

# **WIPRO APPIRIO, INC.**

**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 Wipro Appirio Inc.

### **Report on the Audit of the Special Purpose Financial Statements**

#### **Opinion**

We have audited the accompanying special purpose financial statements of Wipro Appirio Inc. ("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.

#### **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

Place of Signature: Bengaluru

Date: 08 June 2021

UDIN: 21208545AAAAFF8820

**WIPRO APPIRIO, INC.**  
**BALANCE SHEET AS AT MARCH 31, 2021**

(Amounts in USD, unless otherwise stated)

	<u>Notes</u>	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	189,840	476,221
Right of use assets	6	1,671,403	49,916
Financial assets			
Investment in subsidiaries	7	6,071,812	172,500
Loans to subsidiaries	26	5,001,875	10,179,642
Other financial assets	10	14,318	29,543
Deferred tax assets (net)	25	3,362,107	6,394,086
<b>Total non-current assets</b>		<b>16,311,355</b>	<b>17,301,908</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	8	39,342,336	42,977,062
Cash and cash equivalents	9	8,459,935	3,545,916
Unbilled revenues		2,008,594	4,553,989
Other financial assets	10	606,351	500,548
Current tax assets (net)		1,449,454	3,509,454
Contract Assets		-	1,401,666
Other current assets	11	3,485,593	1,766,787
<b>Total current assets</b>		<b>55,352,263</b>	<b>58,255,422</b>
<b>TOTAL ASSETS</b>		<b>71,663,618</b>	<b>75,557,330</b>
<b>EQUITY</b>			
Equity share capital	12	10	10
Other equity		40,632,295	39,674,530
<b>Total Equity</b>		<b>40,632,305</b>	<b>39,674,540</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13	-	3,000,000
Lease liability		1,980,249	58,360
Trade payables	14	10,283,398	12,723,214
Other financial liabilities	15	4,258,172	6,447,613
Contract liabilities		6,549,233	7,487,457
Other current liabilities	16	5,195,955	3,475,182
Provisions	17	2,764,306	2,690,964
<b>Total current liabilities</b>		<b>31,031,313</b>	<b>35,882,790</b>
<b>Total Liabilities</b>		<b>31,031,313</b>	<b>35,882,790</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>71,663,618</b>	<b>75,557,330</b>

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

Sd/-

**Seethalakshmi M**  
Partner  
Membership No: 208545

Place: Bengaluru  
Date: 8 June 2021

**For and on behalf of the Board of Directors**

Sd/-

**Mohit Bansal**  
Director

**WIPRO APPIRIO, INC.****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>
<b>REVENUE</b>			
Revenue from Operations	18	92,710,001	132,435,067
Other income	19	330,444	2,876,936
<b>Total Revenue</b>		<b>93,040,445</b>	<b>135,312,004</b>
<b>EXPENSES</b>			
Employee benefits expense	20	62,496,007	79,414,799
Sub-contracting & technical fees		16,347,685	32,560,735
Finance costs	21	233,548	624,524
Depreciation and amortization expense	5	736,999	1,038,138
Other expenses	22	8,715,135	15,820,026
<b>Total Expenses</b>		<b>88,529,374</b>	<b>129,458,222</b>
<b>Profit before tax</b>		<b>4,511,071</b>	<b>5,853,782</b>
<b>Tax expense</b>	25		
Current tax		521,328	(48,357)
Deferred tax		3,031,978	3,333,885
<b>Total tax expense</b>		<b>3,553,306</b>	<b>3,285,528</b>
<b>Profit for the period</b>		<b>957,765</b>	<b>2,568,254</b>
<b>Total other comprehensive Income for the period, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>957,765</b>	<b>2,568,254</b>
<b>Earnings per equity share</b>			
(Equity shares of par value \$ 0.01 each)	24		
Basic		958	2,568
Diluted		958	2,568
<b>No. of shares</b>			
Basic		1,000	1,000
Diluted		1,000	1,000

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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/-

Sd/-

**Seethalakshmi M**  
Partner  
Membership No: 208545

**Mohit Bansal**  
Director

Place: Bengaluru  
Date: 8 June 2021

**WIPRO APPIRIO, INC.****STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021***(Amounts in USD, unless otherwise stated)*

	<b>For the Year Ended March 31, 2021</b>	<b>For the Year Ended March 31, 2020</b>
<b>Cash flows from operating activities:</b>		
Profit for the year	957,765	2,568,254
<b>Adjustments:</b>		
Depreciation	736,999	1,038,138
Exchange loss, net	1,257,978	(435,396)
Interest from bank deposits	(1,824)	(230,515)
Income tax expense/(write-back)	3,553,306	3,285,528
Interest (income), net	(92,650)	(286,958)
Other operating income	-	(610,653)
Other income	(2,422)	(688,890)
<b>Changes in operating assets and liabilities</b>		
Increase/Decrease in Trade receivables	3,634,726	(5,141,903)
Decrease in Unbilled revenue	3,947,062	961,745
Increase/ Decrease in Other assets	(2,319,265)	1,012,003
Increase/Decrease in Trade payables	(2,439,816)	8,402,042
Decrease in Accrued expenses, other liabilities and provisions	(549,383)	(7,740,978)
Decrease in Unearned revenue	(938,224)	(3,357,425)
Cash used in operating activities before taxes	<u>7,744,253</u>	<u>(1,225,008)</u>
Income taxes paid, net	1,742,089	(2,044,447)
Net cash used in operating activities	<u><b>9,486,342</b></u>	<u><b>(3,269,455)</b></u>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(180,187)	(481,116)
Investment in subsidiary	(5,899,312)	-
Proceeds from sale of Workday and Cornerstone OnDemand business	-	80,620,372
Loan to subsidiaries	4,515,777	5,278,794
Interest received	324,396	1,141,997
Cash flows from investing activities before taxes	<u>(1,239,327)</u>	<u>86,560,047</u>
Net cash used in investing activities	<u><b>(1,239,327)</b></u>	<u><b>86,560,047</b></u>
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	(3,000,000)	(17,500,000)
Lease Liability	(197,613)	(466,884)
Dividend Paid	-	(62,000,000)
Interest paid on loans and borrowings	(135,384)	(624,524)
Net cash flows from/used in financing activities	<u><b>(3,332,996)</b></u>	<u><b>(80,591,408)</b></u>
Net increase/(decrease) in cash and cash equivalents during the year	4,914,019	2,699,184
Cash and cash equivalents at the beginning of the year	3,545,916	846,732
Cash and cash equivalents at the end of the year (Note 9)	<u><b>8,459,935</b></u>	<u><b>3,545,916</b></u>

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

Sd/-

**Seethalakshmi M**

Partner

Membership No: 208545

Place: Bengaluru

Date: 8 June 2021

**For and on behalf of the Board of Directors**

Sd/-

**Mohit Bansal**

Director

**WIPRO APPIRIO, INC.**  
**STATEMENT OF CHANGES IN EQUITY**

(Amounts in USD unless otherwise stated)

**A. EQUITY SHARE CAPITAL**

	31 March 2021		31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Opening number of equity shares	1,000	10	1,000	10
Equity shares issued	-	-	-	-
<b>Closing number of equity shares</b>	<b>1,000</b>	<b>10</b>	<b>1,000</b>	<b>10</b>

**B. OTHER EQUITY**

	Retained Earnings	Total Other Equity
<b>Balance as at April 01, 2020</b>	39,674,530	39,674,530
Total comprehensive income for the period	957,765	957,765
<b>Balance as at March 31, 2021</b>	<b>40,632,295</b>	<b>40,632,295</b>

	Retained Earnings	Total Other Equity
<b>Balance as at April 01, 2019</b>	99,147,076	99,147,076
Adjustment on adoption of Ind AS 116	(40,800)	(40,800)
Total comprehensive income for the period	2,568,254	2,568,254
Less: Dividend payout	(62,000,000)	(62,000,000)
<b>Balance as at March 31, 2020</b>	<b>39,674,530</b>	<b>39,674,530</b>

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

Sd/-

**Seethalakshmi M**

Partner

Membership No: 208545

Place: Bengaluru

Date: 8 June 2021

**For and on behalf of the Board of Directors**

Sd/-

**Mohit Bansal**

Director



# WIPRO APPIRIO, INC.

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in USD, unless otherwise stated)

### 1. The Company overview

Wipro Appirio, Inc. (the “Company”), incorporated in the state of Delaware, United States of America is a leading global consultancy and provider of cloud-based services to business enterprises’ Information Technology (IT) cloud solutions. The Company offers professional services and subscription Software-as-a-Service (SaaS) products on a Platform-as-a-Service (PaaS) that help enterprises accelerate their adoption to cloud-based computing.

The Company utilises its knowledge and partnerships with leading SaaS-based providers, such as Salesforce.com and Google, to provide unique solutions to its customers’ IT needs. The Company derives the majority of its revenues in the United States.

### 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.

These are the Standalone financial statements of Wipro Appirio, Inc. The Company has not prepared consolidated financial statements because it has availed the specific exemption from the preparation of consolidated financial statements, available under Ind AS 110, “Consolidated Financial Statements”. Accordingly, the investment in the subsidiaries are accounted for on a cost basis in these standalone financial statements.

The investment in subsidiaries is considered as a long term investment and carried at cost, less impairment, if any (refer note 7).

The financial performance and position of the Company and the subsidiaries are included in the consolidated financial statements of Wipro Limited, incorporated under the Companies Act, 2013, having its registered office at Doddakanelli, Sarjapur Road, Bengaluru - 560035.

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.

#### (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 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

# WIPRO APPIRIO, INC.

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in USD, unless otherwise stated)

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) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting ate. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.
- c) **Expected credit losses on financial assets:** The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.
- d) **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.
- e) **Leases:** Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.
- f) **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.

# WIPRO APPIRIO, INC.

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in USD, unless otherwise stated)

### 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.

#### (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.

# WIPRO APPIRIO, INC.

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in USD, unless otherwise stated)

### (iv) Equity and share capital

#### a) Equity share capital

The authorized share capital of the Company as of March 31, 2021 is USD 10 (USD 10 as of March 31, 2020) divided into 1,000 equity shares of \$ 0.01 each. 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.

#### 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
Leasehold Improvements	Useful life or lease term whichever is lower
Plant & equipment	2 to 10 years
Office equipment	5 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

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) Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

**WIPRO APPIRIO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Amount in USD, unless otherwise stated)

**The Company as a lessee**

The Company enters into arrangement for lease of buildings. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- a) control the use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset, and
- c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

**The Company as a lessor**

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

# WIPRO APPIRIO, INC.

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in USD, unless otherwise stated)

### (vii) 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.

### (viii) 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.

### (ix) 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.

# WIPRO APPIRIO, INC.

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in USD, unless otherwise stated)

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.

### (x) 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.

##### 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.

# WIPRO APPIRIO, INC.

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in USD, unless otherwise stated)

### **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.

#### **(xi) 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.

#### **(xii) 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.

#### **(xiii) Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

##### **a) Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

##### **b) Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial 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.



# **WIPRO APPIRIO, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

(Amount in USD, unless otherwise stated)

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.

### **(xiv) 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.

### **(xv) 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.

### **(xvi) Investment in subsidiaries**

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

### **(xvii) 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.

### **(xviii) Other amendments to the existing standards: None**

### **(xix) New standards notified and yet to be adopted by the Company: None**

**WIPRO APPIRIO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*(Amounts in USD, unless otherwise stated)*

**5. Property, Plant and Equipment**

**As at March 31, 2021**

<b>Gross Carrying Value:</b>	<b>Leasehold improvements</b>	<b>Plant &amp; Machinery</b>	<b>Office Equipment</b>	<b>Total</b>
As at April 1, 2020	614,172	1,291,529	684,070	2,589,771
Additions	-	180,187	-	180,187
Disposal/Adjustments	(1,300)	(99,411)	-	(100,711)
<b>As at March 31, 2021</b>	<b>612,872</b>	<b>1,372,305</b>	<b>684,070</b>	<b>2,669,247</b>

<b>Accumulated Depreciation/ Impairment</b>	<b>Leasehold improvements</b>	<b>Plant &amp; Machinery</b>	<b>Office Equipment</b>	<b>Total</b>
As at April 1, 2020	(577,627)	(887,438)	(648,485)	(2,113,550)
Depreciation	(14,303)	(431,897)	(26,763)	(472,963)
Disposal/Adjustments	1,137	105,969	-	107,106
<b>As at March 31, 2021</b>	<b>(590,793)</b>	<b>(1,213,366)</b>	<b>(675,248)</b>	<b>(2,479,407)</b>

<b>Net Carrying Value</b>	<b>Leasehold improvements</b>	<b>Plant &amp; Machinery</b>	<b>Office Equipment</b>	<b>Total</b>
As at March 31, 2020	36,545	404,091	35,585	476,221
As at March 31, 2021	22,079	158,939	8,822	189,840

**As at March 31, 2020**

<b>Gross Carrying Value</b>	<b>Leasehold improvements</b>	<b>Plant &amp; Machinery</b>	<b>Office Equipment</b>	<b>Total</b>
As at April 1, 2019	391,551	1,675,698	319,199	2,386,448
Additions	-	481,116	-	481,116
Adjustments	222,621	(865,285)	364,871	(277,793)
<b>As at March 31, 2020</b>	<b>614,172</b>	<b>1,291,529</b>	<b>684,070</b>	<b>2,589,771</b>

<b>Accumulated Depreciation/ Impairment</b>	<b>Leasehold improvements</b>	<b>Plant &amp; Machinery</b>	<b>Office Equipment</b>	<b>Total</b>
As at April 1, 2019	(266,643)	(1,084,123)	(214,412)	(1,565,178)
Depreciation	(81,594)	(573,613)	(84,250)	(739,457)
Adjustments	(229,390)	770,298	(349,823)	191,085
<b>As at March 31, 2020</b>	<b>(577,627)</b>	<b>(887,438)</b>	<b>(648,485)</b>	<b>(2,113,550)</b>

<b>Net Carrying Value</b>	<b>Leasehold improvements</b>	<b>Plant &amp; Machinery</b>	<b>Office Equipment</b>	<b>Total</b>
As at March 31, 2019	124,908	591,575	104,787	821,270
As at March 31, 2020	36,545	404,091	35,585	476,221

**WIPRO APPIRIO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*(Amounts in USD, unless otherwise stated)*

**6. Right of use asset**

**As at March 31, 2021**

<b>Gross Carrying Value:</b>	<b>Building</b>
<b>As at April 1, 2019</b>	<b>348,596</b>
Additions for the year	-
Disposal/Adjustments	-
<b>As at March 31, 2020</b>	<b>348,596</b>
<b>As at April 1, 2020</b>	<b>348,596</b>
Additions for the year	1,885,523
Disposal/Adjustments	(348,596)
<b>As at March 31, 2021</b>	<b>1,885,522</b>

<b>Accumulated Depreciation/Impairment</b>	<b>Building</b>
<b>As at April 1, 2019</b>	<b>(298,680)</b>
Depreciation	-
Disposal/Adjustments	-
<b>As at March 31, 2020</b>	<b>(298,680)</b>
<b>As at April 1, 2020</b>	<b>(298,680)</b>
Depreciation	(264,036)
Disposal/Adjustments	348,596
<b>As at March 31, 2021</b>	<b>(214,120)</b>

<b>Net Carrying Value</b>	<b>Building</b>
As at March 31, 2020	49,916
As at March 31, 2021	1,671,403

**7. Investments**

Investments consist of the following:

**Investment in subsidiaries (unquoted)**

Appirio KK (Principle Place of Business - Japan, 100% holding)  
Wipro Appirio (Ireland) Limited (Principle Place of Business - Ireland, 100% holding)  
Topcoder Inc (Principle Place of Business - USA, 100% holding)

<b>As at</b>	<b>As at</b>
<b>March 31, 2021</b>	<b>March 31, 2020</b>
100,800	100,800
71,699	71,699
5,899,313	1
<b>6,071,812</b>	<b>172,500</b>

**8. Trade Receivables**

**Unsecured:**

Considered good  
Considered doubtful

With related parties - Considered good ( Refer Note 26)  
Less: Allowance for lifetime expected credit loss

<b>As at</b>	<b>As at</b>
<b>March 31, 2021</b>	<b>March 31, 2020</b>
4,889,969	13,761,746
3,365,510	4,390,811
8,255,479	18,152,557
34,452,367	29,215,316
(3,365,510)	(4,390,811)
<b>39,342,336</b>	<b>42,977,062</b>

**The activity in the allowance for lifetime expected credit loss is given below:**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Opening Balance	4,390,811	3,070,961
Less: Deduction during the period (net)	(3,835,049)	(6,671,982)
Add: Additions during the year	2,809,748	7,991,832
Closing Balance	<b>3,365,510</b>	<b>4,390,811</b>

**9. Cash and cash equivalents**

Cash and cash equivalents consists of balances with banks.

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Balances with banks		
- Current accounts	8,459,935	3,545,916
	<b>8,459,935</b>	<b>3,545,916</b>

**10. Other Financial Assets**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Non-Current</b>		
Security deposits	14,318	29,543
	<b>14,318</b>	<b>29,543</b>

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Current</b>		
Unamortized interest on facilities	187,687	298
Other receivables	418,664	500,250
	<b>606,351</b>	<b>500,548</b>

**11. Other Assets**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Current</b>		
Prepaid expenses	3,398,825	1,642,180
Other non financial assets	86,768	124,607
	<b>3,485,593</b>	<b>1,766,787</b>

**WIPRO APPIRIO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*(Amounts in USD, unless otherwise stated)*

**12. Share Capital**

	As at March 31, 2021	As at March 31, 2020
<b>Authorised Capital</b>		
1,000 (March 31, 2020: 1,000) equity share (Par value \$0.01 per share)	10	10
	<b>10</b>	<b>10</b>

**Issued, subscribed and fully paid-up capital**

1,000 (March 31, 2020: 1,000) equity share (Par value \$0.01 per share)	10	10
	<b>10</b>	<b>10</b>

(i) Shares held by holding company (Wipro IT Services LLC, the holding company)

	As at March 31, 2021	As at March 31, 2020
Number of equity shares of \$ 0.01 each	1,000	1,000
	<b>1,000</b>	<b>1,000</b>

(ii) Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Opening number of equity shares</b>	1,000	10	1,000	10
Equity shares issued	-	-	-	-
<b>Closing number of equity shares</b>	<b>1,000</b>	<b>10</b>	<b>1,000</b>	<b>10</b>

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

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% held	No. of shares	% held
Wipro IT Services LLC	1,000	100	1,000	100
	<b>1,000</b>	<b>100</b>	<b>1,000</b>	<b>100</b>

**Rights, preferences and contingencies attached to the equity shares**

The company has one class of equity shares having a face value of \$0.01 each. 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.

**13. Borrowings**

A summary of loans and borrowings is as follows:

	As at March 31, 2021	As at March 31, 2020
Current borrowings		
Unsecured		
Borrowings from:		
- Wipro LLC (Intermediate Holding Company)	-	3,000,000
	<b>-</b>	<b>3,000,000</b>

**WIPRO APPIRIO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*(Amounts in USD, unless otherwise stated)*

**14. Trade payables**

	As at March 31, 2021	As at March 31, 2020
Trade payables		
Total outstanding dues of creditors other than micro, small and medium enterprises	6,602,496	5,581,480
Payable to group companies ( Refer Note 27)	3,680,902	7,141,734
	<b>10,283,398</b>	<b>12,723,214</b>

**15. Other Financial Liabilities**

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Bonus payable	2,648,070	2,986,100
Other payables	465,805	598,301
Interest Accrued but not Due	-	67,591
Salary payable	1,144,297	2,795,621
	<b>4,258,172</b>	<b>6,447,613</b>

**16. Other Liabilities**

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Statutory dues payable	3,628,764	1,251,749
Accrued Bonus Taxes	-	199,481
Withholding Tax Payable	28,423	182,480
Other current liabilities	1,538,768	1,841,472
	<b>5,195,955</b>	<b>3,475,182</b>

**17. Provisions**

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Provision for employee benefits	2,764,306	2,690,964
	<b>2,764,306</b>	<b>2,690,964</b>

**18. Revenue from Operations**

	Year ended March 31, 2021	Year ended March 31, 2020
Rendering of Services	92,710,001	132,435,067
	<b>92,710,001</b>	<b>132,435,067</b>

**B. Remaining Performance Obligations**

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized which includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date which are, contracts invoiced on time and material basis and volume based.

As at March 31, 2021, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was USD 12,636,660, out of which 10,749,869 is expected to be recognized as revenues within 1 year, and the remainder thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

**WIPRO APPIRIO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

*(Amounts in USD, unless otherwise stated)*

**C. Disaggregation of Revenues**

The table below presents disaggregated revenues from contracts with customers by business segment and contract-type. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic

Revenue	Total
Sale of Services	92,710,001
<b>Revenue by Nature of Contract</b>	
Fixed price and volume based	61,302,136
Time and materials based	31,407,865

**19. Other Income**

Other operating income
Foreign exchange gains / (losses), net
Interest income
Other income
Interest from Bank deposits

Year ended March 31, 2021	Year ended March 31, 2020
-	610,653
-	435,396
326,198	911,482
2,422	688,890
1,824	230,515
<b>330,444</b>	<b>2,876,936</b>

**20. Employee benefits expense**

Salaries and wages
Staff welfare expenses

Year ended March 31, 2021	Year ended March 31, 2020
60,590,545	76,334,104
1,905,462	3,080,695
<b>62,496,007</b>	<b>79,414,799</b>

**21. Finance costs**

Interest Expense
Interest amortization on facilities

Year ended March 31, 2021	Year ended March 31, 2020
186,959	610,443
46,589	14,081
<b>233,548</b>	<b>624,524</b>

**22. Other expenses**

AMC for software & hardware
Foreign exchange gains / (losses), net
Staff Recruitment expenses
Provision for lifetime expected credit losses
Rent
Insurance
Business Meeting
Subscription
Other general & administrative expenses
Travel
Legal and professional charges
Corporate Overhead
Marketing and brand building

Year ended March 31, 2021	Year ended March 31, 2020
2,803,379	4,065,869
1,257,978	-
941,352	450,734
(499,118)	1,411,126
26,264	6,078
20,919	31,749
7,729	254,589
272,470	309,030
330,139	725,818
397,587	4,736,171
238,319	931,250
1,574,391	
1,343,726	2,897,612
<b>8,715,135</b>	<b>15,820,026</b>

**WIPRO APPIRIO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*(Amounts in USD, unless otherwise stated)*

**23. Lease Liability**

Until March 31, 2021, the Company had taken on lease, office under cancellable and non-cancellable lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases during the year ended March 31, 2021 were \$139,252

Details of contractual payments under non-cancellable leases are given below:

	<u>As at</u> <u>March 31, 2021</u>
Not later than 1 year	284,306
Later than 1 year and not later than 5 years	1,210,097
Later than 5 years and not later than 10 years	485,846
	<u>1,980,249</u>

**24. Earnings per Equity Share**

A reconciliation of profit for the period and equity shares used in the computation of basic and diluted earnings per equity share is set out below

**Basic and Diluted:** Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period, excluding equity shares purchased by the Company. Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company. The Company does not have any potential equity shares as on March 31, 2021 and March 31, 2020.

	<u>Year ended</u> <u>March 31, 2021</u>	<u>Year ended</u> <u>March 31, 2020</u>
Profit for the Period	957,765	2,568,254
Weighted average number of equity shares outstanding	1,000	1,000
Basic and diluted earnings per share	958	2,568

**25. Income Tax Expense & Effective Tax Rate (ETR) reconciliation**

Income tax expense has been allocated as follows:

	<u>Year ended</u> <u>March 31, 2021</u>	<u>Year ended</u> <u>March 31, 2020</u>
Current tax	521,328	(48,357)
Deferred tax	3,031,978	5,839,342
<b>Total Income Tax Expense Recognised</b>	<b>3,553,306</b>	<b>5,790,985</b>

The reconciliation of estimated income tax expense at United States of America statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	<u>Year ended</u> <u>March 31, 2021</u>	<u>Year ended</u> <u>March 31, 2020</u>
Profit / (Loss) before tax	4,511,071	5,853,782
Statutory income tax rate of USA	28.00%	28.00%
Expected income tax expense	1,263,100	1,639,059
Effect of:		
Tax relating to prior years	521,328	(48,357)
Deferred Tax Expense	1,768,878	4,200,284
	<b>3,553,306</b>	<b>5,790,985</b>

**Deferred Tax Asset**

<b>Deferred tax assets/ Liabilities (net) :</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
DTA on Business loss carried forward	2,046,529	2,700,635
DTA / DTL on other originating / reversing temporary differences	1,315,578	3,693,451
<b>Total</b>	<b>3,362,107</b>	<b>6,394,086</b>



**WIPRO APPIRIO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

*(Amounts in USD, unless otherwise stated)*

**26. 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:

	<b>Amortised Cost</b>	<b>Total carrying value</b>
<b>Financial Assets:</b>		
Trade Receivables	39,342,336	39,342,336
Cash and Cash Equivalents	8,459,935	8,459,935
Unbilled Revenues	2,008,594	2,008,594
Other Financial Assets	620,669	620,669
Loan to Subsidiaries	5,001,875	5,001,875
<b>Total</b>	<b>55,433,409</b>	<b>55,433,409</b>
<b>Financial Liabilities:</b>		
Borrowings	-	-
Trade Payables	10,283,398	10,283,398
Lease Liabilities	1,980,249	-
Other Financial Liabilities	4,258,172	4,258,172
<b>Total</b>	<b>16,521,819</b>	<b>14,541,570</b>

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

	<b>Amortised Cost</b>	<b>Total carrying value</b>
<b>Financial Assets:</b>		
Trade Receivables	42,977,062	42,977,062
Cash and Cash Equivalents	3,545,916	3,545,916
Unbilled Revenues	4,553,989	4,553,989
Other Financial Assets	530,091	530,091
Loan to Subsidiaries	10,179,642	10,179,642
<b>Total</b>	<b>61,786,700</b>	<b>61,786,700</b>
<b>Financial Liabilities:</b>		
Borrowings	3,000,000	3,000,000
Trade Payables	12,723,214	12,723,214
Lease Liabilities	58,360	58,360
Other Financial Liabilities	6,447,613	6,447,613
<b>Total</b>	<b>22,229,187</b>	<b>22,229,187</b>

**b. Exposure to Credit Risk**

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

**WIPRO APPIRIO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

(Amounts in USD, unless otherwise stated)

**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 Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As at March 31, 2021, cash and cash equivalents are held with major banks and financial institutions.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts include estimated interest payments and exclude the impact of netting agreements, if any.

Contractual cash flows as at March 31, 2021	Carrying value	Less than 1 year	1-3 years	> 3 years	Total
Borrowings	-	-	-	-	-
Lease Liabilities	1,980,249	284,305	896,277	799,666	1,980,248
Other financial liabilities	14,541,570	14,541,570	-	-	14,541,570

Contractual cash flows as at March 31, 2020	Carrying value	Less than 1 year	1-3 years	> 3 years	Total
Borrowings	3,000,000	3,067,591	-	-	3,067,591
Lease Liabilities	58,360	58,360	-	-	58,360
Other financial liabilities	19,170,827	19,170,827	-	-	19,170,827

**d. Foreign Currency Exchange Rate Risk**

The Company undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Currency		Liabilities		Assets	
		As at	As at	As at	As at
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
Intercompany Trade Payable	EUR	(197,148)	(4,850,528)	-	-
Intercompany Trade Payable	GBP	(175,673)	(6,951,751)	-	-
Intercompany Trade Payable	JPY	-	(1,428,174)	-	-
Intercompany Trade Payable	INR	(8,705,849)	(382,538,589)	-	-
Intercompany Trade Payable	AUD	-	(1,604)	-	-
Intercompany Trade Payable	CAD	(61,214)	(1,380)	-	-
Intercompany Trade Payable	RMB	-	(3,281,616)	-	-
Intercompany Trade Payable	SEK	-	-	-	14,621
Intercompany Trade Receivable	EUR	-	-	173,362	-
Intercompany Trade Receivable	INR	-	-	19,323,628	-
Intercompany Trade Receivable	GBP	-	-	663,350	-
		<b>(9,139,884)</b>	<b>(399,053,642)</b>	<b>20,160,339</b>	<b>14,621</b>

The following table details the Company's sensitivity to 1% increase and decrease in the USD against the foreign currency

	As at		As at	
	31 March 2021	31 March 2021	31 March 2020	31 March 2020
	+1%	-1%	+1%	-1%
EUR	(238)	238	(48,505)	48,505
GBP	4,877	(4,877)	(69,518)	69,518
JPY	-	-	(14,282)	14,282
INR	106,178	(106,178)	(3,825,386)	3,825,386
AUD	-	-	(16)	16
CAD	(612)	612	(14)	14
RMB	-	-	(32,816)	32,816
SEK	-	-	146	(146)

**e. Interest Rate Risk**

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company has inter-company payables and receivables, the interest of which is based on the movement in LIBOR. If interest rates were to increase by 100 bps from March 31, 2021 (March 31, 2020), additional net annual interest income (net) on floating lending rate would approximately amount to USD 50,019 (USD 71,180).

**WIPRO APPIRIO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

(Amounts in USD, unless otherwise stated)

**27. 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 IT Services LLC	Holding Company
Wipro LLC	Intermediate Holding Company
Wipro do Brasil Tecnologia Ltda	Fellow Subsidiary
Wipro Technologies GmbH	Fellow Subsidiary
Wipro Technology Chile SPA	Fellow Subsidiary
Wipro Solutions Canada Ltd.	Fellow Subsidiary
Wipro Portugal S.A.	Fellow Subsidiary
Wipro Technologies S.A DE C. V	Fellow Subsidiary
Wipro Chengdu Limited	Fellow Subsidiary
Wipro Gallagher Solutions, LLC	Fellow Subsidiary
Wipro Appirio UK Limited	Fellow Subsidiary
Wipro Appirio (Ireland) Ltd.	Subsidiary
Appirio, K.K	Subsidiary
Topcoder LLC	Subsidiary

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
<b>Wipro Ltd.</b>		
Sales and services	(51,267,438)	(47,918,318)
Subcontracting & technical fees	6,775,790	15,659,170
<b>Wipro IT Services LLC</b>		
Interest expense	-	61,303
<b>Wipro LLC</b>		
Sales and services	(9,474,160)	(12,053,259)
Interest expense	67,793	106,825
Interest income	(1,875)	-
<b>Wipro Technologies GmbH</b>		
Subcontracting & technical fees	71,866	189,296
<b>Wipro do Brasil Tecnologia Ltda</b>		
Sales and services	(896,191)	(53,763)
<b>Wipro Technology Chile SPA</b>		
Sales and services	(113,790)	(489,309)
<b>Wipro Solutions Canada Ltd.</b>		
Sales and services	(9,740)	(501,790)
<b>Wipro Portugal S.A.</b>		
Subcontracting & technical fees	1,074,453	1,106,017
<b>Topcoder, LLC.</b>		
Sales and services	19,587,662	8,634,007
<b>Wipro Appirio UK Limited</b>		
Sales and services	(1,102,041)	(1,872,363)
Subcontracting & technical fees	1,818,382	2,624,439
Interest income	(140,508)	(460,932)
Interest expense	93,307	337,456
<b>Wipro Appirio (Ireland) Ltd.</b>		
Sales and services	(86,026)	(238,418)
Subcontracting & technical fees	419,716	1,152,295
Interest income	(183,815)	(391,707)
Interest expense	25,859	91,805
<b>Cooper Software, LLC.</b>		
Subcontracting & technical fees	43,684	-
<b>Wear4C UK Ltd.</b>		
Sales and services	(47,386)	-
Subcontracting & technical fees	45,931	-
<b>Wipro do Brasil Servicos de Tecnologia S.A.</b>		
Sales and services	(11,563)	-
<b>Cellent GmbH</b>		
Sales and services	(30,452)	-
<b>Wipro Appirio, K.K.</b>		
Interest income	-	(58,844)
Interest expense	-	13,055

<b>Wipro Technologies S.A DE C. V</b>		
Sales and services	(462,938)	(941,172)
Subcontracting & technical fees	274,338	269,306
<b>Wipro Travel Services Limited</b>		
Subcontracting & technical fees	79	-
<b>Wipro Chengdu Limited</b>		
Subcontracting & technical fees	136,929	465,602

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Receivables:</b>		
Wipro Limited	29,117,318	17,043,886
Cellent GmbH	30,452	-
Wipro do Brasil Servicos de Tecnologia S.A.	11,563	-
Wear4C UK Ltd.	47,386	-
Wipro LLC	2,136,209	5,311,091
Wipro do Brasil Tecnologia Ltda	185,482	53,763
Wipro Technology Chile SPA	603,100	489,309
Wipro Solutions Canada Ltd.	9,740	33,383
Wipro Appirio UK Limited	721,236	636,335
Wipro Appirio (Ireland) Ltd.	9,458	886,484
TopCoder LLC	885,242	3,721,059
Wipro Technologies S.A DE C. V	137,715	404,917
Wipro Chengdu Limited	1	-
Wipro Appirio, K.K.	531,721	635,089
<b>Total</b>	<b>34,452,367</b>	<b>29,215,316</b>

<b>Payables:</b>		
Topcoder LLC	(99,876)	-
Wipro Appirio (Ireland) Ltd.	(35,042)	-
Cooper Software, LLC.	(5,044)	-
Wear4C UK Ltd.	(45,931)	-
Wipro Portugal S.A.	(191,930)	(1,503,005)
Wipro Limited	(3,204,703)	(4,911,662)
Wipro Technologies GmbH	(2,582)	(186,602)
Wipro Technologies S.A DE C. V	(95,155)	-
Wipro Chengdu Limited	-	(462,084)
Wipro Travel Services Limited	(78)	(78,381)
<b>Total</b>	<b>(3,680,902)</b>	<b>(7,141,734)</b>

<b>Loan amount outstanding:</b>		
Wipro LLC	-	(3,067,591)
<b>Total</b>	<b>-</b>	<b>(3,067,591)</b>

<b>Loan receivables</b>		
Wipro LLC	5,001,875	-
Wipro Appirio (Ireland) Ltd.	-	7,105,248
Wipro Appirio UK Limited	-	3,074,394
<b>Total</b>	<b>5,001,875</b>	<b>10,179,642</b>

## 28. Commitments and contingencies

**Capital commitments:** The Company has capital commitments of USD 45,347 as on March 31, 2021 (March 31, 2020 : Nil)

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

## 29. 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 holding company.

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/-

Sd/-

**Seethalakshmi M**  
Partner  
Membership No: 208545

**Mohit Bansal**  
Director

Place: Bengaluru  
Date: 8 June 2021