WIPRO LTD
Form 6-K
November 04, 2009

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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 of the Securities Exchange Act of 1934
November, 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
+91-80-2844-0055
(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

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.

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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 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 International Financial Reporting Standards and its interpretations (IFRS), as issued by International Accounting Standard Board (IASB). References to Indian GAAP are to Indian Generally Accepted Accounting Principles. References to U.S. GAAP are to United States 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 our registered trademark 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 certified foreign exchange rates published by Federal Reserve Board of New York on September 30, 2009, which was Rs. 48.09 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 on Form 6-K contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements are not historical facts but instead represent our beliefs regarding future events, many of which are, by their nature, inherently uncertain and outside our control. As a result, 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. For a discussion of some of the risks and important factors that could affect the Company s future results and financial condition, please see the sections entitled Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations. The forward-looking statements contained herein are identified by the use of terms and phrases such as anticipate , believe , could , estimate , expect , intend , may , plan , objectives , outlook , probably , project , will terms and phrases. Such forward-looking statements include, but are not limited to, statements concerning:

- our expectations as to future revenue, margins, expenses and capital requirements;
- our expectations regarding the outcome of on-going legal proceedings and disputes with Indian tax authorities and the impact of such proceedings and disputes on our liquidity, results of operations, financial condition and cash flows;
- our exposure to market risks, including the effect of foreign currency exchange rates and interest rates on our financial results;
- the future impact of our acquisitions;
- projections that our cash and cash equivalents along with cash generated from operations will be sufficient to meet certain of our obligations; and
- the effect of future tax laws on our business.

We wish to ensure that all forward-looking statements are accompanied by meaningful cautionary statements, so as to ensure to the fullest extent possible the protections of the safe harbor established in the Private Securities Litigation Reform Act of 1995. Accordingly, as noted above, all forward-looking statements are qualified in their entirety by reference to, and are accompanied by, the discussion of certain important factors that could cause actual results to differ materially from those projected in such forward-looking statements in this report, including the factors discussed in the sections entitled Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations. We caution the reader that this list of important factors may not be

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exhaustive. We operate in rapidly changing businesses, and new risk factors emerge from time to time. We cannot predict every risk factor, nor can we assess the impact, if any, of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements.

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.

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Part I Financial Information

Item 1. Financial Statements

WIPRO LIMITED AND SUBSIDIARIES

Unaudited Condensed Consolidated Interim Statements of Financial Position

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

	Notes	As at March 31, 2009	As at September 30, 2009	As at September 30, 2009 Convenience Translation into US $ in millions
ASSETS				
Goodwill	5	56,143	54,548	1,134
Intangible assets	5	3,493	3,253	68
Property, plant and equipment	4	49,794	50,293	1,046
Investment in equity accounted investees	16	1,670	1,863	39
Deferred tax assets	18	4,355	2,437	51
Other non-current assets	11	6,791	7,863	164
Total non-current assets		122,246	120,257	2,501
Inventories	9	7,586	6,735	140
Trade receivables	8	48,612	45,632	949
Other current assets	11	16,173	10,798	225
Unbilled revenues		14,108	16,723	348
Available for sale investments	7	16,543	42,779	890
Current tax assets		9,825	11,304	235
Cash and cash equivalents	10	49,117	31,159	648
Total current assets		161,964	165,130	3,434
TOTAL ASSETS		284,210	285,387	5,935
EQUITY				
Share capital		2,930	2,933	61
Share premium		27,280	28,053	583
Retained earnings		126,646	141,633	2,945
Share based payment reserve		3,745	3,608	75
Other components of equity		(12,915)	(8,900)	(185)
Shares held by controlled trust		(542)	(542)	(11)
Equity attributable to the equity holders of the Company		147,144	166,785	3,468
Minority interest		237	373	8

Total equity		147,381	167,158	3,476
LIABILITIES				
Loans and borrowings	12	19,681	20,404	424
Employee benefit obligations	22	3,111	2,818	59
Derivative liabilities	15	8,767	5,913	123
Deferred tax liabilities	18	460	420	9
Other non-current liabilities and provisions	14	2,361	1,427	30
Total non-current liabilities		34,380	30,982	645
Loans and borrowings and bank overdrafts	12	37,211	23,052	479
Trade payables and accrued expenses	13	42,051	43,510	905
Unearned revenues		6,734	4,258	89
Current tax liabilities		6,492	7,104	148
Derivative liabilities	15	3,255	976	20
Other current liabilities and provisions	14	6,706	8,347	174
Total current liabilities		102,449	87,247	1,815
TOTAL LIABILITIES		136,829	118,229	2,460
TOTAL EQUITY AND LIABILITIES		284,210	285,387	5,935

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

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WIPRO LIMITED AND SUBSIDIARIES
Unaudited Condensed Consolidated Interim Statements of Income
(Rupees in millions, except share and per share data, unless otherwise stated)

		Three months ended September 30,			Six months ended September 30,		
	Notes	**2008**	**2009**	**2009 Convenience Translation into US $ in millions**	**2008**	**2009**	**2009 Convenience Translation into US $ in millions**
Revenues		65,303	68,937	1,433	125,718	132,805	2,762
Cost of revenues		(46,140)	(47,522)	(988)	(88,441)	(90,769)	(1,887)
Gross profit		**19,163**	**21,415**	**445**	**37,277**	**42,036**	**874**
Selling and marketing expenses		(4,422)	(4,490)	(93)	(8,632)	(8,730)	(182)
General and administrative expenses		(3,514)	(3,976)	(83)	(6,742)	(7,528)	(157)
Foreign exchange gains/(losses), net		(281)	240	5	(978)	(1,166)	(24)
Results from operating activities		**10,946**	**13,189**	**274**	**20,925**	**24,612**	**512**
Finance and other income/(expense), net	19	233	681	14	549	1,036	22
Share of profits of equity accounted investees	16	106	112	2	213	226	5
Profit before tax		**11,285**	**13,982**	**291**	**21,687**	**25,874**	**538**
Income tax expense	18	(1,559)	(2,217)	(46)	(3,002)	(3,957)	(82)
Profit for the period		**9,726**	**11,765**	**245**	**18,685**	**21,917**	**456**
Attributable to:							
		9,704	11,707	244	18,651	21,810	454

Equity holders of the Company							
Minority interest		22	58	1	34	107	2
Profit for the period		**9,726**	**11,765**	**245**	**18,685**	**21,917**	**456**
Earnings per equity share:	20						
Basic		6.68	8.04	0.17	12.84	14.97	0.31
Diluted		6.63	7.97	0.17	12.75	14.86	0.31
Weighted average number of equity shares used in computing earnings per equity share							
Basic		1,453,493,031	1,456,868,080	1,456,868,080	1,453,130,377	1,456,539,693	1,456,539,693
Diluted		1,463,732,182	1,468,243,743	1,468,243,743	1,462,368,363	1,467,911,787	1,467,911,787

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

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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 September 30,			Six months ended September 30,		
				2009			2009
	Notes	2008	2009	Convenience Translation into US $ in millions	2008	2009	Convenience Translation into US $ in millions
Profit for the period		9,726	11,765	245	18,685	21,917	456
Other comprehensive income, net of taxes:							
Foreign currency translation differences	17	2,384	553	12	2,570	384	8
Effective portion of changes in fair value of cash flow hedges	15	(3,986)	1,139	24	(11,205)	3,677	76
Net changes in fair value of available for sale investments	7	(123)	(268)	(6)	(111)	(64)	(1)
Total other comprehensive income, net of taxes		(1,725)	1,424	30	(8,746)	3,997	83
Total comprehensive income for the period		8,001	13,189	274	9,939	25,914	539
Attributable to:							
Equity holders of the Company		7,964	13,129	273	9,886	25,825	537
Minority interest		37	60	1	53	89	2
		8,001	13,189	274	9,939	25,914	539

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

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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)

	Attributable to equity holders of the Company											
					Other components of equity							
	No. of shares	Share capital	Share premium	Retained earnings	Share based payment reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserve	Share held by controlled Trust	Equity attributable to the equity holders of the Company	Minority interest	Total equity
As at April 1, 2008	1,461,453,320	2,923	25,373	94,728	3,148	(10)	(1,097)	404		125,469	116	125,585
Cash dividend paid (including tax thereon)				(6,842)						(6,842)		(6,842)
Issue of equity shares on exercise of options	1,549,888	3	763		(676)					90		90
Profit for the period				18,651						18,651	34	18,685
Other comprehensive income						2,551	(11,205)	(111)		(8,765)	19	(8,746)
Compensation cost related to employee share based payment					1,040					1,040		1,040
As at September 30, 2008	1,463,003,208	2,926	26,136	106,537	3,512	2,541	(12,302)	293		129,643	169	129,812
As at April 1, 2009	1,464,980,746	2,930	27,280	126,646	3,745	797	(13,797)	85	(542)	147,144	237	147,381
Cash dividend paid (including tax thereon)				(6,823)						(6,823)		(6,823)
Issue of equity shares on exercise of options	1,296,680	3	773		(773)					3		3

Profit for the period				21,810						21,810	107	21,917
Other comprehensive income						402	3,677	(64)		4,015	(18)	3,997
Infusion of capital, net											47	47
Compensation cost related to employee share based payment					636					636		636
As at September 30, 2009	1,466,277,426	2,933	28,053	141,633	3,608	1,199	(10,120)	21	(542)	166,785	373	167,158
Convenience translation into US $ in millions		61	583	2,945	75	25	(210)		(11)	3,468	8	3,476

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

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WIPRO LIMITED AND SUBSIDIARIES
Unaudited Condensed Consolidated Interim Statements of Cash Flows
(Rupees in millions, except share and per share date, unless otherwise stated)

	Six months ended September 30,		
	2008	2009	2009 Convenience Translation into US $ in millions
Cash flows from operating activities:			
Profit for the period attributable to equity holders of the Company	18,651	21,810	454
Adjustments to reconcile profit for the period to net cash generated from operating activities:			
Gain on sale of property, plant and equipment	(9)	(12)	
Depreciation and amortization	3,237	3,959	82
Unrealized exchange (gain) / loss	1,902	(465)	(10)
Impact of cash flow hedging activities	(2,046)	2,735	57
Gain on sale of investments	(570)	(314)	(7)
Share based compensation	1,040	636	13
Income tax expense	3,002	3,957	82
Share of profits of equity accounted investees	(213)	(226)	(5)
Minority interest	34	107	2
Interest (income)/expenses, net	(742)	(1,094)	(23)
Changes in operating assets and liabilities:			
Trade and other receivable	(8,124)	2,004	42
Unbilled revenues	(4,289)	(2,615)	(54)
Inventories	(2,005)	851	18
Other assets	(3,631)	776	16
Trade payables and accrued expenses	8,885	2,182	45
Unearned revenues	1,577	(2,476)	(51)
Other liabilities	903	1,807	38
Cash generated from operating activities before taxes	17,602	33,622	699
Income taxes (paid) / refund, net	(796)	(4,325)	(90)
Net cash generated from operating activities	16,806	29,297	609
Cash flows from investing activities:			
Expenditure on property, plant and equipment and intangible assets	(8,552)	(5,236)	(109)
Proceeds from sale of property, plant and equipment	163	180	4
Purchase of available for sale investments	(208,640)	(192,534)	(4,004)
Proceeds from sale of available for sale investments	183,997	166,547	3,463
Investment in inter-corporate deposits	(250)	(500)	(10)
Refund of inter-corporate deposits		4,750	98
Payment for business acquisitions, net of cash acquired	(1,192)	(461)	(10)
Interest received	747	1,521	32

Dividend received	1,194	670	14
Net cash used in investing activities	(32,533)	(25,063)	(521)
Cash flows from financing activities:			
Proceeds from issuance of equity shares	71	4	
Proceeds from issuance of equity shares by a subsidiary		64	1
Repayment of loans and borrowings	(33,227)	(35,560)	(739)
Proceeds from loans and borrowings	37,208	21,941	456
Payment of cash dividend	(6,828)	(6,822)	(142)
Interest paid on loans and borrowings	(1,248)	(746)	(16)
Net cash used in financing activities	(4,024)	(21,119)	(439)
Net decrease in cash and cash equivalents during the period	(19,751)	(16,885)	(351)
Effect of exchange rate changes on cash and cash equivalents	472	(404)	(8)
Cash and cash equivalents at the beginning of the period	38,912	48,232	1,003
Cash and cash equivalents at the end of the period (Note 10)	19,633	30,943	643

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

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WIPRO LIMITED AND SUBSIDIARIES
Notes to the Unaudited Condensed Consolidated Interim Financial Statements
(Rupees in millions, except share and per share data, unless otherwise stated)

1. The Company overview:

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

Wipro is a public limited company incorporated and domiciled in India. The address of its registered office is Wipro Limited, Doddakannelli, Sarjapur Road, Bangalore 560 035, Karnataka, India. Wipro has its primary listing with Bombay Stock Exchange and National Stock Exchange in India. The Company s American Depositary Shares representing equity shares are also listed on the New York Stock Exchange. These condensed consolidated interim financial statements were authorized for issue by Audit Committee on November 04, 2009.

2. Basis of preparation of financial statements

(i) Statement of compliance:

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

(ii) Basis of preparation

These condensed consolidated interim financial statements are 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 ending March 31, 2010 and are prepared in accordance with *International Accounting Standard (IAS) 34, Interim Financial Reporting* .

The condensed consolidated interim financial statements corresponds to the classification provisions contained in *IAS 1(revised), Presentation of Financial Statements* . For clarity, various items are aggregated in the statements of income and statements of financial position. These items are disaggregated separately in the Notes, where applicable.

Until the adoption of IFRS, the financial statements included in the Company s Annual Report on Form 20-F and Quarterly Reports on Form 6-K were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). However, 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). In addition, a reconciliation of the Company s equity and profit between Previous GAAP and U.S. GAAP is provided in Note 25.

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 financial statements as of and for the six months ended September 30, 2009, have been translated into United States dollars at the certified foreign exchange rate of $1 = Rs. 48.09, as published by Federal Reserve Board of New York on September 30, 2009. 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

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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 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

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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.

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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 September 30, 2009. 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 of Rs 542 to a controlled trust.

c) Retained earnings

Retained earnings contain the Company s prior year s 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 hedging instruments designated and effective as hedge of net investment in foreign operations (net of taxes) is recognized in other comprehensive income, 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 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

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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.

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

Category	**Useful life**
Customer-related intangibles	2 to 5 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:

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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.

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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:

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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:

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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 unused 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 financial statements for the year ending March 31, 2010 will be the first annual consolidated financial statements prepared in compliance with IFRS. All interim financial statements during the year ending March 31, 2010 will also be 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.

Until the adoption of IFRS, the financial statements included in the Annual Reports on Form 20-F and Quarterly Reports on Form 6-K were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). However, for the purposes of the transition, such transition was carried out from Indian GAAP, which has been considered as the Previous GAAP as per IFRS 1.

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:

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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 September 30, 2008;

equity as at March 31, 2009;

profit for the three months ended September 30, 2008;

profit for the six months ended September 30, 2008;

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 in Previous GAAP have been made to align with the IFRS requirements.

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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	**Rs. 212,327**	**Rs. 2,908**	**Rs. 215,235**	
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)	**116,954**	**8,631**	**125,585**	
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)	**95,373**	**(5,723)**	**89,650**	
TOTAL LIABILITIES AND EQUITY (A)+(B)	**Rs. 212,327**	**Rs. 2,908**	**Rs. 215,235**	

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.

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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 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. 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 contract has resulted in a increase in other assets by Rs. 64 under IFRS as of April 1, 2008.

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Reconciliation of Equity as at September 30, 2008

Particulars	Amount as per Previous GAAP	Effect of Transition to IFRS	Amount as per IFRS	Relevant Notes for adjustments
Goodwill	Rs. 48,977	Rs. 296	Rs. 49,273	1,9
Property, plant and equipment and intangible assets	48,585	(513)	48,072	1,2,3
Available for sale investments	39,930	401	40,331	4
Investment in equity accounted investees	1,521		1,521	
Inventories	8,669		8,669	
Trade receivables	50,343	(228)	50,115	5
Unbilled revenues	12,803		12,803	
Cash and cash equivalents	20,157		20,157	
Net tax assets (including deferred taxes)	1,284	2,565	3,849	6
Other assets	19,916	1,768	21,684	3(a),5, 8,12
TOTAL ASSETS	**Rs. 252,185**	**Rs. 4,289**	**Rs. 256,474**	
Share capital and share premium (net of shares issued to controlled trust)	Rs. 29,062	Rs.	Rs. 29,062	
Share application money pending allotment	21	(21)		11
Retained earnings	106,674	(136)	106,538	
Cash flow hedging reserve	(13,823)	1,520	(12,303)	6
Other reserves	4,349	2,165	6,514	4,6,7,10
Total equity (A)	**126,283**	**3,528**	**129,811**	
Minority interest	169	(169)		10
Loans and borrowings	53,777		53,777	
Trade payables, accrued expenses and liabilities	39,926		39,926	
Unearned revenues	5,846		5,846	
Employee benefit obligations	2,848		2,848	
Other liabilities and provision	23,336	930	24,266	8,9,11,12
Total liabilities (B)	**125,902**	**761**	**126,663**	
TOTAL LIABILITIES AND EQUITY (A)+(B)	**Rs. 252,185**	**Rs. 4,289**	**Rs. 256,474**	

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. 130 (net of deferred taxes) and intangible assets are higher by Rs 205 (net of amortization of Rs 11).

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. 124 as at September 30, 2008.

3) Listed below are the key differences in property, plant and equipment

between IFRS
and Previous
GAAP:

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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. 1,187 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. 344 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. 401 (tax effect Rs. 116).

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. 228 and reversed Rs. 186 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. 2,565, including impact of foreign currency translation adjustment where necessary.

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 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. 1,485 as at September 30, 2008, in respect of unvested awards.

8) 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 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. 851 as provision and reimbursement right in respect of outstanding stock options. This adjustment has no impact on equity.

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9) 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. 426 of contingent consideration as additional goodwill and liability.

10) 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. 169 as at September 30, 2008.

11) 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. 21 as at September 30, 2008.

12) Difference in accounting for certain forward contract has resulted in a decrease in other assets by Rs. 456 and other liabilities by Rs. 368

under IFRS as
of September
30, 2008.

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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	7,586		7,586	
Trade receivables	48,859	(247)	48,612	5
Unbilled revenues	14,108		14,108	
Cash and cash equivalents	49,117		49,117	
Net tax assets (including deferred taxes)	4,143	3,085	7,228	6
Other assets	20,995	1,969	22,964	3(a),5, 9,13
TOTAL ASSETS	**Rs. 271,988**	**Rs. 5,270**	**Rs. 277,258**	
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	(16,150)	2,353	(13,797)	6
Other reserves	2,809	2,055	4,864	4,6,8,11
Total equity (A)	**136,299**	**11,082**	**147,381**	
Minority interest	237	(237)		11
Loans and borrowings	56,892		56,892	
Trade payables, accrued expenses and liabilities	42,051		42,051	
Unearned revenues	6,734		6,734	
Employee benefit obligations	3,111		3,111	
Other liabilities and provisions	26,664	(5,575)	21,089	7,9,10,12,13
Total liabilities (B)	**135,689**	**(5,812)**	**129,877**	
TOTAL LIABILITIES AND EQUITY (A)+(B)	**Rs. 271,988**	**Rs. 5,270**	**Rs. 277,258**	

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

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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:

   c) 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.

   d) 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. 3,085, 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 is 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,

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Provisions, contingent liabilities and contingent assets, as it 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.

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Reconciliation of Profit for the three months ended September 30, 2008

Particulars	Amount as per Previous GAAP	Effect of Transition to IFRS	Amount as per IFRS	Relevant Notes for adjustments
Revenues	Rs. 65,354	Rs. (51)	Rs. 65,303	1
Cost of revenues	(45,947)	(193)	(46,140)	1,2, 5
Gross profit	**19,407**	**(244)**	**19,163**	
Selling and marketing expenses	(4,582)	160	(4,422)	1(c),2,3,5
General and administrative expenses	(3,490)	(24)	(3,514)	2,5
Foreign exchange (gains)/losses, net	(281)		(281)	
Results from operating activities	**11,054**	**(108)**	**10,946**	
Finance and other income/(expenses), net	301	(68)	233	4
Share of profits of equity accounted investees	106		106	
Profit before tax	**11,461**	**(176)**	**11,285**	
Income tax expense	(1,659)	100	(1,559)	5
Profit for the period	**Rs. 9,802**	**Rs. (76)**	**Rs. 9,726**	
Attributable to:				
Equity holders of the Company	Rs. 9,780		Rs. 9,704	
Minority Interest	22		22	

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. 301.

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. 84 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. 270 and cost of revenues and selling and marketing expenses are lower by Rs. 83 and Rs. 187, 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 for the three months amounting to Rs. 1 in cost of revenue, Rs. 1 in selling and marketing expenses and Rs. 1 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.

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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 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. 33, Rs. 25 and Rs. 25, respectively.

Reconciliation of Profit for the six months ended September 30, 2008

Particulars	Amount as per Previous GAAP	Effect of Transition to IFRS	Amount as per IFRS	Relevant Notes for adjustments
Revenues	Rs. 125,718	Rs.	Rs. 125,718	1
Cost of revenues	(87,924)	(517)	(88,441)	1,2, 5
Gross profit	**37,794**	**(517)**	**37,277**	
Selling and marketing expenses	(8,896)	264	(8,632)	1(c),2,3,5
General and administrative expenses	(6,641)	(101)	(6,742)	2,5
Foreign exchange (gains)/losses, net	(978)		(978)	
Results from operating activities	**21,279**	**(354)**	**20,925**	
Finance and other income/(expenses), net	586	(37)	549	4
Share of profits of equity accounted investees	213		213	
Profit before tax	**22,078**	**(391)**	**21,687**	
Income tax expense	(3,185)	183	(3,002)	5
Profit for the period	**Rs. 18,893**	**Rs. (208)**	**Rs. 18,685**	
Attributable to:				
Equity holders of the Company	Rs. 18,859		Rs. 18,651	
Minority Interest	34		34	

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. 635.

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. 128 and Rs. 108, 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. 507 and cost of revenues and selling and marketing expenses are lower by Rs. 154 and Rs. 353, 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. 61 in cost of revenue, Rs. 46 in selling and marketing expenses and Rs. 46 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.

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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. 12.

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. 73, Rs. 55 and Rs. 55, respectively.

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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		(179,195)		(985)		(180,180)	1,2,5
Gross profit		**77,800**		**(1,089)**		**76,711**	
Selling and marketing expenses		(17,853)		539		(17,314)	1(c),2,3,5
General and administrative expenses		(14,390)		(154)		(14,544)	2,5
Foreign exchange gains/(losses), net		(1,553)				(1,553)	
Results from operating activities		**44,004**		**(704)**		**43,300**	
Finance and other income/(expense), net		1,192		41		1,233	4
Share of profits of equity accounted investees		362				362	
Profit before tax		**45,558**		**(663)**		**44,895**	
Income tax expense		(6,460)		425		(6,035)	5
Profit for the period	**Rs.**	**39,098**	**Rs.**	**(238)**	**Rs.**	**38,860**	
Attributable to:							
Equity holders of the Company	Rs.	38,999			Rs.	38,761	
Minority Interest		99				99	

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

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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.

New Accounting Standards Adopted:

The Company adopted *IAS 23(revised), Borrowing Costs (IAS 23)* effective April 1, 2009. The amendment to IAS 23 mainly relates to the elimination of the option to immediately recognize borrowing costs as an expense attributable to the acquisition, construction, or production of a qualifying asset. An entity is, therefore, required to capitalize borrowing costs as part of the cost of such qualifying assets defined as assets that take a substantial period of time to get ready for use or sale. The Company has historically capitalized borrowing costs for qualifying assets. Therefore, the amendment to IAS 23 did not have a material impact on the Company s condensed consolidated interim financial statements.

The Company adopted *IFRIC Interpretation 13, Customer Loyalty Programmes (IFRIC 13)* effective April 1, 2009. The interpretation addresses accounting by entities that grant loyalty award credits to customers who buy goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services to customers who redeem award credits. Adoption of IFRIC 13 did not have a material impact on the Company s condensed consolidated interim financial statements.

The Company adopted *IAS 1 (revised), Presentation of Financial Statements* , effective April 1, 2009. The revision aims to improve users ability to analyze and compare the information given in financial statements. IAS 1 sets overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. The revisions include non-mandatory changes in the titles of some of the financial statements to reflect their function more clearly (for example, the balance sheet is renamed as statement of financial position). The revised IAS 1 resulted in consequential amendments to other standards and interpretations.

The Company adopted *IFRIC Interpretation 16, Hedges of a Net Investment in a Foreign Operation (IFRIC 16)* effective April 1, 2009. IFRIC 16 provides interpretative guidance on several aspects of hedge accounting. Adoption of IFRIC 16 did not have a significant impact on the Company s condensed consolidated interim financial statements.

The Company adopted *IAS 39(revised), Financial Instruments: Recognition and Measurement: Reclassification of Financial Instruments ,* effective April 1, 2009. The amendment permits reclassification of some financial instruments out of the fair-value-through-profit-or-loss category (FVTPL) and out of the available-for-sale category. In the event of reclassification, additional disclosures are required under IFRS 7. Adoption of the amendment of IAS 39 did not have a significant impact on the Company s condensed consolidated interim financial statements.

The Company adopted *IFRS 8, Operating Segments* , effective April 1, 2009. IFRS 8 which replaces *IAS 14, Segment Reporting* , requires an entity to report financial and descriptive information about its reportable segments. Reportable segments are components of an entity or aggregations of operating segments that meet specified criteria

and for which separate financial information is available that is evaluated regularly by the entity s chief operating decision maker in allocating resources and in assessing performance. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Adoption of IFRS 8 did not significantly change the Company s presentation of segment information.

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In January 2009, the IFRIC issued *IFRIC Interpretation 18, Transfers of Assets from Customers (IFRIC 18)*, which clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to supply of goods or services. IFRIC 18 is applicable for all transfers of assets from customers received on or after July 1, 2009, with early adoption permitted. The Company has adopted IFRIC 18 commencing July 1, 2009. Adoption of IFRIC 18 did not have a significant impact on the Company s condensed consolidated interim financial statements.

New Accounting standards not yet adopted by the Company:

In January 2008, the IASB issued the revised standards *IFRS 3, Business Combinations (IFRS 3,(2008))* and *IAS 27, Consolidated and Separate Financial Statements (IAS 27, (2008))*. The revisions result in several changes in the accounting for business combinations. IFRS 3 and IAS 27 will be effective for fiscal years beginning on or after July 1, 2009, with early adoption permitted. Major changes relate to the measurement of non-controlling interests, the accounting for business combinations achieved in stages as well as the treatment of contingent consideration and acquisition-related costs. Based on the new standard, non- controlling interests may be measured at their fair value (full-goodwill-methodology) or at the proportional fair value of assets acquired and liabilities assumed. In respect of business combinations achieved in stages, any previously held equity interest in the acquiree is remeasured to its acquisition date fair value. Any changes to contingent consideration classified as a liability at the acquisition date are recognized in statements of income. Acquisition-related costs are expensed in the period incurred. The Company will adopt IFRS 3, (2008) and IAS 27, (2008) from fiscal year beginning April 1, 2010.

In July 2008, the IASB issued an amendment to *IAS 39, Financial Instruments: Recognition and Measurement: Eligible Hedged Items (amendment to IAS 39)*. The amendment addresses the designation of a one-sided risk in a hedged item in particular situations. The amendment applies to hedging relationships in the scope of IAS 39. The amendment is effective for fiscal years beginning on or after July 1, 2009. Earlier application is permitted. The Company is evaluating the impact, these amendments will have on the Company s consolidated financial statements. The Company will adopt amendment to IAS 39 from fiscal year beginning April 1, 2010.

In April 2009, the IASB issued *Improvements to IFRSs* a collection of amendments to twelve International Financial Reporting Standards as part of its program of annual improvements to its standards, which is intended to make necessary, but non-urgent, amendments to standards that will not be included as part of another major project. The latest amendments were included in exposure drafts of proposed amendments to IFRS published in October 2007, August 2008, and January 2009. The amendments resulting from this standard are mainly applicable to the Company from fiscal year beginning April 1, 2010. The Company is evaluating the impact, these amendments will have on the Company s condensed consolidated interim financial statements.

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4. Property, plant and equipment

	Land	Buildings	Plant and machinery*	Furniture fixtures and equipment	Vehicles	Total
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	18	250	1,347	271	10	1,896
Additions		1,724	3,854	885	349	6,812
Disposal / adjustments	(11)	(18)	(169)	(30)	(129)	(357)
Acquisition through business combination			3			3
As at September 30, 2008	Rs. 2,098	Rs.12,023	Rs. 36,100	Rs. 8,455	Rs. 2,796	Rs. 61,472
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		101	942	232	13	1,288
Depreciation		146	2,406	372	258	3,182
Disposal / adjustments		(16)	(153)	(30)	(77)	(276)
As at September 30, 2008	Rs.	Rs. 1,469	Rs. 24,125	Rs. 4,174	Rs. 1,610	Rs. 31,378
Capital work-in-progress						15,866
Net carrying value as at September 30, 2008						**Rs. 45,960**
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	9,138	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	Rs. 2,740	Rs.15,384	Rs. 41,623	Rs. 8,113	Rs. 2,853	Rs. 70,713
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	Rs.	Rs. 1,631	Rs. 26,728	Rs. 4,539	Rs. 1,748	Rs. 34,646
Capital work-in-progress						13,727
Net carrying value as at March 31, 2009						**Rs. 49,794**
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	1	9	(130)	27	4	(89)
Additions	66	2,780	3,295	1,194	241	7,576
Disposal / adjustments		(1)	(304)	(108)	(179)	(592)
As at September 30, 2009	Rs. 2,807	Rs.18,172	Rs. 44,484	Rs. 9,226	Rs. 2,919	Rs. 77,608
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		9	(32)	17	4	(2)
Depreciation		199	2,710	529	262	3,700
Disposal / adjustments			(193)	(91)	(113)	(397)
As at September 30, 2009	Rs.	Rs. 1,839	Rs. 29,213	Rs. 4,994	Rs. 1,901	Rs. 37,947
Capital work-in-progress						10,632
Net carrying value as at September 30, 2009						**Rs. 50,293**

* Including computer equipment and software.

Depreciation expenses for three months ended September 30, 2008 and 2009 were Rs. 1,642 and Rs. 1,937 respectively.

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5. Goodwill and Intangible assets

The movement in goodwill balance is given below:

	Year ended March 31, 2009	Six months ended September 30, 2009
Balance at the beginning of the period	Rs. 42,635	Rs. 56,143
Translation adjustment	8,071	(1,864)
Acquisition through business combination,	5,437	269
Balance at the end of the period	Rs. 56,143	Rs. 54,548

Goodwill as at March 31, 2009 and September 30, 2009 has been allocated to the following reportable segments:

Segment	As at March 31, 2009	September 30, 2009
IT Services	Rs. 41,769	Rs. 40,620
IT Products	544	513
Consumer Care and Lighting	12,242	11,693
Others	1,588	1,722
Total	Rs. 56,143	Rs. 54,548

	Intangible assets		
	Customer related	Marketing related	Total
Gross carrying value:			
As at April 1, 2008	Rs.	Rs. 2,639	Rs. 2,639
Translation adjustment		129	129
Acquisition through business combination	216		216
Additions			
As at September 30, 2008	Rs. 216	Rs. 2,768	Rs. 2,984
Accumulated amortization and impairment:			
As at April 1, 2008	Rs.	Rs. 773	Rs. 773
Translation adjustment		45	45
Amortization	11	44	55
As at September 30, 2008	Rs. 11	Rs. 862	Rs. 873
Net carrying value as at September 30, 2008	**Rs. 205**	**Rs. 1,906**	**Rs. 2,111**

Gross carrying value:			
As at April 1, 2008	Rs.	Rs. 2,639	Rs. 2,639
Translation adjustment		148	148
Acquisition through business combination	1,629		1,629
Additions		124	124
As at March 31, 2009	Rs. 1,629	Rs. 2,911	Rs. 4,540
Accumulated amortization and impairment:			
As at April 1, 2008	Rs.	Rs. 773	Rs. 773
Translation adjustment		101	101
Amortization	91	82	173
As at March 31, 2009	Rs. 91	Rs. 956	Rs. 1,047
Net carrying value as at March 31, 2009	Rs. 1,538	Rs. 1,955	Rs. 3,493
Gross carrying value:			
As at April 1, 2009	Rs. 1,629	Rs. 2,911	Rs. 4,540
Translation adjustment	18	(135)	(117)
Acquisition through business combination			
Additions		28	28
As at September 30, 2009	Rs. 1,647	Rs. 2,804	Rs. 4,451
Accumulated amortization and impairment:			
As at April 1, 2009	Rs. 91	Rs. 956	Rs. 1,047
Translation adjustment		(56)	(56)
Amortization	139	68	207
As at September 30, 2009	Rs. 230	Rs. 968	Rs. 1,198
Net carrying value as at September 30, 2009	Rs. 1,417	Rs. 1,836	Rs. 3,253

Amortization expenses for three months ended September 30, 2008 and 2009 were Rs. 31 and Rs. 102 respectively.

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6. 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		(1,200)
Total	**Rs.**	**2,624**
Goodwill		3,581
Total purchase price	**Rs.**	**6,205**

Others

The Company has estimated the earn-out consideration payable in respect of an acquisition of an entity providing computer aided design and engineering services consummated in fiscal 2006. Consequently the Company has recognized additional goodwill of Rs. 761 and Rs. 336 during the year ended March 31, 2009 and six months ended September 30, 2009, respectively.

7. Available for sale investments

Available for sale investments consists of the following:

	March 31, 2009			September 30, 2009		
	Cost	Gain / (loss) recognized directly in equity	Fair value	Cost	Gain / (loss) recognized directly in equity	Fair value
Investment in liquid and short-term mutual funds	Rs. 15,132	Rs. 80	Rs. 15,212	Rs. 41,386	Rs. (3)	Rs. 41,383
Certificate of deposits	947	21	968	780	4	784
Others	343	20	363	592	20	612
Total	Rs. 16,422	Rs. 121	Rs. 16,543	Rs. 42,758	Rs. 21	Rs. 42,779

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

8. Trade receivables

	As at	
	March 31, 2009	September 30, 2009
Trade receivables	Rs. 50,531	Rs. 47,932
Allowance for doubtful accounts receivable	(1,919)	(2,300)
	Rs. 48,612	Rs. 45,632

The activity in the allowance for doubtful accounts receivable is given below:

	Year ended March 31, 2009	Six months ended September 30, 2009
Balance at the beginning of the period	Rs. 1,096	Rs. 1,919
Additions during the period, net of collections	939	482
Uncollectable receivables charged against allowance	(116)	(101)
Balance at the end of the period	Rs. 1,919	Rs. 2,300

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9. Inventories

Inventories consist of the following:

	As at	
	March 31, 2009	September 30, 2009
Stores and spare parts	Rs. 774	Rs. 883
Raw materials and components	2,440	2,359
Work in progress	694	674
Finished goods	3,678	2,819
	Rs. 7.586	Rs. 6,735

10. Cash and cash equivalents

Cash and cash equivalents as of March 31, 2009, September 30, 2008 and September 30, 2009 consist of cash and balances on deposit with banks. Cash and cash equivalents consist of the following:

	As at March 31, 2009	As at September 30, 2008	As at September 30, 2009
Cash and bank balances	Rs. 22,944	Rs. 8,474	Rs. 15,642
Short-term deposits with banks[(1)]	26,173	11,683	15,517
	Rs. 49,117	Rs. 20,157	Rs. 31,159

(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 September 30, 2008	As at September 30, 2009
Cash and cash equivalents (as per above)	Rs. 20,157	Rs. 31,159
Bank overdrafts	(524)	(216)
	Rs. 19,633	Rs. 30,943

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11. Other assets

	As at	
	March 31, 2009	September 30, 2009
Current		
Interest bearing deposits with corporate[1]	Rs. 4,250	Rs.
Prepaid expenses including rentals for leasehold land	4,068	3,995
Due from officers and employees	1,359	1,159
Finance lease receivables	967	752
Advance to suppliers	736	543
Deferred contract costs	1,094	1,132
Interest receivable	540	202
Deposits	82	177
Derivative assets	619	840
Others	2,458	1,998
	Rs. 16,173	Rs. 10,798
Non current		
Prepaid expenses including rentals for leasehold land	Rs. 1,284	Rs. 1,784
Due from officers and employees	741	
Finance lease receivables	2,638	2,852
Deposits	1,544	1,439
Derivative assets	543	1,735
Others	41	53
	Rs. 6,791	Rs. 7,863
Total	Rs. 22,964	Rs. 18,661

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

Finance lease receivables:

Finance lease receivables consist of assets that are leased to third parties, with lease payments due in monthly, quarterly or semi-annual installments for periods ranging from 3 to 5 years. Details of finance lease receivables are given below:

	Minimum lease payment		Present value of minimum lease payment	
	As at			
	March 31, 2009	September 30, 2009	March 31, 2009	September 30, 2009
Not later than one year	Rs. 1,024	Rs. 817	Rs. 960	Rs. 747
Later than one year but not later than five years	3,180	3,474	2,522	2,703

Unguaranteed residual values	172	180	123	154
Gross investment in lease	4,376	4,471		
Less: Unearned finance income	(771)	(867)		
Present value of minimum lease payment receivable	3,605	3,604	3,605	3,604

Included in the financial statements as follows:		
Current finance lease receivables	Rs. 967	Rs. 752
Non-current finance lease receivables	2,638	2,852

12. Loans and borrowings

Short-term loans and borrowings

The Company had short-term borrowings including bank overdrafts amounting to Rs. 36,472 and Rs. 22,321 as at March 31, 2009 and September 30, 2009, respectively. Short-term borrowings from banks as of September 30, 2009 primarily consist of lines of credit of approximately Rs. 23,161, US$704 millions, SEK 155 millions, SAR 90 millions, Euro 8 millions, GBP 9 millions, IDR (Indonesian Rupee) 123,000 millions and RM (Malaysian Ringgit) 276 millions from bankers primarily for working capital requirements. Out of these, as of September 30, 2009, the Company has unutilized lines of credit aggregating Rs. 19,433, US$379 millions, SEK 23 millions, SAR 45 millions, Euro 3 millions, GBP 9 millions, IDR 108,000 millions and RM 208 millions, respectively. To utilize these unused lines of credit, the Company require consent of the lender and compliance with the certain financial covenants. Significant portion of the aforementioned lines of credit are revolving credit facilities and floating rate foreign currency loans, renewable quarterly. These facilities bear floating rates of interest, referenced to LIBOR and a spread, determined based on market conditions.

The Company has non-fund based revolving credit facilities in various currencies equivalent to Rs. 17,927 for operational requirements that can be used for the issuance of letters of credit and bank guarantees. As of September 30, 2009, an amount of Rs. 4,758 was unutilized out of these non-fund based facilities.

Long-term loans and borrowings

A summary of long- term loans and borrowings is as follows:

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Currency	As at March 31, 2009 Foreign currency in millions	Indian Rupee	As at September 30, 2009 Foreign currency in millions	Indian Rupee	Interest rate	Final maturity
Unsecured external commercial borrowing						
Japanese Yen	35,016	Rs. 18,052	35,016	Rs. 18,716	1.87%	2013
Unsecured term loan						
Indian Rupee	NA	631	NA	574	6.05%	2014
Others		87		83	0-2%	2010 2017
Other secured term loans		232		611	1.55 - 5.1%	2009 2016
		Rs. 19,002		Rs. 19,984		
Obligations under finance leases		1,418		1,151		
		Rs. 20,420		Rs. 21,135		
Current portion of long term loans and borrowings		Rs 739		Rs. 731		

The Company has entered into cross-currency interest rate swap (CCIRS) in connection with the unsecured external commercial borrowing and has designated these as hedge of net investment in foreign operation.

The contract governing the Company s unsecured external commercial borrowing contain certain covenants that limit future borrowings and payments towards acquisitions in a financial year. The terms of the other secured and unsecured loans and borrowings also contain certain restrictive covenants primarily requiring the Company to maintain certain financial ratios. As of September 30, 2009, the Company has met the relevant covenants.

A portion of the above short-term loans and borrowings, other secured long-term loans and obligations under finance leases aggregating to Rs. 1,858 and Rs. 2,434 as at March 31, 2009 and September 30, 2009, respectively, are secured by inventories, accounts receivable and certain property, plant and equipment.

Interest expense was Rs. 742 and Rs. 162 for the three months ended September 30, 2008 and 2009, respectively and Rs. 1,284 and Rs. 723 for the six months ended September 30, 2008 and 2009, respectively. Interest capitalized by the Company was Rs. 86 and Rs. 7 for the three months ended September 30, 2008 and 2009 respectively and Rs. 179 and Rs. 42 for the six months ended September 30, 2008 and 2009, respectively.

13. Trade payables and accrued expenses

Trade payables and accrued expenses consist of the following:

	As at	
	March 31,	September 30,

	2009	2009
Trade payables	Rs. 19,437	Rs. 20,955
Accrued expenses	22,614	22,555
	Rs. 42,051	Rs. 43,510

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14. Other liabilities and provisions

	As at	
	March 31, 2009	September 30, 2009
Current:		
Statutory and other liabilities	Rs. 3,455	Rs. 3,708
Advance from customers	2,428	2,981
Unclaimed dividend	17	18
Warranty and other provision	541	1,554
Others	265	876
	Rs. 6,706	Rs. 8,347
Non-current:		
Statutory liabilities	Rs. 741	Rs.
Warranty and other provision	1,141	1,133
Sundry deposits	68	68
Others	411	226
	Rs. 2,361	Rs. 1,427
Total	Rs. 9,067	Rs. 9,774

15. Financial instruments

Financial assets and liabilities:

	As at	
	March 31, 2009	September 30, 2009
Assets:		
Trade receivables	Rs. 48,612	Rs. 45,632
Unbilled revenues	14,108	16,723
Cash and cash equivalents	49,117	31,159
Available for sale financial investments	16,543	42,779
Derivative assets	1,162	2,575
Other assets	12,831	6,878
Total	Rs. 142,373	Rs. 145,746
Liabilities:		
Loans and borrowings	Rs. 56,892	Rs. 43,456
Trade payables and accrued expenses	42,779	45,759
Derivative liabilities	12,022	6,889
Other liabilities	876	110

Total	Rs. 112,569	Rs. 96,214

By Category:

	As at	
	March 31, 2009	**September 30, 2009**
Assets:		
Loans and receivables	Rs. 124,668	Rs. 100,392
Derivative assets	1,162	2,575
Available for sale financial assets	16,543	42,779
Total	Rs. 142,373	Rs. 145,746
Liabilities:		
Financial liabilities at amortized cost	Rs. 56,892	Rs. 43,456
Trade and other payables	43,655	45,869
Derivative liabilities	12,022	6,889
Total	Rs. 112,569	Rs. 96,214

Sale of financial assets

From time to time, in the normal course of business, the Company transfers accounts receivables, net investment in finance lease receivables and employee advances (financials assets) to banks. Under the terms of the arrangements, the Company surrenders control over the financial assets and accordingly the transfers are recorded as sale of financial assets. The sale of financial assets may be with or without recourse. Under arrangements with recourse, the Company is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with the banks. Additionally, the Company retains servicing responsibility for the transferred financial assets. Gains and losses on sale of financial assets are recorded at the time of sale based on the carrying value of the financial assets, fair value of servicing liability and recourse obligations. During the three months ended September 30, 2008 and

2009, the Company transferred financial assets of Rs. 182 and Rs. 780, respectively and during the six months ended September 30, 2008 and 2009, the Company transferred financial assets of Rs. 813 and Rs. 1,955, respectively, under such arrangements and has included the proceeds from transfer of financial assets that have been derecognized in net cash provided by operating activities. Remaining proceeds are included in financing activities in the condensed consolidated interim statements of cash flows. These transfers resulted in gain/(loss) of Rs. 30 and Rs. (8) for the three months ended September 30, 2008 and 2009, respectively and Rs. 19 and Rs. 20 for the six months ended September 30, 2008 and 2009, respectively. As at March 31, 2009 and September 30, 2009, the maximum amounts of recourse obligation in respect of the transferred financial assets are Rs. Nil and Rs. 484 respectively.

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:

	As at	
	March 31, 2009	**September 30, 2009**
Forward contracts		
Sell	$ 1,374	$ 1,064
	79	58
	£ 53	£ 28
	AUD	AUD 23
Buy	$ 438	$ 325
	¥23,170	¥ -
Net purchased options (to sell)	$ 562	$ 386
	£ 54	£ 46
	¥ 6,130	¥ 5,354
Cross currency swaps	¥35,016	¥35,016

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 six months ended September 30, 2009.

	As at	
	March 31, 2009	**September 30, 2009**
Balance as at the beginning of the period	Rs. (1,097)	Rs. (16,150)
Net (gain)/loss reclassified into statement of income on occurrence of hedged transactions	1,019	2,768
Deferred cancellation gains/(losses) relating to roll over hedging	(11,357)	444
Changes in fair value of effective portion of outstanding derivatives	(4,715)	2,289
Unrealized gain/ (losses) on cash flow hedging derivatives, net	Rs. (15,053)	Rs. 5,501
Balance as at the end of the period	Rs. (16,150)	Rs. (10,649)

As at March 31, 2009 and September 30, 2009, 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

Financial risk management

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General

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency receivables, payables and loans and borrowings.

The Company s exposure to market risk is a function of investment and borrowing activities and revenue generating activities in foreign currency. The objective of market risk management is to avoid excessive exposure of the Company s earnings and equity to losses.

Risk Management Procedures

The Company manages market risk through a corporate treasury department, which evaluates and exercises independent control over the entire process of market risk management. The corporate treasury department recommends risk management objectives and policies, which are approved by senior management and Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies on a daily basis.

Components of Market Risk

The Company s exposure to market risk arises principally from exchange rate risk and interest rate risk. Other sources of risk include credit risk, counter-party risk and liquidity risk.

Exchange rate risk. The exchange rate risk primarily arises from foreign exchange revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans and borrowings. A significant portion of revenue is in U.S. dollars, euro and pound sterling, while a significant portion of costs are in Indian rupees. The exchange rate between the rupee and dollar, euro and pound sterling has fluctuated significantly in recent years and may continue to fluctuate in the future. Appreciation of the rupee against these currencies can adversely affect the Company s results of operations.

The Company evaluates exchange rate exposure arising from these transactions and enter into foreign currency derivative instruments to mitigate such exposure. The Company follows established risk management policies, including the use of derivatives like foreign exchange forward / option contracts to hedge forecasted cash flows denominated in foreign currency.

All derivative instruments are recognized in the statement of financial position and measured at fair value. Changes in fair value of foreign currency derivative instruments that do not qualify as hedges and/ or any ineffective portion of hedges are recognized in the condensed consolidated interim statements of income. In connection with cash flow hedges, the Company has recorded losses of (16,150) and Rs. (10,649) as a component of cash flow hedging reserve within equity as at March 31, 2009 and September 30, 2009, respectively.

As at September 30, 2009, Rs.1 increase / decrease in the spot rate for exchange of Indian Rupee with U.S. dollar would result in approximately Rs. 1,125 decrease / increase in the fair value of the Company s foreign currency dollar denominated derivative instruments.

As at September 30, 2009, 1% movement in the exchange rate between U.S. Dollar and Yen would result in approximately Rs. 187 increase/decrease in the fair value of cross-currency interest rate swaps.

Interest rate risk: Interest rate risk primarily arises from investment in debt securities and floating rate borrowing, including various revolving and other lines of credit. The Company s investments are primarily in short-term investments, which do not expose it to significant interest rate risk. The Company manages its net exposure to interest rate risk relating to borrowings, through the proportion of fixed rate borrowing and floating rate borrowing in its total borrowing portfolio. To manage this portfolio mix, the Company may enter into interest rate swap agreements, which allows the Company to exchange periodic payments based on a notional amount and agreed upon fixed and floating interest rates. As of September 30, 2009, substantially all of the Company borrowing was subject to floating interest rates, which reset at short intervals. Accordingly, the carrying value of such borrowing approximates fair values. If interest rates were to increase by 100 bps from September 30, 2009, an additional annual interest expense on the Company s floating rate borrowing would amount to approximately Rs. 422.

Credit risk: Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable, Individual risk limits are set accordingly. No single customer accounted for more than 5% of the

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accounts receivable as at March 31, 2009 and September 30, 2009, respectively and revenues for the three and six months ended September 30, 2008 and 2009, respectively. There is no significant concentration of credit risk.

Counterparty risk: Counterparty risk encompasses issuer risk on marketable securities, settlement risk on derivative and money market contracts and credit risk on cash and time deposits. Issuer risk is minimized by only buying securities which are at least AA rated. Settlement and credit risk is reduced by the policy of entering into transactions with counterparties that are usually banks or financial institutions with acceptable credit ratings. Exposure to these risks are closely monitored and maintained within predetermined parameters. There are limits on credit exposure to any financial institution. The limits are regularly assessed and determined based upon credit analysis including financial statements and capital adequacy ratio reviews. In addition, net settlement agreements are contracted with significant counterparties.

Liquidity risk: Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company s corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company s net liquidity position through rolling forecasts on the basis of expected cash flows. As of September 30, 2009, our cash and cash equivalents are held with major financial institutions.

Fair value. The fair value of market rate risk sensitive instruments, closely approximates their carrying value

16. 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 September 30, 2009 was Rs. 1,670 and Rs. 1,863, respectively. The Company s share of profits of Wipro GE for the three months ended September 30, 2008 and 2009 was Rs. 106 and Rs. 112, respectively and for the six months ended September 30, 2008 and 2009 was Rs. 213 and Rs. 226, 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.

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.

17. Foreign currency translation reserve

The movement in foreign currency translation reserve is shown below:

	As at	
	March 31, 2009	**September 30, 2009**
Balance at the beginning of the period	Rs. (10)	Rs. 797
Translation difference related to foreign operations	8,970	(1,677)
Movement in effective portion of hedges of net investment in foreign operations	(8,163)	2,079
Movement during the period	Rs. 807	Rs. 402

Balance at the end of the period	Rs	797	Rs.	1,199
Movement during the period attributable to:				
Equity holders of the Company	Rs.	785	Rs.	420
Minority interest		22		(18)

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18. Income taxes

Income taxes have been allocated as follows:

	Three months ended September 30,		Six months ended September 30,	
	2008	2009	2008	2009
Profit for the period	Rs. 1,559	Rs. 2,217	Rs. 3,002	Rs. 3,957
Other comprehensive income for unrealized gain / (loss) on cash flow hedging derivatives and investment securities	(556)	923	(1,577)	1,791
Total income taxes	Rs. 1,003	Rs. 3,140	Rs. 1,425	Rs. 5,748

Income taxes from operations consist of the following:

	Three months ended September, 30		Six months ended September, 30	
	2008	2009	2008	2009
Current taxes				
Domestic	Rs. 925	Rs. 1,235	Rs. 1,744	Rs. 2,360
Foreign	731	776	1,368	1,479
	Rs. 1,656	Rs. 2,011	Rs. 3,112	Rs. 3,839
Deferred taxes				
Domestic	Rs. (75)	Rs. 10	Rs. (88)	Rs. (47)
Foreign	(22)	196	(22)	165
	Rs. (97)	Rs. 206	Rs. (110)	Rs. 118
Total income tax expense	Rs. 1,559	Rs. 2,217	Rs. 3,002	Rs. 3,957

The components of deferred tax assets and liabilities are as follows:

	As at	
	March 31, 2009	September 30, 2009
Carry-forward business losses	Rs. 2,185	Rs. 2,147
Accrued expenses and liabilities	715	695
Allowances for doubtful accounts receivable	260	285
Cash flow hedges	2,353	529
Minimum alternate tax	126	156
Others	11	59
	5,650	3,871

Property, plant and equipment	Rs.	(421)	Rs.	(440)
Amortizable goodwill		(213)		(280)
Intangible assets		(789)		(758)
Investment in equity accounted investee		(332)		(376)
		(1,755)		(1,854)
Net deferred tax assets	Rs.	3,895	Rs.	2,017
Amounts presented in Statement of financial position:				
Deferred tax assets	Rs.	4,355	Rs.	2,437
Deferred tax liabilities	Rs.	(460)	Rs.	(420)

A substantial portion of the profits of the Company s India operations are exempt from Indian income taxes being profits attributable to export operations and profits from undertakings situated in Software Technology and Hardware Technology Parks. Under the tax holiday, the taxpayer can utilize an exemption from income taxes for a period of any ten consecutive years. The tax holidays on all facilities under Software Technology and Hardware

Technology Parks were scheduled to expire in stages with mandated maximum expiry period of March 31, 2010. However, the Finance (No. 2) Act, 2009 has extended the availability of the 10-year tax holiday by a period of one year such that the tax holiday will now be available until the earlier of fiscal year 2011 or ten years after the commencement of a tax holiday for an individual undertaking. Further fringe benefit tax has also been abolished. Additionally, under the Special Economic Zone Act, 2005 scheme, units in designated special economic zones providing service on or after April 1, 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. Profits from certain other undertakings are also eligible for preferential tax treatment. In addition, dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax.

The Company is subject to a 15% branch profit tax in the United States to the extent the net profit attributable to U.S. branch for the fiscal year is greater than the increase in the net assets of the U.S. branch for the fiscal year, as computed in accordance with the Internal Revenue Code. The Company has not triggered the branch profit tax and, consistent with business plan, the Company intend to maintain the current level of net assets in the United States. Accordingly, the Company did not record a provision for branch profit tax.

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

	Three months ended September 30,		Six months ended September 30,	
	2008	**2009**	**2008**	**2009**
Interest income	Rs. 403	Rs. 443	Rs. 747	Rs. 1,183
Interest expense	(679)	(162)	(1,284)	(723)
Exchange fluctuations on foreign exchange borrowings, net	(539)	(330)	(678)	(408)
Dividend income	620	410	1,194	670
Gain on sale of investments	428	320	570	314
Total	Rs. 233	Rs. 681	Rs. 549	Rs. 1,036

20. Earnings per equity share

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

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

	Three months ended September 30,		Six months ended September 30,	
	2008	**2009**	**2008**	**2009**
Profit attributable to equity holders of the Company	Rs. 9,704	Rs. 11,707	Rs. 18,651	Rs. 21,810
Weighted average number of equity shares outstanding	1,453,493,031	1,456,868,080	1,453,130,377	1,456,539,693
Basic earnings per share	Rs. 6.68	Rs. 8.04	Rs. 12.84	Rs. 14.97

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

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

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	Three months ended September 30,				Six months ended September 30,			
	2008		2009		2008		2009	
Profit attributable to equity holders of the Company	Rs.	9,704	Rs.	11,707	Rs.	18,651	Rs.	21,810
Weighted average number of equity shares outstanding		1,453,493,031		1,456,868,080		1,453,130,377		1,456,539,693
Effect of dilutive equivalent share-stock option		10,239,151		11,375,663		9,237,986		11,372,094
Weighted average number of equity shares for diluted earnings per share		1,463,732,182		1,468,243,743		1,462,368,363		1,467,911,787
Diluted earnings per share	Rs.	6.63	Rs.	7.97	Rs.	12.75	Rs.	14.86

21. Employee stock incentive plans

The stock compensation expense recognized for employee services received during the three months ended September 30, 2008 and 2009 is Rs. 452 and 277 and during the six months ended September 30, 2008 and 2009 is Rs. 1,040 and Rs. 636, respectively.

Wipro Equity Reward Trust (WERT)

In 1984, the Company established a controlled trust called the Wipro Equity Reward Trust (WERT). The WERT purchases shares of the Company out of funds borrowed from the Company. The Company s compensation committee recommends to the WERT certain officers and key employees, to whom the WERT grants shares from its holdings at nominal price. Such shares are then held by the employees subject to vesting conditions. The shares held the by WERT are reported as a reduction in stockholders equity

The movement in the shares held by the WERT is given below:

	Year ended March 31, 2009	Six months ended September 30, 2009
Shares held at the beginning of the period	7,961,760	7,961,760
Shares granted to employees		
Grants forfeited by employees		
Shares held at the end of the period	7,961,760	7,961,760

Wipro Employee Stock Option Plan and Restricted Stock Unit Option Plan

A summary of the general terms of grants under stock option plans and restricted stock unit plans are as follows:

Name of Plan	Authorized Shares	Range of Exercise Prices	
Wipro Employee Stock Option Plan 1999 (1999 Plan)	30,000,000	Rs.	171 490
Wipro Employee Stock Option Plan 2000 (2000 Plan)	150,000,000	Rs.	171 490
Stock Option Plan (2000 ADS Plan)	9,000,000	$	3 7

Wipro Restricted Stock Unit Plan (WRSUP 2004 plan)	12,000,000	Rs.	2
Wipro ADS Restricted Stock Unit Plan (WARSUP 2004 plan)	12,000,000	$	0.04
Wipro Employee Restricted Stock Unit Plan 2005 (WSRUP 2005 plan)	12,000,000	Rs.	2
Wipro Employee Restricted Stock Unit Plan 2007 (WSRUP 2007 plan)	10,000,000	Rs.	2

Employees covered under the stock option plans and restricted stock unit option plans (collectively stock option plans) are granted an option to purchase shares of the Company at the respective exercise prices, subject to requirement of vesting conditions (generally service conditions). These options generally vests over a period of five years from the date of grant. Upon vesting, the employees can acquire one equity share for every option. The maximum contractual term for the aforementioned stock option plans is generally ten years.

	For the year ended March 31, 2009			For the six months ended September 30, 2009		
	Range of Exercise Prices	Number	Weighted Average Exercise Price	Range of Exercise Prices	Number	Weighted Average Exercise Price
Outstanding at the beginning of the period	Rs. 229 265	1,219,926	Rs. 264	Rs. 229 265	1,140	Rs. 254
	Rs. 489		Rs.	Rs. 489	120,000	Rs. 489
	$ 4 6	8,706	$ 5	$ 4 6	1,606	$ 4.7
	Rs. 2	9,700,163	Rs. 2	Rs. 2	13,799,549	Rs. 2
	$ 0.04	1,885,236	$ 0.04	$ 0.04	2,470,641	$ 0.04
Granted	Rs. 229 265		Rs.	Rs. 229 265		Rs.
	Rs. 489	120,000	Rs. 489	Rs. 489		Rs.
	$ 4 6		$	$ 4 6		$
	Rs. 2	6,882,415	Rs. 2	Rs. 2	5,000	Rs. 2
	$ 0.04	1,484,261	$ 0.04	$ 0.04		$
Exercised	Rs. 229 265	(345,099)	Rs. 263	Rs. 229 265		Rs.
	Rs. 489		Rs.	Rs. 489		Rs.
	$ 4 6	(4,400)	$ 4.7	$ 4 6		$
	Rs. 2	(1,762,283)	Rs. 2	Rs. 2	(1,102,659)	Rs. 2
	$ 0.04	(446,841)	$ 0.04	$ 0.04	(194,021)	$ 0.04
Forfeited and lapsed	Rs. 229 265	(873,687)	Rs. 264	Rs. 229 265	(1,140)	Rs. 254
	Rs. 489		Rs.	Rs. 489		Rs.
	$ 4 6	(2,700)	$ 5.82	$ 4 6		$
	Rs. 2	(1,020,746)	Rs. 2	Rs. 2	(478,413)	Rs. 2
	$ 0.04	(452,015)	$ 0.04	$ 0.04	(195,302)	$ 0.04
Outstanding at the end of the period	Rs. 229 265	1,140	Rs. 254	Rs. 229 265		Rs.
	Rs. 489	120,000	Rs. 489	Rs. 489	120,000	Rs. 489
	$ 4 6	1,606	$ 4.7	$ 4 6	1,606	$ 4.7
	Rs 2	13,799,549	Rs. 2	Rs 2	12,223,477	Rs. 2
	$ 0.04	2,470,641	$ 0.04	$ 0.04	2,081,318	$ 0.04
Exercisable at the end of the period	Rs. 229 265	1,140	Rs. 254	Rs. 229 265		Rs.
	Rs. 489		Rs.	Rs. 489		Rs.
	$ 4 6	1,606	$ 4.7	$ 4 6	1,606	$ 4.7
	Rs. 2	2,975,987	Rs. 2	Rs 2	2,832,691	Rs. 2
	$ 0.04	208,412	$ 0.04	$ 0.04	321,242	$ 0.04

The following table summarizes information about stock options outstanding as at September 30, 2009.

Range of Exercise price	Options outstanding Numbers	Weighted average remaining life (Months)	Weighted Average Exercise Price
Rs. 489	120,000	55	Rs. 489
$4 6	1,606	6	$ 4.70
Rs. 2	12,223,477	39	Rs. 2
$0.04	2,081,318	47	$ 0.04

The weighted-average grant-date fair value of options granted during the year ended March 31, 2009 and the six months ended September 30, 2009 was Rs. 319 and Rs. 436 for each option respectively.

22. Employee benefits

a) Employee costs include:

	Three months ended September 30,		Six months ended September 30,	
	2008	2009	2008	2009
Salaries and bonus	Rs. 25,006	Rs. 25,650	Rs. 49,068	Rs. 51,467
Employee benefit plans	688	624	1,293	1,387
Share based compensation	452	277	1,040	636
	Rs. 26,146	Rs. 26,551	Rs. 51,401	Rs. 53,490

b) Defined benefit plans:

Amount recognized in the statement of income in respect of gratuity cost is as follows:

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	Three months ended September 30,				Six months ended September 30,			
	2008		2009		2008		2009	
Interest on obligation	Rs.	36	Rs.	33	Rs.	67	Rs.	66
Expected return on plan assets		(24)		(30)		(44)		(60)
Actuarial losses/(gains) recognized during the period		46		(5)		(59)		9
Current service cost		91		96		184		191
Net gratuity cost/(benefit)	Rs.	149	Rs.	94	Rs.	148	Rs.	206

The principal assumptions used for the purpose of actuarial valuation are as follows:

	As at	
	March 31, 2009	September 30, 2009
Discount rate	6.75%	6.90%
Expected return on plan assets	8%	8%
Expected rate of salary increase	5%	5%

Movement in present value of defined benefit obligation

	As at			
	March 31, 2009		September 30, 2009	
Opening defined benefit obligation	Rs.	1,515	Rs.	1,824
Current service cost		369		191
Interest on obligation		135		66
Benefits paid		(117)		(109)
Actuarial losses/(gains) recognized during the period		(78)		(6)
Closing defined benefit obligation	Rs.	1,824	Rs.	1,966

Change in plan assets

	As at			
	March 31, 2009		September 30, 2009	
Fair value of plan assets at the beginning of the period	Rs.	1,244	Rs.	1,397
Expected return on plan assets		92		60
Employer contributions		153		506
Benefits paid		(117)		(109)
Actuarial gain/(losses)		25		(15)
Fair value of plan assets at the end of the period		1,397		1,839

Present value of unfunded obligation	Rs. (427)	Rs. (127)
Recognized liability	Rs. (427)	Rs. (127)

23. 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. 612 and Rs. 700, for the three months ended September 30, 2008 and 2009, respectively and Rs. 1,178 and Rs. 1,511, for the six months ended September 30, 2008 and 2009, respectively.

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

	As at	
	March 31, 2009	**September 30, 2009**
Not later than one year	Rs. 1,064	Rs. 1,138
Later than one year but not later than five years	3,670	3,963
Later than five years	3,168	2,585
	Rs. 7,902	Rs. 7,686

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Capital commitments: As at March 31, 2009 and September 30, 2009, the Company had committed to spend approximately Rs. 5,371 and Rs. 4,065, respectively, under agreements to purchase property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Guarantees: As at March 31, 2009 and September 30, 2009, performance and financial guarantees provided by banks on behalf of the Company to the Indian Government, customers and certain other agencies amount to approximately Rs. 6,103 and Rs. 13,169, respectively, as part of the bank line of credit.

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 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.

Other commitments: The Company s Indian operations have been established as a Software Technology Park Unit under a plan formulated by the Government of India. As per the plan, the Company s India operations have export obligations to the extent of 1.5 times the employee costs for the year on an annual basis and 5 times the amount of foreign exchange released for capital goods imported, over a five year period. The consequence of not meeting this commitment in the future would be a retroactive levy of import duties on certain computer hardware previously imported duty free. As at September 30, 2009, the Company has met all commitments required under the plan.

24. Segment Information

The Company is currently organized by segments, which includes IT Services (comprising of IT Services and BPO Services segments), 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 and Asian markets.

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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. 303 and Rs. 201 for the three months ended September 30, 2008 and 2009, respectively and Rs. 635 and Rs 384 for the six months ended September 30, 2008 and 2009, 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.

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 September 30, 2008 and 2009, Capital Employed of Reconciling items includes Rs. 2,273 and Rs. 5,323 respectively, of such receivables on extended collection terms

Information on reportable segments is as follows:

	Three months ended September 30, 2008						
	IT Services and Products			Consumer Care and		Reconciling	
	IT Services	IT Products	Total	Lighting	Others	Items	Entity Total
Revenues	47,491	9,925	57,416	4,833	2,472	301	65,022
Cost of revenues	(31,829)	(8,931)	(40,760)	(2,753)	(2,294)	(333)	(46,140)
Selling and marketing expenses	(2,863)	(329)	(3,192)	(1,120)	(79)	(31)	(4,422)
General and administrative expenses	(2,863)	(252)	(3,115)	(308)	(69)	(22)	(3,514)
Operating income of segment [1]	9,936	413	10,349	652	30	(85)	10,946
Average capital employed			92,475	18,423	6,114	64,219	181,231
Return on capital employed			45%	14%	2%		24%-

	Three months ended September 30, 2009						
	IT Services and Products			Consumer Care and		Reconciling	
	IT Services	IT Products	Total	Lighting	Others	Items	Entity Total
Revenues	49,981	11,854	61,835	5,559	1,477	306	69,177

Cost of revenues	(32,349)	(10,639)	(42,988)	(2,862)	(1,558)	(114)	(47,522)
Selling and marketing expenses	(2,450)	(360)	(2,810)	(1,638)	(69)	27	(4,490)
General and administrative expenses	(3,387)	(243)	(3,630)	(327)	(58)	39	(3,976)
Operating income of segment [(1)]	11,795	612	12,407	732	(208)	258	13,189
Average capital employed			108,817	17,912	5,081	77,723	209,533
Return on capital employed			46%	16%	(16)%		25%-

	Six months ended September 30, 2008						
	IT Services and Products			Consumer Care and		Reconciling	
	IT Services	IT Products	Total	Lighting	Others	Items	Entity Total
Revenues	91,519	17,247	108,766	9,583	5,756	635	124,740
Cost of revenues	(61,357)	(15,653)	(77,010)	(5,409)	(5,212)	(810)	(88,441)
Selling and marketing expenses	(5,451)	(593)	(6,044)	(2,305)	(171)	(112)	(8,632)
General and administrative expenses	(5,607)	(331)	(5,938)	(594)	(105)	(105)	(6,742)
Operating income of segment [(1)]	19,104	670	19,774	1,275	268	(392)	20,925
Average capital employed			94,235	18,191	5,757	58,827	177,010
Return on capital employed			42%	14%	9%		24%-

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	Six months ended September 30, 2009						
	IT Services and Products			Consumer Care and		Reconciling	
	IT Services	IT Products	Total	Lighting	Others	Items	Entity Total
Revenues	98,246	19,191	117,437	10,757	2,962	483	131,639
Cost of revenues	(64,713)	(17,078)	(81,791)	(5,460)	(3,190)	(328)	(90,769)
Selling and marketing expenses	(4,786)	(692)	(5,478)	(3,111)	(132)	(9)	(8,730)
General and administrative expenses	(6,254)	(517)	(6,771)	(662)	(110)	15	(7,528)
Operating income of segment [1]	22,493	904	23,397	1,524	(470)	161	24,612
Average capital employed			113,578	18,305	5,241	70,319	207,443
Return on capital employed			41%	17%	(18)%		24%-

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

Segments	Three months ended September 30, 2008	Three months ended September 30, 2009	Six months ended September 30, 2008	Six months ended September 30, 2009
IT Services	Rs. 391	Rs. 338	Rs. 764	Rs. 669
IT Products	29	25	57	50
Consumer Care and Lighting	20	16	39	32
Others	6	5	11	9
Reconciling items	6	(107)	169	(124)
Total	Rs. 452	Rs. 277	Rs. 1,040	Rs. 636

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	Six months ended

	September 30,		September 30,	
	2008	2009	2008	2009
India	Rs. 15,230	Rs. 17,133	Rs. 28,082	Rs. 29,867
United States	28,133	30,175	54,300	59,311
Europe	14,638	13,765	29,111	27,035
Rest of the world	7,021	8,104	13,247	15,426
	Rs. 65,022	Rs. 69,177	Rs. 124,740	Rs. 131,639

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25. Reconciliation between Previous GAAP and US GAAP

The following reconciliations provide a quantification of the reconciliation items between U.S. GAAP and previous GAAP:

equity as at April 1, 2008;

equity as at September 30, 2008;

equity as at March 31, 2009;

profit for the three months ended September 30, 2008;

profit for the six months ended September 30, 2008; and

profit for the year ended March 31, 2009.

Reconciliation of equity as at April 1, 2008

Particulars	Amount as per Previous GAAP	Reconciliation adjustment	Amount as per US GAAP	Relevant Notes for adjustments
Goodwill	Rs. 42,209	$ (3,266)	Rs. 38,943	1
Property, plant and equipment and intangible assets	41,583	10,719	52,302	1(b),2
Available for sale investments	14,679	484	15,163	3
Investment in equity accounted investees	1,343		1,343	
Inventories	6,664	508	7,172	4
Trade receivables	40,453	(1,545)	38,908	4
Unbilled revenues	8,514	(209)	8,305	4
Cash and cash equivalents	39,270		39,270	
Net tax assets (including deferred taxes)	3,632	(1,963)	1,669	5
Other assets	13,980	1,336	15,316	2(a),4
TOTAL ASSETS	**Rs. 212,327**	**Rs. 6,064**	**Rs. 218,391**	
Share capital	Rs. 2,923		Rs. 2,923	
Retained earnings	87,908	13,158	101,066	
Other components of equity	26,123	(758)	25,365	
Total equity (A)	**116,954**	**12,400**	**129,354**	
Minority interest	116		116	
Loans and borrowings	44,850	(94)	44,756	6(b)
Trade payables and accrued expenses	28,675		28,675	
Unearned revenues	4,269	(107)	4,162	
Employee benefit obligations	2,737	(124)	2,613	7
Other liabilities	14,726	(6,011)	8,715	4,6
Total liabilities (B)	**95,373**	**(6,336)**	**89,037**	

TOTAL LIABILITIES AND EQUITY (A)+(B)	**Rs. 212,327**	**Rs. 6,064**	**Rs. 218,391**

Notes:

1) The key differences in goodwill between U.S. GAAP and Previous GAAP are as follows:

a) Under Previous GAAP, prior to the Transition Date, the Company merged certain wholly owned subsidiaries and adjusted the goodwill relating to acquisition of such entities against the retained earnings, whereas this adjustment was not recorded under U.S. GAAP.

b) Under U.S. GAAP, all the assets and liabilities arising from a business combination are identified and recorded at fair values. Accordingly, in respect of all business combinations a portion of purchase price was allocated towards acquired intangibles, net of related deferred taxes. Under Previous GAAP, assets and liabilities arising from a business combination are recognized at carrying value in the books of the acquired entity. This resulted in difference between the carrying amount of goodwill, intangible assets and deferred tax liabilities between U.S.GAAP and Previous GAAP

2) The key differences in property, plant and equipment and intangibles between U.S. GAAP and Previous GAAP are as follows:

a) Under U.S. GAAP, lease of land is classified as an operating lease 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 U.S.GAAP. Under Previous GAAP, the lease rentals paid in advance and lease deposits are recognized in property, plant and equipment. This is a presentation difference between line items within statement of financial position and has no impact on equity.

b) Difference in the basis of interest capitalization between Previous GAAP and US GAAP.

c) Under U.S. GAAP, finite life intangible assets are amortized in the proportion of economic benefits consumed during the period to the expected total economic benefits. Under Previous GAAP, such intangible assets are usually amortized on a straight line basis over the estimated useful life.

3) Under US GAAP, available for sale investments are measured at fair value at each reporting date. The changes in fair value of such investments, net of related deferred taxes, are recognized directly in equity. Under Previous GAAP, short-term investments are measured at lower of cost or fair value.

4) The key differences in revenue recognition principles between Previous GAAP and U.S. GAAP are as follows:

a) Under U.S. GAAP, in respect of certain multiple element arrangements, revenue recognition in respect of products/services delivered is limited to the amount of consideration that is not contingent upon delivery of additional items or meeting other specified performance conditions. Under Previous GAAP, revenue for products/services delivered is recognized in full, if the delivery of additional items or meeting other specified performance conditions is considered probable at the time of delivery.

b) Differences in revenue recognition principles between Previous GAAP and U.S. GAAP in respect of revenue arrangements involving delivery of third-party software products and related services.

The above adjustments consequently impact trade receivables, unbilled revenues, inventory, other assets, unearned revenues and other liabilities balances.

5) The key difference in net tax assets between Previous GAAP and U.S. GAAP are as follows:

a) Under U.S. GAAP, deferred tax assets in respect of carry forward tax losses are recognized if it is more likely than not that, sufficient taxable profits would be available in the future to realize the tax benefits. Under Previous GAAP, deferred tax assets in respect of carry forward tax losses is recognized only if it is virtually certain that sufficient future taxable income would be available in the future to realize the tax benefits.

b) Previous GAAP requires an entity to follow the income statement approach for recognizing deferred taxes, while U.S. GAAP requires balance sheet approach in recognizing deferred taxes.

c) Consequential tax impact of the reconciliation items between Previous GAAP and U.S. GAAP discussed herein.

6) The key differences between Previous GAAP and U.S. GAAP are as follows:

a) 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 U.S. GAAP, liability for dividend is recognized only when it is approved by the shareholders.

b) Certain liabilities to state finance institutions are reflected as borrowings under Previous GAAP, while these amounts are classified as liabilities under U.S. GAAP. This is a presentation difference between line items within statement of financial position and has no impact on equity.

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c) Under Previous GAAP, share application money pending allotment is reported as a separate item within equity whereas US GAAP requires the same to be presented under other liabilities. This presentation difference between US GAAP and Previous GAAP has resulted in an increase in equity under Previous GAAP as at April 01, 2008.

7) The key difference in defined employee benefit obligations between Previous GAAP and U.S. GAAP are as follows:

a) Under Previous GAAP, the Company considers the yield on government securities as the discounting rate in determining such employee retirement benefit obligation. Under U.S. GAAP, the Company considers yield on corporate bonds as the discount rate.

b) Under U.S. GAAP, actuarial gains and losses relating to defined employee retirement obligation is recognized in equity, which is subsequently recycled into the income statement using the corridor approach. Under Previous GAAP, the actuarial gains and losses are recognized in the statement of income in the period in which they occur.

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Reconciliation of equity as at September 30, 2008

Particulars	Amount as per Previous GAAP	Reconciliation adjustment	Amount as per US GAAP	Relevant Notes for adjustments
Goodwill	Rs. 48,977	Rs. (5,204)	Rs. 43,773	1
Property, plant and equipment and intangible assets	48,585	13,362	61,947	1(b),2
Available for sale investments	39,930	315	40,245	3
Investment in equity accounted investees	1,521		1,521	
Inventories	8,669	1,121	9,790	4
Trade receivables	50,343	(2,335)	48,008	4
Unbilled revenues	12,803	(280)	12,523	4
Cash and cash equivalents	20,157		20,157	
Net tax assets / (liabilities) (including deferred taxes)	1,284	(1,687)	(403)	5
Other assets	19,916	1,785	21,701	2(a),4
TOTAL ASSETS	**Rs. 252,185**	**Rs. 7,077**	**Rs. 259,262**	
Share capital	Rs. 2,926		Rs. 2,926	
Retained earnings	106,674	3,916	110,590	
Other components of equity	16,683	2,875	19,558	
Total equity (A)	**126,283**	**6,791**	**133,074**	
Minority interest	169		169	
Loans and borrowings	53,777	(88)	53,689	6(a)
Trade payables and accrued expenses	39,926		39,926	
Unearned revenues	5,846		5,846	
Employee benefit obligations	2,848	(124)	2,724	7
Other liabilities	23,336	498	23,834	4,6
Total liabilities (B)	**125,902**	**286**	**126,188**	
TOTAL LIABILITIES AND EQUITY (A)+(B)	**Rs. 252,185**	**Rs. 7,077**	**Rs. 259,262**	

Notes:

1) The key differences in goodwill between US GAAP and Previous GAAP are as follows:

   a) Under Previous GAAP, prior to the Transition Date, the Company merged certain wholly owned subsidiaries and adjusted the goodwill relating to acquisition of such entities against the retained earnings, whereas this adjustment was not recorded under U.S. GAAP.

   b)

Under U.S. GAAP, all the assets and liabilities arising from a business combination are identified and recorded at fair values. Accordingly, in respect of all business combinations a portion of purchase price was allocated towards acquired intangibles, net of related deferred taxes. Under Previous GAAP, assets and liabilities arising from a business combination are recognized at carrying value in the books of the acquired entity. This resulted in difference between the carrying amount of goodwill, intangible assets and deferred tax liabilities between U.S.GAAP and Previous GAAP.

2) The key differences in property, plant and equipment and intangibles between U.S. GAAP and Previous GAAP are as follows:

a) Under U.S. GAAP, lease of land is classified as an operating lease 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 U.S.GAAP. Under Previous GAAP, the lease rentals

paid in advance and lease deposits are recognized in property, plant and equipment. This is a presentation difference between line items within statement of financial position and has no impact on equity.

b) Difference in the basis of interest capitalization between Previous GAAP and U.S. GAAP.

c) Under U.S. GAAP, finite life intangible assets are amortized in the proportion of economic benefits consumed during the period to the expected total economic benefits. Under Previous GAAP, such intangible assets are usually amortized on a straight line basis over the estimated useful life.

3) Under US GAAP, available for sale investments are measured at fair value at each reporting date. The changes in fair value of such investments, net of related deferred taxes, are recognized directly in equity. Under Previous GAAP, short-term investments are measured at lower of cost or fair value.

4) The key differences in revenue recognition principles between Previous GAAP and U.S. GAAP are as follows:

a) Under U.S. GAAP, in respect of certain multiple element arrangements, revenue recognition in respect of products/services delivered is limited to the amount of consideration that is not contingent upon delivery of additional items or meeting other specified performance conditions. Under Previous GAAP, revenue for products/services delivered is recognized in full, if the delivery of additional items or meeting other specified performance conditions is considered probable at the time of delivery.

b) Differences in revenue recognition principles between Previous GAAP and U.S. GAAP in respect of revenue arrangements involving delivery of third-party software products and related services.

The above adjustments consequently impact trade receivables, unbilled revenues, inventory, other assets, unearned revenues and other liabilities balances.

5) The key difference in net tax assets between Previous GAAP and U.S. GAAP are as follows:

a) Under U.S. GAAP, deferred tax assets in respect of carry forward tax losses are recognized if it is more likely than not that, sufficient taxable profits would be available in the future to realize the tax benefits. Under Previous GAAP, deferred tax assets in respect of carry forward tax losses is recognized only if it is virtually certain that sufficient future taxable income would be available in the future to realize the tax benefits.

b) Previous GAAP requires an entity to follow the income statement approach for recognizing deferred taxes, while U.S. GAAP requires balance sheet approach in recognizing deferred taxes.

c) Consequential tax impact of the reconciliation items between Previous GAAP and U.S. GAAP discussed herein.

6) The key difference between Previous GAAP and U.S. GAAP are as follows

a) Certain liabilities to state finance institutions are reflected as borrowings under Previous GAAP, while these amounts are classified as liabilities under U.S. GAAP. This is a presentation difference between line items within statement of financial position and has no impact on equity.

b) Under Previous GAAP, share application money pending allotment is reported as a separate item within equity whereas US GAAP requires the same to be presented under other liabilities. This presentation difference between US GAAP and Previous GAAP has resulted in an increase in equity under Previous GAAP as at March 31, 2009.

7) The key difference in defined employee benefit obligations between Previous GAAP and U.S. GAAP are as follows:

a) Under Previous GAAP, the Company considers the yield on government securities as the discounting rate in determining such employee retirement benefit obligation. Under U.S. GAAP, the Company considers yield on corporate bonds as the discount rate.

b) Under U.S. GAAP, actuarial gains and losses relating to defined employee retirement obligation is recognized in equity, which is subsequently recycled into the income statement using the corridor approach. Under Previous GAAP, the actuarial gains and losses are recognized in the statement of income in the period in which they occur.

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Reconciliation of Equity as at March 31, 2009

Particulars	Amount as per Previous GAAP	Reconciliation adjustment	Amount as per US GAAP	Relevant Notes for adjustments
Goodwill	Rs. 56,521	Rs. (7,019)	Rs. 49,502	1
Property, plant and equipment and intangible assets	52,563	14,903	67,466	1(b),2
Available for sale investments	16,426	92	16,518	3
Investment in equity accounted investees	1,670		1,670	
Inventories	7,586	1,100	8,686	4
Trade receivables	48,859	(2,642)	46,217	4
Unbilled revenues	14,108	(265)	13,843	4
Cash and cash equivalents	49,117		49,117	
Net tax assets (including deferred taxes)	4,143	(1,151)	2,992	5
Other assets	20,995	2,408	23,403	2(a),4
TOTAL ASSETS	**Rs. 271,988**	**Rs. 7,426**	**Rs. 279,414**	
Share capital	Rs. 2,930		Rs. 2,930	
Retained earnings	119,957	8,685	128,642	
Other components of equity	13,412	5,198	18,610	
Total equity (A)	**136,299**	**13,883**	**150,182**	
Minority interest	237		237	
Loan and borrowings	56,892	(86)	56,806	6(b)
Trade payables and accrued expenses	42,051		42,051	
Unearned revenues	6,734	182	6,916	
Employee benefit obligations	3,111	(146)	2,965	7
Other liabilities	26,664	(6,407)	20,257	4,6
Total liabilities (B)	**135,689**	**(6,457)**	**129,232**	
TOTAL LIABILITIES AND EQUITY (A)+(B)	**Rs. 271,988**	**Rs. 7,426**	**Rs. 279,414**	

Notes:

1) The key differences in goodwill between U.S. GAAP and Previous GAAP are as follows:

   a) Under Previous GAAP, prior to the Transition Date, the Company merged certain wholly owned subsidiaries and adjusted the goodwill relating to acquisition of such entities against the retained earnings, whereas this adjustment was not recorded under U.S. GAAP.

   b) Under U.S. GAAP, all the assets and liabilities arising from a business combination are identified and recorded at fair values. Accordingly, in respect of all business combinations a portion of purchase price was allocated towards acquired intangibles, net of related deferred taxes. Under Previous GAAP, assets and liabilities arising

from a business combination are recognized at carrying value in the books of the acquired entity. This resulted in difference between the carrying amount of goodwill, intangible assets and deferred tax liabilities between U.S.GAAP and Previous GAAP.

2) The key differences in property, plant and equipment and intangibles between U.S. GAAP and Previous GAAP are as follows:

a) Under U.S. GAAP, lease of land is classified as an operating lease 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 U.S.GAAP. Under Previous GAAP, the lease rentals paid in advance and lease deposits are recognized in property, plant and equipment. This is a presentation difference between line items within statement of financial position and has no impact on equity.

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b) Difference in the basis of interest capitalization between Previous GAAP and U.S. GAAP.

c) Under U.S. GAAP, finite life intangible assets are amortized in the proportion of economic benefits consumed during the period to the expected total economic benefits. Under Previous GAAP, such intangible assets are usually amortized on a straight line basis over the estimated useful life.

3) Under US GAAP, available for sale investments are measured at fair value at each reporting date. The changes in fair value of such investments, net of related deferred taxes, are recognized directly in equity. Under Previous GAAP, short-term investments are measured at lower of cost or fair value.

4) The key differences in revenue recognition principles between Previous GAAP and U.S. GAAP are as follows:

a) Under U.S. GAAP, in respect of certain multiple element arrangements, revenue recognition in respect of products/services delivered is limited to the amount of consideration that is not contingent upon delivery of additional items or meeting other specified performance conditions. Under Previous GAAP, revenue for products/services delivered is recognized in full, if the delivery of additional items or meeting other specified performance conditions is considered probable at the time of delivery.

b) Differences in revenue recognition principles between Previous GAAP and U.S. GAAP in respect of revenue arrangements involving delivery of third-party software products and related services.

The above adjustments consequently impact trade receivables, unbilled revenues, inventory, other assets, unearned revenues and other liabilities balances.

5) The key difference in net tax assets between Previous GAAP and U.S. GAAP are as follows:

a) Under U.S. GAAP, deferred tax assets in respect of carry forward tax losses are recognized if it is more likely than not that, sufficient taxable profits would be available in the future to realize the tax benefits. Under Previous GAAP, deferred tax assets in respect of carry forward tax losses is recognized only if it is virtually certain that sufficient future taxable income would be available in the future to realize the tax benefits.

b) Previous GAAP requires an entity to follow the income statement approach for recognizing deferred taxes, while U.S. GAAP requires balance sheet approach in recognizing deferred taxes.

c) Consequential tax impact of the reconciliation items between Previous GAAP and U.S. GAAP discussed herein.

6) The key differences between Previous GAAP and U.S. GAAP are as follows:

a) 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 U.S. GAAP, liability for dividend is recognized only when it is approved by the shareholders.

b) Certain liabilities to state finance institutions are reflected as borrowings under Previous GAAP, while these amounts are classified as liabilities under U.S. GAAP. This is a presentation difference between line items within statement of financial position and has no impact on equity.

c) Under Previous GAAP, share application money pending allotment is reported as a separate item within equity whereas US GAAP requires the same to be presented under other liabilities. This presentation difference between US GAAP and Previous GAAP has resulted in an increase in equity under Previous GAAP as at March 31, 2009.

7) The key difference in defined employee benefit obligations between Previous GAAP and U.S. GAAP are as follows:

a) Under Previous GAAP, the Company considers the yield on government securities as the discounting rate in determining such employee retirement benefit obligation. Under U.S. GAAP, the Company considers yield on corporate bonds as the discount rate.

b) Under U.S. GAAP, actuarial gains and losses relating to defined employee retirement obligation is recognized in equity, which is subsequently recycled into the income statement using the corridor approach. Under Previous GAAP, the actuarial gains and losses are recognized in the statement of income in the period in which they occur.

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Reconciliation of Profit for the three months ended September 30, 2008

Particulars	Amount as per Previous GAAP	Reconciliation adjustment	Amount as per US GAAP	Relevant Notes for adjustments
Revenues	Rs. 65,354	Rs. (1,260)	Rs.64,094	1
Operating profit	11,054	(885)	10,169	2
Finance and other income/(expense), net	301	(1,090)	(789)	3
Equity in earnings of equity-accounted investees	106		106	
Profit before taxes	**11,461**	**(1,975)**	**9,486**	
Income taxes	(1,659)	419	(1,240)	4
Minority interest	(22)		(22)	
Net income	**9,780**	**(1,556)**	**8,224**	

Notes:

1) The key differences in revenue recognition principles between Previous GAAP and U.S. GAAP are as follows:

a) Under U.S. GAAP, in respect of certain multiple element arrangements, revenue recognition in respect of products/services delivered is limited to the amount of consideration that is not contingent upon delivery of additional items or meeting other specified performance conditions. Under Previous GAAP, revenue for products/services delivered is recognized in full, if the delivery of additional items or meeting other specified performance conditions is considered probable at the time of delivery.

b) Differences in revenue recognition principles between Previous GAAP and U.S. GAAP in respect of revenue arrangements involving delivery of third-party software products and related services.

c) Under U.S. GAAP, generally cash payments to customers pursuant to sales promotional activities are considered as sales discount and reduced from revenue. Under Previous GAAP, such payments are considered as cost of revenues and selling and marketing expenses. This is a presentation difference and has no impact on net income.

2) The key differences in operating profit between Previous GAAP and U.S. GAAP are as follows:

a) Impact of difference in revenue recognition principles described above.

b) Under U.S. GAAP, all the assets and liabilities arising from a business combination are identified and recorded at fair values. Under U.S. GAAP, finite life intangible assets are amortized in the proportion of economic benefits consumed during the period to the expected total economic benefits. Under Previous GAAP, such intangible assets are usually amortized on a straight line basis over the estimated useful. This has resulted in a difference in the underlying amortization expense between Previous GAAP and U.S. GAAP.

c) Indian tax laws levies fringe benefit tax (FBT) in respect of various fringe benefits provided to employees. Under Previous GAAP, such FBT is treated as income taxes, whereas under U.S. GAAP such FBT is treated as an operating expense. This is a presentation difference and has no impact on net income.

d) Indian tax laws levies FBT on all stock options exercised on or after April 1, 2007. The Company has modified its stock option plans to recover the FBT from employees. Under U.S. GAAP, FBT recovery is treated as an

additional exercise price and recorded in stockholders equity. Under Previous GAAP, recovery of FBT from employees is offset against the related FBT expense.

3) The key differences in other income / (expense), net between Previous GAAP and U.S. GAAP are as follows:

a) Foreign currency borrowings and related cross currency swap are considered as effective hedge of net investment in non-integral foreign operation. Consequently, the changes in the fair value of such derivative instrument and the impact of foreign currency translation adjustment on foreign currency borrowings that are determined to be an effective hedge are recognized in the equity. Under U.S. GAAP, combination of

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foreign currency borrowings and related cross currency swap do not qualify for hedge accounting, and consequently, the changes in fair value of such derivative instrument and the foreign currency translation adjustments on foreign currency borrowings are recognized in the statement of income.

b) Difference in the basis of interest capitalization between Previous GAAP and U.S. GAAP.

4) The key differences in Income taxes between Previous GAAP and U.S. GAAP are as follows:

a) Reclassification of FBT to operating expenses from income tax expense; refer note 2(c) above.

b) Under U.S. GAAP, deferred tax assets in respect of carry forward tax losses are recognized if it is more likely than not that, sufficient taxable profits would be available in the future to realize the tax benefits. Under Previous GAAP, deferred tax assets in respect of carry forward tax losses is recognized only if it is virtually certain that sufficient future taxable income would be available in the future to realize the tax benefits.

c) Previous GAAP requires an entity to follow the income statement approach for recognizing deferred taxes, while U.S. GAAP requires balance sheet approach in recognizing deferred taxes.

d) Consequential tax impact of the reconciliation items between Previous GAAP and U.S. GAAP discussed herein

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Reconciliation of Profit for the six months ended September 30, 2008

Particulars	Amount as per Previous GAAP	Reconciliation adjustment	Amount as per US GAAP	Relevant Notes for adjustments
Revenues	Rs. 125,718	Rs. (2,001)	Rs. 123,717	1
Operating profit	21,279	(1,358)	19,921	2
Finance and other income/(expense), net	586	(1,647)	(1,061)	3
Equity in earnings of equity-accounted investees	213		213	
Profit before taxes	**22,078**	**(3,005)**	**19,073**	
Income taxes	(3,185)	509	(2,676)	4
Minority interest	(34)		(34)	
Net income	**18,859**	**(2,496)**	**16,363**	

Notes:

1) The key differences in revenue recognition principles between Previous GAAP and U.S. GAAP are as follows:

a) Under U.S. GAAP, in respect of certain multiple element arrangements, revenue recognition in respect of products/services delivered is limited to the amount of consideration that is not contingent upon delivery of additional items or meeting other specified performance conditions. Under Previous GAAP, revenue for products/services delivered is recognized in full, if the delivery of additional items or meeting other specified performance conditions is considered probable at the time of delivery.

b) Differences in revenue recognition principles between Previous GAAP and U.S. GAAP in respect of revenue arrangements involving delivery of third-party software products and related services.

c) Under U.S. GAAP, generally cash payments to customers pursuant to sales promotional activities are considered as sales discount and reduced from revenue. Under Previous GAAP, such payments are considered as cost of revenues and selling and marketing expenses. This is a presentation difference and has no impact on net income.

2) The key differences in operating profit between Previous GAAP and U.S. GAAP are as follows:

a) Impact of difference in revenue recognition principles described above.

b) Under U.S. GAAP, all the assets and liabilities arising from a business combination are identified and recorded at fair values. Under U.S. GAAP, finite life intangible assets are amortized in the proportion of economic benefits consumed during the period to the expected total economic benefits. Under Previous GAAP, such intangible assets are usually amortized on a straight line basis over the estimated useful. This has resulted in a difference in the underlying amortization expense between Previous GAAP and U.S. GAAP.

c) Indian tax laws levies fringe benefit tax (FBT) in respect of various fringe benefits provided to employees. Under Previous GAAP, such FBT is treated as income taxes, whereas under U.S. GAAP such FBT is treated as an operating expense. This is a presentation difference and has no impact on net income.

d)

Indian tax laws levies FBT on all stock options exercised on or after April 1, 2007. The Company has modified its stock option plans to recover the FBT from employees. Under U.S. GAAP, FBT recovery is treated as an additional exercise price and recorded in stockholders equity. Under Previous GAAP, recovery of FBT from employees is offset against the related FBT expense.

3) The key differences in other income / (expense), net between Previous GAAP and U.S. GAAP are as follows:

a) Foreign currency borrowings and related cross currency swap are considered as effective hedge of net investment in non-integral foreign operation. Consequently, the changes in the fair value of such derivative instrument and the impact of foreign currency translation adjustment on foreign currency borrowings that are determined to be an effective hedge are recognized in the equity. Under U.S. GAAP, combination of

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foreign currency borrowings and related cross currency swap do not qualify for hedge accounting, and consequently, the changes in fair value of such derivative instrument and the foreign currency translation adjustments on foreign currency borrowings are recognized in the statement of income.

b) Difference in the basis of interest capitalization between Previous GAAP and U.S. GAAP.

4) The key differences in Income taxes between Previous GAAP and U.S. GAAP are as follows:

a) Reclassification of FBT to operating expenses from income tax expense; refer note 2(c) above

b) Under U.S. GAAP, deferred tax assets in respect of carry forward tax losses are recognized if it is more likely than not that, sufficient taxable profits would be available in the future to realize the tax benefits. Under Previous GAAP, deferred tax assets in respect of carry forward tax losses is recognized only if it is virtually certain that sufficient future taxable income would be available in the future to realize the tax benefits.

c) Previous GAAP requires an entity to follow the income statement approach for recognizing deferred taxes, while U.S. GAAP requires balance sheet approach in recognizing deferred taxes.

d) Consequential tax impact of the reconciliation items between Previous GAAP and U.S. GAAP discussed herein

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Reconciliation of Profit for the year ended March 31, 2009

Particulars	Amount as per Previous GAAP	Reconciliation adjustment	Amount as per US GAAP	Relevant Notes for adjustments
Revenues	Rs. 256,995	Rs. (2,431)	Rs. 254,564	1
Operating profit	44,004	(2,614)	41,390	2
Finance and other income/(expense), net	1,192	(3,008)	(1,816)	3
Equity in earnings of equity-accounted investees	362		362	
Profit before taxes	**45,558**	**(5,622)**	**39,936**	
Income taxes	(6,460)	1,038	(5,422)	4
Minority interest	(99)		(99)	
Net income	**38,999**	**(4,584)**	**34,415**	

Notes:

1) The key differences in revenue recognition principles between Previous GAAP and U.S. GAAP are as follows:

a) Under U.S. GAAP, in respect of certain multiple element arrangements, revenue recognition in respect of products/services delivered is limited to the amount of consideration that is not contingent upon delivery of additional items or meeting other specified performance conditions. Under Previous GAAP, revenue for products/services delivered is recognized in full, if the delivery of additional items or meeting other specified performance conditions is considered probable at the time of delivery.

b) Differences in revenue recognition principles between Previous GAAP and U.S. GAAP in respect of revenue arrangements involving delivery of third-party software products and related services.

c) Under U.S. GAAP, generally cash payments to customers pursuant to sales promotional activities are considered as sales discount and reduced from revenue. Under Previous GAAP, such payments are considered as cost of revenues and selling and marketing expenses. This is a presentation difference and has no impact on net income.

2) The key differences in operating profit between Previous GAAP and U.S. GAAP are as follows: