

**WIPRO BAHRAIN LIMITED W.L.L.**  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2017

# **WIPRO BAHRAIN LIMITED W.L.L.**

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## **REPORT AND FINANCIAL STATEMENTS**

31 March 2017

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# **WIPRO BAHRAIN LIMITED W.L.L.**

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## **CORPORATE PROFILE**

**Commercial Registration Number**

: 73168-01

**Shareholders**

: Wipro Cyprus Private Limited  
Wipro Singapore Pte Limited

**Board of Directors**

: Srinivasan Gopalakrishnan  
Soumitro Ghosh

**Registered Office**

: Flat no.510, Building no.2795  
Road no.2835, Block no.428  
Al Seef  
Kingdom of Bahrain

**Principal Banker**

: HSBC

**Independent Auditors**

: Moore Stephens  
Public Accountants and Consultants  
P.O. Box 10519  
16th Floor, Bahrain Tower  
Manama  
Kingdom of Bahrain

## REPORT OF THE BOARD OF DIRECTORS

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The Board of Directors presents its annual report and audited financial statements of the Company for the year ended March 31, 2017.

### **Incorporation**

**Wipro Bahrain Limited W.L.L.**, (the "Company"), was incorporated in the Kingdom of Bahrain as a Limited Liability Company, with the Ministry of Industry, Commerce and Tourism under the Commercial Registration Number 73168-01 obtained on 28 October 2009. Its registered office is at Flat 510, Building 2795, Road 2835, Block 428, Al Seef, Kingdom of Bahrain.

### **Principal activities**

The Company is engaged in the business of import, export and sale of computer software and system suppliers, computer hardware and systems accessories, computer repair and maintenance, computer software design, development and maintenance and consultant for computer hardware and software. The revised activities as per the Ministry of Industry, Commerce and Tourism website are sale/trade of information, and communications equipment and related software, repair of computers and peripheral equipment, computer consultancy and computer facilities management activities and computer programming activities.

### **Review of current position, future developments and significant risks**

The Company's development to date, financial performance and position as presented in the financial statements are considered satisfactory.

The most significant risks faced by the Company and the steps taken to manage these risks, are described in note 3 to the notes to the financial statements.

### **Financial performance**

The Company's financial performance for the year are set out on page 7.

### **Share capital**

The share capital of the Company consist of 1000 shares at BD. 50/- each.

### **Events after the reporting period**

As per the board resolution of Wipro Singapore Pte Limited dated 17 August 2015, all of the shares owned by Wipro Singapore Pte Limited which represents a 97% shareholding in the Company have been transferred to Wipro Enterprises Cyprus Limited. The Company's memorandum has been amended to reflect the change in ownership of the shares on 05 April 2017. Except for this, there were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.


### **Board of Directors**

The members of the Board of Directors as at 31 March 2017 and the company profile are shown on page 1. All directors presently member of the Board continue in office. There were no significant changes in the assignment of responsibilities of the Board of Directors.

### **Independent Auditors**

The independent auditors, Moore Stephens, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

  
\_\_\_\_\_  
**Srinivasan Gopalakrishnan**  
Director

Manama,  
Kingdom of Bahrain, 31 May 2017

## **INDEPENDENT AUDITORS' REPORT**

### **To the Shareholders of Wipro Bahrain Limited W.L.L.**

#### **Opinion**

We have audited the accompanying financial statements of **Wipro Bahrain Limited W.L.L.**, set out on pages 6 to 19, which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2017 and its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Bahrain Commercial Companies Law and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

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

(continued to page 4)

## **INDEPENDENT AUDITORS' REPORT (continued...)**

### **To the Shareholders of Wipro Bahrain Limited W.L.L.**

#### **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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, 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 the effectiveness of the Company's internal control.

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 the Board of Directors 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.

(continued to page 5)

## **INDEPENDENT AUDITORS' REPORT (continued...)**

### **To the Shareholders of Wipro Bahrain Limited W.L.L.**

#### **Report on Other Legal Requirements**

In accordance with the requirements of the Bahrain Commercial Companies Law (issued on June 20, 2001), we report that we have obtained all the information and explanations we considered necessary for the purposes of our audit, that proper books of account have been kept by the Company, the Company's financial statements are in agreement with the books of account, to the best of our information and according to the explanations given to us, that the financial statements give the information required by the Bahrain Commercial Companies Law in the manner so required except that, as per the Memorandum of Association the Company's financial year end is 31 December. However, the Company has presented the accounts for the year ended 31 March 2017.

In our opinion, the information given in the report of the Board of Directors on page 2 is consistent with the financial statements.

SDI-

Partner Registration No. 54  
Manama, Kingdom of Bahrain,  
31 May 2017

## WIPRO BAHRAIN LIMITED W.L.L.

### STATEMENT OF FINANCIAL POSITION AS AT

31 March 2017

	Note	2017 BHD	2016 BHD
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	<u>2,101</u>	<u>337</u>
		<u>2,101</u>	<u>337</u>
<b>Current Assets</b>			
Accounts and other receivable	6	2,829,233	2,034,746
Bank balance	7	<u>178,642</u>	<u>184,971</u>
		<u>3,007,875</u>	<u>2,219,717</u>
<b>Total assets</b>		<u><u>3,009,976</u></u>	<u><u>2,220,054</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
Share capital	8	50,000	50,000
Statutory reserve	9	25,000	25,000
Retained earnings		<u>2,273,111</u>	<u>1,299,482</u>
		<u>2,348,111</u>	<u>1,374,482</u>
<b>Non-Current Liabilities</b>			
Employees' terminal benefit	10	<u>93,007</u>	<u>68,964</u>
		<u>93,007</u>	<u>68,964</u>
<b>Current Liabilities</b>			
Accounts and other payable	11	170,198	185,459
Due to related parties	12.1	<u>398,660</u>	<u>591,149</u>
		<u>568,858</u>	<u>776,608</u>
<b>Total equity and liabilities</b>		<u><u>3,009,976</u></u>	<u><u>2,220,054</u></u>

On 31 May, 2017 the Board of Directors of **Wipro Bahrain Limited W.L.L.** approved these financial statements.

SDI-  
**Srinivasan Gopalakrishnan**  
Director

The notes on pages 10 to 19 form an integral part of these financial statements.



## **WIPRO BAHRAIN LIMITED W.L.L.**

### **STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Year ended 31 March 2017

	Note	2017 BHD	2016 BHD
<b>Income from operations</b>		<b>3,062,615</b>	3,288,147
Cost of operations		<u>(1,601,324)</u>	<u>(1,534,736)</u>
<b>Gross profit</b>		<b>1,461,291</b>	1,753,411
Other income		<b>634</b>	306
General and administrative expenses	13	<b>(417,485)</b>	(532,320)
Bad debts		<b>(65,996)</b>	(121,085)
Forex loss		<b>(3,846)</b>	(2,002)
Depreciation	5	<b>(969)</b>	-
<b>Net income for the year</b>		<b>973,629</b>	1,098,310
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>973,629</b>	1,098,310

*SDI-*

**Srinivasan Gopalakrishnan**  
Director

The notes on pages 10 to 19 form an integral part of these financial statements.

## **WIPRO BAHRAIN LIMITED W.L.L.**

### **STATEMENT OF CHANGES IN EQUITY**

Year ended 31 March 2017

<b>Particulars</b>	<b>Share capital BHD</b>	<b>Statutory reserve BHD</b>	<b>Retained earnings BHD</b>	<b>Total BHD</b>
<b>At 01 April 2015</b>	<b>50,000</b>	<b>25,000</b>	<b>446,231</b>	<b>521,231</b>
Dividend declared during the year	-	-	(245,059)	(245,059)
Total comprehensive income for the year	-	-	1,098,310	1,098,310
<b>At 31 March 2016 / 01 April 2016</b>	<b>50,000</b>	<b>25,000</b>	<b>1,299,482</b>	<b>1,374,482</b>
Total comprehensive income for the year	-	-	973,629	973,629
<b>At 31 March 2017</b>	<b>50,000</b>	<b>25,000</b>	<b>2,273,111</b>	<b>2,348,111</b>

*SD/-*

**Srinivasan Gopalakrishnan**  
Director

The notes on pages 10 to 19 form an integral part of these financial statements.

# WIPRO BAHRAIN LIMITED W.L.L.

## STATEMENT OF CASH FLOWS

Year ended 31 March 2017

	2017	2016
	<u>BHD</u>	<u>BHD</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the year	973,629	1,098,310
Depreciation	969	-
<b>Cash flows from operating activities before working capital changes</b>	<u>974,598</u>	1,098,310
Changes in operating assets and liabilities:		
(Increase) / decrease in accounts and other receivable	(794,487)	(1,485,876)
(Increase) / decrease in due from related party	-	120,393
Increase / (decrease) in accounts and other payable	(15,261)	37,002
Increase / (decrease) in due to related party	(192,489)	423,798
Increase / (decrease) in employees' terminal benefit	24,043	21,883
<b>Net cash flows from operating activities</b>	<u>(3,596)</u>	215,510
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(2,733)	(337)
<b>Net cash flows from investing activities</b>	<u>(2,733)</u>	(337)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend distributed	-	(245,059)
<b>Net cash flows from financing activities</b>	<u>-</u>	(245,059)
<b>Net (decrease) in cash and cash equivalents</b>	<b>(6,329)</b>	<b>(29,886)</b>
<b>Cash and cash equivalents</b>		
At the beginning of the year	<u>184,971</u>	214,857
<b>At the end of the year (Refer note 7 to the financial statements)</b>	<u><b>178,642</b></u>	<u>184,971</u>

*SD/-*

**Srinivasan Gopalakrishnan**  
Director

# **WIPRO BAHRAIN LIMITED W.L.L.**

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## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2017

### **1. Incorporation and principal activities**

**Wipro Bahrain Limited W.L.L.**, (the "Company"), was incorporated in the Kingdom of Bahrain as a Limited Liability Company, with the Ministry of Industry, Commerce and Tourism under the Commercial Registration Number 73168-01 obtained on 28 October 2009. Its registered office is at Flat 510, Building 2795, Road 2835, Block 428, Al Seef, Kingdom of Bahrain.

#### **Principal activities**

The Company is engaged in the business of import, export and sale of computer software and system suppliers, computer hardware and systems accessories, computer repair and maintenance, computer software design, development and maintenance and consultant for computer hardware and software. The revised activities as per the Ministry of Industry, Commerce and Tourism website are sale/trade of information, and communications equipment and related software, repair of computers and peripheral equipment, computer consultancy and computer facilities management activities and computer programming activities.

### **2. Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented in these financial statements unless otherwise stated.

#### **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Bahrain Commercial Companies Law (issued on June 20, 2001).

The financial statements have been drawn up from the accounting records of the company under the historical cost convention. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The financial statements are presented in Bahraini Dinars.

#### **New and amended IFRS adopted by the Company**

The financial statements have been drawn up based on accounting standards, interpretations and amendments effective at 1 January 2016. The Company has adopted the following new and revised Standards and Interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee, which were effective for the current accounting period:

Amendments to IAS 1 'Presentation of Financial Statements' issued in December 2014 are part of the disclosure initiative. The minor amendments address a number of areas which include the disclosure of significant accounting policies, the application of materiality to financial statements, presentation of sub-totals, information to be presented in the other comprehensive income section of the performance statement, and the structure of the notes to the financial statements.

Amendments to IFRS 11 'Joint Arrangements' issued in May 2014 provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments clarify that a joint operator that acquires an asset or group of assets in a joint operation that represents a business in accordance with IFRS 3, applies the principles in IFRS 3 in accounting for business combinations to the acquisition. This will result in separate recognition of goodwill if any arises on the acquisition. If the asset or group of assets acquired does not constitute a business the principles of IFRS 3 are not applied.

Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' were issued in May 2014. The amendments clarify the acceptable methods of depreciation and amortization.

# WIPRO BAHRAIN LIMITED W.L.L.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

### 2. Accounting policies (continued...)

#### New and amended IFRS adopted by the Company (continued)

Amendments to IAS 16 'Property, plant and equipment' and IAS 41 'Biological assets' were issued in June 2014. The amendments define a bearer plant and include bearer plants within the scope of IAS 16. Previously, bearer plants were not defined and bearer plants related to agricultural activity were included within the scope of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

Amendments to IAS 27 'Separate Financial Statements' issued in August 2014 permits the use of the equity method for investments in subsidiaries, associates and joint ventures when an entity prepares its separate financial statements.

Annual amendments to IFRSs (2012-2014 cycle) issued in September 2014 cover the following IFRSs and the related subject amendments in those standards:

*IFRS 5 – Change in the method of disposal from 'held for sale' to 'held for distribution' to be treated as a continuation of the original plan;*

*IFRS 7 - Clarifies that 'servicing contracts' create continuing involvement in the transferred financial asset if the service fee is contingent upon the timing and amount of cash flows;*

*IAS 19 - Discount rate under actuarial assumptions for employee benefits to be based at currency level and not at country level;*

Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' issued in December 2014 clarify the consolidation exception rule for investment entities.

The Management believes the adoption of the above and other amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements.

#### New and amended IFRS which are in issue but not yet effective

At the end of the reporting period, the following significant new and revised standards were in issue but not yet effective:

IFRS 15 'Revenue from Contracts with Customers' issued in May 2014 and related 'Clarifications to IFRS 15' issued in April 2016 establish principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related IFRICs 13, 15 and 18, and SIC-31. IFRS 15 is applicable for annual periods beginning on or after 1 January 2018. The standard is based on a 5 step approach to recognise revenue and also provides specific principles to apply, when there is a contract modification, when accounting for contract costs and when accounting for refunds and warranties. On application of the standard, the disclosures are likely to increase. The standard includes principles on disclosing the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, by providing qualitative and quantitative information.

IFRS 9, 'Financial Instruments' issued in July 2014 has an effective date of accounting periods beginning on or after 1 January 2018. IFRS 9 outlines the recognition, measurement and derecognition of financial assets and financial liabilities, the impairment of financial assets and hedge accounting. Financial assets are to be measured at amortised cost, fair value through profit and loss or fair value through other comprehensive income, with an irrevocable option on initial recognition to recognise some equity financial assets at fair value through other comprehensive income. The impairment model in IFRS 9 moves to one that is based on expected credit losses rather than the IAS 39 incurred loss model. The derecognition principles of IAS 39, 'Financial Instruments: Recognition and Measurement' have been transferred to IFRS 9. The hedge accounting requirements have been liberalised from that allowed previously. The requirements are based on whether an economic hedge is in existence, with less restriction about proving whether a relationship will be effective than current requirements.

# **WIPRO BAHRAIN LIMITED W.L.L.**

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## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2017

### **2. Accounting policies (continued...)**

#### **New and amended IFRS which are in issue but not yet effective (continued)**

IFRS 16 issued in January 2016 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with lessor accounting substantially unchanged from IAS 17. IFRS 16 is effective from 1 January 2019.

Amendments to IAS 7 'Statement of cash flows' issued in January 2016 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are applicable for annual periods beginning on or after 1 January 2017.

Amendments to IAS 12 'Income Taxes' issued in January 2016 are applicable for annual periods beginning on or after 1 January 2017. The amendments clarify that in order to compute a temporary difference, the carrying amount is compared to its tax base. In doing so, the entity should not consider how the related assets will be recovered (such as through sale), or the probability that any resulting deferred tax asset will be recoverable. The amendments also clarify that the estimation of taxable profit, against which deferred tax assets can be utilised, is a separate step. If it is considered probable that an asset will be realised at more than its carrying amount, this is reflected in the entity's estimate of future taxable profit. The tax deduction arising from the reversal of deferred tax assets will not be included in the estimated future taxable profit which is used to evaluate whether those assets are recoverable.

Amendments to IFRS 2 'Share based payment' issued in June 2016 introduced a number of changes and clarifications affecting IFRS 2 with effect for accounting periods beginning on or after 1 January 2018.

Amendments to IFRS 4 'Insurance Contracts' issued in September 2016 address concerns over the impact of IFRS 9 'Financial Instruments', where this will be implemented before the replacement of IFRS 4, which is still under development. An entity shall apply those amendments, which include permitting insurers that meet specified criteria to apply a temporary exemption from IFRS 9, for annual periods beginning on or after 1 January 2018.

The Management believes the adoption of the above amendments is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

#### **Revenue recognition**

Income from services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Sale of goods are recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, which is usually when the Company has sold or delivered the goods to the customer, the customer has accepted the goods and collectability of the related receivable is reasonably assured.

# WIPRO BAHRAIN LIMITED W.L.L.

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

### 2. Accounting policies (continued...)

#### **Non - derivative financial instruments**

Financial assets and liabilities are recognized in the statement of financial position when the company becomes a party to the contractual provisions of the instruments.

#### Cash and cash equivalents

For purposes of statement of cash flows, cash and cash equivalents comprise of cash at bank.

#### Accounts receivable

Accounts and other receivables are measured at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss when there is objective evidence that the asset is impaired.

#### Accounts payable and accruals

Accounts payable are recognized for amounts to be paid in the future for goods purchased or services availed, whether billed by the supplier or not.

#### **Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

#### **Employees' benefits**

Employee benefits and entitlements to annual leave, holiday and air passage are recognized as they accrue to the employees. The company contributes to the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain. This is a defined contribution pension plan and company's contributions are charged to the profit or loss for the year to which they relate. In respect of this plan, the Company has a legal obligation to pay the contributions as they fall due and no obligation exists to pay the future benefits.

The expatriate employees of the Company are paid termination indemnity in accordance with the provision of the Bahrain Labour Law. The Company accrues for their liability in this respect on an annual basis and disclosed in the financial statements as a non current liability.

#### **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight line method so as to write off the cost of each asset to its residual value over its estimated useful life. The major class of depreciable assets and their rate of depreciation are as follows:-

Machinery	50%
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The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the income statement of the Period in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the profit or loss.

# WIPRO BAHRAIN LIMITED W.L.L.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

### 2. Accounting policies (continued...)

#### Impairment of assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

#### Foreign currency translation

##### 1) Functional and presentation currency

Items included in the company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Bahraini Dinars (BHD), which is the company's functional and presentation currency.

##### 2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

#### Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

### 3. Financial instruments and risk management

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instruments. The table below set out the Company's classification of each class of financial assets and financial liabilities:

	<b>2017</b>	2016
	<b>BHD</b>	BHD
<u>Financial assets:</u>		
Trade receivable	<b>1,345,354</b>	1,383,335
Due from customers	<b>1,700,053</b>	818,507
Staff advances	<b>30,094</b>	13,836
Other receivable	<b>8,000</b>	5,116
Bank balance	<b>178,642</b>	184,971
	<b><u>3,262,143</u></b>	<u>2,405,765</u>
<u>Financial liabilities:</u>		
Accounts payable	<b>15,580</b>	57,806
Due to related parties	<b>398,660</b>	591,149
Accruals	<b>5,608</b>	6,744
Other payable	<b>5,841</b>	31,152
	<b><u>425,689</u></b>	<u>686,851</u>



# WIPRO BAHRAIN LIMITED W.L.L.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

### 3. Financial instruments and risk management (continued...)

#### Financial risk factors

The risk management policies employed by the company to manage the financial risks are discussed below:

#### 3.1) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting period. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

The maximum exposure to credit risk at the end of the reporting period was:

	2017	2016
	<u>BHD</u>	<u>BHD</u>
Trade receivable	1,345,354	1,383,335
Due from customers	1,700,053	818,507
Staff advances	30,094	13,836
Other receivable	8,000	5,116
Bank balance	178,642	184,971
	<u>3,262,143</u>	<u>2,405,765</u>

The ageing of trade receivable at the reporting date was:

	Gross 2017	Impairment 2017	Gross 2016	Impairment 2016
	<u>BHD</u>	<u>BHD</u>	<u>BHD</u>	<u>BHD</u>
Not past due	811,915	-	480,916	-
Past due, but not impaired	268,286	-	703,262	-
Past due & impaired	265,153	265,153	199,157	199,157
	<u>1,345,354</u>	<u>265,153</u>	<u>1,383,335</u>	<u>199,157</u>

#### 3.2) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Company's income or the value of its holdings of financial instruments.

#### 3.3) Interest risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of the changes in market interest rates as the Company has no significant interest-bearing assets.

#### 3.4) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company does not have any significant currency risk as the Company's transactions are mainly in US dollar and Bahraini Dinars which is effectively pegged to US dollar.

# WIPRO BAHRAIN LIMITED W.L.L.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

### 3. Financial instruments and risk management (continued...)

#### 3.5) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from inability to sell a financial asset quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available, to meet any future commitments.

2017	Carrying	Contractual	Within	6 to 12	More than
	amount	undiscounted	6 months	months	12 months
	BHD	BHD	BHD	BHD	BHD
Due to related parties	398,660	398,660	398,660	-	-
Accounts payable	15,580	15,580	15,580	-	-
Accruals	5,608	5,608	5,608	-	-
Other payable	5,841	5,841	5,841	-	-
	<u>425,689</u>	<u>425,689</u>	<u>425,689</u>	-	-
2016	Carrying	Contractual	Within	6 to 12	More than
	amount	undiscounted	6 months	months	12 months
	BHD	BHD	BHD	BHD	BHD
Due to related parties	591,149	591,149	591,149	-	-
Accounts payable	57,806	57,806	57,806	-	-
Accruals	6,744	6,744	6,744	-	-
Other payable	31,152	31,152	31,152	-	-
	<u>686,851</u>	<u>686,851</u>	<u>686,851</u>	-	-

### 4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### a) Useful life and residual value of property, plant and equipment

The Company reviews the useful life and residual value of property, furniture and equipment at each reporting date to determine whether an adjustment to the useful life and residual value is required. The useful life and residual value is estimated based on similar assets of the industry, and future economic benefit expectations of the management.

#### b) Provision for bad and doubtful debts

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through the statement of comprehensive income. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

# WIPRO BAHRAIN LIMITED W.L.L.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

### 5. Property, plant and equipment

	Machinery BHD	Total BHD
<b>Cost:</b>		
At 01 April 2015	936	936
Additions	337	337
At 31 March 2016/1 April 2016	<u>1,273</u>	<u>1,273</u>
Additions	2,733	2,733
At 31 March 2017	<u>4,006</u>	<u>4,006</u>
<b>Accumulated Depreciation:</b>		
At 01 April 2015	936	936
Charged during the year	-	-
At 31 March 2016/1 April 2016	<u>936</u>	<u>936</u>
Charged during the year	969	969
At 31 March 2017	<u>1,905</u>	<u>1,905</u>
<b>Net book value:</b>		
At 31 March 2017	<u>2,101</u>	<u>2,101</u>
At 31 March 2016	<u>337</u>	<u>337</u>

### 6. Accounts and other receivable

	2017 BHD	2016 BHD
Accounts receivable	1,345,354	1,383,335
Less: Provision for doubtful debts	(265,153)	(199,157)
Net accounts receivable	<u>1,080,201</u>	<u>1,184,178</u>
Due from customers	1,700,053	818,507
Advance to staff	30,094	13,836
Advance for office renovation	-	3,328
Prepayments	10,885	9,781
Other receivable	8,000	5,116
	<u>2,829,233</u>	<u>2,034,746</u>

### 7. Bank balance

	2017 BHD	2016 BHD
HSBC Bank - current account	28,642	84,971
HSBC Bank - fixed deposit	150,000	100,000
	<u>178,642</u>	<u>184,971</u>

### 8. Share capital

	Share Percentage	Number of Shares	2017 BHD	2016 BHD
Wipro Cyprus Limited	3%	30	1,500	1,500
Wipro Singapore Pte Limited	97%	970	48,500	48,500
	<u>100%</u>	<u>1,000</u>	<u>50,000</u>	<u>50,000</u>

The share capital of the Company consists of 1000 shares at BHD.50/- each.

# WIPRO BAHRAIN LIMITED W.L.L.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

### 9. Statutory reserve

Under the provisions of Bahrain Commercial Companies Law 21/2001, an amount equivalent to 10% of the company's net profit before appropriations is required to be transferred to a non distributable reserve account until such time an amount equal to 50% of the share capital is set aside. As the requirement per law has been met no such amount has been transferred during the year.

### 10. Employees' terminal benefit

	2017	2016
	<u>BHD</u>	<u>BHD</u>
Balance - At 01 April	68,964	47,081
Provision during the year	59,387	63,006
Paid during the year	<u>(35,344)</u>	<u>(41,123)</u>
Balance - At 31 March	<u>93,007</u>	<u>68,964</u>

### 11. Accounts and other payable

	2017	2016
	<u>BHD</u>	<u>BHD</u>
Accounts payable	15,580	57,806
Advance from customers	10,388	671
Provision for leave salary	75,400	63,284
Accrued expenses	5,608	6,744
Deferred revenue	57,381	25,802
Other payable	<u>5,841</u>	<u>31,152</u>
	<u>170,198</u>	<u>185,459</u>

### 12. Related party balances and transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These represent transactions with shareholders, directors and key management of the Company, and entities in which they have significant influence or control.

#### 12.1) Due to related parties

	2017	2016
	<u>BHD</u>	<u>BHD</u>
Wipro Limited, India	397,408	562,027
Wipro Arabia Limited, Saudi Arabia	-	27,870
Wipro Information Technology Egypt SAE, Egypt	<u>1,252</u>	<u>1,252</u>
	<u>398,660</u>	<u>591,149</u>

The amounts due to related parties are unsecured, interest free and have no specific repayment terms.

#### 12.2) Related party transactions

		2017	2016
	<u>Nature of transactions</u>	<u>BHD</u>	<u>BHD</u>
a) Wipro Arabia Limited, Saudi Arabia	Expenses of the Company met by the party	-	937
	Funds transferred to the party	27,870	6,518
	Funds transferred from the party	<u>-</u>	<u>153,844</u>

## **WIPRO BAHRAIN LIMITED W.L.L.**

### **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2017

#### **12. Related party balances and transactions (continued...)**

##### **12.2) Related party transactions (continued...)**

b) Wipro Limited, India	Services availed from the party	<b>461,651</b>	427,703
	Expenses of the Company met by the party	<b>96,182</b>	106,501
	Payments made to the party in relation to services availed	<b>702,089</b>	4,142
	Funds transferred to the party	<b>20,363</b>	-
c) Wipro Information Technology Egypt SAE, Egypt	Dividend declared to the party	-	245,059
	Payments made to the party	-	379,193

#### **13. General and administration expenses**

	<b>2017</b>	2016
	<b>BHD</b>	BHD
Staff cost	<b>314,050</b>	432,095
Rent	<b>15,720</b>	15,247
Communication	<b>3,769</b>	9,850
Printing and stationery	<b>642</b>	2,444
Insurance	<b>64,559</b>	53,251
Legal and professional	<b>8,063</b>	5,621
Renovation expense	<b>6,757</b>	-
Other expenses	<b>3,925</b>	13,812
	<b>417,485</b>	532,320

#### **14. Rounding off of figures**

All figures have been rounded off to the nearest Bahraini Dinars.

#### **15. Contingent liability**

The amount of contingent liabilities of the Company as on 31 March 2017 are as follows:

Tender bonds - BHD.100/-

Performance Bonds - BHD. 596,430/-

Except for the above, as at 31 March 2017, there were no contingent liabilities arising in the ordinary course of the business, which are expected to give rise to any material loss.

#### **16. Events after reporting period**

As per the board resolution of Wipro Singapore Pte Limited dated 17 August 2015, all of the shares owned by Wipro Singapore Pte Limited which represents a 97% shareholding in the Company have been transferred to Wipro Enterprises Cyprus Limited. The Company's memorandum has been amended to reflect the change in ownership of the shares on 05 April 2017. Except for this, there were no other events after the reporting period, which have a bearing on the understanding of the financial statements.

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