Wipro Bahrain Limited Co. S.P.C.
(previously Wipro Bahrain Limited W.L.L.)

Report and Financial Statements for the year ended 31 March 2019

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CORPORATE PROFILE

Company name	Wipro Bahrain Limited Co. S.P.C
Commercial registration no.	73168-01
Owner / Parent company	Wipro Cyprus SE
Director	Nithin Vellore Jaganmohan
Registered office	Flat 510, Building 2795 Road 2835, Block 428 Al Seef Kingdom of Bahrain
Banker	HSBC Bank Middle East Limited
Auditors	BDO 17th Floor Diplomat Commercial Offices Tower PO Box 787 Manama Kingdom of Bahrain

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors have pleasure in submitting the audited financial statements of Wipro Bahrain Limited Co. S.P.C. (“the Company”) for the year ended 31 March 2019.

Principal activities and review of business developments

The principal activities of the Company are:

- repair of computers and peripheral equipment;
- computer consultancy and computer facilities management activities;
- sale/trade of information and communications equipment and related software; and
- computer programming activities

The results for the year are set out on pages 6 and 7 of the financial statements.

Dividends

The Board of Directors does not propose to pay any dividend to the Owner for the year ended 31 March 2019 (2018: BD Nil).

Representation and audit

The Company’s activities for the year ended 31 March 2019 have been conducted in accordance with the Bahrain Commercial Companies Law, Decree Number 21 of 2001, and other relevant statutes of the Kingdom of Bahrain.

The Company has maintained proper and complete accounting records and these, together with all other information and explanations, have been made freely available to the auditors. The Owner proposes to reappoint BDO as the external auditors of the Company for the next financial year who have expressed their willingness to continue in office.

Signed on behalf of the Owner:

SD

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Nithin Vellore Jaganmohan
Director

Independent auditor's report to the Owner of Wipro Bahrain Limited Co. S.P.C. (previously Wipro Bahrain Limited W.L.L)

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Wipro Bahrain Limited Co. S.P.C. ("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 Owner's equity and the statement of cash flows for the year then ended, and the 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 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 Code of Ethics for Professional Accountants ("IESBA Code") issued by International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter
The financial statements of the Company for the year ended 31 March 2018 were audited by another auditor who expressed an unqualified opinion on those financial statements in their report dated 13 August 2018.

Responsibilities of management and Those Charged With Governance ("TCWG") for the financial statements
Management 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those Charged with Governance are 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.

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

Independent auditor's report to the Owner of Wipro Bahrain Limited Co. S.P.C. (previously Wipro Bahrain Limited W.L.L.) (continued)

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management and Those Charged With Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by the Bahrain Commercial Companies Law, Decree Number 21 of 2001, in case of the Company, we report that:

(1) we have obtained all the information we considered necessary for the purpose of our audit;
(2) the Company has maintained proper books of account and the financial statements are in agreement therewith; and
(3) the financial information included in the Directors' report is consistent with the books of account of the Company.

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 Bahrain Commercial Companies Law, Decree Number 21 of 2001, or of its Articles of Association, which would materially affect the business of the Company, and its financial position as at 31 March 2019.

SD
Nath Venkitachalam
Manama, Kingdom of Bahrain
17 June 2019

Wipro Bahrain Limited Co. S.P.C. (previously Wipro Bahrain Limited W.L.L)
Statement of financial position as at 31 December 2018
(Expressed in Bahrain Dinars)

	Notes	2019	2018
ASSETS			
Non-current assets			
Plant and equipment	5	-	565
Trade receivables	6	66,907	-
		66,907	565
Current assets			
Trade and other receivables	6	604,246	1,503,442
Cash and bank balances	8	2,012,567	994,849
Other financial assets	7	48,023	34,681
Other assets	9	968,392	1,873,141
Dues from Related Parties	17	3,425	184
		3,636,653	4,406,297
Total assets		3,703,560	4,406,862
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	50,000	50,000
Statutory reserve	12	25,000	25,000
Retained earnings	11	2,633,326	3,169,575
		2,708,326	3,244,575
Non-current liabilities			
Compensated absences	14	12,202	-
Employees' terminal benefits	14	14,533	-
		26,735	-
Current liabilities			
Trade payables and accrued expenses	13	31,543	56,148
Other liabilities	14	167,051	337,267
Dues to Related Parties	18	769,905	768,872
		968,499	1,162,287
Total equity and liabilities		3,703,560	4,406,862

These financial statements, set out on pages 6 to 38, were approved and authorised for issue by the Owner on 17 June 2019 and signed on its behalf by:

SD

Nithin Vellore Jaganmohan
Director

Wipro Bahrain Limited Co. S.P.C. (previously Wipro Bahrain Limited W.L.L)
Statement of profit or loss and other comprehensive income for the year ended 31 March 2019
(Expressed in Bahrain Dinars)

	Notes	2019	2018
Revenue	20	1,249,892	3,221,444
Direct costs	22	(1,459,626)	(1,939,016)
Gross (loss)/profit		(209,734)	1,282,428
Other income	21	23,902	3,827
Expenses			
General and administrative expenses	23	(331,608)	(334,597)
Bad Debts	24	3,406	(23,783)
Foreign Exchange Loss, net	25	(21,649)	(29,866)
Depreciation		(565)	(1,536)
		(350,416)	(389,792)
Net (loss)/profit and total comprehensive (loss) / income for the year		(536,248)	896,463

These financial statements, set out on pages 6 to 38, were approved and authorised for issue by the Owner on 17 June 2019 and signed on its behalf by:

SD

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Nithin Vellore Jaganmohan
Director

Wipro Bahrain Limited Co. S.P.C. (previously Wipro Bahrain Limited W.L.L)
Statement of changes in Owner's equity for the year ended 31 March 2019
(Expressed in Bahrain Dinars)

	Share capital	Statutory reserve	Retained Earnings	Total
At 31 March 2017	50,000	25,000	2,273,111	2,348,111
Net profit and total comprehensive income for the year	-	-	896,463	896,463
At 31 March 2018	50,000	25,000	3,169,574	3,244,574
Net loss and total comprehensive loss for the year	-	-	(536,248)	(536,248)
At 31 March 2019	50,000	25,000	2,633,326	2,708,326

SD

Nithin Vellore Jaganmohan
Director

Wipro Bahrain Limited Co. S.P.C. (previously Wipro Bahrain Limited W.L.L)
Statement of cash flows for the ended 31 March 2019
(Expressed in Bahrain Dinars)

	Notes	2019	2018
Operating activities			
Net (loss)/profit for the year		(536,248)	896,463
Adjustments for:			
Depreciation of plant and equipment	5	565	1,536
Changes in operating assets and liabilities:			
Trade and other receivables		1,723,696	(582,031)
Dues from related party		(3,240)	(184)
Trade and other payables		(169,431)	124,997
Due to related party		1,033	370,212
Employees' terminal benefits, net		1,343	5,214
Net cash provided by operating activities		1,017,718	816,207
Net increase in cash and cash equivalents		1,017,718	816,207
Cash and cash equivalents, beginning of the year		994,849	178,642
Cash and cash equivalents, end of the year	8	2,012,567	994,849

1 Incorporation and Principal activities

Wipro Bahrain Limited Co. S.P.C. (the "Company") is a single person company registered in the Kingdom of Bahrain with the Ministry of Industry and Commerce under commercial registration number 73168-01 obtained on 28 October 2009. The Company was previously operating as a limited liability company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operated under commercial registration number 73168-01 obtained on 28 October 2009.

During the year ended 31 March 2019, the legal status of the Company was changed to be a single person company. All the assets and liabilities and net worth of the previously operating limited liability company was transferred to the newly formed single person company at their carrying values.

Necessary legal formalities with relevant regulatory authorities including amendment to the Founder's declaration and articles of association have been completed. The details of the revised shareholding structure of the Company is disclosed in Note 10.

The principal activities of the Company are:

- repair of computers and peripheral equipment;
- computer consultancy and computer facilities management activities;
- sale/trade of information and communications equipment and related software; and
- computer programming activities

The registered office of the Company is in the Kingdom of Bahrain.

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.

i. Basis of presentation

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 Bahrain Commercial Companies Law, Decree Number 21 of 2001.

The financial statements have been drawn up from the accounting records of the company under the historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair value. Items included in the financial statements are measured using the currency of the primary economic environment in which these entities operate (i.e., the "functional currency"). These financial statements are presented in Bahraini Dinar, which is the functional currency of the Company.

Improvements/amendments to IFRS issued in 2014/2016 and 2015/2017 cycles 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.

2 Accounting Policies (continued)

i. Basis of presentation (continued)

Standards, amendments and interpretations effective and adopted in 2018

The following new standards, amendments and interpretations issued by the IASB are effective for the first time for periods beginning on or after 1 January 2018 and have been adopted in the preparation of these financial statements:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018

IFRS 9 – "Financial Instruments"

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1 January 2018 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out below. In accordance with the exemptions available as per the transitional provisions of IFRS 9, the comparative figures have not been restated and adoption of this standard had no significant impact on the financial statements.

Application of the new measurement and presentation requirements of IFRS 9 did not have an impact on equity. The Company continues to measure at fair value all financial assets earlier measured at fair value. The effect of change in measurement of financial instruments on Company's comprehensive income, financial position and earning per share has been applied retrospectively. The retrospective application did not have an impact on the financial position as at March 31, 2017 and 2018.

IFRS 15 – "Revenue from Contracts with Customers"

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is 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.

The standard requires a Company to exercise judgment, 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.

On April 1, 2018, IFRS 15, "Revenue from Contracts with Customers" was adopted using the cumulative catch up transition method applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted.

On account of adoption of IFRS 15, unbilled revenues pertaining to fixed price development contracts of BD 961,221 as at March 31, 2019 has been considered as non-financial Contract assets, which are billable on completion milestones specified in the contracts. Unbilled revenues of BHD 25,852, which are billable based on passage of time been classified as financial asset. The adoption of IFRS 15, did not have any material impact on the standalone statement of profit and loss for the year ended March 31, 2019.

2 Accounting Policies (continued)

i. Basis of presentation (continued)

Standards, improvements, amendments and interpretations issued and effective but not relevant in 2018

The following new standards, improvements, amendments and interpretations issued by the IASB are effective for the first time for periods beginning on or after 1 January 2018 but have not been adopted as these are not considered to be relevant to the Company's operation:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 28	Investments in Associates and Joint Ventures	1 January 2018
IFRS 1	First-time adoption of International Financial Reporting Standards	1 January 2018
IFRS 2	Share-based payment	1 January 2018
IFRS 4	Insurance contracts	1 January 2018

New standards, interpretations and amendments issued but not yet effective in 2018

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 31 March 2019. They have not been adopted in preparing the financial statements for the year ended 31 March 2019 and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 12	Income taxes	1 January 2019
IAS 19	Employee benefits	1 January 2019
IAS 23	Borrowing costs	1 July 2018
IFRIC 23	Uncertainty over income tax treatments	1 January 2019
IFRS 11	Joint arrangements	1 January 2019
IFRS 16	Leases	1 January 2019
IFRS 3	Business combinations	1 January 2019
IFRS 17	Insurance contracts	1 January 2021

There would have been no change in 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, except for IFRS 16 and IAS 19.

IFRS 16 - "Leases"

On January 13, 2016, the international accounting standards board issued IFRS 16, Leases. IFRS 16 will replace the existing leases Standard, IAS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The effective date for adoption of IFRS 16 is annual periods beginning on or after January 1, 2019.

2 Accounting Policies (continued)

i. Basis of presentation (continued)

IFRS 16 - "Leases" (continued)

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as of annual periods beginning on or after January 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019 and accordingly the comparative for year ended March 31, 2018 and 2019, will not be retrospectively adjusted. Based on the current assessment, the Company does not expect a significant impact to opening retained earnings on adoption of IFRS 16.

Amendments to IAS 19 - "Employee benefits"

On February 7, 2018, the international accounting standards board issued amendments to IAS 19. Amendments to IAS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The effective date for adoption of amendment to IAS 19 is annual periods beginning on or after January 1, 2019. The Board is currently reviewing the impact the standard may have on the preparation of the financial statements when the standard is adopted. Due to recent release of this standard, the entity has not yet made a detailed assessment of impact of this standard.

ii. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and judgements. It also 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. Though these estimates are based on management's best knowledge of current events and actions; actual results may ultimately differ from those estimates.

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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- revenue recognition;
- defined benefit plans and compensated absences;
- economic useful lives of plant and equipment
- fair value measurement;
- impairment of assets;
- going concern; and
- contingencies.

2 Accounting Policies (continued)

ii. Critical accounting estimates and judgements (continued)

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, recognized 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. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Economic useful lives of plant and equipment

The Company's plant and equipment are depreciated on a straight-line basis over their economic useful lives. Useful economic lives of plant and equipment are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

Fair value measurement

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)
Level 2: Observable direct or indirect inputs other than Level 1 inputs
Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item and transfers of items between levels are recognised in the period they occur.

The financial assets and financial liabilities of the Company that either require fair value measurements or only fair value disclosures as at 31 March 2019 and 2018 are shown in Note 4.

2 Accounting Policies (continued)

ii. Critical accounting estimates and judgements (continued)

Impairment of assets

Financial assets

From 1 April 2018, the Company assesses on a forward looking basis the expected credit losses associated with its trade and other receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

During the year ended 31 March 2019, in the opinion of the Company's management, a provision of BD285,530 is required for impaired trade and other receivables (2018: BD288,936).

Other non-financial assets

Other non-financial assets (excluding inventories) are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs").

Impairment changes are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

Going concern

The management of the Company reviews the financial position 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 Owner of the Company ensures that adequate financial support is provided to fund the requirements of the Company to ensure the going concern status of the Company.

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.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Revenue

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

3 Significant accounting policies (continued)

(a) Revenue (continued)

To recognize revenues, we apply the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

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

A. Time and materials contracts

Revenues and costs relating to time and materials, transaction-based or volume-based contracts are recognized as the related services are rendered.

B. Fixed-price development contracts

Revenues from fixed-price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, are recognized 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. If the Company is not able to reasonably measure the progress of completion, revenue is recognized only to the extent of costs incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the consolidated statement of income in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is an entity’s obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.
Unbilled revenue on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time

3 Significant accounting policies (continued)

(a) Revenue (continued)

C. Maintenance contracts

Revenues related to fixed-price maintenance, testing and business process services are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed using the percentage of completion method.

When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

D. Products

Revenue on product sales are recognized when the customer obtains control of the specified asset.

E. Others

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price.

Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Revenues are shown net of allowances/ returns sales tax, value added tax, goods and services tax and applicable discounts and allowances. Revenue includes excise duty.

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

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset and amortized over the contract term.

3 Significant accounting policies (continued)

(a) Revenue (continued)

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, we evaluate whether we are the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis).

In doing so, we first evaluate whether we control the good or service before it is transferred to the customer. If we control the good or service before it is transferred to the customer, we are the principal; if not, we are the agent.

Trade receivables and Contract balances

'The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset.

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. We present such receivables as part of Trade receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in IFRS 9 using expected credit loss method.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are presented in Other current assets and primarily relate to unbilled amounts on fixed-price contracts utilizing the percentage of completion method of revenue recognition.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. contract liabilities or deferred revenue consist of advance payments and billings in excess of revenues recognized and disclosed as part of current and noncurrent liabilities. The company classifies deferred revenue as current or noncurrent based on the timing of when we expect to recognize the revenue

Remaining Performance Obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and an explanation of when the entity expects to recognize as revenue. As a practical expedient, disclosure is not required for:

3 Significant accounting policies (continued)

(a) Revenue (continued)

i. performance obligation that has an original expected duration of one year or less;
ii. contracts for which revenue is recognized based on the right to invoice for services performed.

Applying the above practical expedient, the company has not disclosed remaining performance obligations for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis, transaction or volume basis.

b) Employee benefits

The Company has the following employee benefits:

i. Contribution to pension scheme

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.

ii. Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur.

iii. Post employment benefits

The company provides post employment benefits which are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks are borne by the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks are borne by the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

Actuarial gains or losses are immediately recognized in other comprehensive income, net of taxes and permanently excluded from profit or loss. Further, the profit or loss will no longer include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income, net of taxes.

3 Significant accounting policies (continued)

c) Finance Income

Finance and other income comprises interest income on deposits, dividend income and gains / (losses) on disposal of investments. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

d) Plant and equipment

Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures directly attributable to the acquisition of the asset.

Depreciation

The Company depreciates plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. The estimated useful life of assets is reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Machinery	2 years

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment. Subsequent expenditure relating to plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Gains or losses on disposal of plant and equipment are determined by comparing proceeds with carrying amount and are included in the statement of comprehensive income.

Repairs and renewals are charged to the statement of profit or loss and other comprehensive income when the expenditure is incurred.

The carrying values of the plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amounts, the plant and equipment are written-down to their recoverable amounts.

e) Foreign currency transactions

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income and reported within foreign exchange gains/(losses), net, within results of operating activities. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Effective April 1,2018, the company has adopted IFRIC 22 Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

3 Significant accounting policies (continued)

f) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

g) Related party transactions

Related parties include the related companies, the directors and any employee who are able to exert significant influence on the operating policies of the Company. Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Company considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Where there is a related party transaction with the Company, the transactions are disclosed as to the type of relationship that exists with the Company and the outstanding balances and transactions necessary to understand their effects on the financial position and financial performance.

h) Leases

Leases under which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight-line basis in the statement of comprehensive income over the lease term.

i) Cash flow statement

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

3 Significant accounting policies (continued)

j) Financial Instruments

Effective April 1, 2018, the Company adopted IFRS 9 Financial Instruments with retrospective application from April 1, 2017. The following is the summary of new and revised significant accounting policies related to Financial instruments.

Financial assets

Financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, employee and other advances and eligible current and non-current assets. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Financial liabilities, which include long and short-term loans and borrowings, trade payables, eligible current and non-current liabilities.

Financial instruments are recognized initially at fair value. Subsequent to initial recognition, financial instruments are measured as described below:

- Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

- Investments

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition):

a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
b) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.
Financial instruments measured at fair value through other comprehensive income (FVTOCI):

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition):

a) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial asset; and
b) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

3 Significant accounting policies (continued)

j) Financial Instruments (continued)

Interest income is recognized in the statement of income for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserves is transferred to the statement of income.

Financial instruments measured at fair value through profit or loss (FVTPL):

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in statement of income. The gain or loss on disposal is recognized in the statement of income.

Interest income is recognized in the statement of income for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the entity's right to receive dividend is established.

- Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled revenues and other assets.

- Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognize the financial asset and recognizes a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognized from the group’s balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

k) Equity and Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company’s ordinary shares are classified as equity instruments.

Retained earnings comprises of the Company’s undistributed earnings after taxes.

3 Significant accounting policies (continued)

l) Impairment

a. Financial Assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate. Loss allowances for trade receivables and lease receivables are measured at an amount equal to lifetime expected credit loss. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

b. Non - Financial Assets

The Company assesses long-lived assets such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than it carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of income. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

4 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:

	2019 BHD	2018 BHD
Financial assets:		
Trade receivable	671,153	1,503,442
Due from related party	3,424	184
Other financial assets*	48,023	34,681
Cash and cash equivalents	2,012,567	994,849
	2,735,167	2,533,156
Financial liabilities:		
Trade payables and accrued expenses	31,543	56,148
Due to related parties	769,905	768,872
	801,448	825,020

4 Financial instruments and risk management (continued)

* Upon implementation of IFRS 15, unbilled revenues from fixed price contracts are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones and unbilled revenues from time and materials contracts were classified as financial assets as right to consideration is unconditional upon passage of time.

Fair Value

Financial assets and liabilities include cash and cash equivalents, trade receivables, unbilled revenues, employee and other advances and eligible current and non-current assets, trade payable, eligible current liabilities and non-current liabilities.

The fair value of cash and cash equivalents, trade receivables, unbilled revenues, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. Further, Trade receivables that are overdue are periodically evaluated based on individual credit worthiness of customers. Based on this evaluation, the Company records allowance for expected credit losses on these receivables. As at March 31, 2019 and 2018, the carrying value of receivables, net of allowances approximates the fair value.

General

Pursuant to a financial policy maintained by the Board of Directors, the Company use several financial instruments in the ordinary course of business. The Company's financial instruments are cash and cash equivalents, trade and other receivables and trade and other payables.
The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk, consisting of currency risk, interest rate risk and price risk

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 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:

	2019 BHD	2018 BHD
Financial assets:		
Trade receivable	671,153	1,503,442
Due from related party	3,424	184
Other financial asset	48,023	34,681
Bank balance	2,012,567	994,849
	2,735,167	2,533,156

4 Financial instruments and risk management (continued)

The ageing of trade receivable at the reporting date was:

	Gross 2019 BHD	Impairment 2019 BHD	Gross 2018 BHD	Impairment 2018 BHD
Not past due	100,585	-	-	-
Past due, but not impaired	570,568	-	1,503,442	-
Past due & impaired	285,530	285,530	288,936	288,936
	956,683	285,530	1,792,378	288,936

As at reporting date there is no concentration of credit risk with certain customers. Cash and cash equivalents are held with HSBC bank.

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 that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Liquidity projections including available credit facilities are incorporated in the regular management information reviewed by the Board of Management. The focus of the liquidity review is on the net financing capacity, being free cash plus available credit facilities in relation to the financial liabilities. The following are the contractual maturities of financial liabilities:

2019	Carrying amount BHD	Contractual undiscounted cash flows BHD	Within 6 months BHD	6 to 12 Months BHD	More than 12 months BHD
Due to related parties	769,905	769,905	769,905	-	-
Accounts payable	17,468	17,468	17,468	-	-
Accruals	14,075	14,075	14,075	-	-
	801,448	801,448	801,448	-	-

2018	Carrying amount BHD	Contractual undiscounted cash flows BHD	Within 6 months BHD	6 to 12 months BHD	More than 12 months 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	-	-
	844,352	844,352	844,352	-	-

Market risk

Market risk concerns the risk that Company income or the value of investments in financial instruments is adversely affected by changes in market prices, such as exchange rates and interest rates. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

4 Financial instruments and risk management (continued)

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.

Foreign exchange risk

The functional currency of the Company is Bahraini Dinar. 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.

5 Plant and equipment

Cost	**Machinery**	**Total**
At 1 April 2017	4,006	4,006
Additions	-	-
At 31 March 2018	4,006	4,006
Additions	-	-
At 31 March 2019	4,006	4,006
Accumulated Depreciation:		
At 31 March 2017	1,905	1,905
Charge for the year	1,536	1,536
At 31 March 2018	3,441	3,441
Charge for the year	565	565
At 31 March 2019	4,006	4,006
Net block		
At 31 March 2019	-	-
At 31 March 2018	565	565

The Company operates from premises leased at a monthly rental of BD1,310 per month (2018: BD1,310).

6 Trade and other receivables

	31 March 2019	31 March 2018
Trade receivables	956,683	1,792,378
Less: Allowance for lifetime expected credit loss (Refer Note below)	(285,530)	(288,936)
Total	671,153	1,503,442
Non-current portion	(66,907)	-
Current portion	604,246	1,503,442

Trade receivables are generally on 60 to 90 days credit terms.

The Company has applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company considers a financial asset in default when contractual payment are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

Movement in expected credit loss allowance:

	31 March 2019	31 March 2018
Balance at the beginning	288,936	265,153
Impairment loss recognized	-	23,783
Reversal of excess provision	(3,406)	-
Balance at the end	285,530	288,936

6 Trade and other receivables (continued)

On that basis, the allowance as at 31 March 2019 (on adoption of IFRS 9) was determined as follows for trade receivables.

At 31 March 2019 the lifetime expected loss provision for trade receivables is as follows:

	Aged less than 180 days	Aged for 180-365 days	Aged for 1-2 years	Aged for 2-3 years	Aged for 3-4 years	Aged for 4 years and above	Total
Tier 1 receivables:							
Expected loss rate	0%	0%	0%	25%	50%	100%	
Gross trade receivables	18,916	12,788	11,950	33,991	89,782	171,549	338,976
Loss allowance	-	-	-	8,498	44,891	171,549	224,938
Tier 2 receivables:							
Expected loss rate	0%	10%	25%	50%	100%	100%	
Gross trade receivables	529,200	26,547	5,364	-	-	56,596	617,707
Loss allowance	-	2,655	1,314	-	-	56,596	60,592
Total gross trade Receivables	548,116	39,335	17,314	33,991	89,782	228,145	956,683
Total loss allowance	-	2,655	1,341	8,498	44,891	228,145	285,530

Tier 1 receivables
These represent outstanding receivables from government customers.

Tier 2 receivables
These represent outstanding receivables from non- government customers.

7 Other financial assets - current

	31 March 2019	31 March 2018
Unbilled revenue*	25,852	2,289
Advance to Staff	18,605	27,355
Interest accrued but not due	3,566	5,037
	48,023	34,681

* Classified as financial asset as right to consideration is unconditional upon passage of time.

8 Cash and bank balances

	31 March 2019	31 March 2018
HSBC Bank- Current account	312,567	444,849
Demand deposits with banks*	1,700,000	550,000
	2,012,567	994,849

* These deposits can be withdrawn by the Company at any time without prior notice and without any penalty on the principal

9 Other assets

	31 March 2019	31 March 2018
Current		
Contracts assets*	961,221	1,865,361
Prepayments	7,172	7,780
	968,392	1,873,141

* Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

10 Share capital

	31 March 2019	31 March 2018
Authorised share capital		
1,000 shares of BD50 each		
(2018: 1,000 shares of BD50 each)	50,000	50,000
Issued and fully paid-up		
1,000 shares of BD50 each		
(2018: 1,000 shares of BD50 each)	50,000	50,000

10 Share capital (continued)

The shareholding pattern of the Company as at 31 March 2019 is as follows:

Name of the Parent Company	Number of shares	Amount	Percentage of ownership interest
Wipro Cyprus SE	1,000	50,000	100%

The shareholding pattern of the Company at 31 March 2018 was as follows:

Name of the Parent Company	Number of shares	Amount	Percentage of ownership interest
Wipro Cyprus Private Limited	30	1,500	3%
Wipro Enterprises Cyprus Limited	970	48,500	97%
	1,000	**50,000**	**100%**

During the year ended 31 March 2019, the legal status of the Company was changed to be a single person company. All the assets and liabilities and net worth of the previously operating limited liability company was transferred to the newly formed single person company at their carrying values.

Necessary legal formalities with relevant regulatory authorities including amendment to the Founder's declaration and articles of association have been completed.

11 Retained earnings

	31 March 2019	31 March 2018
At the beginning	3,169,574	2,273,111
(Loss)/ Profit during the year	(536,248)	896,463
At the end	2,633,326	3,169,574

12 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. This reserve is not available for distribution except for dividend payment as permitted by Bahrain Commercial Companies Law. As the requirement per law has been met no such amount has been transferred during the year.

13 Trade payables and accrued expenses

	31 March 2019	31 March 2018
Trade Payables	17,468	19,470
Accrued expenses	14,075	36,678
	31,543	56,148

14 Other liabilities

	31 March 2019	31 March 2018
Non- current		
Employee benefit obligations (Note 15)	14,533	-
Compensated absences (Note 15)	12,202	-
	26,735	-
Current		
Advances from customers (Note 15)	6,721	10,626
Employee benefit obligations (Note 15)	85,032	98,220
Compensated absences	67,174	71,804
Unearned revenue	6,045	137,285
Other payables	2,079	19,332
	167,051	337,267

15 Employee benefit obligation

Local employees

The contributions made by the Company towards the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 March 2019 amounted to BD40,365 (2018: BD46,500).

Expatriate employees

The movement in leaving indemnity liability applicable to expatriate employees is as follows:

	31 March 2019	31 March 2018
Employee benefit obligations	99,565	98,220
Compensated absences	79,376	71,804
	178,941	170,024
Non – current portion of employee benefits	(26,735)	-
	152,206	170,024

The costs, assets and liabilities of the defined benefit schemes operated by the Company are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions are set out below. The Company takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions used may have a significant effect on the statement of profit or loss and other comprehensive income and the statement of financial position.

15 Employee benefit obligation (continued)

There are no plan assets for the afore mentioned defined benefit obligations.

The principal assumptions used for the purpose of actuarial valuation of these defined benefit plans are as follows:

	31 March 2019	31 March 2018
Discount rates	5.78%	-
Expected rate of increase in salary	2%	-

The discount rate is primarily based on the prevailing market yields of government securities for the estimated term of the obligations. The estimates of future salary increase considered considers the inflation, seniority, promotion and other relevant factors. Attrition rate considered is the management's estimate, based on previous years' employee turnover of the Company.

End of service award is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate.

The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	Year ended 31 March 2019	
	Discount rate	Salary escalation rate
Defined benefit obligation on increase of 50 basis points	99,256	99,893
Impact of increase in 50 basis points	(0.31%)	0.33%
Defined benefit obligation on decrease of 50 basis points	99,882	99,243
Impact of decrease in 50 basis points	(0.32%)	(0.32%)

16 Related Party Balances and transaction

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.

17 Due from related party

	31 March 2019	31 March 2018
Wipro Arabia Limited, Saudi Arabia (entity under common control)	2,886	184
Wipro Digital (entity under common control)	538	-
	3,424	184

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

18 Due to related parties

	31 March 2019	31 March 2018
Wipro Corporate (entity under common control)	447	-
Wipro Information Technology Egypt SAE, Egypt (entity under common control)	433	420
Wipro Doha LLC (entity under common control)	165	-
Wipro Travel Services Limited (entity under common control)	34,751	-
Wipro Limited (ultimate parent)	734,110	768,452
	769,905	768,872

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

19 Related party transactions

Name of related party	Nature of transactions	31 March 2019	31 March 2018
Wipro Arabia Limited, Saudi Arabia (entity under common control)	Expenses of the party met by the company	-	184
Wipro Limited, India	Services availed from the party	554,741	491,297
Wipro Limited, India	Expenses of the Company met by the party	5,951	73,903
Wipro Limited, India	Payments made to the party in relation to services availed	59,110	194,155
Wipro Information Technology Egypt SAE, Egypt (entity under common control)	Expenses of the party met by the Company	-	832
Wipro Travel Services Limited (entity under common control)	Expenses of the party met by the Company	635	-

20 Income from Operations

	31 March 2019	31 March 2018
Revenue from IT Services	1,249,892	3,221,444

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by offerings and contract-type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

20 Income from Operations (continued)

	31 March 2019
Revenue by offerings	
IT Implementation and Maintenance services	1,249,892
Revenue by market	
Banking and Financial Services	364,725
Communication	266,184
Energy	325,140
Manufacturing	262,237
Others	31,606
	1,249,892
Revenue by contract type	
Fixed price contracts	958,997
Time and Materials based contracts	290,895
	1,249,892
Revenue by type of customer	
Government	100,408
Non-Government	1,149,484
	1,249,892

Trade Receivables and Contract balances

The table below shows significant movements in contract assets:

Particulars	**Amount**
Balance as on April 1, 2018	1,865,361
Revenues recognized during the year but not billed	987,073
Contract asset billed during the year	(1,865,361)
Impairment/ (reversal) during the year	-
Balance as on March 31, 2019	987,073

The table below shows significant movements in contract liabilities:

Particulars	**Amount**
Balance as on April 1, 2018	137,285
Amount billed but not recognized as revenues	6,045
Revenue recognized from opening balance of contract liabilities Contract asset billed during the year	(137,285)
Balance as on March 31, 2019	6,045

20 Income from Operations (continued)

There are no revenues recognized during the reporting period from the performance obligations satisfied in previous periods.

Performance Obligation and Remaining Performance Obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and an explanation of when the entity expects to recognize as revenue.

As a practical expedient, disclosure is not required for:

i. performance obligation that has an original expected duration of one year or less;

ii. contracts for which revenue is recognized based on the right to invoice for services performed. Applying the above practical expedient, the company has not disclosed remaining performance obligations for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis, transaction or volume basis.

As of March 31, 2019, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was BHD 14,58,679, of which approximately 50% is expected to be recognized as revenues within 1 year, and the remainder thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile IAS 18 Revenue instead of IFRS15-Revenue from contract with customers on the financials results of the Company for the year ended and as at March 31, 2019 is nil.

21 Other income

	Year ended 31 March 2019	Year ended 31 March 2018
Interest Income	23,902	3,818

22 Cost of operations

	Year ended 31 March 2019	Year ended 31 March 2018
Software development charges	549,409	497,331
Staff Cost*	824,599	1,067,829
Travelling cost	22,665	324,389
Communication	694	2,239
Insurance	52,373	38,436
Others	9,887	8,792
	1,459,627	1,939,016

23 General and administrative expenses

	Year ended 31 March 2019	Year ended 31 March 2018
Staff Cost*	217,707	287,901
Rent	16,944	13,240
Communication Expense	1,215	3,517
Printing and Stationery	1,198	413
Insurance	2,032	12,872
Legal & Professional	34,767	12,499
Repairs and Maintenance	-	2,450
Other Expenses	57,746	1,705
	331,608	334,597

* I. Staff cost above includes defined benefit contribution to the extent of BHD 40,365 for 2019 and BHD 46,500 for 2018 made to pension scheme for Bahraini nationals administered by the General Organization for Social Insurance in the Kingdom of Bahrain.

II. Staff cost above includes defined benefit cost towards end of service award to the extent of BHD (33,655) for 2019 and BHD 127,996 for 2018.

24 Bad debts

	Year ended 31 March 2019	Year ended 31 March 2018
Bad and Doubtful Debts	3,406	(23,783)

25 Foreign exchange fluctuation

	Year ended 31 March 2019	Year ended 31 March 2018
Forex loss	21,649	29,866

26 Rounding off of figures

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

27 Contingent Liability

	Year ended 31 March 2019	Year ended 31 March 2018
Tender bonds	60,374	4,000
Performance Guarantees	92,305	654,371
Advance Guarantees	16,927	48,594
	169,606	706,965

27 Contingent Liability (continued)

Except for the above, as at 31 March 2019, there were no contingent liabilities arising in the ordinary course of the business, which are expected to give rise to any material loss.

28 Events after reporting period

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.