

WIPRO LIMITED - STANDALONE
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2013

(₹ in millions, except share data, unless otherwise stated)

SI No.	PARTICULARS	Quarter ended			Year ended	
		March 31 2013	December 31, 2012	March 31, 2012	March 31, 2013	March 31, 2012
1	Income from operations					
	(a) Net sales/income from operations (net of excise duty)	85,486	84,689	83,704	332,265	316,829
	(b) Other operating income	177	702	2,506	2,908	3,707
	Total income from operations (net)	85,663	85,391	86,210	335,173	320,536
2	Expenses					
	(a) Cost of materials consumed	1,085	501	6,171	3,542	14,475
	(b) Purchase of stock-in-trade	5,613	6,437	4,538	23,472	32,086
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade	135	512	601	(182)	449
	(d) Employee benefits expense	40,838	40,188	35,000	159,042	133,115
	(e) Depreciation and amortisation expense	1,723	1,707	1,934	7,013	7,461
	(f) Sub contracting/technical fees/third party application	9,722	8,520	9,268	35,109	32,918
	(g) Other expenses	10,968	10,624	12,949	41,947	43,356
	Total expenses	70,084	68,489	70,461	269,943	263,860
3	Profit from operations before other income, finance costs and exceptional items (1 – 2)	15,579	16,902	15,749	65,230	56,676
4	Other income	3,224	2,215	2,405	10,345	8,567
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	18,803	19,117	18,154	75,575	65,243
6	Finance costs	895	842	964	3,524	6,057
7	Profit from ordinary activities after finance costs but before exceptional items (5 – 6)	17,908	18,275	17,190	72,051	59,186
8	Exceptional Items	–	–	–	–	–
9	Profit from ordinary activities before tax (7 – 8)	17,908	18,275	17,190	72,051	59,186
10	Tax expense	3,084	4,276	3,677	15,549	12,335
11	Net Profit from ordinary activities after tax (9 – 10)	14,824	13,999	13,513	56,502	46,851
12	Extraordinary items (net of tax expense)	–	–	–	–	–
13	Net Profit for the period (11 – 12)	14,824	13,999	13,513	56,502	46,851
14	Paid up equity share capital (Face value ₹ 2 per share)	4,926	4,925	4,917	4,926	4,917
15	Reserve excluding Revaluation Reserves as per balance sheet of the previous accounting year					238,608
16	<u>EARNINGS PER SHARE (EPS)</u>					
	<i>(i) Before extraordinary items</i>					
	Basic (in ₹)	6.04	5.70	5.51	23.03	19.12
	Diluted (in ₹)	6.03	5.69	5.50	22.99	19.08
	<i>(ii) After extraordinary items</i>					
	Basic (in ₹)	6.04	5.70	5.51	23.03	19.12
	Diluted (in ₹)	6.03	5.69	5.50	22.99	19.08
A	Public shareholding ⁽¹⁾					
1	Number of shares	492,294,812	491,988,307	488,910,535	492,294,812	488,910,535
	Percentage of holding	19.99%	19.98%	19.88%	19.99%	19.88%
2	Promoters and promoter group shareholding					
	(a) Pledged/Encumbered					
	– Number of shares	Nil	Nil	Nil	Nil	Nil
	– Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
	– Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil
	(b) Non-encumbered					
	– Number of shares ⁽²⁾	1,927,880,883	1,927,880,883	1,927,880,883	1,927,880,883	1,927,880,883
	– Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	– Percentage of shares (as a % of the total share capital of the Company)	78.28%	78.29%	78.41%	78.28%	78.41%

⁽¹⁾ Public shareholding as defined under clause 40A of the listing agreement (excludes shares beneficially held by promoters and holders of American Depository Receipt).

⁽²⁾ Includes 501,557,453 (December 31, 2012: 206,030,453; March 31, 2012: 206,030,453) equity shares on which Promoter does not have beneficiary interest.

Status of redressal of Complaints received for the period January 1, 2013 to March 31, 2013						
Sl No.	Nature of the complaint	Nature	Opening balance as at January 1, 2013	Complaints received during the quarter	Complaints disposed during the quarter	Unresolved as at March 31, 2013
1	Non-Receipt of Securities	Complaint	–	10	10	–
2	Non Receipt of Annual Reports	Complaint	–	6	6	–
3	Correction/Duplicate/Revalidation of dividend warrants	Request	–	-	-	–
4	SEBI/Stock Exchange Complaints	Complaint	–	8	8	–
5	Non Receipt of Dividend warrants	Complaint	–	147	147	–
	TOTAL		–	171	171	–

Note: There are certain pending cases relating to disputes over title to shares in which the company has been made a party. However, these cases are not material in nature.

1. The above audited interim financial results for the quarter and year ended March 31, 2013 have been approved by the Board of Directors of the Company at its meeting held on April 19, 2013. The statutory auditors have expressed an unqualified audit opinion.
2. The audited interim financial results have been prepared from the audited condensed interim financial statements as at and for the quarter and year ended March 31, 2013. The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured on a fair value basis. GAAP comprises Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.
3. The total income from operations (net) represents the aggregate revenue and includes foreign exchange gains / (losses), net, of ₹ 203, ₹ 665 and ₹ 2,427 and for the quarter ended March 31, 2013, December 31, 2012 and March 31, 2012, respectively, ₹ 2,753 and ₹ 3,451 for the year ended March 31, 2013 and 2012, respectively. Foreign exchange gain / (losses), net, are also included in the segment revenues for the respective periods.
4. The Company has applied the principles of AS 30, as per announcement by ICAI except to the extent such principles of AS 30 does not conflict with existing accounting standards prescribed by Companies (Accounting Standards) Rules, 2006 and other authoritative pronouncements.

The Company has designated USD 357 Million [March 31, 2012: USD 262 Million] and Euro 40 Million [March 31, 2012: Euro 40 Million] of derivative contracts as hedges of its net investments in non-integral foreign operations. The Company has also designated a yen-denominated foreign currency borrowing amounting to JPY 16.5 Billion [March 31, 2012: JPY 16.5 Billion], along with a floating for floating Cross-Currency Interest Rate Swap (CCIRS), as a hedging instrument to hedge its net investment in a non-integral foreign operation. Further, the Company has also designated yen-denominated foreign currency borrowing amounting to JPY 8 Billion [March 31, 2012: JPY 8 Billion] along with floating for fixed CCIRS as cash flow hedge of the yen-denominated borrowing and also as a hedge of net investment in a non-integral foreign operation. As equity investments in non-Integral foreign subsidiaries / operations are stated at historical cost, the changes in fair value of forward contracts, the yen-denominated foreign currency borrowing and the related CCIRS amounting to gain / (loss) of ₹ 654, ₹ (1,116) and ₹ 1,174 for the quarter ended March 31, 2013, December 31, 2012 and March 31, 2012 respectively and ₹ (1,107) and ₹ (2,787) for the year ended March 31, 2013 and 2012 respectively, has been recorded in the statement of profit and loss.

As of March 31, 2013 the Company has recognized gains of ₹ 1,278 Million [March 31, 2012: loss of ₹ (2,047)] relating to derivative financial instruments that are designated as effective cash flow hedges in the shareholders' fund.

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

(In Millions)		
Particulars	As at March 31, 2013	As at March 31, 2012
Designated derivative instruments		
Sell	\$ 777	\$ 1,081
	£ 61	£ 4
	¥ -	¥ 1,474
	AUD 9	AUD -
	€ 108	€ 17
Interest Rate Swap	\$ 30	\$ -
Non designated derivative instruments		
Cross currency swaps	¥ 31,511	¥ 31,511
Sell	\$ 1,598	\$ 1,103
	AUD 60	AUD 31
	£ 73	£ 58
	€ 87	€ 84
Buy	\$ 767	\$ 555
	¥ 1,525	¥ 1,997

5. Employees covered under Stock Option Plans and Restricted Stock Unit (RSU) Option Plans are granted an option to purchase shares of the Company at the respective exercise prices, subject to requirements of vesting conditions. These options generally vest over a period of five years from the date of grant. Upon vesting, the employees acquire one equity share for every option. The maximum contractual term for aforementioned stock option plans is generally 10 years.

The stock compensation cost is computed under the intrinsic value method and amortized on a straight line basis over the total vesting period. The Company has granted 10,000, 4,915,150 and Nil Options under RSU Options Plan during the quarter ended March 31, 2013, December 31, 2012 and March 31, 2012 and 4,925,150 and 40,000 options for the year ended March 31, 2013 and 2012 respectively. The Company has recorded stock compensation expense of ₹ 294, ₹ 247 and ₹ 179 for the quarter ended March 31, 2013, December 31, 2012 and March 31, 2012 respectively, ₹ 804 and ₹ 878 for the year ended March 31, 2013 and 2012.

6. During the year, the Company has completed the demerger of Diversified Business. The “Scheme of Arrangement” (‘the Scheme’) involved transfer of the Diversified Business to a “Resulting Company” whose equity shares are not listed in any stock exchange in India or abroad. The Resulting Company, at the option of the shareholder, issues either its equity or redeemable preference shares in consideration of the demerger to each shareholder of the Company on a proportionate basis. The Scheme also provides an option for the public shareholders to exchange equity shares of the Resulting Company for the listed shares in the Company held by the promoter group. The Scheme became effective on March 31, 2013 with an appointed date of April 1st 2012 when the sanction of the Honorable High Court of Karnataka and filing of the certified copy of the same with the Registrar of Companies got completed. The Scheme of Demerger has been accounted for in terms of the Court Orders and modifications as approved by the respective Board of Directors as provided for in the Scheme.

Consequent to demerger of the Diversified Business of the Company in terms of the Scheme, the financial statements of the Company for the year ended March 31, 2013, do not include the operations of the Diversified Business, and are therefore strictly not comparable with the figures of the quarter and previous year ended March 31, 2012. Further, as of March 31, 2013 the Resulting Company held in trust, shares in certain step subsidiaries which remained with the Company. The transfer of the shares in the said step subsidiaries to the Company will be given effect through due process under relevant laws and regulations. However, the power to govern the operating and financial policies, the appointment of majority of the board of directors and appointment of key management personnel is with the Company in accordance with the agreement with the Resulting Company. Accordingly, the investments in these subsidiaries have been included as long-term investments.

All the assets and liabilities relating to the Diversified Business of the Company, on the appointed date, have been transferred to the Resulting Company. The excess of assets over liabilities relating to the Diversified Business of ₹ 42,299 transferred as at April 01, 2012, has been adjusted in terms of the Scheme against the Reserves of the Company as under:

a) Securities premium account	20,000
b) General reserves	18,273
c) Surplus from the statement of profit and loss	4,026
	<u>42,299</u>

The details of discontinued operations are as under:

	For the quarter ended March 31,		For the year ended March 31,	
	2013	2012	2013	2012
Total revenues	-	8,175	-	32,902
Total expenses	-	7,522	-	30,250
Profit before taxes	-	653		2,652
Taxes				
Current tax	-	85	-	347
Deferred tax	-	19	-	77
	-	104	-	424
Profit after tax	-	549	-	2,228

	As at March 31,	
	2013	2012
Total assets	-	21,875
Total liabilities	-	6,677

	For the year ended March 31,	
	2013	2012
Net Cash flows:		
Operating activities	-	2,402
Investing activities	-	(2,035)
Financing activities	-	(27)

Refer Note 8 for segment wise details for discontinued operations.

6. Consequent to the demerger, the results for the quarter ended March 31, 2013, December 31, 2012 and year ended March 31, 2013 do not include the operations of the Diversified Business, and are therefore strictly not comparable with the figures of the quarter and year ended March 31, 2012.
7. The segment information for the quarter ended March 31, 2013 is as follows:

Particulars	Quarter ended			Year ended	
	March 31, 2013	December 31, 2012	March 31, 2012	March 31, 2013	March 31, 2012
<u>Revenues</u>					
IT Services	77,569	76,364	69,592	304,588	252,780
IT Products	8,117	8,987	8,424	30,405	34,972
Consumer Care and Lighting (Discontinued Business)	-	-	5,461	-	20,204
Others (Discontinued Business)	-	-	2,643	-	12,536
Eliminations including corporate	3	3	12	25	(212)
TOTAL	85,689	85,354	86,132	335,018	320,280
<u>Profit before Interest and Tax - PBIT</u>					
IT Services	15,742	16,705	16,577	65,012	54,702
IT Products	62	138	307	179	1,200
Consumer Care and Lighting (Discontinued Business)	-	-	639	-	2,236
Others (Discontinued Business)	-	-	(28)	-	359
Others	(225)	59	(1,745)	39	(1,821)
TOTAL	15,579	16,902	15,749	65,230	56,676
Interest and Other Income, Net	2,329	1,373	1,441	6,821	2,510
Profit before tax	17,908	18,275	17,190	72,051	59,186
Income Tax expense	(3,084)	(4,276)	(3,677)	(15,549)	(12,335)
PROFIT AFTER TAX	14,824	13,999	13,513	56,502	46,851
<u>Capital Employed</u>					
IT Services and Products	116,094	108,263	107,478	116,094	107,478
Consumer Care and Lighting (discontinued business)	-	-	3,266	-	3,266
Others (discontinued business)	-	-	7,362	-	7,362
Others	187,002	237,880	178,222	187,002	178,222
TOTAL	303,096	346,143	296,328	303,096	296,328

Notes to Segment Report

- a) The Company is currently organized by business segments, comprising IT Services, IT Products and Others. Business segments have been determined based on system of internal financial reporting to the Board of Directors and Chief Executive Officer and are considered to be primary segments. The secondary segment is identified based on the geographic location of the customer.

IT Services: The IT Services segment provides IT and IT enabled services to customers. Key service offering includes software application development, application maintenance, research and development services for hardware and software design, data center outsourcing services and business process outsourcing services.

IT Products: The IT Products segment sells a range of Wipro personal desktop computers, Wipro servers and Wipro notebooks. The Company is also a value added reseller of desktops, servers, notebooks, storage products, networking solutions and packaged software for leading international brands. In certain total outsourcing contracts of the IT Services segment, the Company delivers hardware, software products and other related deliverables. Revenue relating to these items is reported as revenue from sale of IT Products.

The Others' segment consists of business segments that do not meet the requirements individually for a reportable segment as defined in AS 17 Segment Reporting and includes corporate and treasury.

Segment Revenue, Segment Results, Segment Capital employed includes the respective amounts identifiable to each of the segment. Segment revenue resulting from business with other business segments are on the basis of market determined prices and common costs are apportioned on a reasonable basis.

- b) For the purpose of segment reporting, the Company has included the impact of “foreign exchange gains/ (losses), net in revenues which are reported as part of Other Income in these Financial Statements. Segment PBIT includes ₹ (26), ₹ 244 and ₹ 53 for the quarter ended March 31, 2013, December 31, 2012 and March 31, 2012, respectively, ₹ 155 and ₹ 256 for the year ended March 31, 2013 and 2012 respectively of certain operating other income which is reflected in Other Income in the Financial Statements.

- c) The above segment disclosure is as per the requirements specified in AS 25, *Interim Financial Reporting*.

8. The Board of Directors recommended a final dividend of ₹5 per share (on an equity share of par value of ₹ 2 each) for the year ended March 31, 2013. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

9. Statement of Assets and Liabilities

Particulars	As of March 31, 2013	As of March 31, 2012
<u>I. EQUITY AND LIABILITIES</u>		
1. Shareholders' funds		
Share capital.....	4,925	4,917
Reserves and surplus.....	237,369	238,608
	<u>242,294</u>	<u>243,525</u>
2. Non-current liabilities		
Long term borrowings.....	590	22,022
Deferred tax liabilities.....	528	58
Other long term liabilities.....	118	355
Long term provisions.....	2,289	2,593
	<u>3,525</u>	<u>25,028</u>
3. Current Liabilities		
Short term borrowings.....	39,870	30,410
Trade payables and Accrued Expenses.....	49,228	38,922
Other current liabilities.....	38,054	20,507
Short term provisions.....	34,094	27,567
	<u>161,245</u>	<u>117,406</u>
TOTAL EQUITY AND LIABILITIES.....	<u>407,064</u>	<u>385,959</u>
<u>II. ASSETS</u>		
1. Non-current assets		
Fixed assets		
Tangible assets.....	35,560	41,961
Intangible assets and goodwill.....	3,534	4,537
Capital work-in-progress.....	3,787	3,012
Non-current investments.....	48,547	62,943
Deferred tax assets.....	1,151	326
Long term loans and advances.....	25,168	25,094
Other non-current assets.....	5,469	9,194
	<u>123,217</u>	<u>147,067</u>
2. Current assets		
Current investments.....	60,495	40,409
Inventories.....	3,205	7,851
Trade receivables.....	84,994	79,670
Cash and bank balances.....	78,004	62,328
Short term loans and advances.....	21,244	17,521
Other current assets.....	35,906	31,113
	<u>283,847</u>	<u>238,892</u>
TOTAL ASSETS	<u>407,064</u>	<u>385,959</u>

10. Corresponding figures for previous periods presented have been regrouped, where necessary, to conform to the current period's classification.

Place: Bangalore
Date: April 19, 2013

By order of the board,

Azim H Premji
Chairman