Financial Statements and Independent Auditor's Report

WIPRO JAPAN KK

31 March 2019

Independent Auditor's Report

To the board of directors of Wipro Japan KK

Opinion

1. We have audited the accompanying financial statements of Wipro Japan KK ('the Company'), which comprise the Balance Sheet as at 31 March 2019, 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.

2. 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), of the state of affairs of the Company as at 31 March 2019, and its profit, its cash flows and the changes in equity for the year ended on that date.

3. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

4. The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records for safeguarding of 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.

5. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

7. As part of an audit in accordance with Standards on Auditing issued by ICAI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on distribution or use

9. This report is intended solely for the information of the Company's and its ultimate holding company's board of directors for their internal use and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Sd/-
Nikhil Vaid
Partner
Membership No.: 213356

Place: Hyderabad
Date: 16 June 2019

Wipro Japan KK
Balance Sheet as at 31 March 2019
(All amounts are in JPY, unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,985,073	16,660,823
Financial assets			
Other financial assets	4	29,685,600	29,467,484
Deferred tax assets (net)		146,639,278	136,905,440
		188,309,951	**183,033,747**
Current assets			
Inventories	6	231,258	231,258
Financial assets			
Trade receivables	7	99,041,548	496,768,630
Cash and cash equivalents	8	690,895,897	337,702,293
Other financial assets	4	-	351,073
Other current assets	5	37,151,597	11,525,607
		827,320,300	**846,578,861**
		1,015,630,251	**1,029,612,608**
EQUITY AND LIABILITIES			
Equity			
Share capital	9	431,652,500	431,652,500
Other equity		540,034,852	511,250,743
		971,687,352	**942,903,243**
Liabilities			
Non-current liabilities			
Provisions	10	5,513,389	4,467,960
		5,513,389	**4,467,960**
Current liabilities			
Financial liabilities			
Trade payables	11		
Total outstanding dues of micro and small entreprises		-	-
Total outstanding dues other than above		9,442,291	11,886,322
Other financial liabilities	12	19,744,601	20,343,553
Provisions	10	7,355,712	46,865,574
Other current liabilities	13	1,886,906	3,145,957
		38,429,510	**82,241,406**
		1,015,630,251	**1,029,612,608**
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

16 June 2019

Sd/-
Srikanth Samba
Director

16 June 2019

Wipro Japan KK
Statement of Profit and Loss for the year ended 31 March 2019
(All amounts are in JPY, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
REVENUE			
Revenue from operations	14	320,923,410	783,156,652
Other income	15	22,042,839	62,178,084
		342,966,249	**845,334,736**
EXPENSES			
Employee benefits expense	16	220,246,777	255,997,216
Depreciation	3	5,683,062	4,942,336
Other expenses	17	87,644,619	103,252,875
		313,574,458	**364,192,427**
Profit before tax		**29,391,791**	**481,142,309**
Tax expense			
Current tax		6,930,488	76,124,069
Deferred tax		(9,733,838)	95,421,161
Tax expense of earlier years		3,411,031	97,333,241
Total tax expense		**607,681**	**268,878,471**
Profit for the year		**28,784,110**	**212,263,838**
Other Comprehensive Income		-	-
Total comprehensive income for the period		**28,784,110**	**212,263,838**
Earnings per equity share	18		
Basic and diluted		43,219	318,714
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

16 June 2019

Sd/-
Srikanth Samba
Director

16 June 2019

Wipro Japan KK
Cash Flow Statement for the year ended 31 March 2019
(All amounts are in JPY, unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities			
Profit for the period		**28,784,110**	**212,263,838**
Adjustments			
Depreciation		5,683,062	4,942,336
Unrealised exchange differences - net		43,936	(16,472,589)
Provision for tax		10,341,519	268,878,471
Interest income		8,122	(1,144,517)
Operating profit before working capital changes		**44,860,749**	**468,467,539**
Adjustments for working capital changes:			
Decrease / (increase) in trade and other receivable		397,683,145	495,428,867
Decrease / (increase) in loans and advances and other assets		4,835,478	8,779,812
(Decrease) / increase in trade and other liabilities		(178,397)	(228,003,936)
Cash generated from operations		**447,200,975**	**744,672,281**
Direct taxes paid		(92,991,938)	(67,027,200)
Net cash generated by operating activities	**(A)**	**354,209,038**	**677,645,081**
Cash flows from investing activities:			
Acquisition of Plant and Equipment (including advances)		(1,007,312)	(4,684,800)
Interest paid		(8,122)	16,968
Net cash (used in) / generated by investing activities	**(B)**	**(1,015,434)**	**(4,667,832)**
Cash flows from financing activities:			
Dividend paid		-	(600,000,000)
Net cash (used in) / generated by financing activities	**(C)**	**-**	**(600,000,000)**
Net increase in cash and cash equivalents during the period (A+B+C)		**353,193,604**	**72,977,249**
Cash and cash equivalents at the beginning of the period		**337,702,293**	**264,725,044**
Cash and cash equivalents at the end of the period (refer note 8)		**690,895,897**	**337,702,293**
Components of cash and cash equivalents (note 8)			
Balances with banks			
in current account		690,895,897	337,702,293
		690,895,897	**337,702,293**

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

16 June 2019

Sd/-
Srikanth Samba
Director

16 June 2019

Wipro Japan KK

Statement of Changes in Equity for the year ended 31 March 2019

(All amounts are in JPY, unless otherwise stated)

Particulars	Balance as at 01 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
Equity share capital	431,652,500	-	431,652,500
	431,652,500	**-**	**431,652,500**

Particulars	Balance as at 01 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Equity share capital	431,652,500	-	431,652,500
	431,652,500	**-**	**431,652,500**

		Other equity		
	Capital Reserve	**Capital Surplus**	**Retained Earnings**	**Total**
Balance as at 31 March 2017	**1,229,957,500**	**-**	**(330,970,595)**	**898,986,904**
Profit for the period	-	-	212,263,838	212,263,838
Converted to Capital Surplus	(1,229,957,500)	1,169,957,500		(60,000,000)
10% of dividend allocated as capital reserve until the total amount of profit and capital reserves reaches 25% of the share capital amount	60,000,000	-		60,000,000
Dividend paid	-	(600,000,000)	-	(600,000,000)
Balance as at 31 March 2018	**60,000,000**	**569,957,500**	**(118,706,757)**	**511,250,742**
Profit for the period	**-**	**-**	**28,784,110**	**28,784,110**
Balance as at 31 March 2019	**60,000,000**	**569,957,500**	**(89,922,647)**	**540,034,852**

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

16 June 2019

Sd/-
Srikanth Samba
Director

16 June 2019

Wipro Japan KK
Summary of significant accounting policies and other explanatory information
(All amounts are in JPY, unless otherwise stated)

1. The Company overview

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 and other explanatory information

A.(i) Statement of compliance and basis of preparation

These financial statements are prepared in conformity with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ('the Act').

(ii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items, which have been measured at fair value as required by relevant Ind AS:

a) Derivative financial instruments;
b) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and
c) The defined benefit asset/(liability) is recognised as the present value of defined benefit obligation less fair value of plan assets.

(iii) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

a) **Revenue recognition:** The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost-plus margin approach in estimating the stand-alone selling price. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

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.

b) **Impairment testing:** Investments in subsidiaries, goodwill and intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which these pertain is less than its carrying value. The recoverable amount of the asset or the cash generating units is higher of value in use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

c) **Income taxes:** The major tax jurisdictions for the Company is Japan. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

d) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

e) **Defined benefit plans and compensated absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f) **Expected credit losses on financial assets:** The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

g) **Useful lives of property, plant and equipment:** The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

h) **Other estimates:** The share-based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. Fair valuation of derivative hedging instruments designated as cash flow hedges involves significant estimates relating to the occurrence of forecast transaction.

B. Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in Japanese Yen, which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Gains/(losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments measured at fair value through other comprehensive income are included in other comprehensive income, net of taxes.

(iii) Financial instruments

a) Non-derivative financial instruments:
Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognised 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 derecognised only when the Company has not retained control over the financial asset.
- 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 recognised initially at fair value.

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

A. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in 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 balance sheet, bank overdrafts are presented under borrowings within current liabilities.

B. 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 recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled receivables and other assets.

C. Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised 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.

b) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Equity

a) Share capital

The authorised share capital of the Company as at March 31, 2019 is JPY 1,061,610,000.

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.

b) Capital Reserve

Capital reserve amounting to JPY 60,000,000 (March 31, 2018: JPY 60,000,000) is not freely available for distribution.

c) Capital Surplus

Capital surplus amounting to JPY 569,957,500 (March 31, 2018: JPY 569,957,500) is freely available for distribution.

d) Retained earnings

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

e) Dividend

A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the Board of directors.

(v) Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

b) 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 amortised over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortised over their respective contract term. Freehold land is not depreciated.

The estimated useful life of assets is reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Buildings	28 to 40 years
Plant and machinery	5 to 21 years
Computer equipment and software	2 to 7 years
Furniture, fixtures and equipment	3 to 10 years
Vehicles	4 to 5 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure 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.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as at each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

(vi) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

a) Arrangements where the Company is the lessee

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

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

b) Arrangements where the Company is the lessor

In certain arrangements, the Company recognises revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned income and the estimated residual value of the leased equipment on consummation of such leases. Unearned income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognises unearned income as finance income over the lease term using the effective interest method.

(vii) Inventories

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

(viii) Impairment

A) Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments classified as FVTOCI, lease receivables, trade receivables, lease receivables, contract assets and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables, contract assets and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

B) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is 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 impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

(ix) Employee benefits

a) 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.

b) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise 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 recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

(x) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(xi) 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.

'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.

(xii) Other income

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 and Exchange Rate Fluctuation gains.

(xiii) Income tax

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

a) Current income tax

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 recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised 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 recognised 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 utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, 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 utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised 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 realised simultaneously.

(xiv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. 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, except where the results would be anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for change effected prior to the approval of the financial statements by the Board of Directors.

(xv) Cash flow statement

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

The amendment to Ind AS 7, require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

(xvi) Disposal of assets

The gain or loss arising on disposal or retirement of assets are recognised in the statement of profit and loss.

New Accounting standards adopted by the Company:

Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration

The Company has applied Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration prospectively effective April 1, 2018. The effect on adoption of this amendment on the financial statements is insignificant

New accounting standards not yet adopted:

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 1 2018, and have not been applied in preparing these financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the Company are:

Ind AS 116

On March 30, 2019, the Ministry of Corporate Affairs issued Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognised assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2018 and 2019, will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is insignificant.

Amendment to Ind AS 12 – Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's consolidated financial statements.

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019. The Company will apply the amendment from the effective date and the effect on adoption of the amendment on the consolidated financial statement is insignificant.

<This space has been intentionally left blank>

3 Property, plant and equipment

	Plant and machinery	Furniture and fixtures	Office equipments	Total
Gross block (at cost)				
Balance as at 01 April 2017	**13,209,816**	**71,012,756**	**27,138,986**	**111,361,558**
Additions	531,021	-	4,153,780	4,684,801
Disposals	-	-	-	-
Balance as at 31 March 2018	**13,740,837**	**71,012,756**	**31,292,766**	**116,046,358**
Additions	1,007,312	-	-	1,007,312
Disposals	(140,958)	-	-	(140,958)
Balance as at 31 March 2019	**14,607,191**	**71,012,756**	**31,292,766**	**116,912,712**
Accumulated depreciation				
Balance as at 01 April 2017	**12,905,889**	**54,402,142**	**27,135,167**	**94,443,197**
Depreciation charge	260,612	4,272,560	409,165	4,942,337
Disposals	-	-	-	-
Balance as at 31 March 2018	**13,166,501**	**58,674,702**	**27,544,332**	**99,385,534**
Depreciation charge	620,116	4,272,560	790,386	5,683,062
Disposals	(140,957)	-	-	(140,957)
Balance as at 31 March 2019	**13,645,660**	**62,947,262**	**28,334,718**	**104,927,639**
Net block				
Balance as at 31 March 2018	**574,336**	**12,338,053**	**3,748,434**	**16,660,824**
Balance as at 31 March 2019	**961,531**	**8,065,494**	**2,958,048**	**11,985,073**

(This space has been intentionally left blank)

		As at 31 March 2019	As at 31 March 2018
4	**Other financial assets**		
	Non-current		
	Security deposits	29,685,600	28,738,800
	Finance lease receivables	-	728,684
		29,685,600	**29,467,484**
	Current		
	Finance lease receivables	-	351,073
		-	**351,073**

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

<u>Amounts receivable under finance lease</u>

The Components of Finance lease are as follows :

Minimum Lease payaments as of	As at 31 March 2019	As at 31 March 2018
Not later than one year	-	384,086
Later than one year but not later than five years	-	743,192
Later than five years	-	-
Gross investment in lease	-	1,127,279
Less: Unearned financial income	-	(47,521)
Present value of minimum lease payment schedule	-	**1,079,758**

Present value of minimum lease payment receivable is as follows	As at 31 March 2019	As at 31 March 2018
Not later than one year	-	351,073
Later than one year but not later than five years	-	728,684
Later than five years	-	-
Present value of minimum lease payment receivable	-	**1,079,758**
Included in the financial statements as follows		
- Non-current financial lease receivable	-	728,684
- Current financial lease receivable	-	351,073

		As at 31 March 2019	As at 31 March 2018
5	**Other non-financial assets**		
	Current		
	Advance tax , net of provisions for tax	30,328,511	-
	Consumption tax	5,296,061	6,032,105
	Prepaid expenses	368,152	698,125
	Employee advances	1,158,873	4,795,377
		37,151,597	**11,525,607**

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

		As at 31 March 2019	As at 31 March 2018
6	**Inventories**		
	Inventory	231,258	231,258
		231,258	**231,258**

		As at 31 March 2019	As at 31 March 2018
7	**Trade receivables**		
	Unsecured		
	Unsecured, considered good	99,041,548	496,768,630
		99,041,548	496,768,630
	Impairment Allowance (allowance for bad and doubtful debts)		
	Trade Receivables - credit impaired	-	-
		-	-
		99,041,548	**496,768,630**

		As at 31 March 2019	As at 31 March 2018
8	**Cash and cash equivalents**		
	Balances with banks		
	- in current account	690,895,897	337,702,293
		690,895,897	**337,702,293**

		As at 31 March 2019	As at 31 March 2018
9	**Share capital**		
	Authorised capital		
	650 (2018: 650) equity shares	32,500,000	32,500,000
	16 (2018: 16) equity shares	1,029,110,000	1,029,110,000
	* As per the Local laws of Japan, the Company does not have the concept of face value of equity shares		
		1,061,610,000	**1,061,610,000**
	Issued, subscribed and paid-up capital		
	650 (2018: 650) equity shares	24,375,000	24,375,000
	16 (2018: 16) equity shares	407,277,500	407,277,500
		431,652,500	**431,652,500**
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.

Wipro Japan KK
Summary of significant accounting policies and other explanatory information
(All amounts are in JPY, unless otherwise stated)

9 Share capital (Continued…)

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 2019.

		As at 31 March 2019	As at 31 March 2018
10	**Provisions**		
	Non-current		
	Compensated absences	5,513,389	4,467,960
		5,513,389	**4,467,960**
	Current		
	Compensated absences	7,355,712	4,277,504
	Provision for tax , net of advance tax	-	42,588,070
		7,355,712	**46,865,574**

		As at 31 March 2019	As at 31 March 2018
11	**Trade payables**		
	Total outstanding dues of micro and small entreprises	**-**	**-**
	Total outstanding dues other than above	9,442,291	11,886,322
		9,442,291	**11,886,322**

		As at 31 March 2019	As at 31 March 2018
12	**Other financial liabilities**		
	Current		
	Dues to employees	14,821,846	40,221
	Accrued expenses	4,441,787	17,587,494
	Balances due to related parties	480,968	2,715,838
		19,744,601	**20,343,553**

		As at 31 March 2019	As at 31 March 2018
13	**Other non-financial liabilities**		
	Current liabilities		
	Social Insurance payable	(404,504)	359,801
	Withholding tax payable	119,782	38,744
	Consumption tax payable	-	-
	LIC premium payable	2,171,628	2,747,412
		1,886,906	**3,145,957**

Wipro Japan KK
Summary of significant accounting policies and other explanatory information
(All amounts are in JPY, unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
14	**Revenue from operations**		
	Commission income	321,988,728	783,156,652
	Sales Account - Unbilled revenue	(1,132,433)	-
	Sales to Subsidiaries	67,115	-
		320,923,410	**783,156,652**

		Year ended 31 March 2019	Year ended 31 March 2018
15	**Other income**		
	Interest income	(8,122)	1,144,517
	Rental income	22,007,025	22,108,955
	Profit on foreign exchange adjustments, net	43,936	38,924,612
		22,042,839	**62,178,084**

		Year ended 31 March 2019	Year ended 31 March 2018
16	**Employee benefits expense**		
	Salaries and wages	206,990,626	249,039,953
	Share based compensation charge (refer note 19)	2,755,055	2,914,921
	Staff welfare expenses	6,377,459	1,168,253
	Compensated absences	4,123,637	2,874,089
		220,246,777	**255,997,216**

		Year ended 31 March 2019	Year ended 31 March 2018
17	**Other expenses**		
	Travel and conveyance	17,052,653	18,808,814
	Repairs and maintenance	361,908	694,994
	Rent	31,079,564	28,417,003
	Electricity	4,324,897	99,041
	Capital asset re-imbursements	(1,199,873)	1,162,704
	House keeping and maintenence	1,916,091	5,318,058
	Communication	14,971,710	15,610,052
	Printing and stationery	1,443,351	1,375,953
	Postage and conveyance	666,136	858,588
	Legal and professional charges	10,895,264	21,206,846
	Staff recruitment	-	1,026,000
	Insurance	813,726	649,128
	Rates and taxes	474,744	1,558,573
	Business meeting expeneses	2,452,809	2,544,050
	Auditors fees	40,500	43,340
	Advertisement	-	1,770,000
	Miscellaneous expenses	2,351,139	2,109,731
		87,644,619	**103,252,875**

		Year ended 31 March 2019	Year ended 31 March 2018
18	**Earning per share (EPS)**		
	Net profit after tax attributable to the equity shareholders	28,784,110	212,263,838
	Weighted average number of equity shares - for basic and diluted EPS	666	666
	Earnings per share - Basic and diluted	43,219	318,714

* As per the Local laws of Japan, the Company does not have the concept of face value of equity shares

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 2,755,055 for the year ended 31 March 2019 (31 March 2018 JPY 2,914,921) 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 16 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 2019 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 29,342,700 (31 March 2018: JPY 29,478,607).

	As at 31 March 2019	As at 31 March 2018
Not later than 1 year	29,421,600	24,975,807
Later than 1 year but not later than 5 years	4,903,600	61,695,400
	34,325,200	**86,671,207**

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 2019	Year ended 31 March 2018
Commission income			
Wipro Limited	Holding Company	320,923,410	783,156,652
Rent Income			
Wipro Limited	Holding Company	22,007,025	22,108,955
Purchase of Services			
Wipro Travel Services Limited	Fellow Subsidiary	39,872	107,916
Reimbursement of expenses			
Wipro Limited	Holding Company	7,844,879	6,431,111

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

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Trade receivable:			
Wipro Limited	Holding Company	99,041,548	496,768,630
Other financial liability:			
Wipro travel services limited	Fellow subsidary	-	100,820
Wipro Limited	Holding Company	444,519	2,615,018

22 Effective Tax Rate (ETR) reconciliation

	Year ended 31 March 2019	Year ended 31 March 2018
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	6,930,488	76,124,069
Deferred tax	(9,733,838)	95,421,161
Tax expense of earlier years	3,411,031	97,333,241
	607,681	**268,878,471**

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 2019	Year ended 31 March 2018
Profit before income tax	29,391,791	481,142,309
Enacted tax rates in the Japan (%)	32.47%	32.47%
Computed expected tax expense	9,542,045	156,202,851
	(6,930,506)	-
Tax effect due to set-off of unabsorbed brought forward losses from earlier years	-	-
Tax effect due to income not chargeable to tax	-	-
Tax effect on expenses disallowed for tax computation	4,318,950	-
Tax expense of earlier years	3,411,031	97,333,241
Others	(9,733,839)	15,342,379
Tax expense as per financials	**607,681**	**268,878,471**

<This space has been intentionally left blank>

23 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:			
Financial Asset		-	-
Cash and cash equivalents	690,895,897		
Trade receivables	99,041,548	-	-
Other financial asset	29,685,600		
Total	**819,623,045**	**-**	**-**

Particulars	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Liabilities:			
Financial liabilities			
Trade payables	9,442,291	-	-
Other financial liability	19,744,601		
Total	**29,186,892**	**-**	**-**

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	337,702,293	-	-
Trade receivables	496,768,630	-	-
Other financial asset	29,818,557	-	-
Total	**864,289,480**	**-**	**-**
Liabilities:			
Financial liabilities			
Trade payables	11,886,322	-	-
Other financial liability	20,343,553	-	-
Total	**32,229,875**	**-**	**-**

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 2019	Less than 1 year	1 year to 5 years	More than 5 years	Total
Other financial liabilities	19,744,601	-	-	19,744,601
Trade Payables	9,442,291	-	-	9,442,291
	29,186,892	**-**		**29,186,892**

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Other financial liabilities	20,343,553	-	-	20,343,553
Trade Payables	11,886,322	-	-	11,886,322
	32,229,875	**-**	**-**	**32,229,875**

25 Commitments and contingencies

Capital Commitments: As at March 31, 2019 and 2018, the Company had committed to spend approximately JPY 788,679 and JPY 2,250,000 respectively, under agreements to purchase/ construct property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Contingent liabilities: As at March 31, 2019 and 2018, the Company did not have any possible obligation contingent on occurrence of some uncertain future event nor any present obligation, the amount for which cannot be measured reliably.

26 Segmemnt reporting

The Company is engaged in promoting and creating new customers for the holding company and providing software development services which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'. The Company operates primarily in Japan and there is no other significant geographical segment. The company has only customer which is wipro and has no other significant customer base.

27 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2019 and the date of authorization of these financial statements.

28 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

16 June 2019

Sd/-
Srikanth Samba
Director

16 June 2019