

Financial Statements and Independent Auditor's Report

WIPRO JAPAN KK

31 March 2016

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## **Independent Auditor's Report**

**To the Board of Directors of Wipro Japan KK**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of **Wipro Japan KK** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We conducted our audit in accordance with the Standards on Auditing issued by ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

### **Other matter**

8. This report is intended solely for the information of the Company's and its ultimate holding company's board of directors and members as a body and is not intended to be and should not be used by anyone other than specified parties. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, the company's and ultimate holding company's board of directors and members as a body, for our audit work, for this report, or for the opinions we have formed.
9. The audit of the financial statements of the Company as at and for the year ending 31 March 2015 was carried out by other auditors, whose report dated 31 May 2015 expressed an unqualified opinion on those statements.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
per **Sanjay Banthia**  
Partner  
Membership No.: 061068

Place: Bengaluru

Date: 3 June 2016

**Balance Sheet as at 31 March 2016**

(All amounts are in ₹, unless otherwise stated)

	Notes	31 March 2016	31 March 2015
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	758,675,735	758,675,735
Reserves and surplus	4	(174,555,688)	(642,079,866)
		<b>584,120,047</b>	<b>116,595,869</b>
<b>Non-current liabilities</b>			
Long-term provisions	5	1,989,334	2,913,308
		<b>1,989,334</b>	<b>2,913,308</b>
<b>Current liabilities</b>			
Trade payables	6	4,494,727	55,591,536
Other current liabilities	7	27,713,617	22,890,530
Short-term provisions	5	21,949,627	4,027,690
		<b>54,157,971</b>	<b>82,509,756</b>
<b>Total</b>		<b>640,267,352</b>	<b>202,018,933</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	8	4,012,387	8,953,376
Deferred tax assets (net)	9	184,080,749	-
Long-term loans and advances	10	16,184,372	33,912,014
		<b>204,277,508</b>	<b>42,865,390</b>
<b>Current assets</b>			
Trade receivables	11	272,972,795	7,016,431
Cash and cash equivalents	12	131,168,624	22,572,240
Short-term loans and advances	10	28,943,967	15,320,020
Other current assets	13	2,904,458	114,244,852
		<b>435,989,844</b>	<b>159,153,543</b>
<b>Total</b>		<b>640,267,352</b>	<b>202,018,933</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors of Wipro Japan KK

Sd/-  
Manoj Nagpaul  
Director

Sd/-  
Srikanth Samba  
Director

Place: Bangalore  
Date: 3 June 2016

Place: Bangalore  
Date: 3 June 2016

## Statement of Profit and Loss for the year ended 31 March 2016

(All amounts are in ₹, unless otherwise stated)

	Notes	31 March 2016	31 March 2015
<b>Revenue</b>			
Revenue from operations	14	462,877,601	340,458,813
Other income	15	36,840	-
<b>Total revenue</b>		<b>462,914,441</b>	<b>340,458,813</b>
<b>Expenses</b>			
Employee benefit expenses	16	115,894,273	140,490,312
Depreciation expense	8	3,751,505	12,519,785
Other expenses	17	75,931,083	199,814,799
<b>Total expenses</b>		<b>195,576,861</b>	<b>352,824,896</b>
<b>Profit before tax</b>		<b>267,337,580</b>	<b>(12,366,083)</b>
<b>Tax expense</b>			
Current tax expenses		20,064,335	-
Deferred tax (benefit)		(169,800,130)	-
<b>Profit after tax</b>		<b>417,073,375</b>	<b>(12,366,083)</b>
Earnings per share			
-Basic and diluted	18	626,236	(18,568)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors of Wipro Japan KK

Sd/-  
Manoj Nagpaul  
Director

Sd/-  
Srikanth Samba  
Director

Place: Bangalore  
Date: 3 June 2016

Place: Bangalore  
Date: 3 June 2016

## Cash Flow Statement for the year ended March 2016

(All amounts are in ₹, unless otherwise stated)

	31 March 2016	31 March 2015
<b>A. Cash flows from operating activities</b>		
Profit/(loss) before tax	267,337,580	(12,366,083)
Depreciation expense	3,751,505	12,519,784
Loss on sale of fixed assets	1,786,101	16,673,540
Exchange difference, net	5,956,743	32,875
Interest income	(36,840)	
<b>Operating profit before working capital changes</b>	<b>278,795,089</b>	<b>16,860,116</b>
Trade receivables and unbilled revenue	(241,282,228)	2,007,152
Loans and advances and other assets	121,351,049	(96,095,814)
Liabilities and provision	(57,061,810)	49,862,642
<b>Cash generated from / (used in) operating activities</b>	<b>101,802,100</b>	<b>(27,365,904)</b>
Income taxes paid (net)	(4,521,684)	-
<b>Net cash generated from/(used in) operating activities</b>	<b>97,280,416</b>	<b>(27,365,904)</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of plant and equipment (including advances)	(181,558)	(4,965,572)
Interest received	36,840	-
<b>Net cash generated from/(used in) investing activities</b>	<b>(144,718)</b>	<b>(4,965,572)</b>
<b>C. Cash flows from financing activities</b>		
	-	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(A+B+C) 97,135,698</b>	<b>(32,331,476)</b>
Effect of exchange rate changes on cash balance	11,460,686	(4,235,369)
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>22,572,240</b>	<b>59,139,085</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>131,168,624</b>	<b>22,572,240</b>

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors of Wipro Japan KK

Sd/-  
Manoj Nagpaul  
Director

Sd/-  
Srikanth Samba  
Director

Place: Bangalore  
Date: 3 June 2016

Place: Bangalore  
Date: 3 June 2016

**Summary of significant accounting policies and other explanatory information**

(All amounts are in ₹, unless otherwise stated)

**1 Background**

Wipro Japan KK (“the Company”) is a subsidiary of Wipro Limited (the holding company). It is incorporated and domiciled in Japan. The Company is engaged in promoting and creating new customers for the holding company and providing software development services. The Company's holding company, Wipro Limited (“Wipro”) is incorporated and domiciled in India.

**2 Summary of significant accounting policies****a) Basis of preparation of financial statement**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared financial statements to comply in all material respect with the accounting standards issued by Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

The financial statement have been prepared on accrual basis and under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

These financial statements have been prepared to attach with the accounts of the ultimate holding company, to comply with the provisions of Section 137 (1) Companies Act (the Act), 2013 in India.

**b) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, as at the date of reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

**c) Tangible assets**

Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of tangible assets. Subsequent expenditure relating to tangible assets are 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.

Cost of tangible assets not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long-term loans and advances.

**d) Revenue recognition**

The Company derives revenue primarily from software development, maintenance of software/hardware and related services and business process services

**Services**

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. Revenues from services is recognised as the service is rendered, on the basis of an agreed mark-up on all costs incurred, in accordance with the terms of the Master Service Agreements entered into with Wipro Limited (“the Ultimate holding

“Unbilled revenue” represent revenues recognised for services rendered in accordance with contractual terms, which have not been billed to the ultimate holding company at the Balance Sheet date. The related billings are performed within the next operating cycle.

**Other income**

Commission in lieu of marketing support services are recognised when an enforceable contract is entered with customer and/or a right to collection is established.

Interest is recognized using the time proportion method, based on the rates implicit in the transaction.

**e) Foreign currency transactions****Transaction**

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates prevailing on the date of transaction. Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The exchange difference between the rate at which foreign currency transactions are accounted and the rate at which they are re-measured/ realized is recognized in the statement of profit and loss.



**Summary of significant accounting policies and other explanatory information**

(All amounts are in ₹, unless otherwise stated)

**2 Summary of significant accounting policies****e) Foreign currency transactions (contd)****Translation**

The Company is a non-integral unit of Holding Company. The functional currency of the Company is JPY and the reporting currency for these financial statements is INR. The translation of financial statements from the local currency to the reporting currency of the Company is performed for balance sheet accounts using the exchange rate in effect at the Balance sheet date and for revenue, expenses and cash flow items using a monthly average exchange rate for the respective periods and the resulted differences is presented as 'foreign currency translation reserve' included in 'Reserve and surplus' and 'Effect of exchange rate changes on cash and cash equivalents' including in 'cash flow statement', respectively.

**f) Operating leases**

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Lease rentals in respect of assets taken under operating leases are charged to profit and loss account on a straight line basis over the lease term.

**g) Depreciation and amortisation**

The Company has provided for depreciation using straight line method over the useful life of the assets as estimated by the management. Useful life as given represents the period over which management expects to use these assets.

Class of asset	Estimated useful life
Plant and machinery	2-7 years
Furniture and fixtures	5-6 years
Office equipments	5-6 years

**(h) Employee benefits****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 carried out by independent actuary using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

**Pension and social contribution**

Pension and social contribution plan, a defined contribution scheme, the Company makes monthly contributions based on a specified percentage of each covered employee's salary.

**(i) Taxes****Income tax**

The current charge for income taxes is calculated in accordance with the relevant tax regulations.

**Deferred tax**

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of the Company. Deferred taxes are recognised in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment/substantive enactment date.

Deferred tax assets on timing differences are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date. The Company offsets, on a year on year basis, the current and non-current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

**Summary of significant accounting policies and other explanatory information**

(All amounts are in ₹, unless otherwise stated)

**2 Summary of significant accounting policies**

**(j) Earnings per share**

**Basic**

The number of equity shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year excluding equity shares held by controlled trusts.

**Diluted**

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

**(k) Cash flow statement**

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

**(l) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provision for onerous contracts is recognized when the expected benefits to be derived from the contract are lower than the unavoidable cost of meeting the future obligations under the contract.

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## Summary of significant accounting policies and other explanatory information

(All amounts are in ₹, unless otherwise stated)

## 3 Share capital

	31 March 2016	31 March 2015
<b>I Authorized capital</b>		
650 (31 March 2015: 650) equity shares	9,737,643	9,737,643
16 (31 March 2015:16) equity shares	1,001,830,004	1,001,830,004
As per the local laws of Japan the company doesn't have the concept of Face value of Equity shares.		
	<b>1,011,567,647</b>	<b>1,011,567,647</b>
<b>II Issued, subscribed and paid-up capital</b>		
650 (31 March 2015: 650) equity shares	7,303,232	7,303,232
16 (31 March 2015:16) equity shares	751,372,503	751,372,503
	<b>758,675,735</b>	<b>758,675,735</b>

## a) Reconciliation issued, subscribed and paid-up capital

## Equity share capital

	31 March 2016		31 March 2015	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning and end of the year	666	758,675,735	666	758,675,735

## b) Shareholding pattern

	31 March 2016		31 March 2015	
	No. of shares	% of holding	No. of shares	% of holding
Name of the Shareholder				
Wipro Limited	666	100%	666	100%
	<b>666</b>	<b>100%</b>	<b>666</b>	<b>100%</b>

\* The equity shares are issued with 'no par value' and the proceeds from issuance of equity shares are accounted as share capital.

## 4 Reserves and surplus

	31 March 2016	31 March 2015
<b>Additional paid in capital</b>	<b>252,892,057</b>	<b>252,892,057</b>
<b>Translation reserve</b>		
Balance at the beginning of the year	(89,415,722)	(74,621,400)
Add: Movement during the period	50,450,803	(14,794,322)
<b>Balance at the end of the year</b>	<b>(38,964,919)</b>	<b>(89,415,722)</b>
<b>General reserve</b>		
Balance at the beginning of the year	(805,556,201)	(793,190,118)
Add: Amount transferred from balance in the statement of profit and loss	417,073,375	(12,366,083)
<b>Balance at the end of the year</b>	<b>(388,482,826)</b>	<b>(805,556,201)</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	-	-
Add: Profit/(loss) for the year	417,073,375	(12,366,083)
Less: Amount transferred to general reserve	(417,073,375)	(12,366,083)
<b>Balance at the end of the year</b>	<b>(174,555,688)</b>	<b>(642,079,866)</b>

## Summary of significant accounting policies and other explanatory information

(All amounts are in ₹, unless otherwise stated)

5 Provisions	31 March 2016		31 March 2015	
	Long-term	Short-term	Long-term	Short-term
Employee benefit obligation	1,989,334	3,909,377	2,913,308	2,975,946
Provision for tax (net of advance tax)	-	18,040,250	-	1,051,744
	<b>1,989,334</b>	<b>21,949,627</b>	<b>2,913,308</b>	<b>4,027,690</b>

## 6 Trade payables

	31 March 2016	31 March 2015
Dues to others *	728,533	47,350,980
Accrued expenses	3,766,194	8,240,556
	<b>4,494,727</b>	<b>55,591,536</b>

\* includes payable to related parties (refer note 21)

## 7 Other current liabilities

	31 March 2016	31 March 2015
Duties and taxes payable	27,713,617	22,551,525
Accrued salary expenses	-	339,005
	<b>27,713,617</b>	<b>22,890,530</b>

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## Summary of significant accounting policies and other explanatory information

(All amounts are in ₹, unless otherwise stated)

## 8 Tangible assets

Particulars	Plant and machinery	Furniture and fixtures	Office equipments	Total
<b>Gross block</b>				
<b>Balance as at 01 April 2014</b>	36,261,468	100,608,495	33,563,019	170,432,982
Additions	72,694	4,892,878	-	4,965,572
Disposals/adjustment*	-	-	-	-
Translation adjustment	(3,948,559)	(11,274,068)	(3,650,151)	(18,872,778)
<b>Balance as at 31 March 2015</b>	<b>32,385,603</b>	<b>94,227,305</b>	<b>29,912,868</b>	<b>156,525,776</b>
Additions	161,339	-	20,219	181,558
Disposals/adjustment*	(26,165,550)	(42,209,451)	4,163,678	(64,211,323)
Translation adjustment	1,474,986	8,557,108	5,221,724	15,253,818
<b>Balance as at 31 March 2016</b>	<b>7,856,378</b>	<b>60,574,962</b>	<b>39,318,489</b>	<b>107,749,829</b>
<b>Accumulated depreciation</b>				
<b>Balance as at 01 April 2014</b>	19,452,738	93,447,785	22,149,017	135,049,540
Depreciation charge	740,527	8,251,080	3,528,178	12,519,785
Translation adjustment	(3,178,264)	(10,815,542)	(2,676,658)	(16,670,464)
Disposals/adjustment (*)	14,902,966	1,355,953	414,621	16,673,540
<b>Balance as at 31 March 2015</b>	<b>31,917,967</b>	<b>92,239,276</b>	<b>23,415,158</b>	<b>147,572,401</b>
Depreciation charge	235,075	2,575,208	941,222	3,751,505
Translation adjustment	1,394,978	7,951,754	5,201,426	14,548,158
Disposals/adjustment*	(25,840,782)	(45,829,435)	9,535,595	(62,134,622)
<b>Balance as at 31 March 2016</b>	<b>7,707,238</b>	<b>56,936,803</b>	<b>39,093,401</b>	<b>103,737,442</b>
<b>Net block</b>				
<b>Balance as at 31 March 2015</b>	467,636	1,988,029	6,497,710	8,953,376
<b>Balance as at 31 March 2016</b>	<b>149,140</b>	<b>3,638,159</b>	<b>225,088</b>	<b>4,012,387</b>

\* Includes regrouping/reclassification within the block of assets.

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## Summary of significant accounting policies and other explanatory information

(All amounts are in ₹, unless otherwise stated)

## 9 Deferred tax assets (net)

	<u>31 March 2016</u>	<u>31 March 2015</u>
Business loss carried forward	184,080,749	-
	<u>184,080,749</u>	<u>-</u>

During the previous year, considering the unutilised carry forward business losses balance, the Company did not recognise deferred tax assets on account of lack of virtual certainty. During the year ended 31 March 2016, the Company earned taxable profits. Accordingly, based on the projections of future taxable income, the management believes that realisation of deferred tax asset is reasonably certain.

## 10 Loans and advances

*(Unsecured, considered good)*

	<u>31 March 2016</u>		<u>31 March 2015</u>	
	<u>Long-term</u>	<u>Short-term</u>	<u>Long-term</u>	<u>Short-term</u>
Security deposits	16,184,372	-	33,912,014	-
Employee travel and other advances	-	1,677,839	-	-
Advances to suppliers	-	176,977	-	-
Prepaid expenses	-	662,985	-	363,017
Duties and taxes receivable	-	26,426,166	-	14,957,003
	<u>16,184,372</u>	<u>28,943,967</u>	<u>33,912,014</u>	<u>15,320,020</u>

## 11 Trade receivables

*(Unsecured)*

	<u>31 March 2016</u>	<u>31 March 2015</u>
Other receivables		
Considered good*	272,972,795	7,016,431
Considered doubtful	-	-
	<u>272,972,795</u>	<u>7,016,431</u>
Less: Provision for doubtful debts	-	-
	<u>272,972,795</u>	<u>7,016,431</u>
	<u>272,972,795</u>	<u>7,016,431</u>

\* includes receivables from related parties (refer note 21)

## 12 Cash and cash equivalents

	<u>31 March 2016</u>	<u>31 March 2015</u>
Balances with banks		
- In current accounts	131,168,624	22,333,124
Cash in hand	-	239,116
	<u>131,168,624</u>	<u>22,572,240</u>

## 13 Other current assets

*(Unsecured, Considered good)*

	<u>31 March 2016</u>	<u>31 March 2015</u>
Balances due from related parties (refer note 21)	2,904,458	111,190,990
Unbilled revenue	-	3,053,862
	<u>2,904,458</u>	<u>114,244,852</u>

*(This space has been intentionally left blank)*

## Summary of significant accounting policies and other explanatory information

(All amounts are in ₹, unless otherwise stated)

14 Revenue from operations	31 March 2016	31 March 2015
Commission income	462,877,601	212,472,453
Sale of services	-	127,986,360
<b>Total revenue</b>	<b>462,877,601</b>	<b>340,458,813</b>
15 Other income	31 March 2016	31 March 2015
Interest income	36,840	-
	<b>36,840</b>	<b>-</b>
16 Employee benefit expenses	31 March 2016	31 March 2015
Salaries and wages	113,778,658	140,035,653
Share based compensation (refer note 19)	449,524	-
Staff welfare expenses	1,666,091	454,659
	<b>115,894,273</b>	<b>140,490,312</b>
17 Other expenses	31 March 2016	31 March 2015
Sub contracting / technical fee/ third party application*	-	115,187,724
Travelling	23,718,214	16,277,109
Repairs and maintenance	3,755,627	5,748,262
Rent (refer note 20)	15,893,780	18,439,414
Communication	8,132,273	8,008,021
Advertisement and sales promotion	749,991	-
Legal and professional	6,194,523	4,009,220
Recruitment	1,686,892	6,203,974
Loss on sale of tangible assets (net)	2,076,701	16,673,540
Printing and stationery	682,032	712,340
Insurance	268,664	5,883
Rates and taxes	3,679,163	5,502,895
Loss on foreign exchange adjustments, net	5,460,307	19,717
Miscellaneous expenses	3,632,916	3,026,700
	<b>75,931,083</b>	<b>199,814,799</b>
18 Earning per share (EPS)	31 March 2016	31 March 2015
Net profit after tax attributable to the equity shareholders	417,073,375	(12,366,083)
Weighted average number of equity shares - for basic and diluted EPS	666	666
Earnings per share - Basic and diluted	626,236	(18,568)

*(This space has been intentionally left blank)*

**Summary of significant accounting policies and other explanatory information**

(All amounts are in ₹, unless otherwise stated)

**19 Employee stock option**

Certain employees of the Company are covered under the share based compensation plans of the ultimate holding company. These plans are assessed, managed and administered by the ultimate holding company. The ultimate holding company recharges to the Company such compensation costs which has been disclosed as "Share based compensation charge" in the Statement of Profit and Loss under Note 16 on "Employee benefit expenses". The management is of opinion that other detailed information as envisaged in the Guidance Note on Accounting for Employee Share Based Payments issued by the ICAI are not required as these information are not relating to the Company.

**20 Operating leases**

The Company has taken a lease, office and residential facilities under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. Rental payments under such lease during the year are ₹ 15,893,780 (31 March 2015: ₹ 18,439,414).

Particulars	31 March 2016	31 March 2015
Not later than one year	15,937,843	14,081,156
Later one year and not late than five years	2,656,307	16,428,016
Later than five years	-	-
<b>Total</b>	<b>18,594,150</b>	<b>30,509,172</b>

**21 Related party disclosure****i) Parties where control exists:**

Relationship	Name
Holding Company	Wipro Limited
Fellow Subsidiary	Wipro Holdings Hungary Korlatolt Felelossegu Tarsasag
Fellow Subsidiary	Wipro Travel Services Limited

**ii) The Company has the following related party transactions:**

Nature of transactions	Relationship	31 March 2016	31 March 2015
<b>Purchase of services</b>			
Wipro Limited	Holding Company	-	115,187,724
<b>Commission income</b>			
Wipro Limited	Holding Company	462,877,601	212,472,453

**iii) Balances with related parties as at year end are summarised below\*:**

Particulars	Relationship	31 March 2016	31 March 2015
Wipro Limited	Holding Company	275,877,253	64,183,582
Wipro Travel Services Limited	Fellow Subsidiary	(728,533)	(233,986)

\* The amounts are classified as trade payables, trade receivables and other current assets respectively.

**22 Segment reporting**

The accompanying financial statements are appended to the consolidated financial statements of ultimate holding company, i.e. Wipro Limited as per the requirement of Section 137(1) of the Companies Act 2013. These standalone financial statements should to be read with the consolidated financial statements of Wipro Limited. Accordingly, pursuant to requirement of Accounting Standard (AS) 17, Segment reporting, the Company discloses the segment information in the consolidated financial statements of ultimate holding company.

**23 Prior period comparatives**

Previous year's figures have been reclassified to confirm to this year's classification.

For and on behalf of the Board of Directors of Wipro Japan KK

Sd/-  
Manoj Nagpaul  
Director

Place: Bangalore  
Date: 3 June 2016

Sd/-  
Srikanth Samba  
Director

Place: Bangalore  
Date: 3 June 2016