

## **INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors of Frontworx Informationstechnologie GmbH ,

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Frontworx Informationstechnologie GmbH** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (herein after referred to as standalone Ind As Financial statements).

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone **Ind AS** financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit Opinion on the standalone Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2018, and its Profit and its cash flows for the year ended on that date.

**For M/s. Appaji & Co.,  
Chartered Accountants  
FRN. 014147S**

**-Sd-**

**CA K Appaji  
Partner  
Mno-214156  
Date: 1<sup>st</sup> JUN 2018**

FRONTWORX Informationstechnologie GmbH

Standalone financial statement under Ind AS

As at and for the year ended 31st March 2018

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**FRONTWORX Informationstechnologie GmbH**  
**Balance Sheet as at 31 March 2018**

(All amounts are in EUR, unless otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	62,030	70,535
		<u>62,030</u>	<u>70,535</u>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	5	120,672	195,676
Cash and cash equivalents	6	852,464	705,641
Loans	7	1,028,750	1,028,750
Other financial assets	8	139,837	21,449
Other current assets	9	122,071	203,138
		<u>2,263,794</u>	<u>2,154,653</u>
		<u>2,325,823</u>	<u>2,225,188</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	1,200,000	1,200,000
Other equity		197,290	34,364
		<u>1,397,290</u>	<u>1,234,364</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	11	35,980	30,245
		<u>35,980</u>	<u>30,245</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	12	64,063	136,752
Borrowings	13	600,000	600,000
Other financial liabilities	14	128,422	55,482
Other current liabilities	15	100,069	168,346
		<u>892,554</u>	<u>960,579</u>
		<u>2,325,823</u>	<u>2,225,189</u>

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

As per our report of even date attached  
for Appaji & Co.  
Chartered Accountants  
Firm Registration number : 014147S

For and on behalf of the Board of Directors

Sd/-  
CA K Appaji  
Partner  
Membership No. 214156  
Place: Bangalore  
Date: 1st June 2018

Sd/-  
Thomas Cermak  
Managing Director

**FRONTWORX Informationstechnologie GmbH**  
**Statement of Profit and Loss for the year ended 31 March 2018**  
 (All amounts are in EUR, unless otherwise stated)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
<b>REVENUE</b>			
Revenue from operations	16	2,128,670	2,297,473
Other income	17	232,500	250,800
		<b>2,361,170</b>	<b>2,548,273</b>
<b>EXPENSES</b>			
Employee benefits expense	18	183,901	440,716
Finance costs	19	12,000	12,000
Depreciation and amortisation expense	4	8,505	13,737
Other expenses	20	1,940,558	1,867,472
		<b>2,144,964</b>	<b>2,333,925</b>
<b>Profit before tax</b>		<b>216,206</b>	<b>214,348</b>
Current tax		53,281	37,500
<b>Tax expense</b>		<b>53,281</b>	<b>37,500</b>
<b>Profit for the period</b>		<b>162,925</b>	<b>176,848</b>
<b>Total comprehensive income for the period</b>		<b>162,925</b>	<b>176,848</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to statement of profit or loss (Net of tax)			
Exchange difference on foreign currency translation		-	-
<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>162,925</b>	<b>176,848</b>
<b>Earnings per equity share</b>	21		
Basic		0.14	0.15
Diluted		0.14	0.15

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

As per our report of even date attached  
 for Appaji & Co.  
 Chartered Accountants  
 Firm Registration number : 014147S

For and on behalf of the Board of Directors

Sd/-  
 CA K Appaji  
 Partner  
 Membership No. 214156  
 Place: Bangalore  
 Date: 1st June 2018

Sd/-  
 Thomas Cermak  
 Managing Director

**FRONTWORX Informationstechnologie GmbH****Statement of Changes in Equity**

(All amounts are in EUR, unless otherwise stated)

	Equity share capital	Other equity		Total
		Reserves-At Time of Acquisition	Retained Earnings	
Balance as at 1 April 2016	1,200,000	(108,414)	(91,067)	(199,481)
Profit for the period	-	-	176,848	176,848
Movement during the year	-	56,997	-	56,997
Balance as at 31 March 2017	1,200,000	(51,417)	85,781	34,364
Profit for the period	-	-	162,925	162,925
Movement during the year	-	-	-	-
Balance as at 31 March 2018	1,200,000	(51,417)	248,706	197,290

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

**FRONTWORX Informationstechnologie GmbH**  
**Cash Flow Statement for the year ended March 2018**  
 (All amounts are in EUR, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash flow from operating activities</b>		
Profit for the period	162,925	176,848
Adjustments		
Depreciation and amortization	8,505	13,737
Income tax expense	53,281	37,500
Interest expense	12,000	12,000
Interest income	(42,500)	(46,800)
<b>Operating profit before working capital changes</b>	<b>194,211</b>	<b>193,285</b>
Adjustments for working capital changes:		
Trade and other receivable	75,004	86,398
Loans and advances and other assets	(37,321)	(81,552)
Trade and other payables	(94,717)	(55,728)
<b>Net cash generated by / (used in) from operations</b>	<b>137,177</b>	<b>142,403</b>
Direct taxes (paid) / refund	(20,854)	(121,199)
<b>Net cash generated by / (used in) operating activities</b>	<b>(A) 116,323</b>	<b>21,204</b>
<b>Cash flows from investing activities:</b>		
Proceeds on sale of fixed assets	-	(386)
Interest Received	42,500	46,800
<b>Net cash generated by / (used in) investing activities</b>	<b>(B) 42,500</b>	<b>46,414</b>
<b>Cash flows from financing activities:</b>		
Interest paid	(12,000)	(12,000)
<b>Net cash generated by / (used in) financing activities</b>	<b>(C) (12,000)</b>	<b>(12,000)</b>
	<b>146,823</b>	<b>55,618</b>
<b>Net increase in cash and cash equivalents during the period (A+B+C)</b>		
Cash and cash equivalents at the beginning of the period	705,641	650,023
<b>Cash and cash equivalents at the end of the period (refer note 8)</b>	<b>852,464</b>	<b>705,641</b>

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

As per our report of even date attached  
 for Appaji & Co.  
 Chartered Accountants  
 Firm Registration number : 014147S

For and on behalf of the Board of Directors

Sd/-  
 CA K Appaji  
 Partner  
 Membership No. 214156  
 Place: Bangalore  
 Date: 1st June 2018

Sd/-  
 Thomas Cermak  
 Managing Director

## FRONTWORX Informationstechnologie GmbH

### Notes to the standalone financial statement

(All amounts are in EUR, unless otherwise stated)

#### 1 The Company overview

CELLENT GmbH ("The Company") is incorporated and domiciled in Germany and is a 100% subsidiary of Wipro Cyprus Private Limited. The Company is an IT consulting and software services company offering IT solutions and services to customers in Germany, Switzerland and Austria. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India. The effective date of acquisition by Wipro Group was January 01, 2016.

#### 2 Basis of preparation of financial statement

##### a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

These financial statements have been prepared on a historical cost convention and on accrual basis. Accounting policies have been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared to append with the financial statements of the ultimate holding company, to comply with the provisions of Section 137 (1) of the Companies Act, 2013 ("the Act") in India.

##### b) Use of estimates and judgment

The preparation of the financial statements in conformity with IND AS requires 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.

#### 3 Significant accounting policies

##### a) Foreign currency

###### Functional currency

The functional currency of the Company is the EURO (EUR). These financial statements are presented in EURO (EUR).

###### Transaction

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates prevailing on the date of transaction. Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The exchange difference between the rate at which foreign currency transactions are accounted and the rate at which they are re-measured/ realized is recognized in the statement of profit and loss.

##### b) Non-derivative Financial Instruments

Non derivative financial instruments consist of:

- i) financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- ii) financial liabilities, which include long and short-term loans and borrowings, trade payables, 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:

**i) Cash and cash equivalents**

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks.

**ii) 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, unbilled revenues, cash and cash equivalents and other assets.

**iii) 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.

**c) Equity**

**i) Share capital**

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

**ii) Retained earnings**

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

**iii) Other comprehensive income**

Changes in the fair value of financial instruments measured at fair value through other comprehensive income and actuarial gains and losses on defined benefit plans are recognized in other comprehensive income (net of taxes), and presented within equity in other reserves.

**d) Property, plant and equipment**

*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.

**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:

<b>Category</b>	<b>Useful life</b>
Vehicles	4 - 8 years
Computers including servers and softwares (included under plant and machinery)	2 - 7 years
Office equipment including furnitures and fixtures	5 - 23 years

**e) Employee benefits**

*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. Non-accumulating compensated absences are recognized in the period in which the absences occur.

*Pension and social contribution*

Pension and social contribution plan, a defined contribution scheme, the Company makes monthly contributions based on a specified percentage of each covered employee's salary.

**f) Provisions and contingencies**

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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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.

**g) Revenue**

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services and sale of IT and other products.

**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 of recognizing the revenues and costs depends on the nature of the services rendered.

**i) Time and material contracts**

Revenues and costs relating to time and material contracts are recognized as the related services are rendered.

**ii) 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

### **iii) Maintenance Contracts**

Revenue from maintenance contracts is recognized rateably 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.

### **iv) Others**

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale. The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.

Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term. Contract expenses are recognised as expenses by reference to the stage of completion of contract activity at the end of the reporting period

### **Products:**

Revenue from sale of products is recognised when the significant risks and rewards of ownership has been transferred in accordance with the sales contract. Revenue from product sales is shown net of sales tax separately charged and applicable discounts.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period.

'Unearned revenues' 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'

### **h) Finance and other income**

Finance and other income comprises interest income on deposits, rental income etc. Interest income is recognized using the effective interest method.

**i) Operating lease**

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the lease term.

**j) Taxes**

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.

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.

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 statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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, associates and foreign branches 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.

**k) Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

**l) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### 4 Property, plant and equipment

	Plant and machinery	Furnitures and fixtures	Office equipments	Vehicles	Total
<b>Gross carrying value</b>					
Balance as at 01 April 2016	3,346	81	68,001	12,458	83,886
Additions	4,927	-	-	-	4,927
Disposals/adjustment*	-	-	-	(4,541)	(4,541)
<b>Balance as at 31 March 2017</b>	<b>8,273</b>	<b>81</b>	<b>68,001</b>	<b>7,917</b>	<b>84,272</b>
<b>Accumulated depreciation</b>					
Balance as at 01 April 2016	-	78	3,392	-	3,470
Depreciation charge	1,649	3	3,364	5,251	10,267
Disposals/adjustment*	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>1,649</b>	<b>81</b>	<b>6,756</b>	<b>5,251</b>	<b>13,737</b>
<b>Net book value as at 31 March 2017</b>	<b>6,624</b>	<b>-</b>	<b>61,245</b>	<b>2,666</b>	<b>70,535</b>
<b>Gross carrying value</b>					
Balance as at 01 April 2017	8,273	81	68,001	7,917	84,272
Additions	-	-	-	-	-
Disposals/adjustment*	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>8,273</b>	<b>81</b>	<b>68,001</b>	<b>7,917</b>	<b>84,272</b>
<b>Accumulated depreciation</b>					
Balance as at 01 April 2017	1,649	81	6,756	5,251	13,737
Depreciation charge	6,086	-	641	1,778	8,505
Disposals/adjustment*	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>7,735</b>	<b>81</b>	<b>7,397</b>	<b>7,029</b>	<b>22,242</b>
<b>Net book value as at 31 March 2018</b>	<b>538</b>	<b>-</b>	<b>60,604</b>	<b>888</b>	<b>62,030</b>

\* Includes regrouping/reclassification within the block of assets.

	As at 31 March 2018	As at 31 March 2017
<b>5 Trade receivables</b>		
<b>Unsecured</b>		
Considered good	120,672	195,676
Considered doubtful	-	-
	<u>120,672</u>	<u>195,676</u>
Less: Provision for doubtful receivables	-	-
	<u><u>120,672</u></u>	<u><u>195,676</u></u>
	As at 31 March 2018	As at 31 March 2017
<b>6 Cash and cash equivalents</b>		
Balances with banks		
- in current account	852,255	705,432
- Cash in hand	209	209
	<u>852,464</u>	<u>705,641</u>
	As at 31 March 2018	As at 31 March 2017
<b>7 Loans</b>		
<b>Current</b>		
- Loan given to Cellent GmbH, Germany	1,028,750	1,028,750
	<u>1,028,750</u>	<u>1,028,750</u>
	As at 31 March 2018	As at 31 March 2017
<b>8 Other financial assets</b>		
<b>Current</b>		
Balance with group companies	139,837	21,449
	<u>139,837</u>	<u>21,449</u>
	As at 31 March 2018	As at 31 March 2017
<b>9 Other assets</b>		
<b>Current</b>		
Prepaid expenses	-	291
Others	122,071	202,847
	<u>122,071</u>	<u>203,138</u>

	As at 31 March 2018	As at 31 March 2017
<b>10 Share capital</b>		
<b>Authorised capital</b>		
1,200,000 (2017: 1,200,000) equity shares of Euro 1 each	1,200,000	1,200,000
	<b>1,200,000</b>	<b>1,200,000</b>
<b>Issued, subscribed and paid-up capital</b>		
1,200,000 (2017: 1,200,000) equity shares of Euro 1 each	1,200,000	1,200,000
	<b>1,200,000</b>	<b>1,200,000</b>
<b>a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>		
Number of common stock outstanding as at beginning and	1,200,000	1,200,000
<b>b) Details of share holding pattern by related parties</b>		
Cellent GmbH (100% holding)	1,200,000	1,200,000
	<b>1,200,000</b>	<b>1,200,000</b>
<b>11 Provisions</b>	As at 31 March 2018	As at 31 March 2017
<b>Non-current</b>		
Employee benefit obligation	35,980	30,245
	<b>35,980</b>	<b>30,245</b>
<b>12 Trade payables</b>	As at 31 March 2018	As at 31 March 2017
Trade payables	64,063	136,752
	<b>64,063</b>	<b>136,752</b>
<b>13 Borrowings</b>	As at 31 March 2018	As at 31 March 2017
- From Cellent GmbH (Holding Company)	600,000	600,000
	<b>600,000</b>	<b>600,000</b>
<b>14 Other financial liabilities</b>	As at 31 March 2018	As at 31 March 2017
<b>Current</b>		
Accrued expenses	128,422	55,482
	<b>128,422</b>	<b>55,482</b>
<b>15 Other current liabilities</b>	As at 31 March 2018	As at 31 March 2017
<b>Current</b>		
Statutory liabilities	31,017	131,721
Provision for income tax (net of advance tax)	69,052	36,625
	<b>100,069</b>	<b>168,346</b>

	Year ended 31 March 2018	Year ended 31 March 2017
<b>16 Revenue from operations</b>		
Sale of services	2,128,670	2,297,473
	<b>2,128,670</b>	<b>2,297,473</b>
<b>17 Other Income</b>		
Interest income	42,500	46,800
Rental Income	190,000	204,000
	<b>232,500</b>	<b>250,800</b>
<b>18 Employee benefits expense</b>		
Salaries and wages	150,945	353,358
Contribution to employee benefit funds	32,956	86,394
Staff welfare expenses	-	964
	<b>183,901</b>	<b>440,716</b>
<b>19 Finance costs</b>		
Interest cost	12,000	12,000
	<b>12,000</b>	<b>12,000</b>
<b>20 Other expenses</b>		
Sub contracting / technical fees / third party application	1,681,798	1,529,153
Travel	11,071	6,846
Repairs to building and machinery	14,820	15,703
Rent	217,965	248,004
Communication	232	810
Legal and Professional Charges	6,159	36,240
Insurance	1,348	1,331
Rates and taxes	4,094	11,864
Miscellaneous expenses	3,071	17,521
	<b>1,940,558</b>	<b>1,867,472</b>
<b>21 Earning per share (EPS)</b>		
Net profit after tax attributable to the equity shareholders	162,925	176,848
Weighted average number of equity shares - for basic and diluted EPS	1,200,000	1,200,000
Earnings per share - Basic and diluted	0.14	0.15



## 22 Related party disclosure

### a Parties where control exists:

Name	Relationship
Wipro Limited	Ultimate Holding Company
Cellent GmbH Austria	Holding Company
Cellent Mittelstandsberatung GmbH	Group Company
Wipro Information Technology Austria GmbH	Group Company

### b The Company has the following related party transactions:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>Sale of Services</b>		
Wipro Limited	-	59,945
Wipro Information Technology Austria GmbH	1,216,602	914,329
Cellent GmbH Austria	573,887	675,630
<b>Rental Income</b>		
Cellent GmbH Austria	190,000	204,000
<b>Purchase of Services</b>		
Cellent Mittelstandsberatung GmbH	-	3,563
Cellent GmbH Austria	536,015	446,927

### c Balances with related parties as at year end are summarised below:

Particulars	As at 31 March 2018	As at 31 March 2017
Cellent GmbH Germany	1,028,750	1,028,750
Cellent GmbH Austria	(613,479)	(653,703)
Wipro Information Technology Austria GmbH	153,316	75,152

## 23 Financial risk management

The fair value of cash and cash equivalents, trade receivables, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company's investments are primarily in short-term investments, which do not expose it to significant interest rate 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.

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 does not foresee such a risk as its current assets are greater than its current liability.

## 24 Comparatives

Figures for the previous year have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached  
for Appaji & Co.  
Chartered Accountants  
Firm Registration number : 014147S

For and on behalf of the Board of Directors

Sd/-  
CA K Appaji  
Partner  
Membership No. 214156  
Place: Bangalore  
Date: 1st June 2018

Sd/-  
Thomas Cermak  
Managing Director

