

AUDITOR'S REPORT

To The Board of Directors of Appirio Inc.

Report on the Special Purpose Standalone Financial Statements

We have audited the accompanying special purpose standalone financial statements of Appirio Inc. (the "Company"), which comprise the Balance Sheet as at 31 March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The special purpose standalone financial statements have been prepared by the management in accordance with Note 2 (i) on the basis of the preparation to the special purpose standalone financial statements.

Management's Responsibility for the Special Purpose Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these special purpose standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with basis described in Note 2 of the special purpose standalone financial statements.

This responsibility also includes maintenance of adequate accounting records 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 special purpose standalone 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 special purpose standalone financial statements based on our audit.

We conducted our audit in accordance with Standards on Auditing (SA) issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the special purpose standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose standalone 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 special purpose standalone

financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the special purpose standalone financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the special purpose standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose standalone financial statements give a true and fair view in conformity with the basis of presentation referred to in Note 2 (i) to the special purpose standalone financial statements, of the state of affairs of the Company as at 31 March, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis of Accounting

We draw attention to Note 2 (i) to the special purpose standalone financial statements, which describes the basis of accounting. As a result, the special purpose standalone financial statements may not be suitable for another purpose.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No: 117366W/W-100018)

Bengaluru
June 8, 2018

Sd/-
Vikas Bagaria
Partner
Membership No.: 60408

APPRIIO INC.
BALANCE SHEET AS AT MARCH 31, 2018

(Amount in \$, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,044,287	1,250,163
Financial assets			
Investments	5	172,577	172,577
Loans to subsidiaries	24	13,759,024	15,173,789
Other financial assets	8	29,543	30,543
Deferred tax assets (net)		-	305,848
Non-current tax assets (net)		-	92,518
Total non-current assets		15,005,431	17,025,438
Current assets			
Financial assets			
Investments	5	400,000	975,000
Trade receivables	6	28,653,801	23,929,811
Cash and cash equivalents	7	5,084,174	16,886,793
Unbilled revenues		8,854,245	10,161,737
Other financial assets	8	630,809	678,733
Current tax assets (net)		1,656,531	1,583,845
Other current assets	9	5,333,077	4,723,025
Total current assets		50,612,637	58,938,944
TOTAL ASSETS		65,618,068	75,964,382
EQUITY			
Equity share capital	10	10	10
Other equity		9,818,146	17,838,338
Total Equity		9,818,156	17,838,348
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities (net)		834,656	834,656
Other non-current liabilities	14	101,702	190,105
Total non-current liabilities		936,358	1,024,761
Current liabilities			
Financial liabilities			
Borrowings	11	12,500,000	15,000,000
Trade payables	12	3,792,863	6,398,857
Other financial liabilities	13	14,453,660	15,946,274
Unearned revenues		14,952,690	12,837,063
Other current liabilities	14	2,689,311	1,433,801
Provisions	15	6,475,030	5,485,278
Total current liabilities		54,863,554	57,101,273
Total Liabilities		55,799,912	58,126,034
TOTAL EQUITY AND LIABILITIES		65,618,068	75,964,382

The accompanying notes form an integral part of these financial statements

In terms of our report attached

for **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

Sd/-
Vikas Bagaria
Partner
Membership No.: 60408

Sd/-
Ashish Chawla
Director

Sd/-
Hiral Chandrana
Director

Place: Bengaluru
Date: June 08, 2018

APPIRIO INC.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018
(Amount is \$, unless otherwise stated)

	<u>Notes</u>	<u>For the Year Ended March 31, 2018</u>	<u>For the Period 23-Nov-16 to 31-Mar-17</u>
REVENUE			
Revenue from rendering of services	16	190,809,767	69,869,686
Other income	17	998,735	400,948
Total Revenue		191,808,502	70,270,634
EXPENSES			
Employee benefits expense	18	134,192,804	52,584,658
Sub-contracting & technical fees		33,339,743	10,383,132
Finance costs	19	938,247	310,607
Depreciation	4	892,606	385,868
Other expenses	20	30,182,343	7,624,785
Total Expenses		199,545,743	71,289,051
Loss before tax		(7,737,241)	(1,018,416)
Tax expense	23		
Current tax		-	4,000
Deferred tax		282,951	(374,444)
Tax expense		282,951	(370,444)
Loss for the period		(8,020,192)	(647,972)
<u>Other Comprehensive Income</u>			
Items that will not be reclassified to statement of profit or loss (Net of tax)		-	-
Items that will be reclassified to statement of profit or loss (Net of tax)		-	-
Total Other Comprehensive Income for the period, net of tax			
		-	-
Total comprehensive income for the period		(8,020,192)	(647,972)
Earnings per equity share	22		
(Equity shares of par value \$ 0.01 each)			
Basic		(8,020)	(648)
Diluted		(8,020)	(648)
No. of shares			
Basic		1,000	1,000
Diluted		1,000	1,000

The accompanying notes form an integral part of these financial statements

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For and on behalf of the Board of Directors

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Membership No.: 60408

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Ashish Chawla
Director

Sd/-
Hiral Chandrana
Director

Place: Bengaluru
Date: June 08, 2018

APPIRIO, INC.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018
(Amount in \$, unless otherwise stated)

	For the Year Ended March 31, 2018	For the Period 23-Nov-16 to 31-Mar-17
Cash flows from operating activities:		
(Loss) for the period	(8,020,192)	(647,972)
Adjustments:		
Depreciation	892,606	385,868
Exchange loss, net	1,568,716	41,715
Income tax expense/(write-back)	282,951	(370,444)
Interest (income), net	60,488	(53,151)
Other non cash items	(5,662)	6,288
Changes in operating assets and liabilities		
Trade receivables	(4,723,990)	1,299,598
Unbilled revenue	1,307,492	1,611,220
Other assets	(2,167,435)	2,521,975
Trade payables	(2,605,994)	2,149,653
Accrued expenses, other liabilities and provisions	1,691,809	(1,968,665)
Unearned revenue	2,115,627	(967,591)
Cash used in operating activities before taxes	(9,603,584)	4,008,492
Income taxes paid, net	19,832	(31,544)
Net cash generated from operating activities	<u>(9,583,752)</u>	<u>3,976,948</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(712,621)	(187,701)
Proceeds from sale of property, plant and equipment	31,553	-
Proceeds from sale of investments	575,000	-
Loan to subsidiaries	416,030	-
Interest received	998,735	-
Cash used in investing activities before taxes	1,308,697	(187,701)
Net cash used in investing activities	<u>1,308,697</u>	<u>(187,701)</u>
Cash flows from financing activities:		
(Repayment) of /Proceeds from loans and borrowings	(2,500,000)	15,000,000
Interest paid on loans and borrowings	(1,027,564)	-
Net cash used in financing activities	<u>(3,527,564)</u>	<u>15,000,000</u>
Net increase in cash and cash equivalents during the period	(11,802,619)	18,789,247
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	16,886,793	(1,902,454)
Cash and cash equivalents at the end of the period (Note 7)	<u>5,084,174</u>	<u>16,886,793</u>

The accompanying notes form an integral part of these financial statements

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Sd/-
Ashish Chawla
Director
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Hiral Chandrana
Director

Place: Bengaluru
Date: June 08, 2018

APPRIIO INC.
STATEMENT OF CHANGES IN EQUITY

(Amount is \$, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Balance as at April 1, 2017	Changes during the Period	Balance as at March 31, 2018
10	0	10
Balance as at November 23, 2016	Changes during the Period	Balance as at March 31, 2017
10	0	10

	No. of Shares	Share Capital	Retained Earnings	Equity Attributable to Equity Holders of the Company	Total Other Equity
Balance as at April 01, 2017	1,000	10	17,838,338	17,838,338	17,838,338
Profit/(Loss) for the period			(8,020,192)	(8,020,192)	(8,020,192)
Total comprehensive income for the period	-	-	(8,020,192)	(8,020,192)	(8,020,192)
			(8,020,192)	(8,020,192)	(8,020,192)
Balance as at March 31, 2018	1,000	10	9,818,146	9,818,146	9,818,146

	No. of Shares	Share Capital	Retained Earnings	Equity Attributable to Equity Holders of the Company	Total Other Equity
Balance as at November 23, 2016	1,000	10	18,486,310	18,486,310	18,486,310
Profit/(Loss) for the period			(647,972)	(647,972)	(647,972)
Total comprehensive income for the period	-	-	(647,972)	(647,972)	(647,972)
			(647,972)	(647,972)	(647,972)
Balance as at March 31, 2017	1,000	10	17,838,338	17,838,338	17,838,338

The accompanying notes form an integral part of these financial statements

In terms of our report attached for **DELOITTE HASKINS & SELLS LLP**
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Vikas Bagaria
Partner
Membership No.: 60408

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Ashish Chawla
Director

Sd/-
Hiral Chandrana
Director

For and on behalf of the Board of Directors

Place: Bengaluru
Date: June 08, 2018

APPIRIO, INC.
NOTES TO THE FINANCIAL STATEMENT
(Amount in \$, unless otherwise stated)

1. The Company overview

Appirio, Inc. (the "Company"), incorporated in the state of Delaware 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, Workday, Google, and Cornerstone OnDemand, to provide unique solutions to its customers' IT needs. The Company derives the majority of its revenues in the United States.

Appirio Inc. has been acquired by Wipro IT Services Inc. with effect from November 23, 2016 and the financial statement is prepared as at and for the period effective November 23, 2016 after which the entity is part of the Wipro Limited.

2. Basis of preparation of financial statement

(i) Statement of compliance and basis of preparation

This special purpose financial statement is 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. Since, the Company was acquired on November 23, 2016, the comparative financial information have been provided only for the period November 23, 2016 to March 31, 2017 for which the Company was subsidiary of Wipro Limited.

These are the Standalone financial statements of 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 IndAS 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 5).

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, with effect from November 23, 2016 and having its registered office at Doddakanelli, Sarjapur Road, Bengaluru - 560035.

The financial statement is prepared in accordance with Indian Accounting Standards (Ind AS), 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 statement 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 statement, where applicable.

Items included in the financial statement 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 statement is also presented in US Dollar. All amounts included in the financial statement is reported in US Dollar including share and per share data, unless otherwise stated.

(ii) Basis of measurement

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

(iii) Use of estimates and judgments

The preparation of the financial statement 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 policies that have the most significant effect on the amounts recognized in the financial statement is 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) Income taxes: The major tax jurisdictions for the Company is the United States of America. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

c) 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 date. 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.

d) Expected credit losses on financial assets: On application of Ind AS 109, 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, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Useful lives of property, plant and equipment: The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

3. Significant accounting policies

(i) Foreign currency transactions

a) Transactions and balances

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 except when deferred in statement of other comprehensive income as qualifying cash flow hedges. 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 FVTOCI are included in other comprehensive income, net of taxes. The company has investments in subsidiaries at places other than the USA.

(ii) 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.

(iii) Equity and share capital

a) Equity share capital

The authorized share capital of the Company as of March 31, 2018 is USD 10 (USD 10 as of March 31, 2017) 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.

(iv) 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
Building	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.

(v) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

a) Arrangements where the Company is the lessee

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

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.

b) Arrangements where the Company is the lessor

In certain arrangements, the Company recognizes revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned income and the estimated residual value of the leased equipment on consummation of such leases. Unearned income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognizes unearned income as finance income over the lease term using the effective interest method.

(vi) Impairment

a) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises 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.

(vii) Employee benefits

a) Short-term benefits

Short-term employee benefit obligations are measured on a discounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Termination benefits

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

c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur.

(viii) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(ix) Revenue

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

a) Services

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

A. Time and materials contracts

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

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. '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'.

C. Maintenance contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

b) Products

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

(x) Finance costs

Finance costs comprise interest cost on borrowings, impairment losses recognized on financial assets, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

(xi) Other income

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

(xii) Income tax

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

a) Current income tax

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

b) **Deferred income tax**

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

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(xiii) Cash flow statement

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

(xiv) Earnings per share

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

(xv) Investment in subsidiaries

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

APPIRIO INC.
NOTES TO THE FINANCIAL STATEMENTS
(Amount in \$, unless otherwise stated)

4. Property, Plant and Equipment

As at March 31, 2018

Gross Carrying Value:	Building	Plant & Machinery	Office Equipment	Total
As at April 1, 2017	446,114	872,849	317,068	1,636,031
Additions	-	676,622	36,000	712,622
Disposal/Adjustments	(54,563)	-	(33,869)	(88,432)
As at March 31, 2018	391,551	1,549,470	319,199	2,260,221

Accumulated Depreciation/ Impairment	Building	Plant & Machinery	Office Equipment	Total
As at April 1, 2017	(51,476)	(276,794)	(57,598)	(385,868)
Depreciation	(128,343)	(650,462)	(113,801)	(892,606)
Disposal/Adjustments	28,477	1,302	32,762	62,541
As at March 31, 2018	(151,342)	(925,954)	(138,637)	(1,215,934)

Net Carrying Value	Building	Plant & Machinery	Office Equipment	Total
As at March 31, 2017	394,638	596,054	259,471	1,250,163
As at March 31, 2018	240,209	623,516	180,562	1,044,287

As at March 31, 2017

Gross Carrying Value	Building	Plant & Machinery	Office Equipment	Total
As at November 23, 2016	373,101	691,225	317,068	1,381,394
Additions	73,014	181,624	-	254,638
Disposal/Adjustments	-	-	-	-
As at March 31, 2017	446,114	872,849	317,068	1,636,031

Accumulated Depreciation/ Impairment	Building	Plant & Machinery	Office Equipment	Total
As at November 23, 2016	-	-	-	-
Depreciation	(51,476)	(276,794)	(57,598)	(385,868)
Disposal/Adjustments	-	-	-	-
As at March 31, 2017	(51,476)	(276,794)	(57,598)	(385,868)

Net Carrying Value	Building	Plant & Machinery	Office Equipment	Total
As at November 23, 2016	373,101	691,225	317,068	1,381,394
As at March 31, 2017	394,638	596,054	259,471	1,250,163

APPIRIO INC.
NOTES TO THE FINANCIAL STATEMENTS
(Amount in \$, unless otherwise stated)

5. Investments

Investments consist of the following:

	As at March 31, 2018	As at March 31, 2017
Financial instruments at amortised cost -		
Term deposits (refer note 1 and 2 below)	400,000	975,000
	400,000	975,000
 Investment in subsidiaries (at cost)	 172,577	 172,577
	172,577	172,577
 Disclosed in the balance sheet as below:		
Non-Current	172,577	172,577
Current	400,000	975,000

Aggregate amount of unquoted investments:

Non-Current	172,577	172,577
Current	400,000	975,000

⁽¹⁾ Term Deposits is held as lien against use of Amex credit card \$400,000.

⁽²⁾ The lien carries an interest which is income for the company.

6. Trade Receivables

	As at March 31, 2018	As at March 31, 2017
Unsecured:		
Considered good	20,262,349	21,134,501
Considered doubtful	2,219,124	1,499,024
	22,481,473	22,633,525
With Group Companies - Considered good (Refer Note 24)	8,391,452	1,813,817
Less: Provision for doubtful receivables	(2,219,124)	(517,532)
	28,653,801	23,929,811

The activity in the allowance for doubtful debts is given below:

	As at March 31, 2018	As at March 31, 2017
Opening Balance	517,532	524,034
Less: Deduction during the period (net)	-	6,502
Add: Additions during the period (net) (Refer note 20)	1,701,592	-
Closing Balance	2,219,124	517,532

APPIRIO INC.
NOTES TO THE FINANCIAL STATEMENTS
(Amount in \$, unless otherwise stated)

7. Cash and Cash Equivalents

Cash and cash equivalents as of March 31, 2018 consists of balances with banks.

	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- Current accounts	5,084,174	16,886,793
	<u>5,084,174</u>	<u>16,886,793</u>

8. Other Financial Assets

Non-Current

Security deposits

	As at March 31, 2018	As at March 31, 2017
	29,543	30,543
	<u>29,543</u>	<u>30,543</u>

Current

EDGE Grant

Others

	As at March 31, 2018	As at March 31, 2017
	547,952	447,534
	82,856	231,199
	<u>630,809</u>	<u>678,733</u>

9. Other Assets

Current

Prepaid Expenses

	As at March 31, 2018	As at March 31, 2017
	5,333,077	4,723,025
	<u>5,333,077</u>	<u>4,723,025</u>

APPIRIO INC.
NOTES TO THE FINANCIAL STATEMENTS
(Amount in \$, unless otherwise stated)

10. Share Capital

I. Authorised Capital

1,000 (March 31, 2017: 1,000) equity shares

	As at March 31, 2018	As at March 31, 2017
	10	10
	10	10

II. Issued, subscribed and fully paid-up capital

1,000 (March 31, 2017: 1,000) equity shares

	10	10
	10	10

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

Number of equity shares of \$0.01 each

	As at March 31, 2018	As at March 31, 2017
	1,000	1,000
	1,000	1,000

(ii) Reconciliation of issued, subscribed and paid-up capital

	March 31, 2018		March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Opening number of equity shares	1,000	10	1,000	10
Equity shares issued	-	-	-	-
Closing number of equity shares	1,000	10	1,000	10

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

Name of the Shareholder	31 March 2018		31 March 2017	
	No. of shares	% held	No. of shares	% held
Wipro IT Services Inc.	1,000	100	1,000	100
	1,000	100	1,000	100

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.

APPIRIO INC.
NOTES TO THE FINANCIAL STATEMENTS
(Amount in \$, unless otherwise stated)

11. Borrowings

A summary of loans and borrowings is as follows:

	As at March 31, 2018	As at March 31, 2017
Current borrowings		
Unsecured		
Borrowings from Parent Co. (refer note 1 below)	12,500,000	15,000,000
	<u>12,500,000</u>	<u>15,000,000</u>

(1) The Company entered into an arrangement with its holding company Wipro IT Services Inc. to obtain a loan during the year ended March 31, 2017. Pursuant to this arrangement, the Company had availed a loan USD 15 million dollars for a period of 12 months repayable in full. However during the year 2017-18 the loan repaid was USD 2.50 million and the term for the remaining amount was extended for another year. The loan carries an average interest rate of 12 month USD LIBOR +2% p.a. and will reset for each calendar quarter using the LIBOR rate quoted on Bloomberg on the day before the interest period begins.

12. Trade payables

	As at	As at
Trade Payables	2,946,197	5,080,887
Payable to group companies (Refer note 24)	846,666	1,317,970
	<u>3,792,863</u>	<u>6,398,857</u>

13. Other Financial Liabilities

	As at March 31, 2018	As at March 31, 2017
Current		
Salary payable	7,836,887	11,067,904
Advances from customers	1,574,238	1,908,183
Interest Accrued but not Due	82,983	172,300
Other Payables	4,959,552	2,797,887
	<u>14,453,661</u>	<u>15,946,274</u>

14. Other Liabilities

	As at March 31, 2018	As at March 31, 2017
Non Current		
Deferred Rent	101,702	190,105
	<u>101,702</u>	<u>190,105</u>
Current		
Statutory dues payable	2,155,236	801,517
Accrued Bonus Taxes	264,652	299,243
Withholding Tax Payable	182,480	182,480
Deferred Rent	86,943	150,561
	<u>2,689,311</u>	<u>1,433,801</u>

15. Provisions

	As at March 31, 2018	As at March 31, 2017
Current		
Provision for employee benefits	4,139,012	3,683,351
Provision for expenses	2,336,018	1,801,926
	<u>6,475,030</u>	<u>5,485,278</u>

APPIRIO INC.
NOTES TO THE FINANCIAL STATEMENTS
(Amount in \$, unless otherwise stated)

16. Revenue from Operations

	Year ended March 31, 2018	For the Period Nov 23, 2016 to March 31, 2017
Rendering of Services	190,809,767	69,869,686
	190,809,767	69,869,686

17. Other Income

	Year ended March 31, 2018	For the Period Nov 23, 2016 to March 31, 2017
Interest Income	993,072	361,468
Miscellaneous Income	5,663	39,480
	998,735	400,949

18. Employee benefits expense

	Year ended March 31, 2018	For the Period Nov 23, 2016 to March 31, 2017
Salaries and wages	130,581,137	51,968,283
Staff welfare expenses	3,611,666	616,375
	134,192,804	52,584,658

19. Finance costs

	Year ended March 31, 2018	For the Period Nov 23, 2016 to March 31, 2017
Interest Expense	938,247	310,607
	938,247	310,607

20. Other expenses

	Year ended March 31, 2018	For the Period Nov 23, 2016 to March 31, 2017
AMC for software & hardware	6,653,179	2,435,777
Travel	7,709,368	2,171,781
Marketing	5,555,802	876,683
Legal and professional fees	3,281,853	643,005
Staff Recruitment expenses	596,065	365,894
Provision for doubtful debts	1,708,615	221,457
Bad Debt written-off	467,348	-
Rent	1,196,799	187,635
Insurance	364,874	154,200
Foreign exchange gains / (losses), net	1,568,716	41,715
Other general & administrative expenses	1,079,725	526,638
	30,182,343	7,624,785

APPRIIO INC.
NOTES TO THE FINANCIAL STATEMENTS
(Amount in \$, unless otherwise stated)

21. Operating leases

The Company has taken on lease, office and residential facilities under cancellable and non-cancellable operating 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 are \$549,837 (during the period 23-Nov-16 through 31-Mar-17: \$178,142)

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

	Year ended March 31, 2018	For the Period Nov 23, 2016 to March 31, 2017
Not Later than 1 Year	459,948	1,169,803
Later than 1 Year and not later than 5 Years	1,921,438	2,347,800
Later than 5 Years	503,391	-
	2,884,777	3,517,604

22. 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: 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.

	Year ended March 31, 2018	For the Period Nov 23, 2016 to March 31, 2017
Loss for the Period	(8,020,192)	(647,972)
Weighted Average Number of Equity Shares Outstanding	1,000	1,000
Basic Earnings per Share	(8,020)	(648)

23. Income Tax Expense

Income tax expense has been allocated as follows:

	Year ended March 31, 2018	For the Period Nov 23, 2016 to March 31, 2017
Current		
In respect of current period	-	4,000
	-	4,000
Deferred Tax		
In respect of current period	282,951	(374,444)
	282,951	(374,444)
Total Income Tax Expense Recognised	282,952	(370,444)

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:

	Year ended March 31, 2018	For the Period Nov 23, 2016 to March 31, 2017
Loss before tax	(8,020,192)	(1,018,416)
Statutory income tax rate of USA	28.00%	35.00%
Expected income tax expense	(2,245,654)	(356,446)
Others	2,528,605	(13,998)
	282,952	(370,444)

APPIRIO INC.
NOTES TO THE FINANCIAL STATEMENTS
(Amount in \$, unless otherwise stated)

24. 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 Inc.	Holding Company
Enabler & Retail Consult Gmbh.	Fellow Subsidiary
Wipro Gallagher Solutions Inc.	Fellow Subsidiary
PT WT Indonesia	Fellow Subsidiary
Wipro Solutions Canada Ltd.	Fellow Subsidiary
Wipro Data Center and Cloud Services Inc.	Fellow Subsidiary
Designit Denmark	Fellow Subsidiary
Appirio India Cloud Solutions Pvt. Ltd.	Fellow Subsidiary
Appirio Ltd. (UK)	Fellow Subsidiary
Appirio Ltd. (Ireland)	Subsidiary
Appirio, K.K	Subsidiary
Appirio Singapore Pte. Ltd.	Subsidiary
Saaspoint, Inc.	Fellow Subsidiary

ii) The Company had the following transactions with related parties during the year ended March 31, 2018

Particulars	Year ended March 31, 2018	For the period from Nov 23, 2016 to March 31, 2017
Wipro Ltd.		
Sales and services	(12,773,668)	(716,596)
Subcontracting & technical fees	3,527,962	41,751
Wipro IT Services Inc.		
Interest expense	518,263	165,078
Enabler & Retail Consult Gmbh.		
Sales and services	(34,954)	-
Wipro Gallagher Solutions		
Sales and services	(16,575)	-
Wipro Indonesia		
Sales and services	(13,500)	-
Wipro Canada Solutions		
Sales and services	(5,000)	-
Wipro Data Center Services		
Sales and services	(22,388)	-
Designit London		
Subcontracting & technical fees	129,552	-
Appirio, K.K		
Interest expense	14,566	4,996
Interest income	(221,753)	(77,652)

APPIRIO INC.
NOTES TO THE FINANCIAL STATEMENTS
(Amount in \$, unless otherwise stated)

Appirio Singapore Pte. Ltd.		
Interest expense	2,761	939
Interest income	(18,558)	(6,536)
Appirio India Cloud Solutions Pvt. Ltd.		
Subcontracting & technical fees	11,470,140	4,073,490
Appirio Ltd. (Ireland)		
Sales and services	(83,489)	(51,169)
Subcontracting & technical fees	393,671	110,674
Interest expense	86,204	28,754
Interest income	(346,511)	(127,508)
Appirio Ltd. (UK)		
Sales and services	(1,461,770)	(327,111)
Subcontracting & technical fees	1,586,035	612,345
Interest expense	316,452	110,840
Interest income	(375,253)	(140,810)
Saaspoint, Inc.		
Interest income	(424)	(148)

iii) Balances with related parties as at March 31, 2018 are summarised below

Particulars	As at March 31, 2018	As at March 31, 2017
Payables:		
Wipro IT Services Inc.	(82,983)	(101,112)
Appirio India Cloud Solutions Pvt. Ltd.	(846,665)	(1,216,858)
Total	(929,649)	(1,317,970)

Receivables:		
Wipro Ltd.	3,247,842	699,845
Appirio, K.K.	291,718	163,094
TopCoder LLC (Formerly Topcoder, Inc.)	1,013,944	959,223
Appirio Singapore Pte. Ltd.	21,607	5,539
Appirio Ltd. (Ireland)	1,014,022	386,262
Appirio Ltd. (UK)	2,666,721	14,331
Saaspoint, Inc.	572	148
Enabler & Retail Consult GmbH.	34,954	-
Wipro Gallagher Solutions	16,575	-
Wipro Indonesia	13,500	-
Wipro Canada Solutions	5,000	-
Wipro Data Center Services	1,013	-
Designit London	63,985	-
Total	8,391,452	2,228,441

Loans receivable:		
Appirio, K.K.	5,448,775	5,469,459
Appirio Singapore Pte. Ltd.	407,687	412,387
Appirio Ltd. (Ireland)	6,820,971	7,154,741
Appirio Ltd. (UK)	1,070,592	2,126,201
Saaspoint, Inc.	11,000	11,000
Total	13,759,025	15,173,789

Loan amount outstanding:		
Wipro IT Services Inc.	(12,500,000)	(15,000,000)

25. Commitments and contingencies

Capital commitments: As at March 31, 2018, the company did not have material capital commitments.

Contingencies: As at March 31, 2018, the company did not have material contingencies.

26. Segment reporting

The Company operates in one business segment, namely sale of software services. In line with IND-AS 108, as the relevant information is available from balance sheet and the statement of profit and loss itself, and keeping in view the objective of segment reporting, the Company is not required to disclose segment information as per IND AS -108.

APPIRIO INC.
NOTES TO THE FINANCIAL STATEMENTS
(Amount in \$, unless otherwise stated)

27. 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 statement.

a. Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

	Fair value through profit & loss	Amortised Cost	Total carrying value
Financial Assets:			
Investments	-	400,000	400,000
Trade Receivables	-	28,653,801	28,653,801
Cash and Cash Equivalents	-	5,084,174	5,084,174
Unbilled Revenues	-	8,854,245	8,854,245
Other Financial Assets	-	660,352	660,352
Loan to Subsidiaries	-	13,759,023	13,759,023
Total	-	57,411,595	57,411,595
Financial Liabilities:			
Borrowings	-	12,500,000	12,500,000
Trade Payables	-	4,202,503	4,202,503
Other Financial Liabilities	-	12,879,422	12,879,422
Total	-	29,581,926	29,581,926

The carrying value of financial instruments by categories as at March 31, 2017 is as follows:

	Fair value through profit & loss	Amortised Cost	Total carrying value
Financial Assets:			
Investments	-	975,000	975,000
Trade Receivables	-	23,929,811	23,929,811
Cash and Cash Equivalents	-	16,886,793	16,886,793
Unbilled Revenues	-	10,161,737	10,161,737
Other Financial Assets	-	709,276	709,276
Loan to Subsidiaries	-	15,173,789	15,173,789
Total	-	67,836,406	67,836,406
Financial Liabilities:			
Borrowings	-	15,000,000	15,000,000
Trade Payables	-	5,719,088	5,719,088
Other Financial Liabilities	-	14,038,091	14,038,091
Total	-	34,757,179	34,757,179

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.

c. Liquidity Risk

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

APPIRIO INC.
NOTES TO THE FINANCIAL STATEMENTS
(Amount in \$, unless otherwise stated)

d. Foreign Currency Exchange Rate Risk

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

e. Interest Rate Risk

Interest rate risk primarily arises from floating rate borrowing, 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, 2017, additional net annual interest expense (net) on floating lending rate would approximately amount to USD 12,590.

The accompanying notes form an integral part of these financial statements

In terms of our report attached
for **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

Sd/-
Vikas Bagaria
Partner
Membership No.: 60408

Sd/-
Ashish Chawla
Director

Sd/-
Hiral Chandrana
Director

Place: Bengaluru
Date: June 08, 2018

