



**WIPRO TECHNOLOGIES  
VZ,C.A. – In liquidation**

**Independent Auditor's Report**

**Financial Statements**

As of and for the year ended  
December 31, 2020

# **WIPRO TECHNOLOGIES VZ, C.A. – In liquidation**

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## **INDEPENDENT AUDITORS' REPORT**

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

### ***Opinion***

We have audited the accompanying financial statements of **WIPRO TECHNOLOGIES VZ, C.A.**, which comprise the statement of net liabilities in liquidation as of December 31, 2020 and the statement of changes in net liabilities in liquidation for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the statement of net liabilities in liquidation of **WIPRO TECHNOLOGIES VZ, C.A.** as of December 31, 2020, and the changes in net liabilities in liquidation for the year then ended, prepared in conformity with the liquidation basis of accounting, described in Note 1 to the financial statements.

### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (IAS) effective in Venezuela. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the applicable ethics requirements, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Emphasis of a Matter***

The financial statements are presented under the liquidation basis of accounting in accordance with the requirements of the Company's management.

Our opinion is not modified by the emphasis of a matter above.

## ***Responsibilities of the Management and Board of Directors for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Venezuela (VEN-NIF PYME), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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 ISA effective in Venezuela will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA effective in Venezuela, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

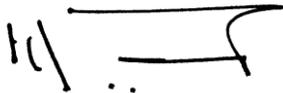
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If 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.

We communicate with the Company's Board of Directors 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.

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

**LARA MARAMBIO & ASOCIADOS**



Juan Carlos Rujana Sirit  
Public Accountant  
CPC N° 21297

Bolivarian Republic of Venezuela, May 24, 2021

# WIPRO TECHNOLOGIES VZ, C.A.

## STATEMENT OF LIABILITIES - NET IN LIQUIDATION AS OF DECEMBER 31, 2020 (In constant bolivars)

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	<u>NOTES</u>	
<b>ASSETS</b>		
Cash		-
Total assets		<u>-</u>
<b>LIABILITIES AND LIABILITIES - NET IN LIQUIDATION</b>		
Payables	<b>2 and 5</b>	<u>41,742,693,267</u>
Total liabilities		<u>41,742,693,267</u>
<b>LIABILITIES - NET IN LIQUIDATION</b>		<u><u>41,742,693,267</u></u>

See notes to the financial statements

## **WIPRO TECHNOLOGIES VZ, C.A.**

### **STATEMENT OF CHANGES IN LIABILITIES - NET IN LIQUIDATION FOR THE YEAR ENDED DECEMBER 31, 2020 (In constant bolivars)**

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LIABILITIES - NET IN LIQUIDATION AS OF DECEMBER 31, 2019	(3,456,520,898)
Administration expenses	(34,807,776,951)
Exchange difference	(117,284,790,638)
Other expenses	(11)
Monetary result for the period	<u>113,806,395,230</u>
LIABILITIES - NET IN LIQUIDATION AS OF DECEMBER 31, 2020	<u><u>(41,742,693,267)</u></u>

# WIPRO TECHNOLOGIES VZ, C.A. – IN LIQUIDATION

## NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020 (In bolivars)

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### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

**Organization - WIPRO TECHNOLOGIES VZ, C.A.** was incorporated in March 2013 and its stated purpose is to perform technology and computing-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; as well as providing business advisory related services and may perform any other legal trade activities necessary to comply with the social purpose of the company, whether or not relating thereto.

The Company is domiciled in Caracas, Miranda State.

**Approval of the financial statements** - The financial statements corresponding to the year ended December 31, 2020, prepared on a liquidation basis, are pending approval by the stockholders; however, they were approved by management for issuance on May 24, 2021, in 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 have been prepared on the liquidation basis of accounting, as required by the Company's management. The Company's liquidation basis for the preparation of the financial statements is as follows: assets adjusted at estimated realization values, and liabilities adjusted at fair liquidation amounts.

**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 is calculated applying during the period the inflation rates to net monetary assets and liabilities. This represents the result from exposure to inflation for holding net monetary assets or liabilities during inflationary periods.

The NCPIs at the beginning, end and average for the year ended December 31, 2020 are as follows:

At the beginning of the year	10,711,919,274
At the end of the year	327,767,509,170
Average for the year	89,714,263,101
Inflation for the year	2,959.84%

## 2. PAYABLES

As of December 31, 2020, payables are as follows:

Accounts payable to related party (Note 5)	33,613,430,899
Local suppliers	8,129,262,368
	<u>41,742,693,267</u>

## 3. DEFICIT

### *Capital stock*

As of December 31, 2020, the Company's capital stock is represented by 50,000 common and registered shares, with a nominal value of Bs. 0.00001, fully subscribed, with 40% of shares fully paid, 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	323,839,814
Wipro Cyprus Private Limited	Common	200	3,271,106
		<u>20,000</u>	<u>327,110,920</u>

### *Accumulated losses*

As of December 31, 2020, accumulated losses exceed the capital stock; therefore, the Company is currently on 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 year ended December 31, 2020, the Company generated tax losses for Bs. 14,154,107,905.

Venezuelan tax legislation provides for an annual estimation of a regular adjustment for inflation of the non-monetary items, included in the net taxable income reconciliation, as a taxable or deductible item, as appropriate. The total regular adjustment for the year is determined by adding the amount of the different adjustments for inflation of each non-monetary item. The total reconciliation item is considered a permanent difference for the purpose of estimation of the deferred income tax of the year.

During the year ended December 31, 2020, the effective income tax expense rate differs from the tax rate applicable to profit before tax, of 34%. This difference is due to the effects of the adjustment for tax inflation and the adjustment for accounting inflation and other items related to the determination of the taxable income considered non-taxable and non-deductible.

## 5. TRANSACTIONS AND BALANCES WITH RELATED PARTY

As of December 31, 2020, balances payable to related parties are as follows:

Payables (Note 2):

Wipro Technology Netherlands	<u>33,613,430,899</u>
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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. CONTROL ON FOREIGN INVESTMENTS (SIEX)

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

Under Decree-Law on Foreign Investment published on November 17, 2014, the current legal system on foreign investment sets forth the following provisions, among others:

- a. Foreign investors have equal rights and obligations as domestic investors.
- b. SIEX (the body governing foreign Investments) has been eliminated and CENCOEX (the body ruling foreign trade) has been created to implement the criteria, forms, ruling requirements and procedures in terms of foreign investment.
- c. Companies receiving foreign investment may distribute and pay their foreign investors, in the Venezuelan territory and in legal currency, all or any part of their net profit distributed in each economic year. In cases of extraordinary economic and financial situations seriously affecting the payment balance of the Venezuelan international reserves, or affecting the economy security of the nation, the National Executive may apply special measures concerning foreign investment, technological transfer, as well as limiting remittances abroad for invested capital and dividends generated by such investments.
- d. Foreign investors shall have the right to remit abroad up to eighty percent (80%) of ascertained profit or dividends resulting from its foreign investment, registered and updated in freely convertible currency.

## 7. LIABILITIES IN FOREIGN CURRENCY

Since 2003, the National Government and the Central Bank of Venezuela (BCV) have entered into several Exchange Agreements that rule the Regime for the Foreign Currency Management 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, 2020, presented in accordance with the accounting basis described in Note 1 to the financial statements (in US dollars) is as follows):

Accounts payable to related party	<u>37,701</u>
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Exchange rate used by the Company as of December 31, 2020 to translate its monetary liabilities in US\$ into bolivars, according to the methodology described in Note 1 to the financial statements, are as follows:

Exchange Agreement N° 1	1,107,198.58
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## **8. 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.

## STATEMENT OF LIABILITIES - NET IN LIQUIDATION AS OF DECEMBER 31, 2020 (In nominal bolivars)

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### ASSETS

Cash	-
Total assets	-

### LIABILITIES AND LIABILITIES - NET IN LIQUIDATION

Payables	41,742,693,267
Total liabilities	41,742,693,267

### LIABILITIES - NET IN LIQUIDATION

41,742,693,267

## **WIPRO TECHNOLOGIES VZ, C.A.**

### **STATEMENT OF CHANGES IN LIABILITIES - NET IN LIQUIDATION FOR THE YEAR ENDED DECEMBER 31, 2020 (In nominal bolivars)**

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LIABILITIES - NET IN LIQUIDATION AS OF DECEMBER 31, 2019	(112,964,134)
Administration expenses	(9,527,344,755)
Exchange difference	(32,102,384,375)
Other expenses	<u>(3)</u>
LIABILITIES - NET IN LIQUIDATION AS OF DECEMBER 31, 2020	<u><u>(41,742,693,267)</u></u>

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