Special Purpose Financial Statements and
Independent Auditor's Report

WIPRO JAPAN KK

31 March 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Wipro Japan KK

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Wipro Japan KK ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after 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 basis of preparation referred to in Note 2 (i) to the Special Purpose Financial Statements, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive loss, its changes in equity and 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 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 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. 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

Place of Signature: Bengaluru
Date: 08 June 2021
UDIN: 21208545AAAAFJ4124

Wipro Japan KK
Balance Sheet as at 31 March 2021
(All amounts are in JPY, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,782,702	18,159,912
Right to Use Asset	3	29,279,184	-
Financial assets			
Other financial assets	4	44,826,000	44,826,000
Deferred tax assets (net)	22	48,744,874	162,105,016
Loans and Advances	14	507,563,744	511,942,084
		642,196,504	**737,033,013**
Current assets			
Financial assets			
Trade receivables	6	1,020,406,594	937,374,546
Cash and cash equivalents	7	342,626,764	151,112,459
Other current assets	5	4,169,032	5,740,766
		1,367,202,390	**1,094,227,771**
		2,009,398,894	**1,831,260,783**
EQUITY AND LIABILITIES			
Equity			
Share capital	9	431,652,500	431,652,500
Other equity		1,077,000,475	575,183,292
		1,508,652,975	**1,006,835,792**
Liabilities			
Non-current liabilities			
Provisions	10	7,925,533	4,248,610
		7,925,533	**4,248,610**
Current liabilities			
Financial liabilities			
Trade payables	11	314,002	4,103,196
Other financial liabilities	12	251,419,764	708,262,823
Lease Liability on buildings	15	29,465,796	-
Provisions	10	45,969,154	10,796,375
Other current liabilities	13	165,651,669	97,013,988
		492,820,385	**820,176,382**
		2,009,398,894	**1,831,260,783**

Summary of significant accounting policies 2-3
The accompanying notes are an integral part of these financial statements. 4-29

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: 08 June 2021

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

Sd/-

Tomoaki Takeuchi
Director

Sd/-

Viral Shah
Director

Wipro Japan KK

Statement of Profit and Loss for the year ended 31 March 2021

(All amounts are in JPY, unless otherwise stated)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
REVENUE			
Revenue from operations	15	2,760,086,717	1,369,663,932
Other income	16	40,298,377	32,713,048
		2,800,385,094	**1,402,376,980**
EXPENSES			
Employee benefits expense	17	336,225,227	337,444,538
Depreciation	3	48,824,500	8,047,088
Other expenses	18	1,662,639,630	1,030,120,206
		2,047,689,356	**1,375,611,833**
Profit before tax		**752,695,737**	**26,765,148**
Tax expense			
Current tax	22	131,028,947	5,567,035
Deferred tax	22	113,360,142	(15,465,739)
Tax expense of earlier years	22	6,489,465	1,515,412
Total tax expense		**250,878,554**	**(8,383,292)**
Profit for the year		**501,817,183**	**35,148,439**
Other Comprehensive Income		-	-
Total comprehensive income for the period		**501,817,183**	**35,148,439**
Earnings per equity share	19		
Basic and diluted		753,479	52,775

Summary of significant accounting policies 2-3

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For PKF Sridhar & Santhanam LLP
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Firm Registration No.: 003990S/S200018

Sd/-

Seethalakshmi M
Partner
Membership No: 208545
Place: Bengaluru
Date: 08 June 2021

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

Sd/-

Tomoaki Takeuchi
Director

Sd/-

Viral Shah
Director

Wipro Japan KK
Cash Flow Statement for the year ended March 2021
(All amounts are in JPY, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities			
Profit for the period		**501,817,183**	**35,148,439**
Adjustments			
Depreciation		48,824,500	8,047,088
Unrealised exchange differences - net		(921,243)	1,066,792
Provision for tax		250,878,554	(8,383,292)
Interest income		(6,477,323)	(6,280,656)
Operating profit before working capital changes		**794,121,672**	**29,598,371**
Adjustments for working capital changes:			
Decrease / (increase) in trade and other receivable		(82,110,806)	(839,399,789)
Decrease / (increase) in loans and advances and other assets		114,931,876	35,354,179
(Decrease) / increase in trade and other liabilities		(596,189,523)	779,137,657
Cash generated from operations		**230,753,219**	**4,690,418**
Direct taxes paid		(7,833,900)	(24,590,500)
Net cash generated by operating activities	**(A)**	**222,919,319**	**(19,900,082)**
Cash flows from investing activities:			
Acquisition of Plant and Equipment (including advances)		(71,726,474)	(14,221,927)
Interest Received		6,477,323	338,572
Loan and advances		4,378,340	(506,000,000)
Net cash (used in) / generated by investing activities	**(B)**	**(60,870,810)**	**(519,883,355)**
Cash flows from financing activities:			
Lease liability		29,465,796	-
Net cash (used in) / generated by financing activities	**(C)**	**29,465,796**	**-**
Net increase in cash and cash equivalents during the period (A+B+C)		**191,514,304**	**(539,783,437)**
Cash and cash equivalents at the beginning of the period		**151,112,460**	**690,895,897**
Cash and cash equivalents at the end of the period (refer note 8)		**342,626,764**	**151,112,460**
Components of cash and cash equivalents (note 8)			
Balances with banks			
in current account		342,626,764	151,112,459
		342,626,764	**151,112,459**

Summary of significant accounting policies 2-3

The accompanying notes are an integral part of these financial statements. 4-29

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: 08 June 2021

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

Sd/-	Sd/-
Tomoaki Takeuchi	**Viral Shah**
Director	**Director**

Wipro Japan KK

Statement of Changes in Equity for the year ended 31 March 2021

(All amounts are in JPY, unless otherwise stated)

Particulars	Balance as at 01 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
Equity share capital	431,652,500	-	431,652,500
	431,652,500	**-**	**431,652,500**

Particulars	Balance as at 01 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
Equity share capital	431,652,500	-	431,652,500
	431,652,500	**-**	**431,652,500**

		Other equity		Total
	Capital Reserve	Capital Surplus	Retained Earnings	
Balance as at 1 April 2019	**60,000,000**	**569,957,500**	**(89,922,647)**	**540,034,852**
Profit for the period	-	-	35,148,439	35,148,439
Balance as at 31 March 2020	**60,000,000**	**569,957,500**	**(54,774,208)**	**575,183,292**
Profit for the period	-	-	501,817,183	501,817,183
Balance as at 31 March 2021	**60,000,000**	**569,957,500**	**447,042,976**	**1,077,000,475**

Summary of significant accounting policies 2-3

The accompanying notes are an integral part of these financial statements. 4-29

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: 08 June 2021

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

Sd/-

Tomoaki Takeuchi

Director

Sd/-

Viral Shah

Director

WIPRO JAPAN KK
NOTES TO THE FINANCIAL STATEMENTS

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. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India (“SEBI”). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These 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, except for new accounting standards adopted by the Company.

All amounts included in the financial statements are reported in Japanese Yen (JPY), unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/re-arranged, wherever necessary.

(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 recognized 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 recognized 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 recognized 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 recognized, 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) **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.

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 realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

d) **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.

e) **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.

f) **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.

g) **Uncertainty relating to the global health pandemic on COVID-19:** The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. However, the impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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.

3. 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 recognized 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 derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.
- Non- derivative financial instruments are recognized initially at fair value.

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

b) Derecognition of financial instruments

The Company derecognizes 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 recognize the financial asset and also recognizes a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Equity

a) Share capital

The authorized share capital of the Company as at March 31, 2021 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, 2020: JPY 60,000,000) is not freely available for distribution.

c) Capital Surplus

Capital surplus amounting to JPY 569,957,500 (March 31, 2020: 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 capitalized 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 amortized over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortized over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets 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 capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

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

a) 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.

b) The Company is the 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.

(vii) Inventories

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

(viii) Impairment

A) Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized 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 into 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 recognized 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 recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

(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 recognized 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 unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur.

(x) Provisions

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

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

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

(xi) Revenue from Contract with Customers as per Ind AS 115

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. The Company presents such receivables as part of unbilled receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in Ind AS 109 using expected credit loss method.

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.

As at 31 March 2021, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above which approximately 100% is expected to be recognized as revenues within 2 years, and the remainder thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment; the occurrence of the same is expected to be remote.

C. Disaggregation of Revenues

The table below presents disaggregated revenues from contracts with customers by business segment, customer location 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	For the year ended 31st Mar 2021	For the year ended 31st Mar 2020
Revenue		
Sales to Services	1,790,070,632	1,032,529,088
Sales to Product	-	-
Commission	970,016,085	337,134,844
	2,760,086,717	**1,369,663,932**
Revenue from nature of contract		
Fixed Price contract	1,788,970,632	1,022,339,614
Time and Material Contract	1,100,000	10,189,474
Commission	970,016,085	337,134,844
	2,760,086,717	**1,369,663,932**

(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 recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

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

b) Deferred income tax

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

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

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences 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 utilized.

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

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

(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 recognized in the statement of profit and loss.

New Accounting standards adopted by the Company:

None

New amended 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.

Other amendments to the existing standards

None

New Accounting Standards notified and yet to be adopted by the Company:

None

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

3 Property, plant and equipment

	Plant and machinery	Furniture and fixtures	ROU and Office equipments	Total
Gross block (at cost)				
Balance as at 31 March 2019	**14,607,191**	**71,012,756**	**31,292,766**	**116,912,712**
Additions	14,221,927	-	-	14,221,927
Disposals	-	-	-	-
Balance as at 31 March 2020	**28,829,118**	**71,012,756**	**31,292,766**	**131,134,639**
Additions	6,068,421	-	65,758,168	71,826,589
Disposals	(11,870,775)	(3,226,090)	(9,766,840)	(24,863,705)
Balance as at 31 March 2021	**23,026,764**	**67,786,666**	**87,284,094**	**178,097,523**
Accumulated depreciation				
Balance as at 31 March 2019	**13,645,660**	**62,947,262**	**28,334,718**	**104,927,639**
Depreciation charge	3,932,445	3,325,401	789,242	8,047,088
Disposals	-	-	-	-
Balance as at 31 March 2020	**17,578,105**	**66,272,663**	**29,123,960**	**112,974,727**
Depreciation charge	8,950,284	2,607,382	37,266,834	48,824,500
Disposals	(11,870,751)	(3,226,088)	(9,666,751)	(24,763,590)
Balance as at 31 March 2021	**14,657,638**	**65,653,957**	**56,724,043**	**137,035,638**
Net block				
Balance as at 31 March 2020	**11,251,013**	**4,740,093**	**2,168,806**	**18,159,912**
Balance as at 31 March 2021	**8,369,126**	**2,132,709**	**30,560,051**	**41,061,886**

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

		As at 31 March 2021	As at 31 March 2020
4	**Other financial assets**		
	Non-current		
	Security deposits	44,826,000	44,826,000
		44,826,000	**44,826,000**

		As at 31 March 2021	As at 31 March 2020
5	**Other non-financial assets**		
	Current		
	Prepaid expenses	4,170,985	4,695,931
	Other Assets	-	5,195
	Employee advances	(1,953)	1,039,641
		4,169,032	**5,740,766**

		As at 31 March 2021	As at 31 March 2020
6	**Trade receivables**		
	Trade receivables - Others	588,285,690	740,274,940
	Trade receivables - Related Parties	432,120,904	197,099,606
	Allowance for bad and doubtful debts	-	-
		1,020,406,594	**937,374,546**
	Unsecured		
	Unsecured, considered good	1,020,406,594	937,374,546
		1,020,406,594	937,374,546
	Impairment Allowance (allowance for bad and doubtful debts)		
	Trade Receivables - credit impaired	-	-
		-	-
		1,020,406,594	**937,374,546**

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

		As at 31 March 2021	As at 31 March 2020
7	**Cash and cash equivalents**		
	Balances with banks		
	- in current account	342,626,764	151,112,459
		342,626,764	**151,112,459**

		As at 31 March 2021	As at 31 March 2020
8	**Loans and advances**		
	Loan and advances	507,563,744	511,942,084
		507,563,744	**511,942,084**

		As at 31 March 2021	As at 31 March 2020
9	**Share capital**		
	Authorized capital		
	650 (2019: 650) equity shares	32,500,000	32,500,000
	16 (2019: 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 (2019: 650) equity shares	24,375,000	24,375,000
	16 (2019: 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.

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 2021.

		As at 31 March 2021	As at 31 March 2020
10	**Provisions**		
	Non-current		
	Compensated absences	7,925,533	4,248,610
		7,925,533	**4,248,610**
	Current		
	Compensated absences	8,893,146	10,796,375
	Volume Discount	37,076,008	-
		45,969,154	**10,796,375**

		As at 31 March 2021	As at 31 March 2020
11	**Trade payables**		
	Total outstanding dues	314,002	4,103,196
		314,002	**4,103,196**

		As at 31 March 2021	As at 31 March 2020
12	**Other financial liabilities**		
	Current		
	Advance tax , net of provisions for tax	131,028,947	1,344,435
	Dues to employees	19,664,633	14,183,486
	Accrued expenses	10,286,694	14,139,479
	Balances due to related parties	90,439,490	678,595,423
		251,419,764	**708,262,823**

		As at 31 March 2021	As at 31 March 2020
13	**Other non-financial liabilities**		
	Current liabilities		
	Social Insurance payable	311,069	1,392,729
	Withholding tax payable	248,884	284,640
	Consumption tax payable	155,417,016	90,936,627
	LIC premium payable	-	4,399,992
	Contract assets	9,674,700	-
		165,651,669	**97,013,988**

		As at 31 March 2021	As at 31 March 2020
14	**Lease Liability on buildings**		
	Current liabilities		
	Lease Liability on buildings	29,684,000	-
	Unamortized Int on Facilties	(218,204)	-
		29,465,796	**-**

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
15	**Revenue from operations**		
	Commission income	970,016,085	337,134,844
	Sales Account - revenue	1,723,369,456	1,145,575,598
	Sales Account - Unbilled revenue	66,295,801	(113,046,509)
	Sales to Subsidiaries	405,375	-
		2,760,086,717	**1,369,663,932**

		Year ended 31 March 2021	Year ended 31 March 2020
16	**Other income**		
	Interest income	6,477,323	6,280,656
	Rental income	34,742,297	25,365,600
	Profit / (Loss) on foreign exchange adjustments, net	(921,243)	1,066,792
		40,298,377	**32,713,048**

		Year ended 31 March 2021	Year ended 31 March 2020
17	**Employee benefits expense**		
	Salaries and wages	333,491,207	335,132,358
	Share based compensation charge	1,069,512	(1,125,890)
	Staff welfare expenses	(109,186)	1,262,186
	Compensated absences Exp	1,773,694	2,175,884
	Employee Benefits Expense	-	
		336,225,227	**337,444,538.46**

	Year ended 31 March 2021	Year ended 31 March 2020
18 Other expenses		
Travel and conveyance	2,239,968	21,791,652
Software Development	1,608,823,172	920,575,143
Repairs and maintenance	297,766.93	314,564
Rent	8,758,080	35,412,838
Electricity	2,314,724	3,299,264
Capital asset re-imbursements	-	1,221
House keeping and maintenance	5,933,422	3,925,075
Communication	5,861,222	8,525,955
Printing and stationery	526,512	1,038,725
Postage and conveyance	397,306	619,724
Legal and professional charges	19,483,079	15,013,476
Staff recruitment	4,879,198	4,624,974
Insurance	635,279	800,858
Rates and taxes	522,400	1,047,200
Business meeting expenses	409,578	3,364,099
Auditors fees	-	(45,795)
Advertisement	-	8,000,000
Miscellaneous expenses	473,433	1,811,232
Software Licenses	171,073	-
Commission Expense	675	-
Loss on sale of fixed asset	100,114	(0)
Interest amortization on Facilities	812,628	-
	1,662,639,630	**1,030,120,206**

	Year ended 31 March 2021	Year ended 31 March 2020
19 Earning per share (EPS)		
Net profit after tax attributable to the equity shareholders	501,817,183	35,148,439
Weighted average number of equity shares - for basic and diluted EPS	666	666
Earnings per share - Basic and diluted	753,479	52,775

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

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(All amounts are in JPY, unless otherwise stated)

20 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 (1069512) for the year ended 31 March 2021 (31 March 2020 JPY 1,125,890) 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 2021 and those annual financial statements are available on its website (https://www.wipro.com/annual-reports)

21 Related party disclosure

a) Related parties

Name	Relationship
Wipro Limited	Holding Company
Wipro Travel Services Limited	Fellow Subsidiary
Appirio KK	Fellow Subsidiary
Wipro Corporate	Fellow Subsidiary
Wipro Chendu Limited	Fellow Subsidiary
Wipro Shanghai limited	Fellow company

b) The Company has the following related party transactions:

Particulars	Relationship	Year ended 31 March 2021	Year ended 31 March 2020
Software development charges			
Wipro Limited	Holding company	595,393,285	920,575,143
Wipro Chendu Limited	Fellow company	297,125	-
Wipro Shanghai limited	Fellow company	41,926	-
Commission income and Rental Income			
Wipro Limited	Holding Company	235,021,298	362,500,444
Purchase of Services			
Wipro Travel Services Limited	Fellow Subsidiary	(42,601)	42,601
Reimbursement of expenses			
Wipro Limited	Holding Company	(6,939,564)	(2,532,624)
Wipro Corporate	Fellow Subsidiary	38,045	(38,045)
Loans and Advances			
Appirio KK	Fellow Subsidiary	(4,378,340)	511,942,084

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

Particulars	Relationship	As at 31 March 2021	As at 31 March 2020
Other financial liability:			
Wipro Limited	Holding Company	(90,120,967)	(678,764,810)
Wipro Chendu Limited	Fellow Subsidiary	(317,835)	(42,601)
Wipro Corporate	Fellow subsidiary	-	(38,045)
Wipro Shanghai	Fellow Subsidiary	(688)	-
Trade receivable:			
Wipro Limited	Holding Company	432,120,904	197,099,606
Loans and advances:			
Appirio KK	Fellow Subsidiary	507,563,744	511,942,084

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

22 Effective Tax Rate (ETR) reconciliation

	Year ended 31 March 2021	Year ended 31 March 2020
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	131,028,947	5,567,035
Deferred tax	113,360,142	(15,465,739)
Tax expense of earlier years	6,489,465	1,515,412
	250,878,554	**(8,383,292)**

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 2021	Year ended 31 March 2020
Profit before income tax	752,695,737	26,765,148
Enacted tax rates in the Japan (%)	32.47%	32.47%
Computed expected tax expense	244,362,671	8,689,305
Tax effect due to set-off of unabsorbed brought forward losses from earlier years	(131,029,140)	(5,567,035)
Tax effect due to income not chargeable to tax	-	-
Tax effect on expenses disallowed for tax computation	17,695,608	2,444,766
Tax expense of earlier years	6,489,465	1,515,412
Others	113,360,142	(15,465,740)
Tax expense as per financials	**250,878,746**	**(8,383,292)**

Deferred Tax Asset

Deferred tax assets/ Liabilities (net) :	**31-Mar-21**	**31-Mar-20**
DTA on Business loss carried forward	48,744,874	162,105,016
DTA / DTL on other originating / reversing temporary differences	-	-
Total	**48,744,874**	**162,105,016**

23 Fair value measurements
(i) Financial instruments by category

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

Particulars	**Amortised Cost**	**Financial assets/liabilities at FVTPL**	**Financial assets/liabilities at FVTPL**
Assets:			
Financial Asset		-	-
Cash and cash equivalents	342,626,764		
Trade receivables	1,020,406,594	-	-
Other financial asset	44,826,000		
Total	**1,407,859,358**	**-**	**-**

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

23 Fair value measurements (Cont.d)

Particulars	Amortised Cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTPL
Liabilities:			
Financial liabilities			
Trade payables	314,002	-	-
Other financial liability	251,419,764		
Total	**251,733,766**	**-**	**-**

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

Particulars	Amortised Cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTPL
Assets:			
Financial Asset		-	-
Cash and cash equivalents	151,112,459	-	-
Trade receivables	937,374,546	-	-
Other financial asset	44,826,000	-	-
Total	**1,133,313,004**	**-**	**-**
Liabilities:			
Financial liabilities			
Trade payables	4,103,196	-	-
Other financial liability	708,262,823	-	-
Total	**712,366,019**	**-**	**-**

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.

23 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. Also, refer Note no. 27 Uncertainty relating to the global health pandemic on COVID-19 for impact on company's operations.

(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 8.

ii) Trade receivables

Customer Credit Risk is managed as per Company's established policy, procedures and controls relating to customer credit risk management which interalia involves obtaining credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in normal course of business.

To manage this, company regularly assess financial reliability of customers, taking into accounts financial conditions, current economic trends, analysis of historical bad debts and ageing of account receivables. Ageing of none of the debtors as on 31st March 2021 is more than 180 days hence there is no credit risk.

There is credit concentration risk, since more than 50% of account receivables is with one customer. However, this is continuously being monitored by managing debtors ageing and analysis of cost effectiveness of receivables and general credit collection procedure.

(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.

23 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 1 April 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Other financial liabilities	251,419,764	-	-	251,419,764
Trade Payables	314,002	-	-	314,002
	251,733,766	**-**		**251,733,766**

As at 31 March 2020	Less than 1 year	1 year to 5 years	More than 5 years	Total
Other financial liabilities	708,262,823	-	-	708,262,823
Trade Payables	4,103,196	-	-	4,103,196
	712,366,019	**-**		**712,366,019**

d) Foreign currency risk
The Company operates internationally and is exposed to foreign exchange risk arising from USD and INR. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
The management evaluates rate exposure arising from these transactions and enters into Foreign currency derivative instruments to mitigate such exposure. The company follows risk management policies, including use of derivatives like foreign currency exchange forward options etc.

As at 31st march 2021., 1% change in USD spot exchange rate will result in USD 197 change in Statement of Income as at 31st march 2021.
As at 31st march 2021, 1% change in INR sport exchange rate will result in INR 55 in statement of Income as at 31st march 2021.

	31st March 2021		31st March 2020	
	USD	**INR**	**USD**	**INR**
Trade payables	82,860	(727,558)	(62,751)	(520,772)
Other Liabilities	(100,669)	(100,000)	(45,245)	
Trade receivables			72,820	

	USD	INR
31st March 2020	108.69	0.70
31st March 2021	110.72	0.66

	Foreign exchange (USD)		Foreign Exchange (INR)	
	Carrying value	**USD (1%)**	**Carrying value**	**INR (1%)**
EX Rate (Increase)		1.11		0.01
Net assets/ liabilities	(17,809)	(197)	(827,558)	(55)

24 Segment reporting
The Company is engaged in 2 services first promoting and creating new customers for the holding company and provides IT services to customers which is considered as 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 3 customer and majority customers base is based out of Japan.

25 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 as below:
1) Equity includes Equity share capital and all other Equity components, which attributable to the Equity holders
2) Net Debt includes borrowings, less cash and cash equivalents.

Particulars	**Note**	**As at 31st March 2021**	**As at 31st march 2020**
Borrowings	Financial Liability	-	-
Finance Lease Liabilities	Financial Liability	29,465,796	-
Less cash and Cash equivalents	Financial asset	(342,626,764)	(151,112,459)
Net Debt		**(313,160,968)**	**(151,112,459)**
Equity	Equity	431,652,500	431,652,500
Other Equity	Equity	1,077,000,475	575,183,292
Total capital		**1,508,652,975**	**1,006,835,792**
Gearing Ratio		**(0.21)**	**(0.15)**

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.

26 Events occurring after the reporting date

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

27 Uncertainty relating to the global health pandemic on COVID-19

The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. However, the impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

28 Prior period comparatives

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

29 Employee Compensated Expenses

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.

The valuation has been carried out using the project unit credit method as per IND AS 19 & IAS 19 to determine the present value of Obligations and the related current service cost and where applicable, past service cost.
Actuarial asumptions selected by the company. The Company has been advised that the assumptions selected should be unbiased and mutually compatible and should reflect the company's best estimate of the variables of the future. The company has also been advised to consider the requirements of para 144 of IAS 19 (Revised 2011) and IND AS 19 in this regard.

Defined Benefit Scheme	**31st March 2021**	**31st March 2020**
Current portion	(8,893,146)	(10,796,375)
Non current portion	(7,925,533)	(4,248,610)
Total	**(16,818,679)**	**(15,044,985)**

Defined benefit Obligation - Actuarial assumption

The principal actuarial assumption used in determining calculation the PV of defined benefit obligations is as follows:

Particulars	**31st March 2021**	**31st March 2020**
Discount rate	0.00%	0.00%
Annual salary increase	2%	2%

Sensitivity analysis

Significant actuarial assumptions for the determination of the leave liability are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at Mar 2021	As at Mar 2020
Present Value of Obligation (Base)	16,818,679	15,044,985

Particulars	As at Mar 2021		As at Mar 2020	
Present Value of Obligation (Base)	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (-/+ 1%)	17,148,614	16,488,744	15,117,286	14,972,684
(% change compared to base due to sensitivity)	2.00%	-2.00%	0.50%	-0.50%
Salary Growth Rate (-/+ 1%)	16,514,046	17,132,944	14,951,652	15,139,253
(% change compared to base due to sensitivity)	-1.80%	1.90%	-0.60%	0.60%
Attrition Rate (-/+ 50%)	1,805,888	16,221,681	15,044,985	15,044,985
(% change compared to base due to sensitivity)	7.30%	-3.50%	0.00%	0.00%
Mortality Rate (-/+ 10%)	16,821,170	16,817,191	15,044,983	15,044,987
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flow) 1.64 years

Expected Cash flow over the next (valued on undiscounted basis):	**Japanese Yen (JPY)**
1 year	8,893,146
2 to 5 years	6,656,170
6 to 10 years	1,221,525
More than 10 Years	47,839

Summary of significant accounting policies 2-3

The accompanying notes are an integral part of these financial statements. 4-29

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: 08 June 2021

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

Sd/-

Tomoaki Takeuchi
Director

Sd/-

Viral Shah
Director