
		Total	542,359,854	484,264,000
		Effective rate of interest per annum	4.78%	3.85%
2	Wipro LLC	12 months USD LIBOR plus 200 basis points p.a.	475,057,839	423,731,000
		Total	475,057,839	423,731,000
		Effective rate of interest per annum	4.76%	3.86%
3	Wipro Information Technology Netherlands BV	12 months EUR LIBOR plus 200 basis points p.a.	20,927,033	20,640,515
		Total	20,927,033	20,640,515
		Effective rate of interest per annum	2.71%	2.68%
4	Wipro Holdings Hungary	12 months USD LIBOR plus 200 basis points p.a.	203,395,836	181,599,000
		Total	203,395,836	181,599,000
		Effective rate of interest per annum	3.63%	3.84%

Repayment Terms:

All the above loans are repayable on demand.

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Wipro Technology Chile SPA

Summary of significant accounting policies and other explanatory information

(Amount in CLP, unless otherwise stated)

26 Financial instruments

Financial instruments by category

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

Particulars	Notes	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Investments		-	-	-	-	-
Trade receivables	8	-	-	1,571,746,259	1,571,746,259	1,571,746,259
Cash and cash equivalents	9	-	-	136,061,955	136,061,955	136,061,955
Unbilled revenues		-	-	29,954,958	29,954,958	29,954,958
Other financial assets	Total	-	-	319,875,210	319,875,210	319,875,210
Total financial assets		-	-	2,057,638,383	2,057,638,383	2,057,638,383
Financial liabilities :						
Borrowings	12	-	-	1,241,740,561	1,241,740,561	1,241,740,561
Trade payables	13	-	-	869,853,212	869,853,212	869,853,212
Other financial liabilities	14	-	-	603,639,103	603,639,103	603,639,103
Total financial liabilities		-	-	2,715,232,876	2,715,232,876	2,715,232,876

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 :						
Investments		-	-	-	-	-
Trade receivables	8	-	-	768,901,422	768,901,422	768,901,422
Cash and cash equivalents	9	-	-	504,295,259	504,295,259	504,295,259
Unbilled revenues		-	-	388,810,940	388,810,940	388,810,940
Other financial assets	Total	-	-	321,045,717	321,045,717	321,045,717
Total financial assets		-	-	1,983,053,338	1,983,053,338	1,983,053,338
Financial liabilities :						
Borrowings	12	-	-	1,110,234,515	1,110,234,515	1,110,234,515
Trade payables	13	-	-	815,635,505	815,635,505	815,635,505
Other financial liabilities	14	-	-	483,425,025	483,425,025	483,425,025
Total financial liabilities		-	-	2,409,295,045	2,409,295,045	2,409,295,045

Notes to financial instruments

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

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 and 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)

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 Technology Chile SPA

Summary of significant accounting policies and other explanatory information

(Amount in CLP, unless otherwise stated)

27 Events occurring after the reporting date

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

28 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

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.

Expected credit loss for trade receivables under simplified approach

Trade receivables are secured in a form that registry of sold residential/commercial units is not processed till the time the Company does not receive the entire payment. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

B 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 Technology Chile SPA

Summary of significant accounting policies and other explanatory information

(Amount in CLP, unless otherwise stated)

28 Financial risk management (continued)

B Liquidity risk (continued)

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 March 2019	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	1,241,740,561	-	-	1,241,740,561
Trade payables	869,853,212	-	-	869,853,212
Other financial liabilities	603,639,103	-	-	603,639,103
Total	2,715,232,876	-	-	2,715,232,876
31 March 2018	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	1,110,234,515	-	-	1,110,234,515
Trade payables	815,635,505	-	-	815,635,505
Other financial liabilities	483,425,025	-	-	483,425,025
Total	2,409,295,045	-	-	2,409,295,045

C 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	1,241,740,561	1,110,234,515
Fixed rate borrowing	-	-
	1,241,740,561	1,110,234,515

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)	6,208,703	5,551,173
Interest rates – decrease by 50 basis points (50 bps)	(6,208,703)	(5,551,173)

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	As at
		31 March 2019	31 March 2018
Borrowings	Financial liabilities	1,241,740,561	1,110,234,515
Less: Cash and cash equivalents	Financial assets	(136,061,955)	(504,295,259)
Net Debt		1,105,678,606	605,939,256
Equity share capital	Equity	1,211,651,680	1,000,586,000
Other equity	Equity	(1,700,805,200)	(1,129,385,777)
Total capital		(489,153,520)	(128,799,777)
Gearing ratio		(2.26)	(4.70)

Wipro Technology Chile SPA

Summary of significant accounting policies and other explanatory information

(Amount in CLP, unless otherwise stated)

30 Capital management (cont'd)

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.

31 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 Chile and there is no other significant geographical segment.

The company is having three customers whose revenue is more than 10% of the total revenue, contributing 45% of the total revenue put together

32 Events occurring after the reporting date

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

33 Comparatives

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

For and on behalf of the Board of Directors of Wipro Technology Chile SPA

Sd/-
Ashish Chawla
Director

16 June 2019

Sd/-
Mukund Seetharaman
Director

16 June 2019