

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Appirio Limited UK

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Appirio Limited UK (“the Company”), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Restriction on use

This report is intended solely for the information of the Company's and its ultimate holding company's board of directors and is not intended to be and should not be used by anyone other than specified parties. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the Company's and ultimate holding company's board of directors, for our audit work, for this report, or for the opinions we have formed.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Sd/-

Deepak Rao

Partner

Membership No. 113292

UDIN: 20113292AAAAKE9649

Date: June 15, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF APPIRIO LIMITED UK**Auditor's Responsibilities for the Audit of the Financial Statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Deepak Rao
Partner
Membership No.113292
UDIN: 20113292AAAAKE9649
Date: June 15, 2020

APPRIRO Ltd (UK)
BALANCE SHEET AS AT MARCH 31, 2020
(Amount in GBP '000, unless otherwise stated)

<u>Notes</u>	<u>As at March 31, 2020</u>	<u>As at March 31, 2019</u>
ASSETS		
Non-current assets		
Property, plant and equipment	4	144
Total non-current assets	144	51
Current assets		
Financial assets		
Trade receivables	5	2,193
Cash and cash equivalents	6	666
Unbilled revenues		-
Other financial assets	7	15
Contract Assets		703
Current tax assets (net)		314
Other current assets	8	1,008
Total current assets	4,899	8,710
TOTAL ASSETS	5,043	8,761
EQUITY		
Equity share capital	9	-
Other equity		(5,823)
Total Equity	(5,823)	(4,881)
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities (net)		-
Total non-current liabilities		165
Current liabilities		
Financial liabilities		
Borrowings	10	8,554
Trade payables		
(i) total outstanding dues of creditors of micro enterprise and small enterprise	11	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	11	1,619
Other financial liabilities	12	386
Unearned revenues		138
Current tax liabilities (net)		-
Other current liabilities	13	10
Provisions	14	158
Total current liabilities	10,865	13,477
Total Liabilities	10,865	13,642
TOTAL EQUITY AND LIABILITIES	5,043	8,761

See accompanying notes to the financial statements 1- 32

The accompanying notes form an integral part of these financial statements

As per our report attached
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
APPRIRO Limited (UK)

Sd/-
Deepak Rao
Partner
Membership No: 113292
Place: Bangalore
Date: June 15,2020

Sd/-
Ramesh Phillips
Director
Place: Bangalore
Date: June 15,2020

APPIRIO Ltd (UK)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020
(Amount in GBP '000, unless otherwise stated)

	<u>Notes</u>	<u>For the Year Ended March 31, 2020</u>	<u>For the Year Ended March 31, 2019</u>
REVENUE			
Revenue from rendering of services	15	16,036	14,030
Other income	16	402	4,486
Total Revenue		16,439	18,516
EXPENSES			
Employee benefits expense	17	7,083	8,697
Sub-contracting & technical fees		7,296	4,418
Finance costs	18	621	385
Depreciation	4	58	70
Other expenses	19	3,019	2,436
Total Expenses		18,077	16,006
Profit / (Loss) before tax		(1,638)	2,510
Tax expense	22		
Current tax expense/(benefit)		(697)	463
Deferred tax		-	-
Total tax expense		(697)	463
Profit / (Loss) for the period		(941)	2,047
<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(Loss) for the period, net of tax		-	-
Total comprehensive income/(Loss) for the period		(941)	2,047
Earnings/ (Loss)per equity share	21		
(Equity shares of par value \$ 0.01 each)			
Basic		(941)	2,047
Diluted		(941)	2,047

See accompanying notes to the financial statements 1- 32

The accompanying notes form an integral part of these financial statements

As per our report attached
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
APPIRIO Limited (UK)

Sd/-
Deepak Rao
Partner
Membership No: 113292
Place: Bangalore
Date: June 15,2020

Sd/-
Ramesh Phillips
Director
Place: Bangalore
Date: June 15,2020

APPIRIO Ltd (UK)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020
(Amount in GBP '000, unless otherwise stated)

	For the Year Ended March 31, 2020	For the Year Ended 31st March, 2019
Cash flows from operating activities:		
Profit / (Loss) for the period	(941)	2,047
Adjustments:		
Depreciation	58	70
Exchange loss, net	1,038	525
Income tax expense/(write-back)	(697)	463
Interest (income), net	353	385
Profit of sale of business	-	(4,486)
Other operating income	(63)	-
Other non cash items	-	(7)
Changes in operating assets and liabilities		
Trade receivables	25	(632)
Unbilled revenue	(642)	750
Other assets	4,515	(1,242)
Trade payables	(2,414)	1,344
Accrued expenses, other liabilities and provisions	(739)	(95)
Unearned revenue	(554)	162
Cash used in operating activities before taxes	(60)	(716)
Income taxes paid, net	-	37
Net cash used in operating activities	(60)	(679)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(158)	(65)
Proceeds from sale of property, plant and equipment	-	24
Cash used in investing activities before taxes	(158)	(41)
Net cash used in investing activities	(158)	(41)
Cash flows from financing activities:		
(Repayment) of /Proceeds from loans and borrowings	654	1,148
Interest paid on loans and borrowings	(353)	(385)
Net cash used in financing activities	301	763
Net increase in cash and cash equivalents during the year	83	44
Cash and cash equivalents at the beginning of the year	583	539
Cash and cash equivalents at the end of the year (Note 6)	666	583

See accompanying notes to the financial statements 1- 32
The accompanying notes form an integral part of these financial statements

As per our report attached
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
APPIRIO Limited (UK)

Sd/-
Deepak Rao
Partner
Membership No: 113292
Place: Bangalore
Date: June 15,2020

Sd/-
Ramesh Phillips
Director
Place: Bangalore
Date: June 15,2020

APPIRIO Ltd (UK)
STATEMENT OF CHANGES IN EQUITY
(Amount in GBP '000, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	31 March 2020		31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Opening number of equity shares	1	1	1	1
Equity shares issued	-	-	-	-
Closing number of equity shares	1	1	1	1

B. OTHER EQUITY

	Retained Earnings	Total Other Equity
Balance as at April 01, 2019	(4,881)	(4,881)
Total comprehensive income for the period	(941)	(941)
Balance as at March 31, 2020	(5,822)	(5,822)

	Retained Earnings	Total Other Equity
Balance as at April 01, 2018	(6,928)	(6,928)
Total comprehensive income for the period	2,047	2,047
Balance as at March 31, 2019	(4,881)	(4,881)

See accompanying notes to the financial statements 1- 32

The accompanying notes form an integral part of these financial statements

As per our report attached
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
APPIRIO Limited (UK)

Sd/-
Deepak Rao
Partner
Membership No: 113292
Place: Bangalore
Date: June 15,2020

Sd/-
Ramesh Phillips
Director

Place: Bangalore
Date: June 15,2020

APPIRIO Ltd (UK)
NOTES TO THE FINANCIAL STATEMENTS
(Amount in GBP '000, unless otherwise stated)

4. Property, Plant and Equipment

As at March 31, 2020

Gross Carrying Value:	Plant & Machinery	Furniture and Fixtures	Total
As at April 1, 2019	160	3	163
Additions	158	-	158
(Disposal)/Adjustments	20	7	27
As at March 31, 2020	338	10	349

Accumulated Depreciation/ Impairment	Plant & Machinery	Furniture and Fixtures	Total
As at April 1, 2019	(110)	(3)	(113)
Depreciation	(58)	-	(58)
Disposal/(Adjustments)	(27)	(7)	(34)
As at March 31, 2020	(195)	(10)	(205)

Net Carrying Value	Plant & Machinery	Furniture and Fixtures	Total
As at March 31, 2019	50	1	51
As at March 31, 2020	143	1	144

As at March 31, 2019

Gross Carrying Value	Plant & Machinery	Furniture and Fixtures	Total
As at April 1, 2018	137	3	140
Additions	65	-	65
(Disposal)/Adjustments	(42)	-	(42)
As at March 31, 2019	160	3	163

Accumulated Depreciation/ Impairment	Plant & Machinery	Furniture and Fixtures	Total
As at April 1, 2018	(66)	(2)	(68)
Depreciation	(69)	(1)	(70)
Disposal/(Adjustments)	25	-	25
As at March 31, 2019	(110)	(3)	(113)

Net Carrying Value	Plant & Machinery	Furniture and Fixtures	Total
As at March 31, 2018	71	1	73
As at March 31, 2019	50	1	51

APPIRIO Ltd (UK)
 NOTES TO THE FINANCIAL STATEMENTS
 (Amount in GBP '000, unless otherwise stated)

5. Trade Receivables

	As at March 31, 2020	As at March 31, 2019
Unsecured:		
Considered good	753	1,235
Considered doubtful	503	138
	<u>1,256</u>	<u>1,373</u>
Less: Provision for doubtful receivables	(503)	(138)
Net trade receivables	753	1,235
Receivable from related parties (Refer note 23)	1,440	983
	<u><u>2,193</u></u>	<u><u>2,219</u></u>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

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

	As at March 31, 2020	As at March 31, 2019
Opening Balance	(138)	(18)
Less: Deduction during the period (net)	-	83
Add: Additions during the period	(365)	(203)
Closing Balance	<u><u>(503)</u></u>	<u><u>(138)</u></u>

6. Cash and Cash Equivalents

Cash and cash equivalents consists of balances with banks.

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- On Current accounts	666	583
	<u><u>666</u></u>	<u><u>583</u></u>

7. Other Financial Assets

	As at March 31, 2020	As at March 31, 2019
Current		
Other receivables *	-	4,800
Lease deposits	14	14
Employee advances	1	-
	<u><u>15</u></u>	<u><u>4,814</u></u>

*The amount relates to receivable from sale of workday and cornerstone on demand business. Refer note 16

8. Other Assets

	As at March 31, 2020	As at March 31, 2019
Current		
Prepaid expenses	1,008	1,034
	<u><u>1,008</u></u>	<u><u>1,034</u></u>

APPIRIO Ltd (UK)
NOTES TO THE FINANCIAL STATEMENTS
(Amount in GBP '000, unless otherwise stated)

9. Share Capital

I. Authorised Capital

1 (March 31, 2019: 1) equity share*

As at March 31, 2020	As at March 31, 2019
-	-
-	-

II. Issued, subscribed and fully paid-up capital

1 (March 31, 2019: 1) equity share*

-	-
-	-

*The value is GBP 1 rounded to thousand hence appearing as zero

(i) Shares held by holding company (Appirio Ltd. - Ireland, the holding company)

Number of equity shares of GBP 1 each

As at March 31, 2020	As at March 31, 2019
1	1
1	1

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

Name of the Shareholder	31 March 2020		31 March 2019	
	No. of shares	% held	No. of shares	% held
Appirio Ltd. - Ireland	1	100	1	100
	1	100	1	100

Rights, preferences and contingencies attached to the equity shares

The company has one class of equity shares having a face value of GBP 1 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 Ltd (UK)
 NOTES TO THE FINANCIAL STATEMENTS
 (Amount in GBP '000, unless otherwise stated)

10. Borrowings

A summary of loans and borrowings is as follows:

	As at March 31, 2020	As at March 31, 2019
Current borrowings		
Unsecured		
Borrowings from:		
Appirio Inc. (USA)*	2,489	-
Appirio Ltd. (Ireland)*	6,065	7,900
	8,554	7,900

*The loan carries an average interest rate of 12 month 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. The loans do not carry any debt covenant. The company has not defaulted on any loans payable.

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of other than micro enterprises and small enterprises	632	313
Payable to group companies (Refer note 23)	986	3,720
	1,619	4,033

*Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

12. Other Financial Liabilities

	As at March 31, 2020	As at March 31, 2019
Current		
Salary payable	345	297
Other Payables	41	33
	386	330

13. Other Liabilities

	As at March 31, 2020	As at March 31, 2019
Current		
Statutory dues payable	10	63
	10	63

14. Provisions

	As at March 31, 2020	As at March 31, 2019
Current		
Provision for employee benefits	158	184
	158	184

APPIRIO Ltd (UK)
NOTES TO THE FINANCIAL STATEMENTS
(Amount in GBP '000, unless otherwise stated)

15. Revenue from Operations

	Year ended March 31, 2020	Year ended March 31, 2019
Rendering of Services	16,036	14,030
	16,036	14,030

16. Other Income

	Year ended March 31, 2020	Year ended March 31, 2019
Other operating income	63	4,486
Interest income	267	-
Liabilities written back	73	-
	402	4,486

Sale of Workday and Cornerstone OnDemand business: During the year ended March 31, 2019, the Company has concluded the Sale of Workday and Cornerstone OnDemand business except in Portugal, France and Sweden.

Particulars	Amount
Cash Consideration	4,800
Less: Carrying amount of net assets disposed	315
Gain on Sale	305

These disposal groups do not constitute a major component of the Company and hence were not classified as discontinued operations.

17. Employee benefits expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	6,916	8,673
Staff welfare expenses	168	24
	7,083	8,697

18. Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense	621	385
	621	385

19. Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Foreign exchange losses, net	1,038	525
Staff Recruitment expenses	445	-
Travel and conveyance	317	644
Facility expenses	415	527
Allowance for expected credit loss	365	203
Legal and Professional charges	68	114
Marketing and brand building	93	353
Corporate overheads	90	-
Annual maintenance charges for software & hardware	65	-
Bank charges	15	-
Communication expenses	13	-
Bad Debt written-off	-	6
Insurance	1	13
Training and education	-	40
Miscellaneous expenses	94	10
	3,019	2,436

APPIRIO Ltd (UK)
NOTES TO THE FINANCIAL STATEMENTS
(Amount in GBP '000, unless otherwise stated)

20. Leases

The company has taken on leases, 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 GBP 415,031.32 (during the period ended March 31, 2019 GBP 431,040)

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

	Year ended March 31, 2020	Year ended March 31, 2019
Not later than 1 year	-	40
Later than 1 year and not later than 5 years	-	-
		<u>40</u>

Company has availed short term lease exemption as per IND AS 116

21. Earnings/(Loss) 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 earnings/(loss) per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period, excluding equity shares purchased by the Company.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) for the Period	(941)	2,047
Weighted Average Number of Equity Shares Outstanding	1	1
Basic & diluted Earnings/(Loss) per Share	<u>(941)</u>	<u>2,047</u>

22. Income Tax Expense

Income tax expense has been allocated as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Current		
In respect of current period	(314)	463
Adjustments of current tax for prior periods	(383)	-
Income tax expense reported in the statement of profit or loss	<u>(697)</u>	<u>463</u>

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

	Year ended March 31, 2020	Year ended March 31, 2019
Profit / (Loss) before tax	(1,638)	2,510
Statutory income tax rate of United Kingdom	19.00%	19.00%
Expected income tax expense/(benefit)	(311)	477
Tax Effect of:		
- Item not deductible for tax	(3)	-
- Adjustments of current tax for prior periods	(383)	(14)
Income tax expense	<u>(697)</u>	<u>463</u>

APPIRIO Ltd (UK)
NOTES TO THE FINANCIAL STATEMENTS
(Amount in GBP, unless otherwise stated)

23. 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 LLC	Intermediate Holding Company
Wipro Portugal	Fellow Subsidiary
Designit Denmark	Fellow Subsidiary
Wipro UK Holding	Fellow Subsidiary
Wipro IT Services, LLC	Intermediate Holding Company
Appirio Inc.	Intermediate Holding Company
Appirio, Ltd. (Ireland)	Holding Company

- ii) The Company had the following transactions with related parties during the year ended March 31, 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Wipro Ltd.		
Sales and services	(8,625)	(3,316)
Subcontracting & technical fees	1,365	-
Wipro LLC		
Sales and services	(241)	(32)
Wipro Portugal		
Subcontracting & technical fees	138	293
Appirio Inc		
Sales and services	(2,261)	(2,509)
Subcontracting & technical fees	1,520	434
Interest income	(267)	(305)
Interest expense	365	398
Appirio Ltd. (Ireland)		
Sales and services	(2,045)	(2,860)
Subcontracting & technical fees	450	545
Interest expense	255	291
Designit Denmark		
Sales and services	-	(418)

APPIRIO Ltd (UK)
NOTES TO THE FINANCIAL STATEMENTS
(Amount in GBP, unless otherwise stated)

iii) Balances with related parties as at March 31, 2020 are summarised below

Particulars	As at March 31, 2020	As at March 31, 2019
Payables:		
Appirio Inc.	(492)	(3,341)
Appirio Ltd. (Ireland)	-	(124)
Wipro Portugal	(436)	(255)
Designit	(58)	-
Wipro Travel Services Limited	(1)	-
Total	(986)	(3,720)
Receivables:		
Appirio Ltd. (Ireland)	153	-
Appirio India Cloud Solutions Private Limited	13	-
Designit	-	11
Wipro UK holding	-	165
Wipro Limited	1,052	776
Wipro LLC	222	32
Total	1,440	984
Loan amount outstanding:(net)		
Appirio Inc. (USA)	(2,489)	(2,029)
Appirio Ltd. (Ireland)	(6,065)	(5,871)
Total	(8,554)	(7,900)

24. Commitments and contingencies

There are no Contingent Liabilities, Capital and Other Commitments as at March 31, 2020 and March 31, 2019.

25. 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 Ltd UK
Summary of significant accounting policies and other explanatory information
(Amount in GBP '000, unless otherwise stated)

26 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments. The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount. Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

26A 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: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

No financial assets/liabilities have been valued using level 1, level 2 and level 3 fair value measurements.

Appirio Ltd UK
Summary of significant accounting policies and other explanatory information
(Amount in GBP '000, unless otherwise stated)

27 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

B 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.

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.

March 31, 2020	Less than 3 months	3 to 12 months	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives						
Borrowings	-	-	8,554	-	-	8,554
Trade payables	1,619	-	-	-	-	1,619
Other financial liabilities	386	-	-	-	-	386
Total	2,005	-	8,554	-	-	10,559

March 31, 2019	Less than 3 months	3 to 12 months	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives						
Borrowings	-	-	7,900	-	-	7,900
Trade payables	4,033	-	-	-	-	4,033
Other financial liabilities	330	-	-	-	-	330
Total	4,363	-	7,900	-	-	12,263

Appirio Ltd UK
Summary of significant accounting policies and other explanatory information
(Amount in GBP '000, unless otherwise stated)

27 Financial risk management (continued)

C Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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

Particulars	March 31, 2020	March 31, 2019
Variable rate borrowing	8,554	7,900
	8,554	7,900

Interest rate risk

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

Particulars	March 31, 2020	March 31, 2019
	43	39
Interest rates - decrease by 50 basis points (50 bps)	(43)	(39)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	March 31, 2020 +1%	March 31, 2020 -1%
USD	(80,914)	80,914
EUR	(60,653)	60,653

Particulars	March 31, 2019 +1%	March 31, 2019 -1%
USD	(76,302)	76,302
EUR	(58,712)	58,712

28 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		2020	2019
Equity		-	-
Other Equity		(5,823)	(4,881)
Total equity	(i)	(5,823)	(4,881)
Borrowings other than convertible preference shares		8,554	7,900
Less: cash and cash equivalents		666	583
Total debt	(ii)	9,220	8,483
Overall financing	(iii) = (i) + (ii)	3,398	3,602
Gearing ratio	(ii)/ (iii)	2.71	2.36

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

29 Impact of Covid-19 on Going concern assumption

The World Health Organization announced a global health emergency because of a new strain of coronavirus (“COVID-19”) and classified its outbreak as a pandemic on March 11, 2020 which posed significant disruption to business operations and adversely impacting most of the industries which has resulted in global slowdown.

Management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of this Financial Statements.

30 Impact of Covid-19 on Financial statements

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

31 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2020 and the date of authorization of these financial statements.

32 Comparatives

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

As per our report attached
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
APPIRIO Limited (UK)

Sd/-
Deepak Rao
Partner
Membership No: 113292
Place: Bangalore
Date: June 15,2020

Sd/-
Ramesh Phillips
Director
Place: Bangalore
Date: June 15,2020