

# Financial Statements and Independent Auditor's Report

**COOPER SOFTWARE INC.**

31 March 2019

## **Independent Auditor's Report**

**To the board of directors of Cooper Software Inc.**

### **Opinion**

1. We have audited the accompanying financial statements of Cooper Software Inc. ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), of the state of affairs of the Company as at 31 March 2019, and its profit, its cash flows and the changes in equity for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management for the Financial Statements**

4. The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by ICAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
7. As part of an audit in accordance with Standards on Auditing issued by ICAI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Restriction on distribution or use**

9. This report is intended solely for the information of the Company's and its ultimate holding company's board of directors for their internal use and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**Other matter**

10. The financial statements of the Company for the year ended 31 March 2018 were audited by the predecessor auditor, M/s. Appaji & Co., who have expressed an unmodified opinion on those financial statements vide their audit report dated 01 June 2018.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Sd/-**  
**Nikhil Vaid**  
Partner  
Membership No.: 213356

**Place:** Hyderabad  
**Date:** 16 June 2019

**Cooper Software Inc.**  
**Balance Sheet as at 31 March 2019**

(Amount in USD, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	221,734	356,195
Deferred tax assets (net)		2,639,479	2,244,536
Non-current tax assets (net)		45,292	5,753
		<b>2,906,505</b>	<b>2,606,484</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	5	1,823,456	1,416,286
Cash and cash equivalents	6	1,206,802	364,837
Other financial assets	7	8,337	473,470
Contract assets		1,287,576	491,805
Other current assets		-	52,536
		<b>4,326,171</b>	<b>2,798,934</b>
		<b>7,232,676</b>	<b>5,405,418</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	209,850	209,850
Other equity		(8,816,513)	(8,739,690)
		<b>(8,606,663)</b>	<b>(8,529,840)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	9	6,711,417	1,010,127
		<b>6,711,417</b>	<b>1,010,127</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables			
Total outstanding dues of Micro and small enterprises	10	-	-
Total outstanding dues other than above		2,685,907	7,287,768
Borrowings	11	3,951,778	-
Other financial liabilities	12	2,014,777	4,817,460
Unearned revenues		32,000	143,617
Provisions	13	154,295	368,299
Other current liabilities	14	289,165	307,987
		<b>9,127,922</b>	<b>12,925,131</b>
		<b>7,232,676</b>	<b>5,405,418</b>
Summary of significant accounting policies	3		

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

For and on behalf of the Board of Directors of Cooper Software Inc.

Sd/-  
**Ashish Chawla**  
 Director

16 June 2019

Sd/-  
**Mukund Seetharaman**  
 Director

16 June 2019

**Cooper Software Inc.**  
**Statement of Profit and Loss for the year ended 31 March 2019**

(Amount in USD, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
<b>REVENUE</b>			
Revenue from operations	15	13,618,031	7,712,805
Other income	16	612,407	(228,618)
		<b>14,230,439</b>	<b>7,484,187</b>
<b>EXPENSES</b>			
Employee benefits expense	17	9,950,337	7,327,414
Finance costs	18	428,155	13,810
Depreciation expense	4	136,522	110,935
Other expenses	19	4,086,685	3,875,603
		<b>14,601,700</b>	<b>11,327,762</b>
<b>Profit before tax</b>		<b>(371,261)</b>	<b>(3,843,575)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		(395,241)	(1,073,598)
		<b>(395,241)</b>	<b>(1,073,598)</b>
<b>Profit for the year</b>		<b>23,980</b>	<b>(2,769,977)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>23,980</b>	<b>(2,769,977)</b>
<b>Earnings per equity share</b>			
Equity shares of par value USD 0.02 each	20		
Basic and diluted		0.002	(0.25)
Summary of significant accounting policies	3		

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

**For and on behalf of the Board of Directors of Cooper Software Inc.**

**Sd/-**  
**Ashish Chawla**  
 Director

**Sd/-**  
**Mukund Seetharaman**  
 Director

16 June 2019

16 June 2019

**Cooper Software Inc.****Cash flow statement for the year ended 31 March 2019**

(Amount in USD, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
<b>Cash flow from operating activities</b>		
<b>Profit/(Loss) for the year</b>	<b>23,980</b>	<b>(2,769,977)</b>
Adjustments		
Depreciation	136,522	110,935
Income tax expense	(395,241)	(1,073,598)
Finance costs	480,646	13,810
<b>Changes in Working Capital</b>		
(Increase) in Trade receivables	(407,171)	(156,627)
(Increase) in Unbilled revenues	(795,771)	(251,637)
Decrease in Other assets	517,669	224,176
(Decrease) /Increase in Trade payables, other liabilities and provisions	(3,938,174)	5,117,858
(Decrease) in Unearned revenues	(111,617)	(151,620)
<b>Cash generated from operations</b>	<b>(4,489,155)</b>	<b>1,063,320</b>
Direct taxes (paid)	(39,242)	-
<b>Net cash (used in) operating activities</b>	<b>(A) (4,528,397)</b>	<b>1,063,320</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(2,061)	(104,481)
Payment for Business acquisition	(3,800,000)	-
Interest received	901	-
<b>Net cash (used in) investing activities</b>	<b>(B) (3,801,160)</b>	<b>(104,481)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from loans and borrowings	9,653,068	-
Finance Costs	(481,547)	(13,810)
(Repayment) of loans & borrowings	-	(953,183)
<b>Net cash generated by / (used in) financing activities</b>	<b>(C) 9,171,521</b>	<b>(966,993)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period (A+B+C)</b>	<b>841,964</b>	<b>(8,153)</b>
Adjustment on account of merger	-	(122,497)
Cash and cash equivalents at the beginning of the year	364,837	495,487
<b>Cash and cash equivalents at the end of the period (refer note 6)</b>	<b>1,206,802</b>	<b>364,837</b>
<b>Components of cash and cash equivalents (note 6)</b>		
Balances with banks		
in current account	1,206,802	364,837

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

For and on behalf of the Board of Directors of Cooper Software Inc.

Sd/-  
**Ashish Chawla**  
Director

16 June 2019

Sd/-  
**Mukund Seetharaman**  
Director

16 June 2019

**Cooper Software Inc.****Statement of Changes in Equity for the year ended 31 March 2019**

(Amount in USD, unless otherwise stated)

Equity share capital	Balance as at 01 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
Equity share capital of Face Value \$0.02 each	-	209,850	209,850
	-	<b>209,850</b>	<b>209,850</b>

Equity share capital	Balance as at 01 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Equity share capital of Face Value \$0.02 each	209,850	-	<b>209,850</b>
	<b>209,850</b>	-	<b>209,850</b>

**Other equity**

Particulars	Retained Earnings	Common Control Transaction Reserve	Total
<b>Balance as at 01 April 2017</b>	480,111	-	480,111
On account of merger (refer note 2 (xv) )	(2,649,824)	(3,800,000)	(6,449,824)
(Loss) for the year	(2,769,977)	-	(2,769,977)
<b>Balance as at 31 March 2018 (Restated)</b>	<b>(4,939,690)</b>	<b>(3,800,000)</b>	<b>(8,739,690)</b>
Profit for the year	23,980	-	23,980
Others	(100,801)	-	(100,801)
<b>Balance as at 31 March 2019</b>	<b>(5,016,511)</b>	<b>(3,800,000)</b>	<b>(8,816,513)</b>

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

For and on behalf of the Board of Directors of Cooper Software Inc.

Sd/-  
**Ashish Chawla**  
Director

Sd/-  
**Mukund Seetharaman**  
Director

16 June 2019

16 June 2019



# Cooper Software Inc.

## Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

### 1. The Company overview

Cooper Software Inc. (the "Company"), incorporated in the state of California is provider of Design services to various global business enterprises. The Company offers professional consultancy services as well as educational services in the field of Product Design, Interaction Design, Visual Design, Service Design, User Experience Design, Prototyping, Branding, Design Strategy, Business Strategy and Customer Experience(CX) etc.

### 2. Basis of preparation of financial statements

#### (i) Statement of compliance and basis of preparation

These financial statements are prepared in conformity with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ('the Act').

#### (ii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis.

#### (iii) 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 recognised 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 recognised in the financial statements are included in the following notes:

- a) **Revenue recognition:** The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made.

Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognised 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.

- b) **Income taxes:** The major tax jurisdictions for the Company is in 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 realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

## Cooper Software Inc.

### Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

- d) **Expected credit losses on financial assets:** The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, 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 depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

### 3. Significant accounting policies

#### (i) Functional and presentation currency

These financial statements are presented in US Dollars, which is the functional currency of the Company.

#### (ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency 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 recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Gains/(losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as fair value through other comprehensive income are included in other comprehensive income, net of taxes.

#### (iii) Financial instruments

##### a) Non-derivative financial instruments:

Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognised 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 derecognised only when the Company has not retained control over the financial asset.
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.
- Non- derivative financial instruments are recognised initially at fair value.

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 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, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

## Cooper Software Inc.

### Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

#### 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 recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled revenues, cash and cash equivalents and other assets.

#### C. Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

#### **(iv) Equity**

##### **a) Share capital and share premium**

The authorised share capital of the Company as of 31 March 2019 is 40,000,000 Equity shares of USD 0.02 per share. 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 of the Company's undistributed earnings after taxes.

##### **c) Dividend**

A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

##### **d) Other reserves**

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.

#### **(v) Property, plant and equipment**

##### **a) Recognition and measurement**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised 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. Assets acquired under finance lease and leasehold improvements are amortised over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortised over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets is reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

<b>Category</b>	<b>Useful life</b>
Buildings	Useful life or lease term whichever is lower
Office equipment.	2 to 7 years
Furniture, fixtures and equipment	3 to 10 years

## **Cooper Software Inc.**

### **Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

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 capitalised 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 such date are disclosed under capital work-in-progress.

#### **(vi) 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 capitalised 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 recognised 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 recognises 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 recognises unearned income as finance income over the lease term using the effective interest method.

#### **(vii) Impairment**

##### **A) Financial assets**

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 and 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 of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples.

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 recognised 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 recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

## **Cooper Software Inc.**

### **Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

#### **(viii) Employee benefits**

##### **a) Termination benefits**

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

##### **b) Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised 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.

##### **c) Compensated absences**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the un-utilised accumulating compensated absences and utilise 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 recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

#### **(ix) Provisions**

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

#### **(x) Revenue**

The Company derives revenue primarily Design services provided to its clients along with the educational services eg. Training and Coaching services.

##### **a) Services**

The Company recognises 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 recognised as the related services are rendered.

## Cooper Software Inc.

### Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

#### (x) Revenue (cont'd)

##### B. Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognised 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 recognised 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 recognised 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 recognised. 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 recognised 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 recognised 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 recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service un-utilised by the customer is recognised as revenue on completion of the term.

#### b) Products

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

#### (xi) Finance cost

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, 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 recognised in the statement of profit and loss using the effective interest method.

#### (xii) Other income

Other income comprises interest income on deposits, dividend income and gains / (losses), net, on disposal of investments. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

#### (xiii) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognised 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 recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

## Cooper Software Inc.

### Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

#### (xiii) Income tax (cont'd)

##### b) Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised 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 recognised 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 utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, 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 utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised 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 realised simultaneously.

#### (xiv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. 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) Common Control business combinations

The Company accounts for business combinations involving entities or businesses under common control using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The identity of the reserves are preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred and presented separately as Common Control Transactions reserve.

During the year the Company has acquired Designit Newyork (a branch of Designit Denmark) with effect from 1<sup>st</sup> April 2018 and thus comparative figures of the financial statements have been restated accordingly as per the requirements of Ind AS 103.

All the assets and liabilities of Designit Newyork were transferred to the Company with effect from 1<sup>st</sup> April 2018 at the respective book values in the financial statements of the acquired entity. Since both the company and Designit Newyork are under the common control of Wipro Limited, the ultimate holding Company, this transaction has been accounted in accordance with the Pooling of Interests Method outlined in Ind AS 103, Business Combination.

In accordance with Appendix C, Business Combinations of entities under common control, to Ind AS 103, Business combinations, the financial information in the financial statements for common control business transactions in respect of prior periods have been restated as if the business combination had occurred from the beginning of the first period presented in the financial statements, irrespective of the actual date of combination. Therefore, the accounting for the transaction is effective 1 April 2017.

## Cooper Software Inc.

### Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

Particulars	As on 1 April 2017 (Restated)
Non – Current assets	1,216,978
Current assets	877,486
Less: Current liabilities	4,744,288
Less: Other equity	(2,649,824)
Less: Purchase consideration	(3,800,000)
Loss on account of common control transaction	<b>3,800,000</b>

#### xvi) Cash flow statement

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

#### New Accounting standards adopted by the Company:

##### Ind AS 115 – Revenue from Contract with Customer

On 1 April 2018, the Company adopted Ind AS 115, “Revenue from Contracts with Customers” using the cumulative catch-up transition method applied to contracts that were not completed as at 1 April, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The adoption of Ind AS 115, did not have any material impact on the statement of profit and loss for the year ended 31 March, 2019.

#### A. Contract Asset and Liabilities

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset.

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. We present such receivables as part of Trade receivables at their net estimated realizable value.

During the year ended 31 March, 2019, the Company recognized revenue of \$143,617 arising from opening unearned revenue as at 1 April, 2018.

During the year ended 31 March, 2019, \$491,805 of unbilled revenue pertaining to fixed-price development contracts (contract assets) which had an amount of \$ 491,805 as at 1 April, 2018, has been reclassified to trade receivables on completion of milestones.

Contract assets and liabilities are reported in a net position on a contract by contract basis at the end of each reporting period.

#### B. Remaining Performance Obligations

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

As at 31 March, 2019, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was \$2,225,038, of which approximately 100% is expected to be recognized as revenues within 1 year, and the remainder thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.



## Cooper Software Inc.

### Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

#### C. Disaggregation of Revenues

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

Particulars	Total
<b>Revenue</b>	
Sales of services	13,618,031
Sales of products	-
<b>Total</b>	<b>13,618,031</b>
<b>Revenue by nature of contract</b>	
Fixed price and volume based	12,649,328
Time and materials	968,703
Products	-
<b>Total</b>	<b>13,618,031</b>

#### Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration

The Company has applied Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration prospectively effective April 1, 2018. The effect on adoption of this amendment on the financial statements is insignificant.

#### New accounting standards not yet adopted:

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 1 2018, and have not been applied in preparing these financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the Company are:

#### Ind AS 116

On March 30, 2019, the Ministry of Corporate Affairs issued Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2018 and 2019, will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Based on assessment, the adoption of the new standard is expected to recognize a right-of-use assets and corresponding lease liabilities of approximately USD 928,530 and USD 1,148,729 respectively. There will be reclassification in the cash flow categories in the statement of cash flows.

#### Appendix C to Ind AS 12 - Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is insignificant.

## **Cooper Software Inc.**

### **Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

#### **Amendment to Ind AS 12 – Income Taxes**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's consolidated financial statements.

#### **Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the re-measurement using the assumptions used for the re-measurement; and determine the net interest for the remaining period based on the re-measured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019. The Company will apply the amendment from the effective date and the effect on adoption of the amendment on the consolidated financial statement is insignificant

**Cooper Software Inc.****Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

**4 Property, plant and equipment**

	<b>Building</b>	<b>Furniture and fixtures</b>	<b>Office equipments</b>	<b>Total</b>
<b>Gross block (at cost)</b>				
<b>Balance as at 01 April 2017</b>	<b>194,316</b>	<b>99,521</b>	<b>29,121</b>	<b>322,958</b>
On account of Merger	59,304	56,026	-	115,330
Additions	-	47,100	51,033	98,133
Disposals	-	-	-	-
<b>Balance as at 31 March 2018 (Restated)</b>	<b>253,620</b>	<b>202,647</b>	<b>80,154</b>	<b>536,421</b>
Additions	-	2,062	-	2,062
Disposals	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>253,620</b>	<b>204,709</b>	<b>80,154</b>	<b>538,483</b>
<b>Accumulated depreciation</b>				
<b>Balance as at 01 April 2017</b>	-	-	-	-
On account of Merger	59,303	9,989	-	69,292
Depreciation charge	24,617	71,790	14,527	110,934
Disposals	-	-	-	-
<b>Balance as at 31 March 2018 (Restated)</b>	<b>83,920</b>	<b>81,779</b>	<b>14,527</b>	<b>180,226</b>
Depreciation charge	48,270	28,820	59,432	136,522
Disposals	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>132,190</b>	<b>110,599</b>	<b>73,959</b>	<b>316,748</b>
<b>Net block</b>				
<b>Balance as at 31 March 2018 (Restated)</b>	<b>169,700</b>	<b>120,868</b>	<b>65,627</b>	<b>356,195</b>
<b>Balance as at 31 March 2019</b>	<b>121,430</b>	<b>94,110</b>	<b>6,195</b>	<b>221,734</b>

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**Cooper Software Inc.****Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>5 Trade receivables</b>		
<b>Unsecured</b>		
Considered good	548,240	1,351,078
Considered doubtful	-	-
	<b>548,240</b>	<b>1,351,079</b>
Provision for doubtful receivables	-	-
With Group Companies - Considered good (refer note 21)	1,275,216	65,208
	<b>1,823,456</b>	<b>1,416,287</b>
	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>6 Cash and cash equivalents</b>		
Balances with banks		
In current accounts	1,206,802	364,837
	<b>1,206,802</b>	<b>364,837</b>
	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>7 Other financial assets</b>		
<b>Current</b>		
Security Deposits	-	416,049
Others	8,337	57,421
	<b>8,337</b>	<b>473,470</b>

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**Cooper Software Inc.****Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>8 Share capital</b>		
<b>Authorised capital</b>		
40,000,000 equity shares	748,062	748,062
[Par value of \$ 0.02 per share]		
<b>Issued and paid up share capital</b>		
11,221,002 equity shares of \$ 0.02 each	209,850	209,850
	<b>209,850</b>	<b>209,850</b>

**a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Number of shares outstanding as at beginning of the year	11,221,002	11,221,002
Number of shares issued during the year	-	-
<b>Number of shares outstanding as at the end of the year</b>	<b>11,221,002</b>	<b>11,221,002</b>

**b) Details of share holding pattern by related parties****Name of shareholders**

Wipro IT services Inc.

No of Shares

11,221,002

11,221,002

% of the holding

100%

100%

**c) Terms / Rights attached to equity shares**

The Company has only one class of equity shares having a par value of \$ 0.02 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in USD. The dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distributing of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>9 Borrowings</b>		
<b>Non-current</b>		
Unsecured		
Borrowings from related parties (refer note 21)	6,711,417	1,010,127
<b>Total borrowings</b>	<b>6,711,417</b>	<b>1,010,127</b>

	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>10 Trade payables</b>		
Total outstanding dues of Micro and small enterprises	-	-
Total outstanding dues other than above		
Payable to others	650,468	6,977,272
Payable to related parties (refer note 21)	2,035,439	310,496
	<b>2,685,907</b>	<b>7,287,768</b>

	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>11 Borrowings</b>		
<b>Current</b>		
<b>Unsecured</b>		
Borrowings from related parties (refer note 21)	3,951,778	-
	<b>3,951,778</b>	<b>-</b>

**Cooper Software Inc.****Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>12 Other financial liabilities</b>		
<b>Current</b>		
Salary Payable	1,924,695	1,017,460
Others	90,082	3,800,000
	<u>2,014,777</u>	<u>4,817,460</u>
	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>13 Provisions</b>		
<b>Current:</b>		
Provision for employee benefits	154,295	368,299
	<u>154,295</u>	<u>368,299</u>
	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>14 Other Liabilities</b>		
<b>Current</b>		
Lease Equalization Reserve	289,165	307,987
	<u>289,165</u>	<u>307,987</u>

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**Cooper Software Inc.****Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
<b>15 Revenue from operations</b>		
Sale of services	13,618,031	7,712,805
	<b>13,618,031</b>	<b>7,712,805</b>
	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
<b>16 Other income</b>		
Interest Income	901	2,084
Foreign exchange gain/(loss), net	611,507	(230,703)
	<b>612,407</b>	<b>(228,618)</b>
	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
<b>17 Employee benefits expense</b>		
Salaries and Wages	9,551,383	7,306,079
Staff Welfare Expenses	398,954	21,335
	<b>9,950,337</b>	<b>7,327,414</b>
	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
<b>18 Finance Cost</b>		
Interest Expense (refer note 21)	428,155	10,127
	<b>428,155</b>	<b>10,127</b>
	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
<b>19 Other expenses</b>		
Sub-contracting charges (refer note 21)	1,001,996	858,250
Technical fees	95,854	792,847
Travel	656,053	472,096
Facility expenses	1,475,787	1,388,367
Communication	196,694	60,989
Legal and professional charges	529,616	39,014
Marketing and brand building	77,292	53,991
Bank charges	53,392	3,683
Other Exchange Differences, net	-	210,049
	<b>4,086,684</b>	<b>3,879,286</b>
	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
<b>20 Earning per share (EPS)</b>		
Net profit/(Loss) after tax attributable to the equity shareholders	23,980	(2,769,977)
Weighted average number of equity shares - for basic and diluted EPS	11,221,002	11,221,002
Earnings per share - Basic and diluted	0.002	(0.25)

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## Cooper Software Inc.

### Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

#### 21 Related party disclosure

##### a Parties where control exists

Name	Relationship with the Company
Designit A/S	Fellow Subsidiary
Designit Denmark A/S	Fellow Subsidiary
Designit Spain Digital S.L.	Fellow Subsidiary
Designit TLV Ltd	Fellow Subsidiary
Designit Tokyo Co., Ltd.	Fellow Subsidiary
Designit Germany GmbH	Fellow Subsidiary
Wipro LLC	Fellow Subsidiary
Wipro IT Services Inc.	Holding company *
Wipro Limited	Ultimate Holding company *

\* Effective 23rd October 2017

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

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
<b>Subcontracting &amp; Technical Fees</b>			
Designit TLV Ltd	Fellow Subsidiary	121,077	-
Designit Denmark A/S	Fellow Subsidiary	48,663	36,781
Designit Germany	Fellow Subsidiary	8,977	-
Designit A/S	Holding Company*	823,279	821,469
<b>Interest Expense</b>			
Designit Denmark A/S	Fellow Subsidiary	269,028	-
Designit A/S	Fellow Subsidiary	7,350	-
Wipro LLC	Fellow Subsidiary	151,778	10,127
<b>Sales and Services</b>			
Designit Denmark A/S	Fellow Subsidiary	-	-
Designit Germany GmbH	Fellow Subsidiary	294,201	-
Designit Spain Digital S.L.	Fellow Subsidiary	1,160	-
Designit Tokyo Co., Ltd.	Fellow Subsidiary	22,919	-
Wipro LLC	Fellow Subsidiary	3,292,601	-
Wipro Limited	Ultimate Holding company *	4,266,158	64,496

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

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
<b>Receivables</b>			
Designit A/S	Fellow Subsidiary	177,967	-
Designit Tokyo Co., Ltd.	Fellow Subsidiary	9,905	-
Wipro Limited	Ultimate Holding company *	910,921	65,208
Wipro LLC	Fellow Subsidiary	176,423	-
<b>Payables</b>			
Designit TLV Ltd	Fellow Subsidiary	119,184	-
Wipro IT Services Ltd	Holding company *	-	310,496
Designit Denmark A/S	Fellow Subsidiary	131,427	-
Wipro LLC	Fellow Subsidiary	1,064,635	-
Wipro Limited	Ultimate Holding company *	720,193	-
<b>Loan Payables</b>			
Designit Denmark A/S	Fellow Subsidiary	6,428,558	-
Designit A/S	Fellow Subsidiary	282,859	-
Wipro LLC	Fellow Subsidiary	3,951,778	1,010,127



## Cooper Software Inc.

### Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

#### 22 Effective Tax Rate (ETR) reconciliation

	Year ended 31 March 2019	Year ended 31 March 2018
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	-	-
Deferred tax	(395,241)	(1,073,598)
Tax expense of earlier years	-	-
	<b>(395,241)</b>	<b>(1,073,598)</b>

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as below:

	Year ended 31 March 2019	Year ended 31 March 2018
Profit before income tax	(371,261)	(3,843,575)
Enacted tax rates in the US (%)	28.00%	28.00%
Computed expected tax expense	-	-
Deferred Tax	(395,241)	(1,073,598)
<b>Tax expense as per financials</b>	<b>(395,241)</b>	<b>(1,073,598)</b>

#### 23 Fair value measurements

##### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Note Number	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
<b>Assets:</b>				
Financial Asset			-	-
Cash and cash equivalents	6	1,206,802		
Trade receivables	5	1,823,456	-	-
Other financial asset	7	8,337		
<b>Total</b>		<b>3,038,595</b>	-	-
<b>Liabilities:</b>				
Financial liabilities				
Trade payables	10	2,685,907	-	-
Other financial liability	12	2,014,777		
Borrowings	11	10,663,195		
<b>Total</b>		<b>15,363,879</b>	-	-

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows:

Particulars	Note Number	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
<b>Assets:</b>				
Financial Asset			-	-
Cash and cash equivalents	6	364,837	-	-
Trade receivables	5	1,416,287	-	-
Other financial asset	7	473,470	-	-
<b>Total</b>		<b>2,254,594</b>	-	-
<b>Liabilities:</b>				
Financial liabilities				
Trade payables	10	7,287,768	-	-
Other financial liability	12	4,817,460	-	-
Borrowings	11	1,010,127		
<b>Total</b>		<b>12,105,228</b>	-	-

## Cooper Software Inc.

### Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

#### 24 Fair value measurements (cont'd)

##### (i) Financial instruments by category (cont'd)

###### Notes to financial instruments

- i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

##### (ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

##### (iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data relying as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### 25 Financial risk management

The Company's principal financial liabilities, comprises of trade and other payables. The Company's principal financial assets include trade receivables, and cash and bank balances and other balances that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

##### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. Financial instruments affected by market risk include trade and other receivables/payables. The Company is not exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities as the Company's transactions are carried out in USD and it does not hold any investments or financial instruments in currency other than USD.

##### (b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

###### i) Cash and cash equivalents

Credit risk from balances with banks is managed in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components as at the Balance sheet date are the carrying amounts as furnished in Note 6. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

###### ii) Trade receivables

Customer Credit Risk is managed as per Company's established policy, procedures and controls relating to customer credit risk management which inter alia involves obtaining credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in normal course of business.

##### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

## Cooper Software Inc.

### Summary of significant accounting policies and other explanatory information

(Amount in USD, unless otherwise stated)

#### 26 Financial Risk Management

##### C. Liquidity Risk

###### Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 March 2019	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Borrowings (refer note 11)	3,951,778	6,711,417	-	10,663,195
Trade payables (refer note 10)	2,685,907	-	-	2,685,907
<b>Total</b>	<b>6,637,685</b>	<b>6,711,417</b>	<b>-</b>	<b>13,349,102</b>

31 March 2018	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Borrowings (refer note 11)	-	1,010,127	-	1,010,127
Trade payables (refer note 10)	7,287,768	-	-	7,287,768
<b>Total</b>	<b>7,287,768</b>	<b>1,010,127</b>	<b>-</b>	<b>8,297,895</b>

##### D. Interest rate risk

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	31 March 2019	31 March 2018
Variable rate borrowing	3,951,778	1,010,127
Fixed rate borrowing	6,711,417	-
	<b>10,663,195</b>	<b>1,010,127</b>

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 March 2019	31 March 2018
Interest rates – increase by 50 basis points (50 bps)	19,758.89	5,050.64
Interest rates – decrease by 50 basis points (50 bps)	(19,758.89)	(5,050.64)

#### 27 Capital Management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder

The Company monitors capital using a gearing ratio, which is net debt divided by total equity as below:

Particulars	Note	As at	As at
		31 March 2019	31 March 2018
Borrowings		10,663,195	1,010,127
Less: Cash and cash equivalents		1,206,802	364,837
<b>Net debt</b>		<b>9,456,394</b>	<b>645,290</b>
Equity share capital		209,850	209,850
Other equity		(8,816,513)	(8,739,690)
<b>Total capital</b>		<b>(8,606,663)</b>	<b>(8,529,840)</b>
<b>Gearing ratio</b>		<b>(1.10)</b>	<b>(0.08)</b>

In order to achieve the objective of maximising shareholders value, the Company's capital management, amongst other things, aims to manage its capital structure and makes adjustments in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

**Cooper Software Inc.**

**Summary of significant accounting policies and other explanatory information**

(Amount in USD, unless otherwise stated)

**28 Events occurring after the reporting date**

No adjusting or significant non-adjusting events have occurred between 31 March 2018 and the date of authorization of these standalone financial statements.

**29 Prior period comparatives**

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

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

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**For and on behalf of the Board of Directors of Cooper Software Inc.**

**Sd/-**  
**Ashish Chawla**  
Director

16 June 2019

**Sd/-**  
**Mukund Seetharaman**  
Director

16 June 2019