

Financial Statements and Independent Auditor's Report

WIPRO JAPAN KK

31 March 2018

Independent Auditor's Report

To the Members of Wipro Japan KK

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Wipro Japan KK ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 standalone 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. 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 these standalone financial statements are free from material misstatement.
6. 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date

Other matter

9. 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.

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

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

Bengaluru
18 June 2018

Wipro Japan KK
Balance Sheet as at 31 March 2018
 (All amounts are in JPY, unless otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,66,60,823	1,69,18,359
Financial assets			
Other financial assets	4	2,94,67,484	2,77,34,059
Deferred tax assets (net)		13,69,05,440	28,35,87,990
Other non-financial assets	5	-	1,25,81,291
		18,30,33,747	34,08,21,699
Current assets			
Inventories	6	2,31,258	-
Financial assets			
Trade receivables	7	49,67,68,630	97,50,00,726
Cash and cash equivalents	8	33,77,02,293	26,47,25,044
Other financial assets	4	51,46,450	17,22,294
Other non-financial assets	5	84,98,946	2,15,39,406
		84,83,47,577	1,26,29,87,470
		1,03,13,81,324	1,60,38,09,169
EQUITY AND LIABILITIES			
Equity			
Share capital	9	43,16,52,500	43,16,52,500
Other equity		51,12,50,743	89,89,86,904
		94,29,03,243	1,33,06,39,404
Liabilities			
Non-current liabilities			
Provisions	10	44,67,960	25,30,548
		44,67,960	25,30,548
Current liabilities			
Financial liabilities			
Trade payables	11	1,18,86,322	2,66,65,946
Other financial liabilities	12	2,03,43,553	24,00,71,759
Provisions	10	4,68,65,574	33,40,827
Other non-financial liabilities	13	49,14,673	5,60,685
		8,40,10,122	27,06,39,217
		1,03,13,81,324	1,60,38,09,169
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

18 June 2018

Sd/-
 Srikanth Samba
 Director

18 June 2018

Wipro Japan KK**Statement of Profit and Loss for the year ended 31 March 2018**

(All amounts are in JPY, unless otherwise stated)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
REVENUE			
Revenue from operations	14	78,31,56,652	71,42,70,750
Other income	15	6,21,78,084	2,50,57,337
		84,53,34,736	73,93,28,087
EXPENSES			
Employee benefits expense	16	25,59,97,216	21,88,21,371
Depreciation	3	49,42,336	38,71,530
Other expenses	17	10,32,52,875	9,51,13,722
		36,41,92,427	31,78,06,623
Profit before tax		48,11,42,309	42,15,21,464
Tax expense			
Current tax		7,61,24,069	5,25,90,784
Deferred tax		9,54,21,161	2,84,53,785
Tax expense of earlier years		9,73,33,241	-
Total tax expense		26,88,78,471	8,10,44,569
Profit for the year		21,22,63,838	34,04,76,895
Other Comprehensive Income		-	-
Total comprehensive income for the period		21,22,63,838	34,04,76,895
Earnings per equity share			
	18		
Basic and diluted		3,18,714.47	5,11,226.57
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

18 June 2018

Sd/-
Srikanth Samba
Director

18 June 2018

Wipro Japan KK
Cash Flow Statement for the year ended March 2018
(All amounts are in JPY, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities		
Profit for the period	21,22,63,838	34,04,76,895
Adjustments		
Depreciation	49,42,336	38,71,530
Unrealised exchange differences - net	(1,64,72,589)	(1,96,03,085)
Provision for tax	26,88,78,471	8,10,44,569
Interest income	(11,44,517)	(52,933)
Operating profit before working capital changes	46,84,67,539	40,57,36,976
Adjustments for working capital changes:		
Decrease / (increase) in trade and other receivable	49,54,28,867	(27,16,19,614)
Decrease / (increase) in loans and advances and other assets	87,79,812	(1,15,57,726)
(Decrease) / increase in trade and other liabilities	(22,80,03,936)	2,95,04,391
cash generated from operations	74,46,72,281	15,20,64,026
Direct taxes paid	(6,70,27,200)	(9,57,52,100)
Net cash generated by operating activities	(A) 67,76,45,081	5,63,11,926
Cash flows from investing activities:		
Acquisition of plant and equipment (including advances)	(46,84,800)	(1,39,88,380)
Interest Received	16,968	52,934
Net cash (used in) / generated by investing activities	(B) (46,67,832)	(1,39,35,446)
Cash flows from financing activities:		
Dividend paid	(60,00,00,000)	-
Net cash (used in) / generated by financing activities	(C) (60,00,00,000)	-
Net increase in cash and cash equivalents during the period (A+B+C)	7,29,77,249	4,23,76,480
Cash and cash equivalents at the beginning of the period	<u>26,47,25,044</u>	<u>22,23,48,564</u>
Cash and cash equivalents at the end of the period (refer note 8)	33,77,02,293	26,47,25,044
Components of cash and cash equivalents (note 8)		
Balances with banks		
in current account	<u>33,77,02,293</u>	<u>26,47,25,044</u>
	33,77,02,293	26,47,25,044

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

18 June 2018

Sd/-
Srikanth Samba
Director

18 June 2018

Wipro Japan KK**Statement of Changes in Equity for the year ended 31 March 2018**

(All amounts are in JPY, unless otherwise stated)

Particulars	Balance as at 01 April 2016	Changes in equity share capital during the year	Balance as at 31 March 2017
Equity share capital	43,16,52,500	-	43,16,52,500
	43,16,52,500	-	43,16,52,500

Particulars	Balance as at 01 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
Equity share capital	43,16,52,500	-	43,16,52,500
	43,16,52,500	-	43,16,52,500

	Capital Reserve	Other equity		Total
		Capital Surplus	Retained Earnings	
Balance as at 01 April 2016	1,22,99,57,500	-	(67,14,47,490)	55,85,10,009
Profit for the period	-	-	34,04,76,895	34,04,76,895
Balance as at 31 March 2017	1,22,99,57,500	-	(33,09,70,595)	89,89,86,904
Profit for the period	-	-	21,22,63,838	21,22,63,838
Converted to Capital Surplus	(1,22,99,57,500)	1,16,99,57,500	-	(6,00,00,000)
10% of dividend allocated as capital reserve until the total amount of profit and capital reserves reaches 25% of the share capital amount	6,00,00,000	-	-	6,00,00,000
Dividend paid	-	(60,00,00,000)	-	(60,00,00,000)
Balance as at 31 March 2018	6,00,00,000	56,99,57,500	(11,87,06,757)	51,12,50,743

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

18 June 2018

Sd/-
Srikanth Samba
Director

18 June 2018

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, 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) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

b) Basis of preparation

The financial statements have been prepared on going concern basis under the historical cost basis except for certain financial assets and liabilities which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, 'Share-based Payment', leasing transactions that are within the scope of Ind AS 17, 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

c) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from estimates.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

c) Use of estimates and judgment (cont'd)

Significant management judgements (cont'd)

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Critical judgements in applying accounting policies

Recognition of deferred tax liability on undistributed profits – The extent to which the Company can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgment.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgment.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Significant estimates in applying accounting policies

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

(i) An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

(ii) All other assets are classified as non-current.

(iii) A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on nature of service and the time between acquisition of assets for development and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities which pertains to the business.

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

e) Foreign currency

Functional and presentation currency

The financial statements are presented in JPY which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest JPY, unless otherwise indicated.

Foreign currency transactions

(a) Initial Recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

f) Property, plant and equipment

Recognition and measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met, any expected costs of decommissioning and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised 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. All other repairs and maintenance cost are recognised in statement of profit and loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortized over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

	Useful lives (in years)
Plant and machinery	2 to 7 years
Furniture and fixture	5 to 6 years
Office equipments	5 to 6 years

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

g) Impairment of property, plant and equipment

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. 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 asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

h) Employee Benefits

Expenses and liabilities in respect of employee benefits are recognised in the financial statements in accordance with Ind AS 19, 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 using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur.

Social Security

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) Equity

i) Share capital

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

ii) Retained earnings

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

iii) Other comprehensive income

Changes in the fair value of financial instruments measured at fair value through other comprehensive income and actuarial gains and losses on defined benefit plans are recognized in other comprehensive income (net of taxes), and presented within equity in other reserves.

j) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

k) Inventories

Inventories are valued at lower of cost and net realizable value, including necessary provision for obsolescence. Cost is determined using the weighted average method.

l) Revenue

Commission Income is recognized, as services are rendered, in accordance with the terms of agreement entered in to by the Company with its customer, primarily its holding company.

Unearned revenues represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

Revenue from finance lease contracts is, as of the commencement date of the lease contract, recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured.

m) Finance and other income

Finance and other income comprises interest income on deposits, dividend income and gains / (losses) due to foreign exchange etc. Interest income is recognized using the effective interest method.

The company follows the practice of paying the rent for space occupied by parent as well as by itself. The parent occupies 75% of space and re-imburses the same to the company which is recognized as rental income.

n) Financial Instruments

i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instruments at Fair Value Through Other Comprehensive Income (FVTOCI);

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at Fair Value Through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

n) Financial Instruments (cont'd)

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

ii. Gains or losses on liabilities held for trading

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

n) Financial Instruments (cont'd)

iii. Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

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

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Non-derivative Financial instruments

Non derivative financial instruments consist of:

i) financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets:

ii) financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities

Non derivative financial instruments are recognized initially at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

i) Cash and cash equivalents:

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

ii) Other financial assets

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

iii) Trade and other payables

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

p) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

q) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

r) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

s) Earnings per share

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be antidilutive.

t) Cash flow statement

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

u) Operating lease

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the lease term.

v) Finance lease

Assets acquired on lease which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the assets, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease

w) Standards issued but not yet effective

Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below. Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115). There is one new standard notified by MCA for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- i. Identification of the contracts with the customer
- ii. Identification of the performance obligations in the contract
- iii. Determination of the transaction price
- iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- v. Recognition of revenue when the Company satisfies a performance obligation.

The effective date of the new standard is for annual reporting periods beginning on or after 1 April 2018 as notified by the MCA. The management is yet to assess the impact of this new standard on the Company's financial statements.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration.

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The

Wipro Japan KK**Summary of significant accounting policies and other explanatory information**

(All amounts are in JPY, unless otherwise stated)

3 Property, plant and equipment

	Plant and machinery	Furniture and fixtures	Office equipments	Total
Gross block (at cost)				
Balance as at 01 April 2016	1,33,17,624	10,26,82,756	6,66,50,159	18,26,50,539
Additions	2,88,380	1,37,00,000	-	1,39,88,380
Disposals	(3,96,189)	(4,53,70,000)	(3,95,11,173)	(8,52,77,362)
Balance as at 31 March 2017	1,32,09,816	7,10,12,756	2,71,38,986	11,13,61,557
Additions	5,31,020	-	41,53,780	46,84,800
Disposals	-	-	-	-
Balance as at 31 March 2018	1,37,40,837	7,10,12,756	3,12,92,766	11,60,46,357
Accumulated depreciation				
Balance as at 01 April 2016	1,30,64,812	9,65,15,584	6,62,68,604	17,58,48,999
Depreciation charge	2,37,265	32,56,553	3,77,712	38,71,530
Disposals	(3,96,188)	(4,53,69,995)	(3,95,11,149)	(8,52,77,332)
Balance as at 31 March 2017	1,29,05,889	5,44,02,142	2,71,35,167	9,44,43,198
Depreciation charge	2,60,612	42,72,560	4,09,164	49,42,336
Disposals	-	-	-	-
Balance as at 31 March 2018	1,31,66,501	5,86,74,702	2,75,44,332	9,93,85,534
Net block				
Balance as at 31 March 2017	3,03,927	1,66,10,614	3,819	1,69,18,359
Balance as at 31 March 2018	5,74,336	1,23,38,054	37,48,434	1,66,60,823

(This space has been intentionally left blank)

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
4 Other financial assets		
Non-current		
Security deposits	2,87,38,800	2,77,34,059
Finance lease receivables	7,28,684	-
	2,94,67,484	2,77,34,059
Current		
Employee advances	47,95,377	17,22,294
Finance lease receivables	3,51,073	-
	51,46,450	17,22,294

Finance lease receivables

Leasing Arrangements

Finance lease receivables consist of assets that are leased to customers for contract terms ranging from 1 to 5 years , with lease payments due in monthly or quarterly installments

Amounts receivable under finance lease

The Components of Finance lease are as follows :

Minimum Lease payments as of

	As at 31 March 2018	As at 31 March 2017
Not later than one year	3,84,086	-
Later than one year but not later than five years	7,43,192	-
Later than five years	-	-
Gross investment in lease	11,27,279	-
Less: Unearned financial income	(47,521)	-
Present value of minimum lease payment schedule	10,79,758	-

Present value of minimum lease payment receivable is as follows

	As at 31 March 2018	As at 31 March 2017
Not later than one year	3,51,073	-
Later than one year but not later than five years	7,28,684	-
Later than five years	-	-
Present value of minimum lease payment receivable	10,79,758	-

Included in the financial statements as follows

- Non-current financial lease receivable	7,28,684	-
- Current financial lease receivable	3,51,073	-

	As at 31 March 2018	As at 31 March 2017
5 Other non-financial assets		
Non-current		
Advance tax , net of provisions for tax	-	1,25,80,650
Prepaid expenses	-	641
	-	1,25,81,291
Current		
Consumption tax	78,00,821	2,12,09,950
Prepaid expenses	6,98,125	3,29,456
	84,98,946	2,15,39,406

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
6 Inventories		
Inventory	2,31,258	-
	2,31,258	-
	As at 31 March 2018	As at 31 March 2017
7 Trade receivables		
Unsecured		
Considered good *	49,67,68,630	97,50,00,726
Considered doubtful	-	-
* Includes dues from related party (refer note 21)	49,67,68,630	97,50,00,726
	As at 31 March 2018	As at 31 March 2017
8 Cash and cash equivalents		
Balances with banks		
- in current account	33,77,02,293	26,47,25,044
	33,77,02,293	26,47,25,044
	As at 31 March 2018	As at 31 March 2017
9 Share capital		
Authorised capital		
650 (2017: 650) equity shares	3,25,00,000	3,25,00,000
16 (2017: 16) equity shares	1,02,91,10,000	1,62,91,10,000
* As per the Local laws of Japan, the Company does not have the concept of face value of equity shares	1,06,16,10,000	1,66,16,10,000
Issued, subscribed and paid-up capital		
650 (2017: 650) equity shares	2,43,75,000	2,43,75,000
16 (2017: 16) equity shares	40,72,77,500	40,72,77,500
	43,16,52,500	43,16,52,500
a) Reconciliation of the number of shares		
Number of shares outstanding as at beginning of the year	666	666
Add: Issue of shares	-	-
Closing value of shares	666	666
b) Details of share holding by related parties		
Wipro Limited (100% holding)	666	666
	666	666
c) Terms / Rights attached to equity shares		
The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Japanese yen. The dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.		
In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.		
d) There has been no issue of bonus shares or issue of shares for consideration other than cash or share buy back during five years immediately preceding 31 March 2018.		

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
10 Provisions		
Non-current		
Compensated absences	44,67,960	25,30,548
	44,67,960	25,30,548
Current		
Compensated absences	42,77,504	33,40,827
Provision for tax , net of advance tax	4,25,88,070	-
	4,68,65,574	33,40,827
	As at 31 March 2018	As at 31 March 2017
11 Trade payables		
Trade payables *	1,18,86,322	2,66,65,946
	1,18,86,322	2,66,65,946
	As at 31 March 2018	As at 31 March 2017
12 Other financial liabilities		
Current		
Dues to employees	40,221	9,95,549
Accrued expenses	1,75,87,494	87,11,101
Balances due to related parties	27,15,838	23,03,65,109
	2,03,43,553	24,00,71,759
	As at 31 March 2018	As at 31 March 2017
13 Other non-financial liabilities		
Current liabilities		
Social Insurance payable	3,59,801	5,60,685
Withholding tax payable	38,744	-
Consumption tax payable	17,68,716	-
LIC premium payable	27,47,412	-
	49,14,673	5,60,685

* includes payable to related parties (refer note 21)

Wipro Japan KK**Summary of significant accounting policies and other explanatory information**

(All amounts are in JPY, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
14 Revenue from operations		
Commission income	78,31,56,652	71,42,70,750
	78,31,56,652	71,42,70,750
15 Other income		
Interest income	11,44,517	52,933
Rental income	2,21,08,955	-
Profit on foreign exchange adjustments, net	3,89,24,612	2,50,04,404
	6,21,78,084	2,50,57,337
16 Employee benefits expense		
Salaries and wages	24,90,39,953	22,01,94,426
Share based compensation charge (refer note 19)	29,14,921	14,09,814
Staff welfare expenses	11,68,253	13,44,869
Compensated absences	28,74,089	(41,27,738)
	25,59,97,216	21,88,21,371
17 Other expenses		
Travel and conveyance	1,88,08,814	1,78,96,588
Repairs and maintenance	6,94,994	(52,23,286)
Rent	2,84,17,003	3,27,91,349
Electricity	99,041	-
Capital asset re-imbursements	11,62,704	-
House keeping and maintenance	53,18,058	51,63,204
Communication	1,56,10,052	1,17,64,205
Printing and stationery	13,75,953	14,30,365
Postage and conveyance	8,58,588	7,89,566
Legal and professional charges	2,12,06,846	1,65,97,202
Staff recruitment	10,26,000	46,80,000
Insurance	6,49,128	7,14,880
Rates and taxes	15,58,573	20,41,069
Business meeting expenses	25,44,050	49,54,601
Auditors fees	43,340	-
Advertisement	17,70,000	-
Miscellaneous expenses	21,09,731	15,13,979
	10,32,52,875	9,51,13,722
18 Earning per share (EPS)		
Net profit after tax attributable to the equity shareholders	21,22,63,838	34,04,76,895
Weighted average number of equity shares - for basic and diluted EPS	666	666
Earnings per share - Basic and diluted	3,18,714.47	5,11,226.57
* As per the Local laws of Japan, the Company does not have the concept of face value of equity shares		

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, 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, Wipro Limited. These plans are managed and administered by the ultimate holding company. The stock compensation expenses in respect of aforesaid options granted amounting to JPY 2,914,921 for the year ended 31 March 2018 (31 March 2017 JPY 1,409,814) has been recharged and accounted for in the financial statements of the Company which has been disclosed as "Share based compensation charge" in the Statement of Profit and Loss under Note 17 on "Employee benefit expenses". The aforesaid note should be read along with the detailed disclosure in respect of the stock option plans provided in the annual financial statement of the ultimate parent company for the year ended 31 March 2018 and those annual financial statements are available on its website (<https://www.wipro.com/annual-reports>)

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 JPY 29,478,607 (31 March 2017: JPY 32,791,349).

	As at 31 March 2018	As at 31 March 2017
Not later than 1 year	2,49,75,807	45,02,800
Later than 1 year but not later than 5 years	6,16,95,400	-
	8,66,71,207	45,02,800

21 Related party disclosure

a) Related parties

Name	Relationship
Wipro Limited	Holding Company
Wipro Travel Services Limited	Fellow Subsidiary

b) The Company has the following related party transactions:

Particulars	Relationship	Year ended 31 March 2018	Year ended 31 March 2017
Commission income			
Wipro Limited	Holding Company	78,31,56,652	71,42,70,750
Purchase of Services			
Wipro Travel Services Limited	Fellow Subsidiary	1,07,916	33,838
Reimbursement of expenses			
Wipro Limited	Holding Company	64,31,111	6,66,664

c) Balances with related parties as at year end are summarised below:

Particulars	Relationship	As at 31 March 2018	As at 31 March 2017
Trade receivable:			
Wipro Limited	Holding Company	49,67,68,630	97,50,00,726
Trade payable:			
Wipro Limited	Holding Company	-	1,64,79,340
Other financial liability:			
Wipro Travel Services Limited	Fellow Subsidiary	1,00,820	12,91,660
Wipro Limited	Holding Company	26,15,018	22,89,85,381

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

22 Effective Tax Rate (ETR) reconciliation

	Year ended 31 March 2018	Year ended 31 March 2017
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	7,61,24,069	5,25,90,784
Deferred tax	9,54,21,161	2,84,53,785
Tax expense of earlier years	9,73,33,241	-
	26,88,78,471	8,10,44,569

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized as below:

	Year ended 31 March 2018	Year ended 31 March 2017
Profit before income tax	48,11,42,309	42,15,21,464
Enacted tax rates in the Japan (%)	32.47%	32.47%
Computed expected tax expense	15,62,02,851	13,68,46,943
Tax effect due to set-off of unabsorbed brought forward losses from earlier years	-	-
Tax effect due to income not chargeable to tax	-	(81,17,680)
Tax effect on expenses disallowed for tax computation	-	27,47,698
Tax expense of earlier years	9,73,33,241	-
Others	1,53,42,379	(5,04,32,392)
Tax expense as per financials	26,88,78,471	8,10,44,569

23 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:			
Financial Asset		-	-
Cash and cash equivalents	33,77,02,293	-	-
Trade receivables	49,67,68,630	-	-
Other financial asset	3,46,13,935	-	-
Total	86,90,84,858	-	-
Liabilities:			
Financial liabilities			
Trade payables	1,18,86,322	-	-
Other financial liability	2,03,43,553	-	-
Total	3,22,29,875	-	-

The carrying value and fair value of financial instruments by categories as of 31 March 2017 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:			
Financial Asset		-	-
Cash and cash equivalents	26,47,25,044	-	-
Trade receivables	97,50,00,726	-	-
Other financial asset	2,94,56,353	-	-
Total	1,26,91,82,123	-	-
Liabilities:			
Financial liabilities			
Trade payables	2,66,65,946	-	-
Other financial liability	24,00,71,759	-	-
Total	26,67,37,705	-	-

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

23 Fair value measurements (cont,d)

(i) Financial instruments by category (cont'd)

Notes to financial instruments

i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data relying as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

24 Financial risk management

The Company's principal financial liabilities, comprises of trade and other payables. The Company's principal financial assets include trade receivables, and cash and bank balances and other balances that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The Company is not exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities as the Company's transactions are carried out in JPY and it does not hold any investments or financial instruments in currency other than JPY.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

i) Cash and cash equivalents

Credit risk from balances with banks is managed in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components as at the Balance sheet date are the carrying amounts as furnished in Note 9. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

ii) Trade receivables

Since all the trade receivables of the company represent receivable from related party only , the company is not exposed to credit risk arising from trade receivables.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

24 Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Other financial liabilities	2,03,43,553	-	-	2,03,43,553
Trade Payables	1,18,86,322	-	-	1,18,86,322
	3,22,29,875	-	-	3,22,29,875

As at 1 April 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Other financial liabilities	24,00,71,759	-	-	24,00,71,759
Trade Payables	2,66,65,946	-	-	2,66,65,946
	26,67,37,705	-	-	26,67,37,705

25 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2018 and the date of authorization of these financial statements.

26 Prior period comparatives

Figures for the previous year have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

The accompanying notes form an integral part of the financial statements.

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

Sd/-
Manoj Nagpaul
Director

18 June 2018

Sd/-
Srikanth Samba
Director

18 June 2018