

Independent Auditor's Report

To the Board of Directors of Wipro Japan KK

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Wipro Japan KK** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India. This responsibility also includes maintenance of adequate accounting records 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We conducted our audit in accordance with the Standards on Auditing issued by ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other matter

8. The comparative financial information for the transition date opening balance sheet as at 1 April 2015 prepared in accordance with Ind AS included in these standalone financial statements, is based on the previously issued statutory financial statements for the year ended 31 March 2015 prepared in accordance with Accounting Standards issued by the ICAI which were audited by the predecessor auditor whose report dated 31 May 2015 expressed an unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Further, the Company had prepared a separate set of financial statements for the year ended 31 March 2016 in accordance with Accounting Standards issued by the ICAI, on which we issued auditor's report to the Board of Directors of the Company dated 3 June 2016. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.
9. This report is intended solely for the information of the Company's and its ultimate holding company's board of directors and members as a body and is not intended to be and should not be used by anyone other than specified parties. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, the company's and ultimate holding company's board of directors and members as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

Place: Bengaluru
Date: 2 June 2017

Wipro Japan KK
Balance Sheet as at 31 March 2017

(Amount in ₹ except share and per share data, unless otherwise stated)

	Note	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	9,813,678	4,012,387	8,953,375
Financial assets				
Other financial assets	4	173,646	16,184,372	33,912,014
Deferred tax assets (net)	5	164,498,284	184,080,749	-
Other non-current assets	6	18,324,398	-	-
		192,810,006	204,277,508	42,865,389
Current assets				
Financial assets				
Trade receivables	7	565,559,729	403,680,912	69,274,923
Cash and cash equivalents	8	153,556,628	131,168,624	22,572,240
Unbilled revenues		-	-	3,053,862
Other financial assets	4	16,912,830	6,253,877	112,544,911
Other current assets	6	12,494,166	827,529	363,016
		748,523,353	541,930,942	207,808,952
		941,333,359	746,208,450	250,674,341
EQUITY AND LIABILITIES				
Equity				
Share capital	9	262,784,711	262,784,711	262,784,711
Other equity		509,067,085	321,335,335	(146,188,842)
		771,851,796	584,120,046	116,595,869
Liabilities				
Non-current liabilities				
Provisions	10	1,467,872	3,179,757	3,965,052
		1,467,872	3,179,757	3,965,052
Current liabilities				
Financial liabilities				
Trade payables	11	15,467,870	12,856,443	25,673,555
Other financial liabilities	12	139,581,455	125,293,000	101,463,919
Provisions	10	12,964,366	20,759,204	2,975,946
		168,013,691	158,908,647	130,113,420
		941,333,359	746,208,451	250,674,341
Summary of significant accounting policies	2			

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

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

Sd/-
Manoj Nagpaul
 Director

Sd/-
Srikanth Samba
 Director

Place:
 Date: 2 June 2017

Place:
 Date: 2 June 2017

Wipro Japan KK

Statement of Profit and Loss for the year ended 31 March 2017

(Amount in ₹ except share and per share data, unless otherwise stated)

	Notes	Year ended 31 March 2017	Year ended 31 March 2016
REVENUE			
Revenue from operations	13	442,377,144	462,877,602
Other income	14	15,519,036	36,840
		457,896,180	462,914,442
EXPENSES			
Employee benefits expense	15	135,525,041	115,543,081
Depreciation and amortisation expense	3	2,397,797	3,751,505
Other expenses	16	58,907,825	76,282,276
		196,830,663	195,576,862
Profit before tax		261,065,516	267,337,580
Current tax		32,571,628	20,064,335
Deferred tax		17,622,595	(169,800,129)
Tax expense		50,194,223	(149,735,794)
Profit for the period		210,871,294	417,073,374
Total comprehensive income for the period		210,871,294	417,073,374
Other Comprehensive Income			
Items that will not be reclassified to statement of profit or loss (Net of tax)			
Exchange difference on foreign currency translation		(23,139,544)	50,450,803
Total Other Comprehensive Income for the period, net of tax		(23,139,544)	50,450,803
Total comprehensive income for the period		187,731,750	467,524,177
Earnings per equity share			
	17		
Basic		316,624	626,236
Diluted		316,624	626,236
Summary of significant accounting policies	2		

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

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

Sd/-
Manoj Nagpaul
Director

Place:
Date: 2 June 2017

Sd/-
Srikanth Samba
Director

Place:
Date: 2 June 2017

Wipro Japan KK

Cash Flow Statement for the year ended March 2017

(Amount in ₹ except share and per share data, unless otherwise stated)

	Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from operating activities		
Profit for the period	210,871,294	417,073,374
Adjustments		
Depreciation and amortization	(2,397,797)	(3,751,505)
Unrealised exchange differences - net	12,140,994	(5,460,307)
Provision for tax	50,194,223	(149,735,794)
(Gain) / Loss on sale of fixed assets	(4)	(1,786,101)
Interest income	(32,784)	(36,840)
Operating profit before working capital changes	270,775,926	256,302,827
Adjustments for working capital changes:		
Trade and other receivable	(168,225,157)	(302,484,730)
Loans and advances and other assets	(7,158,192)	125,783,333
Trade and other payables	(18,273,278)	(204,841)
Net cash generated from operations	77,119,299	79,396,589
Direct taxes (paid) / refund	(59,303,199)	(4,521,684)
Net cash generated by operating activities	(A) 17,816,100	74,874,905
Cash flows from investing activities:		
Acquisition of plant and equipment (including advances)	(8,663,577)	(181,558)
Interest Received	32,784	36,840
Net cash generated by / (used in) investing activities	(B) (8,630,793)	(144,718)
Cash flows from financing activities:		
Net cash generated by / (used in) financing activities	(C) -	-
Net increase in cash and cash equivalents during the period (A+B+C)	9,185,307	74,730,187
Cash and cash equivalents at the beginning of the period	131,168,624	22,572,240
Effect of exchange rate changes on cash	13,202,697	33,866,197
Cash and cash equivalents at the end of the period (refer note 8)	153,556,628	131,168,624
Components of cash and cash equivalents (note 8)		
Balances with banks		
in current account	153,556,628	131,168,624
	153,556,628	131,168,624

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

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

Sd/-
Manoj Nagpaul
Director

Place:
Date: 2 June 2017

Sd/-
Srikanth Samba
Director

Place:
Date: 2 June 2017

Wipro Japan KK**Statement of Changes in Equity for the year ended 31 March 2017**

(Amount in ₹ except share and per share data, unless otherwise stated)

Equity share capital

Balance as at 01 April 2015	Changes in equity share capital during the year	Balance as at 31 March 2016
262,784,711	-	262,784,711
Balance as at 01 April 2016	Changes in equity share capital during the year	Balance as at 31 March 2017
262,784,711	-	262,784,711

Other equity

Particulars	Capital Reserve	Retained Earnings	Foreign currency translation reserve	Total
Balance as at 1 April 2015	748,782,936	(805,556,201)	(89,415,577)	(146,188,842)
Profit for the period	-	417,073,374	-	417,073,374
Exchange difference on foreign currency	-	-	50,450,803	50,450,803
Balance as at 31 March 2016	748,782,936	(388,482,827)	(38,964,774)	321,335,335
Profit for the period	-	210,871,294	-	210,871,294
Exchange difference on foreign currency	-	-	(23,139,544)	(23,139,544)
Balance as at 31 March 2017	748,782,936	(177,611,533)	(62,104,318)	509,067,085

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

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

Sd/-
Manoj Nagpaul
 Director

Sd/-
Srikanth Samba
 Director

Place:
 Date: 2 June 2017

Place:
 Date: 2 June 2017

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(Amount in ₹ except share and per share data, 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) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

These financial statements have been prepared on a historical cost convention and on accrual basis. Accounting policies have been applied consistently to all periods presented in these financial statements.

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

b) 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.

c) Foreign currency

Functional currency

The functional currency of the Company is the Japanese Yen (JPY). These financial statements are presented in Indian Rupees (INR).

Transaction

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.

Translation

The functional currency of the Company is JPY and the reporting currency for these financial statements is INR. The translation of financial statements from the local currency to the reporting currency of the Company is performed for balance sheet accounts using the exchange rate in effect at the Balance sheet date and for revenue, expenses and cash flow items using an yearly average exchange rate for the respective periods and the resulted differences is presented as 'foreign currency translation reserve' included in 'Other equity' and 'Effect of exchange rate changes on cash and cash equivalents' included in 'cash flow statement', respectively.

d) 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.

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(Amount in ₹ except share and per share data, unless otherwise stated)

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

i) Cash and cash equivalents

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

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

ii) Other financial assets

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

iii) Trade and other payables

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

e) 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.

iv) Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is presented within equity in the FCTR.

f) Property, plant and equipment

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.

Depreciation

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

Category	Useful life
Plant and machinery	2-7 years
Furniture and fixtures	5-6 years
Office equipments	5-6 years

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(Amount in ₹ except share and per share data, unless otherwise stated)

g) Employee benefits

Compensated absences

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

Pension and social contribution

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.

h) Provisions and contingencies

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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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.

i) Revenue

The Company derives revenue primarily from software development, maintenance of software/hardware and related services and business process services

Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. Revenues from services is recognised as the service is rendered, on the basis of an agreed mark-up on all costs incurred, in accordance with the terms of the Master Service Agreements entered into with Wipro Limited ("the Ultimate holding company")

"Unbilled revenue" represent revenues recognised for services rendered in accordance with contractual terms, which have not been billed to the ultimate holding company at the Balance Sheet date. The related billings are performed within the next operating cycle.

Other income:

Commission in lieu of marketing support services are recognised when an enforceable contract is entered with customer and/or a right to collection is established.

Interest is recognized using the time proportion method, based on the rates implicit in the transaction.

j) Finance and other income

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

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(Amount in ₹ except share and per share data, unless otherwise stated)

k) Operating lease

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

l) 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.

m) Earnings per share

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

n) 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.

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(Amount in ₹ except share and per share data, unless otherwise stated)

3 Property, plant and equipment

	Plant and machinery	Furniture and fixtures	Office equipments	Total
Gross block (at cost)				
Balance as at 01 April 2015	32,385,603	94,227,305	29,912,868	156,525,776
Additions	161,339	-	20,219	181,558
Disposals/adjustment*	(26,165,550)	(42,209,451)	4,163,678	(64,211,323)
Translation adjustments	1,474,986	8,557,108	5,221,724	15,253,818
Balance as at 31 March 2016	7,856,378	60,574,962	39,318,489	107,749,829
Additions	178,606	8,484,971	-	8,663,577
Disposals/adjustment*	(245,376)	(28,099,500)	(24,470,888)	(52,815,764)
Translation adjustments	(127,111)	231,285	894,662	998,836
Balance as at 31 March 2017	7,662,497	41,191,718	15,742,263	64,596,478
Accumulated depreciation				
Balance as at 01 April 2015	31,917,967	92,239,276	23,415,158	147,572,401
Depreciation charge	235,075	2,575,208	941,222	3,751,505
Disposals/adjustment*	(25,840,782)	(45,829,435)	9,535,595	(62,134,622)
Translation adjustments	1,394,978	7,951,754	5,201,426	14,548,158
Balance as at 31 March 2016	7,707,238	56,936,803	39,093,401	103,737,442
Depreciation charge	146,948	2,016,917	233,933	2,397,797
Disposals/adjustment*	(245,375)	(28,099,497)	(24,470,874)	(52,815,746)
Translation adjustments	(122,610)	702,329	883,588	1,463,307
Balance as at 31 March 2017	7,486,201	31,556,552	15,740,048	54,782,800
Net block				
Balance as at 01 April 2015	467,636	1,988,029	6,497,710	8,953,375
Balance as at 31 March 2016	149,140	3,638,159	225,088	4,012,387
Balance as at 31 March 2017	176,296	9,635,166	2,215	9,813,678

* Includes regrouping/reclassification within the block of assets.

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Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(Amount in ₹ except share and per share data, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
4 Other financial assets			
Non-current			
Security deposits	173,646	16,184,372	33,912,014
	173,646	16,184,372	33,912,014
Current			
Security deposits	15,913,795	-	-
Employee travel & other advances	999,035	3,259,585	1,571,368
Advances to suppliers	-	176,977	-
Balance with group companies	-	2,817,315	110,973,543
	16,912,830	6,253,877	112,544,911
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
5 Deferred tax assets (net)			
Business loss carried forward	164,498,284	184,080,749	-
	164,498,284	184,080,749	-
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
6 Other assets			
Non-current			
Advance tax (net of provisions for tax of 2017: ₹ 52,806,533,	18,324,026	-	-
Prepaid expenses	372	-	-
	18,324,398	-	-
Current			
Consumption tax paid	12,303,061	164,545	-
Prepaid expenses	191,105	662,984	363,016
	12,494,166	827,529	363,016
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
7 Trade receivables			
Unsecured			
Considered good *	565,559,729	403,680,912	69,274,923
Considered doubtful	-	-	-
* Includes dues from related party (note 20)	565,559,729	403,680,912	69,274,923
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
8 Cash and cash equivalents			
Balances with banks			
- in current account	153,556,628	131,168,624	22,572,240
	153,556,628	131,168,624	22,572,240

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Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(Amount in ₹ except share and per share data, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
9 Share capital			
Authorised capital			
650 (2017: 650, 2016: 650, 2015 : 650) equity shares	9,737,643	9,737,643	9,737,643
16 (2017: 16; 2016: 16, 2015:16) equity shares	1,001,830,004	1,001,830,004	1,001,830,004
* As per the Local laws of Japan, the Company does not have the concept of face value of equity shares			
	1,011,567,647	1,011,567,647	1,011,567,647
Issued, subscribed and paid-up capital			
650 (2017: 650, 2016: 650, 2015 : 650) equity shares	14,839,199	14,839,199	14,839,199
16 (2017: 16; 2016: 16, 2015:16) equity shares	247,945,512	247,945,512	247,945,512
	262,784,711	262,784,711	262,784,711
a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:			
Number of common stock outstanding as at beginning and	666	666	666
b) Details of share holding pattern by related parties			
Wipro Limited (100% holding)	666	666	666
	666	666	666
10 Provisions			
Non-current			
Employee benefit obligation	1,467,872	1,989,334	2,913,308
Provision for tax (net of advance tax 2017: Nil, 2016: ₹ 22,679,850, 2015: Nil)	-	1,190,423	1,051,744
	1,467,872	3,179,757	3,965,052
Current			
Employee benefit obligations	1,937,883	3,909,376	2,975,946
Provision for tax (net of advance tax)	11,026,483	16,849,828	
	12,964,366	20,759,204	2,975,946
11 Trade payables			
Trade payables *	15,467,870	12,856,443	25,673,555
	15,467,870	12,856,443	25,673,555
* includes payable to related parties (refer note 20)			
12 Other financial liabilities			
Current			
Dues to employees	577,479	1,581,746	1,910,371
Accrued expenses	5,052,969	565,860	14,494,956
Consumption tax payable	-	-	5,788,051
Other liabilities	325,231	1,451,996	1,916,057
Balances due to related parties	133,625,776	121,693,398	77,354,484
	139,581,455	125,293,000	101,463,919

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Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(Amount in ₹ except share and per share data, unless otherwise stated)

	Year ended 31 March 2017	Year ended 31 March 2016
13 Revenue from operations		
Commission income	442,377,144	462,877,602
	442,377,144	462,877,602
	Year ended 31 March 2017	Year ended 31 March 2016
14 Other income		
Interest income	32,784	36,840
Profit on foreign exchange adjustments, net	15,486,252	-
	15,519,036	36,840
	Year ended 31 March 2017	Year ended 31 March 2016
15 Employee benefits expense		
Salaries and wages	133,818,953	113,793,400
Share based compensation (refer note 18)	873,155	449,524
Staff welfare expenses	832,933	1,300,157
	135,525,041	115,543,081
	Year ended 31 March 2017	Year ended 31 March 2016
16 Other expenses		
Travel and conveyance	11,084,090	23,787,621
Repairs and maintenance	(3,234,995)	285,670
Rent	20,309,026	15,893,780
House keeping and maintenance	3,197,784	3,469,958
Communication	7,286,054	7,523,984
Printing and stationery	885,884	682,032
Postage and conveyance	489,011	608,289
Legal and professional charges	10,279,327	6,194,523
Staff recruitment	2,898,516	1,686,892
Loss on sale of fixed asset	4	1,786,101
Insurance	442,754	268,664
Rates and taxes	1,264,117	3,679,163
Loss on foreign exchange adjustments, net	-	5,460,307
Business meeting expenses	3,068,587	4,021,728
Miscellaneous expenses	937,666	933,564
	58,907,825	76,282,276
	Year ended 31 March 2017	Year ended 31 March 2016
17 Earning per share (EPS)		
Net profit after tax attributable to the equity shareholders	210,871,294	417,073,374
Weighted average number of equity shares - for basic and diluted EPS	666	666
Earnings per share - Basic and diluted	316,624	626,236

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Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(Amount in ₹ except share and per share data, unless otherwise stated)

18 Employee stock option

Certain employees of the Company are covered under the share based compensation plans of the ultimate holding company. These plans are assessed, managed and administered by the ultimate holding company. The ultimate holding company recharges to the Company such compensation costs which has been disclosed as "Share based compensation charge" in the Statement of Profit and Loss under Note 15 under "Employee benefit expenses". The detailed disclosure with respect to the share based compensation is appropriately provided in the consolidated financial statement of the ultimate holding company. These financial statements has to be read along with the financial statements of the ultimate holding company with respect to this disclosure.

19 Operating leases

The Company has taken a lease, office and residential facilities under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. Rental payments under such lease during the year are ₹ 20,309,026 (31 March 2016: ₹ 15,893,780).

	As at 31 March 2017	As at 31 March 2016
Not later than 1 year	2,611,898	15,937,843
Later than 1 year but not later than 5 years	-	2,656,307
Later than 5 years	-	-

20 Related party disclosure

a Parties where control exists:

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

b The Company has the following related party transactions:

Particulars	Relationship	Year ended 31 March 2017	Year ended 31 March 2016
Commission income			
Wipro Limited	Holding Company	442,377,144	462,877,602
Purchase of Services			
Wipro Travel Services Limited	Fellow Subsidiary	20,957	425,965
Others			
Wipro Limited	Holding Company	412,893	(8,807,940)

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

Particulars	Relationship	As at 31 March 2017	As at 31 March 2016
Wipro Limited	Holding Company	423,175,260	275,877,254
Wipro Travel Services Limited	Fellow Subsidiary	(749,242)	(728,533)

21 Effective Tax Rate (ETR) reconciliation

	Year ended 31 March 2017	Year ended 31 March 2016
Income tax expense in the Statement of Profit and Loss comprises of:		
Current tax	32,571,628	20,064,335
Deferred tax	17,622,595	(169,800,129)
	50,194,223	(149,735,794)

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 2017	Year ended 31 March 2016
Profit before income tax	261,065,516	267,337,580
Enacted tax rates in the Japan (%)	32.47%	34.61%
Computed expected tax expense	84,754,920	92,520,190
Tax effect due to set-off of unabsorbed brought forward losses from earlier years	(48,857,442)	-
Tax effect due to income not chargeable to tax	(5,027,612)	-
Tax effect on expenses disallowed for tax computation	1,701,762	7,801,485
Others	-	(80,257,340)
Tax expense as per financials	32,571,628	20,064,335

Wipro Japan KK

Summary of significant accounting policies and other explanatory information

(Amount in ₹ except share and per share data, unless otherwise stated)

22 Financial risk management

The fair value of cash and cash equivalents, trade receivables, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company's investments are primarily in short-term investments, which do not expose it to significant interest rate risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The company does not foresee such a risk as its current assets are greater than its current liability

23 First time adoption of Ind AS

These financial statements of Wipro Japan KK for the year ended 31 March 2017, have been prepared in accordance with Ind AS. This is the Company's first set of financial statements in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard with 01 April 2015, as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended 31 March 2017, and the comparative information.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss is set out below:

i) Security deposits have been reported at their discounted values as compared to undiscounted value of under IGAAP. The resulting difference has been presented as part of other financial assets. Unwinding of the interest is recorded in the Statement of Profit and Loss under other income.

24 Comparatives

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

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

Sd/-
Manoj Nagpaul
Director

Place:
Date: 2 June 2017

Sd/-
Srikanth Samba
Director

Place:
Date: 2 June 2017