

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

31 MARCH 2020

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the financial statements of Wipro (Thailand) Co., Ltd. ("the Company"), which comprise the statement of financial position as at 31 March 2020, and the statement of income and statement of changes in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Wipro (Thailand) Co., Ltd. as at 31 March 2020, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. ๒๓.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

SD/-

Sakonwan Withayasarana

Certified Public Accountant (Thailand) No. 10881

BDO Limited

BANGKOK : 15 June 2020

WIPRO (THAILAND) CO., LTD.
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2020

		(Unit : Baht)	
	<u>Notes</u>	<u>2020</u>	<u>2019</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	164,538,035	164,211,069
Trade and other receivables	6	39,049,095	16,808,915
Current portion of financial lease receivables	7	2,778,397	2,339,974
Inventories	8	198,400	747,760
Other current assets		-	160,949
Total current assets		<u>206,563,927</u>	<u>184,268,667</u>
NON-CURRENT ASSETS			
Financial lease receivables	7	3,611,182	5,531,787
Equipment	9	14,011,599	10,322,033
Withholding tax receivables	10	13,876,185	13,816,780
Other non-current assets		<u>1,130,502</u>	<u>1,583,315</u>
Total non-current assets		<u>32,629,468</u>	<u>31,253,915</u>
TOTAL ASSETS		<u><u>239,193,395</u></u>	<u><u>215,522,582</u></u>

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

SD/- DIRECTOR(S)

WIPRO (THAILAND) CO., LTD.

STATEMENT OF FINANCIAL POSITION (Continued)

AS AT 31 MARCH 2020

		(Unit : Baht)	
	Notes	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payables	11	20,025,069	11,873,916
Other current liabilities		<u>479,968</u>	<u>292,942</u>
Total current liabilities		<u>20,505,037</u>	<u>12,166,858</u>
NON-CURRENT LIABILITIES			
Employee benefit obligations		<u>372,204</u>	<u>427,026</u>
Total non-current liabilities		<u>372,204</u>	<u>427,026</u>
TOTAL LIABILITIES		<u>20,877,241</u>	<u>12,593,884</u>
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital			
1,030,000 ordinary shares of Baht 100 each		<u>103,000,000</u>	<u>103,000,000</u>
Paid-up share capital			
1,030,000 ordinary shares of Baht 100 each, fully paid		103,000,000	103,000,000
Retained earnings			
Appropriated			
Legal reserve	12	10,300,000	10,300,000
Unappropriated		<u>105,016,154</u>	<u>89,628,698</u>
TOTAL SHAREHOLDERS' EQUITY		<u>218,316,154</u>	<u>202,928,698</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>239,193,395</u>	<u>215,522,582</u>

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

SD/- DIRECTOR(S)

WIPRO (THAILAND) CO., LTD.

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 MARCH 2020

		<i>(Unit : Baht)</i>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>
REVENUES			
Revenue from rendering services		93,906,901	94,084,091
Other income		<u>930,150</u>	<u>2,400,113</u>
TOTAL REVENUES		<u>94,837,051</u>	<u>96,484,204</u>
EXPENSES			
Cost of rendering services		68,553,418	74,635,396
Administrative expenses		<u>7,718,136</u>	<u>13,157,150</u>
TOTAL EXPENSES		<u>76,271,554</u>	<u>87,792,546</u>
PROFIT BEFORE INCOME TAX EXPENSE		18,565,497	8,691,658
INCOME TAX EXPENSE	13	<u>(3,178,041)</u>	<u>(3,522,729)</u>
NET PROFIT		<u>15,387,456</u>	<u>5,168,929</u>

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

SD/- DIRECTOR(S)

WIPRO (THAILAND) CO., LTD.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

(Unit : Baht)

	Paid-up share capital	Retained earnings		Total shareholders' equity
		Appropriated - Legal reserve	Unappropriated	
Balance as at 1 April 2018	103,000,000	10,300,000	84,459,769	197,759,769
Net profit	-	-	5,168,929	5,168,929
Balance as at 31 March 2019	103,000,000	10,300,000	89,628,698	202,928,698
Net profit	-	-	15,387,456	15,387,456
Balance as at 31 March 2020	<u>103,000,000</u>	<u>10,300,000</u>	<u>105,016,154</u>	<u>218,316,154</u>

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

SD/- DIRECTOR(S)

WIPRO (THAILAND) CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. GENERAL INFORMATION

Wipro (Thailand) Co., Ltd. (“the Company”) was incorporated as a limited company under the Thai Civil and Commercial Code on 5 November 2008. The principle business operation of the Company is software consultancy activities, enterprise software and digital content. The Company’s register address is located at 152 Chartered Square Building, Unit 17-02B, North Sathorn Road, Silom Sub-district, Bangrak District, Bangkok.

The Company’s shareholding structure is as follows:

<u>Shareholder</u>	<u>Country</u>	<u>Type of share</u>	<u>Shareholding portion</u>
Wipro IT Services SE	United Kingdom	Ordinary	99.97%
Others		Ordinary	<u>0.03%</u>
Total			<u>100.00%</u>

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

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

2. BASIS OF THE FINANCIAL STATEMENTS’ PREPARATION AND PRESENTATION

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

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

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

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3. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue and expenses recognition

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

Other income and expenses are recognised on an accrual basis.

3.2 Cash and cash equivalents

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

3.3 Trade receivables

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

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

3.4 Financial lease receivables

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

3.5 Inventories

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

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

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3.6 Equipment

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

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

Computers	2 - 4 years
Furniture and fixtures	5 years
Office equipment	7 years

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

3.7 Provisions

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

3.8 Employee benefit obligations

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

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

3.9 Income tax

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

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3.10 Operating lease

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

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

3.11 Foreign currency transactions

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

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

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT

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

SD/- DIRECTOR(S)

5. CASH AND CASH EQUIVALENTS

	<i>(Unit : Baht)</i>	
	<u>2020</u>	<u>2019</u>
Cash at banks		
Current accounts	11,730,311	6,904,459
Fixed deposit account less than 3 months	150,000,000	156,829,234
Cash in transit	<u>2,807,724</u>	<u>477,376</u>
Total	<u>164,538,035</u>	<u>164,211,069</u>
Interest rate (% per annum)		
Fixed deposit account less than 3 months	0.12 - 1.50	1.40 - 1.50

6. TRADE AND OTHER RECEIVABLES

	<i>(Unit : Baht)</i>	
	<u>2020</u>	<u>2019</u>
Trade receivables		
Trade receivables	28,153,379	14,196,864
Less: Allowance for doubtful accounts	<u>(502,710)</u>	<u>(169,655)</u>
	<u>27,650,669</u>	<u>14,027,209</u>
Other receivables		
Unbilled receivables	10,675,032	1,732,106
Prepaid expenses	525,013	546,785
Others	<u>198,381</u>	<u>502,815</u>
	<u>11,398,426</u>	<u>2,781,706</u>
Total	<u>39,049,095</u>	<u>16,808,915</u>

SD/- DIRECTOR(S)

7. FINANCIAL LEASE RECEIVABLES

	<i>(Unit : Baht)</i>	
	<u>2020</u>	<u>2019</u>
Financial lease receivables	6,790,018	8,524,922
Less : Deferred interest income	<u>(400,439)</u>	<u>(653,161)</u>
	6,389,579	7,871,761
Less : Portion due within one year	<u>(2,778,397)</u>	<u>(2,339,974)</u>
Financial lease receivables - net	<u><u>3,611,182</u></u>	<u><u>5,531,787</u></u>

As at 31 March 2020, the Company has the amount of financial lease receivables approximately Baht 6.79 million (2019 : Baht 8.52 million), whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 4.5 to 5 years.

As at 31 March 2020, future minimum lease receive required under the finance lease agreements were as follows:

	<i>(Unit : Baht)</i>		
	<u>Less than 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease receives	3,017,498	3,772,520	6,790,018
Deferred interest income	<u>(239,101)</u>	<u>(161,338)</u>	<u>(400,439)</u>
Total	<u><u>2,778,397</u></u>	<u><u>3,611,182</u></u>	<u><u>6,389,579</u></u>

8. INVENTORIES

	<i>(Unit : Baht)</i>	
	<u>2020</u>	<u>2019</u>
Computers	<u>198,400</u>	<u>747,760</u>

SD/- DIRECTOR(S)

9. EQUIPMENT

	<i>(Unit : Baht)</i>			
	<u>Beginning balance</u>	<u>Purchase/ Increase</u>	<u>Disposal/ write-off</u>	<u>Ending balance</u>
Cost				
Computers	23,349,702	12,834,097	(47,080)	36,136,719
Furniture and fixtures	1,240,767	1,371,887	-	2,612,654
Office equipment	37,000	-	-	37,000
Total	<u>24,627,469</u>	<u>14,205,984</u>	<u>(47,080)</u>	<u>38,786,373</u>
Accumulated depreciation				
Computers	13,207,591	10,322,117	(47,080)	23,482,628
Furniture and fixtures	1,067,861	189,014	-	1,256,875
Office equipment	29,984	5,287	-	35,271
Total	<u>14,305,436</u>	<u>10,516,418</u>	<u>(47,080)</u>	<u>24,774,774</u>
Net book value	<u>10,322,033</u>			<u>14,011,599</u>

Depreciation under statements of income for the years ended :

31 March 2020	10,516,418
31 March 2019	8,907,535

10. WITHHOLDING TAX RECEIVABLES

	<i>(Unit : Baht)</i>	
	<u>2020</u>	<u>2019</u>
Withholding tax for the years:		
2014	3,277,947	3,847,906
2015	4,777,938	4,777,938
2016	2,830,087	2,830,087
2017	1,495,623	1,495,623
2019	1,330,833	865,226
2020	<u>163,757</u>	<u>-</u>
Total	<u>13,876,185</u>	<u>13,816,780</u>

SD/- DIRECTOR(S)

11. TRADE AND OTHER PAYABLES

	<i>(Unit : Baht)</i>	
	<u>2020</u>	<u>2019</u>
Trade payables		
Trade payables	<u>6,272,507</u>	<u>7,315,485</u>
Other payables		
Other payables	9,675,133	1,441,715
Accrued expenses	<u>4,077,429</u>	<u>3,116,716</u>
	<u>13,752,562</u>	<u>4,558,431</u>
Total	<u>20,025,069</u>	<u>11,873,916</u>

12. LEGAL RESERVE

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

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

13. INCOME TAX EXPENSE

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

For the years ended 31 March 2020 and 2019, the Company has income tax expenses to be paid at the rate that is not equal to the taxable rate of 20% because the Company has the adjustments of certain revenues and expenses for income tax calculation to comply with the Revenue Code.

SD/- DIRECTOR(S)

14. COMMITMENTS

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

	<i>(Unit : Baht)</i>	
	<u>2020</u>	<u>2019</u>
<u>Maturity schedule</u>		
Within 1 year	673,294	700,888
Over 1 year and not more than 5 years	<u>1,346,587</u>	<u>-</u>
Total	<u><u>2,019,881</u></u>	<u><u>700,888</u></u>

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issuing by the Company's authorized director on 15 June 2020.

SD/- _____ DIRECTOR(S)