WIPRO GULF LLC

Financial statements for the year ended 31 March 2020

Contents

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

Members' report

Members submit their report and the audited financial statements for the year ended 31 March 2020.

Principal activities

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

Basis of preparation of accounts

The accompanying audited financial statements have been prepared in accordance with the International Financial Reporting Standards and the Commercial Companies Law of the Sultanate of Oman.

Results and appropriations

The results of the Company for the year ended 31 March 2020 are set out on page 6 of the financial statements.

Auditors

The financial statements have been audited by BDO LLC who offer themselves for re-appointment.

On behalf of the Wipro Gulf LLC

Sd/-

Member

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WIPRO GULF LLC

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of Wipro Gulf LLC (the Company), which comprise the statement of financial position as at 31 March 2020, the statements of profit or loss and other comprehensive income, changes in members' equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Members' 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 for the Consolidated and Separate Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and their preparation in compliance with the applicable provisions of the Commercial Companies Law of the Sultanate of Oman, 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WIPRO GULF LLC

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 skepticism throughout the audit. We also

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We report that the financial statements of the Company as at, and for the year ended 31 March 2020, in all material respects, comply with the applicable provisions of the Commercial Companies Law of the Sultanate of Oman.

Sd/-
BDO LLC

Muscat
11 June 2020

WIPRO GULF LLC
Statement of financial position as at 31 March 2020
(Expressed in Omani Rial)

		31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property and equipment	6	82,579	-
Long-term portion of prepayments	7.1	517	18,208
Deferred tax assets	18	4,359	-
Total non-current assets		87,455	18,208
Current assets			
Trade receivables and other assets at amortised cost	7	4,029,130	3,786,964
Cash and bank	8	8,290,148	9,702,533
Total current assets		12,319,278	13,489,497
Total assets		12,406,733	13,507,705
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	9	150,000	150,000
Legal reserve	21	50,000	50,000
Retained earnings		6,896,721	4,715,197
Total capital and reserves		7,096,721	4,915,197
Non-current liabilities			
Employees' benefit liabilities	10	24,688	27,799
Lease liabilities	4	51,297	-
Total non-current liabilities		75,985	27,799
Current liabilities			
Lease liabilities	4	27,220	-
Trade and other payables	11	4,722,442	5,879,595
Employee benefit liabilities	10	107,293	84,910
Income tax payable	18	377,072	482,814
Dividend payable	19	-	2,117,390
Total current liabilities		5,234,027	8,564,709
Total liabilities		5,310,012	8,592,508
Total equity and liabilities		12,406,733	13,507,705

The financial statements, as set out on pages 5 to 36, were approved and authorized for issue by the members on and signed on their behalf by:

Sd/-
Authorized Manager

WIPRO GULF LLC
Statement of profit or loss and other comprehensive income for the year ended 31 March 2020
(Expressed in Omani Rial)

	Notes	Year ended 31 March 2020	Year ended 31 March 2020
Revenue from contracts with customers	16	16,255,784	15,080,901
Cost of sales	12	(13,194,278)	(12,335,194)
Gross profit		3,061,506	2,745,707
Other income	20	80,305	78,815
		3,141,811	2,824,522
Expenses			
General and administrative expenses	13	(239,021)	(243,579)
Business and promotion expenses	14	(65,648)	(69,663)
Foreign exchange losses, net		(48,643)	(39,282)
Finance costs	15	(204,062)	(270,944)
Net profit before tax for the year		2,584,437	2,201,054
Income tax	18	(409,171)	(544,315)
Net profit after tax		2,175,266	1,656,739
Other comprehensive income:			
Item that will not be reclassified to profit or loss			
Actuarial gain		6,258	-
Total comprehensive income for the year		2,181,524	1,656,739

WIPRO GULF LLC
Statement of changes in members' equity for the year ended 31 March 2020
(Expressed in Omani Rial)

	Notes	Share capital	Legal reserve	Retained earnings	Total
At 1 April 2018		150,000	50,000	5,175,848	5,375,848
Net profit after tax and total comprehensive income for the year		-	-	1,656,739	1,656,739
Transactions with members, recorded directly in equity					
Dividend declared	19	-	-	(2,117,390)	(2,117,390)
At 31 March 2019		150,000	50,000	4,715,197	4,915,197
Net profit after tax		-	-	2,175,266	2,175,266
Other comprehensive income:					
Items that will not be reclassified to profit and loss					
Actuarial gain		-	-	6,258	6,258
Total comprehensive income		-	-	2,181,524	2,181,524
At 31 March 2020		150,000	50,000	6,896,721	7,096,721

WIPRO GULF LLC
Statement of cash flows for the year ended 31 March 2020
(Expressed in Omani Rial)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Operating activities			
Net profit after tax for the year		2,175,266	1,656,739
Adjustments for:			
Interest income	20	(80,305)	(78,815)
Depreciation	6	8,877	-
Provision for expected credit losses	7	(4,618)	(15,272)
Unrealised foreign exchange gains		(39)	(2,807)
Finance costs	15	204,062	270,944
Provision for employees' benefits	10	33,009	21,763
Operating profit before changes in working capital		2,345,489	1,852,552
Working capital changes			
Trade receivables and other assets at amortised cost		(224,475)	(413,475)
Trade and other payables		(745,189)	2,738,783
Employee benefit paid		(13,737)	(22,552)
Cash generated from operating activities		1,362,088	4,155,308
Income tax paid	18	(519,272)	(582,444)
Net cash generated from operating activities		842,816	3,572,864
Investing activities			
Purchase of property, plant and equipment	6	(6,358)	-
Interest income received	20	80,305	78,815
Net cash generated from investing activities		73,947	78,815
Financing activities			
Finance costs paid	15	(204,063)	(270,944)
Payment of lease liabilities		(7,695)	-
Dividend paid		(2,117,390)	-
Net cash used in financing activities		(2,329,148)	(270,944)
Net change in cash and cash equivalents		(1,412,385)	3,380,735
Cash and cash equivalents at the beginning of the year		9,702,533	6,321,798
Cash and cash equivalents at the end of the year	8	8,290,148	9,702,533

1 Legal status and activities

WIPRO Gulf LLC ("the Company") is a limited liability company registered with the Ministry of Commerce and Industry in accordance with the applicable provisions of the Commercial Companies Law, of the Sultanate of Oman. The registered address of the Company is at P.O.Box 137, Postal Code 102, Muscat, Sultanate of Oman. The Company is a subsidiary of Wipro I.T Services SE incorporated in Cyprus. Wipro limited is the ultimate holding Company incorporated in India.

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

The Company is heavily reliant on a customer, who constitutes 75 percent (2019: 75 percent) of the total revenue.

2 Basis of preparation

Statement of compliance

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

Basis of preparation

The financial statements have been prepared under the historical cost convention and going concern assumption modified for certain assets and liabilities which are stated at their fair value as required by the IFRS. The financial statements have been presented in Omani Rial (RO) which is the functional currency of the Company.

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 5 to these financial statements.

Functional 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 Omani Rial (RO), which is the Company's presentation currency.

Adoption of new and revised IFRS

Standards, amendments and interpretations effective and adopted in the year 2019.

The following new standards, amendment to existing standards or interpretations to published standards are mandatory for the first-time for the financial year beginning 1 January 2019 and have been adopted in the preparation of the financial statements:

2 Basis of preparation (continued)
Adoption of new and revised IFRS (continued)
Standards, amendments and interpretations effective and adopted in the year 2019 (continued)

Standard or interpretation	Title	Effective for annual periods beginning on or after
IFRS 16	Leases	1 January 2019
IAS 12	Income tax	1 January 2019
IAS 19	Employee benefits	1 January 2019
IAS 23	Borrowing costs	1 January 2019
IAS 28	Investments in Associates and Joint Ventures	1 January 2019
IFRS 9	Financial instruments	1 January 2019
IFRS 3	Business combinations	1 January 2019
IFRS 11	Joint arrangements	1 January 2019
IFRIC 23	Uncertainty over Income tax payments	1 January 2019

IFRS 16 - Leases

The Company has applied IFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2019 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in the accounting policies are disclosed in note 4. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

As a lessee

During the year, the Company has acquired premises on lease. The lease term is 3 years period. The Company previously classified this lease as operating leases under IAS 17 based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. Under IFRS 16, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of the property. In addition, the right-of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17 leases –
a . Applied a single discount rate to a portfolio of leases with similar characteristics
b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.

IAS 12 "Income Taxes"

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, the Company recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.
The Company applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the Company first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of

the earliest comparative period. Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

2 Basis of preparation (continued)

Adoption of new and revised IFRS (continued)

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

IAS 19 "Employee Benefits"

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, the Company is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. The Company is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

These amendments did not have any impact on the financial statements of the Company, as it did not have any planned amendments, curtailments, or settlements during the period.

IAS 23 "Borrowing Costs"

The amendments clarify that the Company treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The Company applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the Company first applies those amendments. The Company applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

These amendments did not have any impact on the financial statements as the Company does not have reportable borrowings / term loans.

IAS 28 "Investments in Associates and Joint Ventures"

The amendments clarify that Company applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, the Company does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 "Investments in Associates and Joint Ventures."

IFRS 9 "Financial instruments"

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments did not have any impact on the financial statements of the Company.

2 Basis of preparation (continued)

Adoption of new and revised IFRS (continued)

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

IFRS 3 "Business Combinations"

The amendments clarify that, when the Company obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

The Company applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments did not have any impact on the financial statements of the Company as there is no business acquisition during the year.

IFRS 11 "Joint Arrangements"

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

The Company applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments did not have any impact on the financial statements as the Company does not have long-term interests either in associates or joint ventures.

These amendments had no impact on the financial statements of the Company as there were no transactions where joint control was obtained.

IFRIC 23 "Uncertainty over Income Tax Treatments"

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 "Income Taxes". It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- whether the Company considers uncertain tax treatments separately;
- the assumptions the Company makes about the examination of tax treatments by taxation authorities;
- how Company determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;

The Company has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The Company applies significant judgment in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assesses whether the Interpretation had any impact on its financial statements.

2 Basis of preparation (continued)

Adoption of new and revised IFRS (continued)

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

IFRIC 23 "Uncertainty over Income Tax Treatments" (continued)

Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the Taxation Authorities. Accordingly, the interpretation did not have any impact on the financial statements of the Company.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

Following new, revised standards and interpretations that have been issued are not yet effective for the year ended 31 March 2020 and have not been early adopted in preparing these financial statements of the Company:

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

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 1	Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020
IFRS 3	Definition of a Business	1 January 2020
IAS 1 and IAS 8	Definition of Material	1 January 2020
IFRS 10 and 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2020

The management anticipate that the new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments are not likely to have a material impact on financial statements in the period of initial application.

3 Summary of significant accounting policies

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

(a) Financial instruments

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

Financial assets

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

(i) Classification

The financial assets are classified in the following measurement categories:

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) **Measurement**

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

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

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

Debt instruments

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

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

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

3 Summary of significant accounting policies (continued)
(a) Financial instruments (continued)

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

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

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

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

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

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

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

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

3 Summary of significant accounting policies (continued)

(a) Financial instruments (continued)

Financial liabilities (continued)

(i) Classification

The financial liabilities are classified in the following measurement categories:

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

(ii) Measurement

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

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

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

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

(iii) Derecognition of financial liabilities

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

(b) Impairment of non-financial assets

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

(c) Foreign currencies

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

3 Summary of significant accounting policies (continued)

(d) Cash equivalents

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

(e) Legal reserve

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

(f) Leases

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

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

(g) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(h) Provision for end-of-service benefits

In respect of Omani employees, contributions are made in accordance with the Oman Social Insurance Law and recognised as an expense in profit or loss as incurred.

For non-Omani employees, provision is made for amounts payable under the Oman Labour Law, based on the employees' accumulated periods of service at the statement of financial position date. This provision is classified as a non-current liability.

Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the statement of financial position date. These accruals are included in current liabilities.

(i) Short-term employee benefits

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

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

(j) Taxation

Income tax is provided for in accordance with the fiscal regulations of the Sultanate of Oman.

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

3 Summary of significant accounting policies (continued)

(j) Taxation (continued)

Deferred taxation is provided using the liability method providing for all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is calculated adopting a tax-rate that is the rate that is expected to apply to the periods when it is anticipated that the liabilities will be settled, and which is based on tax-rates (and laws) that have been enacted at the statement of financial position date.

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

(k) Revenue

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

Revenue is recognised 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 recognise revenues, the Company applies 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) recognise revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Standalone 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 recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

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

A. Time and materials contracts
Revenues and costs relating to time and materials contracts are recognised as the related services are rendered.

B. Fixed-price contracts
i) Fixed-price development contracts
Revenues from fixed-price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, are recognised using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company is not able to reasonably measure the progress of completion, revenue is recognised 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 recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

3 Summary of significant accounting policies (continued)

(k) Revenue (continued)

B. Fixed-price contracts (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 revenues on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time.

ii) Maintenance contracts
Revenues related to fixed-price maintenance, testing and business process services are recognised 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 recognised 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 recognised on a straight-line basis over the specified period unless some other method better represents the stage of completion.In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.

C. Products
Revenue on product sales are recognised when the customer obtains control of the specified asset.

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

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

Description	**Estimated useful life in years**
Furniture and fixtures	5
Computers	2
Office equipments	5

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

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

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

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

3 Summary of significant accounting policies (continued)

(m) Trade receivables and other financial assets at amortised cost

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

(n) Trade payables

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

(o) Determination of fair values

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

4 Changes in accounting policies- Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

Policy applicable from 1 January 2019

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Company has applied IFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in the accounting policies are disclosed below.

A Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 "Determining Whether an Arrangement contains a lease". Under IFRS 16, the Company assesses whether a contract is or contains a lease based on the definition of a lease, as explained below.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified;

4 Changes in accounting policies- Leases
A Definition of a lease (continued)

- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or

- the Company designed the asset in a way that predetermines how and for what purpose it will be used

B. Transition

As a lessee
The Company has acquired premises on lease. The lease term is between 3 years period during the current year.

Under IFRS 16, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property. In addition, the right-of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease term determined by the Company comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

Lease payments included in the measurement of the lease liability comprise the following:

a. Fixed payments; and
b. Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate which is the Company's incremental borrowing rate applicable on lease commencement date is used. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

4 Changes in accounting policies- Leases
B. Transition (continued)

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all class of underlying assets that have a lease term of 12 months or less, or those leases which have low-value underlying assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Leases classified as operating leases under IAS 17

The Company has recognized lease liabilities in relation to leases which had previously been classified as operating leases under IAS 17. These lease liabilities were measured at the present value of the remaining lease payments, and discounted using the lessee's incremental borrowing rate as of 1 January 2019.

Right-of-use assets are measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The Company has used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17 leases –

a. Applied a single discount rate to a portfolio of leases with similar characteristics
b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term

(ii) Leases previously classified as finance leases
For leases that were previously classified as finance leases under IAS 17, the carrying amount of the right-of use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17, immediately before 1 January 2019.

As a lessor

The Company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with IFRS 16 from the lease commencement date. The Company does not have any sub lease assets.

The Company performs an assessment of each lease on inception. If a lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset, it is classified as a finance lease, otherwise, it is classified as an operating lease. The Company also considers certain indicators, such as whether the lease is for the major part of the economic life of the asset, as a part of its assessment.

C. Change in judgment and estimates
The critical judgements and estimates considered are mentioned below:

a. Extension and termination options are included in several leases across various classes of right of-use asset across the Company. These terms are used to maximise operational flexibility in terms of managing contracts.
b. The present value of the lease payments is determined using the discount rate representing the incremental borrowing rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-to-use asset in a similar economic environment.
c. The Company accounts and identifies assets as a portfolio based on its similar characteristics and has applied the requirements of IFRS 16 on estimates and assumptions that reflect the size and composition of that portfolio.

4 Changes in accounting policies- Leases

D. Impacts on financial statements

On transition to IFRS 16, the Company did not have any long term lease arrangement and hence no ROU asset and corresponding liabilities are recorded on 1 April 2019.

The change in accounting policy affected the following items in the financial statement for the year ended 31 March, 2020

Rent cost reduced by	7,695
Net finance costs increased by	(1,115)
Depreciation and amortisation increased by	(7,053)
Profit for the year reduced by	473

Movement in lease liability:

	2020	**2019**
Opening lease liability	-	-
Add- On adoption of IFRS 16	85,098	-
Interest cost	1,115	-
Payments during the year	(7,695)	-
Closing balance	78,517	-
	51,297	-
Non-Current portion		
Current portion	27,220	-

5 Critical accounting judgements and key sources of estimation uncertainty

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

Key sources of estimation uncertainty

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

Revenue recognition

The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognised revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. To date, the Company has not incurred a material loss on any fixed price fixed time frame contract.

Useful lives of property and equipment

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

Impairment of financial assets

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

Provision for ECL on trade receivables

The Company creates a provision for impaired trade receivables to account for estimated losses resulting from the inability of customers to make the required payments. At 31 March 2019, the provision required for ECL on trade receivables amounted to RO 27,242 (2019: RO 22,624). When evaluating the adequacy of the provision for ECL on trade receivables, management bases its estimate on current overall economic conditions, ageing of the trade receivable balances, historical write-off experience, customer creditworthiness and changes in payment terms. Changes in the economy, industry or specific customer conditions may require adjustments to the provision for impaired trade receivables recorded in the financial statements.

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.

5 Critical accounting judgements and key sources of estimation uncertainty

Going concern

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

Impairment reviews

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

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

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

Taxation

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

6 Property and equipment

	Right-of-use asset-Building	Furniture and Fixtures	Computer and Office Equipment	Total
2020				
Cost				
At 1 April 2019	-	30,000	18,619	48,619
On adoption of IFRS 16	85,098	-	-	85.098
Additions	-	-	6,358	6,358
At 31 March 2020	85,098	30,000	24,977	140,075
Accumulated depreciation and amortization				
At 1 April 2019	-	30,000	18,619	48,619
Charge for the year	7,053	-	1,824	8,877
At 31 March 2020	7,053	30,000	20,443	57,496
Net book value				
At 31 March 2020	78,045	-	4,534	82,579
2019				
Cost				
At 31 March 2018 and at 31 March 2019	-	30,000	18,619	48,619
Accumulated depreciation				
At 31 March 2018	-	30,000	18,619	48,619
at 31 March 2019	-	30,000	18,619	48,619
Net book value				
At 31 March 2019	-	-	-	-

The Company operates from premises leased at a monthly rent of RO 2,423 till March 2020 (2019: RO 2,423 per month).

7 Trade receivables and other assets at amortized cost

	2020	2019
Trade receivables (gross)	3,229,806	2,920,824
Less: provision for ECL	(27,242)	(22,624)
Trade receivables (net)	32,02,564	2,898,200
Due from customers in respect of contract assets (note 16)	357,161	662,882
Contract assets (Note 16)	403,558	84,070
Prepayments (Note 7.1)	65,847	141,812
	4,029,130	3,786,964

7 Trade receivables and other assets at amortized cost (continued)

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

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

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

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

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

At 31 March 2020, the lifetime ECL provision for trade receivables is as follows:

	Upto 180 days	**180 days to 365 days**	**More than 365 days**	**Total**
Gross carrying amount	3,107,124	18,173	104,509	3,229,806
Loss provision	-	1,116	26,126	27,242

At reporting date, the ECL provision for trade receivables upto 180 days is not material and hence, not recognized by the Company.

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

	Year ended 31 March 2020	**Year ended 31 March 2019**
Opening provision as at 1 April	22,624	7,352
Additional provision during the year	4,618	15,272
Closing balance as at 31 March	27,242	22,624

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

	2020	**2019**
Short-term portion of prepayments	65,847	141,812
Long-term portion of prepayments	517	18,208
	66,364	160,020

8 Cash and bank

	2020	2019
Cash at bank	1,990,148	3,802,533
Bank deposits with maturity of less than three months from the date of placement	6,300,000	5,900,000
	8,290,148	9,702,533

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

Bank deposits earn interest rates ranging between 0.25% and 2.30% per annum (2019: 1.8% to 2.25% per annum).

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

9 Share capital

The share capital registered with the Ministry of Commerce and Industry is RO 150,000 (2019: RO 150,000), comprising of 150,000 shares of RO 1 each (2020: 150,000 shares of RO 1 each).

A break-down of the share capital as at 31 March 2020 and 2019 is as set out below:

	2020		2019	
	%	Amount	%	Amount
Wipro IT Services SE (Previously known as Wipro Cyprus Private Limited)	99.90	149,850	99.90	149,850
Wipro Information Technology Netherlands	0.10	150	0.10	150
	100	150,000	100	150,000

10 Employee benefits

	2020	2019
Long term portion of employee benefits		
Opening balance	112,709	113,498
Provision during the year	33,009	21,763
Payments during the year	(13,737)	(22,552)
Closing balance	131,981	112,709
Short term portion of employee benefits	107,293	84,910
Long term portion of employee benefits	24,688	27,799

Total number of employees as at 31 March 2020 are 124 employees (2019: 99 employees).

The costs, assets and liabilities of the defined benefit schemes operated by the Company are degtermined 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 in profit or loss and other comprehensive income and the statement of financial position.

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

11 Trade and other payables

	2020	2019
Trade payables	2,88,626	158,660
Due to related parties (Note 17)	495,626	1,503,996
Contract liabilities	549,117	989,864
Accrued expenses	3,327,761	3,180,769
Other payables	61,312	46,306
	4,722,442	5,879,595

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

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

Accrued expenses are payable towards those expenses, specifically cost of projects, for which invoices have not been received as at 31 March 2020, which mainly includes sub-contract costs.

12 Cost of sales

	Year ended 31 March 2020	Year ended 31 March 2019
Staff expenses	2,119,643	1,909,603
Sub-contract costs	10,980,564	10,320,916
Miscellaneous expenses	94,071	104,675
	13,194,278	12,335,194

13 General and administrative expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Staff expenses	90,656	116,720
Telephone expenses	49,161	43,061
Rent	21,802	30,488
Professional services	26,804	23,886
Travel expenses	5,109	4,513
Provision for ECL on trade receivables	4,618	15,272
Postage expenses	2,277	1,586
Miscellaneous expenses	29,718	8,053
Amortisation of right-of-use assets	7,052	-
Depreciation	1,824	-
	239,021	243,579

14 Business and promotion expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Staff expenses	46,058	52,700
Travel expenses	12,746	7,010
Miscellaneous expenses	6,844	9,953

15 Finance costs

	Year ended 31 March 2020	Year ended 31 March2019
Commission on performance guarantee	202,947	270,944
Interest on lease liabilities	1,115	-
	204,062	270,944

16 Revenue

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from IT Services	16,255,784	15,080,901

Revenue is recognized over a period of time for services rendered in Sultanate of Oman

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2020 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 2020	31 March 2019
Revenue by offerings		
IT Implementation and Maintenance services	16,255,784	15,080,901
Revenue by market		
Energy	12,182,352	11,843,736
Communication	2,611,550	2,055,182
Utilities	801,021	954,559
Others	660,861	227,424
	16,255,784	15,080,901
Revenue by contract type		
Fixed price contracts	9,853,882	5,826,505
Time and Materials based contracts	6,401,902	9,254,396
	16,255,784	15,080,901
Revenue by type of customer		
Government	12,732,800	13,259,613
Non-Government	3,522,984	1,821,288
	16,255,784	15,080,901

16 Revenue (continued)

Trade Receivables and Contract balances

The table below shows significant movements in contract assets:

Particulars	31 March 2020	31 March 2019
Opening balance	746,951	**644,470**
Revenues recognized during the year but not billed	760,719	746951
Contract asset billed during the year	(746,951)	(644,470)
Closing balance	760,719	746,951

The table below shows significant movements in contract liabilities:

Particulars	31 March 2020	31March 2019
Opening balance	989,864	156,448
Revenues recognized during the year but not billed	549,117	989,864
Contract asset billed during the year	(989,864)	(156,448)
Closing balance	549,117	989,684

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

Performance Obligation and Remaining Performance Obligations

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

As a practical expedient, disclosure is not required for:

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

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

As of March 31, 2020, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was OMR 14,709,390 of which 65% approximately is expected to be recognized as revenues within 1 year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

17 Related party transactions and balances

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

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

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

Due to related parties (Note 11)

	31 March 2020	31 March 2019
Wipro Limited	494,997	1,496,750
Wipro Doha LLC	84	-
Wipro IT Services SE (Previously known as Wipro Cyprus Ltd)	-	220
Wipro Travel Services Limited	545	7,026
	495,626	1,503,996

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

	Year ended 31 March 2020	Year ended 31 March 2019
Sub-contract charges	1,741,816	1,339,255
Expenses incurred by the Company on behalf of a related party	25,519	35,255
Commission on performance guarantee provided by Wipro Limited	182,653	270,955
Expenses paid on behalf of the Company by related parties	177,370	15,847

18 Taxation

Provision for income tax has been made after giving due consideration to adjustments for potential allowances and disallowances. The Company's assessment is completed till financial year 2015 by the Tax Authorities. The management considers that the amount of additional taxes, if any, that may become payable in relation to the tax years for which assessments are pending would not be material to the Company's financial position as at 31 March 2020.

	2020	2019
Income tax recognised in profit or loss:		
Current tax	413,530	544,315
Deferred tax	(4,359)	-
	409,171	544,315

18 Taxation (continued)

The movement in current tax provision is as under:

	31 March 2020	31 March 2019
At 1 April 2019	482,814	520,943
Charge for the year	413,530	544,315
Payments made during the year	(519,272)	(582,444)
At 31 March 2020	377,072	482,814

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

	31 March 2020	31 March 2019
Accounting profit before tax	2,584,437	2,201,054
Tax on accounting profit before tax at 15%	387,665	330,158
Add / (less) tax effect of:		
Non-deductible expenses	25,865	186,428
Provision against previous period assessments	-	27,729
Prior year tax reversal	-	-
Tax charge as per statement of profit or loss	413,530	544,315

	31 March 2020	31 March 2019
Deferred tax asset		
Opening balance	-	
Deferred tax asset for the year	4,359	
Closing balance	**4,359**	-

19 Dividend payable

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

	31 March 2020	31 March 2019
Wipro IT Services SE (Previously known as Wipro Cyprus Private Limited)	-	2,115,273
Wipro Information Technology Netherlands	-	2,117
	-	2,117,390

20 Other income

	31 March 2020	31 March 2019
Interest income	80,305	78,815
	80,305	78,815

21 Legal reserve

In accordance with the applicable provisions of the Commercial Companies Law of the Sultanate of Oman, an amount equivalent to 10 % of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of one-third of the share capital is set aside. As the legal reserve already equates to one third of the share capital, no amount has been transferred to the legal reserve for the years ended 31 March 2020 and 2019.

22 Contingent liabilities

	31 March 2020	31 March 2019
Advance payment guarantees and performance bonds	1,304,052	493,349

23 Financial risk management

(a) Financial assets and Liabilities

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

(b) Risk management

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

(c) Capital management

The primary objective of the management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise members' value. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 March 2020 and 2019.

As the Company has a negative net debt as at 31 March 2020 and 2019, gearing ratio has not been calculated.

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

(d) Market risk

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

(i) Foreign currency risk

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

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

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

(ii) Interest rate risk

The Company's interest rate risk arises from bank deposits, which are exposed, to changes in market interest rates. The Company places deposits with commercial banks at commercial rates of interest.

Short-term deposits are valued at amortised cost and at fixed rates of interest and, accordingly, not sensitive to the short-term changes in the applicable interest rates.

23 Financial risk management (continued)
(d) Market risk (continued)

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

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

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

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

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

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

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

	2020 RO	2019 RO
Cash and cash equivalents	8,290,148	9,702,533
Trade receivables	3,202,564	2,898,200
Contract assets	403,558	84,070
	11,492,712	12,600,733

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

	31 March 2020		31 March 2019	
	Gross	ECL	Gross	ECL
Not past due	2,502,689	-	1,263,851	-
Past due				
Past due 0-60 days	474,826	-	258,904	-
More than 60 days	252,290	27,242	1,398,069	22,624
	3,229,805	27,242	2,920,824	22,624

Included in the Company's trade receivable balance are debtors with a carrying amount of RO 727,116 (31 March 2019: RO 1,656,973) which are past due at the end of reporting period for which the Company has provided based on IFRS 9 and there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

23 Financial risk management (continued)

(f) Liquidity risk

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

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

The following are the contractual maturities of financial liabilities:

	31 March 2020		31 March 2019	
	Carrying amount	**12 months or less**	**Carrying Amount**	**12 months or less**
Non-interest bearing				
Due to related parties	495,626	495,626	1,503,996	1,503,996
Trade payables	288,623	288,623	158,660	158,660
Other payables	61,312	61,312	1,084,142	1,084,142
Lease liabilities	78,517	78,517	-	-
Accrued expenses	3,327,761	3,327,761	3,180,768	3,180,768
	4,251,839	4,251,839	8,044,956	8,044,956

24 Fair value of financial assets and liabilities

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

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

25 Subsequent events

Subsequent to the year end, on 11 March 2020, the World Health Organisation declared the novel Coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. In accordance with the guidelines issued by the Supreme Committee dealing with COVID-19 in the Sultanate of Oman, all entities (other than those dealing with essential services) had to temporarily suspend their operations from 23 March 2020 as part of the precautionary measures aimed to limit the spread of the COVID-19 in the Sultanate of Oman.

Hence, as at the date of approval of these financial statements, the Company continues to operate with restrictions imposed by the Supreme Committee dealing with COVID-19 in the Sultanate of Oman.

26 Comparative figures

Certain comparative figures of the previous year have been either regrouped or reclassified, wherever necessary, in order to conform with the presentation adopted in the current year's financial statements. Such regrouping or reclassification did not affect previously reported net profit or members' equity.