WIPRO LTD
Form 6-K
February 17, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
Pursuant to Rule 13a-16 or 15d-16 under the Securities Exchange Act of 1934
February 2009
Commission File Number 001-16139

WIPRO LIMITED
(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant s name into English)
Karnataka, India
(Jurisdiction of incorporation or organization)
Doddakannelli
Sarjapur Road
Bangalore 560035, Karnataka, India
+91-80-2844-0011
(Address of principal executive offices)

Indicate by check mark if registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F þ Form 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes o No þ

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes o No þ

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Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant s home country), or under the rules of the home country exchange on which the registrant s securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant s security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Currency of Presentation and Certain Defined Terms

In this Quarterly Report references to U.S. or United States are to the United States of America, its territories and its possessions. References to India are to the Republic of India. References to the U.K . are to the United Kingdom. Reference to $ or US$ or dollars or U.S. dollars are to the legal currency of the United States, references to £ or Sterling are to the legal currency of the United Kingdom and references to Rs. or Rupees or Indian rupees are to the legal currency of India. All amounts are in Rs. or in U.S. dollars unless stated otherwise. Our financial statements are presented in Indian rupees and translated into U.S. dollars and are prepared in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP). References to Indian GAAP are to Indian Generally Accepted Accounting Principles. References to a particular fiscal year are to our fiscal year ended March 31 of such year.

All references to we , us , our , Wipro or the Company shall mean Wipro Limited and, unless specifically indicate otherwise or the context indicates otherwise, our consolidated subsidiaries. Wipro is a registered trademark of Wipro Limited in the United States and India. All other trademarks or trade names used in this Quarterly Report on Form 6K are the property of the respective owners.

Except as otherwise stated in this Quarterly Report, all translations from Indian rupees to U.S. dollars are based on the noon buying rate in the City of New York on December 31, 2008, for cable transfers in Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York which was Rs. 48.58 per $1.00. 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. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding. Information contained in our website, www.wipro.com, is not part of this Quarterly Report.

Forward-Looking Statements May Prove Inaccurate

IN ADDITION TO HISTORICAL INFORMATION, THIS QUARTERLY REPORT CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE REFLECTED IN THE FORWARD-LOOKING STATEMENTS AND REPORTED RESULTS SHOULD NOT BE VIEWED AS AN INDICATION OF FUTURE PERFORMANCE. FACTORS THAT MIGHT CAUSE SUCH A DIFFERENCE INCLUDE, BUT ARE NOT LIMITED TO, THOSE DISCUSSED IN THE SECTIONS ENTITLED RISK FACTORS AND MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS AND ELSEWHERE IN THIS REPORT AS WELL AS THE SECTIONS ENTITLED RISK FACTORS IN OUR ANNUAL REPORT ON FORM 20-F FOR THE FISCAL YEAR ENDED MARCH 31, 2008. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH REFLECT MANAGEMENT S ANALYSIS ONLY AS OF THE DATE HEREOF. IN ADDITION, READERS SHOULD CAREFULLY REVIEW THE OTHER INFORMATION IN THIS QUARTERLY REPORT AND IN THE COMPANY S PERIODIC REPORTS AND OTHER DOCUMENTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) FROM TIME TO TIME.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

WIPRO LIMITED AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	As of December 31,			As of March 31,
	2007	2008	2008	2008
			Convenience translation into US$	
	(Unaudited)	(Unaudited)	(Unaudited)	
ASSETS				
Current assets:				
Cash and cash equivalents (Note 4)	Rs. 15,999	Rs. 38,383	$ 790	Rs. 39,270
Restricted cash	509			
Short-term Investments (Note 7)	17,738	20,241	417	14,808
Accounts receivable, net of allowances (Note 5)	34,773	47,001	967	38,908
Unbilled revenue	8,860	13,794	284	8,305
Inventories (Note 6)	6,628	9,013	186	7,172
Deferred income taxes (Note 17)	637	2,375	49	790
Other current assets	18,260	25,977	535	19,092
Total current assets	103,404	156,784	3,227	128,345
Property, plant and equipment, net (Note 8)	35,872	47,164	971	39,822
Investments in affiliates (Note 12)	1,243	1,635	34	1,343
Investment securities	358	330	7	355
Deferred income taxes (Note 17)	65	205	4	
Intangible assets, net (Note 3, 9)	12,034	15,668	323	12,480
Goodwill (Note 3, 9)	37,798	44,774	922	38,943
Other assets (Note 13)	2,727	5,543	114	3,214
Total assets	**Rs. 193,501**	**Rs. 272,103**	**$ 5,601**	**Rs. 224,502**
LIABILITIES AND STOCKHOLDERS EQUITY				
Current liabilities:				
Short-term borrowings (Note 15)	Rs. 25,019	Rs. 26,464	$ 545	Rs. 28,804
Current portion of long-term debt (Note 15)	552	375	8	406
Current portion of obligations under capital leases	341	353	7	323
Accounts payable	12,258	18,968	390	13,082
Accrued expenses	7,667	13,164	271	8,110
Accrued employee costs	4,855	7,200	148	5,160
Advances from customers	1,775	3,061	63	2,136

Unearned revenue	3,984	5,935	122	4,162
Other current liabilities	9,337	28,809	593	12,519
Total current liabilities	65,788	104,329	2,148	74,702
Long-term debt, excluding current portion (Note 15)	238	19,476	401	14,522
Obligations under capital leases, excluding current portion	734	823	17	701
Deferred income taxes (Note 17)	2,462	2,738	56	2,098
Other liabilities (Note 10, 13)	2,698	3,634	75	3,011
Total liabilities	71,920	131,000	2,697	95,034
Minority interest	126	192	4	114
Stockholders equity:				
Equity shares at Rs. 2 par value: 1,650,000,000 shares authorized; Issued and outstanding: 1,461,453,320, 1,460,529,013 and 1,463,724,838 shares as of March 31, 2008, December 31, 2007 and 2008	2,921	2,928	60	2,923
Additional paid-in capital (Note 18)	26,089	28,042	577	26,441
Accumulated other comprehensive income/(loss)	139	(9,628)	(198)	(1,076)
Retained earnings	92,306	119,569	2,461	101,066
Equity shares held by a controlled Trust: 7,961,760 shares as of March 31, 2008, December 31, 2007 and 2008 (Note 18)				
Total stockholders equity	121,455	140,911	2,901	129,354
Total liabilities and stockholders equity	**Rs. 193,501**	**Rs. 272,103**	**$ 5,601**	**Rs. 224,502**

See accompanying notes to the unaudited consolidated financial statements.

WIPRO LIMITED AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except share data)

	Three months ended December 31, 2007	2008	2008 Convenience translation into US$	Nine months ended December 31, 2007	2008	2008 Convenience translation into US$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues:						
Services	Rs. 38,711	Rs. 50,464	$ 1,039	Rs. 105,498	Rs. 142,591	$ 2,935
Products	13,650	14,923	307	35,976	46,513	957
Total	52,361	65,387	1,346	141,474	189,104	3,893
Cost of revenues:						
Services	26,561	33,997	700	71,105	95,315	1,962
Products	10,855	11,956	246	28,746	37,261	767
Total	37,416	45,953	946	99,851	132,576	2,729
Gross profit	14,945	19,434	400	41,623	56,528	1,164
Operating expenses:						
Selling and marketing expenses	(3,535)	(4,453)	(92)	(9,584)	(13,438)	(277)
General and administrative expenses	(2,874)	(4,301)	(89)	(7,589)	(11,007)	(227)
Amortization of intangible assets (Note 9)	(220)	(362)	(7)	(424)	(1,084)	(22)
Foreign exchange gains/(losses), net	169	150	3	(625)	(860)	(18)
Others, net	414	153	3	526	403	8
Operating income	8,899	10,621	219	23,927	30,542	629
Other income, net (Note 16)	455	(376)	(8)	2,189	(1,437)	(30)
Equity in earnings/(losses) of affiliates (Note 12)	(14)	114	2	157	327	7

Income before income taxes, minority interest		9,340		10,359		213		26,273		29,432		606
Income taxes (Note 17)		(1,074)		(1,364)		(28)		(2,778)		(4,040)		(83)
Minority interest		(5)		(16)				(8)		(50)		(1)
Net income	Rs.	8,261	Rs.	8,979	$	185	Rs.	23,487	Rs.	25,342	$	522
Earnings per equity share: (Note 19)												
Basic		5.69		6.17		0.13		16.20		17.43		0.36
Diluted		5.68		6.17		0.13		16.14		17.40		0.36
Weighted average number of equity shares used in computing earnings per equity share:												
Basic		1,450,673,837		1,454,578,545				1,450,201,056		1,453,569,246		
Diluted		1,453,954,740		1,455,512,492				1,454,954,227		1,456,330,399		

See accompanying notes to the unaudited consolidated financial statements.

WIPRO LIMITED AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY AND COMPREHENSIVE INCOME
(in millions, except share data)

	Equity Shares		Additional Paid in	Comprehensive	Accumulated Other Comprehensive	Retained	Equity Shares held by a Controlled Trust		Total Stockholders
	No. of Shares	Amount	Capital	Income	Income/(loss)	Earnings	No. of Shares	Amount	Equity
Balance as of March 31, 2007	1,458,999,650	Rs. 2,918	Rs. 24,508		Rs. 94	Rs. 73,948	(7,961,760)	Rs.	Rs. 101,468
Cash dividend (unaudited)						(5,129)			(5,129)
Issuance of equity shares on exercise of options (Note 18) (unaudited)	1,529,363	3	485						488
Compensation cost related to employee stock incentive plan (Note 18) (unaudited)			926						926
Sale of long-lived asset to the controlling shareholder, (net of tax effect of Rs. 52) (Unaudited)			102						102
Excess income tax benefit related to employee stock incentive plan (Unaudited)			68						68
Comprehensive income / (loss)									
Net income (unaudited)				23,487		23,487			23,487
Other comprehensive income / (loss)									

Translation adjustments (Note 14) (unaudited)				(793)					
Unrealized gain/(loss) on investment securities, net (net of tax effect of Rs.(16)) (unaudited)				(32)					
Unrealized gain/(loss) on cash flow hedging derivatives, net (net of tax effect of Rs. 199) (Note 13) (unaudited)				870					
Total other comprehensive income / (loss) (unaudited)				45	45				45
Comprehensive income (unaudited)				25,532					
Balance as of December 31, 2007 (unaudited)	1,460,529,013	Rs. 2,921	Rs. 26,089		Rs. 139	Rs. 92,306	(7,961,760)	Rs.	Rs. 121,455
Balance as of March 31, 2008	1,461,453,320	Rs. 2,923	Rs. 26,441		Rs. (1,076)	Rs. 101,066	(7,961,760)	Rs.	Rs. 129,354
Cash dividend (unaudited)						(6,839)			(6,839)
Issuance of equity shares on exercise of options (Note 18) (unaudited)	2,271,518	5	338						343
Compensation cost related to employee stock incentive plan			1,245						1,245

(Note 18) (unaudited)									
Excess income tax benefit related to employee stock incentive plan (unaudited)			18						18
Comprehensive income / (loss)									
Net income (unaudited)				25,342		25,342			25,342
Other comprehensive income / (loss)									
Translation adjustments (Note 14) (unaudited)				4,284					
Unrealized gain / (loss) on investment securities, net (net of tax effect of Rs. (60)) (Note 7) (unaudited)				(113)					
Unrealized gain / (loss) on cash flow hedging derivatives, net (net of tax effect of Rs. (1,929)) (Note 13) (unaudited)				(12,723)					
Total other comprehensive income /(loss) (unaudited)				(8,552)	(8,552)				(8,552)
Comprehensive income (unaudited)				16,790					
Balance as of December 31, 2008 (unaudited)	1,463,724,838	Rs. 2,928	Rs. 28,042		Rs. (9,628)	Rs. 119,569	(7,961,760)	Rs.	Rs. 140,911
		$ 60	$ 577		$ (198)	$ 2,461		$	$ 2,901

Balance as of
December 31,
2008 ($)
(Unaudited)

See accompanying notes to the unaudited consolidated financial statements.

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WIPRO LIMITED AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Nine months ended December 31, 2007	Nine months ended December 31, 2008	2008 Convenience translation into US$
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Cash flows from operating activities:			
Net income	Rs. 23,487	Rs. 25,342	$ 522
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of property, plant and equipment	(18)	(19)	
Depreciation and amortization	4,305	6,023	124
Deferred tax expense/(benefit)	(32)	(720)	(15)
Deferred cancellation losses relating to roll-over cash flow hedges		(7,529)	(155)
Unrealised exchange gain / (loss)	(2,117)	4,661	96
Gain on sale of liquid and short-term mutual funds	(596)	(668)	(14)
Amortization of stock compensation	926	1,245	26
Equity in earnings of affiliates	(157)	(327)	(7)
Minority interest		50	1
Changes in operating assets and liabilities:			
Accounts receivable	(4,116)	(7,878)	(162)
Unbilled revenue	(3,763)	(5,489)	(113)
Inventories	(1,551)	(1,840)	(38)
Other assets	(3,680)	(5,651)	(116)
Accounts payable	1,649	5,871	121
Accrued expenses and employee costs	3,411	7,080	146
Advances from customers and unearned revenue	2,625	2,554	53
Other liabilities	(3,133)	4,661	96
Net cash provided by operating activities	17,239	27,366	563
Cash flows from investing activities:			
Expenditure on property, plant and equipment	(9,739)	(12,112)	(249)
Proceeds from sale of property, plant and equipment	392	183	4
Purchase of investments	(180,821)	(268,762)	(5,532)
Proceeds from sale of investments	196,195	263,876	5,432
Investment in interest bearing deposits	50		
Payment for acquisitions, net of cash acquired	(32,837)	(1,192)	(25)
Net cash provided by / (used in) investing activities	(26,760)	(18,007)	(371)

Cash flows from financing activities:			
Proceeds from issuance of equity shares	502	343	7
Proceeds from issuance of equity shares by a subsidiary	55		
Proceeds from / (repayment of) short-term borrowing, net	17,686	(4,526)	(93)
Repayment of long-term debt and obligation under capital leases	(499)	(354)	(7)
Proceed from long-term debt	663	615	13
Payment of cash dividends	(5,399)	(6,828)	(141)
Excess income tax benefits related to employee stock incentive plan	68	18	
Net cash provided / (used in) financing activities	13,076	(10,733)	(221)
Net increase / (decrease) in cash and cash equivalents during the period	3,556	(1,374)	(28)
Effect of exchange rate changes on cash	31	487	10
Cash and cash equivalents at the beginning of the period	12,412	39,270	808
Cash and cash equivalents at the end of the period	Rs. 15,999	Rs. 38,383	$ 790
Supplementary information:			
Cash paid for interest	Rs. 1,221	Rs. 1,816	$ 37
Cash paid for taxes	2,834	3,372	69
Property, plant and equipment acquired under capital lease obligation	298	42	1

See accompanying notes to the unaudited consolidated financial statements.

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WIPRO LIMITED AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(in millions, except share data and where otherwise stated)

1. Overview

Wipro Limited (Wipro), together with its subsidiaries (collectively, the Company) 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 headquartered in Bangalore, India.

2. Significant Accounting Policies

The preparation of consolidated financial statements in conformity with the U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from these estimates. Refer to the Company s Annual Report on Form 20-F for the year ended March 31, 2008 as filed with Securities and Exchange Commission (SEC) on May 30, 2008 for a discussion of the Company s critical accounting policies.

Interim results are not necessarily an indication of results for the full year. Certain costs which are expensed for annual reporting purposes which clearly benefit two or more interim periods, are charged for an appropriate portion of annual cost by the use of accruals or deferrals at each interim period. The information included in this Form 6-K should be read in conjunction with the Company s Annual Report on Form 20-F for the year ended March 31, 2008.

Within the financial tables in this Form 6-K, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes.

Convenience translation: The accompanying consolidated financial statements have been reported in Indian rupees, the national currency of India. Solely for the convenience of the readers, the financial statements as of and for the nine months ended December 31, 2008, have been translated into US dollars at the noon buying rate in New York City on December 31, 2008, for cable transfers in Indian rupees, as certified for customs purposes by the Federal Reserve Bank of New York of $1 = Rs. 48.58. 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.

Accounting change: The Company adopted SFAS No. 157, Fair Value Measurements, for its financial assets and liabilities effective April 1, 2008. This standard defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. The Company elected to defer the provisions of SFAS No. 157 for its non-financial assets and liabilities. Such assets and liabilities, which include the Company s non-current assets, long-term debt, minority interest and other long-term liabilities, will be subject to the provisions of SFAS No. 157 effective April 1, 2009. Adoption of SFAS No. 157 did not have a material impact on the Company s consolidated financial statements.

The Company adopted SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (SFAS No. 159) effective April 1, 2008. Adoption of SFAS No. 159 did not have a material effect on the Company s consolidated financial statements.

Recent Accounting Pronouncements

FSP SFAS 142-3 In April 2008, the FASB issued FSP SFAS 142-3, *Determination of the Useful Life of Intangible Assets* (FSP 142-3). This guidance is intended to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS 142), and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R when the underlying arrangement includes renewal or extension of terms that would require substantial costs or result in a material modification to the asset upon renewal or extension. Companies estimating the useful life of a recognized intangible asset must now consider their historical experience in renewing or extending similar arrangements or, in the absence of historical experience, must consider assumptions that market participants would use about renewal or extension as adjusted for SFAS 142 s entity-specific factors. FSP 142-3 is effective for the Company beginning April 1, 2009. The Company would be required to adopt this FSP prospectively for all assets acquired after April 1, 2009, early adoption is prohibited.

3. Acquisitions

During the years ended March 31, 2007 and 2008, the Company completed a number of acquisitions. These acquisitions have been accounted for under the purchase method and have been included in the Company s consolidated financial statements from the date of the acquisition. The developments during the current period are as follows:

Citi Technology Services Limited: In December 2008, the Company entered into a definitive agreement to acquire 100% shareholding in India based Citi Technology Services Limited (CTS) for US $127. CTS is an India based captive provider of information technology services and solutions to Citi Group worldwide. CTS provide Technology Infrastructure Services (TIS), application development and maintenance services for cards, capital markets and corporate banking. The Company believes that the acquisition will enhance Wipro s capabilities to address TIS business in the financial services industry. The acquisition was consummated in January 2009.

During the nine months ended December 31, 2008, the Company completed the purchase price allocation to the individual assets and liabilities assumed in respect of the acquisition of Infocrossing Inc. and its subsidiaries (Infocrossing) and Unza Holdings Limited and its subsidiaries (Unza). The following table presents the completed allocation of purchase price for Infocrossing and Unza:

Description	**Infocrossing**	**Unza**
Cash and cash equivalents	Rs. 775	Rs. 619
Property, plant and equipment	2,038	1,310
Customer-related intangibles	7,618	1,318
Marketing-related intangibles		3,402
Goodwill	18,101	6,860
Other assets	1,987	2,275
Short-term borrowings and long-term debt	(5,326)	(2,747)
Deferred income taxes, net	(2,395)	(812)
Other liabilities	(5,158)	(1,971)
Total	Rs. 17,640	Rs. 10,254

The purchase price allocation to the identifiable intangible assets included in these financial statements is as follows:

	Infocrossing	**Unza**
Intangible assets with determinable lives		
Marketing-related intangibles	Rs.	Rs. 1,250
Customer-related intangibles	7,618	1,318
Total	Rs. 7,618	Rs. 2,568
Intangible assets with indefinite lives		
Marketing-related intangibles	Rs.	Rs. 2,152
Total	Rs.	Rs. 2,152
Total intangible assets	Rs. 7,618	Rs. 4,720

The assessment of marketing-related intangibles (brands) that have an indefinite life and those that have a determinable life were based on a number of factors, including the competitive environment, market share, brand history, product life cycles, operating plan and macroeconomic environment of the countries in which the brands operate.

4. Cash and Cash Equivalents

Cash and cash equivalents as of March 31, 2008, December 31, 2007 and 2008 were comprised of cash, cash on deposit with banks and corporations and highly liquid investments.

5. Accounts Receivable

Accounts receivable are stated net of allowance for doubtful accounts. The Company maintains an allowance for doubtful accounts based on the financial condition of its customers and aging of the accounts receivable. Accounts receivable are generally not collateralized. The activity in the allowance for doubtful accounts receivable is given below:

	Nine months ended December 31, 2007 (Unaudited)		Nine months ended December 31, 2008 (Unaudited)		Year ended March 31, 2008	
Balance at the beginning of the period	Rs.	1,388	Rs.	1,096	Rs.	1,388
Additional provision during the period, net of collections		510		1087		289
Bad debts charged to provision		(817)		(165)		(581)
Balance at the end of the period	Rs.	1,081	Rs.	2,018	Rs.	1,096

6. Inventories

Inventories consist of the following:

	As of December 31, 2007 (Unaudited)		As of December 31, 2008 (Unaudited)		As of March 31, 2008	
Stores and spare parts	Rs.	407	Rs.	568	Rs.	455
Raw materials and components		2,777		3,105		2,950
Work-in-process		773		778		1,078
Finished goods		2,671		4,562		2,689
	Rs.	6,628	Rs.	9,013	Rs.	7,172

7. Investment Securities

Investment securities consist of the following:

	As of December 31, 2007 (Unaudited)						As of December 31, 2008 (Unaudited)					
	Carrying Value		Gross Unrealized Holding Gains		Fair Value		Carrying Value		Gross Unrealized Holding Gains		Fair Value	
Available-for-sale:												
Investments in liquid and short-term mutual funds	Rs.	17,217	Rs.	521	Rs.	17,738	Rs.	17,027	Rs.	318	Rs.	17,347
Certificate of deposits								2,894				2,894
Total	Rs.	17,217	Rs.	521	Rs.	17,738	Rs.	19,921	Rs.	318	Rs.	20,241

	As of March 31, 2008	
	Carrying	Gross Unrealized

	Value	Holding Gains	Fair Value
Available-for-sale:			
Investments in liquid and short-term mutual funds	Rs. 14,317	Rs. 491	Rs. 14,808
Certificate of deposits			
Total	Rs. 14,317	Rs. 491	Rs. 14,808

Dividends from available-for-sale securities during the year ended March 31, 2008 and nine months ended December 31, 2007 and 2008 were Rs. 1,428, Rs. 1,197 and Rs. 1,939 respectively and are included in other income.

8. Property, Plant and Equipment

Property, plant and equipment consist of the following:

	As of December 31,		As of March 31,
	2007	2008	2008
	(Unaudited)	(Unaudited)	
Land	Rs. 2,111	Rs. 2,142	Rs. 2,127
Buildings	8,748	12,471	9,679
Plant and machinery	10,206	17,091	13,327
Furniture, fixtures and equipment	5,594	8,375	6,853
Computer equipments	11,215	12,172	10,518
Vehicles	2,339	2,727	2,417
Computer software for internal use	3,133	3,656	2,916
Capital work-in-progress	12,471	15,966	13,544
	55,817	74,600	61,381
Accumulated depreciation and amortization	(19,945)	(27,436)	(21,559)
	Rs. 35,872	Rs. 47,164	Rs. 39,822

Depreciation expense for the year ended March 31, 2008 and nine months ended December 31, 2007 and 2008 is Rs. 5,343, Rs. 3,801 and Rs. 4,939 respectively. This includes Rs. 752, Rs. 484 and Rs. 675 as amortization of capitalized internal use software, for the year ended March 31, 2008 and the nine months ended December 31, 2007 and 2008, respectively.

9. Goodwill and Intangible Assets

Information regarding the Company s intangible assets acquired either individually or in a business combination consists of the following:

	As of December 31,					
	2007 (Unaudited)			2008 (Unaudited)		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated Amortization	Net
Technology-based intangibles	Rs. 130	Rs. 98	Rs. 32	Rs. 130	Rs. 127	Rs. 3
Customer-related intangibles	4,568	1,326	3,242	11,226	2,457	8,770
Marketing-related intangibles (*)	9,172	166	9,006	4,883	358	4,524
Effect of translation adjustments	(209)	37	(246)	2,895	524	2,371
	Rs. 13,661	Rs. 1,627	Rs. 12,034	Rs. 19,134	Rs. 3,466	Rs. 15,668

	As of March 31, 2008		
	Gross carrying amount	Accumulated Amortization	Net
Technology-based intangibles	Rs. 130	Rs. 103	Rs. 27
Customer-related intangibles	4,585	1,518	3,067
Marketing-related intangibles (*)	9,172	190	8,982
Effect of translation adjustments	464	60	404
	Rs. 14,351	Rs. 1,871	Rs. 12,480

* Gross carrying amount for marketing-related intangibles include indefinite life intangibles assets of Rs. 4,873, Rs. 4,873 and Rs. 2,152 as of March 31, 2008,

December 31,
2007 and 2008
respectively.

The movement in goodwill balance is given below:

	Nine months ended December 31,		Year ended March 31,
	2007 (Unaudited)	2008 (Unaudited)	2008
Balance at the beginning of the period	Rs. 12,706	Rs. 38,943	Rs. 12,706
Goodwill relating to acquisitions	25,891	1,115	26,270
Adjustment relating to finalization of purchase price allocation	19	(636)	(215)
Tax benefit allocated to goodwill	(64)		(51)
Effect of translation adjustments	(754)	5,352	233
Balance at the end of the period	Rs. 37,798	Rs. 44,774	Rs. 38,943

Goodwill as of December 31, 2007, 2008 and March 31, 2008 has been allocated to the following reportable segments:

	As of December 31,		As of March 31,
Segment	2007 (Unaudited)	2008 (Unaudited)	2008
IT Services	Rs. 31,902	Rs. 35,217	Rs. 32,672
IT Products	239	324	278
Consumer Care and Lighting	4,486	7,958	4,641
Others	1,171	1,275	1,352
Total	Rs. 37,798	Rs. 44,774	Rs. 38,943

10. Warranty Obligation

The activity in warranty obligations is given below:

	Nine months ended December 31,		Year ended March 31,
	2007 (Unaudited)	2008 (Unaudited)	2008
Balance at the beginning of the period	Rs. 742	Rs. 924	Rs. 742
Additional provision during the period	639	406	1,016
Reduction due to payments	(632)	(464)	(834)
Balance at the end of the period	Rs. 749	Rs. 866	Rs. 924

11. 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. 1,880, Rs. 1,342 and Rs. 1,807 for the year ended March 31, 2008 and the nine months ended December 31, 2007 and 2008 respectively.

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

	(Unaudited)
Year ending December 31,	
2009	Rs. 907
2010	926
2011	912
2012	813
2013	645
Thereafter	3,300
Total	Rs. 7,503

Prepaid rentals for leasehold land included under Other assets, represent leases obtained for a period of 60 years and 90 years. The prepaid expense is being charged over the lease term and is included under other assets.

12. Investments in Affiliates

Wipro GE Medical Systems (Wipro GE)

The Company has accounted for its 49% interest in Wipro GE by the equity method. The carrying value of the investment in Wipro GE as of March 31, 2008, December 31, 2007 and 2008 were Rs. 1,343, Rs. 1,243 and Rs. 1,635 respectively. The Company s equity in the income of Wipro GE for nine months ended December 31, 2007 and 2008 was Rs. 157 and Rs. 327 respectively.

Wipro GE had received tax demands for the financial years ended March 31, 2001, 2002, 2003 and 2004 aggregating to a total of Rs 976, including interest. The tax demands were primarily on account of transfer pricing adjustments and denial of export benefits and tax holiday benefits as were 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 had vacated the tax demands for the years ended March 31, 2001, 2002, 2003 and 2004. The income tax authorities thereafter filed an appeal for the years ended March 31, 2001, 2002, 2003 and 2004, which are currently pending before the second appellate authority.

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.

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 for all financial years should be in its favour and that it will not have any material adverse effect on its financial position and results of operations. The range of loss due to this contingency is between zero and the amount to which the demand is raised.

13. Financial Instruments

Concentration of risk. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, investments in liquid and short-term mutual funds, other investments securities, derivative financial instruments, accounts receivable and corporate deposits. The Company s funds are invested with financial institutions and commercial corporations with high investment grade credit ratings. Limits have been established by the Company as to the maximum amount of cash that may be invested with any such single entity. To reduce its credit risk, the

Company performs ongoing credit evaluations of customers. No single customer accounted for 10% or more of the accounts receivable as of March 31, 2008, December 31, 2007 and 2008 and revenues for the years ended March 31, 2008 and for the nine months ended December 31, 2007 and 2008.

Derivative financial instruments. 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. In these derivative instruments a bank is generally the counter party and the Company considers the risks of non-performance by such counterparty as non-material. A majority of the forward foreign exchange/option contracts mature between one to twelve months and the forecasted transactions are expected to occur during the same period. The balance portions of these forward foreign exchange / option contracts mature between twelve to sixty months.

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

	As of December 31,		As of March 31,
	2007	2008	2008
	(Unaudited)	(Unaudited)	
Forward contracts			
Sell	$2,032	$ 2,016	$ 2,775
	25	99	105
	£ 132	£ 76	£ 61
	CHF	CHF 12	CHF
	AUD	AUD 2	AUD
	SGD	SGD 2	SGD
Buy	$ 515	$ 480	$ 435
	¥4,096	¥ 3,647	¥ 7,580
Net purchased options (to sell)	$ 258	$ 467	$ 641
		6	24
	¥	¥ 6,518	¥ 7,682
	£	£ 60	£ 84
Cross-currency interest rate swap	¥	¥35,016	¥

In connection with cash flow hedges, the Company has recorded Rs. (1,097), Rs. 1,141 and Rs. (15,749) of the net gains/(losses) as a component of accumulated and other comprehensive income within stockholders equity as on March 31, 2008, December 31, 2007 and December 31, 2008 respectively. The Company has also recognized a mark to market loss of Rs. 495, Rs. Nil and Rs. 4,072 as at March 31, 2008, December 31, 2007 and 2008 respectively, relating to changes in fair value of derivative financial instruments, designated as hedges of net investment in non-integral foreign operations in translation adjustments in other comprehensive income.

The following table summarizes activity in the accumulated and other comprehensive income within stockholders equity related to all derivatives classified as cash flow hedges during the year ended March 31, 2008, nine months ended December 31, 2007 and 2008.

	As of December 31,	As of March 31,
	2007	