

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

AS OF AND FOR THE THREE MONTHS AND YEAR ENDED MARCH 31, 2010

WIPRO LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL
POSITION

(Rupees in millions, except share and per share data, unless otherwise stated)

	As of March 31,		
	2009	2010	2010 Convenience translation into US\$ in millions
ASSETS			
Goodwill.....	56,143	53,802	1,197
Intangible assets.....	3,493	4,011	89
Property, plant and equipment.....	49,794	53,458	1,189
Investment in equity accounted investees	1,670	2,345	52
Deferred tax assets.....	4,369	1,686	38
Other non-current assets.....	8,083	9,112	203
Total non-current assets.....	123,552	124,414	2,768
Inventories.....	7,587	7,926	176
Trade receivables.....	48,652	50,928	1,133
Other current assets.....	14,941	24,594	547
Unbilled revenues.....	14,108	16,708	372
Available for sale investments.....	16,543	30,420	677
Current tax assets.....	9,827	10,060	224
Cash and cash equivalents.....	49,117	64,878	1,443
Total current assets.....	160,775	205,514	4,572
TOTAL ASSETS.....	284,327	329,928	7,340
EQUITY			
Share capital.....	2,930	2,936	65
Share premium.....	27,280	29,188	649
Retained earnings.....	126,646	165,789	3,688
Share based payment reserve.....	3,745	3,140	70
Other components of equity.....	(12,915)	(4,399)	(98)
Shares held by controlled trust.....	(542)	(542)	(12)
Equity attributable to the equity holders of the company.....	147,144	196,112	4,363
Minority Interest.....	237	437	10
Total equity.....	147,381	196,549	4,373
LIABILITIES			
Long - term loans and borrowings.....	19,681	18,107	403
Deferred tax liabilities.....	474	380	8
Employee benefit obligations.....	3,111	2,967	66
Derivative liabilities.....	8,767	3,786	84
Other non-current liabilities and provisions.....	1,669	769	17
Total non-current liabilities.....	33,702	26,009	579
Loans and borrowings and bank overdrafts.....	37,211	44,404	988
Trade payables and accrued expenses.....	41,650	40,570	903
Unearned revenues.....	8,734	7,462	166
Current tax liabilities.....	6,492	7,915	176
Derivative liabilities.....	3,255	471	10
Other current liabilities and provisions.....	5,902	6,548	146
Total current liabilities.....	103,244	107,370	2,389
TOTAL LIABILITIES.....	136,946	133,379	2,967
TOTAL EQUITY AND LIABILITIES.....	284,327	329,928	7,340

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

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

	<u>Three months ended March 31,</u>			<u>Year ended March 31,</u>		
	<u>2009</u>	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2010</u>
			Convenience translation into US \$ in millions			Convenience translation into US \$ in millions
Gross revenues.....	65,275	69,772	1,552	256,891	271,957	6,050
Cost of revenues.....	(45,365)	(47,764)	(1,063)	(180,215)	(186,299)	(4,145)
Gross profit.....	19,910	22,008	490	76,676	85,658	1,906
Selling and marketing expenses.....	(4,318)	(5,061)	(113)	(17,313)	(18,608)	(414)
General and administrative expenses.....	(3,576)	(3,640)	(81)	(14,510)	(14,823)	(330)
Foreign exchange gains/(losses), net.....	(761)	57	1	(1,553)	(716)	(16)
Results from operating activities.....	11,255	13,364	297	43,300	51,511	1,146
Finance and other income / (expenses), net.....	232	1,612	36	1,233	3,369	75
Share of profits of equity accounted associates.....	35	176	4	362	530	12
Profit before tax.....	11,522	15,152	337	44,895	55,410	1,233
Income tax expense.....	(1,461)	(3,015)	(67)	(6,035)	(9,294)	(207)
Profit for the period.....	10,061	12,137	270	38,860	46,116	1,026
Attributable to:						
Equity holders of the company.....	10,011	12,091	269	38,761	45,931	1,022
Minority interest.....	50	46	1	99	185	4
Profit for the period.....	10,061	12,137	270	38,860	46,116	1,026
Earnings per equity share:						
Basic.....	6.88	8.29	0.19	26.66	31.52	0.70
Diluted.....	6.85	8.23	0.18	26.50	31.25	0.70
Weighted average number of equity shares used in computing EPS						
earnings per equity share						
Basic.....	1,455,333,151	1,458,860,954	1,458,860,954	1,454,135,089	1,457,415,146	1,457,415,146
Diluted.....	1,461,158,479	1,469,818,675	1,469,818,675	1,462,636,212	1,469,830,993	1,469,830,993

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

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

	Three months ended March 31,			Year ended March 31,		
	2009	2010	2010	2009	2010	2010
			Convenience Translation into US \$ in millions			Convenience Translation into US \$ in millions
Profit for the period.....	10,061	12,137	270	38,860	46,116	1,026
Income and expense directly recognised in equity:						
Foreign currency translation differences.....	(302)	(1,202)	(27)	1,565	(1,320)	(29)
Effective portion of changes in fair value of cash flow hedges.....	(540)	3,391	75	(13,436)	9,841	219
Net changes in fair value of other investments.....	(206)	21	0	(320)	(50)	(1)
Total income and expense directly recognised in equity, net of tax.....	(1,048)	2,210	49	(12,191)	8,471	188
Total comprehensive income.....	9,013	14,347	319	26,669	54,587	1,214
Attributable to:						
Equity holders of the company.....	8,969	14,316	318	26,548	54,447	1,211
Minority interest.....	45	31	1	121	140	3
	9,013	14,347	319	26,669	54,587	1,214

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WIPRO LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Rupees in millions, except share and per share date, 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	Minority Interest	Total equity
						Foreign currency translation reserve	Cash flow hedging reserve	Other reserves				
As at April 01, 2008.....	1,461,453,320	2,923	25,373	94,728	3,149	(10)	(1,097)	404	-	125,469	116	125,585
Cash dividend paid (including dividend tax thereon).....				(6,842)						(6,842)		(6,842)
Issue of equity shares on exercise of options	3,527,426	7	1,907		(1,814)					100		100
Profit for the period.....				38,761						38,761	99	38,860
Other Comprehensive Income.....						1,543	(13,436)	(320)		(12,213)	22	(12,191)
Shares held by controlled trust.....									(542)	(542)	-	(542)
Compensation cost related to employee share based payment.....					2,411					2,411		2,411
As at March 31, 2009.....	1,464,980,746	2,930	27,280	126,646	3,745	1,533	(14,533)	85	(542)	147,144	237	147,381
As at April 01, 2009.....	1,464,980,746	2,930	27,280	126,646	3,745	1,533	(14,533)	85	(542)	147,144	237	147,381
Cash dividend paid (including dividend tax thereon).....				(6,788)						(6,788)		(6,788)
Issue of equity shares on exercise of options	3,230,443	6	1,908		(1,908)				-	6		6
Profit for the period.....				45,931						45,931	185	46,116
Other Comprehensive Income.....						(1,275)	9,841	(50)		8,516	(45)	8,471
Infusion of capital, net											60	60
Compensation cost related to employee share based payment.....					1,302					1,302		1,302
As at March 31, 2010.....	1,468,211,189	2,936	29,188	165,789	3,140	258	(4,692)	35	(542)	196,112	437	196,549
Convenience translation into US \$		65	649	3,688	70	6	(104)	1	(12)	4,363	10	4,373

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

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

	Year ended March 31,		
	2009	2010	2010
			Convinience Translation into US\$ in millions
Cash flows from operating activities:			
Profit for the period attributable to equity holders of the Company.....	38,761	45,931	1,022
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of property, plant and equipment.....	(28)	(43)	(1)
Depreciation and amortization.....	6,948	7,831	174
Unrealised exchange (gain) / loss.....	3,728	(1,462)	(33)
Impact of cash flow hedges.....	(12,196)	6,017	134
Gain on sale of investments securities.....	(681)	(308)	(7)
Stock based compensation.....	1,868	1,302	29
Income tax expense.....	6,035	9,294	207
Share of profits of equity accounted investees.....	(362)	(530)	(12)
Minority interest.....	99	185	4
Dividend and interest (income)/expenses, net.....	(1,331)	(2,820)	(63)
Changes in operating assets and liabilities:			
Trade and other receivables.....	(7,410)	(2,150)	(48)
Unbilled Revenue.....	(5,594)	(2,600)	(58)
Inventories.....	(922)	(218)	(5)
Other assets.....	(1,663)	(2,203)	(49)
Accounts payable.....	12,260	(66)	(1)
Unearned revenue.....	2,465	(1,272)	(28)
Other liabilities.....	1,986	2,024	45
Cash provided by operating activities before interest and taxes.....	43,963	58,912	1,311
Income taxes (paid)/refund, net.....	(7,864)	(7,914)	(176)
Net Cash provided by operating activities.....	36,099	50,998	1,135
Cash flows from investing activities:			
Expenditure on property, plant and equipment and intangible assets.....	(16,746)	(12,979)	(289)
Proceeds from sale of property, plant and equipment.....	358	397	9
Purchase of available for sale investments.....	(342,717)	(340,891)	(7,584)
Proceeds from sale of available for sale investments.....	341,687	325,770	7,247
Investment in inter-corporate deposits.....	(3,750)	(10,750)	(239)
Refund of inter-corporate deposits.....		4,950	110
Payment for business acquisitions, net of cash acquired.....	(6,679)	(4,051)	(90)
Interest received.....	1,398	2,297	51
Dividend received.....	2,266	1,442	32
Net cash provided by/(used) in investing activities.....	(24,183)	(33,815)	(752)
Cash flows from financing activities:			
Proceeds from issuance of equity shares.....	63	7	-
Share application money pending allotment.....	15	3	-
Proceeds from issuance of equity shares by a subsidiary.....	-	77	2
Repayment of borrowings / loans.....	(80,756)	(55,664)	(1,238)
Proceeds from borrowings / loans.....	86,648	62,993	1,401
Interest paid on borrowings.....	(2,400)	(1,194)	(27)
Payment of cash dividend.....	(6,829)	(6,823)	(152)
Net cash provided by/(used in) financing activities.....	(3,259)	(601)	(13)
Net increase in cash and cash equivalents during the period.....	8,657	16,582	369
Effect of exchange rate changes on cash.....	663	(1,258)	(28)
Cash and cash equivalents at the beginning of the period.....	38,912	48,232	1,073
Cash and cash equivalents at the end of the period.....	48,232	63,556	1,414

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

WIPRO LIMITED AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS

(Rupees in millions, except share and per share date, 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 Depositary Shares representing equity shares are also listed on the New York Stock Exchange.

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 unaudited condensed consolidated interim financial statements are covered by *IFRS 1, “First Time Adoption of IFRS”*, as they are part of the period covered by the Company’s first IFRS financial statements for the year ended March 31, 2010 and are prepared in accordance with *International Accounting Standard (IAS) 34, “Interim Financial Reporting”*.

The unaudited 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 transition to IFRS has been carried out from the accounting principles generally accepted in India (Indian GAAP), which is considered as “Previous GAAP”, for purposes of IFRS 1. An explanation of the effect of the transition from Previous GAAP to IFRS on the Company’s equity and profit is provided in Note 3 (xviii).

The preparation of these condensed consolidated interim financial statements resulted in changes to the Company’s accounting policies as compared to most recent annual financial statements prepared under Previous GAAP. Accounting policies have been applied consistently to all periods presented in the condensed consolidated interim financial statements including the preparation of the IFRS opening statement of financial position as at April 1, 2008 for the purpose of the transition to IFRS and as required by IFRS 1. These accounting policies have been applied consistently by all entities within the Group.

(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 certain financial instruments that have been measured at fair value as required by relevant IFRS.

(iv) Convenience translation

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 and year ended March 31, 2010, have been translated into United States dollars at the certified foreign exchange rate of \$ 1 = Rs. 44.95, as published by Federal Reserve Board of New York on March 31, 2010. 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 financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount 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 period 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 amount recognized in the condensed consolidated interim financial statements is included in the following notes:

- a) **Revenue recognition:** The Company uses the input (cost expended) method to measure progress towards completion. 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 evident. 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 U.S. 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) **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 demands, market conditions and specific inventory management initiatives. If market conditions and actual demands are less favorable than the Company's estimates, additional inventory write-downs 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:

(i) Basis of consolidation:

Subsidiaries

The condensed consolidated interim financial statements incorporate the financial statements of the Parent Company and entities controlled by the Parent Company (its subsidiaries). Control is achieved where a company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account.

All intra-company balances, transactions, income and expenses including unrealized income or expenses are eliminated in full on consolidation.

Equity accounted investees

Equity accounted investees are entities in respect of which, the Company has significant influence, but not control, over the financial and operating policies. Generally, a Company has a significant influence if it holds between 20 and 50 percent of equity of another company. Investments in such entities are accounted for using the equity method (equity accounted investees) and are initially recognized at cost.

(ii) Functional and presentation currency:

Items included in the condensed consolidated interim financial statements of each of the Company's subsidiaries and equity accounted investees are measured using the currency of the primary economic environment in which those entities operate (the "functional currency"). These condensed consolidated interim financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of Wipro Limited and its domestic subsidiaries and equity accounted investees.

(iii) Foreign currency transactions and translation:

a) Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income and reported within foreign exchange gains/(losses), net under operating income. Gains/losses relating to translation or settlement of debt denominated in foreign currency are reported in finance and other income / (expense), net.

b) Foreign operations

For the purpose of presenting condensed consolidated interim financial statements, the assets and liabilities of the Company's foreign operations that have local functional currency are translated into Indian Rupee using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income, a component of equity in foreign currency translation reserve (FCTR). When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

c) Others

Foreign currency differences arising on the translation or settlement of a financial liability designated and effective as a hedge of a net investment in a foreign operation is recognized in other comprehensive income, a component of equity in the FCTR. When the hedged part of a net investment is disposed of, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal. Foreign currency differences arising from translation of intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in other comprehensive income, a component of equity in the FCTR.

(iv) Financial Instruments

a) Non-derivative financial instruments

Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payable, eligible current liabilities and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when all of the risks and rewards of ownership have been transferred.

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

A. Cash and cash equivalents

The Company's cash and cash equivalent consist of cash on hand and in banks and demand deposits with bank.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand , in banks and demand deposits with banks, net of outstanding bank overdrafts .

B. Available-for-sale financial assets

The Company has classified investments in liquid mutual funds and equity securities, other than equity accounted investees and certain debt securities as available-for-sale financial assets. These investments are measured at fair value and changes therein are recognized in other comprehensive income, a component of equity in other reserve. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss in other comprehensive income is transferred to statement of income.

C. Others

Other non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses.

b) Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is a bank.

Derivatives are recognized and measured at fair value.

A. Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income, a component of equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of income. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in cash flow hedging reserve is transferred to the statement of income upon the occurrence of the related forecasted transaction.

B. Hedges of net investment in foreign operations

The Company designates derivative financial instruments as hedges of net investment in foreign operations. The Company has also designated a combination of foreign currency denominated borrowings and related cross-currency swaps as hedge of net investment in foreign operations. Changes in the fair value of the derivative hedging instruments and gains/losses on translation or settlement of foreign currency denominated borrowings designated as hedge of net investment in foreign operations are recognized in other comprehensive income, a component of equity in the FCTR to the extent that the hedge is effective .

C. Others

Changes in fair value of derivatives not designated as cash flow hedges or hedges of net investment in foreign operations and ineffective portion of cash flow hedges are recognized in the statement of income and reported within foreign exchange gains/(losses), net under operating income.

Changes in fair value and gain/(losses) on settlement of derivatives relating to borrowings, which have been not designated as hedges are recorded in finance and other income/(expense), net.

(v) Equity and share capital

a) Share capital and share premium

The Company has only one class of equity shares. The authorized share capital of the Company is 1,650,000,000 equity shares, par value Rs. 2 per share. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

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

b) Shares held by controlled trust (Treasury shares) :

The Company's equity shares held by the controlled trust are classified as Treasury Shares. The Company has 8,930,563 treasury shares as of March 31, 2009 and 2010, respectively. Treasury shares are recorded at acquisition cost. During the year ended March 31, 2009, the Company completed the merger of a few of its subsidiaries with itself. Pursuant to the terms of merger approved by the courts in India, the Company issued 968,803 fully paid equity shares amounting to Rs. 542 to a controlled trust.

c) Retained earnings

Retained earnings contain the Company's prior years' undistributed profit after taxes. A portion of these earnings amounting to Rs. 1,144 is not freely available for distribution.

d) Share based payment reserve

The share based payment reserve is used to record the value of equity-settled share based payments provided to employees. The amounts recorded in share based payment reserve are transferred to share premium upon exercise of stock options by employees.

e) Cash flow hedging reserve

Changes in fair value of derivative hedging instruments designated and effective as a cash flow hedge are recognized in other comprehensive income (net of taxes), a component of equity in the cash flow hedging reserve.

f) Foreign currency translation reserve

The exchange difference arising from the translation of financial statements of foreign subsidiaries and changes in fair value of the derivative hedging instruments and gains/losses on translation or settlement of foreign currency denominated borrowings designated as hedge of net investment in foreign operations (net of taxes) is recognized in other comprehensive income (net of taxes), a component of equity in the FCTR.

g) Other reserve

Changes in the fair value of available for sale financial assets is recognized in other comprehensive income (net of taxes), a component of equity (net of taxes) in other reserve.

h) Dividend

Final dividend including tax thereon on the common stock is recorded as a liability on the date of approval by the shareholders. Interim dividend including tax thereon are recorded as a liability on the date of declaration by the board of directors.

(vi) Property, plant and equipment:

a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost.

b) Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life or the related lease term. The estimated useful lives of assets are as follows:

Category	Useful life
Buildings.....	30 to 60 years
Plant and machinery.....	2 to 21 years
Computer equipment and software.....	2 to 6 years
Furniture, fixtures and equipment.....	3 to 10 years
Vehicles.....	4 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work-in-progress.

(vii) Business combination, Goodwill and Intangible assets:

Business combinations consummated subsequent to the Transition date are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Contingent consideration is recorded when it is probable that such consideration would be paid and can be measured reliably.

a) Goodwill

The excess of the cost of acquisition over the Company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the cost of acquisition is less than the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, the difference is recognized immediately in the statement of income.

b) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses, if any.

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and consumed. Intangible assets with indefinite lives comprising brands/trademark are not amortized, but instead tested for impairment at least annually and written down to the fair value as required.

The estimated useful lives of the amortizable intangibles assets are as follows:

Category	Useful life
Customer-related intangibles.....	2 to 11 years
Marketing related intangibles.....	20 to 30 years

(viii) Leases

a) Arrangements where the Company is the lessee

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

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

b) Arrangements where the Company is the lessor

In certain arrangements, the Company recognizes revenue from sale of products given under finance leases. The Company records gross finance receivables, unearned income and the estimated residual value of the leased equipment on consummation of such leases. Unearned income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognises unearned income as financing revenue over the lease term using effective interest method.

(ix) Inventories

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

(x) Impairment

a) Financial assets:

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

A. Loans and receivables

Impairment losses on trade and other receivables are recognized using separate allowance accounts. Refer Note 2 (v) (d) for further information regarding the determination of impairment.

B. Available for sale financial asset

When the fair value of available-for-sale financial assets declines below acquisition cost and there is objective evidence that the asset is impaired, the cumulative loss that has been recognized in other comprehensive income, a component of equity in other reserve is transferred to the statement of income. An impairment loss may be reversed in subsequent periods, if the indicators for the impairment no longer exist.

b) Non financial assets

The Company assesses long-lived assets, such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. At each reporting date the Company determines whether there are any indicators of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of income. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

c) Goodwill

Goodwill is tested for impairment at least annually at the same time 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 goodwill impairment test is performed at the level of cash-generating unit or groups of cash-generating units which represent the lowest level at which goodwill is monitored for internal management purposes.

(xi) Employee Benefit

a) Post-employment and pension plans

The Group participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditures for defined contribution plans are recognized as expenses during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The company has the following employee benefit plans:

A. Provident fund

Employees receive benefits from a provident fund. The employer and employees each make periodic contributions to the plan. A portion of the contribution is made to the approved provident fund trust managed by the Company; while the remainder of the contribution is made to the government administered pension fund.

B. Superannuation

Superannuation plan is administered by Life Insurance Corporation of India and ICICI Prudential Insurance Company Limited. The Company makes annual contributions based on a specified percentage of each eligible employee's salary.

C. Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

The Company recognizes actuarial gains and losses immediately in the statement of income.

b) Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefit as a result of an offer made to encourage voluntary redundancy.

c) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

d) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the

unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation.

Non-accumulating compensated absences are recognized in the period in which the absences occur.

(xii) Share based payment transaction:

Employees of the Company receive remuneration in the form of equity instruments, for rendering services over a defined vesting period. Equity instruments granted is measured by reference to the fair value of the instrument at the date of grant. In cases, where equity instruments are granted at a nominal exercise price, the intrinsic value on the date of grant approximates the fair value. The expense is recorded by a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

(xiii) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

(xiv) Revenue:

The Company derives revenue primarily from software development and related services, BPO services, sale of IT and other products.

a) Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services are being delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

A. Time and materials contracts

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

B. Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of income in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services are rendered is recognized as 'Advance from customers'.

C. Maintenance contract

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method.

b) Products

Revenue from products are recognized when the significant risks and rewards of ownership have transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

c) Multiple element arrangements

Revenue from contracts with multiple -element arrangements are recognized using the guidance in IAS 18, Revenue. The Company allocates the arrangement consideration to separately identifiable components based on their relative fair values.

d) Others

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of discount from the amount of revenue recognized at the time of sale.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances. Revenue includes excise duty.

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.

(xv) Finance and other income/(expense), net:

Finance income comprises interest income on deposits, dividend income, and gains on the disposal of available -for-sale financial assets. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Finance expense comprise interest expense on borrowings, impairment losses recognized on financial assets and changes in fair value and gain / losses on settlement of derivatives relating to borrowings.

Borrowing costs are recognized in the statement of income using the effective interest method.

(xvi) Income tax:

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of income except to the extent it relates to items directly recognized in equity, in which case it is recognized in equity.

a) Current income tax

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

b) Deferred income tax

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

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

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

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

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

(xvii) Earnings per share

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

(xviii) Transition to IFRS

As stated in Note 2 (ii), the Company's consolidated interim financial statements for the year ended March 31, 2010 are the first annual consolidated financial statements prepared in compliance with IFRS. All interim financial statements during the year ending March 31, 2010 are also prepared in compliance with IFRS.

The adoption of IFRS was carried out in accordance with IFRS 1, using April 1, 2008 as the transition date (the "Transition Date"). IFRS 1 requires that all IFRS standards and interpretations that are effective for the first IFRS Consolidated Financial Statements for the year ended March 31, 2010, be applied consistently and retrospectively for all fiscal years presented.

All applicable IFRS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under both IFRS and Previous GAAP as of the Transition Date are recognized directly in equity at the Transition Date.

In preparing these consolidated financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with IFRS 1 as explained below:

a) Exemptions from retrospective application:

A. Business combination exemption

The Company has applied the exemption as provided in IFRS 1 on non -application of *IFRS 3, "Business Combinations"* to business combinations consummated prior to the date of Transition. Pursuant to this, exemption, goodwill arising from business combination has been stated at the carrying amount under Previous GAAP. Further, intangible assets net of related taxes, which were subsumed in goodwill under Previous GAAP, were not recognized in the opening statement of financial position as at April 1, 2008 since these did not qualify for recognition in the separate statement of financial position of the acquired entities. The Company has adjusted goodwill relating to past business combinations, for contingent consideration , if it is probable that such consideration would be paid and can be measured reliably as of the Transition Date .

B. Share-based payment exemption

The Company has elected to apply the share based payment exemption available under IFRS 1 on application of *IFRS 2, "Share Based Payment"*, to only grants made after November 7, 2002, which remained unvested as of the Transition date.

C. Borrowing costs

The Company had the policy of capitalizing borrowing costs under its Previous GAAP for all qualifying assets. Accordingly, the Company has capitalized borrowing cost in respect of qualifying costs prior to the Transition date. However, there is a difference in the bases of capitalizing such costs between IFRS and Previous GAAP, which has been recorded as a reconciling item as a part of the transition.

b) Exceptions from full retrospective application

A. Hedge accounting exception

The Company had followed hedge accounting under Previous GAAP which is aligned to IFRS. Accordingly, this exception of not reflecting in its opening IFRS statement of financial position a hedging relationship of a type that does not qualify for hedge accounting under IAS 39, is not applicable to the Company.

B. Estimates exception

Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under IFRS, except where estimates were required by IFRS and not required by Previous GAAP.

Reconciliations

The following reconciliations provide a quantification of the effect of the transition to IFRS from Previous GAAP in accordance with IFRS 1:

- equity as at April 1, 2008;
- equity as at March 31, 2009;
- profit for the three months ended March 31, 2009;
- profit for the year ended March 31, 2009; and
- explanation of material adjustments to cash flow statements.

In the reconciliations mentioned above, certain immaterial reclassifications have been made to Previous GAAP financial information to align with the IFRS presentation.

Reconciliation of Equity as at April 1, 2008

Particulars	Amount as per Previous GAAP	Effect of Transition to IFRS	Amount as per IFRS	Relevant Notes for adjustments
Goodwill.....	Rs. 42,209	Rs. 426	Rs. 42,635	8
Property, plant and equipment and intangible assets....	41,583	(239)	41,344	1,2
Available for sale investments.....	14,679	568	15,247	3
Investment in equity accounted investees.....	1,343	-	1,343	
Inventories.....	6,664	-	6,664	
Trade receivables.....	40,453	(100)	40,353	4
Unbilled revenues.....	8,514	-	8,514	
Cash and cash equivalents.....	39,270	-	39,270	
Net tax assets (including deferred taxes)	3,632	854	4,486	5
Other assets.....	13,980	1,399	15,379	2(a),4,9,10,13
TOTAL ASSETS.....	<u>Rs. 212,327</u>	<u>Rs. 2,908</u>	<u>Rs. 215,235</u>	
Share capital and share premium (net of shares issued to controlled trust).....	Rs. 28,296	Rs. -	Rs. 28,296	
Share application money pending allotment.....	40	(40)	-	12
Retained earnings.....	87,908	6,820	94,728	
Cash flow hedging reserve.....	(1,097)	-	(1,097)	
Other reserves	1,807	1,851	3,658	3,7,11
Total equity (A).....	<u>116,954</u>	<u>8,631</u>	<u>125,585</u>	
Minority interest.....	116	(116)	-	11
Loans and borrowings.....	44,850	-	44,850	
Trade payables, accrued expenses and liabilities.....	28,675	-	28,675	
Unearned revenues.....	4,269	-	4,269	
Employee benefit obligations.....	2,737	-	2,737	
Other liabilities and provisions	14,726	(5,607)	9,119	6,8,10,12
Total liabilities (B).....	<u>95,373</u>	<u>(5,723)</u>	<u>89,650</u>	
TOTAL LIABILITIES AND EQUITY (A)+(B).....	<u>Rs. 212,327</u>	<u>Rs. 2,908</u>	<u>Rs. 215,235</u>	

Notes:

- 1) Under IFRS, the amortization charge in respect of finite life intangible assets is recorded in proportion of economic benefits consumed during the period to the expected total economic benefits from the intangible asset. Under Previous GAAP, finite life intangible assets are amortized usually on a straight line basis over their useful life. As a result, the accumulated amortization under IFRS is lower by Rs. 101 as at April 1, 2008.
- 2) Listed below are the key differences in property, plant and equipment between IFRS and Previous GAAP:
 - a) Under IFRS, leases of land are classified as operating leases unless the title to the leasehold land is expected to be transferred to the Company at the end of the lease term. Lease rentals paid in advance and lease deposits are recognized as other assets. Under Previous GAAP, the lease rentals paid in advance and lease deposits are recognized in property, plant and equipment. Under IFRS, Rs. 645 of such payments towards lease of land has been reclassified from property, plant and equipment to other assets. This adjustment has no impact on equity.
 - b) Difference in the basis of interest capitalization between Previous GAAP and IFRS resulted in higher interest capitalization by Rs. 305 under IFRS, net of related depreciation impact.
- 3) Under IFRS, available for sale investments are measured at fair value at each reporting date. The changes in fair value of such investments, net of taxes, are recognized directly in equity. Under Previous GAAP, short-term investments are measured at lower of cost or fair value. Consequently, carrying value of the available for sale investments under IFRS is higher by Rs. 568 (tax effect Rs. 165).
- 4) Under IFRS an entity is required to allocate revenue to separately identifiable components of a multiple deliverable customer arrangement. The revenue relating to these components are recognized when the appropriate revenue recognition criteria is met. Under IFRS, the Company has deferred revenues primarily relating to installation services. Under Previous GAAP, installation services are considered to be incidental / perfunctory to product delivery. Entire revenue is recognized, when the products are delivered in accordance with the contractual terms, and expected cost of installation services is also recognized.

Consequently, under IFRS the Company has deferred revenue of Rs. 100 and reversed Rs. 78 of cost accrued for installation services. The deferred revenues are recognized when the related installation services is performed .

- 5) Under IFRS, tax benefits from carry forward tax losses is recognized if it is probable that sufficient taxable profits would be available in the future to realize the tax benefits. Under Previous GAAP, deferred tax asset in respect of carry forward tax losses is recognized if it is virtually certain that sufficient future taxable income would be available in the future to realize the tax benefits.

Further, Previous GAAP requires an entity to follow the income statement approach for recognizing deferred taxes, while IFRS mandates the balance sheet approach in recognizing deferred taxes.

As a result, net deferred tax assets under IFRS are higher by Rs . 854.

- 6) Under Previous GAAP, liability is recognized in respect of proposed dividend , even-though the dividend is expected to be approved by the shareholders subsequent to the reporting date. Under IFRS, liability for dividend is recognized only when it is approved by shareholders. Accordingly, provisions under IFRS is lower by Rs . 6,839.
- 7) The Company grants share options to its employees. These share options vest in a graded manner over the vesting period. Under IFRS, each tranche of vesting is treated as a separate award and the stock compensation expense relating to that tranche is amortized over the vesting period of the underlying tranche. This results in accelerated amortization of stock compensation expense in the initial years following the grant of share options.

Previous GAAP permits an entity to recognize the stock compensation expense, relating to share options which vest in a graded manner, on a straight-line basis over the requisite vesting period for the entire award. However, the amount of compensation cost recognized at any date must at least equal the portion of the grant -date value of the award that is vested at that date.

Accordingly, the stock compensation expense recognized under IFRS is higher by Rs. 1,332 as at April 1, 2008 in respect of the unvested awards.

- 8) Under IFRS, contingent consideration relating to acquisitions is recognized if it is probable that such consideration would be paid and can be measured reliably. Under Previous GAAP, contingent consideration is recognized only after the contingency is resolved and additional consideration becomes payable. As a result, under IFRS, the Company has recognized Rs. 426 of contingent consideration as additional goodwill and liability.
- 9) Under IFRS, loans and receivables are recognized at amortized cost. As a result , the carrying value of such loans and receivables under IFRS is lower by Rs. 154.
- 10) Indian tax laws, levies Fringe benefit Tax (FBT) on all stock options exercised on or after April 1, 2007. The Company has modified share options plan to recover FBT from the employees. Under IFRS 2, Share based payment, the FBT paid to the tax authorities is recorded as a liability over the period that the employee renders services. Recovery of the FBT from the employee is accounted as a reimbursement right under IAS 37, Provisions, contingent liabilities and contingent assets, as it is virtually certain th at the Company will recover the FBT from the employee. Accordingly, under IFRS, the Company has recognized the reimbursement right as a separate asset, not to exceed the FBT liability recognized at each reporting period.

Under Previous GAAP, FBT liability and the related FBT recovery from the employee is recorded at the time of exercise of stock option by the employee. Accordingly, under IFRS the Company has recognized Rs. 766 as provision and reimbursement right in respect of outstanding stock options. This adjustment has no impact on equity.

- 11) Under IFRS, minority interest is reported as a separate item within equity whereas Previous GAAP requires minority interest to be presented separately from equity. This presentation difference between IFRS and Previous GAAP has resulted in an increase in equity under IFRS by Rs. 116 as at April 1, 2008.
- 12) Under IFRS, share application money pending allotment is reported under other liabilities whereas Previous GAAP requires share application money pending allotment to be presented as a separate item within equity. This presentation difference between IFRS and Previous GAAP has resulted in a decrease in equity under IFRS by Rs. 40 as at April 1, 2008.
- 13) Difference in accounting for certain forward contracts has resulted in a increase in other assets by Rs. 64 under IFRS as of April 1, 2008.

Reconciliation of Equity as at March 31, 2009

Particulars	Amount as per Previous GAAP	Effect of Transition to IFRS	Amount as per IFRS	Relevant Notes for adjustments
Goodwill.....	Rs. 56,521	Rs. (378)	Rs. 56,143	1,10
Property, plant and equipment and intangible assets....	52,563	724	53,287	1,2,3
Available for sale investments.....	16,426	117	16,543	4
Investment in equity accounted investees.....	1,670	-	1,670	
Inventories.....	7,587	-	7,587	
Trade receivables.....	48,899	(247)	48,652	5
Unbilled revenues.....	14,108	-	14,108	
Cash and cash equivalents.....	49,117	-	49,117	
Net tax assets (including deferred taxes)	4,143	3,087	7,230	6
Other assets.....	21,057	1,969	23,026	3(a),5, 9, 13
TOTAL ASSETS.....	<u>Rs. 272,091</u>	<u>Rs. 5,272</u>	<u>Rs. 277,363</u>	
Share capital and share premium (net of shares issued to controlled trust).....	Rs. 29,668	Rs. -	Rs. 29,668	
Share application money pending allotment.....	15	(15)	-	12
Retained earnings.....	119,957	6,689	126,646	
Cash flow hedging reserve.....	(16,886)	2,353	(14,533)	6
Other reserves	3,545	2,055	5,600	4,6,8,11
Total equity (A).....	<u>136,299</u>	<u>11,082</u>	<u>147,381</u>	
Minority interest.....	237	(237)	-	11
Loans and borrowings.....	56,892	-	56,892	
Trade payables, accrued expenses and liabilities.....	41,650	-	41,650	
Unearned revenues.....	8,453	-	8,453	
Employee benefit obligations.....	3,111	-	3,111	
Other liabilities and provisions.....	25,449	(5,573)	19,876	7,9,10,12, 13
Total liabilities (B).....	<u>135,792</u>	<u>(5,810)</u>	<u>129,982</u>	
TOTAL LIABILITIES AND EQUITY (A)+(B).....	<u>Rs. 272,091</u>	<u>Rs. 5,272</u>	<u>Rs. 277,363</u>	

Notes:

- 1) Under IFRS, all the assets and liabilities arising from a business combination are identified and recorded at fair value. Accordingly, a portion of purchase price was allocated towards customer related intangible in respect of business combination consummated subsequent to the Transition date. Under Previous GAAP, assets and liabilities arising from a business combination are recognized at carrying value in the books of the acquired entity. Internally generated intangible assets would not have been recognized by the acquired entity and therefore customer related intangible arising from the business combination is not recognized under Previous GAAP. Accordingly, goodwill under IFRS is lower by Rs. 1,139 (net of deferred taxes) and intangible assets are higher by Rs. 1,535 (net of amortization of Rs. 91).
- 2) Under IFRS, the amortization charge in respect of finite life intangible assets is recorded in the proportion of economic benefits consumed during the period to the expected total economic benefits from the intangible asset. Under Previous GAAP, finite life intangible assets are amortized usually on a straight line basis over their useful life. As a result the accumulated amortization under IFRS is lower by Rs. 149 as at March 31, 2009.
- 3) Listed below are the key differences in property, plant and equipment between IFRS and Previous GAAP:
 - a) Under IFRS, leases of land are classified as operating leases unless the title to the leasehold land is expected to be transferred to the Company at the end of the lease term. Lease rentals paid in advance and lease deposits are recognized as other assets. Under Previous GAAP, the lease rentals paid in advance and lease deposits are recognized in property, plant and equipment. Under IFRS, Rs. 1,293 of such payments towards lease of land has been reclassified from property, plant and equipment to other assets. This adjustment has no impact on equity.
 - b) Difference in the basis of interest capitalization between Previous GAAP and IFRS resulted in higher interest capitalization by Rs. 331 under IFRS.

- 4) Under IFRS, available for sale investments are measured at fair value at each reporting date. The changes in fair value of such investments net of taxes, are recognized directly in equity. Under Previous GAAP, short-term investments are measured at lower of cost or fair value. Consequently, available for sale investments under IFRS is higher by Rs. 117 (tax effect Rs. 33).
- 5) Under IFRS, an entity is required to allocate revenue to separately identifiable components of a multiple deliverable customer arrangement. The revenue relating to these components are recognized when the appropriate revenue recognition criteria is met. Under IFRS, the Company has deferred revenues primarily relating to installation services. Under Previous GAAP, installation services are considered to be incidental / perfunctory to product delivery. Entire revenue is recognized, when the products are delivered in accordance with the contractual terms, and expected cost of installation services is also recognized.

Consequently, under IFRS the Company has deferred revenue of Rs. 247 and reversed Rs. 195 of cost accrued for installation services. The deferred revenues are recognized when the related installation services is performed.

- 6) Under IFRS, tax benefits from carry forward tax losses is recognized if it is probable that sufficient taxable profits would be available in the future to realize the tax benefits. Under Previous GAAP, deferred tax asset in respect of carry forward tax losses is recognized if it is virtually certain that sufficient future taxable income would be available in the future to realize the tax benefits.

Further, Previous GAAP requires an entity to follow the income statement approach for recognizing deferred taxes, while IFRS mandates balance sheet approach in recognizing deferred taxes.

As a result, net deferred tax assets under IFRS are higher by Rs. 3,087, including impact of foreign currency translation adjustment where necessary.

- 7) Under Previous GAAP, liability is recognized in respect of proposed dividends, even though the dividend is expected to be approved by the shareholders subsequent to the reporting date. Under IFRS, liability for dividends is recognized only when the dividends are approved by shareholders. Accordingly, provisions under IFRS are lower by Rs. 6,856.
- 8) The Company grants share options to its employees. These share options vest in a graded manner over the vesting period. Under IFRS, each tranche of vesting is treated as a separate award and the stock compensation expense relating to that tranche is amortized over the vesting period of the underlying tranche. This results in accelerated amortization of stock compensation expense in the initial years following grant of share options.

Previous GAAP permits an entity to recognize the stock compensation expense, relating to share options which vest in a graded manner, on a straight-line basis over the requisite vesting period for the entire award. However, the amount of compensation cost recognized at any date must at least equal the portion of the grant-date value of the award that is vested at that date.

Accordingly, the stock compensation expense recognized under IFRS is higher by Rs. 1,432 as at March 31, 2009, in respect of unvested awards.

- 9) Indian tax laws levy Fringe Benefit Tax (FBT) on all stock options exercised on or after April 1, 2007. The Company has modified share options plan to recover FBT from the employees. Under IFRS 2, Share based payment, the FBT paid to the tax authorities is recorded as a liability over the period that the employee renders services. Recovery of the FBT from the employee is accounted as a reimbursement right under IAS 37, Provisions, contingent liabilities and contingent assets, as it is virtually certain that the Company will recover the FBT from the employee. Accordingly, under IFRS, the Company has recognized the reimbursement right as a separate asset, not to exceed the FBT liability recognized at each reporting period.

Under Previous GAAP, FBT liability and the related FBT recovery from the employee is recorded at the time of exercise of stock option by the employee. Accordingly, under IFRS, the Company has recognized Rs. 741 as provision and reimbursement right in respect of outstanding stock options. This adjustment has no impact on equity.

- 10) Under IFRS, contingent consideration relating to acquisitions is recognized if it is probable that such consideration will be paid and can be measured reliably. Under Previous GAAP, contingent consideration is recognized only after the contingency is resolved and additional consideration becomes payable. As a result, under IFRS, the Company has recognized Rs. 761 of contingent consideration as additional goodwill and liability.

- 11) Under IFRS, minority interest is reported as a separate item within equity , whereas Previous GAAP requires minority interest to be presented separately from equity. This presentation difference between IFRS and Previous GAAP has resulted in an increase in equity under IFRS by Rs. 237 as at March 31, 2009.
- 12) Under IFRS, share application money pending allotment is reported under other liabilities whereas Previous GAAP requires share application money pending allotment to be presented as a separate item within equity. This presentation difference between IFRS and Previous GAAP has resulted in a decrease in equity under IFRS by Rs. 15 as at March 31, 2009.
- 13) Difference in accounting for certain forward contract has resulted in a decrease in other assets by Rs. 260 and other liabilities by Rs. 236 under IFRS as of March 31, 2009.

Reconciliation of Profit for the three months ended March 31, 2009

Particulars	Amount as per Previous GAAP	Effect of Transition to IFRS	Amount as per IFRS	Relevant Notes for adjustments
Revenues.....	Rs. 65,280	Rs. (5)	Rs. 65,275	1
Cost of revenues.....	(45,056)	(309)	(45,365)	1,2, 5
Gross profit.....	<u>20,224</u>	<u>(314)</u>	<u>19,910</u>	
Selling and marketing expenses.....	(4,439)	121	(4,318)	1(c),2,3,5
General and administrative expenses.....	(3,550)	(26)	(3,576)	2,5
Foreign exchange (gains)/losses, net.....	(761)	-	(761)	
Results from operating activities.....	<u>11,474</u>	<u>(219)</u>	<u>11,255</u>	
Finance and other income/(expenses), net.....	311	(79)	232	4
Share of profits of equity accounted investees....	35	-	35	
Profit before tax.....	<u>11,820</u>	<u>(298)</u>	<u>11,522</u>	
Income tax expense.....	(1,668)	207	(1,461)	5
Profit for the period	<u>Rs. 10,152</u>	<u>Rs. (91)</u>	<u>Rs. 10,061</u>	
Attributable to:				
Equity holders of the Company..	Rs. 10,103		Rs. 10,012	
Minority Interest.....	<u>49</u>		<u>49</u>	

Notes:

1) The following are the primary differences in revenue between IFRS and Previous GAAP:

- a) Under Previous GAAP, revenue is reported net of excise duty charged to customers. Under IFRS, revenue includes excise duty charged to customers. As a result, revenues and cost of revenues under IFRS is higher by Rs. 243.
- b) Under IFRS, revenue relating to product installation services is recognized when the installation services are performed. Under Previous GAAP, the entire revenue relating to the supply and installation of products is recognized when products are delivered in accordance with the terms of contract. Installation services are considered to be incidental / perfunctory to product delivery and the cost of installation services is recognized upon delivery of the product. Accordingly, revenue and cost of revenue under IFRS is lower by Rs. 91 and Rs. 59, respectively.
- c) Under IFRS, generally cash payments to customers pursuant to sales promotional activities are considered as sales discounts and reduced from revenue. Under Previous GAAP, they are considered as cost of revenue and selling and marketing expense. As a result, under IFRS, revenue is lower by Rs. 251 and cost of revenues and selling and marketing expenses are lower by Rs. 68 and Rs. 183, respectively.

2) Under IFRS, the Company amortizes stock compensation expense, relating to share options, which vest in a graded manner, on an accelerated basis. Under Previous GAAP, the stock compensation expense is recorded on a straight -line basis. As a result, under IFRS the Company has recognized lower stock compensation expense of Rs. 4 in cost of revenue, Rs. 3 in selling and marketing expenses and Rs. 3 in general and administrative expenses.

3) Under IFRS, the amortization charge in respect of finite life intangible assets is recorded in the proportion of economic benefits consumed during the period to the expected total economic benefits from the intangible asset. Under Previous GAAP, such finite life intangible assets are amortized on a straight -line basis over the life of the asset.

Further, the Company recorded additional amortization in respect of customer related intangible arising out of business combination consummated subsequent to the Transition date. Accordingly, amortization under IFRS is higher by Rs. 2.

- 4) This includes difference in accounting for certain forward contracts and basis of interest capitalizing interest expenses under IFRS and Previous GAAP.
- 5) Under Indian tax laws, the Company is required to pay Fringe Benefit Tax (FBT) on certain expenses incurred by the Company. Under Previous GAAP, FBT is reported in the income statement as a separate component of income tax expense. Under IFRS, FBT does not meet the definition of income tax expense and is recognized in the related expense line items. Accordingly, the cost of revenue, selling and marketing expenses and general and administrative expenses under IFRS are higher by Rs. 41, Rs. 30 and Rs. 30, respectively.

Reconciliation of Profit for the Year Ended March 31, 2009

Particulars	Amount as per Previous GAAP	Effect of Transition to IFRS	Amount as per IFRS	Relevant Notes for adjustments
Revenues.....	Rs. 256,995	Rs. (104)	Rs. 256,891	1
Cost of revenues.....	(179,230)	(985)	(180,215)	1,2, 5
Gross profit.....	<u>77,765</u>	<u>(1,089)</u>	<u>76,676</u>	
Selling and marketing expenses.....	(17,853)	539	(17,314)	1(c),2,3,5
General and administrative expenses.....	(14,356)	(154)	(14,510)	2,5
Foreign exchange gains/(losses), net.....	(1,553)	-	(1,553)	
Results from operating activities.....	<u>44,004</u>	<u>(704)</u>	<u>43,300</u>	
Finance and other income/(expense), net.....	1,192	41	1,233	4
Share of profits of equity accounted investees...	<u>362</u>	-	<u>362</u>	
Profit before tax.....	<u>45,558</u>	<u>(663)</u>	<u>44,895</u>	
Income tax expense.....	(6,460)	425	(6,035)	5
Profit for the period	<u>Rs. 39,098</u>	<u>Rs. (238)</u>	<u>Rs. 38,860</u>	
Attributable to:				
Equity holders of the Company..	Rs. 38,999		Rs. 38,761	
Minority Interest.....	<u>99</u>		<u>99</u>	

Notes:

- 1) The following are the primary differences in revenue between IFRS and Previous GAAP:
 - a) Under Previous GAAP, revenue is reported net of excise duty charged to customers. Under IFRS, revenue includes excise duty charged to customers. As a result, revenues and cost of revenues under IFRS is higher by Rs. 1,055.
 - b) Under IFRS, revenue relating to product installation services is recognized when the installation services are performed. Under Previous GAAP, the entire revenue relating to the supply and installation of products is recognized when products are delivered in accordance with the terms of contract. Installation services are considered to be incidental / perfunctory to product delivery and the cost of installation services is recognized upon delivery of the product. Accordingly, revenue and cost of revenue under IFRS is lower by Rs. 147 and Rs. 117, respectively.
 - c) Under IFRS, generally cash payments to customers pursuant to sales promotional activities are considered as sales discounts and reduced from revenue. Under Previous GAAP, they are considered as cost of revenue and selling and marketing expense. As a result, under IFRS, revenue is lower by Rs. 1,011 and cost of revenues and selling and marketing expenses are lower by Rs. 275 and Rs. 736, respectively.
- 2) Under IFRS, the Company amortizes stock compensation expense, relating to share options, which vest in a graded manner, on an accelerated basis. Under Previous GAAP, the stock compensation expense is recorded on a straight-line basis. As a result, under IFRS the Company has recognized additional stock compensation expense of Rs. 40 in cost of revenue, Rs. 30 in selling and marketing expenses and Rs. 30 in general and administrative expenses.
- 3) Under IFRS, the amortization charge in respect of finite life intangible assets is recorded in the proportion of economic benefits consumed during the period to the expected total economic benefits from the intangible asset. Under Previous GAAP, such finite life intangible assets are amortized on a straight-line basis over the life of the asset.

Further, the Company recorded additional amortization in respect of customer related intangible arising out of business combination consummated subsequent to the Transition date. Accordingly, amortization under IFRS is higher by Rs. 43.

- 4) This includes difference in accounting for certain forward contracts and basis of interest capitalizing interest expense under IFRS and Previous GAAP.
- 5) Under Indian tax laws, the Company is required to pay Fringe Benefit Tax (FBT) on certain expenses incurred by the Company. Under Previous GAAP, FBT is reported in the income statement as a separate component of income tax expense. Under IFRS, FBT does not meet the definition of income tax expense and is recognized in the related expense line items. Accordingly, the cost of revenue, selling and marketing expenses and general and administrative expenses under IFRS are higher by Rs. 165, Rs. 124 and Rs. 124, respectively.

Explanation of material adjustments to the cash flow statements

Under Previous GAAP, changes in amount of bank overdraft balances are reported as financing activity. Under IFRS, bank overdraft is included in cash and cash equivalent and consequently the cash flow from financing activities are reported on a different basis.

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, 2008	Rs. 2,091	Rs. 10,067	Rs. 31,065	Rs. 7,329	Rs. 2,566	Rs. 53,118
Translation adjustment.....	21	293	1,459	309	32	2,114
Additions	636	5,019	38	514	567	15,874
Disposal / adjustments.....	(8)	(82)	(213)	(163)	(333)	(799)
Acquisition through business combination.	-	87	174	124	21	406
As at March 31, 2009	<u>Rs. 2,740</u>	<u>Rs. 15,384</u>	<u>Rs. 41,623</u>	<u>Rs. 8,113</u>	<u>Rs. 2,853</u>	<u>Rs. 70,713</u>
Accumulated depreciation/impairment:						
As at April 1, 2008	Rs. -	Rs. 1,238	Rs. 20,930	Rs. 3,600	Rs. 1,416	Rs. 27,184
Translation adjustment.....	-	97	850	168	11	1,126
Depreciation.....	-	330	5,078	824	531	6,763
Disposal / adjustments.....	-	(34)	(130)	(53)	(210)	(427)
As at March 31, 2009	<u>Rs. -</u>	<u>Rs. 1,631</u>	<u>Rs. 26,728</u>	<u>Rs. 4,539</u>	<u>Rs. 1,748</u>	<u>Rs. 34,646</u>
Capital work-in-progress.....						<u>13,727</u>
Net carrying value as at March 31, 20 09						<u>Rs. 49,794</u>
Gross carrying value:						
As at April 1, 2009	Rs. 2,740	Rs. 15,384	Rs. 41,623	Rs. 8,113	Rs. 2,853	Rs. 70,713
Translation adjustment.....	(6)	(130)	(1,126)	(49)	(4)	(1,315)
Additions	60	4,160	6,744	1,959	459	13,382
Acquisition through business combination.	-	-	6	9	2	17
Disposal / adjustments.....	-	(55)	(590)	(177)	(381)	(1,203)
As at March 31, 2010	<u>Rs. 2,794</u>	<u>Rs. 19,359</u>	<u>Rs. 46,656</u>	<u>Rs. 9,855</u>	<u>Rs. 2,929</u>	<u>Rs. 81,594</u>
Accumulated depreciation/impairment:						
As at April 1, 2009	Rs. -	Rs. 1,631	Rs. 26,728	Rs. 4,539	Rs. 1,748	Rs. 34,646
Translation adjustment.....	-	(58)	(716)	(30)	7	(797)
Depreciation.....	-	426	5,329	1,106	512	7,373
Disposal / adjustments.....	-	(1)	(346)	(118)	(263)	(728)
As at March 31, 2010	<u>Rs. -</u>	<u>Rs. 1,998</u>	<u>Rs. 30,995</u>	<u>Rs. 5,497</u>	<u>Rs. 2,004</u>	<u>Rs. 40,494</u>
Capital work-in-progress.....						<u>12,358</u>
Net carrying value as at March 31, 2010						<u>Rs. 53,458</u>

*Including computer equipment and software.

The Company through its wholly owned subsidiary entered into a outsourcing arrangement with one of the customers, who is also a proposed minority interest partner in this wholly-owned subsidiary. Pursuant to this arrangement, the Company paid Rs. 1,950 during the year ended March 31, 2010 towards purchase of assets. This amount has been reported as 'capital work-in-progress' in the condensed consolidated interim financial statements as of March 31, 2010.

5. Business combination

Citi Technology Services Limited:

In January 2009, the Company acquired 100% of the equity of Citi Technology Services Limited (Subsequently renamed as Wipro Technology Services Limited — WTS). WTS is an India based provider of information technology services and solutions to Citi Group worldwide. WTS was acquired for a consideration (including direct acquisition costs) of Rs. 6,205. The Company believes that the acquisition will enhance Wipro's capabilities to address Technology Infrastructure Services (TIS) and Application Development and Maintenance Services (ADM) in the financial services industry.

The following table presents the allocation of purchase price:

Descriptions	Purchase price allocated
Cash and cash equivalents.....	Rs. 1,342
Property, plant and equipment.....	403
Customer - related intangibles.....	1,413
Other assets.....	1,150
Loan and borrowings.....	(23)
Deferred income taxes, net.....	(461)
Other liabilities.....	<u>(1,200)</u>
Total	Rs. 2,624
Goodwill.....	<u>3,581</u>
Total purchase price	<u>Rs. 6,205</u>

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

Lornamead Personal Care Private Limited

On December 9, 2009, the Company acquired 100% of the equity of Lornamead FZE (an entity incorporated in Dubai) and Lornamead Personal Care Private Limited (an entity incorporated in India) from UK -based Lornamead Group Limited. Yardley is a strong heritage global brand that was established in approximately 1770 and operates in the personal care category marketing fragrance products, bath and shower products and skin care products. Lornamead FZE and Lornamead Personal Care Private Limited were acquired for cash consideration (including direct acquisition costs) of Rs. 2,161 and contingent consideration of Rs. 179. The Company believes that the acquisition will enhance Wipro's strong brand portfolio of personal care products, results in synergy and increase Wipro's presence in the Middle East and other Asian markets.

The following table presents the allocation of purchase price:

Descriptions	Purchase price allocated
Cash and cash equivalents.....	Rs. 55
Property, plant and equipment.....	17
Marketing - related intangibles.....	691
Customer - related intangibles.....	322
Other assets.....	420
Other liabilities.....	<u>(184)</u>
Total	Rs. 1,321
Goodwill.....	<u>1,019</u>
Total purchase price	<u>Rs. 2,340</u>

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

Others

The Company has re-estimated the earn-out consideration payable in respect of a previous acquisition of a business providing computer aided design and engineering services consummated in fiscal 2006. Consequently, the Company has recognized additional goodwill of Rs. 761 and Rs. 3,169 during the year ended March 31, 2009 and 2010, respectively.

6. Available for sale investments

Available for sale investments consists of the following:

March 31, 2009

March 31, 2010

	Gain / (loss) recognized directly in equity			Gain / (loss) recognized directly in equity		
	Cost	Fair value	Fair value	Cost	Fair value	Fair value
Investment in liquid and short - term mutual funds.....	Rs. 15,132	Rs. 80	Rs. 15,212	Rs. 19,147	Rs. 10	Rs. 19,157
Certificate of deposits.....	947	21	968	11,088	5	11,093
Others.....	93	20	113	132	38	170
Total.....	<u>Rs. 16,422</u>	<u>Rs. 121</u>	<u>Rs. 16,543</u>	<u>Rs. 30,367</u>	<u>Rs. 53</u>	<u>Rs. 30,420</u>

Fair value of available for sale financial assets is determined based on quoted prices in an active market or using observable market inputs.

7. Inventories

Inventories consist of the following:

	As at March 31,	
	2009	2010
Stores and spare parts.....	Rs. 748	Rs. 1,001
Raw materials and components.....	2,448	2,212
Work in progress.....	695	776
Finished goods.....	3,696	3,937
	<u>Rs. 7,587</u>	<u>Rs. 7,926</u>

8. Cash and cash equivalents

Cash and cash equivalents as of March 31, 2009 and 2010 consist of cash and balances on deposit with banks. Cash and cash equivalents consist of the following:

	As at March 31,	
	2009	2010
Cash and bank balances.....	Rs. 22,944	Rs. 24,155
Short-term deposits with banks ⁽¹⁾	26,173	40,723
	<u>Rs. 49,117</u>	<u>Rs. 64,878</u>

⁽¹⁾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 March 31,	
	2009	2010
Cash and cash equivalents (as per above).	Rs. 49,117	Rs. 64,878
Bank overdrafts.....	(885)	(1,322)
	<u>Rs. 48,232</u>	<u>Rs. 63,556</u>

9. Other assets

	As at March 31,	
	2009	2010
<i>Current</i>		
Interest bearing deposits with corporate ⁽¹⁾	Rs. 4,250	Rs. 10,050
Prepaid expenses	2,775	4,658
Due from officers and employees.....	1,359	1,244
Finance lease receivables.....	967	632
Advance to suppliers.....	736	1,194
Deferred contract costs.....	1,094	943
Interest receivable.....	540	822
Deposits.....	42	390
Derivative assets.....	619	2,420
Balance with excise and customs.....	854	917
Non-convertible debenture.....	-	155
Others.....	1,705	1,169
	<u>Rs. 14,941</u>	<u>Rs. 24,594</u>
<i>Non current</i>		
Prepaid expenses including rentals for leasehold land.....	Rs. 2,577	Rs. 1,324

Due from officers and employees.....	741	-
Finance lease receivables.....	2,638	3,810
Deposits.....	1,544	1,391
Derivative assets.....	543	1,396
Non-convertible debenture.....	-	1,159
Others.....	40	32
	<u>Rs. 8,083</u>	<u>Rs. 9,112</u>
Total.....	<u>Rs. 23,024</u>	<u>Rs. 33,706</u>

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

10. Loans and borrowings

A summary of loans and borrowings is as follows:

	As at March 31,	
	2009	2010
Secured term loans.....	Rs. 233	Rs. 163
Obligations under finance leases.....	982	712
Short-term borrowings from bank.....	36,473	43,840
Unsecured Loans:		
External commercial borrowing.....	18,487	16,843
Term loans.....	717	953
Total loans and borrowings.....	<u>Rs. 56,892</u>	<u>Rs. 62,511</u>

11. Other liabilities and provisions

	As at March 31,	
	2009	2010
Current:		
Statutory and other liabilities.....	Rs. 3,455	Rs. 4,001
Advance from customers.....	824	1,786
Unclaimed dividend.....	17	17
Warranty and other provision.....	580	495
Others.....	1,026	249
	<u>Rs. 5,902</u>	<u>Rs. 6,548</u>
Non-current:		
Statutory liabilities.....	Rs. 741	Rs. -
Warranty and other provision.....	859	699
Others.....	69	70
	<u>Rs. 1,669</u>	<u>Rs. 769</u>
Total.....	<u>Rs. 7,571</u>	<u>Rs. 7,317</u>

12. Financial instruments

Derivatives 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 investments 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 investments 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:

Designated derivative instruments	As at March 31,	
	2009	2010

Sell	\$ 1,060	\$ 1,518
	£ 54	£ 31
	¥ 6,130	¥ 4,578
	AUD 3	AUD 7
	CHF 2	-
	SGD 1	-
Net investment hedges in foreign operations		
Cross-currency swaps	¥ 35,016	¥ 26,014
Others	\$ 267	\$ 262
	€ 40	€ 40
Non designated derivative instruments		
Sell	\$ 612	\$ 45
	£ 53	£ 38
	€ 39	€ 29
Buy	\$ 438	\$ 492
	¥ 23,170	-
Cross currency swaps		¥ 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 during the year ended March 31, 2009 and 2010.

	<u>As at March 31,</u>	
	<u>2009</u>	<u>2010</u>
Balance as at the beginning of the period.....	Rs. (1,097)	Rs. (16,886)
Net (gain)/loss reclassified into statement of income on occurrence of hedged transactions.....	1,019	5,201
Deferred cancellation gains/(losses) relating to roll - over hedging.....	(11,357)	551
Changes in fair value of effective portion of outstanding derivatives.....	(5,451)	6,180
Unrealized gain/ (losses) on cash flow hedging derivatives, net.....	<u>Rs. (15,789)</u>	<u>Rs. 11,932</u>
Balance as at the end of the period.....	<u>Rs. (16,886)</u>	<u>Rs. (4,954)</u>

As at March 31, 2009 and 2010, 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.

Fair value of derivative financial instruments has been determined based on prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

13. 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, 2009 and 2010 was Rs. 1,670 and Rs. 2,345, respectively. The Company's share of profits of Wipro GE for the three months ended March 31, 2009 and 2010 was Rs. 35 and Rs. 176, respectively. The Company's share of profits of Wipro GE for the year ended March 31, 2009 and 2010 was Rs. 362 and Rs. 530, respectively.

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 Rs. 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 Rs. 552 (including interest) for the financial year ended March 31, 2005. Wipro GE has filed an appeal against the said demand within the time limits permitted under the statute.

In December 2009, Wipro GE received a draft assessment order, on similar grounds, with a demand of Rs. 299 (including interest) for the financial year ended March 31, 2006. Wipro GE has filed an objection against the said demand before the Dispute Resolution Panel and the Assessing officer 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.

14. Breakup of expenses

Cost of revenues

	Three months ended March 31,		Year ended March 31,	
	2009	2010	2009	2010
Employee compensation.....	Rs. (23,738)	Rs. (23,358)	Rs. (90,320)	Rs. (90,348)
Raw materials, finished goods and process stocks consumed.....	(10,967)	(12,763)	(45,379)	(50,231)
Sub contracting/technical fees/third party application.....	(3,202)	(4,063)	(14,184)	(15,947)
Travel.....	(1,541)	(1,591)	(6,684)	(5,830)
Depreciation and amortization.....	(1,753)	(1,668)	(6,358)	(6,917)
Repairs.....	(744)	(922)	(3,149)	(4,011)
Communication.....	(771)	(653)	(2,610)	(2,778)
Power and fuel.....	(481)	(430)	(1,863)	(1,797)
Outsourced technical services.....	(383)	(321)	(1,442)	(1,348)
Rent.....	(473)	(557)	(1,667)	(2,033)
Stores and spares.....	(213)	(332)	(880)	(739)
Insurance.....	(102)	(91)	(372)	(356)
Rates and taxes.....	(94)	(74)	(313)	(276)
Miscellaneous expenses.....	(903)	(941)	(4,994)	(3,688)
Total.....	<u>Rs. (45,365)</u>	<u>Rs. 47,764</u>	<u>Rs. 180,215</u>	<u>Rs. 186,299</u>

Selling and marketing expenses

	Three months ended March 31,		Year ended March 31,	
	2009	2010	2009	2010
Employee compensation.....	Rs. (2,285)	Rs. (2,509)	Rs. (9,013)	Rs. (9,126)
Advertisement and sales promotion.....	(741)	(1,200)	(3,221)	(4,534)
Travel.....	(186)	(233)	(1,037)	(858)
Carriage and freight.....	(228)	(261)	(885)	(950)
Sales commission.....	(107)	(118)	(515)	(459)
Rent.....	(88)	(106)	(477)	(466)
Communication.....	(121)	(85)	(396)	(378)
Conveyance.....	(41)	(32)	(157)	(144)
Depreciation and amortization.....	(132)	(161)	(361)	(572)
Repairs.....	(25)	(32)	(123)	(110)
Insurance.....	(9)	(11)	(26)	(54)
Rates and taxes.....	(14)	(3)	(47)	(29)
Miscellaneous expenses.....	(341)	(310)	(1,055)	(928)
Total.....	<u>Rs. (4,318)</u>	<u>Rs. (5,061)</u>	<u>Rs. (17,313)</u>	<u>Rs. 18,608</u>

General and administrative expenses

	Three months ended March 31,		Year ended March 31,	
	2009	2010	2009	2010
Employee compensation.....	Rs. (1,694)	Rs. (2,049)	Rs. (6,706)	Rs. (7,755)
Travel.....	(291)	(331)	(1,435)	(1,232)
Legal and professional charges.....	(319)	(364)	(1,502)	(1,593)
Repairs and maintenance.....	(210)	(227)	(780)	(901)
Provision for doubtful debts.....	(103)	(43)	(939)	(566)
Staff recruitment.....	(66)	(237)	(411)	(485)
Manpower outside services.....	(51)	(60)	(264)	(232)
Depreciation and amortization.....	(65)	(58)	(228)	(342)
Rates and taxes.....	(37)	(37)	(72)	(160)
Insurance.....	(34)	(45)	(125)	(148)
Rent.....	(158)	(171)	(382)	(563)
Auditors remuneration.....	(4)	(8)	(26)	(23)
Miscellaneous expenses, net.....	(544)	(10)	(1,640)	(823)
Total.....	<u>Rs. (3,576)</u>	<u>Rs. (3,640)</u>	<u>Rs. (14,510)</u>	<u>Rs. (14,823)</u>

15. Finance and other income/(expense), net

	Three months ended March 31,		Year ended March 31,	
	2009	2010	2009	2010
Interest income.....	Rs. 674	Rs. 922	Rs. 1,964	Rs. 2,610
Interest expense.....	(582)	(237)	(2,333)	(1,232)
Exchange fluctuations on foreign exchange borrowings, net.....	(345)	579	(1,491)	241
Dividend income.....	325	345	2,265	1,442
Gain on sale of investments.....	13	2	681	308
Others.....	147	-	147	-
Total.....	<u>Rs. 232</u>	<u>Rs. 1,612</u>	<u>Rs. 1,233</u>	<u>Rs. 3,369</u>

16. Commitments and contingencies

Operating leases: The Company leases office and residential facilities under cancelable and non-cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases were Rs. 719 and Rs. 834, for the three months ended March 31, 2009 and 2010, respectively and Rs. 2,526 and Rs. 3,062 for the year ended March 31, 2009 and 2010, respectively.

Details of contractual payments under non-cancelable leases are given below:

	As at March 31,	
	2009	2010
Not later than one year.....	Rs. 1,064	Rs. 1,118
Later than one year but not later than five years.....	3,670	3,482
Later than five years.....	3,168	2,128
	<u>Rs. 7,902</u>	<u>Rs. 6,728</u>

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 Rs. 11,127 (including interest of Rs. 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 favour 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 Rs. 5,388 (including interest of Rs. 1,615) for the financial year ended March 31, 2005. The Company has filed an appeal against the said demand and within the time limits permitted under the statute.

In December 2009, the Company received the draft assessment order, on similar grounds, with a demand of Rs. 6,757 (including interest of Rs. 2,050) for the financial year ended March 31, 2006. The Company has filed an objection against the said demand before the Dispute Resolution Panel and the Assessing officer within the time limits 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.

17. 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.

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.

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 and other related deliverables. Revenue relating to these items is reported as revenue from the sale of IT Products.

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, Asian and Middle-East markets.

The Others' segment consists of business segments that do not meet the requirements individually for a reportable segment as defined in IFRS 8.

Corporate activities such as treasury, legal and accounting, which do not qualify as operating segments under IFRS 8, have been considered as 'reconciling items'.

Revenues include excise duty of Rs. 176 and Rs. 238 for the three months ended March 31, 2009 and 2010, respectively and Rs. 1,054 and Rs. 842 for the year ended March 31, 2009 and 2010, respectively. For the purpose of segment reporting, the segment revenues are net of excise duty. Excise duty are reported in reconciling items.

For the purpose of segment reporting only, the Company has included the impact of 'foreign exchange gains / (losses), net' in revenues. Further, the Company obtains short-term foreign currency borrowings for its working capital requirements. A portion of these foreign currency borrowings is used as a natural hedge for the foreign currency monetary assets. For segment purposes, the changes in fair value of such foreign currency borrowings is recorded in the respective segment of the underlying monetary assets and are eliminated in reconciling items.

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.

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, and accordingly such receivables are reflected in Capital Employed of Reconciling items. As of March 31, 2009 and 2010, Capital Employed of Reconciling items includes Rs. 4,401 and Rs. 8,516 respectively, of such receivables on extended collection terms.

Information on reportable segments is as follows:

	Three months ended March 31, 2009						
	IT Services and Products			Consumer Care and Lighting	Others	Reconciling Items	Entity Total
	IT Services	IT Products	Total				
Revenues.....	49,306	8,761	58,067	4,802	1,320	325	64,514
Cost of revenues.....	(33,000)	(7,960)	(40,960)	(2,594)	(1,501)	(311)	(45,365)
Selling and marketing expenses.....	(2,637)	(334)	(2,971)	(1,238)	(59)	(50)	(4,318)
General and administrative expenses...	(3,028)	(150)	(3,178)	(275)	(93)	(30)	(3,576)
Operating income of segment ⁽¹⁾	<u>10,641</u>	<u>317</u>	<u>10,958</u>	<u>695</u>	<u>(333)</u>	<u>(66)</u>	<u>11,255</u>
Opening capital employed.....			95,303	18,936	5,710	65,615	185,563
Closing capital employed.....			115,089	18,782	5,638	64,763	204,272
Average capital employed.....			105,196	18,859	5,674	65,189	194,918

Three months ended March 31, 2009

	IT Services and Products			Consumer Care and Lighting	Others	Reconciling Items	Entity Total
	IT Services	IT Products	Total				
Return on capital employed			42%	15%	(23)%		23% -

Three months ended March 31, 2010

	IT Services and Products			Consumer Care and Lighting	Others	Reconciling Items	Entity Total
	IT Services	IT Products	Total				
Revenues.....	52,596	8,900	61,496	6,084	2,285	(36)	69,829
Cost of revenues.....	(33,827)	(8,116)	(41,943)	(3,297)	(2,335)	(189)	(47,764)
Selling and marketing expenses.....	(2,966)	(257)	(3,223)	(1,752)	(106)	20	(5,061)
General and administrative expenses....	(3,085)	(265)	(3,350)	(228)	(62)	-	(3,640)
Operating income of segment ⁽¹⁾	<u>12,718</u>	<u>262</u>	<u>12,980</u>	<u>807</u>	<u>(218)</u>	<u>(205)</u>	<u>13,364</u>
Opening capital employed.....			114,690	19,818	5,765	96,469	236,743
Closing capital employed.....			136,280	20,074	7,068	96,091	259,513
Average capital employed.....			125,485	19,946	6,417	96,280	248,128
Return on capital employed			41%	16%	(14)%		22%

Year ended March 31, 2009

	IT Services and Products			Consumer Care and Lighting	Others	Reconciling Items	Entity Total
	IT Services	IT Products	Total				
Revenues.....	191,613	34,277	225,890	19,249	8,995	1,204	255,338
Cost of revenues.....	(128,473)	(30,886)	(159,359)	(10,782)	(8,679)	(1,395)	(180,215)
Selling and marketing expenses.....	(10,672)	(1,361)	(12,033)	(4,750)	(294)	(236)	(17,313)
General and administrative expenses....	(12,271)	(667)	(12,938)	(1,125)	(316)	(131)	(14,510)
Operating income of segment ⁽¹⁾	<u>40,197</u>	<u>1,363</u>	<u>41,560</u>	<u>2,592</u>	<u>(294)</u>	<u>(558)</u>	<u>43,300</u>
Opening capital employed.....			93,845	17,359	6,149	53,081	170,433
Closing capital employed.....			115,089	18,782	5,638	64,763	204,272
Average capital employed.....			104,467	18,070	5,893	58,922	187,353
Return on capital employed			40%	14%	(5)%		23% -

Year ended March 31, 2010

	IT Services and Products			Consumer Care and Lighting	Others	Reconciling Items	Entity Total
	IT Services	IT Products	Total				
Revenues.....	202,490	38,205	240,695	22,584	7,143	819	271,241
Cost of revenues.....	(132,144)	(34,151)	(166,295)	(11,805)	(7,446)	(753)	(186,299)
Selling and marketing expenses.....	(10,492)	(1,275)	(11,767)	(6,492)	(323)	(27)	(18,608)
General and administrative expenses....	(12,446)	(1,015)	(13,461)	(1,207)	(210)	56	(14,823)
Operating income of segment ⁽¹⁾	<u>47,408</u>	<u>1,764</u>	<u>49,172</u>	<u>3,080</u>	<u>(836)</u>	<u>95</u>	<u>51,511</u>
Opening capital employed.....			115,089	18,782	5,638	64,763	204,272
Closing capital employed.....			136,280	20,074	7,068	96,091	259,513
Average capital employed.....			125,685	19,428	6,353	80,427	231,893
Return on capital employed			39%	16%	(13)%		22%

⁽¹⁾ Operating income of segments is after recognition of stock compensation expense arising from the grant of options:

Segments	Three months ended March			
	31,		Year ended March 31,	
	2009	2010	2009	2010
IT Services	Rs. 369	Rs. 257	Rs. 1,523	Rs. 1,159
IT Products.....	27	20	112	93
Consumer Care and Lighting.....	16	20	76	71

Segments	Three months ended March		Year ended March 31,	
	31,			
	2009	2010	2009	2010
Others.....	5	4	21	18
Reconciling items.....	(34)	39	137	(38)
Total.....	<u>Rs. 383</u>	<u>Rs. 339</u>	<u>Rs. 1,868</u>	<u>Rs. 1,302</u>

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:

	Three months ended March		Year ended March 31	
	31,			
	2009	2010	2009	2010
India.....	Rs. 13,473	Rs. 16,652	Rs. 54,945	Rs. 62,179
United States.....	30,033	30,347	115,022	119,537
Europe.....	13,333	15,202	57,109	56,780
Rest of the world...	<u>7,675</u>	<u>7,628</u>	<u>28,262</u>	<u>32,745</u>
	<u>Rs. 64,514</u>	<u>Rs. 69,829</u>	<u>Rs. 255,338</u>	<u>Rs. 271,241</u>

No client individually accounted for more than 10% of the revenues during the year ended March 31, 2009 and 2010.