



**WIPRO ECHNOLOGIES VZ,  
C.A. – In Liquidation**

**Independent Auditor's Report**

**Financial Statements**

For the years ended  
December 31, 2019 and 2018

# WIPRO TECHNOLOGIES VZ, C.A. – In Liquidation

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## **INDEPENDENT AUDITORS' REPORT**

To the Stockholders of  
**WIPRO TECHNOLOGIES VZ, C.A.**

We have audited the accompanying financial statements of **WIPRO TECHNOLOGIES VZ, C.A.**, which comprise the statement of net assets in liquidation as of December 31, 2019, the statement of profit or loss and statement of changes in deficit for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the statement of net assets in liquidation of **WIPRO TECHNOLOGIES VZ, C.A.** as of December 31, 2019, and its financial performance, prepared on the accounting liquidation basis, as described in Note 1 to the financial statements.

### **Emphasis of a Matter**

The financial statements are presented on the accounting liquidation basis, upon request of the Company's management.

Our opinion is not modified by the emphasis of matters above.

The translation of the financial statements into English has been made solely for the convenience of English-speaking readers.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements, prepared on the accounting liquidation basis, as described in Note 1 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing effective in Venezuela. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**LARA MARAMBIO & ASOCIADOS**



Juan Carlos Rujana Sirit  
Public Accountant  
CPC N° 21297

Bolivarian Republic of Venezuela, May 29, 2020

## WIPRO TECHNOLOGIES VZ, C.A.

### STATEMENTS OF NET ASSETS IN LIQUIDATION AS OF DECEMBER 31, 2019 AND 2018 (In constant bolivars)

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	<u>NOTES</u>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>			
Cash		-	13,850
Total assets		<u>-</u>	<u>13,850</u>
<b>LIABILITIES AND DEFICIT</b>			
Payables	<b>2 and 5</b>	<u>112,964,134</u>	<u>15,497</u>
Total liabilities		<u>112,964,134</u>	<u>15,497</u>
DEFICIT:			
Updated subscribed share capital		26,726,153	26,726,153
Less: an updated portion of unpaid subscribed equity		<u>(16,035,692)</u>	<u>(16,035,692)</u>
Updated paid equity		10,690,461	10,690,461
Accumulated losses		<u>(123,654,595)</u>	<u>(10,692,108)</u>
Total deficit		<u>(112,964,134)</u>	<u>(1,647)</u>
TOTAL		<u>-</u>	<u>13,850</u>

See notes to the financial statements

## WIPRO TECNOLOGIES VZ, C.A.

### STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In constant bolivars)

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	<u>NOTES</u>	<u>2019</u>	<u>2018</u>
Exchange difference		(279,546,459)	-
Administration expenses		(51,179,151)	-
Other expenses		(423,748)	(581)
Monetary result for the period	<b>6</b>	<u>218,186,871</u>	<u>17,925,622</u>
Net (loss) profit for the year		<u>(112,962,487)</u>	<u>17,925,041</u>

See notes to the financial statements

## WIPRO TECNOLOGIES VZ, C.A.

### STATEMENTS OF CHANGES IN DEFICIT FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In constant bolivars)

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	<u>Updated subscribed share capital</u>	<u>Updated unpaid subscribed capital</u>	<u>Updated share capital subscribed an paid</u>	<u>Accumulated losses</u>	<u>Total deficit</u>
BALANCES AS OF DECEMBER 31, 2017	26,726,153	(16,035,692)	10,690,461	(28,617,149)	(17,926,688)
Net profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,925,041</u>	<u>17,925,041</u>
BALANCES AS OF DECEMBER 31, 2018	26,726,153	(16,035,692)	10,690,461	(10,692,108)	(1,647)
Net loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(112,962,487)</u>	<u>(112,962,487)</u>
BALANCES AS OF DECEMBER 31, 2019	<u>26,726,153</u>	<u>(16,035,692)</u>	<u>10,690,461</u>	<u>(123,654,595)</u>	<u>(112,964,134)</u>

See notes to the financial statements

**WIPRO TECHNOLOGIES VZ, C.A. – IN LIQUIDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**  
**(In constant bolivars)**

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**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization - WIPRO TECHNOLOGIES VZ, C.A.** was incorporated in May 2013 for the stated purpose of performing information technology consulting-related activities, such as the use of the technology information, computing systems methodology and technological organization, as well as the review of the strategic effectiveness, advisory, management, implementation, installation and administration of computing systems. Its stated purpose also involves rendering other business advisory-related services, and the Company may perform any other legal trade activities required to comply with its corporate purpose, whether or not relating thereto.

The Company is domiciled in Caracas, Miranda State.

**Approval of the financial statements** - The financial statements corresponding to the years ended December 31, 2019 and 2018, prepared on a liquidation basis, are pending approval by the stockholders; however, their issuance was approved by management on May 29, 2020 on the understanding that they will be approved with no significant changes.

**Responsibility for information** - The Company's Management and Board of Directors are responsible for the information contained in the financial statements.

**Basis of preparation** - The Company's financial statements are presented on the accounting liquidation basis, upon request of the Company's management. The Company's liquidation bases for the preparation of the financial statements are as follows: assets adjusted to their estimated realization values and liabilities adjusted to fair liquidation amounts.

**Monetary Reconversion**

The National Government published Decree N° 3548 in Official Gazette N° 41446 dated July 25, 2018, dictating Decree N° 54 within the framework of the State of Exception and Economic Emergency, which establishes (effective August 20, 2018) the restatement of the monetary system unit of the Bolivarian Republic of Venezuela by an amount equivalent to Bs. 100,000 of that date.

This decree is effective from the date of its publication and derogates Decree N° 3445 of June 1, 2019, whereby Decree N° 25 is enacted within the framework of the State of Exception and Economic Emergency, providing for the coming into force of the Monetary Reconversion, as published in Extraordinary Official Gazette N° 6379 of the same date.

**Effects of inflation** – The financial statements are presented in constant bolivars, for the purpose of eliminating the distortion generated by changes in the price levels in the Venezuelan economy.

Monetary items included in the statement of financial position are presented at nominal value, since they reflect the purchasing power of the monetary unit to the date of the last statement of financial position. Nonmonetary items such as capital stock and those profit or loss accounts related to nonmonetary items are stated in constant bolivars using the accumulated inflation factor from the date of acquisition or origin. Expenses and other

monetary items are stated in constant bolivars based on the average inflation factor for the year. The monetary result for the period represents the result from exposure to inflation for holding net monetary assets or liabilities during inflationary periods and is calculated applying during the period the inflation rates to net monetary assets and liabilities.

The financial statements as of 2018, previously presented in constant bolivars at that date, are presented for comparison purposes in constant bolivars as of December 31, 2019, through the application of the annual variation in the National Consumer Price Index (NCPI).

The NCPIs at the beginning, end and average for the years ended December 31 are as follows:

	<u>2019</u>	<u>2018</u>
At the beginning of the year	110,597,550	84,970
At the end of the year	10,711,919,274	110,597,550
Average for the year	3,654,129,640	18,265,147
Inflation for the year	9,585.49%	130,060.24%

## 2. PAYABLES

As of December 31, payables are as follows:

	<u>2019</u>	<u>2018</u>
Accounts payable to related party (Note 5)	79,439,282	15,497
Local suppliers	33,524,852	-
	<u>112,964,134</u>	<u>15,497</u>

## 3. DEFICIT

### *Capital stock*

As of December 31, 2019 and 2018, the Company's capital stock comprises 50,000 common registered shares, with a nominal value of Bs. 0.00001, fully subscribed and 40% fully paid shares, as follows:

<u>Stockholder</u>	<u>Type</u>	<u>Nº of shares</u>	<u>Bolivars</u>
Wipro Information Technology Netherlands B.V	Common	19,800	10,583,556
Wipro Cyprus Private Limited	Common	200	106,905
		<u>20,000</u>	<u>10,690,461</u>

### *Accumulated losses*

As of December 31, 2019, accumulated losses exceed capital stock; therefore, the Company is currently under the assumptions provided by Article 264 of the Venezuelan Code of Commerce. The stockholder has informed management of its intention to proceed with the liquidation of the Company (Note 1).

#### 4. TAX SYSTEM

##### *Income Tax*

For the years ended December 31, 2019 and 2018, the Company generated tax losses for Bs. 38,407,806 and Bs. 33, respectively.

The Venezuelan tax legislation provides for the annual calculation of a regular adjustment for inflation of its nonmonetary items, which is included in the reconciliation of the net taxable income as taxable or deductible item, as appropriate. The total regular adjustment for the year is determined through the algebraic sum of the various adjustments for inflation of each nonmonetary item. This total, as reconciling item, is considered as a permanent difference for purposes of the calculation of the deferred tax for the year.

During the year ended December 31, 2019, the effective income tax expense rate differs from the tax rate applicable to profit before tax established in current tax legislation (34%). This difference is mainly due to the effects of tax and book adjustments for inflation and other items related to the determination of the taxable income that are not deductible and not taxable.

#### 5. TRANSACTIONS AND BALANCES WITH RELATED PARTY

As a result of these transactions and other less significant transactions, the following balances payable were generated:

	<u>2019</u>	<u>2018</u>
Payables (Nota 2):		
Wipro Technology Netherlands B.V	79,439,272	-
Wipro LLC	10	15,497
	<u>79,439,282</u>	<u>15,497</u>

Payables are not guaranteed and are expected to be collected and paid in cash. No guarantees have been received or granted on such balances.

#### 6. MONETARY RESULT FOR THE PERIOD

The monetary result for the years ended December 31 is as follows:

	<u>2019</u>	<u>2018</u>
Monetary position at the beginning of the year	1,647	17,930,756
Increases for the year	331,149,358	(6,781)
Decreases for the year	-	-
Estimated monetary position at the end of the year	331,151,005	17,923,975
Less – Actual position at the end of the year	(112,964,134)	1,647
	<u>218,186,871</u>	<u>17,925,622</u>

## 7. CONTROL ON FOREIGN INVESTMENTS (SIEX)

The Company is a 100%- owned subsidiary of foreign investors.

As per Decree-Law on Foreign Investments, published on November 17, 2014, current legal regime on foreign investments provides for the following, among others:

- a. Foreign investors have the same rights and obligations as local investors.
- b. The Superintendence of Foreign Investments (SIEX) is eliminated and the National Center for Foreign Trade (CENCOEX) remains as the body responsible for establishing foreign investment-related criteria, forms, regulatory requirements and procedures.
- c. Companies receiving foreign investments may distribute and fully or partially pay to their foreign investors, in the Venezuelan territory and in legal tender, net earnings distributed in each economic period. In case of extraordinary economic and financial circumstances seriously affecting the balance of payments of Venezuela's international reserves, or if the country's economic security is affected, the National Government may apply special measures relating to the foreign investment, the technological transfer, as well as limit remittances abroad for invested capital and dividends generated by such investments.
- d. Foreign investors shall be entitled to remit abroad on an annual basis, up to 80% of verified profits or dividends obtained from their foreign investment, registered and updated in freely convertible currencies.

## 8. FOREIGN CURRENCY-DENOMINATED LIABILITIES

Since 2003, the Venezuelan Government and the Central Bank of Venezuela have entered into several Exchange Agreements that rule the Foreign Currency Management Regime and establish the exchange rate applicable to transactions set forth in such agreements. The Foreign Exchange Administration Commission (CADIVI), currently, the National Center for Foreign Trade (CENCOEX) has been in charge of coordinating, administrating, controlling and establishing the requirements, procedures and restrictions that the execution of said agreements would require.

The carrying value of monetary liabilities denominated in foreign currency as of December 31, presented in accordance with the accounting basis described in Note 1 to the financial statements is as follows (in US dollars):

	<u>2019</u>
Financial instruments subject to the foreign currency administration regime:	
Payables	<u>2,467</u>

The exchange rates used by the Company as of December 31, 2019 to translate its foreign currency-denominated monetary liabilities into bolivars, pursuant to the methodology described in Note 1 to the financial statements, are as follows:

Exchange Agreement N° 1	46,620,83
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## **9. SUBSEQUENT EVENT**

### ***Alert State to face the Coronavirus (COVID-19) Health Emergency***

The National Government issued Decree N° 4161 on March 13, 2020 declaring an "Alert State to face the Coronavirus (COVID-19) Health Emergency", whereby the National Government adopts urgent measures to protect and preserve the health of the Venezuelan people in order to mitigate and eradicate any Coronavirus (COVID-19)-related risks and epidemics. Based on provisions set forth in this decree, the National Government can restrict the free circulation in certain geographical zones or areas and suspend activities, except for essential activities relating to supply of food and water, electricity, telecommunication services, securities transportation and custody, sale of medicines, supply of gas and fuel, among others.

On March 16, 2020, the National Government announced a social and collective quarantine nationwide effective from March 17, 2020. This social quarantine includes the suspension of labor activities, except for essential services referred-to above.

## **10. FINANCIAL STATEMENTS IN NOMINAL BOLIVARS**

The financial statements in nominal bolivars have been prepared by the Company's management for purposes of additional analysis in conformity with the basis described in the preparation of the financial statements presented as primary information, excluding the adjustment for inflation established in Application Bulletin VEN-NIF N° 2 Version 4 (BA VEN-NIF 2) "Criteria for the recognition of inflation on the financial statements prepared in conformity with VEN-NIF".

## WIPRO TECHNOLOGIES VZ, C.A.

### STATEMENTS OF NET ASSETS IN LIQUIDATION AS OF DECEMBER 31, 2019 AND 2018 (In nominal bolivars)

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash	-	143
Total assets	<u>-</u>	<u>143</u>
<b>LIABILITIES AND DEFICIT</b>		
Payables	<u>112,964,134</u>	<u>160</u>
Total liabilities	<u>112,964,134</u>	<u>160</u>
DEFICIT:		
Total deficit	<u>(112,964,134)</u>	<u>(17)</u>
TOTAL	<u>-</u>	<u>143</u>

## WIPRO TECHNOLOGIES VZ, C.A.

### STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In nominal bolivars)

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	<u>2019</u>	<u>2018</u>
Administration expenses	(17,458,613)	-
Exchange difference	(95,360,969)	-
Other expenses	<u>(144,552)</u>	<u>(1)</u>
Net (loss) profit for the year	<u><u>(112,964,134)</u></u>	<u><u>(1)</u></u>

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