

WIPRO BAHRAIN LIMITED W.L.L.
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

WIPRO BAHRAIN LIMITED W.L.L.
REPORT AND FINANCIAL STATEMENTS
31 March 2018

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WIPRO BAHRAIN LIMITED W.L.L.

CORPORATE PROFILE

Commercial Registration Number	: 73168-01
Shareholders	: Wipro Cyprus Private Limited Wipro Enterprises Cyprus 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

The Board of Directors presents its annual report and audited financial statements of the Company for the year ended March 31, 2018.

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 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. 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.

Events after the reporting period

As per the resolution passed at the extra ordinary general meeting of the shareholders held on 11 June 2018, Mr. Srinivasan Gopalakrishnan has resigned from the board position of the Company and Mr. Soumitro Ghosh retired from the services of the ultimate parent company (Wipro Limited) and accordingly his board membership position in the subsidiary ceased to exist. Further, Mr. Nithin V J was appointed as the new Director of the Company. Except for the aforementioned, 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 2018 and the company profile are shown on page 1. 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,

SD/-

Director

Manama,
Kingdom of Bahrain, 21 June 2018

WIPRO BAHRAIN LIMITED W.L.L.**STATEMENT OF FINANCIAL POSITION AS AT**

31 March 2018

		2018	2017
	Note	<u>BHD</u>	<u>BHD</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	<u>565</u>	<u>2,101</u>
		<u>565</u>	<u>2,101</u>
Current Assets			
Accounts and other receivable	6	3,411,264	2,829,233
Due from related party	12.1	184	-
Bank balance	7	<u>994,849</u>	<u>178,642</u>
		<u>4,406,297</u>	<u>3,007,875</u>
Total assets		<u><u>4,406,862</u></u>	<u><u>3,009,976</u></u>
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	8	50,000	50,000
Statutory reserve	9	25,000	25,000
Retained earnings		<u>3,169,575</u>	<u>2,273,111</u>
		<u>3,244,575</u>	<u>2,348,111</u>
Non-Current Liabilities			
Employees' terminal benefit	10	<u>98,220</u>	<u>93,007</u>
		<u>98,220</u>	<u>93,007</u>
Current Liabilities			
Accounts and other payable	11	295,195	170,198
Due to related parties	12.2	<u>768,872</u>	<u>398,660</u>
		<u>1,064,067</u>	<u>568,858</u>
Total equity and liabilities		<u><u>4,406,862</u></u>	<u><u>3,009,976</u></u>

On 21 June, 2018 the Board of Directors of **Wipro Bahrain Limited W.L.L.** approved these financial statements.

SD/-

Director

The notes on pages 10 to 20 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 2018

		2018	2017
	Note	BHD	BHD
Income from operations		3,221,444	3,062,615
Cost of operations		<u>(1,939,016)</u>	<u>(1,601,324)</u>
Gross profit		1,282,428	1,461,291
Other income		3,818	634
General and administrative expenses	13	(334,597)	(417,485)
Bad debts		(23,783)	(65,996)
Forex loss		(29,866)	(3,846)
Depreciation	5	<u>(1,536)</u>	<u>(969)</u>
Net income for the year		896,464	973,629
Other comprehensive income		-	-
Total comprehensive income for the year		<u>896,464</u>	<u>973,629</u>

SD/-

Director

The notes on pages 10 to 20 form an integral part of these financial statements.

WIPRO BAHRAIN LIMITED W.L.L.**STATEMENT OF CHANGES IN EQUITY**

Year ended 31 March 2018

Particulars	Share capital BHD	Statutory reserve BHD	Retained earnings BHD	Total BHD
At 01 April 2016	50,000	25,000	1,299,482	1,374,482
Total comprehensive income for the year	-	-	973,629	973,629
At 31 March 2017 / 01 April 2017	50,000	25,000	2,273,111	2,348,111
Total comprehensive income for the year	-	-	896,464	896,464
At 31 March 2018	50,000	25,000	3,169,575	3,244,575

SD/-

Director

The notes on pages 10 to 20 form an integral part of these financial statements.

WIPRO BAHRAIN LIMITED W.L.L.**STATEMENT OF CASH FLOWS**

Year ended 31 March 2018

	2018	2017
	<u>BHD</u>	<u>BHD</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	896,464	973,629
Depreciation	<u>1,536</u>	<u>969</u>
Cash flows from operating activities before working capital changes	898,000	974,598
Changes in operating assets and liabilities:		
(Increase) / decrease in accounts and other receivable	(582,031)	(794,487)
(Increase) / decrease in due from related party	(184)	-
Increase / (decrease) in accounts and other payable	124,997	(15,261)
Increase / (decrease) in due to related parties	370,212	(192,489)
Increase / (decrease) in employees' terminal benefit	<u>5,213</u>	<u>24,043</u>
Net cash flows from operating activities	<u>816,207</u>	<u>(3,596)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	<u>-</u>	<u>(2,733)</u>
Net cash flows from investing activities	<u>-</u>	<u>(2,733)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	816,207	(6,329)
Cash and cash equivalents		
At the beginning of the year	<u>178,642</u>	<u>184,971</u>
At the end of the year (Refer note 7 to the financial statements)	<u>994,849</u>	<u>178,642</u>

SD/-

Director

The notes on pages 10 to 20 form an integral part of these financial statements.

WIPRO BAHRAIN LIMITED W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

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 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 2017. 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 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.
- Amendments to IAS 12 'Income Taxes' issued in January 2016 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.

WIPRO BAHRAIN LIMITED W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

2. Accounting policies (continued...)

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

- Annual amendments to IFRSs (2014-2016 cycle) issued in December 2016 included an amendment to IFRS 12 'Disclosure of Interests in Other Entities'. The amendment clarifies that, except for the requirements to disclose summarised financial information, the requirements of IFRS 12 apply to interests (or a portion thereof) in a subsidiary, joint venture or associate that is classified (or included in a disposal group that is classified) as held for sale in accordance with IFRS 5 'Non-current Assets held for Sale and Discontinued Operations'.

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.
- IFRS 16, 'Leases' 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.
- IFRS 17 'Insurance Contracts' issued in May 2017 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. IFRS 17 is effective from 1 January 2021.
- 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.

WIPRO BAHRAIN LIMITED W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

2. Accounting policies (continued...)

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

- Amendments to IAS 40 'Investment Property' issued in December 2016 clarify the requirement to transfer a property to or from investment property when (and only when) there is a change in use. The amendments state that the property should meet (or cease to meet) the definition of investment property, and there should be evidence of the change in use (which means more than management's intention alone). The amendments are effective for annual periods beginning on or after 1 January 2018.
- Annual amendments to IFRSs (2014-2016 cycle) issued in December 2016 included an amendment to IAS 28 'Investments in Associates and Joint Ventures'. The amendments clarify that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. The amendments are effective for annual periods beginning on or after 1 January 2018.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' issued in December 2016 addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. IFRIC 22 is effective for annual periods beginning on or after 1 January 2018.
- IFRIC 23 'Uncertainty over Income Tax Treatment' issued in June 2017 clarifies how to apply the recognition and measurement requirements in IAS 12 'Income Taxes' when there is uncertainty over income tax treatments. IFRIC 23 is effective for annual periods beginning on or after 1 January 2019.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' issued in October 2017 clarifies that entities account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9. The amendments are effective for annual periods commencing on or after 1 January 2019.
- Amendments to IFRS 9 'Financial Instruments' issued in October 2017 allow entities to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met, instead of at fair value through profit or loss. The amendments are effective for annual periods commencing on or after 1 January 2019.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

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's terminal benefits and entitlement to annual leave, holiday, air passage and other short term benefits are recognized as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the General Organization for Social Insurance in the Kingdom of Bahrain. The Company's share of contribution to this funded scheme which is defined contribution scheme under IAS-19-Employee benefits, is recognised as an expense in the statement of comprehensive income.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law for private sector 2012, based on length of service and final salary. Provision for this, which is unfunded and represents a defined benefit plan under IAS-19 has been made by calculating the notional liability had all employees left at the reporting date. The provision is classified as a non-current liability in the statement of financial position.

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 2018

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:

	2018	2017
	<u>BHD</u>	<u>BHD</u>
<u>Financial assets:</u>		
Trade receivable	1,792,378	1,345,354
Due from related party	184	-
Due from customers	1,867,650	1,700,053
Staff advances	27,355	30,094
Other receivable	5,037	8,000
Bank balance	<u>994,849</u>	<u>178,642</u>
	<u>4,687,453</u>	<u>3,262,143</u>
<u>Financial liabilities:</u>		
Accounts payable	19,470	15,580
Due to related parties	768,872	398,660
Accruals	36,678	5,608
Other payable	<u>19,332</u>	<u>5,841</u>
	<u>844,352</u>	<u>425,689</u>

WIPRO BAHRAIN LIMITED W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

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:

	2018	2017
	<u>BHD</u>	<u>BHD</u>
Trade receivable	1,792,378	1,345,354
Due from related party	184	-
Due from customers	1,867,650	1,700,053
Staff advances	27,355	30,094
Other receivable	5,037	8,000
Bank balance	994,849	178,642
	<u>4,687,453</u>	<u>3,262,143</u>

The ageing of trade receivable at the reporting date was:

	Gross 2018	Impairment 2018	Gross 2017	Impairment 2017
	<u>BHD</u>	<u>BHD</u>	<u>BHD</u>	<u>BHD</u>
Not past due	-	-	881,915	-
Past due, but not impaired	1,503,442	-	198,286	-
Past due & impaired	288,936	288,936	265,153	265,153
	<u>1,792,378</u>	<u>288,936</u>	<u>1,345,354</u>	<u>265,153</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 2018

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.

2018

	Carrying amount	Contractual undiscounted cash flows	Within	6 to 12	More than
			6 months	months	12 months
	BHD	BHD	BHD	BHD	BHD
Due to related parties	768,872	768,872	768,872	-	-
Accounts payable	19,470	19,470	19,470	-	-
Accruals	36,678	36,678	36,678	-	-
Other payable	19,332	19,332	19,332	-	-
	<u>844,352</u>	<u>844,352</u>	<u>844,352</u>	-	-

2017

	Carrying amount	Contractual undiscounted cash flows	Within	6 to 12	More than
			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>	-	-

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 2018

5. Property, plant and equipment

	Machinery BHD	Total BHD
Cost:		
At 01 April 2016	1,273	1,273
Additions	2,733	2,733
At 31 March 2017/01 April 2017	<u>4,006</u>	<u>4,006</u>
Additions	-	-
At 31 March 2018	<u>4,006</u>	<u>4,006</u>
Accumulated Depreciation:		
At 01 April 2016	936	936
Charged during the year	969	969
At 31 March 2017/01 April 2017	<u>1,905</u>	<u>1,905</u>
Charged during the year	1,536	1,536
At 31 March 2018	<u>3,441</u>	<u>3,441</u>
Net book value:		
At 31 March 2018	<u>565</u>	<u>565</u>
At 31 March 2017	<u>2,101</u>	<u>2,101</u>

6. Accounts and other receivable

	2018 BHD	2017 BHD
Accounts receivable	1,792,378	1,345,354
Less: Provision for doubtful debts	(288,936)	(265,153)
Net accounts receivable	<u>1,503,442</u>	<u>1,080,201</u>
Due from customers	1,867,650	1,700,053
Advance to staff	27,355	30,094
Prepayments	7,780	10,885
Other receivable	<u>5,037</u>	<u>8,000</u>
	<u>3,411,264</u>	<u>2,829,233</u>

7. Bank balance

	2018 BHD	2017 BHD
HSBC Bank - current account	444,849	28,642
HSBC Bank - fixed deposit	<u>550,000</u>	<u>150,000</u>
	<u>994,849</u>	<u>178,642</u>

WIPRO BAHRAIN LIMITED W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

8. Share capital

	Number of Shares	2018 BHD	Number of Shares	2017 BHD
Wipro Cyprus Private Limited	30	1,500	30	1,500
Wipro Singapore Pte Limited	-	-	970	48,500
Wipro Enterprises Cyprus Limited	970	48,500	-	-
	1,000	50,000	1,000	50,000

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

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

	2018 BHD	2017 BHD
Balance - At 01 April	93,007	68,964
Provision during the year	59,387	59,387
Paid during the year	(54,174)	(35,344)
Balance - At 31 March	98,220	93,007

11. Accounts and other payable

	2018 BHD	2017 BHD
Accounts payable	19,470	15,580
Advance from customers	10,626	10,388
Provision for leave salary	71,804	75,400
Accrued expenses	36,678	5,608
Deferred revenue	137,285	57,381
Other payable	19,332	5,841
	295,195	170,198

WIPRO BAHRAIN LIMITED W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

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 from related party	2018	2017
	BHD	BHD
Wipro Arabia Limited, Saudi Arabia	184	-
	184	-

The amount due from related party is unsecured, interest free and has no specific repayment term.

12.2) Due to related parties	2018	2017
	BHD	BHD
Wipro Limited, India	768,453	397,408
Wipro Information Technology Egypt SAE, Egypt	420	1,252
	768,872	398,660

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

12.3) Related party transactions	2018	2017
	BHD	BHD
	Nature of transactions	
a) Wipro Arabia Limited, Saudi Arabia	Expenses of the party met by the Company	-
	Funds transferred to the party	27,870
b) Wipro Limited, India	Services availed from the party	461,651
	Expenses of the Company met by the party	96,182
	Payments made to the party in relation to services availed	702,089
	Funds transferred to the party	20,363
c) Wipro Information Technology Egypt SAE, Egypt	Expenses of the party met by the Company	-

13. General and administration expenses

	2018	2017
	BHD	BHD
Staff cost	287,901	314,050
Rent	13,240	15,720
Communication	3,517	3,769
Printing and stationery	413	642
Insurance	12,872	64,559
Legal and professional	12,499	8,063
Repairs and maintenance	2,450	6,757
Other expenses	1,705	3,925
	334,597	417,485

WIPRO BAHRAIN LIMITED W.L.L.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

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 2018 are as follows:

Tender bonds - BHD.4,000/-

Performance Guarantees - BHD. 654,371/-

Advance Guarantees - BHD. 48,594/-

Except for the above, as at 31 March 2018, 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 resolution passed at the extra ordinary general meeting of the shareholders held on 11 June 2018, Mr. Srinivasan Gopalakrishnan has resigned from the board position of the Company and Mr. Soumitro Ghosh retired from the services of the ultimate parent company (Wipro Limited) and accordingly his board membership position in the subsidiary ceased to exist. Further, Mr. Nithin V J was appointed as the new Director of the Company. Except for the aforementioned, there were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

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