Special Purpose Financial Statements and Independent Auditor's Report

WIPRO JAPAN KK

31 March 2022

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 31 March 2022, 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(a) 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 31 March 2022 under the requirements of section 129(3) of the Companies Act, 2013, (hereinafter referred to as "the Act") 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 31 March 2022, and its 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 Special Purpose 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.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2(i) to the Special Purpose Financial Statements. The Special Purpose Financial Statements are prepared for inclusion in the annual report of Ultimate Holding Company under the requirements of section 129(3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for any other purpose. Our report is intended solely for the company and Wipro Limited and should not be distributed to or used by parties other than the company and Wipro Limited.

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 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 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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

Seethalakshmi M
Partner
Membership No. 208545
Place of Signature: Bengaluru
Date: 20 June 2022

Wipro Japan KK
Special Purpose Financial Statements and
Independent Auditor's Report
(All amounts are in JPY, unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	201,001,757	11,782,702
Right to Use Asset	3	81,127,690	29,279,184
Financial assets			
Other financial assets	4	49,719,600	44,826,000
Investment in Subsidiary	4	182,500,000	
	25	14,833,080	48,744,874
Loans and Advances	8	980,552,084	507,563,744
		1,509,734,211	**642,196,504**
Current assets			
Financial assets			
Trade receivables	6	1,571,378,394	1,020,406,594
Cash and cash equivalents	7	322,701,345	342,626,764
Other current assets	5	91,428,187	4,169,032
		1,985,507,926	**1,367,202,390**
		3,495,242,137	**2,009,398,894**
EQUITY AND LIABILITIES			
Equity			
Share capital	9	431,652,500	431,652,500
Other equity		1,406,223,443	1,077,000,475
		1,837,875,943	**1,508,652,975**
Liabilities			
Non-current liabilities			
Provisions	10	13,438,380	7,925,533
		13,438,380	**7,925,533**
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than above	11	36,719,154	314,002
Other financial liabilities	12	1,058,086,542	251,419,764
Provisions	10	14,807,467	45,969,154
Other current liabilities	13	457,461,640	165,651,669
Lease Liability on buildings	14	76,853,010	29,465,796
		1,643,927,814	**492,820,385**
		3,495,242,137	**2,009,398,894**

Summary of significant accounting policies 2-3
The accompanying notes are an integral part of these financial statements. 1-29

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: 20 June 2022

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

SD/-
Tomoaki Takeuchi
Director

SD/-
Motoki Kohno
Director

Wipro Japan KK
Special Purpose Financial Statements and Independent Auditor's Report
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	Notes	Year ended 31 March 2022	Year ended 31 March 2021
REVENUE			
Revenue from operations	15	3,606,875,871	2,760,086,717
Other income	16	38,604,056	40,298,377
		3,645,479,927	**2,800,385,094**
EXPENSES			
Employee benefits expense	17	519,943,677	336,225,227
Depreciation	3	66,203,652	48,824,500
Other expenses	18	2,577,794,599	1,662,639,630
		3,163,941,927	**2,047,689,356**
Profit before tax		**481,538,000**	**752,695,738**
Tax expense			
Current tax		118,403,240.40	131,028,947
Deferred tax		33,911,793.60	113,360,142
Tax expense of earlier years		-	6,489,465
Total tax expense		**152,315,034.00**	**250,878,554**
Profit for the year		**329,222,966**	**501,817,184**
Other Comprehensive Income		-	-
Total comprehensive income for the period		**329,222,966**	**501,817,184**
Earnings per equity share	20		
Basic and diluted		494,329	753,479

Summary of significant accounting policies 2-3
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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: 20 June 2022

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

Sd/-	**Sd/-**
Tomoaki Takeuchi	**Motoki Kohno**
Director	**Director**

Wipro Japan KK
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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**

Particulars	Balance as at 01 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
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 31 March 2020	**60,000,000**	**569,957,500**	**(54,774,208)**	**575,183,292**
Profit for the period	-	-	501,817,184	501,817,184
Balance as at 31 March 2021	**60,000,000**	**569,957,500**	**447,042,976**	**1,077,000,475**
Profit for the period	-	-	329,222,966	329,222,966
Balance as at 31 March 2022	**60,000,000**	**569,957,500**	**776,265,942**	**1,406,223,442**

Summary of significant accounting policies 2-3
The accompanying notes are an integral part of these financial statements. 1-29

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

Sd/-
Tomoaki Takeuchi
Director

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Motoki Kohno
Director

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(All amounts are in JPY, unless otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from operating activities			
Profit for the period		**329,222,966**	**501,817,183**
Adjustments			
Depreciation		66,203,652	48,824,500
Provision for Doubtful Debts		15,969,808	-
Unrealised exchange differences - net		(4,939,270)	(921,243)
Provision for tax		152,315,034	244,389,089
Interest income		(7,194,531)	(6,477,323)
Operating profit before working capital changes		**551,577,659**	**787,632,207**
Adjustments for working capital changes:			
Decrease / (increase) in trade and other receivable		(562,002,338)	(82,110,805)
Decrease / (increase) in loans and advances and other assets		(58,240,961)	113,587,441
(Decrease) / increase in trade and other liabilities		1,004,305,241	(558,889,827)
Cash generated from operations		**935,639,601**	**260,219,015**
Direct taxes paid		-	(7,833,900)
Net cash generated by operating activities	**(A)**	**935,639,601**	**252,385,115**
Cash flows from investing activities:			
Acquisition of Plant and Equipment (including advances)		(307,271,210)	(71,726,475)
Interest Received		7,194,531	6,477,323
Loan and advances		(472,988,340)	4,378,340
Investment in Subsidiary		(182,500,000)	-
Net cash (used in) / generated by investing activities	**(B)**	**(955,565,019)**	**(60,870,812)**
Cash flows from financing activities:			
Dividend paid		-	-
Net cash (used in) / generated by financing activities	**(C)**	**-**	**-**
Net increase in cash and cash equivalents during the period (A+B+C)		**(19,925,418)**	**191,514,304**
Cash and cash equivalents at the beginning of the period		**342,626,763**	**151,112,459**
Cash and cash equivalents at the end of the period (refer note 8)		**322,701,345**	**342,626,763**
Components of cash and cash equivalents (note 8)			
Balances with banks			
in current account		322,701,345	342,626,764
		322,701,345	**342,626,764**

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: 20 June 2022

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

Sd/-
Tomoaki Takeuchi
Director

Sd/-
Motoki Kohno
Director

Summary of significant accounting policies and other explanatory information

(Amount in JPY, unless otherwise stated)

1 Background

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

2 Summary of significant accounting policies

a) Statement of compliance and Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been applied consistently to all periods presented in these financial statements. These 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.

The Company has incurred net profit of JPY 382747784 (net profit of JPY 501817184 for year ended on 31 March 2021) during the year ended 31 March 2022. The financial statements have been prepared on a 'Going Concern' basis.

b) Basis of Measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except the following material impacts which has been measured at fair value as required by relevent Ind as -

a) Derivative Finanacils Instruments;

b) Finanacils Instruments classified as fair value through other comprehensive income or fair value through profit or loss; and

c) The defined benefit asset (Liability) is recognised at present value of defined benefit obligation less FV of plan assets.

c) Use of estimates and judgment

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

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

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 statement is included in the following notes:

i) Revenue recognition: The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and is distinct in the context of the contract, if not, the promised products 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.

ii) Income taxes: The major tax jurisdictions for the Company is the 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.

iii) 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.

iv) Expected credit losses on financial assets: On application of Ind AS 109, 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 past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period

v) Useful lives of property, plant and equipment: The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

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.

vi) 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.

d) Significant management judgements

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

Fair value measurements

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

Critical judgements in applying accounting policies

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

Kindly refer Note No. 15 for impact of Covid'19 on company's operations.

Significant estimates in applying accounting policies

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

e) Current versus non-current classification

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

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

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

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

(iii) A liability is classified as current when:

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

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

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

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

f) Foreign currency

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

Functional and presentation currency

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

g) 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. 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
Building	Useful life or lease term whichever is lower
Furniture & Fixtures	2-7 years
Plant & Machinery	3-10 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 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.

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

h) 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.

i) Employee benefits

a) 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.

b) Termination benefits

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

c) Compensated absences

j) Revenue

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

a) Services

The Company recognizes 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 recognized as the related services are rendered.

B. Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognized 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 recognized 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 recognized 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 recognized. 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 recognized 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 recognized 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 recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

b) Products

Revenue from products are recognized 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.

k) Finance Costs

Finance costs comprise interest cost on borrowings, impairment losses recognized on financial assets, 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 recognized in the statement of profit and loss using the effective interest method.

l) Other income

Other income comprises interest income on loan given, gains/(losses) on disposal of financial assets that are measured at FVTPL, and debt instruments at FVTOCI. Interest income is recognized using the effective interest method.

m) Equity

i) Share capital

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

ii) Retained earnings

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

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

n) Provisions and contingencies

Provisions

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

Contingent liabilities

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

Contingent assets

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

Onerous contracts

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

o) Cash and cash equivalents
Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

p) Financial Instruments

i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

i. Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset’s contractual cash flows represent SPPI.

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

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

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

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

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

iv. Equity investments

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

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

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

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

a. The rights to receive cash flows from the asset have expired, or

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

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

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

p) Financial Instruments (cont'd)

ii) Financial liabilities

Initial recognition and measurement

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

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

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

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

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

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

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

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

iii) Offsetting of financial instruments

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

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

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

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

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

q) Non-derivative financial instruments (cont'd)
i) Cash and cash equivalents:
The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

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

ii) Other financial assets

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

iii) Trade and other payables

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

r) Impairment of financial assets

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

s) Impairment of non-financial assets

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

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

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

t) Income tax

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

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

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

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

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

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

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

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

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

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

w) New Accounting standards adopted by the Company:
None

x) 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.

y) Other amendments to the existing standards
None

z) New Accounting Standards notified and yet to be adopted by the Company:
None

		As at 31 March 2022	As at 31 March 2021
4	**Other financial assets**		
	Non-current		
	Security deposits	49,719,600	44,826,000
	Finance lease receivables	-	-
		49,719,600	**44,826,000**
	Investment in subsidiary	182,500,000	-

		As at 31 March 2022	As at 31 March 2021
5	**Other non-financial assets**		
	Current		
	Consumption tax paid	90,666,617	-
	Prepaid expenses	763,883	4,170,985
	Employee advances	(2,313)	(1,953)
		91,428,187	**4,169,032**

		As at 31 March 2022	As at 31 March 2021
6	**Trade receivables**		
	Trade receivables	1,587,348,202	1,020,406,594
	Allowance for bad and doubtful debts	(15,969,808)	-
		1,571,378,394	**1,020,406,594**
	Unsecured		
	Unsecured, considered good	1,571,378,394	1,020,406,594
	Considered doubtful	15,969,808	
		1,587,348,202	1,020,406,594

		As at 31 March 2022	As at 31 March 2021
7	**Cash and cash equivalents**		
	Balances with banks		
	- in current account	322,701,345	342,626,764
		322,701,345	**342,626,764**

		As at 31 March 2022	As at 31 March 2021
8	**Loans and advances**		
	Loan and advances	980,552,084	507,563,744
		980,552,084	**507,563,744**

		As at 31 March 2022	As at 31 March 2021
9	**Share capital**		
	Authorized capital		
	650 (2021: 650) equity shares	32,500,000	32,500,000
	16 (2021: 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 (2021: 650) equity shares	24,375,000	24,375,000
	16 (2021: 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

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 2022.

	As at 31 March 2022	As at 31 March 2021
10 Provisions		
Non-current		
Compensated absences	13,438,379	7,925,533
	13,438,379	**7,925,533**
Current		
Compensated absences	14,807,467	8,893,146
Volume Discount	0	37,076,008
	14,807,467	**45,969,154**

	As at 31 March 2022	As at 31 March 2021
11 Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	36,719,154	314,002
	36,719,154	**314,002**

	As at 31 March 2022	As at 31 March 2021
12 Other financial liabilities		
Current		
Advance tax , net of provisions for tax	242,694,698	131,028,947
Dues to employees	65,426,116	19,664,633
Accrued expenses	30,617,459	10,286,694
Balances due to related parties	719,348,270	90,439,490
	1,058,086,543	**251,419,764**

	As at 31 March 2022	As at 31 March 2021
13 Other non-financial liabilities		
Current liabilities		
Social Insurance payable	984,069	311,069
Withholding tax payable	373,640	248,884
Consumption tax payable	425,400,648	155,417,016
LIC premium payable	5,639,066	-
Contract Liabilities	25,064,214	-
Contract Asset	-	9,674,700
	457,461,637	**165,651,669**

	As at 31 March 2022	As at 31 March 2021
14 Lease Liability on buildings		
Current liabilities		
Lease Liability on buildings	76,853,010	29,684,000
Unamortized Int on Facilties	0	(218,204)
	76,853,010	**29,465,796**

Wipro Japan KK
Special Purpose Financial Statements and Independent Auditor's Report
(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 2020	**28,829,118**	**71,012,756**	**31,292,766**	**131,134,639**
Additions	6,068,421	-	65,758,168	71,826,589
Disposals	(11,870,773)	(3,226,090)	(9,766,840)	(24,863,703)
Balance as at 31 March 2021	**23,026,766**	**67,786,666**	**87,284,094**	**178,097,525**
Additions	74,828,430	-	96,851,088	171,679,518
Disposals	-	-	(65,758,168)	(65,758,168)
Balance as at 31 March 2022	**97,855,196**	**67,786,666**	**118,377,014**	**284,018,875**
Accumulated depreciation				
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)	(9,666,750)	(24,763,589)
Balance as at 31 March 2021	**14,657,638**	**65,653,957**	**56,724,044**	**137,035,638**
Depreciation charge	17,787,493	2,132,709	46,283,449	66,203,651
Disposals	-	-	(65,758,168)	(65,758,168)
Balance as at 31 March 2022	**32,445,131**	**67,786,666**	**37,249,325**	**137,481,121**
Capitailisation A/c as at March 2022	**-**	**-**	**-**	**135,591,692**
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	**8,369,128**	**2,132,709**	**30,560,050**	**41,061,887**
Balance as at 31 March 2022	**65,410,065**	**(0)**	**81,127,689**	**282,129,446**

(All amounts are in JPY, unless otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
15	**Revenue from operations**		
	Commission income	903,968,099	970,016,085
	Sales Account - revenue	2,484,043,358	1,723,369,456
	Sales Account - Unbilled revenue	193,462,814	66,295,801
	Sales to Subsidiaries	25,401,600	405,375
		3,606,875,871	**2,760,086,717**

		Year ended 31 March 2022	Year ended 31 March 2021
16	**Other income**		
	Interest income	7,194,531	6,477,323
	Rental income	36,348,796	34,742,297
	Profit on foreign exchange adjustments, net	(4,939,270)	(921,243)
		38,604,056	**40,298,377**

		Year ended 31 March 2022	Year ended 31 March 2021
17	**Employee benefits expense**		
	Salaries and wages	499,017,372	333,491,207
	Share based compensation charge	9,235,554	1,069,512
	Staff welfare expenses	263,584	(109,186)
	Compensated absences Exp	11,427,167	1,773,694
		519,943,677	**336,225,226.54**

		Year ended 31 March 2022	Year ended 31 March 2021
18	**Other expenses**		
	Travel and conveyance	1,446,086	2,239,968
	Software Development	2,225,568,292	1,608,823,172
	Repairs and maintenance	88,100	297,767
	Rent	1,745,880	8,758,080
	Interest amortization on Facilities	811,626	812,628
	Electricity	2,332,881	2,314,724
	Capital asset re-imbursements	203,902,882	-
	House keeping and maintenance	4,415,375	5,933,422
	Communication	2,771,587	5,861,222
	Printing and stationery	632,205	526,512
	Postage and conveyance	67,705	397,306
	Legal and professional charges	25,485,249	19,483,079
	Staff recruitment	56,120,000	4,879,198
	Insurance	813,686	635,279
	Rates and taxes	36,000	522,400
	Business meeting expenses	65,094	409,578
	Advertisement	34,600,000	-
	Miscellaneous expenses	922,141	473,433
	Bad and Doubtful Debts	15,969,808	-
	Software Licenses	-	171,073
	Commission Expense	-	675
	Loss on sale of fixed asset	1	100,114
		2,577,794,599	**1,662,639,630**

		Year ended 31 March 2022	Year ended 31 March 2021
19	**Lease Liability**		
	Lease rent controlling account	(33,802,300)	(37,105,000)
	Interest amortization on Facilities	811,626	812,628
		(32,990,674)	**(36,292,372)**

		Year ended 31 March 2022	Year ended 31 March 2021
20	**Earning per share (EPS)**		
	Net profit after tax attributable to the equity shareholders	329,222,966	501,817,183
	Weighted average number of equity shares - for basic and diluted EPS	666	666
	Earnings per share - Basic and diluted	494,329	753,479
	* As per the Local laws of Japan, the Company does not have the concept of face value of equity shares		

21 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Cash and cash equivalents	7	-	-	322,701,345	322,701,345	322,701,345
Trade receivables	6			1,571,378,394	1,571,378,394	1,571,378,394
Other financial assets	4			49,719,600	49,719,600	49,719,600
Investments				182,500,000	182,500,000	182,500,000
Total financial assets		**-**	**-**	**2,126,299,339**	**2,126,299,339**	**2,126,299,339**
Financial liabilities :						
Trade payables	11	-	-	36,719,154	36,719,154	36,719,154
Other financial liabilities	12	-	-	1,058,086,543	1,058,086,543	1,058,086,543
Total financial liabilities		-	-	**1,094,805,697**	**1,094,805,697**	**1,094,805,697**

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Cash and cash equivalents	7	-	-	342,626,764	342,626,764	342,626,764
Total financial assets		**-**	**-**	**342,626,764**	**342,626,764**	**342,626,764**
Financial liabilities :						
Trade payables	11	-	-	314,002	314,002	314,002
Other financial liabilities	12	-	-	251,419,764	251,419,764	251,419,764
Total financial liabilities		-	-	**251,733,766**	**251,733,766**	**251,733,766**

Notes to financial instruments

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.

Fair value hierarchy

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.

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: 20 June 2022

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

Sd/-
Tomoaki Takeuchi
Director

Sd/-
Motoki Kohno
Director

22 Financial risk management

exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Foreign Currency Risk	Assets or liabilities denominated in Foreign currency	Sensitivity Analysis
Credit risk	Cash and cash equivalent measured at amortized cost	Ageing Analysis
Liquidity risk	Trade payables and other financial liabilities	Rolling cash flow forecasts

directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such

A Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from USD, 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.

The below table presents foreign currency risk from non-derivative financial instruments as of March 31, 2022 and 2021

Particulars	As at Mar 2022	
	USD	INR
Trade receivables	137,881	
Cash and cash equivalents	2,000,000	
Other assets		
Lease Liabilities		
Loans, borrowings and bank overdrafts		
Trade payables and other financial liabilities*	283,146	3,025,286
Net assets/ (liabilities)	1,854,735	(3,025,286)
Exchange Rate		

Particulars	As at Mar 2021			
	USD	INR	MYR	RMB
Trade receivables	-	-	-	-
Cash and cash equivalents	2,000,000	-		
Other assets	-	-	-	-
Lease Liabilities	-	-	-	-
Loans, borrowings and bank overdrafts	-	-	-	-
Trade payables and other financial liabilities*	(59,519)	(827,558)	(1,329)	(18,806)
Net assets/ (liabilities)	1,940,481	(827,558)	(1,329)	(18,806)
Exchange Rate				

Sensitivity Analysis - Effect on statement of profit/(loss) & other comprehensive income

Particulars	As at Mar 2022	
	USD	INR
Exchange rate - Increase by 1%	2,257,027	(48,581)
Exchange rate - Decrease by 1%	(2,257,027)	48,581

B Credit risk

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

Credit risk management

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and cash equivalents.

C Liquidity risk

adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all

31 March 2022	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Trade payables	36,719,154			36,719,154
Other financial liabilities	1,058,086,542			1,058,086,542
Provisions	14,807,467	13,438,380		28,245,847
Total	**1,109,613,164**	**13,438,380**	**-**	**1,094,805,696**

31 March 2021	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Trade payables	314,002			314,002
Other financial liabilities	251,419,764			251,419,764
Provisions	45,969,154	7,925,533		53,894,687
Total	**297,702,920**	**7,925,533**	**-**	**251,733,766**

23 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorization of these standalone financial statements.

24 Defined benefit plans- 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.

Financial assumptions

Particulars	As at March 2022	As at March 2021
Discount rate (per annum)	0.000%	0.016%
Salary growth rate (per annum)	2.000%	3% for the first year and 2% thereafter

Sensitivity Analysis

Particulars	As at 31 March 2022		As at 31 March 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	28,815,667	27,676,025	17,148,614	16,488,744
(change compared to base due to sensitivity)	2.00%	-2.00%	2.00%	-2.00%
Salary Growth Rate (- / + 1%)	27,717,665	28,790,745	16,514,046	17,132,944
(change compared to base due to sensitivity)	-1.90%	1.90%	-1.80%	1.90%
Attrition Rate (- / + 50%)	30,021,724	27,484,666	18,045,888	16,221,681
(change compared to base due to sensitivity)	6.30%	-2.70%	7.30%	-3.50%
Mortality Rate (- / + 10%)	28,247,185	28,244,509	16,820,170	16,817,191
(change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

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

25 Effective Tax Rate (ETR) reconciliation

	Year ended 31 March 2022	Year ended 31 March 2021
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	118,403,240	131,028,947
Deferred tax	33,911,794	113,360,142
Tax expense of earlier years		6,489,465
	152,315,033	**250,878,554**

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 2022	Year ended 31 March 2021
Profit before income tax	481,538,000	752,695,737
Enacted tax rates in the Japan (%)	32.47%	32.47%
Computed expected tax expense	156,331,312	244,362,671
Tax effect due to set-off of unabsorbed brought forward losses from earlier years	-	(131,029,140)
Tax effect due to income not chargeable to tax	-	-
Tax effect on expenses disallowed for tax computation	-	17,695,608
Tax expense of earlier years	(2,679,273)	6,489,465
Others	(1,337,005)	113,360,142
Tax expense as per financials	**152,315,034**	**250,878,746**

Deferred Tax Asset

Deferred tax assets/ Liabilities (net) :	31-Mar-22	31-Mar-21
DTA on Business loss carried forward	14,833,080	48,744,874
DTA / DTL on other originating / reversing temporary differences	-	-
Total	**14,833,080**	**48,744,874**

(All amounts are in JPY, unless otherwise stated)

26. 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 Limited	Holding Company
Wipro Travel Services Limited	Fellow Subsidiary
Appirio KK	Fellow Subsidiary
Wipro Corporate	Fellow Subsidiary
Wipro Chendu Limited	Fellow Subsidiary
Designit Tokyo Ltd	Fellow Subsidiary
Wipro Shanghai limited	Fellow Subsidiary

ii) The company had below inter company balances at the end of the year -

Particulars	**Relationship**	**2022**	**2021**
Trade Receivable			
Wipro Limited	Holding Company	365,827,323	197,099,606
Other Financial Liability			
Wipro Chendu Limited	Fellow Subsidiary	-	-317835
Wipro Shanghai limited	Fellow Subsidiary		-
Wipro Corporate	Fellow Subsidiary	-	-688
Wipro Limited	Holding Company	718,912,773	-90120967
Loans & Advances			
Appirio KK	Fellow Subsidiary	704,000,000	507,563,744
Designit Tokyo Ltd	Fellow Subsidiary	273,000,000	-

iii) The Company had the following transactions with related parties during the year-

Particulars	**Relationship**	**2022**	**2021**
Software Development charges			
Wipro Limited	Holding Company	2,225,568,292	595,393,285.00
Wipro Chendu Limited	Fellow Subsidiary		297,125.00
Wipro Shanghai limited	Fellow Subsidiary		41,926.00
Commission & rental income			
Wipro Limited	Holding Company	940,316,895	235,021,298.00
Purchase of Services			
Wipro Travel Services Limited	Fellow Subsidiary		(42,601.00)
Reimbursement of expenses			
Wipro Limited	Holding Company	22,737,100	(6,939,564.00)
Wipro Corporate	Fellow Subsidiary		38,045.00
Interest income on Loan			
Appirio KK	Fellow Subsidiary	5,674,305	(4,378,340.00)
Designit Tokyo Ltd	Fellow Subsidiary	1,520,226	-
		3,195,816,817	819,431,174

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 of Wipro Japan KK

Sd/-
Seethalakshmi M
Partner
Membership No: 208545
Place: Bengaluru
Date: 20 June 2022

Sd/-
Tomoaki Takeuchi
Director

Sd/-
Motoki Kohno
Director