

WIPRO LIMITED AND SUBSIDIARIES

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS UNDER IFRS**

**AS OF AND FOR THE THREE AND NINE MONTHS ENDED
DECEMBER 31, 2014**

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 December 31, | |
|--|-------|-----------------|----------------|--------------------|---|
| | | 2014 | 2014 | 2014 | 2,014 |
| | | | | | Convenience translation into US dollar in millions (unaudited) Refer Note 2(iv) |
| ASSETS | | | | | |
| Goodwill | 5 | 63,422 | 69,327 | 1,100 | |
| Intangible assets | 5 | 1,936 | 8,798 | 140 | |
| Property, plant and equipment | 4 | 51,449 | 54,168 | 859 | |
| Derivative assets | 13 | 286 | 576 | 9 | |
| Available for sale investments | 7 | 2,676 | 3,029 | 48 | |
| Non-current tax assets | | 10,192 | 10,122 | 161 | |
| Deferred tax assets | | 3,362 | 3,579 | 57 | |
| Other non-current assets | 10 | 14,295 | 14,449 | 229 | |
| Total non-current assets | | 147,618 | 164,048 | 2,603 | |
| Inventories | 8 | 2,293 | 4,361 | 69 | |
| Trade receivables | | 85,392 | 93,757 | 1,487 | |
| Other current assets | 10 | 39,474 | 57,270 | 908 | |
| Unbilled revenues | | 39,334 | 42,238 | 670 | |
| Available for sale investments | 7 | 60,557 | 82,985 | 1,316 | |
| Current tax assets | | 9,774 | 6,123 | 97 | |
| Derivative assets | 13 | 3,661 | 2,511 | 40 | |
| Cash and cash equivalents | 9 | 114,201 | 122,113 | 1,937 | |
| Total current assets | | 354,686 | 411,358 | 6,524 | |
| TOTAL ASSETS | | 502,304 | 575,406 | 9,127 | |
| EQUITY | | | | | |
| Share capital | | 4,932 | 4,937 | 78 | |
| Share premium | | 12,664 | 13,903 | 221 | |
| Retained earnings | | 314,952 | 364,399 | 5,780 | |
| Share based payment reserve | | 1,021 | 1,186 | 19 | |
| Other components of equity | | 10,472 | 14,120 | 224 | |
| Shares held by controlled trust | | (542) | - | - | |
| Equity attributable to the equity holders of the company | | 343,499 | 398,545 | 6,322 | |
| Non-controlling interest | | 1,387 | 1,504 | 24 | |
| Total equity | | 344,886 | 400,049 | 6,346 | |
| LIABILITIES | | | | | |
| Long - term loans and borrowings | 11 | 10,909 | 12,522 | 199 | |
| Deferred tax liabilities | | 1,796 | 2,861 | 45 | |
| Derivative liabilities | 13 | 629 | 310 | 5 | |
| Non-current tax liability | | 3,448 | 6,361 | 101 | |
| Other non-current liabilities | 12 | 4,174 | 4,273 | 68 | |
| Provisions | 12 | 6 | 7 | - | |
| Total non-current liabilities | | 20,962 | 26,334 | 418 | |
| Loans and borrowings and bank overdrafts | 11 | 40,683 | 57,084 | 906 | |
| Trade payables and accrued expenses | | 52,256 | 53,677 | 852 | |
| Unearned revenues | | 12,767 | 15,838 | 249 | |
| Current tax liabilities | | 12,482 | 7,489 | 119 | |
| Derivative liabilities | 13 | 2,504 | 1,833 | 29 | |
| Other current liabilities | 12 | 14,394 | 11,765 | 187 | |
| Provisions | 12 | 1,370 | 1,337 | 21 | |
| Total current liabilities | | 136,456 | 149,023 | 2,363 | |
| TOTAL LIABILITIES | | 157,418 | 175,357 | 2,781 | |
| TOTAL EQUITY AND LIABILITIES | | 502,304 | 575,406 | 9,127 | |

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W- 100022

For and on behalf of the Board of Directors

Azim Premji
Chairman

N Vaghul
Director

Supreet Sachdev
Partner
Membership No. 205385

Suresh C Senapaty
Executive Director
& Chief Financial Officer

T K Kurien
Executive Director
& Chief Executive Officer

V Ramachandran
Company Secretary

Bangalore
January 16, 2015

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 December 31, | | | Nine Months ended December 31, | | |
|--|-------|---------------------------------|---------------|--|--------------------------------|----------------|--|
| | | 2013 | 2014 | 2014 | 2013 | 2014 | 2014 |
| | | | | Convenience translation into US \$ in millions | | | Convenience Translation into US \$ in millions |
| Gross revenues | 17 | 112,713 | 119,929 | 1,902 | 317,734 | 348,125 | 5,522 |
| Cost of revenues | 18 | (76,365) | (82,867) | (1,315) | (217,788) | (238,675) | (3,786) |
| Gross profit | | 36,348 | 37,062 | 587 | 99,946 | 109,450 | 1,736 |
| Selling and marketing expenses | 18 | (7,759) | (7,524) | (119) | (22,224) | (22,709) | (360) |
| General and administrative expenses | 18 | (5,775) | (6,426) | (102) | (17,028) | (19,217) | (305) |
| Foreign exchange gains/(losses), net | | 604 | 922 | 15 | 2,849 | 3,343 | 53 |
| Results from operating activities | | 23,418 | 24,034 | 381 | 63,543 | 70,867 | 1,124 |
| Finance expenses | 19 | (898) | (810) | (13) | (2,049) | (2,687) | (43) |
| Finance and other income | 20 | 3,812 | 5,035 | 81 | 10,585 | 14,383 | 228 |
| Profit before tax | | 26,332 | 28,259 | 449 | 72,079 | 82,563 | 1,309 |
| Income tax expense | 16 | (6,060) | (6,228) | (99) | (16,064) | (18,369) | (291) |
| Profit for the period | | 20,272 | 22,031 | 350 | 56,015 | 64,194 | 1,018 |
| Attributable to: | | | | | | | |
| Equity holders of the company | | 20,147 | 21,928 | 348 | 55,703 | 63,808 | 1,012 |
| Non-controlling interest | | 125 | 103 | 2 | 312 | 386 | 6 |
| Profit for the period | | 20,272 | 22,031 | 350 | 56,015 | 64,194 | 1,018 |
| Earnings per equity share: | 21 | | | | | | |
| Attributable to equity share holders of the company | | | | | | | |
| Basic | | 8.20 | 8.92 | 0.14 | 22.69 | 25.97 | 0.41 |
| Diluted | | 8.18 | 8.88 | 0.14 | 22.63 | 25.85 | 0.41 |
| Weighted average number of equity shares used in computing earnings per equity share | | | | | | | |
| Basic | | 2,455,541,979 | 2,457,766,859 | 2,457,766,859 | 2,454,745,433 | 2,457,491,867 | 2,457,491,867 |
| Diluted | | 2,462,432,622 | 2,469,323,243 | 2,469,323,243 | 2,462,073,492 | 2,468,262,835 | 2,468,262,835 |

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

As per our report of even date attached

For and on behalf of the Board of Directors

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W- 100022

Azim Premji **N Vaghul**
Chairman Director

Supreet Sachdev
Partner
Membership No. 205385

Suresh C Senapaty **T K Kurien** **V Ramachandran**
Executive Director Executive Director Company Secretary
& Chief Financial Officer & Chief Executive Officer

Bangalore
January 16, 2015

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 December 31, | | | Nine Months ended December 31, | | |
|--|-------|---------------------------------|---------------|---|--------------------------------|---------------|---|
| | | 2013 | 2014 | 2014 | 2013 | 2014 | 2014 |
| | | | | Convenience translation into US \$ in millions | | | Convenience translation into US \$ in millions |
| Profit for the period | | 20,272 | 22,031 | 350 | 56,015 | 64,194 | 1,019 |
| Items that will not be reclassified to profit or loss | | | | | | | |
| Defined benefit plan actuarial gains/(losses) | | (1) | (61) | (1) | 104 | (134) | (2) |
| | | (1) | (61) | (1) | 104 | (134) | (2) |
| Items that may be reclassified subsequently to profit or loss | | | | | | | |
| Foreign currency translation differences | 15 | (328) | 872 | 14 | 6,351 | 2,475 | 39 |
| Net change in fair value of cash flow hedges | 13,16 | 2,325 | 406 | 6 | (2,995) | 836 | 13 |
| Net change in fair value of available for sale investments | 7,16 | 14 | 213 | 3 | (167) | 524 | 8 |
| | | 2,011 | 1,491 | 23 | 3,189 | 3,835 | 60 |
| Total other comprehensive income, net of taxes | | 2,010 | 1,430 | 22 | 3,293 | 3,701 | 58 |
| Total comprehensive income for the period | | 22,282 | 23,461 | 372 | 59,308 | 67,895 | 1,077 |
| Attributable to: | | | | | | | |
| Equity holders of the company | | 22,173 | 23,328 | 370 | 58,841 | 67,456 | 1,070 |
| Non-controlling interest | | 109 | 133 | 2 | 467 | 439 | 7 |
| | | 22,282 | 23,461 | 372 | 59,308 | 67,895 | 1,077 |

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

As per our report of even date attached

For and on behalf of the Board of Directors

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No:101248W/W- 100022

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& Chief Executive Officer

V Ramachandran

Company Secretary

Bangalore

January 16, 2015

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, 2013..... | 2,462,934,730 | 4,926 | 11,760 | 259,178 | 1,316 | 5,470 | 1,489 | 215 | (542) | 283,812 | 1,171 | 284,983 |
| Change in accounting policy adoption of Revised IAS 19..... | - | - | - | (6) | - | - | - | 6 | - | - | - | - |
| Total comprehensive income for the period | | | | | | | | | | | | |
| Profit for the period..... | - | - | - | 55,703 | - | - | - | - | - | 55,703 | 312 | 56,015 |
| Other comprehensive income..... | - | - | - | - | - | 6,196 | (2,995) | (63) | - | 3,138 | 155 | 3,293 |
| Total comprehensive income for the period | - | - | - | 55,703 | - | 6,196 | (2,995) | (63) | - | 58,841 | 467 | 59,308 |
| Transaction with owners of the company, recognized directly in equity | | | | | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | | | | | |
| Issue of equity shares on exercise of options | 2,578,503 | 5 | 703 | - | (703) | - | - | - | - | 5 | - | 5 |
| Dividends..... | - | - | - | (14,331) | - | - | - | - | - | (14,331) | (338) | (14,669) |
| Compensation cost related to employee share based payment transactions..... | - | - | - | (60) | 432 | - | - | - | - | 372 | - | 372 |
| Effect of demerger of diversified business..... | - | - | - | 854 | - | - | - | - | - | 854 | - | 854 |
| | 2,578,503 | 5 | 703 | (13,537) | (271) | - | - | - | - | (13,100) | (338) | (13,438) |
| As at December 31, 2013..... | 2,465,513,233 | 4,931 | 12,463 | 301,338 | 1,045 | 11,666 | (1,506) | 158 | (542) | 329,553 | 1,300 | 330,853 |
| Convenience translation into US \$ in million (Unaudited) Refer note 2(iv) | | 80 | 201 | 4,867 | 17 | 188 | (24) | 3 | (9) | 5,323 | 21 | 5,344 |

* Represents 14,841,271 and 16,640,212 treasury shares as of December 31, 2012 and 2013, respectively.

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, 2014..... | 2,466,317,273 | 4,932 | 12,664 | 314,952 | 1,021 | 10,060 | 499 | (87) | (542) | 343,499 | 1,387 | 344,886 |
| Total comprehensive income for the period | | | | | | | | | | | | |
| Profit for the period..... | - | - | - | 63,808 | - | - | - | - | - | 63,808 | 386 | 64,194 |
| Other comprehensive income..... | - | - | - | - | - | 2,475 | 836 | 337 | - | 3,648 | 53 | 3,701 |
| Total comprehensive income for the period | - | - | - | 63,808 | - | 2,475 | 836 | 337 | - | 67,456 | 439 | 67,895 |
| Transaction with owners of the company, recognized directly in equity | | | | | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | | | | | |
| Issue of equity shares on exercise of options | 2,378,448 | 5 | 781 | | (781) | - | - | - | - | 5 | - | 5 |
| Dividends..... | - | - | - | (14,350) | - | - | - | - | - | (14,350) | (322) | (14,672) |
| Compensation cost related to employee share based payment transactions..... | - | - | - | (11) | 946 | - | - | - | - | 935 | - | 935 |
| Sale of treasury shares #..... | | | 458 | | | | | | 542 | 1,000 | | 1,000 |
| | 2,378,448 | 5 | 1,239 | (14,361) | 165 | - | - | - | 542 | (12,410) | (322) | (12,732) |
| As at Dec 31, 2014..... | 2,468,695,721 | 4,937 | 13,903 | 364,399 | 1,186 | 12,535 | 1,335 | 250 | - | 398,545 | 1,504 | 400,049 |
| Convenience translation into US \$ in million (Unaudited) Refer note 2(iv) | | 78 | 221 | 5,780 | 19 | 199 | 21 | 4 | - | 6,322 | 24 | 6,346 |

* Represents 16,640,212 and 14,829,824 treasury shares as of December 31, 2013 and 2014, respectively.

Includes gain on sale of treasury shares

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

As per our report of even date attached

For and on behalf of the Board of Directors

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

Azim Premji
Chairman

N Vaghul
Director

Supreet Sachdev
Partner
Membership No. 205385
Bangalore
January 16, 2015

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Executive Director
& Chief Financial Officer

T K Kurien
Executive Director
& Chief Executive Officer

V Ramachandran
Company Secretary

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

| | Nine months ended December 31, | | |
|--|--------------------------------|-----------------|--|
| | 2013 | 2014 | 2014 Convenience Translation into US\$ in millions (Unaudited) Refer note 2(iv) |
| Cash flows from operating activities: | | | |
| Profit for the period..... | 56,015 | 64,194 | 1,018 |
| Adjustments: | | | |
| Loss/ (gain) on sale of property, plant and equipment and intangible assets, net.. | 8 | 13 | 0 |
| Depreciation and amortization..... | 8,226 | 9,556 | 152 |
| Exchange loss, net..... | 1,132 | 3,919 | 62 |
| Gain on sale of investments, net..... | (1,073) | (3,212) | (51) |
| Share based compensation expense..... | 372 | 887 | 14 |
| Income tax expense..... | 16,064 | 18,369 | 291 |
| Dividend and interest (income)/expenses, net..... | (8,860) | (10,646) | (169) |
| Changes in operating assets and liabilities; net of effects from acquisitions | | | |
| Trade receivables..... | (8,456) | (8,155) | (130) |
| Unbilled revenue..... | (6,212) | (2,904) | (46) |
| Inventories..... | 438 | (2,068) | (33) |
| Other assets..... | (8,924) | (599) | (10) |
| Trade payables, accrued expenses and other liabilities and provision..... | 8,435 | (2,039) | (32) |
| Unearned revenue..... | 2,509 | 3,071 | 49 |
| Cash generated from operating activities before taxes..... | 59,674 | 70,386 | 1,115 |
| Income taxes paid, net..... | (16,320) | (17,650) | (280) |
| Net cash generated from operating activities..... | 43,354 | 52,736 | 835 |
| Cash flows from investing activities: | | | |
| Purchase of property, plant and equipment..... | (6,356) | (7,265) | (115) |
| Proceeds from sale of property, plant and equipment..... | 559 | 543 | 9 |
| Purchase of available for sale investments..... | (348,228) | (434,125) | (6,887) |
| Proceeds from sale of available for sale investments..... | 339,215 | 415,450 | 6,590 |
| Investment in inter-corporate deposits..... | (13,905) | (27,500) | (436) |
| Refund of inter-corporate deposits..... | 10,310 | 13,500 | 214 |
| Payment for deferred consideration in respect of business acquisition..... | - | (243) | (4) |
| Impact of net investment hedging activities, net..... | (5,315) | - | - |
| Cash payment pursuant to demerger..... | (3,040) | - | - |
| Payment for business acquisitions, net of cash acquired..... | - | (11,349) | (180) |
| Interest received..... | 8,291 | 8,406 | 133 |
| Dividend received..... | 247 | 185 | 3 |
| Net cash used in investing activities..... | (18,222) | (42,398) | (673) |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of equity shares/shares pending allotment..... | 5 | 5 | 0 |
| Repayment of loans and borrowings..... | (89,102) | (73,202) | (1,161) |
| Proceeds from loans and borrowings..... | 74,098 | 83,637 | 1,327 |
| Proceeds from sale of treasury shares..... | - | 1,000 | - |
| Interest paid on loans and borrowings..... | (812) | (701) | (11) |
| Payment of cash dividend (including dividend tax thereon)..... | (14,669) | (14,672) | (233) |
| Net cash used in financing activities..... | (30,480) | (3,933) | (78) |
| Net (decrease)/increase in cash and cash equivalents during the period.... | (5,348) | 6,405 | 84 |
| Effect of exchange rate changes on cash and cash equivalents..... | 1,160 | 215 | 3 |
| Cash and cash equivalents at the beginning of the period..... | 84,120 | 114,201 | 1,812 |
| Cash and cash equivalents at the end of the period (Note 9)..... | 79,932 | 120,821 | 1,899 |

The accompanying notes form an integral part of these condensed consolidated interim financial statements
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/ W-100022

Supreet Sachdev
Partner
Membership No. 205385

Bangalore
January 16, 2015

For and on behalf of the Board of Directors

Azim Premji **N Vaghul**
Chairman Director

Suresh C Senapaty **T K Kurien** **V Ramachandran**
Executive Director Executive Director Company Secretary
& Chief Financial Officer & Chief Executive Officer

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 (collectively, “the Company” or the “Group”) is a leading India based provider of IT Services, including Business Process Outsourcing (“BPO”) services and IT products, globally.

Wipro is a public limited company incorporated and domiciled in India. The address of its registered office is Wipro Limited, Doddakannelli, Sarjapur Road, Bangalore - 560035, 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 January 16, 2015.

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”). Selected explanatory notes are included to explain events and transactions that are significant to understand the changes in financial position and performance of the Company since the last annual consolidated financial statements as at and for the year ended March 31, 2014. These condensed consolidated interim financial statements do not include all the information required for full annual financial statements prepared in accordance with IFRS.

(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 correspond 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. The defined benefit asset is recognised as plan assets, less the present value of the defined benefit obligation.

(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 nine months ended December 31, 2014, have been translated into United States dollars at the certified foreign exchange rate of \$ 1 = ₹ 63.04 , as published by Federal Reserve Board of Governors on December 31, 2014. 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 IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the 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 development 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 labour 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.
- 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.
- 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 at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred 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 combinations, 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.

Certain of the Company's financial instruments including derivative financial instruments, available-for-sale investments and financial liabilities are measured at fair value subsequent to initial measurement. A description of estimates and assumptions used for determination of fair values is included in note 14 – Fair value hierarchy.

3. Significant accounting policies

Please refer to the Company's Annual Report for the year ended March 31, 2014 for a discussion of the Company's other critical accounting policies.

New Accounting standards adopted by the Company:

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2014, except for the adoption of new standards and interpretations effective as of April 1, 2014.

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 and is applied retrospectively. It is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., IAS 12 Income Taxes) and fines or other penalties for breaches of legislation.

The interpretation clarifies that an entity recognizes a liability when the activity that triggers the payment of levy, as identified by the relevant legislation, occurs. No liability needs to be recorded towards levy that will be triggered by operating in a future period. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements. The adoption of IFRIC 21 has no impact on condensed consolidated interim financial statements of the Company.

Amendments to IAS 32 Financial instruments - Offsetting Financial Assets and Financial Liabilities *

Amendments to IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests in Other Entities and IAS 27 - Separate Financial Statements - Investment Entities *

Amendments to IAS 36 - Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets*

Amendments to IAS 39 - Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting *

* The adoption of these accounting standards including consequential amendments do not have any material impact on the condensed consolidated interim financial statements of the Company.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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> |
|---|----------------|------------------|-----------------------------|---|-----------------|------------------|
| Gross carrying value: | | | | | | |
| As at April 1, 2013..... | ₹ 3,990 | ₹ 22,787 | ₹ 61,798 | ₹ 11,680 | ₹ 1,430 | ₹101,685 |
| Translation adjustment..... | 27 | 435 | 2,665 | 247 | (1) | 3,373 |
| Additions | 2 | 800 | 6,647 | 996 | 15 | 8,460 |
| Disposal / adjustments..... | <u>(326)</u> | <u>(88)</u> | <u>(732)</u> | <u>(712)</u> | <u>(357)</u> | <u>(2,215)</u> |
| As at December 31, 2013..... | <u>₹ 3,693</u> | <u>₹ 23,934</u> | <u>₹ 70,378</u> | <u>₹ 12,211</u> | <u>₹ 1,087</u> | <u>₹ 111,303</u> |
| Accumulated depreciation/impairment: | | | | | | |
| As at April 1, 2013..... | ₹ - | ₹ 3,037 | ₹ 44,090 | ₹ 8,574 | ₹ 1,395 | ₹ 57,096 |
| Translation adjustment..... | - | 153 | 1,718 | 173 | - | 2,044 |
| Depreciation..... | - | 530 | 5,620 | 1,175 | 34 | 7,359 |
| Disposal / adjustments..... | <u>-</u> | <u>(54)</u> | <u>(535)</u> | <u>(617)</u> | <u>(357)</u> | <u>(1,563)</u> |
| As at December 31, 2013..... | <u>₹ -</u> | <u>₹ 3,666</u> | <u>₹ 50,893</u> | <u>₹ 9,305</u> | <u>₹ 1,072</u> | <u>₹ 64,936</u> |
| Capital work-in-progress..... | | | | | | ₹ 5,496 |
| Net carrying value as at December 31, 2013 | | | | | | <u>₹ 51,863</u> |
| Gross carrying value: | | | | | | |
| As at April 1, 2013..... | ₹ 3,990 | ₹ 22,787 | ₹ 61,798 | ₹ 11,680 | ₹ 1,430 | ₹ 101,685 |
| Translation adjustment..... | 21 | 338 | 1,936 | 181 | - | 2,476 |
| Additions..... | - | 1,037 | 9,851 | 1,269 | 30 | 12,187 |
| Acquisition through business combination | - | - | 106 | 53 | 1 | 160 |
| Disposal / adjustments..... | <u>(324)</u> | <u>(100)</u> | <u>(1,381)</u> | <u>(836)</u> | <u>(495)</u> | <u>(3,136)</u> |
| As at March 31, 2014..... | <u>₹ 3,687</u> | <u>₹ 24,062</u> | <u>₹ 72,310</u> | <u>₹ 12,347</u> | <u>₹ 966</u> | <u>₹ 113,372</u> |
| Accumulated depreciation/impairment: | | | | | | |
| As at April 1, 2013..... | ₹ - | ₹ 3,037 | ₹ 44,090 | ₹ 8,574 | ₹ 1,395 | ₹ 57,096 |
| Translation adjustment..... | - | 121 | 1,242 | 129 | 1 | 1,493 |
| Depreciation..... | - | 718 | 7,731 | 1,553 | 39 | 10,041 |
| Disposal / adjustments..... | <u>-</u> | <u>(61)</u> | <u>(748)</u> | <u>(721)</u> | <u>(491)</u> | <u>(2,021)</u> |
| As at March 31, 2014..... | <u>₹ -</u> | <u>₹ 3,815</u> | <u>₹ 52,315</u> | <u>₹ 9,535</u> | <u>₹ 944</u> | <u>₹ 66,609</u> |
| Capital work-in-progress..... | | | | | | ₹ 4,686 |
| Net carrying value as at March 31, 2014 | | | | | | <u>₹ 51,449</u> |
| Gross carrying value: | | | | | | |
| As at April 1, 2014..... | ₹ 3,687 | ₹ 24,062 | ₹ 72,310 | ₹ 12,347 | ₹ 966 | ₹ 113,372 |
| Translation adjustment..... | 5 | 119 | 815 | (1) | (8) | 930 |
| Additions | - | 307 | 8,996 | 669 | 26 | 9,998 |
| Additions through business combination | - | 96 | 805 | 161 | 1 | 1,063 |
| Disposal / adjustments..... | <u>-</u> | <u>(107)</u> | <u>(1,869)</u> | <u>(306)</u> | <u>(36)</u> | <u>(2,318)</u> |
| As at December 31, 2014..... | <u>₹ 3,692</u> | <u>₹ 24,477</u> | <u>₹ 81,057</u> | <u>₹ 12,870</u> | <u>₹ 949</u> | <u>₹ 123,045</u> |
| Accumulated depreciation/impairment: | | | | | | |
| As at April 1, 2014..... | ₹ - | ₹ 3,815 | ₹ 52,315 | ₹ 9,535 | ₹ 944 | ₹ 66,609 |
| Translation adjustment..... | - | 49 | 564 | 3 | - | 616 |
| Depreciation..... | - | 557 | 6,744 | 1,100 | 10 | 8,411 |
| Disposal / adjustments..... | <u>-</u> | <u>(94)</u> | <u>(1,444)</u> | <u>(193)</u> | <u>(31)</u> | <u>(1,762)</u> |
| As at December 31, 2014..... | <u>₹ -</u> | <u>₹ 4,327</u> | <u>₹ 58,179</u> | <u>₹ 10,445</u> | <u>₹ 923</u> | <u>₹ 73,874</u> |
| Capital work-in-progress..... | | | | | | ₹ 4,997 |
| Net carrying value as at December 31, 2014 | | | | | | <u>₹ 54,168</u> |

* Including computer equipment and software

5. Goodwill and intangible assets

The movement in goodwill balance is given below:

| | Year ended March 31, 2014 | Nine months ended December 31, 2014 |
|--|------------------------------|---|
| Balance at the beginning of the period..... | ₹ 54,756 | ₹ 63,422 |
| Translation adjustment..... | 5,571 | 1,904 |
| Acquisition through business combination, net..... | <u>3,095</u> | <u>4,001</u> |
| Balance at the end of the period..... | ₹ <u>63,422</u> | ₹ <u>69,327</u> |

Refer note 6 for information on business combinations.

| | Intangible assets | | |
|---|---------------------|----------------------|-----------------|
| | Customer related | Marketing related | Total |
| Gross carrying value: | | | |
| As at April 1, 2013..... | ₹ 3,003 | ₹ 818 | ₹ 3,821 |
| Translation adjustment..... | 123 | 68 | 191 |
| Acquisition through business combination..... | <u>102</u> | <u>-</u> | <u>102</u> |
| As at December 31, 2013..... | ₹ <u>3,228</u> | ₹ <u>886</u> | ₹ <u>4,114</u> |
| Accumulated amortization and impairment: | | | |
| As at April 1, 2013..... | ₹ 1,632 | ₹ 475 | ₹ 2,107 |
| Translation adjustment..... | - | 144 | 144 |
| Amortization and impairment..... | 347 | 50 | 397 |
| Effect of demerger of diversified business..... | <u>(202)</u> | <u>-</u> | <u>(202)</u> |
| As at December 31, 2013..... | ₹ <u>1,777</u> | ₹ <u>669</u> | ₹ <u>2,446</u> |
| Net carrying value as at December 31, 2013 | ₹ 1,451 | ₹ 217 | ₹ 1,668 |
| Gross carrying value: | | | |
| As at April 1, 2013..... | ₹ 3,003 | ₹ 818 | ₹ 3,821 |
| Translation adjustment..... | 63 | 43 | 106 |
| Additions..... | - | 20 | 20 |
| Acquisition through business combination..... | <u>338</u> | <u>219</u> | <u>557</u> |
| As at March 31, 2014..... | ₹ <u>3,404</u> | ₹ <u>1,100</u> | ₹ <u>4,504</u> |
| Accumulated amortization and impairment: | | | |
| As at April 1, 2013..... | ₹ 1,632 | ₹ 475 | ₹ 2,107 |
| Translation adjustment..... | - | 125 | 125 |
| Amortization and impairment..... | 462 | 76 | 538 |
| Effect of demerger of diversified business..... | <u>(202)</u> | <u>-</u> | <u>(202)</u> |
| As at March 31, 2014..... | ₹ <u>1,892</u> | ₹ <u>676</u> | ₹ <u>2,568</u> |
| Net carrying value as at March 31, 2014 | ₹ 1,512 | ₹ 424 | ₹ 1,936 |
| Gross carrying value: | | | |
| As at April 1, 2014..... | ₹ 3,404 | ₹ 1,100 | ₹ 4,504 |
| Translation adjustment..... | (248) | (24) | (272) |
| Acquisition through business combination..... | <u>8,073</u> | <u>-</u> | <u>8,073</u> |
| As at December 31, 2014..... | ₹ <u>11,229</u> | ₹ <u>1,076</u> | ₹ <u>12,305</u> |
| Accumulated amortization and impairment: | | | |
| As at April 1, 2014..... | ₹ 1,892 | ₹ 676 | ₹ 2,568 |
| Translation adjustment..... | - | (37) | (37) |
| Amortization and impairment | <u>812</u> | <u>164</u> | <u>976</u> |
| As at December 31, 2014..... | ₹ <u>2,704</u> | ₹ <u>803</u> | ₹ <u>3,507</u> |
| Net carrying value as at December 31, 2014 | ₹ 8,525 | ₹ 273 | ₹ 8,798 |

Amortization expense and impairment charge on intangible assets is included in selling and marketing expenses in the condensed consolidated interim statement of income.

6. Business combinations

Opus Capital Markets Consultants LLC

On January 14, 2014, the Company had obtained control of Opus Capital Markets Consultants LLC ('Opus') by acquiring 100% of its share capital. Opus is a US-based provider of mortgage due diligence and risk management services. The acquisition will strengthen Wipro's mortgage solutions and complement its existing offerings in mortgage origination, servicing and secondary market.

The acquisition was executed through a share purchase agreement for a consideration of ₹ 4,589 million (US\$ 75 million) which includes a deferred earn-out component of ₹ 1,285 million (US\$ 21 million), which is dependent on achievement of revenues and earnings over a period of 3 years. This earn-out liability was fair valued at ₹ 782 million and recorded as part of preliminary purchase price allocation.

During the current period, the Company concluded the fair value adjustments of the assets acquired and liabilities assumed on acquisition. Consequently, the fair value of earn-out liability was recorded at ₹ 589 million. Comparatives have not been retrospectively revised as the amounts are not material.

The following table presents the allocation of purchase price:

| Description | Pre-acquisition carrying amount | Fair value adjustments | Purchase price allocated |
|--|---------------------------------|------------------------|--------------------------|
| <u>Assets</u> | | | |
| Cash and cash equivalents | ₹ 22 | - | 22 |
| Property, plant & equipment (including software) | 160 | - | 160 |
| Trade receivable | 456 | - | 456 |
| Other assets | 20 | - | 20 |
| Customer related intangibles | - | 234 | 234 |
| Non-compete arrangement | - | 216 | 216 |
| <u>Liabilities</u> | | | |
| Other liabilities | (258) | - | (258) |
| Deferred income taxes, net | - | (133) | (133) |
| Total | <u>400</u> | <u>317</u> | <u>717</u> |
| Goodwill | | | 2,810 |
| Total purchase price | | | <u>₹ 3,527</u> |

The goodwill of ₹ 2,810 comprises of value of expected synergies arising from the acquisition.

As at the period end, the fair value of earn-out liability was determined to be ₹ 144 as a result of changes in estimates of revenue and earnings over the earn-out period. The revision of the estimates has inter alia resulted in reduction in the carrying value of intangibles recognized on acquisition. Accordingly, a net gain of ₹ 470 has been recorded in the statement of income.

The fair value of earn-out consideration as at the period end was estimated by applying the Discounted Cash Flow approach. The fair value estimates are based on discount rate of 7% and probability adjusted revenue and earnings estimates.

ATCO I-Tek Inc.

On August 15, 2014, the Company obtained control of ATCO I-Tek Inc. ('ATCO I-Tek') by acquiring 100% of its share capital. ATCO I-Tek is a Canada based provider of IT services to ATCO Ltd. The acquisition will strengthen Wipro's IT services delivery model in North America and Australia.

The acquisition was executed through a share purchase and sale agreement for Canada and asset sale and purchase agreement for Australia for an all-cash consideration of ₹ 11,420 million (Canadian Dollars 204 million).

The following table presents the provisional allocation of purchase price:

| Description | Purchase price allocated |
|--|--------------------------|
| Assets | |
| Cash | ₹ 71 |
| Property, plant & equipment (including capital work-in-progress and software)... | 1,407 |
| Trade receivables | 210 |
| Other assets | 296 |
| Customer related intangibles | 8,073 |
| Liabilities | |
| Trade payables and accrued liabilities | (755) |
| Deferred income taxes, net | (2,115) |
| Total | 7,187 |
| Goodwill | 4,233 |
| Total purchase price | ₹ 11,420 |

The goodwill of ₹ 4,233 comprises of value of expected synergies arising from the acquisition. Goodwill is not expected to be deductible for income tax purposes. The purchase consideration was settled in cash.

If the acquisition had occurred on April 1, 2014, management estimates that consolidated revenue for the Company would have been ₹ 350,722 and the profit after taxes would have been ₹ 64,638 for nine months ended December 31, 2014. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on dates indicated or that may result in the future.

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. 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, 2014 | | | | As at December 31, 2014 | | | |
|---|----------------------|--|--|-----------------|-------------------------|--|--|-----------------|
| | 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 and others | ₹ 61,594 | ₹ 334 | ₹ (177) | ₹ 61,751 | ₹ 85,242 | ₹ 776 | ₹ (4) | ₹ 86,014 |
| Certificate of deposits | 1,482 | - | - | ₹ 1,482 | - | - | - | - |
| Total | ₹ 63,076 | ₹ 334 | ₹ (177) | ₹ 63,233 | ₹ 85,242 | ₹ 776 | ₹ (4) | ₹ 86,014 |
| Current | | | | ₹ 60,557 | | | | ₹ 82,985 |
| Non-current | | | | ₹ 2,676 | | | | ₹ 3,029 |

*Available for sale investments include investments amounting to Nil (March 31, 2014: ₹ 228) pledged as margin money deposit for entering into currency future contracts.

8. Inventories

Inventories consist of the following:

| | As at | |
|-----------------------------------|----------------|-------------------|
| | March 31, 2014 | December 31, 2014 |
| Stores and spare parts..... | ₹ 930 | ₹ 952 |
| Raw materials and components..... | 37 | 3 |
| Work in progress..... | 16 | - |
| Finished goods..... | 1,310 | 3,406 |
| | ₹ 2,293 | ₹ 4,361 |

9. Cash and cash equivalents

Cash and cash equivalents as of March 31, 2014 and December 31, 2014 consist of cash and balances on deposit with banks. Cash and cash equivalents consist of the following:

| | As at | |
|---|-------------------|----------------------|
| | March 31, 2014 | December 31, 2014 |
| Cash and bank balances..... | ₹ 45,666 | ₹ 17,434 |
| Demand deposits with banks ⁽¹⁾ | 68,535 | 104,679 |
| | <u>₹ 114,201</u> | <u>₹ 122,113</u> |

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

Demand deposits with banks include deposits pledged to banks amounting to ₹ 105 (March 31, 2014: Nil).

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

| | As at | |
|--------------------------------|----------------------|----------------------|
| | December 31, 2013 | December 31, 2014 |
| Cash and cash equivalents..... | ₹ 79,932 | ₹ 122,113 |
| Bank overdrafts..... | - | (1,292) |
| | <u>₹ 79,932</u> | <u>₹ 120,821</u> |

10. Other assets

| | As at | |
|--|-----------------|----------------------|
| | March 31, 2014 | December 31, 2014 |
| Current | | |
| Interest bearing deposits with corporates ⁽¹⁾ | ₹ 12,500 | ₹ 26,500 |
| Prepaid expenses | 7,354 | 7,256 |
| Due from officers and employees..... | 2,447 | 3,276 |
| Finance lease receivables..... | 3,018 | 3,492 |
| Advance to suppliers..... | 2,446 | 2,369 |
| Deferred contract costs..... | 3,852 | 3,776 |
| Interest receivable..... | 2,794 | 4,642 |
| Deposits..... | 756 | 768 |
| Balance with excise, customs and other authorities..... | 1,267 | 1,017 |
| Others ⁽²⁾ | 3,040 | 4,174 |
| | <u>₹ 39,474</u> | <u>₹ 57,270</u> |
| Non-current | | |
| Prepaid expenses including rentals for leasehold land..... | ₹ 4,523 | ₹ 6,242 |
| Finance lease receivables..... | 5,235 | 3,105 |
| Deferred contract costs..... | 3,711 | 4,456 |
| Deposits..... | 412 | 201 |
| Others..... | 414 | 445 |
| | <u>₹ 14,295</u> | <u>₹ 14,449</u> |
| Total | <u>₹ 53,769</u> | <u>₹ 71,719</u> |

⁽¹⁾ Such deposits earn a fixed rate of interest and will be liquidated within 12 months

⁽²⁾ Others include ₹ 534 (March 31, 2014: ₹ 370) due from Wipro Enterprises Limited and its subsidiaries.

11. Loans and borrowings

A summary of loans and borrowings is as follows:

| | As at | |
|---------------------------------------|-------------------|----------------------|
| | March 31, 2014 | December 31, 2014 |
| Short-term borrowings from bank..... | ₹ 39,433 | ₹ 55,348 |
| External commercial borrowing | 8,985 | 9,458 |
| Obligations under finance leases..... | 3,000 | 4,455 |
| Term loans..... | 174 | 345 |
| Total loans and borrowings | ₹ 51,592 | ₹ 69,606 |

12. Other liabilities and provisions

| | As at | |
|--------------------------------------|-------------------|----------------------|
| | March 31, 2014 | December 31, 2014 |
| Other liabilities | | |
| Current: | | |
| Statutory and other liabilities..... | ₹ 3,551 | ₹ 3,216 |
| Employee benefit obligations..... | 5,027 | 4,624 |
| Advance from customers..... | 3,278 | 1,853 |
| Others ⁽¹⁾ | 2,538 | 2,072 |
| | ₹ 14,394 | ₹ 11,765 |
| Non-current: | | |
| Employee benefit obligations..... | ₹ 3,030 | ₹ 3,845 |
| Others..... | 1,144 | 428 |
| | ₹ 4,174 | ₹ 4,273 |
| Total | ₹ 18,568 | ₹ 16,038 |

⁽¹⁾ Others include ₹ 583 (March 31, 2014: ₹ 1,000) due to Wipro Enterprises Limited and its subsidiaries

| | As at | |
|-----------------------------|-------------------|----------------------|
| | March 31, 2014 | December 31, 2014 |
| Provisions | | |
| Current: | | |
| Provision for warranty..... | ₹ 340 | ₹ 267 |
| Others..... | 1,030 | 1,070 |
| | ₹ 1,370 | ₹ 1,337 |
| Non-current: | | |
| Provision for warranty..... | ₹ 6 | ₹ 7 |
| Total | ₹ 1,376 | ₹ 1,344 |

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 years. 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:

| | As at | |
|---|----------------|-------------------|
| | March 31, 2014 | December 31, 2014 |
| <u>Designated derivative instruments</u> | | |
| Sell | \$ 516 | \$ 977 |
| | £ 51 | £ 186 |
| | € 78 | € 159 |
| | AUD 9 | AUD 23 |
| Interest rate swaps | \$ 150 | \$ 150 |
| <u>Net investment hedges in foreign operations</u> | | |
| Others | \$ 220 | \$ 220 |
| | € 25 | € - |
| <u>Non designated derivative instruments</u> | | |
| Sell | \$ 1,061 | \$ 824 |
| | £ 112 | £ 64 |
| | € 62 | € 57 |
| | AUD 99 | AUD 53 |
| | ¥ 490 | ¥ 490 |
| | SGD 8 | SGD 13 |
| | ZAR 223 | ZAR 69 |
| | CAD 10 | CAD 24 |
| | CHF - | CHF 10 |
| Buy | \$ 585 | \$ 600 |

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

| | As at | |
|--|-------------------|-------------------|
| | December 31, 2013 | December 31, 2014 |
| Balance as at the beginning of the period..... | ₹ 1,669 | ₹ 567 |
| Deferred cancellation gain/ (loss) | - | (9) |
| Changes in fair value of effective portion of derivatives..... | (3,420) | 1,046 |
| Gain/ (losses) on cash flow hedging derivatives, net..... | ₹ (3,420) | ₹ 1,037 |
| Balance as at the end of the period..... | ₹ (1,751) | ₹ 1,604 |
| Deferred tax thereon..... | ₹ 245 | ₹ (269) |
| Balance as at the end of the period, net of deferred tax..... | ₹ (1,506) | ₹ 1,335 |

As at March 31, 2014, December 31, 2013 and December 31, 2014, 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. Fair value hierarchy

Financial assets and liabilities of Wipro include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances and eligible current and non-current assets, long and short-term loans and borrowings, bank overdrafts, trade payable, eligible current liabilities and non-current

liabilities. The fair value of financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

Investments in liquid and short-term mutual funds, which are classified as available-for-sale are measured using quoted market prices at the reporting date multiplied by the quantity held. Fair value of investments in certificate of deposits, classified as available for sale is determined using observable market inputs.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value of hierarchy of assets and liabilities measured at fair value on a recurring basis:

| Particulars | As at March 31, 2014 | | | | As at December 31, 2014 | | | |
|---|---|---------|---------|---------|---|---------|---------|---------|
| | Fair value measurements at reporting date using | | | | Fair value measurements at reporting date using | | | |
| | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 |
| Assets | | | | | | | | |
| Derivative instruments | | | | | | | | |
| - Cash flow hedges | ₹ 1,289 | ₹ - | ₹ 1,289 | ₹ - | 1,915 | - | 1,915 | - |
| - Net investment hedges | 123 | - | 123 | - | 96 | - | 96 | - |
| - Others | 2,535 | - | 2,425 | 110 | 1,076 | - | 973 | 103 |
| Available for sale financial assets: | | | | | | | | |
| - Investment in liquid and short-term mutual funds | 18,555 | 16,826 | 1,729 | - | 39,516 | 39,467 | 49 | - |
| - Investment in certificate of deposits and other investments | 42,002 | 488 | 41,514 | - | 43,469 | 1,084 | 42,385 | - |
| - Investment in equity instruments | 2,676 | - | - | 2,676 | 3,029 | - | - | 3,029 |
| Liabilities | | | | | | | | |
| Derivative instruments | | | | | | | | |
| - Cash flow hedges | 740 | - | 740 | - | 316 | - | 316 | - |
| - Net investment hedges | 718 | - | 718 | - | 568 | - | 568 | - |
| - Others | 1,675 | - | 1,675 | - | 1,259 | - | 1,259 | - |

The following methods and assumptions were used to estimate the fair value of the level 2 financial instruments included in the above table.

Derivative instruments (assets and liabilities): The Company enters into derivative financial instruments with various counter-parties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and foreign exchange option contracts. The most frequently applied valuation techniques include forward pricing, swap models and Black Scholes models (for option valuation), using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying. As on December 31, 2014, the changes in counterparty credit risk had no material effect on the hedge effectiveness

assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

Available for sale investments (Investment in certificate of deposits and commercial papers): Fair value of available-for-sale financial assets is derived based on the indicative quotes of price and yields prevailing in the market as on December 31, 2014.

Available for sale investments (Investment in liquid and short-term mutual funds): Fair valuation is derived based on Net Asset value published by the respective mutual fund houses.

Details of assets and liabilities considered under Level 3 classification:

| | Available for sale investments – Equity instruments | Derivative Assets – Others |
|--|---|----------------------------|
| Opening Balance as on 1 April 2013 | ₹ - | ₹ - |
| Additions/(Deletions) | 2,676 | 110 |
| Gain/(loss) recognized in statement of income | - | - |
| Gain/(loss) recognized in other comprehensive income | - | - |
| Closing balance as on 31 March 2014 | ₹ 2,676 | ₹ 110 |

| | Available for sale investments – Equity instruments | Derivative Assets – Others |
|--|---|----------------------------|
| Opening Balance as on 1 April 2014 | ₹ 2,676 | ₹ 110 |
| Additions/(Deletions) | 162 | 18 |
| Gain/(loss) recognized in statement of income | 20 | (25) |
| Gain/(loss) recognized in other comprehensive income | 171 | - |
| Closing balance as on 31 December 2014 | ₹ 3,029 | ₹ 103 |

Description of significant unobservable inputs to valuation:

| Item | Valuation technique | Significant unobservable inputs | Input | Sensitivity of the input to fair value |
|--|----------------------|------------------------------------|---------|---|
| Available for sale investments in unquoted equity shares | Option pricing model | Volatility of comparable companies | 45% | 2.5% increase (decrease) in volatility would result in (decrease) increase in fair value of AFS investments by ₹ 22 |
| | | Time to liquidation event | 5 years | 1 year increase (decrease) in time to liquidation event would result in (decrease) increase in fair value of AFS investments by ₹ 29 |
| Derivative assets | Option pricing model | Volatility of comparable companies | 40% | 2.5% increase (decrease) in volatility would result in increase (decrease) in fair value of the derivative asset by ₹ 20 |
| | | Time to liquidation event | 5 years | 1 year increase (decrease) in time to liquidation event would result in increase (decrease) in fair value of the derivative asset by ₹ 26 |

15. Foreign currency translation reserve

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

| | As at December 31, | |
|---|--------------------|-----------------|
| | 2013 | 2014 |
| Balance at the beginning of the period..... | ₹ 5,470 | ₹ 10,060 |
| Translation difference related to foreign operations, net..... | 9,764 | 2,475 |
| Change in effective portion of hedges of net investment in foreign operations | (3,568) | - |
| Total change during the period..... | ₹ 6,196 | ₹ 2,475 |
| Balance at the end of the period..... | ₹ 11,666 | ₹ 12,535 |

16. Income taxes

Income tax expense / (credit) has been allocated as follows:

| | Three months ended December 31, | | Nine months ended December 31, | |
|--|------------------------------------|----------------|-----------------------------------|-----------------|
| | 2013 | 2014 | 2013 | 2014 |
| Income tax expense as per the statement of income..... | ₹ 6,060 | ₹ 6,228 | ₹ 16,064 | ₹ 18,369 |
| Income tax included in other comprehensive income on: | | | | |
| Unrealized gain on investment securities..... | (4) | 75 | 23 | 139 |
| Unrealized (loss) / gain on cash flow hedging derivatives..... | (485) | 71 | 426 | 200 |
| Defined benefit plan actuarial gains / (losses) | - | (18) | (28) | (39) |
| Total income taxes | ₹ 5,571 | ₹ 6,356 | ₹ 16,485 | ₹ 18,669 |

Income tax expense consists of the following:

| | Three months ended December 31 | | Nine months ended December 31 | |
|---------------------------------|-----------------------------------|----------------|----------------------------------|-----------------|
| | 2013 | 2014 | 2013 | 2014 |
| Current taxes | | | | |
| Domestic..... | ₹ 5,071 | ₹ 4,378 | ₹ 12,917 | ₹ 14,566 |
| Foreign..... | 597 | 3,128 | 2,201 | 5,375 |
| | ₹ 5,668 | ₹ 7,506 | ₹ 15,118 | ₹ 19,941 |
| Deferred taxes | | | | |
| Domestic..... | ₹ (238) | ₹ (176) | ₹ (474) | ₹ (487) |
| Foreign..... | 630 | (1,102) | 1,420 | (1,085) |
| | ₹ 392 | ₹ (1,278) | ₹ 946 | ₹ (1,572) |
| Total income tax expense | ₹ 6,060 | ₹ 6,228 | ₹ 16,064 | ₹ 18,369 |

Income tax expense is net of reversal of provisions/ (provision recorded) pertaining to earlier periods, amounting to ₹ 285 and ₹ 5 for the three months ended December 31, 2013 and 2014 respectively and ₹ 928 and ₹ 515 for the nine months ended December 31, 2013 and 2014 respectively.

17. Revenues

| | Three months ended December 31, | | Nine months ended December 31, | |
|----------------------------|------------------------------------|------------------|-----------------------------------|------------------|
| | 2013 | 2014 | 2013 | 2014 |
| Rendering of services..... | ₹ 102,572 | ₹ 112,291 | ₹ 290,343 | ₹ 323,932 |
| Sale of products..... | 10,141 | 7,638 | 27,391 | 24,193 |
| Total revenues | ₹ 112,713 | ₹ 119,929 | ₹ 317,734 | ₹ 348,125 |

18. Expenses by nature

| | Three months ended December 31, | | Nine months ended December 31, | |
|---|------------------------------------|-----------------|-----------------------------------|------------------|
| | 2013 | 2014 | 2013 | 2014 |
| Employee compensation..... | ₹ 52,788 | ₹ 57,175 | ₹ 153,846 | ₹ 168,011 |
| Raw materials, finished goods, process stocks and stores and spares consumed..... | 7,815 | 5,868 | 21,533 | 19,510 |
| Sub-contracting/technical fees/third party application | 11,186 | 14,123 | 31,956 | 38,868 |
| Travel and conveyance..... | 5,026 | 6,171 | 13,748 | 16,521 |
| Depreciation and amortization..... | 3,109 | 3,647 | 8,226 | 9,556 |
| Repairs..... | 3,112 | 3,314 | 8,094 | 8,395 |
| Advertisement..... | 383 | 365 | 1,035 | 1,066 |
| Communication..... | 1,372 | 1,386 | 4,090 | 3,887 |
| Rent..... | 1,186 | 1,270 | 3,439 | 3,475 |
| Power and fuel..... | 758 | 723 | 2,192 | 2,268 |
| Legal and professional fees..... | 625 | 1,013 | 1,819 | 2,676 |
| Rates, taxes and insurance..... | 654 | 535 | 1,656 | 1,593 |
| Provision for doubtful debt..... | 78 | 65 | 676 | 642 |
| Miscellaneous expenses..... | 1,807 | 1,162 | 4,730 | 4,133 |
| Total cost of revenues, selling and marketing and general and administrative expenses..... | ₹ 89,899 | ₹ 96,817 | ₹ 257,040 | ₹ 280,601 |

19. Finance expense

| | Three months ended December 31, | | Nine months ended December 31, | |
|---|------------------------------------|--------------|-----------------------------------|----------------|
| | 2013 | 2014 | 2013 | 2014 |
| Interest expense..... | ₹ 180 | ₹ 96 | ₹ 652 | ₹ 525 |
| Exchange fluctuation on foreign currency borrowings, net..... | 718 | 714 | 1,397 | 2,162 |
| Total | ₹ 898 | ₹ 810 | ₹ 2,049 | ₹ 2,687 |

20. Finance and other income

| | Three months ended December 31, | | Nine months ended December 31, | |
|----------------------------------|------------------------------------|----------------|-----------------------------------|-----------------|
| | 2013 | 2014 | 2013 | 2014 |
| Interest income..... | ₹ 3,076 | ₹ 4,060 | ₹ 9,265 | ₹ 10,985 |
| Dividend income..... | 137 | 14 | 247 | 185 |
| Gain on sale of investments..... | 599 | 961 | 1,073 | 3,213 |
| Total | ₹ 3,812 | ₹ 5,035 | ₹ 10,585 | ₹ 14,383 |

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 (amounts in millions except per share data):

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.

| | Three months ended December 31, | | Nine months ended December 31, | |
|---|------------------------------------|---------------|-----------------------------------|---------------|
| | 2013 | 2014 | 2013 | 2014 |
| Profit attributable to equity holders of the Company..... | ₹ 20,147 | ₹ 21,928 | ₹ 55,703 | ₹ 63,808 |
| Weighted average number of equity shares outstanding..... | 2,455,541,979 | 2,457,766,859 | 2,454,745,433 | 2,457,491,867 |
| Basic earnings per share..... | ₹ 8.20 | ₹ 8.92 | ₹ 22.69 | ₹ 25.97 |

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the period for assumed conversion of all dilutive potential equity shares. 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.

| | Three months ended December 31 | | Nine months ended December 31 | |
|--|-----------------------------------|----------------------|----------------------------------|----------------------|
| | 2013 | 2014 | 2013 | 2014 |
| Profit attributable to equity holders of the Company..... | ₹ 20,147 | ₹ 21,928 | ₹ 55,703 | ₹ 63,808 |
| Weighted average number of equity shares outstanding..... | 2,455,541,979 | 2,457,766,859 | 2,454,745,433 | 2,457,491,867 |
| Effect of dilutive equivalent share options.... | <u>6,890,643</u> | <u>11,556,384</u> | <u>7,328,059</u> | <u>10,770,968</u> |
| Weighted average number of equity shares for diluted earnings per share..... | <u>2,462,432,622</u> | <u>2,469,323,243</u> | <u>2,462,073,492</u> | <u>2,468,262,835</u> |
| Diluted earnings per share..... | ₹ 8.18 | ₹ 8.88 | ₹ 22.63 | ₹ 25.85 |

22. Employee benefits

a) Employee costs include

| | Three months ended December 31, | | Nine months ended December 31, | |
|---|------------------------------------|------------------------|-----------------------------------|-------------------------|
| | 2013 | 2014 | 2013 | 2014 |
| Salaries and bonus..... | ₹ 51,587 | ₹ 55,718 | ₹ 150,449 | ₹ 163,678 |
| Employee benefit plans | | | | |
| Gratuity..... | 138 | 162 | 413 | 485 |
| Contribution to provident and other funds.... | 906 | 990 | 2,612 | 2,961 |
| Share based compensation..... | <u>157</u> | <u>305</u> | <u>372</u> | <u>887</u> |
| | <u>₹ 52,788</u> | <u>₹ 57,175</u> | <u>₹ 153,846</u> | <u>₹ 168,011</u> |

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

| | Three months ended December 31, | | Nine months ended December 31, | |
|--|------------------------------------|------------------------|-----------------------------------|-------------------------|
| | 2013 | 2014 | 2013 | 2014 |
| Cost of revenues..... | ₹ 44,302 | ₹ 48,528 | ₹ 128,846 | ₹ 141,836 |
| Selling and marketing expenses..... | 5,616 | 5,415 | 16,372 | 16,492 |
| General and administrative expenses..... | <u>2,870</u> | <u>3,232</u> | <u>8,628</u> | <u>9,683</u> |
| | <u>₹ 52,788</u> | <u>₹ 57,175</u> | <u>₹ 153,846</u> | <u>₹ 168,011</u> |

The Company has granted Nil and 2,480,000 options under RSU option plan during the three and nine months ended December 2014 respectively (Nil and 30,000 for three and nine months ended December 31, 2013); Nil and 1,689,500 options under ADS during the three and nine months ended December 2014 respectively (Nil for three and nine months ended December 31, 2013).

23. Commitments and contingencies

Capital commitments: As at March 31, 2014 and December 31, 2014, the Company had committed to spend approximately ₹ 778 and ₹ 1,023 respectively, under agreements to purchase property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Guarantees: As at March 31, 2014 and December 31, 2014, performance and financial guarantees provided by banks on behalf of the Company to the Indian Government, customers and certain other agencies amount to approximately ₹ 22,864 and ₹ 22,789 respectively, as part of the bank line of credit.

Contingencies and lawsuits: The Company had received tax demands aggregating to ₹ 45,523 (including interest of ₹ 12,907) arising primarily on account of denial of deduction under section 10A of the Income Tax Act, 1961 in respect of profit earned by the Company's undertaking in Software Technology Park at Bangalore for the years ended March 31, 2001 to March 31, 2009. The appeals filed against the said demand before the Appellate authorities have been allowed in favor of the Company by the second appellate authority for the years up to March 31, 2007. Further appeals have been filed by the Income tax authorities before the Hon'ble High Court for AY 1997-98 to 2000-01 which have been rejected by the Hon'ble High Court and thereby sustaining the relief granted by lower appellate authorities. For the year ended March 31, 2008 and March 2009, the appeals are pending before Income Tax Appellate Tribunal.

In March 2014, the Company received the draft assessment order, on similar grounds as that of earlier years, with a demand of ₹ 9,058 (including interest of ₹ 2,938) for the financial year ended March 31, 2010. The Company had filed its objections against the said demand before the Dispute Resolution Panel. Subsequently, in January 2015 the company has received the DRP directions allowing the deduction u/s 10A in respect of profit earned by the Company's undertaking in Software Technology Park at Bangalore. The final assessment order is yet to be received.

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 the impact on the condensed interim financial statements is not expected to be material.

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.

The Contingent liability in respect of disputed demands for excise duty, custom duty, sales tax and other matters amounts to ₹ 2,338 and ₹ 2,566 as of March 31, 2014 and December 31, 2014, respectively.

24. Segment information

The Company is organized by the following operating segments; IT Services and IT Products.

IT Services: The IT Services segment primarily consists of IT Service offerings to our customers organized by industry verticals as follows: Banking, Financial Services and Insurance (BFSI), Healthcare and Life Sciences (HLS), Retail, Consumer, Transport and Government (RCTG), Energy, Natural Resources and Utilities (ENU), Manufacturing (MFG), Global Media and Telecom (GMT). Starting with quarter ended September 30, 2014, it also includes Others which comprises dividend income and gains or losses (net) relating to strategic investments, which are presented within "Finance and other income" in the statement of Income. Key service offering to customers includes software application development and maintenance, research and development services for hardware and software design, business application services, analytics, consulting, infrastructure outsourcing services and business process outsourcing services.

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. During FY 2013-14, the Company ceased the manufacturing of 'Wipro branded desktops, laptops and servers'. Revenue relating to the above items is reported as revenue from the sale of IT Products.

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 and operating income.

Assets and liabilities used in the Company's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Information on reportable segment for the three months ended December 31, 2013 is as follows:

| | IT Services | | | | | | | | IT Products | Reconciling Items | Entity total |
|-------------------------------|-------------|--------|--------|--------|--------|--------|--------|---------------|--------------|-------------------|---------------|
| | BFSI | HLS | RCTG | ENU | MFG | GMT | Others | Total | | | |
| Revenue | 27,305 | 10,914 | 15,116 | 16,625 | 19,199 | 14,115 | - | 103,274 | 10,155 | (112) | 113,317 |
| Segment Result | 6,377 | 1,847 | 3,164 | 4,683 | 4,565 | 2,845 | - | 23,481 | (116) | (256) | 23,109 |
| Unallocated | | | | | | | | 309 | - | - | 309 |
| Segment Result Total | | | | | | | | 23,790 | (116) | (256) | 23,418 |
| Finance expense | | | | | | | | | | | (898) |
| Finance and other income | | | | | | | | | | | 3,812 |
| Profit before tax | | | | | | | | | | | 26,332 |
| Income tax expense | | | | | | | | | | | (6,060) |
| Profit for the period | | | | | | | | | | | 20,272 |
| Depreciation and amortization | | | | | | | | | | | 3,109 |

Information on reportable segment for the three months ended December 31, 2014 is as follows:

| | IT Services | | | | | | | | IT Products | Reconciling Items | Entity total |
|-------------------------------|-------------|--------|--------|--------|--------|--------|--------|---------------|-------------|-------------------|---------------|
| | BFSI | HLS | RCTG | ENU | MFG | GMT | Others | Total | | | |
| Revenue | 29,177 | 13,247 | 16,005 | 18,637 | 20,718 | 15,661 | - | 113,445 | 7,740 | (334) | 120,851 |
| Segment Result | 7,035 | 2,981 | 3,255 | 4,262 | 4,228 | 3,438 | - | 25,199 | 89 | (796) | 24,492 |
| Unallocated | | | | | | | | (458) | - | - | (458) |
| Segment Result Total | | | | | | | | 24,741 | 89 | (796) | 24,034 |
| Finance expense | | | | | | | | | | | (810) |
| Finance and other income | | | | | | | | | | | 5,035 |
| Profit before tax | | | | | | | | | | | 28,259 |
| Income tax expense | | | | | | | | | | | (6,228) |
| Profit for the period | | | | | | | | | | | 22,031 |
| Depreciation and amortization | | | | | | | | | | | 3,647 |

Information on reportable segment for the nine months ended December 31, 2013 is as follows:

| | IT Services | | | | | | | | IT Products | Reconciling Items | Entity total |
|-------------------------------|-------------|--------|--------|--------|--------|--------|--------|---------------|-------------|-------------------|---------------|
| | BFSI | HLS | RCTG | ENU | MFG | GMT | Others | Total | | | |
| Revenue | 77,567 | 29,855 | 43,481 | 46,750 | 55,328 | 40,335 | - | 293,316 | 27,695 | (428) | 320,583 |
| Segment Result | 17,148 | 5,155 | 8,964 | 12,531 | 12,439 | 8,237 | - | 64,474 | 167 | (903) | 63,738 |
| Unallocated | | | | | | | | (195) | - | - | (195) |
| Segment Result Total | | | | | | | | 64,279 | 167 | (903) | 63,543 |
| Finance expense | | | | | | | | | | | (2,049) |
| Finance and other income | | | | | | | | | | | 10,585 |
| Profit before tax | | | | | | | | | | | 72,079 |
| Income tax expense | | | | | | | | | | | (16,064) |
| Profit for the period | | | | | | | | | | | 56,015 |
| Depreciation and amortization | | | | | | | | | | | 8,226 |

Information on reportable segment for the nine months ended December 31, 2014 is as follows:

| | IT Services | | | | | | | | IT Products | Reconciling Items | Entity total |
|-------------------------------|-------------|--------|--------|--------|--------|--------|--------|---------------|-------------|-------------------|---------------|
| | BFSI | HLS | RCTG | ENU | MFG | GMT | Others | Total | | | |
| Revenue | 85,653 | 36,713 | 45,951 | 53,792 | 59,721 | 45,933 | - | 327,763 | 24,552 | (847) | 351,468 |
| Segment Result | 19,904 | 7,534 | 9,648 | 13,483 | 12,630 | 10,696 | 583 | 74,478 | 316 | (2,321) | 72,473 |
| Unallocated | | | | | | | | (1,606) | - | - | (1,606) |
| Segment Result Total | | | | | | | | 72,872 | 316 | (2,321) | 70,867 |
| Finance expense | | | | | | | | | | | (2,687) |
| Finance and other income | | | | | | | | | | | 14,383 |
| Profit before tax | | | | | | | | | | | 82,563 |
| Income tax expense | | | | | | | | | | | (18,369) |
| Profit for the period | | | | | | | | | | | 64,194 |
| Depreciation and amortization | | | | | | | | | | | 9,556 |

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

| | Three months ended December 31 | | Nine months ended December 31 | |
|------------------------|-----------------------------------|------------------|----------------------------------|------------------|
| | 2013 | 2014 | 2013 | 2014 |
| India..... | ₹ 11,592 | ₹ 10,649 | ₹ 33,591 | ₹ 32,388 |
| Americas..... | 51,751 | 58,735 | 146,839 | 168,744 |
| Europe..... | 31,543 | 31,818 | 88,265 | 94,069 |
| Rest of the world..... | <u>18,431</u> | <u>19,649</u> | <u>51,888</u> | <u>56,267</u> |
| | ₹ 113,317 | ₹ 120,851 | ₹ 320,583 | ₹ 351,468 |

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.

No client individually accounted for more than 10% of the revenues during the nine months ended December 31, 2013 and 2014.

Notes:

- 'Reconciling items' includes elimination of inter-segment transactions, dividend income/ gains/ losses relating to strategic investments and other corporate activities.
- Segment result represents operating profits of the segments and dividend income and gains or losses (net) relating to strategic investments, which are presented within "Finance and other income" in the statement of Income.
- Revenues include excise duty of ₹ 70 and ₹ 2 for the nine months ended December 31, 2013 and 2014, respectively. For the purpose of segment reporting, the segment revenues are net of excise duty. Excise duty is reported in reconciling items.
- 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).
- For evaluating performance of the individual business segments, stock compensation expense is allocated on the basis of straight line amortization. The differential impact of accelerated amortization of stock compensation expense over stock compensation expense allocated to the individual business segments is reported in reconciling items.

- f) For evaluating the performance of the individual business segments, amortization of customer and marketing related intangibles acquired through business combinations are reported in reconciling items.
- g) 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. 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.

25. List of subsidiaries as of December 31, 2014 are provided in the table below.

| Subsidiaries | Subsidiaries | Subsidiaries | Country of Incorporation |
|------------------------------------|--|---|--|
| Wipro LLC (formerly Wipro Inc). | Wipro Gallagher Solutions Inc Infocrossing Inc. Wipro Promax Analytics Solutions LLC [Formerly Promax Analytics Solutions Americas LLC] Wipro Insurance Solution LLC | Opus Capital Markets Consultants LLC Opus Technology Services LLC | USA USA USA USA USA |
| Wipro Japan KK | | | Japan |
| Wipro Shanghai Limited | | | China |
| Wipro Trademarks Holding Limited | | | India |
| Wipro Travel Services Limited | | | India |
| Wipro Holdings (Mauritius) Limited | Wipro Holdings UK Limited | Wipro Information Technology Austria GmbH(A) (Formerly Wipro Holdings Austria GmbH) 3D Networks (UK) Limited Wipro Europe Limited (A) | Mauritius U.K. Austria U.K. U.K. |
| | | Wipro Promax Analytics Solutions (Europe) Limited [formerly Promax Analytics Solutions (Europe) Ltd] | U.K. |
| Wipro Cyprus Private Limited | Wipro Doha LLC# 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 Z.o.o Wipro IT Services Poland Sp. z o. o Wipro Promax Analytics Solutions Pty Ltd (formerly Promax Applications | | Cyprus Qatar Mexico Philippines Hungary Argentina Egypt Saudi Arabia Poland Poland Australia |

The Company controls 'The Wipro SA Board Based Ownership Scheme Trust' and 'Wipro SA Broad Based Ownership Scheme SPV (RF) (PTY) LTD incorporated in South Africa.

(A) Step Subsidiary details of Wipro Information Technology Austria GmbH, Wipro Portugal S.A, Wipro Europe Limited, Wipro Promax Holdings Pty Ltd and Wipro Technologies Canada Limited are as follows:

| Subsidiaries | Subsidiaries | Subsidiaries | Country of Incorporation |
|---|---|--------------|--|
| Wipro Information Technogoty Austria GmbH (Formerly Wipro Holdings Austria GmbH) | Wipro Technologies Austria GmbH New Logic Technologies SARL | | Austria Austria France |
| Wipro Europe Limited (formerly SAIC Europe Limited) | Wipro UK Limited Wipro Europe SARL | | U.K. U.K. France |
| Wipro Portugal S.A. | SAS Wipro France Wipro Retail UK Limited Wipro do Brasil Technologia Ltda Wipro Technologies GmbH Wipro Do Brasil Sistemetas De Informatica Ltd | | Portugal France U.K Brazil Germany Brazil |
| Wipro Promax Holdings Pty Ltd (formerly Promax Holdings Pty Ltd) | Wipro Promax IP Pty Ltd (formerly PAG IP Pty Ltd) | | Australia Australia |
| Wipro Technologies Canada Limited | Wipro Solutions Canada Limited (formerly ATCO I-Tek Inc.) | | Canada Canada |

26. Bank Balances

Details of balances with banks as of December 31, 2014 are as follows:

| Bank Name | In Current Account | In Deposit Account | Total |
|-------------------------------|--------------------|--------------------|----------|
| AXIS Bank | ₹ 18 | ₹ 19,747 | ₹ 19,765 |
| ICICI Bank | 11 | 18,490 | 18,501 |
| Corporation Bank | - | 17,217 | 17,217 |
| Canara Bank..... | - | 16,700 | 16,700 |
| HSBC..... | 6,300 | 5,219 | 11,519 |
| Bank Of Baroda..... | - | 8,000 | 8,000 |
| Citi Bank..... | 5,394 | 688 | 6,082 |
| Yes Bank..... | - | 4,500 | 4,500 |
| Vijaya Bank..... | 10 | 4,300 | 4,310 |
| IDBI..... | 50 | 3,050 | 3,100 |
| State Bank of Travancore..... | - | 3,000 | 3,000 |
| Wells Fargo Bank..... | 1,854 | - | 1,854 |
| Punjab National Bank..... | - | 1,500 | 1,500 |
| Saudi British Bank..... | 328 | 504 | 832 |
| Standard Chartered Bank..... | 668 | - | 668 |
| Bank of Montreal..... | 595 | - | 595 |
| Shinhan Bank..... | 7 | 542 | 549 |

| Bank Name | In Current Account | In Deposit Account | Total |
|---|---------------------------|---------------------------|-------------------------|
| HDFC..... | 360 | 105 | 465 |
| Ratnakar Bank..... | - | 450 | 450 |
| ING Vysya Bank..... | 12 | 415 | 427 |
| BBVA Provincial..... | 20 | 120 | 140 |
| Indian Overseas Bank..... | - | 129 | 129 |
| Others including cash and cheques on hand | 1,808 | 2 | 1,810 |
| Total | <u>₹ 17,435</u> | <u>₹ 104,678</u> | <u>₹ 122,113</u> |

27. Subsequent event

On January 16, 2015, the Board of Directors of the Company declared an interim dividend of ₹ 5 (\$ 0.08) per equity share and ADR (250% on an equity share of par value of ₹ 2).

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

As per our report of even date attached

For and on behalf of the Board of Directors

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No:101248W/W-100022

Azim Premji

Chairman

N Vaghul

Director

Supreet Sachdev

Partner

Membership No. 205385

Bangalore

January 16, 2015

Suresh C Senapaty

Executive Director

& *Chief Financial Officer*

T K Kurien

Executive Director

& *Chief Executive Officer*

V Ramachandran

Company Secretary