

**WIPRO LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED**  
**INTERIM FINANCIAL**  
**STATEMENTS UNDER IFRS**

AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2011

**WIPRO LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(₹ in millions, except share and per share data, unless otherwise stated)

	Notes	As of March 31,		As of June 30,	
		2011		2011	
					Convenience translation into US\$ in millions (Unaudited) Refer note 2 (iv)
<b>ASSETS</b>					
Goodwill.....	5	54,818	60,460		1,356
Intangible assets.....	5	3,551	4,946		111
Property, plant and equipment.....	4	55,094	55,522		1,245
Investment in equity accounted investee.....	14	2,993	3,103		70
Derivative assets.....	13	2,984	3,432		77
Non-current tax assets.....		9,239	9,239		207
Deferred tax assets.....		1,467	1,773		40
Other non-current assets.....	10	8,983	9,993		224
<b>Total non-current assets.....</b>		<b>139,129</b>	<b>148,468</b>		<b>3,330</b>
Inventories.....	8	9,707	11,422		256
Trade receivables.....		61,627	68,391		1,534
Other current assets.....	10	19,744	24,584		551
Unbilled revenues.....		24,149	28,224		633
Available for sale investments.....	7	49,282	57,953		1,300
Current tax assets.....		4,955	5,532		124
Derivative assets.....	13	1,709	1,417		32
Cash and cash equivalents.....	9	61,141	50,752		1,138
<b>Total current assets.....</b>		<b>232,314</b>	<b>248,275</b>		<b>5,568</b>
<b>TOTAL ASSETS.....</b>		<b>371,443</b>	<b>396,743</b>		<b>8,898</b>
<b>EQUITY</b>					
Share capital.....		4,908	4,911		110
Share premium.....		30,124	30,726		689
Retained earnings.....		203,250	216,599		4,858
Share based payment reserve.....		1,360	955		21
Other components of equity.....		580	1,183		27
Shares held by controlled trust.....		(542)	(542)		(12)
Equity attributable to the equity holders of the company.....		239,680	253,832		5,693
Non-controlling Interest.....		691	751		17
<b>Total equity.....</b>		<b>240,371</b>	<b>254,583</b>		<b>5,709</b>
<b>LIABILITIES</b>					
Long - term loans and borrowings.....	11	19,759	20,217		453
Deferred tax liabilities.....		301	858		19
Derivative liabilities.....	13	2,586	2,230		50
Non-current tax liability.....		5,021	5,320		119
Other non-current liabilities.....	12	2,706	3,286		74
Provisions.....	12	81	101		2
<b>Total non-current liabilities.....</b>		<b>30,454</b>	<b>32,012</b>		<b>718</b>
Loans and borrowings and bank overdrafts.....	11	33,043	40,130		900
Trade payables and accrued expenses.....		44,052	46,135		1,035
Unearned revenues.....		6,595	6,845		154
Current tax liabilities.....		7,340	7,601		170
Derivative liabilities.....	13	1,358	1,181		26
Other current liabilities.....	12	5,906	6,141		138
Provisions.....	12	2,324	2,115		47
<b>Total current liabilities.....</b>		<b>100,618</b>	<b>110,148</b>		<b>2,470</b>
<b>TOTAL LIABILITIES.....</b>		<b>131,072</b>	<b>142,160</b>		<b>3,188</b>
<b>TOTAL EQUITY AND LIABILITIES.....</b>		<b>371,443</b>	<b>396,743</b>		<b>8,898</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements

As per our report attached

For and on behalf of the Board of Directors

for **B S R & Co.**  
Chartered Accountants  
Firm's Registration No:101248W

**Azim Premji**      **B C Prabhakar**      **T K Kurien**  
Chairman              Director              CEO, IT Business &  
Executive Director

**Natraj Ramakrishna**  
Partner  
Membership No. 032815  
Bangalore  
July 20, 2011

**Suresh C Senapaty**      **V Ramachandran**  
Chief Financial Officer      Company Secretary  
& Director

**WIPRO LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME**  
(₹ in millions, except share and per share data, unless otherwise stated)

	Notes	Three months ended June 30,		
		2010	2011	2011 Convenience translation into US \$ in millions (Unaudited) Refer note 2 (iv)
Gross revenues.....	17	71,906	84,929	1,905
Cost of revenues.....	18	(48,620)	(60,021)	(1,346)
<b>Gross profit.....</b>		<b>23,286</b>	<b>24,908</b>	<b>559</b>
Selling and marketing expenses.....	18	(5,387)	(6,284)	(141)
General and administrative expenses.....	18	(3,864)	(4,383)	(98)
Foreign exchange gains/(losses), net.....		458	711	16
<b>Results from operating activities.....</b>		<b>14,493</b>	<b>14,952</b>	<b>335</b>
Finance expenses.....	19	(403)	(760)	(17)
Finance and other income.....	20	1,351	2,192	49
Share of profits of equity accounted investee.....	14	157	110	2
<b>Profit before tax.....</b>		<b>15,598</b>	<b>16,494</b>	<b>370</b>
Income tax expense.....	16	(2,345)	(3,096)	(69)
<b>Profit for the period.....</b>		<b>13,253</b>	<b>13,398</b>	<b>300</b>
<b>Attributable to:</b>				
Equity holders of the company.....		13,186	13,349	299
Non-controlling interest.....		67	49	1
<b>Profit for the period.....</b>		<b>13,253</b>	<b>13,398</b>	<b>300</b>
<b>Earnings per equity share:</b>	21			
Basic.....		5.42	5.47	0.12
Diluted.....		5.42	5.44	0.12
Weighted average number of equity shares used in computing earnings per equity share:				
Basic.....		2,433,563,597	2,440,001,890	2,440,001,890
Diluted.....		2,434,085,523	2,453,938,371	2,453,938,371

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for BSR & Co.  
Chartered Accountants  
Firm's Registration No:101248W

Azim Premji Chairman	B C Prabhakar Director	T K Kurien CEO, IT Business & Executive Director
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Natraj Ramakrishna  
Partner  
Membership No. 032815  
Bangalore  
July 20, 2011

Suresh C Senapaty Chief Financial Officer & Director	V Ramachandran Company Secretary
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**WIPRO LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME**  
(₹ in millions, except share and per share data, unless otherwise stated)

	Notes	Three months ended June 30,		
		2010	2011	2011
Profit for the period.....		13,253	13,398	300
Other comprehensive income, net of taxes:				
Foreign currency translation differences.....	15	1,347	360	8
Net change in fair value of cash flow hedges.....	13,16	(1,237)	217	5
Net change in fair value of available for sale investments.....	7, 16	(21)	37	1
<b>Total other comprehensive income, net of taxes.....</b>		<b>89</b>	<b>614</b>	<b>14</b>
<b>Total comprehensive income for the period.....</b>		<b>13,342</b>	<b>14,012</b>	<b>314</b>
Attributable to:				
Equity holders of the company.....		13,258	13,952	313
Non-controlling interest.....		84	60	1
		<b>13,342</b>	<b>14,012</b>	<b>314</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements

As per our report attached

For and on behalf of the Board of Directors

for **BSR & Co.**  
Chartered Accountants  
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**Natraj Ramakrishna**  
Partner  
Membership No. 032815  
Bangalore  
July 20, 2011

<b>Suresh C Senapaty</b> Chief Financial Officer & Director	<b>V Ramachandran</b> Company Secretary
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**WIPRO LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(₹ in millions, except share and per share data, unless otherwise stated)

Particulars	No. of Shares	Share Capital	Share premium	Retained earnings	Share based payment reserve	Other components of equity			Shares held by controlled trust	Equity attributable to the equity holders of the company	Non-controlling Interest	Total equity
						Foreign currency translation reserve	Cash flow hedging reserve	Other reserves				
As at April 1, 2010.....	1,468,211,189	2,936	29,188	165,789	3,140	258	(4,692)	35	(542)	196,112	437	196,549
Issue of equity shares on exercise of options .....	1,436,497	3	642	-	(641)	-	-	-	-	4	-	4
Issue of shares in form of stock dividend .....	979,765,124	1,960	(1,960)	-	-	-	-	-	-	-	-	-
Profit for the period.....	-	-	-	13,186	-	-	-	-	-	13,186	67	13,253
Other comprehensive income.....	-	-	-	-	-	1,330	(1,237)	(20)	-	72	17	89
Compensation cost related to employee share based payment transactions.....	-	-	-	-	184	-	-	-	-	184	-	184
<b>As at June 30, 2010.....</b>	<b>2,449,412,810</b>	<b>4,899</b>	<b>27,871</b>	<b>178,976</b>	<b>2,683</b>	<b>1,588</b>	<b>(5,929)</b>	<b>14</b>	<b>(542)</b>	<b>209,560</b>	<b>520</b>	<b>210,080</b>
As at April 1, 2011.....	2,454,409,145	4,908	30,124	203,250	1,360	1,524	(1,008)	64	(542)	239,680	691	240,371
Issue of equity shares on exercise of options .....	1,355,502	3	602	-	(602)	-	-	-	-	3	-	3
Profit for the period.....	-	-	-	13,349	-	-	-	-	-	13,349	49	13,398
Other comprehensive income.....	-	-	-	-	-	349	217	37	-	603	11	614
Compensation cost related to employee share based payment transactions.....	-	-	-	-	197	-	-	-	-	197	-	197
<b>As at June 30, 2011.....</b>	<b>2,455,764,647</b>	<b>4,911</b>	<b>30,726</b>	<b>216,599</b>	<b>955</b>	<b>1,873</b>	<b>(791)</b>	<b>101</b>	<b>(542)</b>	<b>253,832</b>	<b>751</b>	<b>254,583</b>
<b>Convenience translation into US \$ in million (Unaudited)</b>												
<b>Refer note 2(iv)</b>		<b>110</b>	<b>689</b>	<b>4,858</b>	<b>21</b>	<b>42</b>	<b>(18)</b>	<b>2</b>	<b>(12)</b>	<b>5,693</b>	<b>17</b>	<b>5,709</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements

As per our report attached

For and on behalf of the Board of Directors

for BSR & Co.  
Chartered Accountants  
Firm's Registration No:101248W

Azim Premji      B C Prabhakar      T K Kurien  
Chairman          Director          CEO, IT Business &  
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July 20, 2011

Suresh C Senapaty      V Ramachandran  
Chief Financial Officer      Company Secretary  
& Director

**WIPRO LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(₹ in millions, except share and per share data, unless otherwise stated)

	Three months ended June 30,		
	2010	2011	2011
			Convenience Translation into US\$ in millions (Unaudited) Refer note 2(iv)
<b>Cash flows from operating activities:</b>			
Profit for the period.....	13,253	13,398	300
<b>Adjustments to reconcile profit for the period to net cash generated from operating activities:</b>			
Gain on sale of property, plant and equipment.....	(7)	(27)	(1)
Depreciation and amortization.....	1,884	2,338	52
Exchange (gain) / loss.....	366	663	15
Impact of cash flow / net investment hedging activities.....	1,152	246	6
Gain on sale of investments.....	(100)	(44)	(1)
Share based compensation.....	184	197	4
Income tax expense.....	2,345	3,096	69
Share of profits of equity accounted investees.....	(157)	(110)	(2)
Dividend and interest (income)/expenses, net.....	(1,106)	(1,939)	(43)
<b>Changes in operating assets and liabilities:</b>			
Trade receivables.....	(1,175)	(5,710)	(128)
Unbilled revenue.....	(4,387)	(4,075)	(91)
Inventories.....	(1,010)	(1,643)	(37)
Other assets.....	(2,480)	(639)	(14)
Trade payables and accrued expenses.....	2,396	1,619	36
Unearned revenue.....	(169)	250	6
Other liabilities and provisions.....	(645)	(202)	(5)
<b>Cash generated from operating activities before taxes.....</b>	<b>10,344</b>	<b>7,418</b>	<b>166</b>
Income taxes paid, net.....	(1,333)	(3,569)	(80)
<b>Net cash generated from operating activities.....</b>	<b>9,011</b>	<b>3,849</b>	<b>86</b>
<b>Cash flows from investing activities:</b>			
Expenditure on property, plant and equipment and intangible assets.....	(2,951)	(2,651)	(59)
Proceeds from sale of property, plant and equipment.....	86	215	5
Purchase of available for sale investments.....	(172,146)	(118,687)	(2,662)
Proceeds from sale of available for sale investments.....	137,869	109,880	2,464
Investment in inter-corporate deposits.....	(5,500)	(6,890)	(155)
Refund of inter-corporate deposits.....	8,000	3,100	70
Payment for business acquisitions, net of cash acquired.....	(140)	(7,188)	(161)
Interest received.....	1,202	1,220	27
Dividend received.....	451	606	14
<b>Net cash used in investing activities.....</b>	<b>(33,129)</b>	<b>(20,395)</b>	<b>(457)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of equity shares/pending allotment.....	4	18	-
Repayment of loans and borrowings.....	(23,922)	(17,674)	(396)
Proceeds from loans and borrowings.....	17,672	23,715	532
Interest paid on loans and borrowings.....	(80)	(125)	(3)
Payment of cash dividend (including dividend tax thereon).....	-	(1)	-
<b>Net cash used in financing activities.....</b>	<b>(6,326)</b>	<b>5,933</b>	<b>133</b>
Net decrease in cash and cash equivalents during the period.....	(30,444)	(10,613)	(238)
Effect of exchange rate changes on cash and cash equivalents.....	463	34	1
Cash and cash equivalents at the beginning of the period.....	63,556	60,899	1,366
Cash and cash equivalents at the end of the period (Note 9).....	<b>33,575</b>	<b>50,320</b>	<b>1,129</b>

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Chief Financial Officer                      Company Secretary  
& Director

Bangalore  
July 20, 2011

**WIPRO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(₹ in millions, except share and per share data, unless otherwise stated)**

**1. The Company overview:**

Wipro Limited (“Wipro” or the “Parent Company”), together with its subsidiaries and equity accounted investees (collectively, “the Company” or the “Group”) is a leading India based provider of IT Services, including Business Process Outsourcing (“BPO”) services, globally. Further, Wipro has other businesses such as IT Products, Consumer Care and Lighting and Infrastructure engineering.

Wipro is a public limited company incorporated and domiciled in India. The address of its registered office is Wipro Limited, Doddakannelli, Sarjapur Road, Bangalore - 560 035, Karnataka, India. Wipro has its primary listing with Bombay Stock Exchange and National Stock Exchange in India. The Company's American Depository Shares representing equity shares are also listed on the New York Stock Exchange. These condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on July 20, 2011.

**2. Basis of preparation of financial statements**

**(i) Statement of compliance:**

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

**(ii) Basis of preparation**

These condensed consolidated interim financial statements are prepared in accordance with *International Accounting Standard (IAS) 34, “Interim Financial Reporting”*.

The condensed consolidated interim financial statements corresponds to the classification provisions contained in *IAS 1(revised), “Presentation of Financial Statements”*. For clarity, various items are aggregated in the statements of income and statements of financial position. These items are disaggregated separately in the Notes, where applicable. The accounting policies have been consistently applied to all periods presented in these condensed consolidated interim financial statements.

All amounts included in the condensed consolidated interim financial statements are reported in millions of Indian rupees (₹ in millions) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

**(iii) Basis of measurement**

The condensed consolidated interim financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant IFRS:-

- a. Derivative financial instruments;
- b. Available-for-sale financial assets; and
- c. Share based payment transactions.

**(iv) Convenience translation (unaudited)**

The accompanying condensed consolidated interim financial statements have been prepared and reported in Indian rupees, the national currency of India. Solely for the convenience of the readers, the condensed consolidated interim financial statements as of and for the three months ended June 30, 2011, have been translated into United States dollars at the certified foreign exchange rate of \$ 1 = ₹ 44.59, as published by Federal Reserve Board of New York on June 30, 2011. No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate.

(v) **Use of estimates and judgment**

The preparation of the condensed consolidated interim financial statements in conformity with IFRSs 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 a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements is included in the following notes:

- a) **Revenue recognition:** The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. To date, the Company has not incurred a material loss on any fixed-price and fixed-timeframe contract.
- b) **Goodwill:** Goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes revenue growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- c) **Income taxes:** The major tax jurisdictions for the Company are India and the United States of America. 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. Though, the Company considers all these issues in estimating income taxes, there could be an unfavorable resolution of such issues.
- d) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted. 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 income 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.
- e) **Business combination:** In accounting for business combination, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired and liabilities assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.
- f) **Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Similarly, the Company provides for inventory obsolescence, excess inventory and inventories with carrying values in excess of net realizable value based on assessment of the future demand, market conditions and specific inventory management initiatives. If market conditions and actual demands are less favorable than the Company's estimates, additional inventory provisions may be required. In all cases inventory is carried at the lower of historical cost and net realizable value. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.



### 3. Significant accounting policies

Please refer to the Company's Annual Report for the year ended March 31, 2011 for a discussion of the Company's critical accounting policies.

#### **New Accounting standards adopted by the Company:**

The Company adopted *IAS 24 (revised 2009) "Related Party Disclosures"* ("*IAS 24*") effective April 1, 2011. The purpose of the revision is to simplify the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. Adoption of *IAS 24 (revised 2009)*, did not have a material effect on these condensed consolidated interim financial statements.

#### **New Accounting standards not yet adopted by the Company:**

In November 2009, the IASB issued *IFRS 9 "Financial Instruments on the classification and measurement of financial assets"*. The new standard represents the first part of a three-part project to replace *IAS 39 Financial Instruments: Recognition and Measurement (IAS 39)* with *IFRS 9 Financial Instruments (IFRS 9)*. *IFRS 9* uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in *IAS 39*. The approach in *IFRS 9* is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. *IFRS 9* is effective for fiscal years beginning on or after January 1, 2013. Earlier application is permitted. The Company is evaluating the impact, these amendments will have on the Company's financial statements.

In October, 2010, the IASB issued an amendment to *IFRS 7 "Disclosures – Transfers of financial assets"*. The purpose of the amendment is to enhance the existing disclosures in *IFRS 7* when an asset is transferred but is not derecognized and introduce new disclosures for assets that are derecognized but the entity continues to have a continuing exposure to the asset after the sale. The amendment is effective for fiscal years beginning on or after July 1, 2011. Earlier application is permitted. The Company is evaluating the impact, these amendment will have on the Company's financial statements.

In June 2011, the IASB issued *IAS 19 (Amended) "Employee Benefits"*. The new standard has eliminated an option to defer the recognition of gains and losses through re-measurements and requires such gain or loss to be recognized through other comprehensive income in the year of occurrence to reduce volatility. The amended standard requires immediate recognition of effects of any plan amendments. Further it also requires asset in profit or loss to be restricted to government bond yields or corporate bond yields, considered for valuation of Projected Benefit Obligation, irrespective of actual portfolio allocations. The actual return from the portfolio in excess of such yields is recognized through Other Comprehensive Income. The amendment is effective fiscal years beginning on or after January 1, 2013. Earlier adoption is permitted. The Company is evaluating the impact, these amendment will have on the Company's financial statements.

In May 2011, the IASB issued *IFRS 10 "Consolidated Financial Statements"*. The new standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. *IFRS 10* replaces the consolidation requirements in *SIC-12 "Consolidation—Special Purpose Entities"* and *IAS 27 "Consolidated and Separate Financial Statements"*. *IFRS 10* builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. *IFRS 10* is effective for fiscal years beginning on or after 1 January 2013. Earlier application is permitted. The Company is evaluating the impact, these amendment will have on the Company's financial statements.

In May 2011, the IASB issued *IFRS 13 "Fair Value Measurement"*. The new standard defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. *IFRS 13* applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRSs or address a how to present changes in fair value. *IFRS 13* is effective from 1 January 2013. Early application is permitted. The Company is evaluating the impact, these amendment will have on the Company's financial statements.

In June 2011, the IASB issued *Amendment to IAS 1 "Presentation of Financial Statements"* that will improve and align the presentation of items of other comprehensive income (OCI) in financial statements prepared in accordance with International Financial Reporting Standards (IFRSs). The amendments require companies preparing financial statements in accordance with IFRSs to group together items within OCI that may be reclassified to the profit or loss

section of the income statement. The amendments will also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. This amendment is effective for fiscal years beginning on or after July 1, 2012. Earlier adoption is permitted. The Company is evaluating the impact, these amendment will have on the Company's financial statements.

#### 4. Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Plant and machinery*</u>	<u>Furniture fixtures and equipment</u>	<u>Vehicles</u>	<u>Total</u>
<b>Gross carrying value:</b>						
As at April 1, 2010	₹ 2,794	₹ 19,359	₹ 46,657	₹ 9,855	₹ 2,929	₹ 81,594
Translation adjustment.....	-	60	152	13	9	234
Additions .....	-	816	1,985	477	21	3,299
Disposal / adjustments.....	-	(4)	(105)	(37)	(52)	(198)
As at June 30, 2010	<u>₹ 2,794</u>	<u>₹ 20,231</u>	<u>₹ 48,689</u>	<u>₹ 10,308</u>	<u>₹ 2,907</u>	<u>₹ 84,929</u>
<b>Accumulated depreciation/impairment:</b>						
As at April 1, 2010	₹ -	₹ 1,998	₹ 30,995	₹ 5,497	₹ 2,004	₹ 40,494
Translation adjustment.....	-	17	92	6	6	121
Depreciation.....	-	112	1,244	286	121	1,763
Disposal / adjustments.....	-	(3)	(44)	(28)	(44)	(119)
As at June 30, 2010	<u>₹ -</u>	<u>₹ 2,124</u>	<u>₹ 32,287</u>	<u>₹ 5,761</u>	<u>₹ 2,087</u>	<u>₹ 42,259</u>
Capital work-in-progress.....						<u>9,887</u>
<b>Net carrying value as at June 30, 2010</b>						<u>₹ 52,557</u>
<b>Gross carrying value:</b>						
As at April 1, 2010	₹ 2,794	₹ 19,359	₹ 46,657	₹ 9,855	₹ 2,929	₹ 81,594
Translation adjustment.....	17	117	337	68	11	550
Additions .....	943	3,533	8,360	1,692	117	14,645
Disposal / adjustments.....	-	(41)	(1,145)	(591)	(458)	(2,235)
As at March 31, 2011	<u>₹ 3,754</u>	<u>₹ 22,968</u>	<u>₹ 54,209</u>	<u>₹ 11,024</u>	<u>₹ 2,599</u>	<u>₹ 94,554</u>
<b>Accumulated depreciation/impairment:</b>						
As at April 1, 2010	₹ -	₹ 1,998	₹ 30,995	₹ 5,497	₹ 2,004	₹ 40,494
Translation adjustment.....	-	50	231	45	14	340
Depreciation.....	-	493	5,500	1,271	455	7,719
Disposal / adjustments.....	-	(39)	(1,077)	(375)	(354)	(1,845)
As at March 31, 2011	<u>₹ -</u>	<u>₹ 2,502</u>	<u>₹ 35,649</u>	<u>₹ 6,438</u>	<u>₹ 2,119</u>	<u>₹ 46,708</u>
Capital work-in-progress.....						<u>7,248</u>
<b>Net carrying value as at March 31, 2011</b>						<u>₹ 55,094</u>
<b>Gross carrying value:</b>						
As at April 1, 2011	₹ 3,754	₹ 22,968	₹ 54,209	₹ 11,024	₹ 2,599	₹ 94,554
Translation adjustment.....	1	19	58	22	2	102
Additions .....	-	149	1,655	576	10	2,390
Acquisition through business combination. ..	-	35	266	28	8	337
Disposal / adjustments.....	-	(16)	(344)	(152)	(57)	(569)
As at June 30, 2011	<u>₹ 3,755</u>	<u>₹ 23,155</u>	<u>₹ 55,844</u>	<u>₹ 11,498</u>	<u>₹ 2,562</u>	<u>₹ 96,814</u>
<b>Accumulated depreciation/impairment:</b>						
As at April 1, 2011	₹ -	₹ 2,502	₹ 35,649	₹ 6,438	₹ 2,119	₹ 46,708
Translation adjustment.....	-	2	43	8	2	55
Depreciation.....	-	74	1,240	817	83	2,214
Disposal / adjustments.....	-	-	(214)	(117)	(50)	(381)
As at June 30, 2011	<u>₹ -</u>	<u>₹ 2,578</u>	<u>₹ 36,718</u>	<u>₹ 7,146</u>	<u>₹ 2,154</u>	<u>₹ 48,596</u>
Capital work-in-progress.....						<u>7,304</u>
<b>Net carrying value as at June 30, 2011</b>						<u>₹ 55,522</u>

\*Including computer equipment and software.

## 5. Goodwill and intangible assets

The movement in goodwill balance is given below:

	Year ended March 31,2011	Three months ended June 30, 2011
Balance at the beginning of the period.....	₹ 53,802	₹ 54,818
Translation adjustment.....	962	235
Acquisition through business combination, net.....	54	5,407
Balance at the end of the period.....	<u>₹ 54,818</u>	<u>₹ 60,460</u>

Goodwill as at March 31, 2011 and June 30, 2011 has been allocated to the following reportable segments:

Segment	As at March 31, 2011	As at June 30, 2011
IT Services.....	₹ 39,098	₹ 44,164
IT Products.....	472	473
Consumer Care and Lighting.....	13,475	13,546
Others.....	1,773	2,277
Total.....	<u>₹ 54,818</u>	<u>₹ 60,460</u>

Intangible assets			
	Customer related	Marketing related	Total
<b>Gross carrying value:</b>			
As at April 1, 2010	₹ 1,932	₹ 3,464	₹ 5,396
Translation adjustment.....	27	20	47
Acquisition through business combination.....	-	-	-
Additions.....	-	-	-
As at June 30, 2010	<u>₹ 1,959</u>	<u>₹ 3,484</u>	<u>₹ 5,443</u>
<b>Accumulated amortization and impairment:</b>			
As at April 1, 2010	₹ 392	₹ 993	₹ 1,385
Translation adjustment.....	-	1	1
Amortization.....	85	23	108
As at June 30, 2010	<u>₹ 477</u>	<u>₹ 1,017</u>	<u>₹ 1,494</u>
<b>Net carrying value as at June 30, 2010.....</b>	<b>₹ 1,482</b>	<b>₹ 2,467</b>	<b>₹ 3,949</b>
<b>Gross carrying value:</b>			
As at April 1, 2010	₹ 1,932	₹ 3,464	₹ 5,396
Translation adjustment.....	11	(105)	(94)
Additions.....	-	36	36
As at March 31, 2011	<u>₹ 1,943</u>	<u>₹ 3,395</u>	<u>₹ 5,338</u>
<b>Accumulated amortization and impairment:</b>			
As at April 1, 2010	₹ 392	₹ 993	₹ 1,385
Translation adjustment.....	-	(48)	(48)
Amortization.....	341	109	450
As at March 31, 2011	<u>₹ 733</u>	<u>₹ 1,054</u>	<u>₹ 1,787</u>
<b>Net carrying value as at March 31, 2011.....</b>	<b>₹ 1,210</b>	<b>₹ 2,341</b>	<b>₹ 3,551</b>
<b>Gross carrying value:</b>			
As at April 1, 2011	₹ 1,943	₹ 3,395	₹ 5,338
Translation adjustment.....	1	(29)	(28)
Acquisition through business combination.....	1,486	-	1,486

Additions.....	-	33	33
As at June 30, 2011	<u>Rs. 3,430</u>	<u>Rs. 3,399</u>	<u>Rs. 6,829</u>
<b>Accumulated amortization and impairment:</b>			
As at April 1, 2011	₹ 733	₹ 1,054	₹ 1,787
Translation adjustment.....	-	(13)	(13)
Amortization.....	<u>92</u>	<u>17</u>	<u>109</u>
As at June 30, 2011	<u>Rs. 825</u>	<u>Rs. 1,058</u>	<u>Rs. 1,883</u>
<b>Net carrying value as at June 30, 2011.....</b>	Rs. 2,605	Rs. 2,341	Rs. 4,946

Net carrying value of marketing-related intangibles includes indefinite life intangible assets (brands and trade-marks) of ₹ 660 and ₹ 661 as of March 31, 2011 and June 30, 2011, respectively.

Amortization expense on intangible assets is included in selling and marketing expenses in the statement of income.

## 6. Business combination

### *Science Applications International Corporation*

On April 1, 2011, the Company entered into a definitive agreement to acquire the global oil and gas information technology practice of the Commercial Business Services Business Unit of Science Applications International Corporation (“SAIC”). SAIC’s global oil and gas practice provides consulting, system integration and outsourcing services to global oil majors with significant domain capabilities in the areas of digital oil field, petro-technical data management and petroleum application services, addressing the upstream segment. The Company believes that the acquisition will further strengthen Wipro’s presence in the Energy, Natural Resources and Utilities domain, and have contributed to the recognition of goodwill.

The acquisition was completed on June 10, 2011 (“acquisition date”), after receipt of regulatory approvals.

The following table presents the provisional allocation of purchase price:

Descriptions	Purchase price allocated
Cash and cash equivalents.....	Rs. 523
Trade receivables.....	964
Property, plant and equipment.....	79
Customer - related intangibles.....	1,203
Other assets.....	832
Accounts payable and accrued liabilities.....	(430)
Deferred income taxes, net.....	(481)
Other liabilities.....	<u>(299)</u>
<b>Total</b>	<b>Rs. 2,391</b>
Goodwill.....	<u>4,897</u>
<b>Total purchase price</b>	<b><u>Rs. 7,288</u></b>

None of the goodwill is expected to be deductible for tax purposes.

The purchase consideration has been allocated on a provisional basis based on management’s estimates. The Company is in the process of making a final determination of the fair value of assets and liabilities and useful lives of certain customer-related intangibles. Finalization of the purchase price allocation based on an independent third party appraisal may result in certain adjustments to the above allocation .

## 7. Available for sale investments

Available for sale investments consists of the following:

As at March 31, 2011

As at June 30, 2011

	Cost	Gross gain recognized directly in equity	Gross loss recognized directly in equity	Fair Value	Cost	Gross gain recognized directly in equity	Gross loss recognized directly in equity	Fair Value
Investment in liquid and short-term mutual funds, marketable bonds and others.....	₹ 37,013	₹ 126	₹ (49)	₹ 37,090	₹ 53,134	₹ 130	₹ (8)	₹ 53,256
Certificate of deposits.....	<u>12,189</u>	<u>17</u>	<u>(14)</u>	<u>12,192</u>	<u>4,692</u>	<u>5</u>	<u>-</u>	<u>4,697</u>
Total	<u>₹ 49,202</u>	<u>₹ 143</u>	<u>₹ (63)</u>	<u>₹ 49,282</u>	<u>₹ 57,826</u>	<u>₹ 135</u>	<u>₹ (8)</u>	<u>₹ 57,953</u>

## 8. Inventories

Inventories consist of the following:

	As at	
	March 31, 2011	June 30, 2011
Stores and spare parts.....	₹ 1,125	₹ 1,159
Raw materials and components.....	3,217	3,680
Work in progress.....	1,109	1,430
Finished goods.....	<u>4,256</u>	<u>5,153</u>
	<u>₹ 9,707</u>	<u>₹ 11,422</u>

## 9. Cash and cash equivalents

Cash and cash equivalents as of March 31, 2011 and June 30, 2011 consist of cash and balances on deposit with banks. Cash and cash equivalents consist of the following:

	As at	
	March 31, 2011	June 30, 2011
Cash and bank balances.....	₹ 27,628	₹ 14,176
Demand deposits with banks <sup>(1)</sup> .....	<u>33,513</u>	<u>36,576</u>
	<u>₹ 61,141</u>	<u>₹ 50,752</u>

<sup>(1)</sup>These deposits can be withdrawn by the Company at any time without prior notice and without any penalty on the principal.

Cash and cash equivalent consists of the following for the purpose of the cash flow statement:

	As at June 30	
	2010	2011
Cash and cash equivalents.....	₹ 34,195	₹ 50,752
Bank overdrafts.....	<u>(620)</u>	<u>(432)</u>
	<u>₹ 33,575</u>	<u>₹ 50,320</u>

## 10. Other assets

	As at	
	March 31, 2011	June 30, 2011
<i>Current</i>		
Interest bearing deposits with corporate <sup>(1)</sup> .....	₹ 4,240	₹ 8,030
Prepaid expenses.....	4,620	4,548
Due from officers and employees.....	1,110	1,244
Finance lease receivables.....	2,411	2,509
Advance to suppliers.....	1,407	1,990
Deferred contract costs.....	1,503	1,380
Interest receivable.....	393	771
Deposits.....	603	731
Balance with excise and customs.....	1,570	1,488
Non-convertible debenture.....	815	826
Others.....	<u>1,072</u>	<u>1,067</u>
	<u>₹ 19,744</u>	<u>₹ 24,584</u>
<i>Non current</i>		

Prepaid expenses including rentals for leasehold land.....	₹	2,423	₹	2,941
Finance lease receivables.....		4,839		5,149
Deposits.....		1,680		1,726
Non-convertible debenture.....		-		129
Others.....		41		48
		<u>₹ 8,983</u>		<u>₹ 9,993</u>
Total.....		<u>₹ 28,727</u>		<u>₹ 34,577</u>

<sup>(1)</sup>Such deposits earn a fixed rate of interest and will be liquidated within 12 months.

## 11. Loans and borrowings

A summary of loans and borrowings is as follows:

	As at	
	March 31, 2011	June 30, 2011
Short-term borrowings from bank.....	₹ 31,167	₹ 38,273
External commercial borrowing.....	18,861	19,462
Obligations under finance leases.....	635	548
Term loans.....	<u>2,139</u>	<u>2,064</u>
Total loans and borrowings.....	<u>₹ 52,802</u>	<u>₹ 60,347</u>

## 12. Other liabilities and provisions

Other liabilities:	As at	
	March 31, 2011	June 30, 2011
<b>Current:</b>		
Statutory and other liabilities.....	₹ 4,046	₹ 3,877
Advance from customers.....	1,049	1,386
Others.....	<u>811</u>	<u>878</u>
	<u>₹ 5,906</u>	<u>₹ 6,141</u>
<b>Non-current:</b>		
Employee benefit obligations.....	₹ 2,633	₹ 2,672
Others.....	<u>73</u>	<u>614</u>
	<u>₹ 2,706</u>	<u>₹ 3,286</u>
Total.....	<u>₹ 8,612</u>	<u>₹ 9,427</u>

Provisions:	As at	
	March 31, 2011	June 30, 2011
<b>Current:</b>		
Provision for warranty.....	₹ 467	₹ 430
Others.....	<u>1,857</u>	<u>1,685</u>
	<u>₹ 2,324</u>	<u>₹ 2,115</u>
<b>Non-current:</b>		
Provision for warranty.....	<u>₹ 81</u>	<u>₹ 101</u>
Total.....	<u>₹ 2,405</u>	<u>₹ 2,216</u>

Provision for warranty represents cost associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 to 2 year. Other provisions primarily include provisions for tax related contingencies and litigations. The timing of cash outflows in respect of such provision cannot be reasonably determined.

## 13. Financial instruments

## Derivative assets and liabilities:

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities, forecasted cash flows denominated in foreign currency and net investment in foreign operations. The Company follows established risk management policies, including the use of derivatives to hedge foreign currency assets / liabilities, foreign currency forecasted cash flows and net investment in foreign operations. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

	<u>March 31,</u> <u>2011</u>	<u>June 30,</u> <u>2011</u>
<b>Designated derivative instruments</b>		
Sell		
\$	901	\$ 1,011
£	21	£ 21
¥	3,026	¥ 2,638
€	2	€ 17
AUD	4	AUD 12
CHF	6	CHF 3
<b>Net investment hedges in foreign operations</b>		
Cross-currency swaps	¥ 24,511	¥ 24,511
Others	\$ 262	\$ 262
	€ 40	€ 40
<b>Non designated derivative instruments</b>		
Sell		
\$	526	\$ 386
£	40	£ 70
€	48	€ 45
AUD	13	AUD 20
Buy		
\$	617	\$ 760
Cross currency swaps	¥ 7,000	¥ 7,000

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

	<u>As at June 30,</u>	
	<u>2010</u>	<u>2011</u>
Balance as at the beginning of the period.....	₹ (4,954)	₹ (1,226)
Net (gain)/loss reclassified into statement of income on occurrence of hedged transactions <sup>(1)</sup> .....	1,013	230
Deferred cancellation gains/(losses) relating to roll-over hedging.....	139	16
Changes in fair value of effective portion of derivatives.....	<u>(2,572)</u>	<u>13</u>
Gain/ (losses) on cash flow hedging derivatives, net.....	₹ (1,420)	₹ 259
Balance as at the end of the period.....	<u>₹ (6,374)</u>	<u>₹ (967)</u>
Deferred tax thereon.....	₹ 445	₹ 176
Balance as at the end of the period, net of deferred tax.....	<u>₹ (5,929)</u>	<u>₹ (791)</u>

<sup>(1)</sup> On occurrence of hedge transactions, net (gain)/loss was included as part of revenues.

As at March 31, 2011, June 30, 2010 and 2011, there were no significant gains or losses on derivative transactions or portions thereof that have become ineffective as hedges, or associated with an underlying exposure that did not occur.

## 14. Investment in equity accounted investees

### *Wipro GE Medical Systems (Wipro GE)*

The Company holds 49% interest in Wipro GE. Wipro GE is a private entity that is not listed on any public exchange. The carrying value of the investment in Wipro GE as at March 31, 2011 and June 30, 2011 was ₹ 2,933 and ₹

3,103, respectively. The Company's share of profits of Wipro GE for the three months ended June 30, 2010 and June 30, 2011 was ₹ 157 and ₹ 110, respectively.

In April 2010, Wipro GE acquired medical equipment and related businesses from General Electric for a cash consideration of approximately ₹ 3,728.

Wipro GE had received tax demands from the Indian income tax authorities for the financial years ended March 31, 2001, 2002, 2003 and 2004 aggregating to ₹ 903, including interest. The tax demands were primarily on account of transfer pricing adjustments and the denial of export benefits and tax holiday benefits claimed by Wipro GE under the Indian Income Tax Act, 1961 (the "Act"). Wipro GE appealed against the said demands before the first appellate authority. The first appellate authority has vacated the tax demands for the years ended March 31, 2001, 2002, 2003 and 2004. The income tax authorities have filed an appeal for the years ended March 31, 2001, 2002, 2003 and 2004.

In December 2008, Wipro GE received, on similar grounds, additional tax demand of ₹ 552 (including interest) for the financial year ended March 31, 2005. Wipro GE had filed an appeal against the said demand and in the month of February 2011, the appellate order has been received, setting aside the entire TP adjustment and reducing the overall demand of ₹ 552 (including interest) to ₹ 220 (including interest). Wipro GE would be seeking further relief in this regard.

In December 2009, Wipro GE received a draft assessment order, on similar grounds, with a demand of ₹ 317 (including interest) for the financial year ended March 31, 2006. The final assessment order was issued in this regard demanding the same amount, plus interest and Wipro GE has filed an appeal against the said demand before the Income Tax Appellate Tribunal within the time limit permitted under the statute.

In February 2011, Wipro GE received an assessment order, on similar grounds, with a demand of ₹ 843 (including interest) for the financial year ended March 31, 2007. In this regard, Wipro GE has filed an appeal with the first appellate authority against the said demand within the time limit permitted under the statute.

In April 2011, Wipro GE received demand orders from the Indian income tax authorities for the financial years ended March 31, 2006, 2008 and 2009 aggregating to ₹ 177, including interest. The tax demands were primarily on account of short deduction/collection of TDS by Wipro GE under the Indian Income Tax Act, 1961 (the "Act"). In this regard, Wipro GE has filed an appeal with the Commissioner of Income Tax (Appeal) against the said demand within the time limit permitted under the statute.

In April 2011, Wipro GE received an assessment order from the Indian income tax authorities for the financial years ended March 31, 2008, 2009 and 2010 aggregating to ₹12, including interest. The tax demands were primarily on account of TDS on salary (query relating to Medical allowance and Medical reimbursement) by Wipro GE under the Indian Income Tax Act, 1961 (the "Act"). In this regard, Wipro GE has filed an appeal with the Commissioner of Income Tax (Appeal) against the said demand within the time limit permitted under the statute.

Considering the facts and nature of disallowance and the order of the appellate authority upholding the claims of Wipro GE, Wipro GE believes that the final outcome of the disputes should be in favour of Wipro GE and will not have any material adverse effect on its financial position and results of operations.

## 15. Foreign currency translation reserve

The movement in foreign currency translation reserve attributable to equity holders of the Company is summarized below:

	As at June 30,	
	2010	2011
Balance at the beginning of the period.....	₹ 258	₹ 1,524
Translation difference related to foreign operations.....	1,798	220
Change in effective portion of hedges of net investment in foreign operations.....	(468)	129
Total change during the period.....	₹ (1,330)	₹ 349
Balance at the end of the period.....	₹ 1,558	₹ 1,873

## 16. Income taxes

Income tax expense has been allocated as follows:



	<b>Three months ended June 30,</b>	
	<b>2010</b>	<b>2011</b>
Income tax expense as per the statement of income.....	₹ 2,345	₹ 3,096
Income tax included in other comprehensive income on:		
unrealized gain / (loss) on investment securities.....	(15)	1
unrealized gain / (loss) on cash flow hedging derivatives..	<u>(183)</u>	<u>42</u>
Total income taxes.....	<u>₹ 2,147</u>	<u>₹ 3,139</u>

Income tax expense from continuing operations consist of the following:

	<b>Three months ended June 30,</b>	
	<b>2010</b>	<b>2011</b>
Current taxes		
Domestic.....	₹ 1,471	₹ 2,384
Foreign.....	<u>880</u>	<u>852</u>
	<u>₹ 2,351</u>	<u>₹ 3,236</u>
Deferred taxes		
Domestic.....	₹ (1)	₹ (128)
Foreign.....	<u>(5)</u>	<u>(12)</u>
	<u>(6)</u>	<u>(140)</u>
Total income tax expense.....	<u>₹ 2,345</u>	<u>₹ 3,096</u>

Current taxes includes reversal of tax provision in respect of earlier periods no longer required amounting to ₹ 182 and ₹ 227 for the three months ended June 30, 2010 and 2011 respectively.

#### 17. Revenues

	<b>Three months ended June 30,</b>	
	<b>2010</b>	<b>2011</b>
Rendering of services.....	₹ 54,591	₹ 63,238
Sale of goods.....	<u>17,315</u>	<u>21,691</u>
Total revenues.....	<u>₹ 71,906</u>	<u>₹ 84,929</u>

#### 18. Expenses by nature

	<b>Three months ended June 30,</b>	
	<b>2010</b>	<b>2011</b>
Employee compensation.....	₹ 29,411	₹ 35,219
Raw materials, finished goods, process stocks and stores and spares consumed.....	11,579	14,716
Sub contracting/technical fees/ third party application.....	6,129	6,722
Travel.....	2,332	2,656
Depreciation and amortization.....	1,884	2,338
Repairs.....	755	2,169
Advertisement.....	1,357	1,379
Communication.....	777	992
Rent.....	733	586
Power and fuel.....	544	708
Legal and professional fees.....	310	388
Rates, taxes and insurance.....	215	492
Carriage and freight.....	262	300
Provision for doubtful debt.....	95	125
Sales commission.....	128	209
Miscellaneous expenses.....	<u>1,360</u>	<u>1,689</u>
<b>Total cost of revenues, selling and marketing and general and administrative expenses</b>	<u>₹ 57,871</u>	<u>₹ 70,688</u>

#### 19. Finance expense

Three months ended

	<b>June 30,</b>	
	<b>2010</b>	<b>2011</b>
Interest expense.....	₹ 145	₹ 210
Exchange fluctuation on foreign currency borrowings, net.....	<u>258</u>	<u>550</u>
Total.....	<u>₹ 403</u>	<u>₹ 760</u>

## 20. Finance and other income

	<b>Three months ended June 30,</b>	
	<b>2010</b>	<b>2011</b>
Interest income.....	₹ 800	₹ 1,542
Dividend income.....	451	606
Gains/(losses) on sale of investments.....	<u>100</u>	<u>44</u>
Total.....	<u>₹ 1,351</u>	<u>₹ 2,192</u>

## 21. Earnings per equity share

A reconciliation of profit for the period and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

*Basic:* Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period, excluding equity shares purchased by the Company and held as treasury shares. Equity shares exercised through a non-recourse loan by the Wipro Equity Reward Trust ('WERT'), have been reduced from the equity shares outstanding for computing basic earnings per share.

	<b>Three months ended June 30,</b>	
	<b>2010</b>	<b>2011</b>
Profit attributable to equity holders of the Company...	₹ 13,186	₹ 13,349
Weighted average number of equity shares outstanding	2,433,563,597	2,440,001,890
Basic earnings per share.....	<u>₹ 5.42</u>	<u>₹ 5.47</u>

*Diluted:* Diluted earnings per share is calculated adjusting the weighted average number of equity shares outstanding during the period for assumed conversion of all dilutive potential equity shares. Shares exercised through a non-recourse loan by the WERT and employee share options are dilutive potential equity shares for the Company.

The calculation is performed in respect of share options to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period). The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	<b>Three months ended June 30,</b>	
	<b>2010</b>	<b>2011</b>
Profit attributable to equity holders of the Company.....	₹ 13,186	₹ 13,349
Weighted average number of equity shares outstanding	2,433,563,597	2,440,001,890
Effect of dilutive equivalent share options.....	<u>521,926</u>	<u>13,936,481</u>
Weighted average number of equity shares for diluted earnings per share.....	<u>2,434,085,523</u>	<u>2,453,938,371</u>
Diluted earnings per share.....	<u>₹ 5.42</u>	<u>₹ 5.44</u>

## 22. Employee benefits

a) Employee costs include:

	<b>Three months ended June 30,</b>	
	<b>2010</b>	<b>2011</b>
Salaries and bonus.....	₹ 28,360	₹ 34,313
Employee benefit plans		
Defined benefit plan.....	141	232

Contribution to provident and other funds..	726	477
Share based compensation .....	184	197
	<u>₹ 29,411</u>	<u>₹ 35,219</u>

The employee benefit cost is recognized in the following line items in the statement of income:

	Three months ended June 30,	
	2010	2011
Cost of revenues.....	₹ 24,801	₹ 29,502
Selling and marketing expenses.....	2,604	3,327
General and administrative expenses.....	<u>2,006</u>	<u>2,390</u>
	<u>₹ 29,411</u>	<u>₹ 35,219</u>

b) Defined benefit plans:

Amount recognized in the statement of income in respect of gratuity cost (defined benefit plan) is as follows:

	Three months ended June 30,	
	2010	2011
Interest on obligation.....	₹ 35	₹ 49
Expected return on plan assets.....	(35)	(43)
Actuarial losses/(gains) recognized.....	(161)	131
Past service cost.....	223	(8)
Current service cost.....	<u>79</u>	<u>103</u>
Net gratuity cost/(benefit).....	<u>₹ 141</u>	<u>₹ 232</u>

The Company has granted nil and 30,000 options under RSU option plan during the three months ended June 30, 2010 and 2011, respectively.

### 23. Commitments and contingencies

*Contingencies and lawsuits:* The Company had received tax demands from the Indian income tax authorities for the financial years ended March 31, 2001, 2002, 2003 and 2004 aggregating to ₹ 11,127 (including interest of ₹ 1,503). The tax demands were primarily on account of the Indian income tax authority's denial of deductions claimed by the Company under Section 10A of the Income Tax Act 1961, in respect of profits earned by the Company's undertakings in Software Technology Park at Bangalore. The appeals filed by the Company for the above years to the first appellate authority were allowed in favor of the Company, thus deleting a substantial portion of the demands raised by the Income tax authorities. On further appeal filed by the income tax authorities, the second appellate authority upheld the claims of the Company for the years ended March 31, 2001, 2002, 2003 and 2004. In December 2008, the Company received, on similar grounds, an additional tax demand of ₹ 5,388 (including interest of ₹ 1,615) for the financial year ended March 31, 2005. The appeal filed before the first appellate authority against the said order has been allowed in favour of the Company thus deleting substantial demand raised by the Income tax authorities.

In December 2009, the Company received the draft assessment order, on similar grounds, with a demand of ₹ 6,757 (including interest of ₹ 2,050) for the financial year ended March 31, 2006. The Company had filed its objections against the said demand before the Dispute Resolution Panel, which later issued directions confirming the position of the assessing officer. Subsequently, the assessing officer passed the final assessment order in October 2010, raising a tax demand of ₹ 7,218 (including interest of ₹ 2,510). The Company has filed an appeal against the said order before the tribunal within the time limit permitted under the statute.

In December 2010, the Company received the draft assessment order, on similar grounds, with a demand of ₹ 7,747 (including interest of ₹ 2,307) for the financial year ended March 31, 2007. The Company has filed an objection against the said demand before the Dispute Resolution Panel, within the time limit permitted under the statute.

Considering the facts and nature of disallowance and the order of the appellate authority upholding the claims of the Company for earlier years, the Company believes that the final outcome of the above disputes should be in favor of the Company and there should not be any material impact on the condensed consolidated interim financial statements.

The Company is subject to legal proceedings and claims which have arisen in the ordinary course of its business. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Company.

### 24. Segment Information

The Company is currently organized by segments, which includes IT Services (comprising of IT Services and BPO Services), IT Products, Consumer Care and Lighting and 'Others'.

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by IFRS 8, Operating Segments. The Chairman of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed. The management believes that return on capital employed is considered appropriate for evaluating the performance of its operating segments. Return on capital employed is calculated as operating income divided by the average of the capital employed at the beginning and at the end of the period. Capital employed includes total assets of the respective segments less all liabilities, excluding loans and borrowings.

Information on reportable segments is as follows:

<b>Three months ended June 30, 2010</b>							
	<b>IT Services and Products</b>			<b>Consumer Care and Lighting</b>	<b>Others</b>	<b>Reconciling Items</b>	<b>Entity Total</b>
	<b>IT Services</b>	<b>IT Products</b>	<b>Total</b>				
Revenues.....	55,002	8,320	63,322	6,414	2,321	307	72,364
Cost of revenues.....	(35,178)	(7,402)	(42,580)	(3,294)	(2,290)	(456)	(48,620)
Selling and marketing expenses.....	(2,979)	(317)	(3,296)	(1,944)	(105)	(42)	(5,387)
General and administrative expenses.....	(3,273)	(264)	(3,537)	(282)	(75)	29	(3,865)
Operating income of segment	<u>13,572</u>	<u>337</u>	<u>13,909</u>	<u>894</u>	<u>(149)</u>	<u>(162)</u>	<u>14,493</u>
Finance expense.....							(403)
Finance and other income.....							1,351
Share of profits of equity accounted investees							<u>157</u>
Profit before tax.....							15,598
Income tax expense.....							<u>(2,345)</u>
Profit for the period.....							<u>13,253</u>
Depreciation and amortization expense.....			1,621	100	73	90	1,884
Average capital employed.....			132,444	20,475	6,533	104,569	264,021
Return on capital employed.....			42%	17%	(14)%	-	22%

<b>Three months ended June 30, 2011</b>							
	<b>IT Services and Products</b>			<b>Consumer Care and Lighting</b>	<b>Others</b>	<b>Reconciling Items</b>	<b>Entity Total</b>
	<b>IT Services</b>	<b>IT Products</b>	<b>Total</b>				
Revenues.....	64,046	10,058	74,104	7,545	3,959	32	85,640
Cost of revenues.....	(42,559)	(9,007)	(51,566)	(4,257)	(3,729)	(469)	(60,021)
Selling and marketing expenses.....	(3,630)	(327)	(3,957)	(2,131)	(132)	(64)	(6,284)
General and administrative expenses.....	(3,790)	(301)	(4,091)	(262)	(122)	92	(4,383)
Operating income of segment	<u>14,067</u>	<u>423</u>	<u>14,490</u>	<u>895</u>	<u>(24)</u>	<u>(409)</u>	<u>14,952</u>
Finance expense.....							(760)
Finance and other income.....							2,192
Share of profits of equity accounted investees							<u>110</u>
Profit before tax.....							16,494
Income tax expense.....							<u>(3,096)</u>
Profit for the period.....							<u>13,398</u>
Depreciation and amortization expense.....			2,033	101	107	97	2,338
Average capital employed.....			161,308	22,155	8,366	112,223	304,052
Return on capital employed.....			36%	16%	(1)%	-	20%

The Company has four geographic segments: India, the United States, Europe and Rest of the world. Revenues from the geographic segments based on domicile of the customer are as follows:

	<b>Three months ended June 30,</b>	
	<b>2010</b>	<b>2011</b>
India.....	₹ 14,682	₹ 19,194
United States.....	29,138	31,220
Europe.....	14,018	18,858
Rest of the world.....	<u>14,526</u>	<u>16,368</u>
	<u>₹ 72,364</u>	<u>₹ 85,640</u>

No client individually accounted for more than 10% of the revenues during the three months ended June 30, 2010 and 2011.

**Notes:**

- a) The company has the following reportable segments:
- i) IT Services: The IT Services segment provides IT and IT enabled services to customers. Key service offering includes software application development, application maintenance, research and development services for hardware and software design, data center outsourcing services and business process outsourcing services.
  - ii) IT Products: The IT Products segment sells a range of Wipro personal desktop computers, Wipro servers and Wipro notebooks. The Company is also a value added reseller of desktops, servers, notebooks, storage products, networking solutions and packaged software for leading international brands. In certain total outsourcing contracts of the IT Services segment, the Company delivers hardware, software products and other related deliverables. Revenue relating to these items is reported as revenue from the sale of IT Products.
  - iii) Consumer care and lighting: The Consumer Care and Lighting segment manufactures, distributes and sells personal care products, baby care products, lighting products and hydrogenated cooking oils in the Indian and Asian markets.
  - iv) The Others' segment consists of business segments that do not meet the requirements individually for a reportable segment as defined in IFRS 8.
  - v) Corporate activities such as treasury, legal and accounting, which do not qualify as operating segments under IFRS 8, and elimination of inter-segment transactions have been considered as 'reconciling items'.
- b) Revenues include excise duty of ₹ 240 and ₹ 256 for the three months ended June 30, 2010 and 2011, respectively. For the purpose of segment reporting, the segment revenues are net of excise duty. Excise duty is reported in reconciling items.
- c) For the purpose of segment reporting, the Company has included the impact of 'foreign exchange gains / (losses), net' in revenues (which is reported as a part of operating profit in the statement of income).
- d) For evaluating performance of the individual business segments, stock compensation expense is allocated on the basis of straight line amortization. The incremental impact of accelerated amortization of stock compensation expense over stock compensation expense allocated to the individual business segments is reported in reconciling items.
- e) For evaluating the performance of the individual business segments, amortization of intangibles acquired through business combinations are reported in reconciling items. Accordingly, comparative period information has been reclassified.
- f) The Company generally offers multi-year payment terms in certain total outsourcing contracts. These payment terms primarily relate to IT hardware, software and certain transformation services in outsourcing contracts. Corporate treasury provides internal financing to the business units offering multi-year payments terms. Accordingly, such receivables are reflected in capital employed in reconciling items. As of June 30, 2010 and 2011, capital employed in reconciling items includes ₹ 9,595 and ₹ 13,544 respectively, of such receivables on extended collection terms. The finance income on deferred consideration earned under these contracts is included in the revenue of the respective segment and is eliminated under reconciling items.
- g) Operating income of segments is after recognition of stock compensation expense arising from the grant of options:

Segments	Three months ended	
	June 30,	
	2010	2011
IT Services .....	₹ 256	₹ 306
IT Products.....	21	22
Consumer Care and Lighting.....	20	26
Others.....	6	8
Reconciling items.....	(119)	(165)
Total.....	₹ 184	₹ 197

Management believes that it is currently not practicable to provide disclosure of geographical location wise assets, since the meaningful segregation of the available information is onerous

25. List of subsidiaries as of June 30, 2011 are provided in the table below.

Direct Subsidiaries	Step Subsidiaries		Country of Incorporation
Wipro Inc.	Wipro Gallagher Solutions Inc Enthink Inc. Infocrossing Inc.		U.S. U.S. U.S. U.S.
SAIC India Private Limited			India
cMango Pte Limited			Singapore
Wipro Japan KK			Japan
Wipro Shanghai Limited			China
Wipro Trademarks Holding Limited	Cygnus Negri Investments Private Limited		India India
Wipro Travel Services Limited			India
Wipro Consumer Care Limited			India
Wipro Holdings (Mauritius) Limited	Wipro Holdings UK Limited	Wipro Technologies UK Limited Wipro Holding Austria GmbH <sup>(A)</sup> 3D Networks (UK) Limited Wipro(Europe)Limited <sup>(A)</sup> (formerly SAIC Europe Limited)	Mauritius U.K. U.K. Austria U.K. U.K
Wipro Cyprus Private Limited	Wipro Technologies S.A DE C. V Wipro BPO Philippines LTD. Inc Wipro Holdings Hungary Korlátolt Felelősségű Társaság Wipro Technologies Argentina SA Wipro Information Technology Egypt SAE Wipro Arabia Limited * Wipro Poland Sp Zoo Wipro Outsourcing Services UK Limited Wipro Technologies (South Africa) Proprietary Limited Wipro Information Technology Netherlands BV (formerly RetailBox BV)  Wipro Technologies Oy Wipro Infrastructure Engineering AB  Wipro Technologies SRL Wipro Singapore Pte Limited	Wipro Portugal S.A. <sup>(A)</sup> (Formerly Enabler Informatica SA) Wipro Technologies Limited, Russia  Wipro Infrastructure Engineering Oy Hydrauto Celka San ve Tic  PT WT Indonesia Wipro Unza Holdings Limited <sup>(A)</sup>  Wipro Technocentre (Singapore) Pte Limited Wipro (Thailand) Co Limited Wipro Bahrain Limited WLL	Cyprus Mexico Philippines Hungary Argentina Egypt Saudi Arabia Poland U.K. South Africa Netherland Portugal Russia Finland Sweden Finland Turkey Romania Singapore Indonesia Singapore Singapore Thailand Bahrain
	Wipro Yardley FZE		Dubai

Direct Subsidiaries	Step Subsidiaries		Country of Incorporation
Wipro Australia Pty Limited			Australia
Wipro Networks Pte Limited (formerly 3D Networks Pte Limited)			Singapore
Planet PSG Pte Limited	Wipro Technologies SDN BHD		Singapore Malaysia
Wipro Chengdu Limited			China
Wipro Chandrika Limited*			India
WMNETSERV Limited	WMNETSERV (U.K.) Limited. WMNETSERV INC		Cyprus U.K. U.S.
Wipro Technology Services Limited			India
Wipro Airport IT Services Limited*			India
Wipro Infrastructure Engineering Machinery (Changzhou) Co., Ltd.			China

\* All the above direct subsidiaries are 100% held by the Company except that the Company hold 66.67% of the equity securities of Wipro Arabia Limited, 90% of the equity securities of Wipro Chandrika Limited and 74% of the equity securities of Wipro Airport IT Services Limited.

As of June 30, 2011, the Company also held 49% of the equity securities of Wipro GE Medical Systems Private Limited that is accounted for as an equity method investment.

(A) Step Subsidiary details of Wipro Unza Holdings Limited, Wipro Holding Austria GmbH, Wipro Portugal S.A, and Wipro Europe Limited are as follows :

Step Subsidiaries	Step Subsidiaries		Country of Incorporation
Wipro Unza Singapore Pte Limited			Singapore
Wipro Unza Indochina Pte Limited			Singapore
Wipro Unza Cathay Limited	Wipro Unza Vietnam Co., Limited		Vietnam
Wipro Unza (China) Limited			Hong Kong
PT Unza Vitalis	Wipro Unza (Guangdong) Consumer Products Limited.		Hong Kong
Wipro Unza (Thailand) Limited			China
Unza Overseas Limited			Indonesia
Unzafrica Limited			Thailand
Wipro Unza Middle East Limited			British virgin islands
Unza International Limited			Nigeria
Unza Nusantara Sdn Bhd			British virgin islands
	Unza Holdings Sdn Bhd		Malaysia
	Unza (Malaysia) Sdn Bhd		Malaysia
		UAA (M) Sdn Bhd	Malaysia
	Manufacturing Services Sdn Bhd		Malaysia
		Shubido Pacific Sdn Bhd <sup>(a)</sup>	Malaysia
	Gervas Corporation Sdn Bhd		Malaysia
		Gervas (B) Sdn Bhd	Malaysia
	Formapac Sdn Bhd		Malaysia
Wipro Holding Austria GmbH			Austria
	New Logic Technologies GmbH		Austria
	New Logic Technologies SARL		France
Wipro Portugal S.A.			

Step Subsidiaries	Step Subsidiaries	Country of Incorporation
Wipro Europe Limited	SAS Wipro France (formerly Enabler France SAS)	France
	Wipro Retail UK Limited (formerly Enabler UK Limited)	U.K.
	Wipro do Brasil Tecnologia Ltda (formerly Enabler Brazil Ltda)	Brazil Brazil
	Wipro Technologies Gmbh (formerly Enabler & Retail Consult GmbH)	Germany
	SAIC Limited SAIC SARL	UK France

a) All the above subsidiaries are 100% held by the Company except Shubido Pacific Sdn Bhd in which the Company holds 62.55% of the equity securities

26. Details of balances with banks as of June 30, 2011 are as follows:

Bank Name	In Current Account	In Deposit Account	Total
HSBC Bank.....	₹ 4,212	₹ 416	₹ 4,628
Wells Fargo Bank.....	3,278	-	3,278
Citi Bank.....	2,315	436	2,751
HDFC Bank.....	824	1,100	1,924
Standard Chartered Bank.....	520	31	551
Bank of America.....	309	-	309
Bank Montreal.....	176	-	176
Nordea Bank.....	165	-	165
Saudi British Bank.....	154	822	976
ING Vysya.....	112	-	112
State Bank of India.....	112	-	112
Yes Bank.....	30	1,000	1,030
Union Bank of India.....	21	4,926	4,947
Oriental Bank of Commerce.....	1	2,350	2,351
Canara Bank.....	-	14,843	14,843
Punjab National Bank.....	-	2,330	2,330
Corporation Bank.....	-	1,870	1,870
Indian Overseas Bank.....	-	1,765	1,765
Axis Bank.....	-	1,220	1,220
Bank of Maharashtra.....	-	820	820
State Bank of Travancore.....	-	750	750
Karur Vysya Bank.....	-	720	720
Others including cash and cheques on hand.....	1,947	1,177	3,124
Total.....	₹ 14,176	₹ 36,576	₹ 50,752

## 27. Available for sale investments

(a) Investments in liquid and short-term mutual funds/ marketable bonds/ other investments as of June 30, 2011:

Fund House	As of June 30, 2011
ICICI Prudential.....	₹ 6,343
IDFC MF.....	5,754
LIC Housing.....	2,264
Birla Sunlife.....	7,458
TATA.....	4,027
National Housing Bank.....	1,578
ILFS.....	961
SBI.....	5,049
Kotak.....	2,125
UTI.....	3,574
L & T Finance Ltd.....	1,238
Sundaram BNP.....	761
Power Finance Corporation.....	150



<b>Fund House</b>	<b>As of June 30, 2011</b>
India CB.....	102
Indian Oil Corporation.....	496
IGS.....	3,507
DWS.....	378
J P Morgan.....	445
Franklin Templeton.....	3,837
HDFC.....	2,468
Reliance.....	569
Others.....	172
Total.....	<u>₹ 53,256</u>

(b) Investment in Certificates of Deposit as of June 30, 2011:

<b>Fund House</b>	<b>As of June 30, 2011</b>
Axis Bank.....	₹ 1,438
Bank of Baroda.....	707
Corporation Bank.....	236
Federal Bank.....	246
Union Bank of India.....	241
Indian Overseas Bank.....	496
State Bank of Hyderabad.....	248
State Bank of Patiala.....	486
Vijaya Bank.....	248
Bank of India.....	240
Others.....	111
Total.....	<u>₹ 4,697</u>

As per our report attached

**for BSR & Co.**  
Chartered Accountants  
Firm's Registration No:101248W

**Natraj Ramakrishna**  
Partner  
Membership No. 032815

Bangalore  
July 20, 2011

For and on behalf of the Board of Directors

**Azim Premji**  
Chairman

**B C Prabhakar**  
Director

**T.K.Kurien**  
CEO, IT Business &  
Executive Director

**Suresh C Senapaty**  
Chief Financial Officer  
& Director

**V Ramachandran**  
Company Secretary