

TOPCODER, LLC

**STANDALONE SPECIAL PURPOSE
FINANCIAL STATEMENTS UNDER IND AS**

**AS AT AND FOR THE YEAR ENDED MARCH 31,
2021**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Topcoder LLC.

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Topcoder LLC. ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Special Purpose Financial Statements"). As explained in Note 2(i) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited ("the Parent") solely for inclusion in the annual report of Wipro limited for the year ended March 31, 2021 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Note 2 (i) to the Special Purpose Financial Statements, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive loss, its changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2(i) to the accompanying financial statements which indicates that the Company has incurred losses of USD 1,337,209 during the current year and has accumulated losses of USD 24,630,580 as at March 31, 2021. These events or conditions indicate that a material uncertainty exists which may cast a significant doubt on the Company's ability to continue as going concern. However, basis the ongoing support of the Ultimate Holding Company and the ongoing assessment of business opportunities, the management considers going concern basis of accounting for preparation of accompanying financial statements to be appropriate. Our opinion is not modified in respect of this matter.

Responsibilities of the Management and Those Charged with Governance for Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting

principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

In preparing the financial statements, management and Board of Directors are 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.

Board of Directors are also 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 auditors' 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 SAs 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 SAs, 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 on whether the company has adequate internal financial controls with reference to the financial statements in place 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- 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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The audited financial statements of the Company for the corresponding year ended 31 March 2020 prepared in accordance with Ind AS included in these financial statements, have been audited by the predecessor auditors whose audit report dated 18 June 2020 expressed an unmodified opinion on those audited financial statements.

Our opinion is not modified in respect of this matter.

Restriction on distribution or use

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. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the Company's and ultimate holding Company's Board of Directors, for our audit work, for this report, or for the opinions we have formed.

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No.003990S/S200018

Sd/-

Seethalakshmi M

Partner

Membership No. 208545

UDIN: 21208545AAAAFH3710

Place of Signature: Bengaluru

Date: 08 June 2021

TOPCODER LLC
BALANCE SHEET AS AT MARCH 31, 2021

(Amounts in USD, unless otherwise stated)

	<u>Notes</u>	<u>As at</u> <u>March 31, 2021</u>	<u>As at</u> <u>March 31, 2020</u>
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	5	2,006	4,879
Total non-current assets		2,006	4,879
Current assets			
Financial assets			
Trade receivables	6	108,730	-
Cash and cash equivalents	7	890,242	470,899
Other financial assets	8	46,188	88,138
Other current assets	9	136,542	143,467
Total current assets		1,181,702	702,504
TOTAL ASSETS		1,183,708	707,383
<u>EQUITY</u>			
Equity share capital	10	23,408,052	17,508,740
Other equity		(24,630,580)	(23,293,371)
Total Equity		(1,222,528)	(5,784,631)
<u>LIABILITIES</u>			
Current liabilities			
Financial liabilities			
Trade payables	11	1,403,525	5,710,247
Other financial liabilities	12	1,002,711	781,767
Total current liabilities		2,406,236	6,492,014
Total Liabilities		2,406,236	6,492,014
TOTAL EQUITY AND LIABILITIES		1,183,708	707,383

The accompanying notes form an integral part of these Financial Statements

In terms of our report attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.: 003990S/S200018

For and on behalf of the Board of Directors

Sd/-

Seethalakshmi M

Partner

Membership No: 208545

Sd/-

Mohit Bansal

Director

Place: Bengaluru

Date: 08 June 2021

TOPCODER LLC**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021***(Amounts in USD, unless otherwise stated)*

	<u>Notes</u>	<u>For the Year Ended March 31, 2021</u>	<u>For the Year Ended March 31, 2020</u>
REVENUE			
Revenue from rendering of services	13	20,808,944	11,472,298
Other income	13	529,857	-
Total Revenue		21,338,800	11,472,298
EXPENSES			
Employee benefits expense	14	10,491,453	10,682,121
Sub-contracting & technical fees		9,410,601	2,932,569
Depreciation	5	2,873	868
Other expenses	15	2,771,083	3,096,738
Total Expenses		22,676,010	16,712,296
Loss before tax		(1,337,209)	(5,239,998)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the period		(1,337,209)	(5,239,998)
Total comprehensive loss for the period		(1,337,209)	(5,239,998)

The accompanying notes form an integral part of these Financial Statements

In terms of our report attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.: 003990S/S200018

For and on behalf of the Board of Directors

Sd/-

Seethalakshmi M

Partner

Membership No: 208545

Sd/-

Mohit Bansal

Director

Place: Bengaluru

Date: 08 June 2021

TOPCODER LLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(Amounts in USD, unless otherwise stated)

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Cash flows from operating activities:		
Loss for the year	(1,337,209)	(5,239,998)
Adjustments:		
Depreciation	2,873	868
Changes in operating assets and liabilities		
Increase/Decrease in Other financial assets	41,949	(88,138)
Increase/Decrease in Other assets	6,926	(143,467)
Increase/Decrease in Trade receivables	(108,730)	-
Increase/Decrease in Trade payables	(4,306,722)	5,710,247
Increase/Decrease in Other financial liabilities	220,945	(45,753)
Cash used in operating activities before taxes	(5,479,969)	193,759
Income taxes paid, net	-	-
Net cash used in operating activities	(5,479,969)	193,759
Cash flows from investing activities:		
Purchase of property, plant and equipment	-	(5,747)
Net cash used in investing activities	-	(5,747)
Cash flows from financing activities:		
Proceeds from issue of share capital	5,899,312	-
Net cash used in financing activities	5,899,312	-
Net increase/(decrease) in cash and cash equivalents during the year	419,343	188,012
Cash and cash equivalents at the beginning of the year	470,899	282,887
Cash and cash equivalents at the end of the year (Note 7)	890,242	470,899

The accompanying notes form an integral part of these Financial Statements

In terms of our report attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.: 003990S/S200018

For and on behalf of the Board of Directors

Sd/-

Seethalakshmi M

Partner

Membership No: 208545

Sd/-

Mohit Bansal

Director

Place: Bengaluru

Date: 08 June 2021

TOPCODER LLC

STATEMENT OF CHANGES IN EQUITY

(Amounts in USD unless otherwise stated)

A. EQUITY SHARE CAPITAL

Balance as at April 01, 2019	17,508,740
Changes in equity share capital during the year	-
Balance as at March 31, 2020	17,508,740
Changes in equity share capital during the year	5,899,312
Balance as at March 31, 2021	23,408,052

B. OTHER EQUITY

	<u>Retained Earnings</u>	<u>Total Other Equity</u>
Balance as at April 01, 2020	(23,293,371)	(23,293,371)
Total comprehensive income for the period	(1,337,209)	(1,337,209)
Balance as at March 31, 2021	(24,630,580)	(24,630,580)

	<u>Retained Earnings</u>	<u>Total Other Equity</u>
Balance as at April 01, 2019	(18,053,373)	(18,053,373)
Total comprehensive income for the period	(5,239,998)	(5,239,998)
Balance as at March 31, 2020	(23,293,371)	(23,293,371)

The accompanying notes form an integral part of these Financial Statements

In terms of our report attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.: 003990S/S200018

For and on behalf of the Board of Directors

Sd/-

Seethalakshmi M

Partner

Membership No: 208545

Sd/-

Mohit Bansal

Director

Place: Bengaluru

Date: 08 June 2021

TOPCODER, LLC

NOTES TO THE FINANCIAL STATEMENT

(Amounts in USD, unless otherwise stated)

1. The Company overview

Topcoder, LLC (the “Company”), incorporated in the state of Delaware, United States of America, is a 100% subsidiary of Wipro Appirio, Inc. (USA). TopCoder has built an online platform, that allows companies to outsource development of digital projects to a community of freelance application designers, software developers, algorithmics, and digital designers. Once a project is tasked to the community by a customer, the community breaks down the project into small pieces which are then completed via a series of competitions by individual or teams of community experts. The customer is delivered the winning submission(s) within a structured timeframe.

The Company offers professional services and subscription Software-as-a-Service (SaaS) products on a Platform-as-a-Service (PaaS). The ultimate holding company is Wipro Limited. The Company derives the majority of its revenues in the United States of America.

2. Basis of preparation of financial statement

(i) Statement of compliance and basis of preparation

These Special Purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013.

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements correspond to the classification provisions contained in Ind AS 1, “Presentation of Financial statement”. For clarity, various items are aggregated in the statement of profit & loss and other comprehensive income and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The functional currency of the company is US Dollar and the financial statements are also presented in US Dollar. All amounts included in the financial statements are reported in US Dollar including share and per share data, unless otherwise stated.

The Company has incurred net loss of USD 1,337,209 (USD 5,239,998 for year ended on 31 March 2020) during the year ended 31 March 2021 and has accumulated losses amounting USD 24,630,580. However, based on the continued support from the Ultimate Holding Company, the financial statements have been prepared on a 'Going Concern' basis.

Further, the future cashflow projections of the company reveal that the company is expected to be in profits from year 2023.

(ii) Basis of measurement

The financial statements has been prepared on a historical cost convention and on an accrual basis.

(iii) Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the 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

TOPCODER, LLC

NOTES TO THE FINANCIAL STATEMENT

(Amounts in USD, unless otherwise stated)

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 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, recognized revenue and profit 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. Revenue is recognized on net basis in scenario where the company is not the primary obligor.
- b) **Useful lives of property, plant and equipment:** The Company depreciates property, plant and equipment on a straight line basis over estimated useful lives of assets. The charge in depreciation is derived based on 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 lives, such as change in technology. The estimated useful life is reviewed at least annually.
- c) **Uncertainty relating to the global health pandemic on COVID 19:** In assessing the recoverability of receivables including unbilled receivables and contract assets, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

3. Significant accounting policies

(i) Functional presentation currency

These financial statements are presented in US Dollar (\$), which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the respective functional currencies 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 within results of operating activities. Gains/(losses) relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as fair value through other comprehensive income are included in other comprehensive income, net of taxes. The company has investments in subsidiaries at places other than the USA.

TOPCODER, LLC

NOTES TO THE FINANCIAL STATEMENT

(Amounts in USD, 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 revenues, investments in equity and other eligible current and non-current assets;
- financial liabilities, which include short-term borrowings, trade payables and other eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value. 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.

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 with banks in current account and sweep account with banks, which can be withdrawn at any time, without prior notice or penalty.

For the purposes of the cash flow statement, cash and cash equivalents include cash with banks.

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 and other current 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.

(iv) Equity and share capital

a) Equity share capital

The authorized share capital of the Company as of March 31, 2021 is USD 23,408,052 (USD 17,508,740 as of March 31, 2020). Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

b) Retained earnings

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

c) Foreign currency translation reserve

The exchange differences arising from the translation of financial statement of foreign operations with functional currency other than Indian rupees is presented within equity in the FCTR.

TOPCODER, LLC

NOTES TO THE FINANCIAL STATEMENT

(Amounts in USD, unless otherwise stated)

d) **Other reserves**

Changes in the fair value of financial assets measured at FVTOCI, other than impairment loss, is recognized in other comprehensive income (net of taxes) and presented within equity in other reserves.

(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. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Plant & equipment	2 to 10 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.

The cost of property, plant and equipment not available for use before each reporting date are disclosed under capital work- in-progress. Deposits & advances paid towards acquisition of fixed assets, outstanding at each balance sheet date are shown as capital advances under the head of other non-current assets.

(vi) **Impairment**

a) **Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b) **Non-financial assets**

The Company assesses long-lived assets such as property, plant, 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 to sell (FVLCTS) and its value-in-use (VIU). 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.

TOPCODER, LLC

NOTES TO THE FINANCIAL STATEMENT

(Amounts in USD, unless otherwise stated)

(vii) Employee benefits

a) Short-term benefits

Short-term employee benefit obligations are measured on a discounted 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.

b) Termination benefits

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

c) 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.

(viii) 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.

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.

(ix) 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.

A. Services

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. 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.

TOPCODER, LLC

NOTES TO THE FINANCIAL STATEMENT

(Amounts in USD, unless otherwise stated)

b) Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts 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 does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost 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.

‘Unbilled revenues’ represent cost and earnings in excess of billings as at the end of the reporting period. ‘Contract liabilities’ represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as ‘Advance from customers’.

c) Maintenance contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, 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.

B. Products

Revenue from products are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(x) Finance costs

Finance costs comprise interest cost on borrowings, impairment losses recognized on financial assets, 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.

(xi) Other income

Other income comprises interest income on loan given, gains/(losses) on disposal of financial assets that are measured at FVTPL, and debt instruments at FVTOCI. Interest income is recognized using the effective interest method.

(xii) 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

TOPCODER, LLC

NOTES TO THE FINANCIAL STATEMENT

(Amounts in USD, unless otherwise stated)

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 statement.

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 associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The reasonable certainty of utilising the tax losses at entity level soon (and the extent to which it can be utilized) could not be established considering on-going pandemic situation. Though the company might turn to profits in the upcoming years as per projections, because of the current conditions and history of losses, management has decided not to recognize DTA in the books for the tax losses.

Management will evaluate this position in the next year end (Mar 2022) to re-assess the position for the reasonable certainty of its utilization. Further, since timing differences are not material, therefore no deferred tax is created on the same as well.

(xiii) Cash flow statement

Cash flows are reported using indirect method, whereby net profits after tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

(xiv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. 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 and warrants, except where the results would be anti-dilutive.

(xv) Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial statements.

TOPCODER, LLC

NOTES TO THE FINANCIAL STATEMENT

(Amounts in USD, unless otherwise stated)

(xvi) New amended standards and interpretations

- i. Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'
- ii. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- iii. Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
- iv. Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- v. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- vi. Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.
- vii. Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- viii. Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
- ix. Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of the amendments has any material impact on the financial statements for the current year.

(xvii) Other amendments to the existing standards: None

(xviii) New standards notified and yet to be adopted by the Company: None

TOPCODER LLC
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in USD, unless otherwise stated)

5. Property, Plant and Equipment

As at March 31, 2021

	<u>Plant & Machinery</u>
Gross Carrying Value:	
As at April 1, 2019	-
Additions	5,747
As at March 31, 2020	<u>5,747</u>
As at April 1, 2020	5,747
Additions	-
As at March 31, 2021	<u>5,747</u>
Accumulated Depreciation/Impairment	<u>Plant & Machinery</u>
As at April 1, 2019	-
Depreciation	(868)
As at March 31, 2020	<u>(868)</u>
As at April 1, 2020	(868)
Depreciation	(2,873)
As at March 31, 2021	<u>(3,741)</u>
Net Carrying Value	<u>Plant & Machinery</u>
As at March 31, 2020	4,879
As at March 31, 2021	<u>2,006</u>

6. Trade Receivables

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Receivable from group companies (Refer note 18)	108,730	-
	<u>108,730</u>	<u>-</u>

7. Cash and Cash Equivalents

Cash and cash equivalents consists of balances with banks.

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Balances with banks		
- Current accounts	890,242	470,899
	<u>890,242</u>	<u>470,899</u>

8. Other Financial Assets

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Current		
Employee advances	46,188	88,138
	<u>46,188</u>	<u>88,138</u>

9. Other Assets

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Current		
Prepaid expenses	136,542	143,467
	<u>136,542</u>	<u>143,467</u>

TOPCODER LLC
NOTES TO THE FINANCIAL STATEMENTS

(Amounts in USD, unless otherwise stated)

10. Share Capital

	As at March 31, 2021	As at March 31, 2020
Authorized, Issued and Subscribed capital	23,408,052	17,508,740
	23,408,052	17,508,740

(i) Reconciliation of no. of shares

There is no movement in the number of shares during the year ended March 31, 2021 and March 31, 2020. The amount of equity share capital is changed due to conversion of debt payable to Appirio Inc. (Holding company) into equity amounting USD 5,899,312.

(ii) Details of shareholders having more than 5% of the total equity shares of the Company

	March 31, 2021	March 31, 2020
Name of the Shareholder	% held	% held
Wipro Appirio Inc.	100	100

Rights, preferences and contingencies attached to the equity shares

The company has one class of equity shares. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets on the company after distribution of all preferential amounts, in proportion of their shareholding.

11. Trade payables

Trade payables

Total outstanding dues of creditors other than micro, small and medium enterprises

Payable to group companies (Refer note 19)

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of creditors other than micro, small and medium enterprises	619,839	54,544
Payable to group companies (Refer note 19)	783,686	5,655,703
	1,403,525	5,710,247

12. Other Financial Liabilities

Current

Bonus payable

Other Payables

Salary payable

	As at March 31, 2021	As at March 31, 2020
Bonus payable	534,467	350,785
Other Payables	73,000	46,409
Salary payable	395,244	384,573
	1,002,711	781,767

TOPCODER LLC
NOTES TO THE FINANCIAL STATEMENTS

(Amounts in USD, unless otherwise stated)

13. Revenue from Operations

	Year ended March 31, 2021	Year ended March 31, 2020
Rendering of Services	20,808,944	11,472,298
Other income	529,857	-
	21,338,800	11,472,298

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. We present such receivables as part of Unbilled Revenue at their net estimated realizable value.

The Company does not have any unbilled and unearned revenue balances as on March 31, 2021 and March 31, 2020.

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.

C. Disaggregation of Revenues

All the revenue of Topcoder of USD 20,808,944 for the year ended March 31, 2021 comprise of element based contracts.

14. Employee benefits expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	10,228,400	10,528,077
Staff welfare expenses	263,053	154,044
	10,491,453	10,682,121

15. Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
AMC for software & hardware	2,178,790	728,103
Bad Debt written-off	-	210,202
Rent	(1,375)	5,180
Business Meeting	526	42,802
Subscription	6,589	42,700
Other general & administrative expenses	353,640	485,908
Travel and conveyance	18,410	356,050
Staff Recruitment expenses	1,500	-
Legal and professional charges	213,003	1,225,793
	2,771,083	3,096,738

TOPCODER LLC
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in USD, unless otherwise stated)

16. Fair Value Hierarchy

Financial assets and liabilities include cash and cash equivalents, trade receivables, trade payable and other non-current liabilities. The fair value of financial assets and liabilities approximate their carrying amount largely due to the short-term nature of such assets and liabilities. There are no financial assets or financial liabilities measured on fair value basis as at March 31, 2021. Accordingly, no fair value hierarchy disclosure has been included.

17. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes 2 and 3 to the financial statements.

a. Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

	Amortised Cost	Total carrying value
Financial Assets:		
Trade receivables	108,730	108,730
Cash and Cash Equivalents	890,242	890,242
Other financial assets	46,188	46,188
Total	1,045,160	1,045,160
Financial Liabilities:		
Trade payables	1,403,525	1,403,525
Other Financial Liabilities	1,002,711	1,002,711
Total	2,406,236	2,406,236

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

	Amortised Cost	Total carrying value
Financial Assets:		
Cash and Cash Equivalents	470,899	470,899
Other financial assets	88,138	88,138
Total	559,037	559,037
Financial Liabilities:		
Trade payables	5,710,247	5,710,247
Other Financial Liabilities	781,767	781,767
Total	6,492,014	6,492,014

b. Exposure to 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

Customer Credit Risk is managed as per Company's established policy, procedures and controls relating to customer credit risk management which interalia involves obtaining credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in normal course of business. There are no customer accounted for more than 10% of revenue in any of the years indicated.

The Company expects to maintain this relationship with the customer. We perform ongoing credit evaluations of our customers' financial condition and do not anticipate non-performance by counterparties given their high creditworthiness.

c. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. Management monitors company's net liquidity position through rolling forecast on the basis of expected cash-flows.

d. Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity. There is no significant foreign currency risk, that the Company is exposed to.

e. Interest Rate Risk

Interest rate risk primarily arises from floating rate borrowing which is based on the movement in LIBOR. The Company does not have any financial instruments that may lead to risks from changes in interest rate.

TOPCODER LLC
NOTES TO THE FINANCIAL STATEMENTS

(Amounts in USD, unless otherwise stated)

18. Related Party Relationships, Transactions and Balances

- i) The following are the entities with which the Company has related party transactions:

Name of the Party	Relationship with the Company
Wipro Limited	Ultimate Holding Company
Wipro Travel Services Limited	Fellow Subsidiary
Wipro Appirio, Inc.	Holding company

- ii) The Company had the following transactions with related parties during the year ended March 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Wipro Appirio, Inc.		
Sales and services	(19,587,662)	(8,634,007)

- iii) Balances with related parties as at March 31, 2021 are summarised below

Payables:		
Wipro Limited	-	(1,927,175)
Wipro Travel Services Limited	(5,055)	(7,759)
Wipro Appirio, Inc.	(785,251)	(3,720,769)
Total	(783,686)	(5,655,703)

Receivables:		
Wipro Limited	108,730	-
Total	108,730	-

19. Commitments and contingencies

Capital commitments: The Company has Nil material capital commitments as on March 31, 2021 (March 31, 2020 : Nil)

Contingencies: The Company has Nil contingencies as on March 31, 2021 (March 31, 2020 : Nil)

20. Segment reporting

The Company publishes the financial statements along with the consolidated financial statements of ultimate holding company. In accordance with Ind AS 108 the Company has disclosed the segment information in the consolidated financial statements of ultimate

The accompanying notes form an integral part of these Financial Statements

In terms of our report attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

For and on behalf of the Board of Directors

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Sd/-
Mohit Bansal
Director

Place: Bengaluru
Date: 08 June 2021