WIPRO GULF LLC

Financial statements for the year ended 31 March 2018

Contents	**Page Number**

Wipro Gulf LLC
Administration and contact details as at 31 March 2018

Commercial registration number	1092545
Members	Wipro Cyprus Private Limited Wipro Information Technology Netherlands
Registered office	P O Box 137 Postal Code 102 Muscat Sultanate of Oman
Banker	HSBC Bank Oman
Auditors	BDO Suites 601 & 602 Penthouse, Beach One Bldg. Way Number 2601, Shatti Al Qurum PO Box 1176, PC 112, Ruwi Muscat Sultanate of Oman

Independent auditor's report to the members of Wipro Gulf LLC

Opinion
We have audited the financial statements of Wipro Gulf LLC ("the Company"), which comprise the statement of financial position as at 31 March 2018, the statement of profit or loss and other comprehensive income, the statement of changes in members' equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of 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 2018, and of its financial performance 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 the ethical requirements that are relevant to our audit of the financial statements in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and 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.

Other matters
The financial statements of the Company for the year ended 31 March 2017 were audited by another auditor, who expressed an unqualified opinion on those financial statements dated 25 September 2017.

Responsibilities of the management for the financial statements
The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Company's financial reporting process.

Independent auditor's report to the members of Wipro Gulf LLC (continued)

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 ISA's, 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 the 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 management 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.

Independent auditor's report to the members of Wipro Gulf LLC (continued)

Report on other legal and regulatory requirements

Further, as required by the Commercial Companies Law 1974, as amended, of the Sultanate of Oman, we report that:

1. We have obtained all the information we considered necessary for the purpose of our audit; and

2. the Company has maintained proper books of account and the financial statements are in agreement therewith.

In addition, we report that, nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Commercial Companies Law 1974, as amended, of the Sultanate of Oman which would materially affect its activities, or its financial position as at 31 March 2018.

For BDO LLC
Public Accounts & Management Consultants

Sd / -
Per Bipin Kapur
Partner

Place: Muscat
Date: 06 Jun 2018

WIPRO GULF LLC
Statement of financial position as at 31 March 2018
(Expressed in Omani Rial)

	Notes	2018	2017
ASSETS			
Non-current assets			
Long-term portion of prepayments	7	80,969	101,076
Total non-current assets		80,969	101,076
Current assets			
Trade and other receivables	7	3,293,147	2,220,910
Cash and cash equivalents	8	6,321,798	2,297,258
Total current assets		9,614,945	4,518,168
Total assets		9,695,914	4,619,244
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	9	150,000	150,000
Legal reserve	18	50,000	50,000
Retained earnings		5,175,848	2,203,650
Total capital and reserves		5,375,848	2,403,650
Non-current liabilities			
Employees' terminal benefits	10	48,419	31,879
Total non-current liabilities		48,419	31,879
Current liabilities			
Trade and other payables	11	3,750,704	2,008,471
Income tax payable	17	520,943	175,244
Total current liabilities		4,271,647	2,183,715
Total equity and liabilities		9,695,914	4,619,244

These financial statements, as set out on pages 5 to 31, were approved and authorised for issue by the members on____________________and signed on their behalf by:

Sd/ -
Amit Koul
Member

Place: Muscat

Date: 06 Jun 2018

WIPRO GULF LLC
Statement of profit or loss and other comprehensive income for the year ended 31 March 2018
(Expressed in Omani Rial)

	Notes	2018	2017
Revenue		14,684,672	9,967,070
Cost of turnover	12	(10,299,576)	(7,253,607)
Gross profit		4,385,096	2,713,463
Other income		18,982	-
		4,404,078	2,713,463
Expenses			
General and administrative expenses	13	(506,806)	(708,642)
Business and promotion expenses	14	(95,451)	(274,310)
Foreign exchange losses, net		(44,288)	-
Finance costs	15	(270,926)	(270,969)
		(917,471)	(1,253,921)
Net profit before tax for the year		3,486,607	1,459,542
Income tax expense	17	(514,409)	(169,156)
Net profit after tax and total comprehensive income for the year		2,972,198	1,290,386

WIPRO GULF LLC
Statement of changes in members' equity for the year ended 31 March 2018
(Expressed in Omani Rial)

	Share capital	**Legal reserve**	**Retained earnings**	**Total**
At 31 March 2016	150,000	50,000	1,913,264	2,113,264
Net profit after tax and total comprehensive income for the year	-	-	1,290,386	1,290,386
Dividends paid during the year	-	-	(1,000,000)	(1,000,000)
At 31 March 2017	150,000	50,000	2,203,650	2,403,650
Net profit after tax and total comprehensive income for the year	-	-	2,972,198	2,972,198
At 31 March 2018	150,000	50,000	5,175,848	5,375,848

WIPRO GULF LLC
Statement of cash flows for the year ended 31 March 2018
(Expressed in Omani Rial)

	Notes	2018	2017
Operating activities			
Net profit after tax for the year		2,972,198	1,290,386
Adjustments for:			
Interest income		(18,983)	-
Unrealised foreign exchange gain		(789)	-
Depreciation	6	-	4,339
Income tax provision		514,409	169,156
Finance costs	15	270,926	270,969
Provision for employees' terminal benefits		16,540	10,633
Operating profit before changes in working capital		3,754,301	1,745,483
Changes in operating assets and liabilities			
Trade and other receivables		(1,051,340)	332,078
Trade and other payables		1,745,474	(1,457,360)
Cash provided by operating activities		4,448,435	620,201
Income tax paid		(171,952)	(281,507)
Net cash provided by operating activities		4,276,483	338,694
Investing activities			
Interest income received		18,983	-
Net cash provided by investing activities		18,983	-
Financing activities			
Dividends paid		-	(1,000,000)
Finance costs paid	15	(270,926)	(270,969)
Net cash used in financing activities		(270,926)	(1,270,969)
Net increase/(decrease) in cash and cash equivalents		4,024,540	(932,275)
Cash and cash equivalents at the beginning of the year		2,297,258	3,229,533
Cash and cash equivalents at the end of the year		6,321,798	2,297,258

Disclosure as required by IAS 7 "Statement of Cash Flows" has been shown in Note 24 to the financial statements.

1 Legal status and activities

WIPRO Gulf LLC ("the Company") is a limited liability company registered with the Ministry of Commerce and Industry in accordance with the provisions of the Commercial Companies Law 1974, as amended, of the Sultanate of Oman. The registered address of the Company is at P O Box 137, Postal Code 102, Muscat, Sultanate of Oman.

The principal activities of the Company include system analysis, designing and programming of special programmes, development of computer network and maintenance and design of websites.

The Company is heavily reliant on 1 customer, who constitutes 71 percent (2017: 88 percent) of the total revenue.

The financial statements were approved for issue by the members on 6 June 2018.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as promulgated by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and the requirements of the Commercial Companies Law 1974, as amended, of the Sultanate of Oman.

Basis of preparation

The financial statements have been prepared on the historical cost basis and the going concern assumption. Historical cost is generally based on the fair value of consideration given in exchange for assets. The preparation of financial statements is in conformity with IFRS that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

Functional currency

These financial statements are presented in Omani Rial which is the functional and reporting currency of the Company.

3 Adoption of new and revised IFRS

Improvements/amendments to IFRS/IAS 2014/2016 cycle

Improvements/amendments to IFRS/IAS issued in 2014/2016 cycle contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company's annual audited financial statements beginning on or after 1 April 2017 and subsequent periods with earlier adoption permitted. No material changes to accounting policies are expected as a result of these amendments.

3 Adoption of new and revised IFRS (continued)

Standards, amendments and interpretations effective and adopted in the year 2017-18

The following new standards, amendment to existing standards or interpretations to published standards are mandatory for the first time for the financial year beginning 1 April 2017 and have been adopted in the preparation of the financial statements:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
IAS 7	Statement of Cash Flows	1 January 2017
IAS 12	Income Taxes	1 January 2017

The amendments to IAS 7 "Statement of Cash Flows" are part of the IASB's Disclosure Initiative and requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. Additional disclosure has been made in the notes to the financial statements to adopt this amendment.

The amendments to IAS 12 "Income Taxes" clarifies that an entity needs to consider whether tax laws restrict the sources of taxable profits against which it may take deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profits may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings, without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments in IAS 12 do not have any impact on the financial statements of the Company.

Standards, amendments and interpretations issued and effective in the year 2017-18 but not relevant

The following new standards, amendments to existing standards and interpretations to published standards are mandatory for accounting periods beginning on or after 1 April 2017 or subsequent periods, but are not relevant to the Company’s operations:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
IFRS 12	Disclosure of Interests in Other Entities	1 January 2017

IFRS 12 "Disclosure of Interests in Other Entities" states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified as held for sale). The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

The application of these amendments are not relevant to the Company’s financial statements as the Company does not have interest in other entities.

3 Adoption of new and revised IFRS (continued)

Standards, amendments and interpretations issued but not yet effective in the year 2017-18

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for the year ended 31 March 2018. They have not been adopted in preparing the financial statements for the year ended 31 March 2018, but may affect the Company in the period of initial application. In all cases, the Company intends to apply these standards from the application date as indicated in the table below.

Standard or Interpretation	Title	Effective for annual periods beginning on or after
IFRS 10	Consolidated Financial Statements	1 January 2018
IAS 28	Investments in Associates and Joint Ventures	1 January 2018
IAS 40	Investment Property	1 January 2018
IFRS 2	Share-based Payments	1 January 2018
IFRS 4	Insurance Contracts	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance Contracts	1 January 2021
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019

(i) The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

(ii) The amendments to IAS 40, "Investment Property", clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in IAS 40 may evidence a change in use, and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

The amendments are effective for annual periods beginning on or after 1 April 2018 with earlier application permitted. Entities can apply the amendments either retrospectively (if this is possible without the use of hindsight) or prospectively. Specific transition provisions will apply.

3 Adoption of new and revised IFRS (continued)

Standards, amendments and interpretations issued but not yet effective in the year 2017-18 (continued)

(iii) The amendments to IFRS 2, "Share Based Payments" clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

i) the original liability is derecognised;

ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and

iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1 April 2018 with earlier application permitted. Specific transition provisions will apply.

(iv) IFRS 9 "Financial Instruments" has an effective date for accounting periods beginning on or after 1 January 2018 now that it has been finalised. 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.

(v) IFRS 15, 'Revenue from Contracts with Customers' issued in May 2014 establishes 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, accounting for contract costs and accounting for refunds and warranties. On application of the standard, the disclosures are likely to increase for the Company.

(vi) 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.

3 Adoption of new and revised IFRS (continued)
Standards, amendments and interpretations issued but not yet effective in the year 2017-18 (continued)

(vii) IFRS 17, "Insurance Contracts" requires entities to identify portfolios of insurance contracts, which comprises contracts that are subject to similar risks and are managed together. Each portfolio of insurance contracts issued shall be divided into a minimum of three groups:

- A group of contracts that are onerous at initial recognition, if any;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- A group of the remaining contracts in the portfolio, if any.

An entity is not permitted to include contracts issued more than one year apart in the same group. Furthermore, if a portfolio would fall into different groups only because law or regulation constrains the entity's practical ability to set a different price or level of benefits for policyholders with different characteristics, the entity may include those contracts in the same group.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2021. Earlier application is permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied.

An entity shall apply the standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

At the date of initial application of the standard, those entities already applying IFRS 9 may retrospectively re-designate and reclassify financial assets held in respect of activities connected with contracts within the scope of the standard.

(viii) IFRIC 22, "Foreign Currency Transactions and Advance Consideration", addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

IFRIC 22 is effective for annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted.

(ix) IFRIC 23, "Uncertainty over Income Tax Treatments", states the following:

<u>Whether tax treatments should be considered collectively</u>

- An entity is required to use judgment to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty.

3 Adoption of new and revised IFRS (continued)

Standards, amendments and interpretations issued but not yet effective in the year 2017-18 (continued)

Assumptions for taxation authorities' examinations

- An entity is to assume that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

- An entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

Determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.

If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

Effect of changes in facts and circumstances

- An entity has to reassess its judgments and estimates if facts and circumstances change.

- IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

The Company is assessing the impact on the operational results of the Company for the year ended 31 March 2018, had the Company early adopted any of the above standards applicable to the Company.

Early adoption of amendments or standards in the year 2017-18

The Company did not early-adopt any new or amended standards in the year ended 31 March 2018.

4 Summary of significant accounting policies

A summary of the significant accounting policies adopted in the preparation of these financial statements is set out below. These policies have been adopted for all the years presented, unless stated otherwise.

(a) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4 Summary of significant accounting policies (continued)

(a) Financial instruments (Continued)

The financial assets includes loans and receivables. These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(b) Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities (including trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(c) Foreign currencies

Rial Omani (RO) is the functional and presentation currency of the Company. Any currency other than the functional currency is considered as a foreign currency. Transactions in foreign currencies are translated to Rial Omani at the rate of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Rial Omani using the closing rate at the reporting date. Gains and losses arising from foreign currency transactions are dealt with in profit or loss.

(d) Cash equivalents

For the purposes of the statement of cash flows, the Company considers banks balances and bank deposits with a maturity of less than three months from the date of placement to be part of cash and cash equivalents.

(e) Impairment

Financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or

4 Summary of significant accounting policies (continued)

(e) Impairment (continued)

- it becoming probable that the counterparty will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

Non-financial assets

At end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the value of money and the risks specific to the assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount and the increase is recognised as income immediately, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised earlier.

4 Summary of significant accounting policies (continued)

(f) Legal reserve

As required by the Commercial Companies Law of Oman, 10% of the profit for the year is required to be transferred to legal reserve until such time as the reserve equals one third of the Company's paid- up share capital.

(g) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(h) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation 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. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Provision for end-of-service benefits

The Company provides end-of-service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' last drawn salary and length of service, subject to the completion of a minimum service year. The expected costs of these benefits are accrued over the year of employment in accordance with the provisions of the Omani Labour Law.

With respect to its Omani employees, the Company makes contributions to the Public Authority for Social Insurance under Royal Decree 72/91 calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

(j) Short-term employee benefit

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(k) Taxation

Taxation is provided for in accordance with the Sultanate of Oman's fiscal regulations.

Current tax is the expected tax payable on the taxable income for the year, using tax-rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of the previous year.

Deferred taxation is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts.

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

4 Summary of significant accounting policies (continued)

(k) Taxation (continued)

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised.

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.

(l) Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of discounts. Revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

The method of recognizing the revenues and costs depends on the nature of the services rendered:

a. Time and material contracts
Revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

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. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in profit or loss in the period in which such losses become probable based on the current contract estimates. ‘Due from customers in respect of contracts in progress’ represents costs and earnings in excess of billings as at the end of the reporting period. ‘Due to customers in respect of contracts in progress’ 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 unutilised by the customer is recognised as revenue on completion of the term.

d. Cost plus contracts
Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bears to the estimated total costs of the contract.

4 Summary of significant accounting policies (continued)

(m) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical costs include expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over the estimated useful lives of the assets as follows:

Description	**Years**
Furniture and fixtures	4
Computer and office equipment	4

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Capital work-in-progress is not depreciated until the asset is ready to use.

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount and an impairment loss is recognised in the profit or loss.

Gains and losses on disposals of property and equipment are determined by reference to their carrying amount and sale proceeds and are recognised within other operating income in profit or loss.

(n) Trade receivables

Trade receivables are carried at their anticipated realisable values. An estimate is made for impaired trade receivables when it is no longer probable that the amounts outstanding would be collected in full. Impaired trade receivables are written-off in the year in which they are identified.

(o) Trade payables

Trade payables are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

(p) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on certain methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4 Summary of significant accounting policies (continued)

(p) Determination of fair values (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

5 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the resultant provisions and changes in fair value for the period. Such estimates are necessarily based on assumptions about several factors involving varying, and possibly significant, degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Management evaluates these estimates and assumptions on an ongoing basis.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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. To date, the Company has not incurred a material loss on any fixed price fixed time frame contract.

5 Critical accounting judgments and key sources of estimation uncertainty (continued)

Useful lives of property and equipment

Depreciation is charged so as to write-off the cost of assets over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

Impairment of financial assets

The Company reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets are impaired. In making the assessment of impairment, assets that do not generate independent cash flows are allocated to an appropriate cash-generating unit. Management necessarily applies its judgment in allocating assets that do not generate independent cash flows to an appropriate cash-generating units, and also in estimating the timing and value of the underlying cash flows within the value-in-use calculation. Subsequent changes to the cash-generating unit allocation or to the timing of cash flows could impact the carrying value of the respective assets.

Provisions

The Company creates a provision for impaired trade receivables to account for estimated losses resulting from the inability of customers to make the required payments. At 31 March 2018, the provision required for impaired trade receivables amounted to Rial 7,352 (2017: Rial Nil). When evaluating the adequacy of the provision for impaired trade receivables, management bases its estimate on current overall economic conditions, ageing of the trade receivable balances, historical write-off experience, customer creditworthiness and changes in payment terms. Changes in the economy, industry or specific customer conditions may require adjustments to the provision for impaired trade receivables recorded in the financial statements.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Going concern

The management of the Company reviews the financial position of the Company on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the members of the Company ensure that they provide adequate financial support to fund the requirements of the Company to ensure the going concern status of the Company.

6 Property and equipment

	Furniture and fixtures	Computer and office equipment	Total
2018			
Cost			
At 31 March 2017 and			
at 31 March 2018	30,000	18,619	48,619
Accumulated depreciation			
At 31 March 2017 and			
at 31 March 2018	30,000	18,619	48,619
Net book amount			
At 31 March 2018	-	-	-
2017			
Cost			
At 31 March 2016 and			
at 31 March 2017	30,000	18,619	48,619
Accumulated depreciation			
At 31 March 2016	30,000	14,280	44,280
Charge for the year (Note 13)	-	4,339	4,339
At 31 March 2017	30,000	18,619	48,619
Net book amount			
At 31 March 2017	-	-	-

The Company operates from premises leased at a monthly rent of Rial 2,423 (2017: Rial 2,423 per month).

7 Trade and other receivables

	2018	2017
Trade receivables	2,575,893	1,816,545
Less: provision for impaired trade receivables	(7,352)	-
	2,568,541	1,816,545
Due from customers in respect of contracts in progress	664,470	284,107
Due from a related party (Note 16)	-	65,560
Prepayments (Note 7.1)	60,136	54,698
	3,293,147	2,220,910

7 Trade and other receivables (continued)

The age analysis of unimpaired trade receivables is as follows :	**2018**	**2017**
Up to 6 months	2,507,381	1,754,624
6 to 12 months	28,047	61,921
More than 12 months	33,113	-
	2,568,541	1,816,545

The trade receivables are generally on 30 to 60 days credit terms.

Trade receivables outstanding for more than 12 months are considered as past due, but not impaired. The management believes that these are recoverable in full.

The creation and release of provision for impaired trade receivables have been included in the statement of profit or loss and other comprehensive income. Amounts charged to the provision account are generally written-off, when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

The movement in provision for impaired trade receivables is as follows:	**Year ended 31 March 18**	**Year ended 31 March 17**
Provision for the year and closing balance	7,352	-

7.1 Prepayments have been segregated between current and non-current portion as follows:

	2018	**2017**
Short-term portion of prepayment	60,136	54,698
Long-term portion of prepayment	80,969	101,076
	141,105	155,774

8 Cash and cash equivalents

	2018	**2017**
Cash at bank	1,321,798	297,258
Bank deposits with maturity of less than three months from the date of placement	5,000,000	2,000,000
	6,321,798	2,297,258

The current account balances with banks are non-interest bearing.

Bank deposits amounting to RO 5,000,000 (2017: RO 2,000,000) are denominated in Rial Omani. Bank deposits carry interest rates of 0.95% per annum (2017: 0.58% to 0.90% per annum).

As the original maturity period of the fixed deposits does not exceeds 12 months, these deposits are classified as a part of current assets.

9 Share capital

The share capital, as registered with the Ministry of Commerce and Industry, is Rial 150,000 (2017: Rial 150,000), comprising of 150,000 shares of Rial 1 each (2017: 150,000 shares of Rial 1 each).

A break-down of the share capital as at 31 March 2018 and 2017 is as set out below:

	2018		2017	
	%	Amount	%	Amount
Wipro Cyprus Private Limited	99.90	149,850	99.90	149,850
Wipro Information Technology Netherlands	0.10	150	0.10	150
	100	150,000	100	150,000

10 Employees' terminal benefits

	2018	2017
Opening balance	31,879	21,246
Provision for the year	16,540	10,633
Closing balance	48,419	31,879

Total number of employees as at 31 March 2018 are 58 (2017: 37 employees).

11 Trade and other payables

	2018	2017
Trade payables	452,679	122,717
Due to related parties (Note 16)	1,103,733	209,637
Accrued expenses (Note 11.1)	1,952,429	1,518,639
Other payables	241,863	157,478
	3,750,704	2,008,471

Trade payables are generally settled within 90 days of the suppliers' invoice date.

Amounts due to members are unsecured, have no fixed repayment terms and are interest-free.

11.1 Accrued expenses are payable towards those expenses, specifically cost of projects, for which invoices are not received as of 31 March 2018, which mainly includes sub-contract costs.

12 Cost of turnover

	Year ended 31 March 2018	Year ended 31 March 2017
Cost of materials consumed	223,751	46,829
Staff expenses	1,729,946	807,454
Sub-contract costs	8,211,261	6,275,546
Miscellaneous expenses	134,618	123,778
	10,299,576	7,253,607

13 General and administrative expenses

	Year ended 31 March 2018	Year ended 31 March 2017
Corporate overheads	205,819	35,818
Staff expenses	163,171	521,077
Telephone expenses	65,592	83,973
Rent	30,682	31,002
Professional services	17,809	13,572
Travel expenses	8,996	16,551
Provision for impaired trade receivables	7,351	-
Postage expenses	3,059	999
Depreciation (Note 6)	-	4,339
Miscellaneous expenses	4,327	1,311
	506,806	708,642

14 Business and promotion expenses

	Year ended 31 March 2018	Year ended 31 March 2017
Staff expenses	69,010	255,546
Travel expenses	20,482	11,981
Miscellaneous expenses	5,959	6,783
	95,451	274,310

15 Finance costs

	Year ended 31 March 2018	Year ended 31 March 2017
Commission on performance guarantee	270,926	270,969

16 Related party transactions and balances

Related parties comprise the members, directors, holding company and fellow subsidiaries in the group, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

The Company maintains significant balances with these related parties which arise in the normal course of business from the commercial transactions, and are entered into at terms and conditions which are approved by the management.

The following is a summary of significant balances with related parties which are included in the financial statements:

	2018	2017
Receivable from a related party (Note 7)		
Wipro UK Limited (Oman Branch)	-	65,560

16 Related party transactions and balances (continued)

Due to related parties (Note 11)

	2018	2017
Wipro Limited – InfoTech	-	37,092
Wipro Limited - Technologies	1,032,607	101,640
Wipro Corporate	68,017	67,828
Wipro Travel Services Limited	3,109	3,077
	1,103,733	209,637

The following is a summary of significant transactions with related parties during the year:

	Year ended 31 March 2018	Year ended 31 March 2017
Corporate Head Office allocation	205,819	35,818
Sub-contract charges	693,805	-
Dividends paid to Wipro Cyprus Private Limited	-	1,000,000
Expenses incurred by the Company on behalf of a related party	18,595	77,090
Commission on performance guarantee provided by Wipro Ltd	270,926	270,969
Expenses paid on behalf of the Company by related parties	46,230	244,135

Wipro Limited (the “ultimate parent company”) has provided performance guarantee to Petroleum Development Oman LLC on behalf of the Company, to the extent of the contract value of US $ 140,753,755 and remains valid until such time that all duties of the Company under the contract have been fully and completely performed, including those evolving from warranties, until 31 December 2019 (if there is no extension to the contract period), whichever is earlier and the liability of Wipro Limited shall be limited in accordance to the contract.

17 Taxation

Provision for income tax has been made after giving due consideration to adjustments for potential allowances and disallowances. The Company's assessment is yet to be taken up by the tax department. The management considers that the amount of additional taxes, if any, that may become payable in relation to the tax years for which assessments are pending would not be material to the Company's financial position as at 31 March 2018.

	2018	2017
Income tax recognised in profit or loss:		
Current tax	514,409	172,139
Deferred tax	-	(2,983)
	514,409	169,156

The Company is liable to income tax in accordance with the income tax laws of the Sultanate of Oman at the enacted tax rate of 15% (31 March 2017 - 12% in excess of RO 30,000) on taxable income.

17 Taxation (continued)

The movement in current tax provision is as under:

	2018	2017
At 1 April	175,244	284,612
Charge for the year	514,409	172,139
Payments made during the year	(168,712)	(281,507)
At 31 March	520,941	175,244

The following is a reconciliation of income taxes calculated on accounting profits at the applicable tax rate with the income tax expense for the year:

	2018	2017
Accounting profit before tax	3,486,607	1,459,542
Tax on accounting profit before tax at 15%		
(FY 2016-17 Tax at 12% after tax limit of RO 30,000	522,991	171,545
Add / (less) tax effect of:		
Non-deductible expenses	118	594
Prior year tax reversal	(8,700)	(2,983)
Tax charge as per statement of profit or loss	514,409	169,156

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2017: 12%). The net deferred tax liability in the statement of financial position and the net deferred tax charge to the profit or loss are attributable to the following items:

31 March 2017	At 1 April 2016	Charge for the year	At 31 March 2017
Deferred tax liability:			
Property and equipment	178	(178)	-
Unrealised foreign exchange losses	2,805	(2,805)	-
	2,983	(2,983)	-

18 Legal reserve

In accordance with the provisions of the Commercial Companies Law 1974, as amended, an amount equivalent to 10 % of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of one-third of the share capital is set aside. As this requirement has already been met, no amount has been transferred to the legal reserve for the year ended 31 March 2018 (2017: Rial Nil).

19 Contingent liabilities

	2018	2017
Advance payment and performance bonds	987,203	330,262

20 Financial risk management

(a) Financial assets and Liabilities

Financial assets and liabilities carried in the statement of financial position include cash and cash equivalents, trade and other receivables, long-term portion of prepayments and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(b) Risk management

Risk management is carried out by the Finance Department under policies approved by the management. The Finance Department identifies, evaluates and manages financial risks in close co-operation with the management. The Company provides principals for overall risk management, as well as policies covering specific areas.

(c) Capital management

The primary objective of the management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise members' value. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 March 2018 and 2017.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within trade and other payables, less cash and cash equivalents. Capital includes share capital, reserves and retained earnings.

	2018	2017
Trade and other payables	3,750,701	2,008,471
Less: cash and cash equivalents	(6,321,798)	(2,297,258)
Net debt	(2,571,097)	(288,787)
Share capital	150,000	150,000
Legal reserve	50,000	50,000
Retained earnings	5,175,848	2,203,650
Total capital	5,375,848	2,403,650
Total capital and net debt	2,804,751	2,114,863
Gearing ratio	-	-

As the Company has a negative net debt at 31 March 2018 and 2017, gearing ratio has not been calculated.

In addition, the Company's activities expose it to a variety of financial risks: market risk (including currency rate risk, interest rate risk and price risk), credit risk and liquidity risk.

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

20 Financial risk management (continued)

(d) Market risk (continued)

(i) Foreign currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to US Dollars, UAE Dirhams, UK Pound Sterling and Indian Rupees.

For foreign currency transactions that are either in US Dollars or in currencies linked to the US Dollar, the management believes that should these currencies weaken or strengthen against the Rial Omani there would be an insignificant or no impact on the profits for the year of the Company.

(ii) Interest rate risk

The Company's interest rate risk arises from bank deposits, which are exposed, to changes in market interest rates. The Company places deposits with commercial banks at commercial rates of interest. Short-term deposits are valued at amortised cost and at fixed rates of interest and, accordingly, not sensitive to the short-term changes in the applicable interest rates.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company has no equity investments which can give exposure to price risk.

(e) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables.

Exposure to credit risk

The carrying amount of each financial asset in the statement of financial position represents the maximum exposure to credit risk.

The Company's bank accounts are placed with reputed financial institutions.

The Company's exposure to credit risk from trade receivables is influenced mainly by the individual characteristics of each customer. The Company has established credit policies and procedures that are considered appropriate and commensurate with the nature and size of receivables.

The exposure to credit risk at the reporting date was on account of:

	2018	2017
	RO	RO
Cash and cash equivalents	6,321,798	2,297,258
Trade receivables	2,568,541	1,816,545
Receivables from a related party	-	65,560
	8,890,339	4,179,363

20 Financial risk management (continued)
(e) Credit risk (continued)

The age of trade receivables at the reporting date was:

	31 March 2018		31 March 2017	
	Gross	Impairment	Gross	Impairment
Not past due	1,978,055	-	1,136,808	-
Past due				
Past due 0-60 days	466,055	-	558,235	-
More than 60 days	131,785	7,354	121,503	-
	2,575,895	-	1,816,546	-

Included in the Company's trade receivable balance are debtors with a carrying amount of RO 597,840 (31 March 2017: RO 679,738) which are past due at the end of reporting period for which the Company has provided as per company policy and there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

(f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities:

	31 March 2018		31 March 2017	
	Carrying amount	12 months or less	Carrying amount	12 months or less
Non-interest bearing				
Due to related parties	1,103,733	1,103,733	209,637	209,637
Trade payables	452,679	452,679	122,717	122,717
Accrued expenses	1,952,429	1,952,429	1,518,639	1,518,639
	3,508,841	3,508,841	1,850,993	1,850,993

21 Fair value of financial assets and liabilities

Financial instruments consist of financial assets and liabilities. Financial assets and liabilities carried on the statement of financial position include cash and cash equivalents, trade and other receivables and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The fair value of financial assets and liabilities approximates their carrying value in the statement of financial position.

22 Subsequent events

There were no events occurring subsequent to 31 March 2018 and before the date of the report that are expected to have a significant impact on these financial statements.

23 Comparative figures

Certain comparative figures for the previous year have been either regrouped or reclassified, wherever necessary, in order to conform with the presentation adopted in the current year. Such reclassifications do not affect previously reported net profit or members' equity.

24 Notes supporting statement of cash flows

Transactions from financing activities shown in the reconciliation of liabilities from financing transactions is as follows:

Particulars	1 April 18	Cash flows	Non-cash changes			31 March 18
			Acquisition	Foreign exchange movement	Fair value changes	
Finance costs paid	-	(270,926)	-	-	-	(270,926)