Wipro Bahrain Limited Co. W.L.L.

Report and financial statements for the year ended 31 March 2023

Index | **Page**

Company name	Wipro Bahrain Limited Co. W.L.L.
Commercial registration number	73168-1 obtained on 28 October 2009
Shareholder/Parent company	Wipro Holdings (UK) Limited
Directors	Ibrahim Ahmed Ibrahim Ahmed Elkabany 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 17th Floor Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain

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 2023.

Principal activities and review of business developments

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 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 dividends to the shareholders during the year sended 31 March 2023 (2022: BD 1,100,000).

Representation and audit

The Company's activities for the year ended 31 March 2023 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/-	Sd/-
Ibrahim Ahmed Ibrahim Ahmed Elkabany	Sayantan Mukherjee
Director	Director

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 2023, 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 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 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Code of Ethics for Professional Accountants (“IESBA Code”) issued by International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
Management is responsible for the other information. The other information comprises the information included in the Management’s 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.

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.

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 Memorandum of Association, which would materially affect its activities, or its financial position as at 31 March 2023.

Sd/-

Manama, Kingdom of Bahrain
8 June 2023

Wipro Bahrain Limited Co. W.L.L.
Statement of financial position as at 31 March 2023
(Expressed in Bahrain Dinars)

	Notes	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	5	11	647
		11	647
Current assets			
Inventories	6	124,681	58,042
Trade and other receivables	7	262,683	277,756
Other financial assets	8	23,882	79,697
Other assets	10	748,826	1,167,906
Amounts due from related parties	24	3,194	97,876
Cash and cash equivalents	9	1,434,991	550,450
		2,598,257	2,231,727
Total assets		2,598,268	2,232,374
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	50,000	50,000
Statutory reserve	12	25,000	25,000
Retained earnings	13	926,975	1,222,164
		1,001,975	1,297,164
Non-current liabilities			
Non-current portion of compensated absences	15	13,057	4,158
Non-current portion of employees' terminal benefits	15	15,440	6,511
		28,497	10,669
Current liabilities			
Trade payables and accrued expenses	14	57,424	101,352
Other liabilities	15	86,915	165,843
Amounts due to related parties	24	1,423,457	657,346
		1,567,796	924,541
Total equity and liabilities		2,598,268	2,232,374

These financial statements were approved and authorised for issue and signed by the Director:

Sd/-

Ibrahim Ahmed Ibrahim Ahmed Elkabany
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 2023
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue	17	1,463,933	1,582,810
Direct costs	18	(1,604,993)	(1,738,782)
Gross loss		(141,060)	(155,972)
Other income	19	1,684	4,397
		(139,376)	(151,575)
Expenses			
General and administrative expenses	20	(113,577)	(116,234)
Bad debts	21	-	(1,681)
Foreign exchange loss, net	22	(15,177)	(13,557)
Finance costs	23	-	(101)
		(128,754)	(131,573)
Net loss for the year		(268,130)	(283,148)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial losses on defined benefit schemes		(27,059)	(2,941)
Total other comprehensive loss		(27,059)	(2,941)
Total comprehensive loss for the year		(295,189)	(286,089)

These financial statements were approved and authorised for issue and signed by the Director:

Sd/-
Ibrahim Ahmed Ibrahim Ahmed Elkabany
Director

Sd/-
Sayantan Mukherjee
Director

Wipro Bahrain Limited Co. W.L.L.
Statement of changes in shareholder's equity for the year ended 31 March 2023
(Expressed in Bahrain Dinars)

	Share capital	Statutory reserve	Retained earnings	Total
At 31 March 2021	50,000	25,000	2,608,253	2,683,253
Net loss for the year	-	-	(283,148)	(283,148)
Dividend paid			(1,100,000)	(1,100,000)
Other comprehensive loss for the year	-	-	(2,941)	(2,941)
At 31 March 2022	50,000	25,000	1,222,164	1,297,164
Net loss for the year	-	-	(268,130)	(268,130)
Other comprehensive loss for the year	-	-	(27,059)	(27,059)
At 31 March 2023	50,000	25,000	926,975	1,001,975

Wipro Bahrain Limited Co. W.L.L.
Statement of cash flows for the year ended 31 March 2023
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Operating activities			
Net loss for the year		(268,130)	(283,148)
Adjustments for:			
Depreciation of plant and equipment	5	636	1,383
Amortisation of right of use assets	5.1	-	6,869
Interest on lease liabilities		-	101
Changes in operating assets and liabilities:			
Inventories		(66,639)	(58,042)
Trade and other receivables		(489,968)	(445,694)
Amounts due from related parties		94,682	(68,470)
Trade and other payables		(75,087)	108,877
Amounts due to related parties		766,111	477,571
Employees' terminal benefits, net		(57,000)	(9,950)
Net cash provided by/(used in) operating activities		884,541	(270,503)
Financing activities:			
Dividend paid	27	-	(1,100,000)
Payment of lease liabilities		-	(7,009)
Finance cost paid		-	(101)
Net cash used in financing activities		-	(1,107,110)
Net increase/(decrease) in cash and cash equivalents		884,541	(1,377,613)
Cash and cash equivalents, beginning of the year		550,450	1,928,063
Cash and cash equivalents, end of the year	9	1,434,991	550,450

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 Holdings (UK) Limited ("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 44, were approved and authorised for issue by the Board of Directors and signed on 8th June 2023.

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 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 financial statements have been presented in Bahrain Dinars 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 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.

Improvements/amendments to IFRS/IAS

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company's future accounting periods with earlier adoption permitted.

2 Basis of preparation (continued)

Standards, amendments and interpretations issued and effective in 2023 but not relevant

The following new amendments to existing 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
IAS 1	Disclosure of accounting policies	1 January 2023
IAS 8	Definition of accounting estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17	Amendments to IFRS 17	1 January 2023

Standards, amendments and interpretations issued but not yet effective in 2022

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 March 2023. They have not been adopted in preparing the financial statements for the year ended 31 March 2023 and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 1	Classification of liabilities as current or non-current	1 January 2024
IAS 1	Non-current liabilities with covenants	1 January 2024
IFRS 16	Lease liability in a sale and leaseback	1 January 2024

Early adoption of amendments or standards in 2023

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

3 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 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.

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.

3 Significant accounting policies (continued)

Financial assets (continued)

Trade and other receivables

Impairment provisions for current and non-current trade receivables, if any, are recognised based on the simplified approach within IFRS 9 using a provision 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 provisions are recorded in a separate provision 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 provision.

Impairment provisions 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 provision 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.

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, current account balances with banks and short-term fixed deposits with original maturities of three months or less.

Fixed deposits

Fixed deposits are accounted for from the date of investment, whereas the returns thereon are accounted when the right to receive payment is established. The gains and losses, which result from fixed deposit transactions, are recognised in the statement of profit or loss and other comprehensive income over the period of the related contracts. Fixed deposits have original maturities of less than 360 days but more than 90 days and are stated at historical cost less provision for impairment in value.

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.

3 Significant accounting policies (continued)

Financial liabilities (continued)

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.

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.

3 Significant accounting policies (continued)

Employees' benefits (continued)

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.

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.

3 Significant accounting policies (continued)

Revenue recognition (continued)

To recognize revenues, we apply the following five step approach:

(1) identify the contract with a customer;
(2) identify the performance obligations in the contract;
(3) determine the transaction price;
(4) allocate the transaction price to the performance obligations in the contract; and
(5) recognize revenues when a performance obligation is satisfied.

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

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

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

A. Time and materials contracts

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

B. Fixed-price development contracts

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

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

A contract liability is an entity’s obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Unbilled revenue on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time.

3 Significant accounting policies (continued)

Revenue recognition (continued)

C. Maintenance contracts

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

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

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

D. Products

Revenue on product sales 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.

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

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

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

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

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

3 Significant accounting policies (continued)

Revenue recognition (continued)

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

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

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

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

Trade receivables and contract balances

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

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

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

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

Remaining performance obligations

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

3 Significant accounting policies (continued)

Revenue recognition (continued)

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.

Finance income

Finance and other income comprises of interest income on deposits, dividend income and gains/(losses) on disposal of investments. Interest income is recognized using the effective interest method.

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 it’s 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 Significant accounting policies (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.

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.

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.

3 Significant accounting policies (continued)

Leases (continued)

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.

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 of 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.

3 Significant accounting policies (continued)

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.

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;
- determination of lease term and borrowing rates;
- economic useful life of right-of use 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.

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

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 are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

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

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.

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

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. 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 2023, in the opinion of the Company's management, a provision of BD18,916 is required for impaired trade and other receivables (2022: BD20,600). Bank balances are not impaired as at 31 March 2023 (2022: BD Nil)

Inventories

The Company also creates provision for obsolete and slow-moving inventories. As at 31 March 2023, in the opinion of the Company's management, no provision is required against obsolete and slow-moving items (2022: 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.

Determination of lease term and the borrowing rates for leases

In case where the Company is a lessee, the Company's management exercises judgment in determining if it is reasonably certain to exercise the lease options to extend or terminate the lease at the commencement as well as during the lease term. The carrying value of lease liabilities are revised based on certain variable elements of the future lease payments like rates or index. Determination of incremental borrowing rates used to determine the carrying value of lease liabilities and the discount rates used to determine the carrying value of right-of-use of lease rights involve, to certain extent, management estimates. Any changes to management estimate may have an impact on the term as well as the carrying values of the lease assets and liabilities.

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

Economic useful life of right-of-use assets

Right-of-use assets are amortised over their economic useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of profit or loss in specific periods.

The Company’s right-of-use assets are amortised on a straight-line basis 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.

Economic useful lives of right-of-use assets 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.

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.

5 Plant and equipment

	Machinery	Total
Cost		
At 31 March 2021, 2023 and 2023	6,451	6,451
Accumulated depreciation		
At 31 March 2021	4,421	4,421
Charge for the year	1,383	1,383
At 31 March 2022	5,804	5,804
Charge for the year (Note 20)	636	636
At 31 March 2023	6,440	6,440
Net book value		
At 31 March 2023	11	11
At 31 March 2022	647	647

5.1 Right of use asset and Lease liabilities

	31 March
a) Right of use assets	
At 31 March 2021	6,869
Less: amortisation charge (Note 20)	(6,869)
At 31 March 2022 and 2023	-
b) Lease liabilities	
At 31 March 2021	-
Additions	7,009
Add: interest expense	101
Less: lease payment	(7,110)
At 31 March 2022 and 2023	-
Lease liability	-
Less: Current portion of lease liability	-
Non-current portion of lease liabilities	-

The Company operates from premises leased at a monthly rental of BD790 per month (2022: BD750).

6. Inventories

	31 March 2023	31 March 2022
Trading goods- in-transit	124,681	58,042

7 Trade and other receivables

	31 March 2023	31 March 2022
Trade receivables	281,599	298,356
Less: Allowance for lifetime expected credit loss (Refer Note below)	(18,916)	(20,600)
Current portion of trade and other receivables	262,683	277,756

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

7 Trade and other receivables (continued)

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

Movement in expected credit loss allowance:

	31 March 2023	31 March 2022
Balance at the beginning	20,600	18,919
Addition of provision (Note 21)	-	1,681
Reversal of excess provision (Note 19)	(1,684)	-
Balance at the end	18,916	20,600

7 Trade and other receivables (continued)

On that basis, the allowance as at 31 March 2023 was determined as follows for trade receivables.

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

	Aged less than 180 days	Aged for 180-365 days	Aged for 1-2 years	Aged for 2-3 years	Aged for 3-4 years	Aged for 4 years and above	Total
Tier 1 receivables:							
Expected loss rate	0%	35%	100%	100%	100%*	100%	
Gross trade receivables	159,402	-	-	-	0	18,916	178,318
Loss allowance	-	-	-	-	0	18,916	18,916
Tier 2 receivables:							
Expected loss rate	0%	0%	0%	25%	50%	100%	
Gross trade receivables	103,281	-	-	-	-	-	103,281
Loss allowance	-	-	-	-	-	-	-
Total gross trade Receivables	262,683	-	-	0	-	18,916	281,599
Total loss allowance	-	0	-	0	-	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 above 1 year at 100%, on prudent basis.

7 Trade and other receivables (continued)

At 31 March 2022, the lifetime expected loss provision for trade receivables is as follows:

	Aged less than 180 days	Aged for 180-365 days	Aged for 1-2 years	Aged for 2-3 years	Aged for 3-4 years	Aged for 4 years and above	Total
Tier 1 receivables:							
Expected loss rate	0%	35%	100%	100%	100%*	100%	
Gross trade receivables	193,698	4,811	-	-	18,916	-	217,425
Loss allowance	-	1,684	-	-	18,916	-	20,600
Tier 2 receivables:							
Expected loss rate	0%	0%	0%	25%	50%	100%	
Gross trade receivables	80,931	-	-	-	-	-	80,931
Loss allowance	-	-	-	-	-	-	-
Total gross trade receivables	274,629	4,811	-	18,916	-	-	298,356
Total loss allowance	-	1,684	-	18,916	-	-	20,600

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 above 1 year at 100%, on prudent basis.

8 Other financial assets - current

	31 March 2023	31 March 2022
Advance to staff	16,301	16,449
Advance to suppliers	4,689	5,615
Unbilled revenue*	2,892	57,633
	23,882	79,697

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

9 Cash and cash equivalents

	31 March 2023	31 March 2022
HSBC Bank - current account	1,434,991	550,450

10 Other assets

	31 March 2023	31 March 2022
Current		
Contracts assets*	743,090	1,118,888
Prepayments	5,736	49,018
	748,826	1,167,906

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

11 Share capital

	31 March 2023	31 March 2022
Authorised share capital		
1,000 shares of BD50 each		
(2022: 1,000 shares of BD50 each)	50,000	50,000
Issued and fully paid-up		
1,000 shares of BD50 each		
(2022: 1,000 shares of BD50 each)	50,000	50,000

11 Share capital (continued)

The shareholding pattern of the Company as at 31 March 2023 and 2022 are as follows:

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

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 per law has been met, no such amount has been transferred during the year (2022: BD Nil).

13 Retained earnings

	31 March 2023	31 March 2022
Opening balance	1,222,164	2,608,253
Dividend paid	-	(1,100,000)
Net loss for the year	(268,130)	(283,148)
Other comprehensive loss for the year	(27,059)	(2,941)
Closing balance	926,975	1,222,164

14 Trade payables and accrued expenses

	31 March 2023	31 March 2022
Trade payables	16,333	61,687
Accrued expenses	41,091	39,665
	57,424	101,352

15 Other liabilities

	31 March 2023	31 March 2022
Non- current		
Employee benefit obligations (Note 16)	15,440	6,511
Compensated absences (Note 16)	13,057	4,158
	28,497	10,669
Current		
Employee benefit obligations (Note 16)	28,551	57,471
Compensated absences (Note 16)	17,651	36,500
Unearned revenue	10,258	9,123
VAT payables	7,635	15,152
Advances from customers	6,050	6,050
Other payables	16,770	41,547
	86,915	165,843
	115,412	176,512

16 Employees' benefits obligations

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 2023 amounted to BD19,059 (2022: BD27,310).

Expatriate employees

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

	31 March 2023	31 March 2022
Employee benefit obligations	43,991	63,982
Compensated absences	30,708	40,658
	74,699	104,640
Non – current portion of employee benefits	(28,497)	(10,669)
Current portion of employee benefits	46,202	93,971

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 Employees' benefits obligations (continued)

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

	31 March 2023	31 March 2022
Discount rates	5.82%	4.68%
Expected rate of increase in salary	2%	3% for the first year & 2% thereafter

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

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

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

	Year ended 31 March 2023	
	Discount rate	Salary escalation rate
Defined benefit obligation on increase of 50 basis points	43,592	44,414
Impact of increase in 50 basis points	(0.9%)	1.0%
Defined benefit obligation on decrease of 50 basis points	44,399	43,574
Impact of decrease in 50 basis points	0.9%	(0.9%)

	Year ended 31 March 2022	
	Discount rate	Salary escalation rate
Defined benefit obligation on increase of 50 basis points	63,597	64,380
Impact of increase in 50 basis points	(0.6%)	0.6%
Defined benefit obligation on decrease of 50 basis points	64,372	63,586
Impact of decrease in 50 basis points	0.6%	(0.6%)

17 Revenue

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from IT Services	1,463,933	1,582,810

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March 2023 by offerings and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

	31 March 2023	31 March 2022
Revenue by offerings		
IT Implementation and maintenance services	1,463,933	1,582,810
Revenue by contract type		
Fixed price contracts	1,454,748	1,469,875
Time and materials-based contracts	9,185	112,935
	1,463,933	1,582,810
Revenue by type of customer		
Government	647,875	1,307,364
Non-government	816,058	275,446
	1,463,933	1,582,810

Trade receivables and contract balances

The table below shows significant movements in contract assets:

Particulars	31 March 2023	31 March 2022
Opening balance	1,176,522	877,041
Revenues recognized during the year but not billed	745,981	1,176,522
Contract asset billed during the year	(1,176,521)	(877,041)
Closing balance	745,982	1,176,522

17 Revenue (continued)

The table below shows significant movements in contract liabilities:

Particulars	31 March 2023	31 March 2022
Opening balance	9,123	8,106
Amount billed but not recognized as revenues	10,258	9,123
Revenue recognized from opening balance of contract liabilities/contract asset billed during the year	(9,123)	(8,106)
Closing balance	10,258	9,123

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.

18 Cost of operations

	Year ended 31 March 2023	Year ended 31 March 2022
Software development charges	801,479	1,182,430
Staff costs (Note 20)	386,826	355,337
Cost of licenses	302,430	82,953
Fees for technical services	87,100	82,313
Insurance	10,359	19,542
Travelling cost	8,478	5,874
Communication	1,310	4,471
Other direct expenses	7,011	5,862
	1,604,993	1,738,782

19 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income	-	4,397
Impairment allowance written back (Note 7)	1,684	-
	1,684	4,397

20 General and administrative expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Staff costs*	32,906	55,599
Legal & professional	12,732	17,560
Rent	9,223	1,783
Communication expense	8,888	180
Depreciation on PPE (Note 5)	636	1,383
Depreciation on right-of use assets (Note 5.1)	-	6,869
Insurance	156	-
Other general and administrative expenses	49,036	32,860
	113,577	116,234

* I. Staff cost above includes defined benefit contribution to the extent of BD 19,059 for 2023 and BD 27,310 for 2022 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 (11,718) for the year ended 31 March 2023 and BD (17,699) for the year ended 31 March 2022.

21 Bad debts

	Year ended 31 March 2023	Year ended 31 March 2022
Provision for bad and doubtful debts (Note 7)	-	1,681

22 Foreign exchange loss (net)

	Year ended 31 March 2023	Year ended 31 March 2022
Forex loss, net	15,177	13,557

23 Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	-	101

24 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, shareholder, 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 shareholder, 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.

The following are the transactions and balances entered into with the related parties during the year ended and as at 31 March 2023 and 2022:

Name of related party	Nature of transactions	31 March 2023	31 March 2022
Wipro Arabia Limited, Saudi Arabia (under common control)	Payments made to the party in relation to services availed	-	29,407
	Expenses of the Company met by the party	3,290	98
Wipro Limited, India (significant influence)	Services availed from the party	703, 015	1,275,928
Wipro Limited, India (significant influence)	Expenses of the Company met by the party	55,084	36,132
	Payments made to the party in relation to services availed	-	833,901
Wipro Travel Services Limited (under common control)	Payments made to the party in relation to services availed	6,647	3,898
Wipro Travel Services Limited (under common control)	Services availed from the party	108	141
Wipro Travel Services Limited (under common control)	Expenses of the party met by the Company	6,483	3,377
Encore Theme Technologies Private Limited (under common control)	Services availed from the party	588	-
Rizing B.V. (under common control)	Expenses of the Company met by the party	943	-

24 Transactions and balances with related parties (continued)

Amounts due from related parties

	31 March 2023	31 March 2022
Wipro Arabia Limited, Saudi Arabia (under common control)	3,194	97,876

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

Amounts due to related parties

	31 March 2023	31 March 2022
Wipro Limited (significant influence)	1,420,129	656,176
Encore Theme Technologies Private Limited	1,409	-
Rizing B.V.	942	-
Wipro Travel Services Limited (under common control)	557	652
Wipro Information Technology Egypt SAE, Egypt (under common control)	420	420
Wipro Arabia Limited, Saudi Arabia	-	98
	1,423,457	657,346

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

25 Contingent liabilities

	Year ended 31 March 2023	Year ended 31 March 2022
Bid bonds	-	7,500
Performance guarantees	18,645	542,318
	18,645	549,818

Except for the above, as at 31 March 2023 and 2022, there were no contingent liabilities arising in the ordinary course of the business, which are expected to give rise to any material loss.

26 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.

26 Financial assets and liabilities and risk management (continued)

Capital management (continued)

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 2023 and 2022.

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 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 2023	31 March 2022
Trade payables and accrued expenses	57,424	101,352
Other liabilities	86,915	165,843
Amounts due to related parties	1,423,457	657,346
Less: cash and cash equivalents	(1,434,991)	(550,450)
Net debt	132,805	374,091
Share capital	50,000	50,000
Statutory reserve	25,000	25,000
Retained earnings	926,975	1,222,164
Total capital	1,001,975	1,297,164
Total capital and net debt	1,134,780	1,671,255
Gearing ratio	11.70%	22.38%

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:

	31 March 2023	31 March 2022
Financial assets		
Trade receivable	262,683	277,756
Amounts due from related parties	3,194	97,876
Other financial assets*	745,981	1,176,521
Cash and cash equivalents	1,434,991	550,450
	2,446,849	2,102,603
Financial liabilities:		
Trade payables and accrued expenses	57,424	101,352
Amounts due to related parties	1,423,457	657,346
	1,480,881	758,698

26 Financial assets and liabilities and risk management (continued)

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

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 bank with good credit ratings. Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's other 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 2023 and 2022, 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 2023	
Financial assets	***Carrying value***	***Maximum exposure***
Trade and other receivables, excluding prepayments	262,683	262,683
Amounts due from related parties	3,194	3,194
Cash and cash equivalents	1,434,991	1,434,991
Total financial assets	1,700,868	1,700,868

	At 31 March 2022	
Financial assets	***Carrying value***	***Maximum exposure***
Trade and other receivables, excluding prepayments	277,756	277,756
Amounts due from related parties	97,876	97,876
Cash and cash equivalents	550,450	550,450
Total financial assets	926,082	926,082

The ageing of trade receivable at the reporting date was:

	Gross 31 March 2023	Impairment 31 March 2023	Gross 31 March 2022	Impairment 31 March 2022
Not past due	262,683	-	176,995	-
Past due, but not impaired	-	-	100,761	-
Past due and impaired	18,916	18,916	20,600	20,600
	281,599	18,916	298,356	20,600

26 Financial assets and liabilities and risk management (continued)

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 fixed deposits earn fixed rates of interest, the renegotiation for which only occurs when the fixed deposits are renewed on maturity. The Company's other 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. The following are the contractual maturities of financial liabilities:

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	-	-
2022					
Amounts due to related parties	657,346	657,346	657,346	-	-
Accounts payable	61,687	61,687	61,687	-	-
Accruals	39,665	39,665	39,665	-	-
	758,698	758,698	758,698	-	-

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.

26 Financial assets and liabilities and risk management (continued)

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.

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 2023 and 2022.

27 Dividend declared and paid

The Board of Directors do not propose to pay any dividends to the shareholders during the year ended 31 March 2023 (2022: BD 1,100,000).

28 Rounding of figures

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

29 Events after reporting date

There were no events occurring subsequent to 31 March 2023 and before the date of the report that are expected to have a significant impact on these financial statements.