WIPRO APPIRIO, K.K.

STANDALONE SPECIAL PURPOSE FINANCIAL STATEMENTS UNDER IND AS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro Appirio K.K.

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Wipro Appirio K.K. ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Special Purpose Financial Statements"). As explained in Note 2(i) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited ("the Parent") solely for inclusion in the annual report of Wipro limited for the year ended March 31, 2021 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 the Management and Those Charged with Governance for special purpose Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance and total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed 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 special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management and Board of Directors are 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.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the special purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 SAs 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 special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose 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 on whether the company has adequate internal financial controls with reference to the special purpose financial statements in place 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 auditors' report to the related disclosures in the special purpose 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on distribution or use

This report is intended solely for the information of the Company's and its ultimate holding company's board of directors 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, for our audit work, for this report, or for the opinions we have formed.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No. 208545
UDIN: 21208545AAAAFE8873

Place of Signature: Bangalore
Date: 8th June 2021

Wipro Appirio, K.K.

BALANCE SHEET AS AT MARCH 31, 2021

(Amounts in JPY, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,343,058	21,860,065
Right-of-use-assets	5	46,058,198	73,327,710
Financial assets			
Other financial assets	6	31,355,940	31,823,484
Deferred tax assets (net)	16	31,805,096	-
Total non-current assets		**124,562,292**	**127,011,259**
Current assets			
Financial assets			
Trade receivables	7	81,268,550	173,784,350
Cash and cash equivalents	8	205,581,111	233,109,073
Unbilled revenues		20,255,652	-
Other financial assets	6	-	31,355,940
Other assets	9	3,869,401	-
Total current assets		**310,974,714**	**438,249,363**
TOTAL ASSETS		**435,537,006**	**565,260,622**
EQUITY			
Equity Share capital	10	9,010,000	9,010,000
Other equity		(299,809,918)	(315,422,474)
TOTAL EQUITY		**(290,799,918)**	**(306,412,474)**
LIABILITIES			
Financial liabilities			
Borrowings	11	506,000,000	506,000,000
Lease liability		6,714,000	36,660,564
Total non-current liabilities		**512,714,000**	**542,660,564**
Current liabilities			
Financial liabilities			
Lease liability		39,717,080	37,495,949
Trade payables	12		
Total outstanding to third parties		32,423,088	51,595,977
Payables to group companies		60,435,912	77,715,753
Other financial liabilities	13	30,888,072	64,440,980
Contract liabilities		10,520,000	13,945,571
Current tax liabilities (net)		-	36,403,942
Other liabilities	14	20,292,402	35,217,990
Provisions	15	19,346,370	12,196,370
Total current liabilities		**213,622,924**	**329,012,533**
TOTAL LIABILITIES		**726,336,924**	**871,673,096**
TOTAL EQUITY AND LIABILITIES		**435,537,006**	**565,260,622**

The accompanying notes form an integral part of these standalone financial statements

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

For and on behalf of the Board of Directors

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Place: Bengaluru
Date: 8th June 2021

Sd/-
Motoki Kohno
Director

Sd/-
Viral Shah
Director

Place:
Date: 8th June 2021

Wipro Appirio, K.K.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amounts in JPY, unless otherwise stated)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
REVENUE			
Revenue from rendering of services	17	709,115,451	933,920,094
Other income	18	7,867,487	7,302,831
Total Income		**716,982,938**	**941,222,925**
EXPENSES			
Employee benefits expense	19	471,060,288	629,157,755
Finance costs	20	8,420,609	14,395,225
Depreciation	4 & 5	71,244,121	71,707,264
Other expenses	21	172,285,002	198,700,828
Total expenses		**723,010,020**	**913,961,072**
Profit before tax		**(6,027,082)**	**27,261,853**
Tax expense			
Current tax		10,165,458	4,425,962
Deferred tax		(31,805,095)	-
Total tax expense (Refer Note 24)		**(21,639,637)**	**4,425,962**
Profit after tax		**15,612,555**	**22,835,891**
Other comprehensive income		-	-
Total comprehensive income for the period		**15,612,555**	**22,835,891**
Earnings per equity share:	23		
Basic		17,328	25,345
Diluted		17,328	25,345
Number of shares			
Basic		901	901
Diluted		901	901
Summary of Significant accounting policies	2 & 3		

The accompanying notes form an integral part of these standalone financial statements

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Place: Bengaluru
Date: 8th June 2021

For and on behalf of the Board of Directors

Sd/-
Motoki Kohno
Director

Sd/-
Viral Shah
Director

Place:
Date: 8th June 2021

Wipro Appirio, K.K.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(Amounts in JPY, unless otherwise stated)

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Cash flows from operating activities:		
Profit / (Loss) for the year	15,612,555	22,835,891
Adjustments:		
Depreciation	71,244,121	71,707,264
Exchange loss, net	90,005	(5,874,657)
Income tax expense/(write-back)	(21,639,637)	4,425,962
Interest expense / (income), net	8,420,609	12,967,051
Gain/loss on sale of asset	(695,948)	-
Operating profit/ (loss) before working capital changes	**73,031,705**	**106,061,511**
Adjustment for working capital changes		
Increase / Decrease in Trade receivables	92,515,800	(51,391,190)
Increase / Decrease in Unbilled revenue	(20,255,652)	1,709,634
Increase / Decrease in Other assets	28,145,251	(2,078,144)
Increase / Decrease in Trade payables	(36,452,730)	22,857,770
Increase / Decrease in Unearned revenue	(3,425,571)	13,945,571
Increase / Decrease in Accrued expenses, other liabilities and provisions	(41,328,496)	47,284,046
Net cash generated from operations	**19,198,602**	**32,327,687**
Income taxes paid, net	46,569,400	20,067,000
Net cash generated by operating activities	**45,660,907**	**118,322,198**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(3,270,200)	(3,904,000)
Interest received	-	1,428,174
Cash used in investing activities before taxes	(3,270,200)	(2,475,826)
Net cash used in investing activities	**(3,270,200)**	**(2,475,826)**
Cash flows from financing activities:		
(Repayment) of /Proceeds from loans and borrowings	-	(93,475,202)
Lease Liability Payment	(59,063,006)	(65,203,152)
Interest paid on loans and borrowings	(10,855,663)	(12,441,503)
Net cash used in financing activities	**(69,918,669)**	**(171,119,857)**
Net increase/(decrease) in cash and cash equivalents during the year	(27,527,962)	(55,273,485)
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	233,109,073	288,382,558
Cash and cash equivalents at the end of the year (Note 8)	**205,581,111**	**233,109,073**

The accompanying notes form an integral part of these Financial Statements

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Place: Bengaluru
Date: 8th June 2021

For and on behalf of the Board of Directors

Sd/-
Motoki Kohno
Director

Sd/-
Viral Shah
Director

Place:
Date: 8th June 2021

Wipro Appirio, K.K.
STATEMENT OF CHANGES IN EQUITY
(Amounts in JPY, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	March 31, 2021		March 31, 2020	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Opening number of equity shares	910	9,010,000	910	9,010,000
Equity shares issued	-	-	-	-
Closing number of equity shares	**910**	**9,010,000**	**910**	**9,010,000**

B. OTHER EQUITY

	Retained Earnings	Total Other Equity
Balance as at April 01, 2020	(315,422,474)	(315,422,474)
Total comprehensive income for the period	15,612,555	15,612,555
Balance as at March 31, 2021	**(299,809,918)**	**(299,809,918)**

	Retained Earnings	Total Other Equity
Balance as at April 01, 2019	(336,868,834)	(336,868,834)
Total comprehensive income for the period	22,835,891	22,835,891
Adjustment on adoption of IND AS 116	(1,389,531)	(1,389,531)
Balance as at March 31, 2020	**(315,422,474)**	**(315,422,474)**

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Place: Bengaluru
Date: 8th June 2021

For and on behalf of the Board of Directors

Sd/-
Motoki Kohno
Director

Sd/-
Viral Shah
Director

Place:
Date: 8th June 2021

Wipro Appirio, K.K.
Summary of significant accounting policies and other explanatory information
(Amounts in JPY, unless otherwise stated)

1. The Company overview

Wipro Appirio, K.K. (the "Company"), incorporated in the state of Tokyo, is a 100% subsidiary of Wipro Appirio, Inc. (USA), is a leading global consultancy and provider of cloud-based services to business enterprises Information Technology (IT) cloud solutions. The Company offers professional services and subscription Software-as-a-Service (SaaS) products on a Platform-As-a-Service (PaaS) that hep enterprises accelerate their adoption to cloud-based computing.

The Company utilises its knowledge and partnerships with leading SaaS-based providers, such as Salesforce.com to provide unique solutions to its customer's IT Needs. The Company derives the majority of its revenues in Japan.

Wipro Appirio, Inc. was acquired by Wipro IT Services LLC with effect from November 23, 2016 after which the entity is part of the Wipro Limited.

2. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These Special Purpose financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013.

Accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

The Company has incurred net profit of JPY 15,612,555 (JPY 22,835,891 for year ended on 31 March 2020) during the year ended 31 March 2021 and has accumulated losses amounting JPY 299,809,918 (JPY 315,422,474 for year ended on 31 March 2020). The financial statement has been prepared on the assumption that the Company will continue as a going concern, based on the continuing financial support by the shareholders / investors. Further, the Company and its holding Company has adequate liquid assets to support the operation of the Company for next one year. Accordingly, the Company will be able to realise its assets and discharge its liabilities as recorded in these financial statements in the normal course of business.

(ii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis.

(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 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, recognised revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. 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. Revenue is recognized on net basis in scenario where the company is not the primary obligor.

b) **Income taxes:** The major tax jurisdictions for the Company is in 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.

c) **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.

d) **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.

e) **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.

f) **Leases:** Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

3. Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in JPY, 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 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 revenues, 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 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 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 revenues, cash and cash equivalents 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. .

(iv) Equity

a) **Share capital and share premium**
The authorised share capital of the Company as of March 31, 2021 is JPY 9,010,000 (JPY 9,010,000 as of March 31,2020) divided into 901 equity shares of JPY 10,000 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

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

c) **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.

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

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

Category	Useful life
Buildings	Useful life or lease term whichever is lower
Computer equipment and software	2 to 7 years
Furniture, fixtures and equipment	3 to 10 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.

The cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

(vi) Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

a) control the use of an identified asset,
b) obtain substantially all the economic benefits from use of the identified asset, and
c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

Refer to Note 5 for additions to right-of-use assets during the year ended March 31, 2021 and carrying amount of right-of-use assets as at March 31, 2021 by class of underlying asset.

Lease payments during the year are disclosed under financing activities in the statement of cash flows.

(vii) Impairment

A) Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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.

(viii) Employee benefits

a) Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits.

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.

(ix) 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.

(x) Revenue

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

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a) Services

The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

A. Time and materials contracts

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

B. Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognised using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognised. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

C. Maintenance contracts

Revenue from maintenance contracts is recognised ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the stage of completion.

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

b) Products

Revenue from products are recognised when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(xi) Finance cost

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

(xii) Other income

Other income comprises interest income on deposits, dividend income and gains / (losses), net, on disposal of investments. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

(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 and warrants, except where the results would be anti-dilutive.

(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 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.

xvi) Ind AS 115 – Revenue from Contract with Customers

A. Contract Asset and Liabilities

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

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. We present such receivables as part of Trade receivables at their net estimated realizable value.

Contract assets and liabilities are reported in a net position on a contract by contract basis at the end of each reporting period.

B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized which includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date which are, contracts invoiced on time and material basis and volume based.

C. Disaggregation of Revenues

The table below presents disaggregated revenues from contracts with customers by business segment and contract-type. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

Particulars	**Amount in JPY**
Revenue	
Sale of services	709,115,451
Revenue by nature of contract	
Fixed Fee Contracts	709,114,451

New/Ammended Accounting standards and interpretations:

i. Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'

ii. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.

iii. Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.

iv. Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.

v. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.

vi. Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.

vii. Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.

viii. Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

ix. Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of the amendments has any material impact on the financial statements for the current year.

4. New accounting standards not yet adopted: NIL

Wipro Appirio, K.K.
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in JPY, unless otherwise stated)

4. Property, Plant and Equipment

As at March 31, 2021

Gross Carrying Value:	**Building**	**Plant & Machinery**	**Total**
As at April 1, 2020	20,451,981	18,633,732	39,085,713
Additions	695,000	2,575,200	3,270,200
Disposal/Adjustments	(9,352,000)	(5,542,739)	(14,894,739)
As at March 31, 2021	11,794,981	15,666,193	27,461,174

Accumulated Depreciation/ Impairment	**Building**	**Plant & Machinery**	**Total**
As at April 1, 2020	(4,440,680)	(12,784,968)	(17,225,648)
Additions	(2,059,931)	(4,089,146)	(6,149,077)
Disposal/Adjustments	5,089,615	6,166,994	11,256,609
As at March 31, 2021	(1,410,996)	(10,707,120)	(12,118,116)

Net Carrying Value	**Building**	**Plant & Machinery**	**Total**
As at March 31, 2020	16,011,301	5,848,764	21,860,065
As at March 31, 2021	10,383,985	4,959,073	15,343,058

As at March 31, 2020

Gross Carrying Value	**Building**	**Plant & Machinery**	**Total**
As at April 1, 2019	20,451,981	14,729,732	35,181,713
Additions	-	3,904,000	3,904,000
Disposal/Adjustments	-	-	-
As at March 31, 2020	20,451,981	18,633,732	39,085,713

Accumulated Depreciation/ Impairment	**Building**	**Plant & Machinery**	**Total**
As at April 1, 2019	(3,126,545)	(7,034,263)	(10,160,808)
Depreciation	(2,252,725)	(4,812,115)	(7,064,840)
Disposal/Adjustments	938,590	(938,590)	-
As at March 31, 2020	(4,440,680)	(12,784,968)	(17,225,648)

Net Carrying Value	**Building**	**Plant & Machinery**	**Total**
As at March 31, 2019	17,325,436	7,695,469	25,020,905
As at March 31, 2020	16,011,301	5,848,764	21,860,065

Wipro Appirio, K.K.
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in JPY, unless otherwise stated)

5. Right of use assets

As at March 31, 2021

Gross Carrying Value:	**Building**
As at April 1, 2020	137,970,134
Additions	78,956,912
Disposal/Adjustments	(137,970,134)
As at March 31, 2021	78,956,912

Accumulated Depreciation/ Impairment	**Building**
As at April 1, 2020	(64,642,424)
Depreciation	(65,095,044)
Disposal/Adjustments	96,838,754
As at March 31, 2021	(32,898,714)

Net Carrying Value	**Building**
As at March 31, 2020	73,327,710
As at March 31, 2021	46,058,198

As at March 31, 2020

Gross Carrying Value:	**Building**
As at April 1, 2019	-
Additions	137,970,134
Disposal/Adjustments	-
As at March 31, 2020	137,970,134

Accumulated Depreciation/ Impairment	**Building**
As at April 1, 2019	-
Depreciation	(64,642,424)
Disposal/Adjustments	-
As at March 31, 2020	(64,642,424)

Net Carrying Value	**Building**
As at March 31, 2019	-
As at March 31, 2020	73,327,710

Wipro Appirio, K.K.
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in JPY, unless otherwise stated)

Note 6. Other financial assets	As at March 31, 2021	As at March 31, 2020
Non current		
Lease deposits	31,355,940	31,823,484
	31,355,940	31,823,484
Current		
Lease deposits	-	31,355,940
	-	31,355,940

Note 7. Trade receivables	As at March 31, 2021	As at March 31, 2020
Unsercured:		
Considered good	81,268,550	173,784,350
Considered doubtful	-	-
	81,268,550	173,784,350
Less: Provision for doubtful receivables	-	-
	81,268,550	173,784,350

Note 8. Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Balances with bank:		
Current accounts	205,581,111	233,109,073
	205,581,111	233,109,073

Note 9. Other assets	As at March 31, 2021	As at March 31, 2020
Current		
Prepaid expenses	3,869,401	-
	3,869,401	-

Note 11. Borrowings	As at March 31, 2021	As at March 31, 2020
Non- current borrowings		
Unsecured		
Borrowings from related parties (refer note 25)	506,000,000	506,000,000
	506,000,000	506,000,000

Note 12. Trade payables	As at March 31, 2021	As at March 31, 2020
Total outstanding dues to third parties	32,423,088	51,595,977
Payable to group companies (Refer note 25)	60,435,912	77,715,753
	92,859,000	129,311,730

Note 13. Other financial liabilities	As at March 31, 2021	As at March 31, 2020
Current		
Employees dues	30,888,072	64,440,980
	30,888,072	64,440,980

Note 14. Other liabilities	As at March 31, 2021	As at March 31, 2020
Current		
Statutory dues payable	20,292,402	35,217,990
	20,292,402	35,217,990

Note 15. Provisions	As at March 31, 2021	As at March 31, 2020
Current		
Provision for employee benefits	19,346,370	12,196,370
	19,346,370	12,196,370

Note 16. Deferred Tax Assets	As at March 31, 2021	As at March 31, 2020
Non Current		
Deferred tax asset on accumulated tax losses	31,805,096	-
	31,805,096	-

Note 10. Equity Share Capital (Values in JPY)	**As at March 31, 2021**	**As at March 31, 2020**
I. Authorised capital		
901 (March 31, 2019: 901) equity shares	9,010,000	9,010,000
	9,010,000	**9,010,000**
II. Issued, subscribed and fully paid-up capital		
901 (March 31, 2019: 901) equity shares	9,010,000	9,010,000
	9,010,000	**9,010,000**
(i.) Shares held by holding company (Appirio Inc, the holding company)		
No. of Equity shares of JPY 10,000 each	901	901
	901	**901**

(ii.) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2021		**As at March 31, 2020**	
	No. of Shares	**JPY**	**No. of Shares**	**JPY**
No. of shares outstanding as at the beginning of the year	901	9,010,000	901	9,010,000
No. of shares issued during the year	-	-	-	-
Closing number of equity shares	**901**	**9,010,000**	**901**	**9,010,000**

(iii.) Details of shareholders holding more than 5% of the total equity shares of the Company

Name of the Shareholder	**As at March 31, 2021**		**As at March 31, 2020**	
	No. of Shares	**% held**	**No. of Shares**	**% held**
Wipro Appirio, Inc.	901	100.00	901	100.00

Wipro Appirio, K.K.
Notes to Statement of profit and loss
(Amounts in JPY, unless otherwise stated)

Note 17 Revenue from Operations

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Rendering of services	709,115,451	933,920,094
	709,115,451	**933,920,094**

Note 18 Other Income

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Foreign exchange gains / (losses), net	-	5,874,657
Miscellaneous income	5,783,881	1,428,174
Gain on disposal of ROU	2,083,606	-
	7,867,487	**7,302,831**

Note 19 Employee benefits expense

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Salaries and wages	469,219,003	625,153,616
Staff welfare expenses	1,841,285	4,004,139
	471,060,288	**629,157,755**

Note 20 Finance costs

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest expense	8,420,609	14,395,225
	8,420,609	**14,395,225**

Note 21 Other expenses

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Foreign exchange losses	90,005	-
Other General & Administrative expenses	17,734,267	15,988,577
Sub contracting / technical fees	106,572,874	120,433,106
Travel	6,576,463	15,172,456
Facility expenses	-	2,486,144
Recruiting and relocation	21,144,583	21,136,924
Legal and professional charges	13,991,968	12,447,677
Marketing and brand building	6,174,842	11,035,944
	172,285,002	**198,700,828**

Note 22 Leases

The company has taken on leases, office and residential facilities under cancellable and non - cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases during the year are JPY 66,862,454 (during the period ended March 31, 2020 JPY 69,643,018)

Details of contractual payments under non-cancellable leases are given below:

	Year ended March 31, 2021	Year ended March 31, 2020
Not later than 1 year	39,717,080	37,495,949
Later than 1 year and not later than 5 years	6,714,000	36,660,564
Later than 5 years		-
	46,431,080	74,156,513

Note 23 Earnings per Equity share

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Net profit after tax attributable to the equity shareholder	15,612,555	22,835,891
Weighted Average no. of Equity share- Basic and diluted	901	901
Basic earnings per share- Basic and diluted	**17,328**	**25,345**

Note 24 Income Tax Expense

Income tax expense has been allocated as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	10,165,458	4,425,962
Deferred tax	(31,805,095)	-
Total Income Tax Expense Recognised	**(21,639,637)**	**4,425,962**

The reconciliation of estimated income tax expense at Japanese statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (Loss) before tax	(6,027,082)	27,261,853
Statutory income tax rate of Japan	32.47%	32.47%
Expected income tax expense	(1,956,993)	8,851,924
Effect of:		
Tax relating to prior years	12,122,452	-
Utilisation of past year losses	-	(4,425,962)
Deferred taxe created during the year for previous accumulated losses	(30,973,355)	-
Deferred taxe created during the year for current year losses	(831,740)	-
	(21,639,637)	4,425,962

25. Related Party Relationships, Transactions and Balances

i) The following are the entities with which the Company has related party transactions:

Name of the Party	Relationship with the Company
Wipro Appirio, Inc.	Holding Company

ii) The Company had the following transactions with related parties during the year ended March 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Wipro Appirio, Inc.		
Interest income	-	(1,428,174)
Interest expense	6,413,171	12,441,503

iii) Balances with related parties as at March 31, 2021 are summarised below

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Payables:		
Wipro Appirio, Inc.	(58,872,167)	(77,715,753)
Wipro Japan KK	(1,563,745)	-
Total	**(60,435,912)**	**(77,715,753)**
Receivables:		
Wipro Appirio, Inc.	-	2,292,623
Total	**-**	**2,292,623**

Loan amount outstanding:		
Wipro Japan KK	(506,000,000)	(506,000,000)
Total	**(506,000,000)**	**(506,000,000)**

26. Commitments and contingencies

Capital commitments: As at March 31, 2021, the company did not have material capital commitments.

Contingencies: As at March 31, 2021, the company did not have material contingencies.

27. Segment reporting

The Company operates in one business segment, namely sale of software services. In line with IND-AS 108, as the relevant information is available from balance sheet and the statement of profit and loss itself, and keeping in view the objective of segment reporting, the Company is not required to disclose segment information as per IND AS -108.

28 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows :

Particulars	Note	FVTPL	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Trade receivables		-	81,268,550	81,268,550	81,268,550
Cash and cash equivalents		-	205,581,111	205,581,111	205,581,111
Unbilled revenues		-	20,255,652	20,255,652	20,255,652
Other financial assets		-	31,355,940	31,355,940	31,355,940
Total financial assets		**-**	**338,461,253**	**338,461,253**	**338,461,253**
Financial liabilities :					
Borrowings		-	506,000,000	506,000,000	506,000,000
Lease liability		-	46,431,080	46,431,080	46,431,080
Trade payables		-	92,859,000	92,859,000	92,859,000
Other financial liabilities		-	30,888,072	30,888,072	30,888,072
Total financial liabilities		**-**	**676,178,152**	**676,178,152**	**676,178,152**

The carrying value and fair value of financial instruments by categories as at March 31, 2020 were as follows :

Particulars	Note	FVTPL	Amortized cost	Total carrying value	Total fair value
Financial assets :					
Trade receivables		-	173,784,350	173,784,350	173,784,350
Cash and cash equivalents		-	233,109,073	233,109,073	233,109,073
Unbilled revenues		-	-	-	-
Other financial assets		-	63,179,424	63,179,424	63,179,424
Total financial assets		**-**	**470,072,847**	**470,072,847**	**470,072,847**
Financial liabilities :					
Borrowings		-	506,000,000	506,000,000	506,000,000
Lease liability		-	74,156,513	74,156,513	74,156,513
Trade payables		-	129,311,730	129,311,730	129,311,730
Other financial liabilities		-	64,440,980	64,440,980	64,440,980
Total financial liabilities		**-**	**773,909,223**	**773,909,223**	**773,909,223**

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 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: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability.

Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

29 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

B 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.

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.

March 31, 2021	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	-	506,000,000	-	506,000,000
Lease liability	39,717,080	6,714,000	-	46,431,080
Trade payables	92,859,000	-	-	92,859,000
Other financial liabilities	30,888,072	-	-	30,888,072
Total	**163,464,152**	**512,714,000**	**-**	**676,178,152**

March 31, 2020	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	-	506,000,000	-	506,000,000
Lease liability	37,495,949	36,660,564	-	74,156,513
Trade payables	129,311,730	-	-	129,311,730
Other financial liabilities	64,440,980	-	-	64,440,980
Total	**231,248,659**	**542,660,564**	**-**	**773,909,223**

Wipro Appirio, K.K.
Summary of significant accounting policies and other explanatory information
(Amounts in JPY, unless otherwise stated)

29 Financial risk management (continued)

C Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	March 31, 2021	March 31, 2020
Variable rate borrowing	506,000,000	506,000,000
Fixed rate borrowing	-	-
	506,000,000	**506,000,000**

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2021	March 31, 2020
Interest rates – increase by 50 basis points (50 bps)	2,530,000	2,530,000
Interest rates – decrease by 50 basis points (50 bps)	(2,530,000)	(2,530,000)

30 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt as below:
- Equity includes equity share capital and all other equity components, which attributable to the equity holders
- Net Debt includes trade payables and other financial liabilities, less cash and cash equivalents.

	Note	As at March 31, 2021	As at March 31, 2020
Borrowings	Financial liabilities	506,000,000	506,000,000
Lease liability	Financial liabilities	6,714,000	36,660,564
Less: Cash and cash equivalents	Financial assets	205,581,111	233,109,073
Net Debt		**307,132,889**	**309,551,491**
Equity share capital	Equity	9,010,000	9,010,000
Other equity	Equity	(299,809,918)	(315,422,474)
Total capital		**(290,799,918)**	**(306,412,474)**
Gearing Ratio		(1.06)	(1.01)

In order to achieve the objective of maximising shareholders value, the Company's capital management, amongst other things, aims to manage its capital structure and makes adjustments in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

31 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between March 31, 2021 and the date of authorization of these financial statements.

32 Comparatives

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

As per our report attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.: 003990S/S200018

Sd/-
Seethalakshmi M
Partner
Membership No: 208545

Place: Bengaluru
Date: 8th June 2021

For and on behalf of the Board of Directors

Sd/-
Motoki Kohno
Director

Sd/-
Viral Shah
Director

Place:
Date: 8th June 2021