

**WIPRO GULF LLC**

**Financial statements for the  
year ended 31 March 2019**

**WIPRO GULF LLC**  
**Report and financial statements for the year ended 31 March 2019**

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<b>Contents</b>	<b>Page Number</b>
Administration and contact details	1
Independent auditor's report	2-3
Statement of financial position	4
Statement of profit or loss and other comprehensive income	5
Statement of changes in members' equity	6
Statement of cash flows	7
Notes to the financial statements	8-36

**Wipro Gulf LLC****Administration and contact details as at 31 March 2019**

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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 2019, 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 2019, 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.

### **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.

### **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.

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

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.

### **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 2019.

Sd/-

**Bipin Kapur**  
**Partner**

**Muscat**  
**Date: 6<sup>th</sup> June'19**

**WIPRO GULF LLC**  
**Statement of financial position as at 31 March 2019**  
**(Expressed in Omani Rial)**

	Notes	2019	2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Long-term portion of prepayments	7	18,208	80,969
<b>Total non-current assets</b>		<u>18,208</u>	<u>80,969</u>
<b>Current assets</b>			
Trade receivables and other financial assets at amortised cost	7	3,786,964	3,293,147
Cash and cash equivalents	8	9,702,533	6,321,798
<b>Total current assets</b>		<u>13,489,497</u>	<u>9,614,945</u>
<b>Total assets</b>		<u><u>13,507,705</u></u>	<u><u>9,695,914</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	9	150,000	150,000
Legal reserve	18	50,000	50,000
Retained earnings		4,715,197	5,175,848
<b>Total capital and reserves</b>		<u>4,915,197</u>	<u>5,375,848</u>
<b>Non-current liabilities</b>			
Employees' terminal benefits	10	64,738	48,419
<b>Total non-current liabilities</b>		<u>64,738</u>	<u>48,419</u>
<b>Current liabilities</b>			
Trade and other payables	11	5,927,566	3,750,704
Income tax payable	17	482,814	520,943
Dividends payable	25	2,117,390	-
<b>Total current liabilities</b>		<u>8,527,770</u>	<u>4,271,647</u>
<b>Total equity and liabilities</b>		<u><u>13,507,705</u></u>	<u><u>9,695,914</u></u>

These financial statements, as set out on pages 4 to 36, were approved and authorised for issue by the members on 6<sup>th</sup> June 2019 and signed on their behalf by:

Sd/-

**Amit Kaul**  
**Authorized Manager**

**Place: Muscat**  
**Date: 6<sup>th</sup> June 2019**

**WIPRO GULF LLC****Statement of profit or loss and other comprehensive income for the year ended 31 March 2019****(Expressed in Omani Rial)**

	Notes	2019	2018
Revenue from contracts with customers		15,080,901	14,684,672
Cost of revenue	12	(12,335,194)	(10,299,576)
<b>Gross profit</b>		<b>2,745,707</b>	<b>4,385,096</b>
Other income	26	78,815	18,982
		<b>2,824,522</b>	<b>4,404,078</b>
<b>Expenses</b>			
General and administrative expenses	13	(243,579)	(506,806)
Business and promotion expenses	14	(69,663)	(95,451)
Foreign exchange losses, net		(39,282)	(44,288)
Finance costs	15	(270,944)	(270,926)
		<b>(623,468)</b>	<b>(917,471)</b>
Net profit before tax for the year		2,201,054	3,486,607
Income tax expense	17	(544,315)	(514,409)
<b>Net profit after tax and total comprehensive income for the year</b>		<b>1,656,739</b>	<b>2,972,198</b>

**WIPRO GULF LLC****Statement of changes in members' equity for the year ended 31 March 2019****(Expressed in Omani Rial)**

	Notes	Share capital	Legal reserve	Retained earnings	Total
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
Net profit after tax and total comprehensive income for the year		-	-	1,656,739	1,656,739
Dividends declared during the year	25	-	-	(2,117,390)	(2,117,390)
At 31 March 2019		<u>150,000</u>	<u>50,000</u>	<u>4,715,197</u>	<u>4,915,197</u>



**WIPRO GULF LLC**  
**Statement of cash flows for the year ended 31 March 2019**  
**(Expressed in Omani Rial)**

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	Notes	2019	2018
<b>Operating activities</b>			
Net profit after tax for the year		1,656,739	2,972,198
<b>Adjustments for:</b>			
Interest income	26	(78,815)	(18,983)
Provision for expected credit losses	7	15,272	-
Unrealised foreign exchange gains		(2,807)	(789)
Income tax provision	17	544,315	514,409
Finance costs	15	270,944	270,926
Provision for employees' terminal benefits	10	16,319	16,540
<b>Operating profit before changes in working capital</b>		<b>2,421,967</b>	<b>3,754,301</b>
<b>Working capital changes</b>			
Trade receivables and other financial assets at amortised cost		(413,475)	(1,051,340)
Trade and other payables		2,177,360	1,742,234
<b>Cash provided by operating activities</b>		<b>4,155,308</b>	<b>4,445,195</b>
Income tax paid	17	(582,444)	(168,712)
<b>Net cash provided by operating activities</b>		<b>3,572,864</b>	<b>4,276,483</b>
<b>Investing activities</b>			
Interest income received	26	78,815	18,983
<b>Net cash provided by investing activities</b>		<b>78,815</b>	<b>18,983</b>
<b>Financing activities</b>			
Finance costs paid	15	(270,944)	(270,926)
<b>Net cash used in financing activities</b>		<b>(270,944)</b>	<b>(270,926)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,380,735</b>	<b>4,024,540</b>
Cash and cash equivalents at the beginning of the year		6,321,798	2,297,258
<b>Cash and cash equivalents at the end of the year</b>	8	<b>9,702,533</b>	<b>6,321,798</b>

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 75 percent (2018: 71 percent) of the total revenue.

The financial statements were approved for issue by the members on 6 June 2019.

**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, modified for certain assets and liabilities which are stated at their fair values as required by IFRS. 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 (RO) 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 January 2018 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 2018-2019**

The following new standards, amendment to existing standards or interpretations to published standards are mandatory for the first time for the financial year beginning on or after 1 January 2018 and have been adopted in the preparation of the financial statements:

<b>Standard or Interpretation</b>	<b>Title</b>	<b>Effective for annual periods beginning on or after</b>
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 9	Financial Instruments	1 January 2018

IFRS 15 supersedes IAS 11 "Construction Contracts", IAS 18 "Revenue" and related Interpretations and applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The cumulative effect of initially applying IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information has not been restated and continues to be reported under IAS 11, IAS 18 and related Interpretations.

**Effect of adopting IFRS 15 as at 1 April 2018**

The nature of the adjustments as at 1 April 2018 and the reasons for the changes in the statement of financial position as at 31 March 2019 and the statement of profit or loss and other comprehensive income for the year ended 31 March 2019 are described below:

Under the previous IFRS, revenues and costs relating to time and materials contracts were recognised as the related services were rendered. Revenues from fixed-price contracts were recognised using the "percentage-of-completion" method.

Contract costs were recognised when incurred. When the outcome of a construction contract could be estimated reliably and it was probable that the contract would be profitable, revenue was recognised over the period of the contract. When the outcome of a construction contract could not be estimated reliably, income was recognised only to the extent of the contract costs incurred.

Revenue from maintenance contracts was recognised rateably over the period of the contract using the percentage of completion method. When services were performed through an indefinite number of repetitive acts over a specified period of time, revenue was recognised on a straight-line basis over the specified period.

In certain projects, a fixed quantum of service or output units was agreed at a fixed price for a fixed term. In such contracts, revenue was recognised with respect to the actual output achieved till date as a percentage of total contractual output.

On 1 April 2018, the Company adopted IFRS 15, "Revenue from Contracts with Customers" using the cumulative catch-up transition method applied to contracts that were not completed as at 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. As the Company's existing revenue recognition policy is in line with the requirements of IFRS 15, there is no additional impact on adoption of IFRS 15.

**3 Adoption of new and revised IFRS (continued)****Standards, amendments and interpretations effective and adopted in the year 2018-2019 (continued)****IFRS 9 Financial Instruments**

IFRS 9 introduces new classification and measurement requirements for financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement". Specifically, IFRS 9 requires all financial assets and liabilities to be classified and subsequently measured at either amortised cost or fair value on the basis of the Company's business model for managing the financial assets and liabilities and the contractual cash flow characteristics of the financial assets and liabilities.

**Initial measurement of financial instruments**

All financial assets and liabilities are initially recognised on the trade date i.e. the date that the Company becomes a party to the contractual provisions of the instrument. On this date, financial assets are classified either at amortised cost or fair value.

**Subsequent measurement of financial assets**

IFRS 9 divides all financial assets that were in the scope of IAS 39 into two classifications - those measured at amortised cost and those measured at fair value. Where the Company measures financial assets at fair value, gains and losses are either recognised entirely in profit or loss (fair value through profit or loss - "FVTPL"), or recognised in other comprehensive income (fair value through other comprehensive income - "FVTOCI").

**Equity instruments**

The Company measures a equity instrument, that meets the following two conditions, at FVTOCI unless the asset is designated at FVTPL under the fair value option:

- a. Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- b. Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other equity instruments are measured at FVTPL.

**Debt instruments**

The Company measures a debt instrument, that meets the following two conditions, at amortised cost (net of any write-down for impairment), unless the asset is designated at FVTPL under the fair value option:

- a. Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- b. Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Company measures a debt instrument, that meets the following two conditions, at FVTOCI, unless the asset is designated at FVTPL under the fair value option:

- a. Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- b. Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

All other debt instruments are measured at FVTPL.

**3 Adoption of new and revised IFRS (continued)**

**Standards, amendments and interpretations effective and adopted in the year 2018-2019 (continued)**

**IFRS 9 Financial Instruments (continued)**

The Company's financial assets includes trade receivables and other financial assets at amortised cost, and cash and bank balances.

**Fair value option**

The Company measures a financial asset at FVTPL at initial recognition even if it meets the two requirements to be measured at amortised cost or FVTOCI, if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise either arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company does not have any financial assets measured at FVTPL as at the year-end.

In summary, upon the adoption of IFRS 9, the Company has either the following required or elected reclassifications as at 1 April 2018.

	IFRS 9 measurement category			
	Amount	FVTPL	Amortised cost	FVTOCI
Trade receivables and other financial assets at amortised cost	3,293,147	-	3,293,147	-
Cash and bank balances	6,321,798	-	6,321,798	-
	9,614,945	-	9,614,945	-

**Subsequent measurement of financial liabilities**

Financial liabilities not held at FVTPL are subsequently measured at amortised cost using the effective interest rate (EIR) method.

The Company's financial liabilities include trade and other payables, dividend payable and income tax payable and their carrying values approximate their fair values, and hence are measured at amortised cost.

**Derecognition of financial assets**

The Company determines if the asset under consideration for derecognition is:

- an asset in its entirety; or
- specifically identified cash flows from an asset (or a group of similar financial assets); or
- a fully proportionate (pro-rata) share of the cash flows from an asset (or a group of similar financial assets); or
- a fully proportionate (pro-rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

Once the asset under consideration for derecognition has been determined, the Company performs an assessment as to whether the asset has been transferred and, if so, whether the transfer of that asset is subsequently eligible for derecognition. An asset is transferred if either the Company has transferred the contractual rights to receive the cash flows, or the Company has retained the contractual rights to receive the cash flows from the asset, but has assumed a contractual obligation to pass those cash flows under an arrangement that meets the following three conditions:

- a. the Company has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset;
- b. the Company is prohibited from either selling or pledging the original asset; and

**3 Adoption of new and revised IFRS (continued)**

**Standards, amendments and interpretations effective and adopted in the year 2018-2019 (continued)**

**IFRS 9 Financial Instruments (continued)**

Derecognition of financial assets (continued)

c. the Company has an obligation to remit those cash flows without material delay.

Once the Company has determined that the asset has been transferred, it then determines whether or not it has transferred substantially all of the risks and rewards of ownership of the asset. If substantially all the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

**Impairment**

The Company assesses whether there is objective evidence that financial assets carried at amortised cost are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the issuer, default or delinquency by an issuer, indications that an issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of issuers, or economic conditions that correlate with defaults in the Company.

IFRS 9 defines expected credit losses (ECL) as the weighted average of credit losses with the respective risks of a default occurring as the weightings.

At each reporting date, the Company provides for ECL on all of the following using reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring ECL:

- financial assets measured at amortised cost;
- financial assets mandatorily measured at FVTOCI; and
- loan commitments when there is a present obligation to extend credit.

The Company measures ECL through a loss allowance at an amount equal to:

- the 12-month ECL (ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime ECL (ECL that result from all possible default events over the life of the financial instrument).

The Company provides for a loss allowance for full lifetime ECL for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

For all other financial instruments, ECL are measured at an amount equal to the 12-month ECL.

The Company determines the amount of ECL by evaluating the range of possible outcomes as well as incorporating the time value of money. These ECL are discounted to the reporting date using the EIR of the asset (or an approximation thereof) that was determined at initial recognition.

Upon adoption of IFRS 9, the Company has performed an impairment testing based on the ECL approach and concluded that there is no impact of adoption of the ECL approach.

**3 Adoption of new and revised IFRS (continued)**

Standards, amendments and interpretations effective and adopted in the year 2018-2019 (continued)

IFRS 9 Financial Instruments (continued)

Impairment (continued)

Set out below is the reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with IFRS 9:

	Allowance for impairment under IAS 39 as at 31 March 2018	Re- measurement	ECL under IFRS 9 as at 1 April 2018
Trade receivables and other financial assets at amortised cost	7,352	-	7,352
Cash and bank balances*	-	-	-
	<u>7,352</u>	<u>-</u>	<u>7,352</u>

\* The Company has regular dealings with banks and all the bank accounts are active. Moreover, there are no indicators of any significant increase in credit risk and the probability of default is very low. Therefore, no ECL provision has been created on these balances.

**Impact of IFRS 15 and IFRS 9 on the financial position of the Company as at 31 March 2018**

Set out below, are the amounts by which each financial statement line item is affected as at, and for the year ended, 31 March 2018, as a result of the adoption of IFRS 15 and IFRS 9. The adoption of IFRS 15 and IFRS 9 did not have a material impact on either the other comprehensive income or the Company's operating, investing and financing cash flows. The first column below shows amounts prepared under IFRS 15 and IFRS 9 and the second column shows what the amounts would have been had IFRS 15 and IFRS 9 not been adopted:

## 3 Adoption of new and revised IFRS (continued)

Standards, amendments and interpretations effective and adopted in the year 2018-2019 (continued)

Impact of IFRS 15 and IFRS 9 on the financial position of the Company as at 31 March 2018 (continued)

## Statement of profit or loss for the year ended 31 March 2018

	IFRS 15	Previous IFRS	Increase/ (decrease)
Revenue	14,684,672	14,684,672	-
Total revenue	14,684,672	14,684,672	-

## Statement of financial position as at 31 March 2018

	<u>Amounts prepared under</u>		
	IFRS 9	Previous IFRS	Increase/ (decrease)
<b>ASSETS</b>			
<b>Current assets</b>			
Trade receivables and other financial assets at amortised cost	3,293,147	3,293,147	-
Cash and bank balances	6,321,798	6,321,798	-
Total current assets	9,614,945	9,614,945	-
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	3,750,704	3,750,704	-
Total current liabilities	3,750,704	3,750,704	-
<b>Capital and reserves</b>			
Retained earnings	5,175,848	5,175,848	-
Total capital and reserves	5,175,848	5,175,848	-

## Standards, amendments and interpretations issued and effective in the year 2018-2019 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 January 2018 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 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
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018



**3 Adoption of new and revised IFRS (continued)****Standards, amendments and interpretations issued and effective in the year 2018-2019 but not relevant (continued)**

- (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.

These amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted.

- (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 January 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.

- (iii) The amendments to IFRS 2, "Share Based Payments" clarify the following:
- a. 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.
  - b. 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.
  - c. 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 January 2018 with earlier application permitted. Specific transition provisions will apply.

**3 Adoption of new and revised IFRS (continued)**

**Standards, amendments and interpretations issued and effective in the year 2018-2019 but not relevant (continued)**

- (iv) The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. These amendments are not relevant to the Company.
- (v) IFRIC 22, "Foreign Currency Transactions and Advance Consideration", addresses foreign currency transactions or parts of transactions where:
  - a. there is consideration that is denominated or priced in a foreign currency;
  - b. 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
  - c. 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.

**Standards, amendments and interpretations issued but not yet effective in the year 2018-2019**

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for the year ended 31 March 2019. They have not been adopted in preparing the financial statements for the year ended 31 March 2019 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 16	Leases	1 January 2019
IFRS 17	Insurance Contracts	1 January 2022
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019

- (i) 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.
- (ii) 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;
  - b. group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
  - c. group of the remaining contracts in the portfolio, if any.

**3 Adoption of new and revised IFRS (continued)**  
**Standards, amendments and interpretations issued but not yet effective in the year 2018-2019 (continued)**

- (ii) 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 2022. 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.

- (iii) IFRIC 23, "Uncertainty over Income Tax Treatments", states the following:  
**Whether tax treatments should be considered collectively**  
 a. 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.

**Assumptions for taxation authorities' examinations**

- a. 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.
- b. 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.

**3 Adoption of new and revised IFRS (continued)**  
**Standards, amendments and interpretations issued but not yet effective in the year 2018-2019 (continued)**

**Effect of changes in facts and circumstances**

- a. An entity has to reassess its judgments and estimates if facts and circumstances change.
- b. 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 2019, had the Company early adopted any of the above standards applicable to the Company.

**Early adoption of amendments or standards in the year 2018-2019**

The Company did not early-adopt any new or amended standards in the year ended 31 March 2019.

**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 instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

The Company determines the classification of its financial assets at initial recognition. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

**(i) Classification**

The financial assets are classified in the following measurement categories:

- i. those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- ii. those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in the Company's statement of profit and loss or other comprehensive income. For investments in equity instruments, the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss and other comprehensive income as incurred.

The Company has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

**4 Summary of significant accounting policies (continued)****(a) Financial instruments (continued)****(ii) Measurement (continued)**

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies debt instruments at amortised cost based on the below:

- a) the asset is held within a business model with the objective of collecting the contractual cash flows; and
- b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

**(iii) De-recognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**(iv) Impairment of financial assets**

The Company applies ECL model for measurement and recognition of impairment loss on the financial assets. ECL are the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Company expects to receive. The ECL considers the amount and timing of payments and, hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in the statement of profit or loss and other comprehensive income even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 months ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. '12 months ECL' represents the ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represent the ECL that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short-duration, normally less than 12 months and hence the loss allowance measured as lifetime ECL does not differ from that measured as 12 months ECL. The Company uses the practical expedient in IFRS 9 for measuring ECL for trade receivables using a provision matrix based on ageing of the trade receivables.

**4 Summary of significant accounting policies (continued)****(a) Financial instruments (continued)****(iv) Impairment of financial assets (continued)**

The Company uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

**(v) Income recognition****Interest income**

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income is recognised using the EIR, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan or receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial assets is recognised using the original EIR.

**Financial liabilities**

The Company determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

**(i) Classification**

The financial liabilities are classified in the following measurement categories:

- a. those to be measured as financial liabilities at fair value through profit or loss; and
- b. those to be measured at amortised cost.

**(ii) Measurement**

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR method after considering the directly attributable transaction costs.

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR method after considering the directly attributable transaction costs.

The EIR method calculates the amortised cost of a debt instrument by allocating interest charged over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflows (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings, trade payables, etc.

The Company's financial liabilities include trade and other payables. The Company measures financial liabilities at amortised cost.

**4 Summary of significant accounting policies (continued)****(a) Financial instruments (continued)****(iii) Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

**(b) Impairment of non-financial assets**

The carrying amount of the Company's assets or its cash generating unit, other than financial assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other asset and groups. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value in use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

**(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 RO at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to RO 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) Legal reserve**

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

**(f) 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.

**4 Summary of significant accounting policies (continued)****(g) 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.

**(h) 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.

**(i) Short-term employee benefits**

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.

**(j) 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.

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 asset 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.



**4 Summary of significant accounting policies (continued)****(k) Revenue**

Revenues and costs relating to time and materials contracts are recognised as the related services are rendered. Revenues from fixed-price contracts, including systems development and integration contracts are recognised using the “percentage-of-completion” method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.

Contract costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, revenue is recognised over the period of the contract. When the outcome of a construction contract cannot be estimated reliably, income is recognised only to the extent of the contract costs incurred, that is probable and recoverable.

Revenue from maintenance contracts is recognised rateably 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.

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.

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognised at the time of sale.

The Company accrues the estimated cost of warranties at the time when the revenue is recognised. The accruals are based on the Company’s historical experience of material usage and service delivery costs.

Contract modifications are accounted when these are approved. Approved modifications where a change in price has not been agreed are accounted as variable consideration. Revenue from claims is accounted as variable consideration only when it is highly probable that revenue will not reverse in future.

The excess of progress billings over revenue earned is classified as contract liabilities. The excess of revenue earned over progress billings is classified as contract assets

**(l) 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.

**4 Summary of significant accounting policies (continued)****(m) Property and equipment (continued)**

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	Estimated useful life in 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 and other financial assets at amortised cost**

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.

**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 labour 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.

*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.

*Provision for ECL on trade receivables*

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 2019, the provision required for ECL on trade receivables amounted to RO 22,624 (2018: RO 7,352). When evaluating the adequacy of the provision for ECL on 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.

**5 Critical accounting judgements and key sources of estimation uncertainty (continued)***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.

*Impairment reviews*

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring inter alia an assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- a. growth in earnings before interest, tax, depreciation and amortisation (EBITDA), calculated as adjusted operating profit before depreciation and amortisation;
- b. timing and quantum of future capital expenditure;
- c. long-term growth rates; and
- d. selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results.

*Taxation*

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of the existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to the assumptions, could necessitate future adjustments to taxable income and expenses already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Company. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible taxation authority.

**6 Property and equipment**

	<b>Furniture and fixtures</b>	<b>Computer and office equipment</b>	<b>Total</b>
<b>2019</b>			
<b>Cost</b>			
At 31 March 2018 and at 31 March 2019	<u>30,000</u>	<u>18,619</u>	<u>48,619</u>
<b>Accumulated depreciation</b>			
At 31 March 2018 and at 31 March 2019	<u>30,000</u>	<u>18,619</u>	<u>48,619</u>
<b>Net book amount</b>			
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>
<b>2018</b>			
<b>Cost</b>			
At 31 March 2017 and at 31 March 2018	<u>30,000</u>	<u>18,619</u>	<u>48,619</u>
<b>Accumulated depreciation</b>			
At 31 March 2017	<u>30,000</u>	<u>18,619</u>	<u>48,619</u>
at 31 March 2018	<u>30,000</u>	<u>18,619</u>	<u>48,619</u>
<b>Net book amount</b>			
At 31 March 2018	<u>-</u>	<u>-</u>	<u>-</u>

The Company operates from premises leased at a monthly rent of RO 2,423 (2018: RO 2,423 per month).

**7 Trade receivables and other financial assets at amortised cost**

	<b>2019</b>	<b>2018</b>
Trade receivables (gross)	2,920,824	2,575,893
Less: provision for ECL	<u>(22,624)</u>	<u>(7,352)</u>
Trade receivables (net)	2,898,200	2,568,541
Due from customers in respect of contracts in progress	746,951	664,470
Contract assets	84,070	-
Prepayments (Note 7.1)	141,812	60,136
	<u>3,786,963</u>	<u>3,293,147</u>

**7 Trade receivables and other financial assets at amortised cost (continued)**

- (a) The trade receivables are generally on 30 to 60 days credit terms.
- (b) 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.
- (c) The Company applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime ECL provision for trade receivables and other financial assets. To measure ECL on a collective basis, trade receivables and other financial assets are grouped based on similar credit risk and aging. The expected credit loss rates are based on the Company's historical credit losses experienced over the one year period prior to the year-end. The historical losses are then adjusted for the current and forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the country risk and unemployment rate as the key macro-economic factors.
- (d) At 31 March 2018, the lifetime ECL provision for trade receivables is as follows:

	<b>Upto 180 days</b>	<b>180 days to 365 days</b>	<b>More than 365 days</b>	<b>Total</b>
Gross carrying amount	2,507,381	28,047	40,465	2,575,893
Loss provision	-	-	7,352	7,352

At 31 March 2019, the lifetime ECL provision for trade receivables is as follows:

	<b>Upto 180 days</b>	<b>180 days to 365 days</b>	<b>More than 365 days</b>	<b>Total</b>
Gross carrying amount	2,771,073	149,751	-	2,920,824
Loss provision	-	22,624	-	22,624

- (e) The movement in provision for ECL on trade receivables is as follows:

	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
Opening provision as at 1 April	7,352	-
Additional provision during the year	15,272	7,352
Closing balance as at 31 March	22,624	7,352

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

	<b>2019</b>	<b>2018</b>
Short-term portion of prepayments	141,812	60,136
Long-term portion of prepayments	18,208	80,969
	160,020	141,105

**8 Cash and cash equivalents**

	2019	2018
Cash at bank	3,802,533	1,321,798
Bank deposits with maturity of less than three months from the date of placement	5,900,000	5,000,000
	<u>9,702,533</u>	<u>6,321,798</u>

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

Bank deposits amounting to RO 5,900,000 (2018: RO 5,000,000) are denominated in RO. Bank deposits earn interest rates ranging between 1.80% and 2.25% per annum (2018: 0.95% 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 RO 150,000 (2018: RO 150,000), comprising of 150,000 shares of RO 1 each (2018: 150,000 shares of RO 1 each).

A break-down of the share capital as at 31 March 2019 and 2018 is as set out below:

	2019		2018	
	%	Amount	%	Amount
Wipro Cyprus Private Limited	99.90	149,850	99.90	149,850
Wipro Information Technology Netherlands	0.10	150	0.10	150
	<u>100</u>	<u>150,000</u>	<u>100</u>	<u>150,000</u>

**10 Employees' terminal benefits**

	2019	2018
Opening balance	48,419	31,879
Provision for the year	16,319	16,540
Closing balance	<u>64,738</u>	<u>48,419</u>

Total number of employees as at 31 March 2019 are 37 employees (2018: 58 employees).

**11 Trade and other payables**

	2019	2018
Trade payables	158,660	452,679
Due to related parties (Note 16)	1,503,996	1,103,733
Accrued expenses (Note 11.1)	3,180,768	1,952,429
Other payables	1,084,142	241,863
	<u>5,927,566</u>	<u>3,750,704</u>

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 Trade and other payables (continued)**

- 11.1 Accrued expenses are payable towards those expenses, specifically cost of projects, for which invoices have not been received as at 31 March 2019, which mainly includes sub-contract costs.

**12 Cost of revenue**

	Year ended 31 March 2019	Year ended 31 March 2018
Cost of materials consumed	32,785	223,751
Staff expenses	1,909,603	1,729,946
Sub-contract costs	10,320,916	8,211,261
Miscellaneous expenses	71,890	134,618
	<u>12,335,194</u>	<u>10,299,576</u>

**13 General and administrative expenses**

	Year ended 31 March 2019	Year ended 31 March 2018
Staff expenses	116,720	163,171
Telephone expenses	43,061	65,592
Rent	30,488	30,682
Professional services	23,886	17,809
Travel expenses	4,513	8,996
Provision for ECL on trade receivables	15,272	7,352
Postage expenses	1,586	3,059
Corporate overheads	-	205,819
Miscellaneous expenses	8,053	4,326
	<u>243,579</u>	<u>506,806</u>

**14 Business and promotion expenses**

	Year ended 31 March 2019	Year ended 31 March 2018
Staff expenses	52,700	69,010
Travel expenses	7,010	20,482
Miscellaneous expenses	9,953	5,959
	<u>69,663</u>	<u>95,451</u>

**15 Finance costs**

	Year ended 31 March 2019	Year ended 31 March 2018
Commission on performance guarantee	<u>270,944</u>	<u>270,926</u>



**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:

**Due to related parties (Note 11)**

	<b>2019</b>	<b>2018</b>
Wipro Limited (Technologies)	1,428,742	1,032,607
Wipro Cyprus Private Limited	220	-
Wipro Limited (Corporate)	68,008	68,017
Wipro Travel Services Limited	7,026	3,109
	<u>1,503,996</u>	<u>1,103,733</u>

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

	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
Corporate Head Office allocation	-	205,819
Sub-contract charges	1,339,255	693,805
Dividends declared and approved	2,117,390	-
Expenses incurred by the Company on behalf of a related party	35,255	18,595
Commission on performance guarantee provided by Wipro Limited	270,955	270,926
Expenses paid on behalf of the Company by related parties	15,847	46,230

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 with 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 completed till financial year 2015 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 2019.

	<b>2019</b>	<b>2018</b>
Income tax recognised in profit or loss:		
Current tax	544,315	514,409
	<u>544,315</u>	<u>514,409</u>

**17 Taxation (continued)**

The movement in current tax provision is as under:

	2019	2018
At 1 April 2019	520,943	175,246
Charge for the year	544,315	514,409
Payments made during the year	(582,444)	(168,712)
	<u>482,814</u>	<u>520,943</u>
At 31 March 2019	<u>482,814</u>	<u>520,943</u>

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:

	2019	2018
Accounting profit before tax	<u>2,201,054</u>	<u>3,486,607</u>
Tax on accounting profit before tax at 15%	330,158	522,991
Add / (less) tax effect of:		
Non-deductible expenses	186,428	118
Provision against previous period assessments	27,729	-
Prior year tax reversal	<u>-</u>	<u>(8,700)</u>
Tax charge as per statement of profit or loss	<u>544,315</u>	<u>514,409</u>

**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 2019 (2018: RO Nil).

**19 Contingent liabilities**

	2019	2018
Advance payment guarantees and performance bonds	<u>493,349</u>	<u>987,203</u>

**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 and other financial assets at amortised cost, 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 2019 and 2018.

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

	2019	2018
Trade and other payables	5,927,566	3,750,704
Less: cash and cash equivalents	(9,702,533)	(6,321,798)
Net debt	<u>(3,774,967)</u>	<u>(2,571,094)</u>
Share capital	150,000	150,000
Legal reserve	50,000	50,000
Retained earnings	4,715,197	5,175,848
Total capital	<u>4,915,197</u>	<u>5,375,848</u>
Total capital and net debt	<u>1,140,230</u>	<u>2,804,754</u>
Gearing ratio	<u>-</u>	<u>-</u>

As the Company has a negative net debt as at 31 March 2019 and 2018, 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 Dollar, UAE Dirham, 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 RO there would be an insignificant or no impact on the net 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:

	2019 RO	2018 RO
Cash and cash equivalents	9,702,533	6,321,798
Trade receivables	2,898,200	2,568,541
	12,600,733	8,890,339

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

The age of trade receivables at the reporting date was as follows:

	<b>31 March 2019</b>		<b>31 March 2018</b>	
	<b>Gross</b>	<b>Impairment</b>	<b>Gross</b>	<b>Impairment</b>
Not past due	1,263,851	-	1,978,053	-
Past due				
Past due 0-60 days	258,904	-	466,055	-
More than 60 days	1,398,069	22,624	131,785	7,352
	<u>2,920,824</u>	<u>22,624</u>	<u>2,575,893</u>	<u>7,352</u>

Included in the Company's trade receivable balance are debtors with a carrying amount of RO 1,656,973 (31 March 2018: RO 597,840) which are past due at the end of reporting period for which the Company has provided based on IFRS 9 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:

	<b>31 March 2019</b>		<b>31 March 2018</b>	
	<b>Carrying amount</b>	<b>12 months or less</b>	<b>Carrying amount</b>	<b>12 months or less</b>
Non-interest bearing				
Due to related parties	1,503,996	1,503,996	1,103,733	1,103,733
Trade payables	158,660	158,660	452,679	452,679
Dividends payable	2,117,390	2,117,390	-	-
Other payables	1,084,142	1,084,142	241,863	241,863
Accrued expenses	3,180,768	3,180,768	1,952,429	1,952,429
	<u>8,044,956</u>	<u>8,044,956</u>	<u>3,750,704</u>	<u>3,750,704</u>

**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 receivables and other financial assets at amortised cost and trade and other payables. The particular recognition methods adopted are disclosed in the non-current portion of prepayments 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 2019 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 of the previous year have been either regrouped or reclassified, wherever necessary, in order to conform with the presentation adopted in the current year's financial statements. Such regrouping or reclassification did not affect previously reported net profit or members' equity, except for the effect of adoption of IFRS 9 and IFRS 15 which have been adjusted through the opening members' equity. As the corresponding previous year figures are not restated to give this impact, they are not comparable.

**24 Note supporting statement of cash flows**

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

Particulars	1 April 2018	Cash inflows/(outflows)	Non-cash changes	31 March 2019
Finance costs paid	-	(270,944)	-	-

**25 Dividend declared**

In accordance with a resolution passed by the members on 28 March 2019, an amount of RO 2,117,390, representing RO 14.116 per share (2018 : RO Nil) was declared as dividends to the members for the year ended 31 March 2018.

	2019	2018
Wipro Cyprus Private Limited	2,115,273	-
Wipro Information Technology Netherlands	2,117	-
	<u>2,117,390</u>	<u>-</u>

**26 Other income**

	2019	2018
Interest income	78,815	18,982
	<u>78,815</u>	<u>18,982</u>