

Wipro Bahrain Limited Co. W.L.L.

Report and financial statements for the
year ended 31 March 2024

Wipro Bahrain Limited Co. W.L.L.
Financial statements for the year ended 31 March 2024

Index	Page
1. Administration and contact details	3
2. Directors' report	4
3. Independent auditor's report	5-7
4. Statement of financial position	8
5. Statement of profit or loss and other comprehensive income	9
6. Statement of changes in shareholder's equity	10
7. Statement of cash flows	11
8. Notes to financial statements	12-47

Wipro Bahrain Limited Co. W.L.L.
Administration and contact details as at 31 March 2024

Company name	Wipro Bahrain Limited Co. W.L.L.
Commercial registration number	73168-1 obtained on 28 October 2009
Shareholder/Parent company	Wipro IT Services UK Societas
Directors	Rajath Banvara Narayan Sayantan Mukherjee
Registered office	Flat 510, Building 2795 Road 2835, Block 428 Al Seef Kingdom of Bahrain
Banker	HSBC Bank Middle East Limited
Auditors	BDO 17 th Floor Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain

Wipro Bahrain Limited Co. W.L.L.
Directors' Report for the year ended 31 March 2024

The Board of Directors have pleasure in submitting the audited financial statements of Wipro Bahrain Limited Co. W.L.L. ("the Company") for the year ended 31 March 2024.

Principal activities and review of business developments

The Company is principally engaged in:

- repairs of computers and peripheral services;
- 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 8 and 9 of the financial statements.

Dividend

The Board of Directors do not propose to pay any dividend to the shareholders during the years ended 31 March 2024 (2023: Nil).

Representation and audit

The Company's activities for the year ended 31 March 2024 have been conducted in accordance with the Bahrain Commercial Companies Law, 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 Board of Directors proposes to reappoint BDO as the external auditors of the Company for the next financial year, who has expressed their willingness to continue in office.

Signed on behalf of the Board:

Sd/-
Rajath Banvara Narayan
Director

Sd/-
Sayantan Mukherjee
Director



Tel : +973 1753 0077
Fax: +973 1791 9091
www.bdo.bh

17th Floor
Diplomat Commercial Office Tower
PO Box 787
Manama
Kingdom of Bahrain

Independent auditor's report to the shareholder of Wipro Bahrain Limited Co. W.L.L.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Wipro Bahrain Limited Co. W.L.L. ("the Company"), which comprise the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, the statement of changes in shareholder's equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 information

Management is responsible for the other information. The other information comprises the information included in the Directors' report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and Those Charged With Governance ("TCWG") for the financial statements

Management is responsible for the preparation and fair presentation of these 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.



Tel : +973 1753 0077
Fax: +973 1791 9091
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17th Floor
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Independent auditor's report to the shareholder of Wipro Bahrain Limited Co. W.L.L. (continued)

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.



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**Independent auditor's report to the shareholder of
Wipro Bahrain Limited Co. W.L.L. (continued)**

Report on other legal and regulatory requirements

Further, as required by the Bahrain Commercial Companies Law, we report that:

- (1) we have obtained all the information we considered necessary for the purpose of our audit;
- (2) the Company has carried out stock-taking in accordance with recognised procedures, 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, or of its Deed of Association, which would materially affect its activities, or its financial position as at 31 March 2024.

BDO

Manama, Kingdom of Bahrain
12 June 2024



Wipro Bahrain Limited Co. W.L.L.
Statement of financial position as at 31 March 2024
(Expressed in Bahrain Dinars)

	Notes	31 March 2024 BHD	31 March 2023 BHD
ASSETS			
Non current assets			
Property, plant and equipment	5	6	11
Total non-current assets		6	11
Current assets:			
Inventories	6	88,490	124,681
Trade and other receivables	7	345,785	262,683
Other financial assets	8	735,798	23,882
Other assets	10	5,352	748,826
Amounts due from related parties	22	162,268	3,194
Cash and cash equivalents	9	484,632	1,434,991
		<u>1,822,325</u>	<u>2,598,257</u>
Total assets		<u>1,822,331</u>	<u>2,598,268</u>
EQUITY AND LIABILITIES			
Equity and reserves:			
Share capital	11	50,000	50,000
Statutory reserve	12	25,000	25,000
Retained earnings	13	1,016,736	926,975
		<u>1,091,736</u>	<u>1,001,975</u>
Non current liabilities:			
Non-current portion of compensated absences	15	15,272	13,057
Non-current portion of employees' terminal benefits	15	27,023	15,440
		<u>42,295</u>	<u>28,497</u>
Current liabilities:			
Trade payables and accrued expenses	14	60,376	57,424
Other liabilities	15	80,673	86,915
Amounts due to related parties	22	547,251	1,423,457
		<u>688,300</u>	<u>1,567,796</u>
Total equity and liabilities		<u>1,822,331</u>	<u>2,598,268</u>

These financial statements were approved and authorised for issue and signed by the Directors on their behalf:

Sd/-
Rajath Banvara Narayan
Director

Sd/-
Sayantan Mukherjee
Director

Wipro Bahrain Limited Co. W.L.L.

Statement of profit or loss and other comprehensive income for the year ended 31 March 2024

(Expressed in Bahrain Dinars)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Revenue	17	1,223,346	1,463,933
Direct costs	18	(1,025,368)	(1,604,993)
Gross profit/(loss)		197,978	(141,060)
Other income	19	-	1,684
		197,978	(139,376)
Expenses			
General and administration expenses	20	(112,242)	(113,577)
Foreign exchange loss	21	(7,061)	(15,177)
		(119,303)	(128,754)
Net profit/(loss) for the year		78,675	(268,130)
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial gains/(losses) on defined benefit schemes		11,086	(27,059)
Total other comprehensive income/(loss)		11,086	(27,059)
Total comprehensive income/(loss) for the year		89,761	(295,189)

These financial statements were approved and authorised for issue and signed by the Directors on their behalf:

Sd/-
Rajath Banvara Narayan
Director

Sd/-
Sayantan Mukherjee
Director

Wipro Bahrain Limited Co. W.L.L.

Statement of changes in Owner's equity for the year ended 31 March 2024

(Expressed in Bahrain Dinars)

Particulars	Share capital	Statutory reserve	Retained earnings	Total
At 31 March 2022	50,000	25,000	1,222,164	1,297,164
Net loss for the year	-	-	(268,130)	(268,130)
Dividend paid	-	-	-	-
Other comprehensive loss for the year	-	-	(27,059)	(27,059)
At 31 March 2023	50,000	25,000	926,975	1,001,975
Net profit for the year	-	-	78,675	78,675
Other comprehensive income for the year	-	-	11,086	11,086
At 31 March 2024	50,000	25,000	1,016,736	1,091,736

Wipro Bahrain Limited Co. W.L.L.
Statement of cash flows for the year ended 31 March 2024
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Operating activities			
Net Profit/(loss) for the year		78,675	(268,130)
Adjustments for:			
Depreciation on plant and equipment	5	-	636
Interest expenses		29,146	-
Cash flows from operating activities before working capital changes		107,821	(267,494)
Changes in operating assets and liabilities:			
Inventories		36,191	(66,639)
Trade and other receivables		(51,544)	489,968
Amounts due from related parties		(159,075)	94,682
Trade and other payables		(4,111)	(75,087)
Amounts due to related parties		(876,206)	766,111
Employees' terminal benefits, net		25,711	(57,000)
Net cash (used in)/provided by operating activities		(921,213)	884,541
Financing activities			
Finance cost paid		(29,146)	-
Net cash used in financing activities		(29,146)	-
Net (decrease)/increase in cash and cash equivalents		(950,359)	884,541
Cash and cash equivalents, beginning of the year		1,434,991	550,450
Cash and cash equivalents, end of the year	9	484,632	1,434,991

1 Organisation and activities

Wipro Bahrain Limited Co. W.L.L.(the "Company") is a limited liability company registered in the Kingdom of Bahrain with the Ministry of Industry and Commerce under commercial registration number 73168-1 obtained on 28 October 2009.

The Company is principally engaged in:

- 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 Company is a fully owned subsidiary of Wipro IT Services UK Societas ("the shareholder" or "the Parent Company").

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

These financial statements, set out on pages 8 to 46, were approved and authorised for issue by the Board of Directors and signed on 12 June 2024.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the IFRS Accounting Standards as issued 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.

Basis of presentation

The financial statements have been prepared under the historical cost convention and using the going concern assumption.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to these financial statements.

Functional and presentation currency

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

2 Basis of preparation (continued)

Improvements/amendments to IFRS / IAS

Improvements/amendments to IFRS Accounting Standards contained numerous amendments to IFRS Accounting Standards that the IASB considers non-urgent but necessary. ‘Improvements to IFRS Accounting Standards’ 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 Accounting standards. The amendments are effective for the Company’s future accounting period with

Basis of preparation

The following new standard, amendment to existing standard or interpretation to published standard is mandatory for the first time for the financial year beginning 1 January 2023 and has been adopted in the preparation of these financial statements:

IAS 1 Presentation of financial statements

In February 2021, the International Accounting Standard Board (“IASB”) has issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from ‘significant accounting policies’ to ‘material accounting policy information’. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. The Company has applied amendments and disclosed the impact in Note 3 to the separate financial statements. Other than that, these amendments have no effect on the measurement or presentation of any items in the separate financial statements of the Company.

IAS 8 Accounting policies, changes in accounting estimates and errors

In February 2021, the International Accounting Standard Board (“IASB”) issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

The Company has adopted the amendments of IAS 8 and had no significant impact on the separate financial statements.

Standard or interpretation	Title	Effective for annual periods beginning on
IAS 1	Presentation of financial statements	1 January 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023

The Company has adopted the amendments of IAS 8 and had no significant impact on the financial statements.

2 Basis of preparation (continued)

Standards, amendments and interpretations issued and effective in the year 2023-24 but not relevant

The following new amendments to existing IFRS accounting standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2023 or subsequent periods, but is not relevant to the Company's operations:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IFRS 17	Insurance contracts	1 January 2024
IAS 1	Presentation of financial statements	1 January 2024
IAS 7	Statement of Cash Flows	1 January 2024
IFRS 7	Financial Instruments: Disclosures	1 January 2024
IFRS 16	Leases	1 January 2024

Standards, amendments and interpretations issued but not yet effective in the year 2023-24

The following new/amended IFRS accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 March 2024. They have not been adopted in preparing the financial statements for the year ended 31 March 2024 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
IAS 21	The Effects of Changes in Foreign Exchange Rates	01 January 2025

Early adoption of amendments or standards in the year 2023-24

The Company did not early-adopt any new or amended standards in the financial year 2023-24. There would have been no change in the operational results of the Company for the year ended 31 March 2024 had the Company early adopted any of the above standards applicable to the Company.

3 Material accounting policy information

A summary of the material accounting policy information adopted in the preparation of these financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Plant and equipment

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.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which is determined on the weighted average basis, comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses. Where necessary, provision is made for obsolete, slow-moving and defective inventories.

3 Material accounting policy information (continued)

Financial assets

The Company classifies its financial assets into the amortised cost category based on the cash flow characteristics and business model these assets are held under.

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments) and cash and cash equivalents in the statement of financial position.

Trade and other receivables

Impairment allowances for current and non-current trade receivables, if any, are recognised based on the simplified approach within IFRS 9 using a allowance matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such allowances are recorded in a separate allowance account with the loss being recognised within general and administrative expenses in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated allowance.

Impairment allowances for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model.

The methodology used to determine the amount of the allowance is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those financial assets where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those financial assets for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

3 Material accounting policy information (continued)

Trade and other receivables (continued)

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of profit or loss and other comprehensive income (operating profit).

Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents include cash on hand and current account balances with banks.

Financial liabilities

The financial liabilities of the Company consist of trade and other payables (excluding employees' benefits). These financial liabilities are initially recognised at fair value and are subsequently remeasured at amortised cost using the effective interest method.

Trade and other payables (excluding employees' benefits)

Trade and other payables (excluding employees' benefits) are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. 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 Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

3 Material accounting policy information (continued)

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation in future, and the amount of the obligation can be reliably estimated.

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.

Employees' benefits

The Company has the following employee benefits:

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 a defined contribution scheme under IAS 19 - "Employee benefits", is recognised as an expense in the statement of profit or loss and other comprehensive income.

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.

3 Material accounting policy information (continued)

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.

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.

Revenue recognition

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.

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.

3 Material accounting policy information (continued)

Revenue recognition (continued)

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.

Other income earned by the Company is recognised on the accruals basis, unless collectability is in doubt.

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.

3 Material accounting policy information (continued)

Revenue recognition (continued)

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.

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 is 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.

3 Material accounting policy information (continued)

Revenue recognition (continued)

E. Others (continued)

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.

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).

3 Material accounting policy information (continued)

Revenue recognition (continued)

E. Others (continued)

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 the following:

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

3 Material accounting policy information (continued)

Impairment

Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, 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.

Non-financial assets

The Company assesses long-lived assets such as plant and 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 its 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.

Cash flow statement

Cash flows 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 Material accounting policy information (continued)

Related party transactions

Related parties include the related companies, the directors and any employees 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.

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.

Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Company obtains substantially all the economic benefits from use of the asset; and
- (c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

3 Material accounting policy information (continued)

Leases (continued)

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

3 Material accounting policy information (continued)

Leases (continued)

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount;
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Based on the exemptions available in IFRS 16, low value and short-term leases are not capitalised in the statement of financial position. All payments made towards such leases are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease.

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.

4 Critical accounting judgments and key source of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Company's management to make estimates and 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 revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

4 Critical accounting judgments and key source of estimation uncertainty (continued)

The most significant areas requiring the use of management estimates and assumptions in these financial statements relate to:

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

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.

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.

Fair value measurement

The Company determines the fair value of financial instruments that are not quoted, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In this regards, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

A number of assets and liabilities included in the Company's 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

- *Level 1*: Quoted prices in active markets for identical items (unadjusted);
- *Level 2*: Observable direct or indirect inputs other than Level 1 inputs; and
- *Level 3*: Unobservable inputs

4 Critical accounting judgments and key source of estimation uncertainty (continued)

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. Transfers of items between levels are recognised in the period they occur.

The financial assets and financial liabilities of the Company are initially recorded at fair value and subsequently recognized at amortised cost.

Revenue recognition

The Company exercises judgment in determining whether a revenue transaction is recognised at a point in time or over time taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers.

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.

Impairment of assets

Financial assets

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. Further, with respect to the amount due from related parties, the Company applies the full three stage approval taking into consideration whether there has been a significant increase in credit risk. In addition, with respect to its bank balances, the amounts are deposited with reputable banks with low credit risk.

During the year ended 31 March 2024, in the opinion of the Company's management, No allowance is required against trade and other receivables (2023: BD18,916). Bank balances are not impaired as at 31 March 2024 (2023: BDNil).

4 Critical accounting judgments and key source of estimation uncertainty (continued)

Inventories

The Company also creates allowance for obsolete and slow-moving inventories. As at 31 March 2024, in the opinion of the Company's management, no allowance is required against obsolete and slow-moving items (2023: BDNil). Estimates of net realisable value of inventories are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the statement of financial position date to the extent that such events confirm conditions existing at the end of the reporting period.

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.

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 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 shareholders 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.

Wipro Bahrain Limited Co. W.L.L.
Notes to the financial statements for the year ended 31 March 2024
(Expressed in Bahrain Dinars)

5 Plant and equipment

	<u>Machinery</u>	<u>Total</u>
Cost:		
At 31 March 2022 and 2023	6,451	6,451
Deletions	(1,709)	(1,709)
At 31 March 2024	<u>4,742</u>	<u>4,742</u>
Accumulated depreciation:		
At 31 March 2022	5,804	5,804
Charge during the year (Note 20)	636	636
At 31 March 2023	6,440	6,440
Deletions	(1,704)	(1,704)
At 31 March 2024	<u>4,736</u>	<u>4,736</u>
Net book value:		
At 31st March 2024	<u>6</u>	<u>6</u>
At 31st March 2023	<u>11</u>	<u>11</u>

6 Inventories

	<u>31 March 2024</u>	<u>31 March 2023</u>
Trade products - hardware and software	<u>88,490</u>	<u>124,681</u>

7 Trade and other receivables

	<u>31 March 2024</u>	<u>31 March 2023</u>
Trade receivables	345,785	281,599
Less: Allowance for lifetime expected credit loss (Refer note below)	-	(18,916)
Current portion of trade and other receivables	<u>345,785</u>	<u>262,683</u>

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 an allowance 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:

	<u>31 March 2024</u>	<u>31 March 2023</u>
Opening balance	18,916	20,600
Reversal of excess allowance (Note 19)	-	(1,684)
Provision written off	(18,916)	-
Closing balance	<u>-</u>	<u>18,916</u>

Wipro Bahrain Limited Co. W.L.L.

Notes to the financial statements for the year ended 31 March 2024

(Expressed in Bahrain Dinars)

7 Trade and other receivables (continued)

On that basis, the allowance as at 31 March 2024 was determined as follows for trade receivables.

At 31 March 2024 the lifetime expected loss provision for trade receivables is as follows:

	Aged less than <u>180 days</u>	Aged for <u>180-365 days</u>	Aged for <u>1-2 years</u>	Aged for <u>2-3 years</u>	Aged for <u>3-4 years</u>	Aged for 4 years and above	<u>Total</u>
<u>Tier 1 receivables:</u>							
Expected loss rate	0%	35%	100%	100%	100%	100%	
Gross trade receivables	345,785	-	-	-	-	-	345,785
Loss allowance	-	-	-	-	-	-	-
<u>Tier 2 receivables:</u>							
Expected loss rate	0%	0%	0%	25%	50%	100%	
Gross trade receivables	-	-	-	-	-	-	-
Loss allowance	-	-	-	-	-	-	-
Total gross trade receivables	345,785	-	-	-	-	-	345,785
Total loss allowance	-	-	-	-	-	-	-

Tier 1 receivables

These represent outstanding receivables from government customers.

Tier 2 receivables

These represent outstanding receivables from non- government customers.

*Management considers a provision for the receivables aged 3-4 years at 100%, on prudent basis.

Wipro Bahrain Limited Co. W.L.L.

Notes to the financial statements for the year ended 31 March 2024

(Expressed in Bahrain Dinars)

7 Trade and other receivables (continued)

At 31 March 2023 the lifetime expected loss provision for trade receivables is as follows:

	Aged less than <u>180 days</u>	Aged for <u>180-365 days</u>	Aged for <u>1-2 years</u>	Aged for <u>2-3 years</u>	Aged for <u>3-4 years</u>	Aged for 4 years and above	<u>Total</u>
<u>Tier 1 receivables:</u>							
Expected loss rate	0%	35%	100%	100%	100%	100%	
Gross trade receivables	159,402	-	-	-	-	18,916	178,318
Loss allowance	-	-	-	-	-	18,916	18,916
<u>Tier 2 receivables:</u>							
Expected loss rate	0%	0%	0%	25%	50%	100%	
Gross trade receivables	103,281	-	-	-	-	-	103,281
Loss allowance	-	-	-	-	-	-	-
Total Gross trade receivables	262,683	-	-	-	-	18,916	281,599
Total Loss allowance	-	-	-	-	-	18,916	18,916

Tier 1 receivables

These represent outstanding receivables from government customers.

Tier 2 receivables

These represent outstanding receivables from non- government customers.

*Management considers a provision for the receivables aged 3-4 years at 100%, on prudent basis.

Wipro Bahrain Limited Co. W.L.L.

Notes to the financial statements for the year ended 31 March 2024

(Expressed in Bahrain Dinars)

8 Other financial assets	31 March 2024	31 March 2023
Current		
<i>Unbilled revenue*</i>	721,053	2,892
Advance to staff	10,056	16,301
Advance to suppliers	4,689	4,689
	<u>735,798</u>	<u>23,882</u>

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

9 Cash and cash equivalents	31 March 2024	31 March 2023
HSBC Bank- current account	<u>484,632</u>	<u>1,434,991</u>

10 Other assets	31 March 2024	31 March 2023
Current		
Contract assets*	-	743,090
Prepayments	5,352	5,736
	<u>5,352</u>	<u>748,826</u>

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

11 Share capital	31 March 2024	31 March 2023
Authorised share capital		
1,000 shares of BD50 each (2023: 1,000 shares of BD50 each)	<u>50,000</u>	<u>50,000</u>
Issued and fully paid-up		
1,000 shares of BD50 each (2023: 1,000 shares of BD50 each)	<u>50,000</u>	<u>50,000</u>

11 Share capital (continued)

In accordance with the resolution dated 14 February 2024, Wipro holdings (UK) Limited transferred 1,000 shares to Wipro IT Services UK Societas on 27 March 2024.

The revised shareholding pattern of the Company as at 31 March 2024 is as follows:

Name of the Parent Company	Number of shares	Amount	Percentage of ownership interest
Wipro IT Services UK Societas	<u>1,000</u>	<u>50,000</u>	<u>100%</u>

The shareholding pattern of the Company as at 31 March 2023 is as follows:

Name of the Parent Company	Number of shares	Amount	Percentage of ownership interest
Wipro Holdings (UK) Limited	<u>1,000</u>	<u>50,000</u>	<u>100%</u>

12 Statutory reserve

Under the provisions of Bahrain Commercial Companies Law, 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 as law has been met, no such amount has been transferred during this year. (2023: BDNil)

13 Retained earnings

	31 March 2024	31 March 2023
Opening balance	926,975	1,222,164
Net profit/(loss) for the year	78,675	(268,130)
Other comprehensive income/(loss) for the year	11,086	(27,059)
Closing balance	<u>1,016,736</u>	<u>926,975</u>

Retained earnings represents the income earned during the year and prior periods after transferring to all the reserves. The retained earnings is available for distribution as decided by the Company's shareholders.

14 Trade payables and accrued expenses

	31 March 2024	31 March 2023
Trade payables	18,954	16,333
Accrued expenses	41,422	41,091
	<u>60,376</u>	<u>57,424</u>

15 Other liabilities

	31 March 2024	31 March 2023
Non - current		
Employee benefit obligations (Note 16)	27,023	15,440
Compensated absences (Note 16)	15,272	13,057
	<u>42,295</u>	<u>28,497</u>
Current		
Employee benefit obligations (Note 16)	21,798	28,551
Compensated absences (Note 16)	25,231	17,651
Unearned revenue	5,902	10,258
VAT payables	21,271	7,635
Advances from customers	6,050	6,050
Other payables	421	16,770
	<u>80,673</u>	<u>86,915</u>
	<u>122,968</u>	<u>115,412</u>

16 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 2024 amounted to BD13,364 (2023: BD19,059).

Expatriate employees

The balance in benefit obligations applicable towards expatriate employees is as follows:

	31 March 2024	31 March 2023
Employee benefit obligations	48,821	43,991
Compensated absences	40,503	30,708
	89,324	74,699
Non - current portion of employee benefits	<u>(42,295)</u>	<u>(28,497)</u>
Current portion of employee benefits	<u>47,029</u>	<u>46,202</u>

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.

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

16 Employee benefit obligation (continued)

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

	31 March 2024	31 March 2023
Discount rate	6.18%	5.82%
Expected rate of salary increase	2%	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 1%.

	Year ended March 31 2024	
	Discount rate	escalation rate
Defined benefit obligation on increase in 1%	47,744	49,985
Impact of increase in 1% on DBO	-2.2%	2.4%
Defined benefit obligation on decrease in 1%	49,951	47,692
Impact of decrease in 1% on DBO	2.3%	-2.3%
	Year ended March 31 2023	
	Discount rate	Salary escalation rate
Defined benefit obligation on increase in 1%	43,201	44,842
Impact of increase in 1% on DBO	-1.8%	1.9%
Defined benefit obligation on decrease in 1%	44,816	43,161
Impact of decrease in 1% on DBO	1.9%	-1.9%

Wipro Bahrain Limited Co. W.L.L.

Notes to the financial statements for the year ended 31 March 2024

(Expressed in Bahrain Dinars)

17 Revenue

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from IT services	<u>1,223,346</u>	<u>1,463,933</u>

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March 2024, 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.

	31 March 2024	31 March 2023
Revenue by offerings		
IT implementation and maintenance services	<u>1,223,346</u>	<u>1,463,933</u>
Revenue by contract type		
Fixed price contracts	1,113,247	1,454,748
Time and materials based contracts	110,099	9,185
	<u>1,223,346</u>	<u>1,463,933</u>
Revenue by type of customer		
Government	141,232	647,875
Non government	1,082,114	816,058
	<u>1,223,346</u>	<u>1,463,933</u>

Trade receivables and contract balances

The table below shows significant movements in contract assets:

Particulars	31 March 2024	31 March 2023
Opening balance	745,982	1,176,522
Revenues recognized during the year but not billed	721,053	745,982
Contract asset billed during the year	(745,982)	(1,176,522)
Closing balance	<u>721,053</u>	<u>745,982</u>

The table below shows significant movements in contract liabilities:

Particulars	31 March 2024	31 March 2023
Opening balance	10,258	9,123
Amount billed but not recognized as revenue	5,902	10,258
Revenue recognized from opening balance of contract liabilities/ contract asset billed during the year	(10,258)	(9,123)
Closing balance	<u>5,902</u>	<u>10,258</u>

17 Revenue (continued)

There are no revenue 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.

18 Cost of operations

	Year ended 31 March 2024	Year ended 31 March 2023
Software development charges	431,479	801,479
Staff costs (Note 20)	264,504	386,826
Cost of licenses	257,491	302,430
Interest on amount due to related parties (Note 22)	29,146	-
Fees for technical services	18,407	87,100
Insurance	13,586	10,359
Travelling cost	7,094	8,478
Communication	872	1,310
Other direct expenses	2,789	7,011
	<u>1,025,368</u>	<u>1,604,993</u>

19 Other income

	Year ended 31 March 2024	Year ended 31 March 2023
Impairment allowance written back (Note 7)	<u>-</u>	<u>1,684</u>

Wipro Bahrain Limited Co. W.L.L.

Notes to the financial statements for the year ended 31 March 2024

(Expressed in Bahrain Dinars)

20 General and administrative expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Staff Cost*	43,108	32,906
Legal & professional	12,245	12,732
Rent	7,814	9,223
Communication expense	225	156
Travelling cost	4,219	8,888
Depreciation on plant and equipment (Note 5)	-	636
Other expenses	44,631	49,036
	<u>112,242</u>	<u>113,577</u>

* I. Staff cost above includes defined benefit contribution to the extent of BD13,364 for 2024 and BD19,059 for 2023 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 BD(14,315) for the year ended 31 March 2024 and BD(11,718) for the year ended 31 March 2023.

21 Foreign exchange fluctuation

	Year ended 31 March 2024	Year ended 31 March 2023
Forex loss, net	<u>7,061</u>	<u>15,177</u>

22 Transactions and balances with related parties

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. Related parties include entities over which the Company exercises significant influence, shareholders, Directors and executive management of the Company, key management personnel and their close family members and such other companies over which the Company or its shareholders, Directors, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorised by the management and are at an arm's length basis.

Wipro Bahrain Limited Co. W.L.L.

Notes to the financial statements for the year ended 31 March 2024

(Expressed in Bahrain Dinars)

22 Transactions and balances with related parties (continued)

The following are the transactions and balances entered into with the related parties during the year ended and as at 31 March 2024 and 2023:

<u>Name of related party</u>	<u>Nature of transactions</u>	<u>31 March 2024</u>	<u>31 March 2023</u>
Wipro Arabia Limited, Saudi Arabia (under common control)	Payments made to the party in relation to services availed	<u>47,953</u>	<u>-</u>
	Expenses of the Company met by the party	<u>49,305</u>	<u>3,290</u>
	Transfer Pricing revenue	<u>160,427</u>	<u>-</u>
Wipro Limited, India (significant influence)	Services availed from the party	<u>431,479</u>	<u>703,015</u>
	Expenses of the Company met by the party	<u>53,751</u>	<u>55,084</u>
	Interest Expense	<u>29,146</u>	<u>-</u>
	Payments made to the party in relation to services availed	<u>1,387,539</u>	<u>-</u>
Wipro Travel Services Limited (under common control)	Payments made to the party in relation to services availed	<u>1,539</u>	<u>6,647</u>
	Services availed from the party	<u>-</u>	<u>108</u>
	Expenses of the Company met by the party	<u>1,261</u>	<u>6,483</u>
Encore Theme Technologies Private Limited (under common control)	Services availed from the party	<u>-</u>	<u>588</u>
	Payments made to the party in relation to services availed	<u>1,409</u>	<u>-</u>
Rizing B.V. (under common control)	Expenses of the Company met by the party	<u>-</u>	<u>943</u>
	Payments made to the party in relation to services availed	<u>943</u>	<u>-</u>
Amounts due from a related party			
		<u>31 March 2024</u>	<u>31 March 2023</u>
Wipro Arabia Limited, Saudi Arabia (under common control)		<u>162,268</u>	<u>3,194</u>

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

Wipro Bahrain Limited Co. W.L.L.

Notes to the financial statements for the year ended 31 March 2024

(Expressed in Bahrain Dinars)

22 Transactions and balances with related parties (continued)

Amounts due to related parties

	31 March 2024	31 March 2023
Wipro Limited (significant influence)	546,968	1,420,129
Wipro Travel Services Limited (under common control)	283	557
Encore Theme Technologies Private Limited (under common control)	-	1,409
Rizing B.V. (under common control)	-	942
Wipro Information Technology Egypt SAE, Egypt (under common control)	-	420
	<u>547,251</u>	<u>1,423,457</u>

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

23 Contingent liabilities

	Year ended 31 March 2024	Year ended 31 March 2023
Performance guarantees	<u>-</u>	<u>18,645</u>

Except for the above, as at 31 March 2024 and 2023, there were no contingent liabilities arising in the ordinary course of the business, which are expected to give rise to any material loss.

24 Financial assets and liabilities and risk management

Financial assets and liabilities carried on the statement of financial position include trade and other receivables (excluding prepayments), other financial assets, other assets, amounts due from related parties, cash and cash equivalents, trade payables and accrued expenses, other liabilities and amounts due to related parties. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and to maximize shareholder's value.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 March 2024 and 2023.

24 Financial assets and liabilities and risk management (continued)

Capital management (continued)

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 payables and accrued expenses, other liabilities and amounts due to related parties, less cash and cash equivalents. Capital includes share capital, shareholders' current accounts and reserves attributable to the shareholders of the Company.

	31 March 2024	31 March 2023
Trade payables and accrued expenses	60,376	57,424
Other liabilities	80,673	86,915
Amounts due to related parties	547,251	1,423,457
Less: cash and cash equivalents	(484,632)	(1,434,991)
Net debt	203,668	132,805
Share capital	50,000	50,000
Statutory reserve	25,000	25,000
Retained earnings	1,016,736	926,975
Total capital	1,091,736	1,001,975
Total capital and net debt	1,295,404	1,134,780
Gearing ratio	15.72%	11.70%

Financial assets and liabilities include trade and other receivables (excluding prepayments), other financial assets, amounts due from related parties, cash and cash equivalents, trade payables and accrued expenses, other liabilities and amounts due to related parties.

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:

Wipro Bahrain Limited Co. W.L.L.

Notes to the financial statements for the year ended 31 March 2024
(Expressed in Bahrain Dinars)

24 Financial assets and liabilities and risk management (continued)

	31 March 2024	31 March 2023
<u>Financial assets:</u>		
Trade receivable	345,785	262,683
Amounts due from related parties	162,268	3,194
Other financial assets*	721,053	745,982
Cash and cash equivalents	<u>484,632</u>	<u>1,434,991</u>
	<u>1,713,738</u>	<u>2,446,850</u>
<u>Financial liabilities:</u>		
Trade payables and accrued expenses	60,376	57,421
Amounts due to related parties	<u>547,251</u>	<u>1,423,457</u>
	<u>607,627</u>	<u>1,480,878</u>

* 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.

Risk management is carried out by the Finance Department of the Company under policies approved by the Directors. The Company's Finance Department evaluates and hedges financial risks in close co-operation with the Company's operating units. The Directors provide principles for overall risk management, as well as policies covering specific areas.

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. Cash is placed with a multi-national banks with good credit ratings. Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables. 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 31 March 2024 and 2023, the carrying value of receivables, net of allowances approximates the fair value.

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

	At 31 March 2024	
	<i>Carrying value</i>	<i>Maximum exposure</i>
<i>Financial assets</i>		
Trade and other receivables, excluding prepayments	345,785	345,785
Amounts due from related parties	162,268	162,268
Cash and cash equivalents	<u>484,632</u>	<u>484,632</u>
Total financial assets	<u>992,685</u>	<u>992,685</u>

24 Financial assets and liabilities and risk management (continued)

Credit risk (continued)

<i>Financial assets</i>	At 31 March 2023	
	<i>Carrying value</i>	<i>Maximum exposure</i>
Trade and other receivables, excluding prepayments	262,683	262,683
Amounts due from related parties	3,194	3,194
Cash and cash equivalents	<u>1,434,991</u>	<u>1,434,991</u>
Total financial assets	<u>1,700,868</u>	<u>1,700,868</u>

The ageing of trade receivable at the reporting date was:

	Gross impairment		Gross impairment	
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
Not past due	345,785	-	262,683	-
Past due, but not impaired	-	-	-	-
Past due & impaired	-	-	18,916	18,916
	<u>345,785</u>	<u>-</u>	<u>281,599</u>	<u>18,916</u>

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

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's assets and liabilities, in the opinion of the management, are not sensitive to interest rate risk.

Liquidity risk, also referred to as funding risk, is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial assets and liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity risk is managed by monitoring on a regular basis to help ensure that sufficient funds are available to meet all liabilities as they fall due.

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.

24 Financial assets and liabilities and risk management (continued)

The following are the contractual maturities of financial liabilities:

2024	Carrying amount	Contractual			
		undiscounted cash flows	Within 6 months	6 to 12 months	More than 12 months
Amounts due to related parties	547,251	547,251	294,372	252,879	-
Accounts payable	18,954	18,954	18,954	-	-
Accruals	41,422	41,422	41,422	-	-
	607,627	607,627	354,748	252,879	-
2023	Carrying amount	Contractual			
		undiscounted cash flows	Within 6 months	6 to 12 months	More than 12 months
Amounts due to related parties	1,423,457	1,423,457	1,423,457	-	-
Accounts payable	16,333	16,333	16,333	-	-
Accruals	41,091	41,091	41,091	-	-
	1,480,881	1,480,881	1,480,881	-	-

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.

Currency rate risk

Currency rate risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign currency denominated monetary assets and liabilities are primarily denominated in United States Dollars. As the Bahrain Dinars are pegged to the United States Dollars, in the opinion of the management, the currency rate risk is considered to be minimal.

24 Financial assets and liabilities and risk management (continued)

Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments not measured at fair value on recurring basis include trade and other receivables (excluding prepayments), other financial assets, amounts due from related parties, cash and cash equivalents, trade payables and accrued expenses, other liabilities and amounts due to related parties. In the opinion of the management, due to the short-term nature of these financial instruments, the fair value of these financial instruments is not significantly different from their carrying amounts as at 31 March 2024 and 2023.

25 Dividend declared and paid

The Board of Directors do not propose to pay any dividends to the shareholders during the year ended 31 March 2024 (2023: BD Nil).

26 Rounding of figures

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

27 Events after reporting date

There were no events occurring subsequent to 31 March 2024 and before the date of the report that are expected to have a significant impact on these financial statements.