

WIPRO LTD
Form 6-K
November 19, 2008

Table of Contents

**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
For the Quarter ended September 30, 2008
Commission File Number 001-16139**

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

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

(Address of principal executive offices)

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

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g-3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☐

If Yes is marked, indicate below the file number assigned to registrant in connection with Rule 12g-3-2(b)
Not applicable.

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

<u>Item 1. Financial Statements</u>	4
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
<u>Item 3. Quantitative and Qualitative Disclosure about Market Risk</u>	34
<u>Item 4. Controls and Procedures</u>	35

PART II OTHER INFORMATION

<u>Item 1. Legal Proceedings</u>	36
<u>Item 1A. Risk Factors</u>	36
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	37
<u>Item 3. Default Upon Senior Securities</u>	37
<u>Item 4. Submission of Matters to a Vote of Security Holders</u>	37
<u>Item 5: Other Information</u>	38
<u>Item 6: Exhibits</u>	39
<u>SIGNATURES</u>	40

EXHIBIT INDEX

<u>EX-19.1</u>
<u>EX-31.1</u>
<u>EX-31.2</u>
<u>EX-32</u>

Table of Contents

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 United States Generally Accepted Accounting Principles (U.S. GAAP). References to Indian GAAP are to Indian Generally Accepted Accounting Principles. References to a particular fiscal year are to our fiscal year ended March 31 of such year.

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

Except as otherwise stated in this Quarterly Report, all translations from Indian rupees to U.S. dollars are based on the noon buying rate in the City of New York on September 30, 2008, for cable transfers in Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York which was Rs. 46.45 per \$1.00. No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding. Information contained in our website, www.wipro.com, is not part of this Quarterly Report.

Forward-Looking Statements May Prove Inaccurate

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

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements**

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

		As of September 30,		As of March
	2007	2008	2008	31,
			Convenience	2008
			translation	
			into	
			US\$	
	(Unaudited)	(Unaudited)	(Unaudited)	
ASSETS				
Current assets:				
Cash and cash equivalents (Note 4)	Rs. 20,266	Rs. 20,157	\$ 434	Rs. 39,270
Restricted cash	33			
Investments in liquid and short-term mutual funds (Note 7)	23,060	39,888	859	14,808
Accounts receivable, net of allowances (Note 5)	32,130	48,008	1,034	38,908
Unbilled Revenue	7,800	12,523	270	8,305
Inventories (Note 6)	6,296	9,790	211	7,172
Deferred income taxes (Note 17)	506	1,836	40	790
Other current assets	13,797	23,878	514	19,092
Total current assets	103,888	156,080	3,360	128,345
Property, plant and equipment, net (Note 8)	33,626	46,270	996	39,822
Investments in affiliates (Note 12)	1,379	1,521	33	1,343
Investment securities	358	356	8	355
Deferred income taxes (Note 17)	230	377	8	
Intangible assets, net (Note 3, 9)	12,296	15,679	338	12,480
Goodwill (Note 3, 9)	37,589	43,773	942	38,943
Other assets (Note 13)	5,591	4,571	98	3,214
Total assets	Rs. 194,957	Rs. 268,627	\$ 5,783	Rs. 224,502
LIABILITIES AND STOCKHOLDERS EQUITY				
Current liabilities:				
Short-term borrowings (Note 15)	Rs. 24,762	Rs. 36,259	\$ 781	Rs. 28,804
Current portion of long-term debt (Note 15)	981	411	9	406
Current portion of obligations under capital leases	320	331	7	323
Accounts payable	14,226	18,142	391	13,082
Accrued expenses	8,786	12,202	263	8,110
Accrued employee costs	4,611	5,870	126	5,160

Edgar Filing: WIPRO LTD - Form 6-K

Advances from customers	1,620	3,009	65	2,136
Unearned revenue	2,485	5,846	126	4,162
Other current liabilities	14,391	30,206	650	12,519
Total current liabilities	72,182	112,276	2,417	74,702
Long-term debt, excluding current portion (Note 15)	2,335	15,893	342	14,522
Obligations under capital leases, excluding current portion	806	795	17	701
Deferred income taxes (Note 17)	1,843	3,136	68	2,098
Other liabilities (Note 10, 13)	2,290	3,279	71	3,011
Total liabilities	79,456	135,379	2,915	95,034
Minority interest	97	169	4	114
Stockholders' equity:				
Equity shares at Rs. 2 par value:				
1,650,000,000 shares authorized; Issued and outstanding: 1,461,453,320, 1,459,261,169 and 1,463,003,208 shares as of March 31, 2008, September 30, 2007 and 2008	2,919	2,926	63	2,923
Additional paid-in capital (Note 18)	25,223	27,502	592	26,441
Accumulated other comprehensive income/(loss)	(237)	(7,939)	(171)	(1,076)
Retained earnings	87,499	110,590	2,381	101,066
Equity shares held by a controlled Trust: 7,961,760 shares as of March 31, 2008, September 30, 2007 and 2008 (Note 18)				
Total stockholders' equity	115,404	133,079	2,865	129,354
Total liabilities and stockholders' equity	Rs. 194,957	Rs. 268,627	\$ 5,783	Rs. 224,502

See accompanying notes to the unaudited consolidated financial statements.

Table of Contents

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

	Three months ended September 30,			Six months ended September 30,		
	2007	2008	2008	2007	2008	2008
			Convenience			Convenience
			translation			translation
			into			into
			US\$			US\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues:						
Services	Rs. 34,760	Rs. 47,523	\$ 1,023	Rs. 66,787	Rs. 92,127	\$ 1,983
Products	12,521	16,571	357	22,326	31,590	680
Total	47,281	64,094	1,380	89,113	123,717	2,663
Cost of revenues:						
Services	23,344	31,924	687	44,544	61,319	1,320
Products	9,822	13,299	286	17,891	25,304	545
Total	33,166	45,223	974	62,435	86,623	1,865
Gross profit	14,115	18,871	406	26,678	37,094	799
Operating expenses:						
Selling and marketing expenses	(3,288)	(4,552)	(98)	(6,049)	(8,985)	(193)
General and administrative expenses	(2,655)	(3,452)	(74)	(4,715)	(6,706)	(144)
Amortization of intangible assets (Note 9)	(99)	(495)	(11)	(204)	(722)	(16)
Foreign exchange gains/(losses), net	58	(321)	(7)	(794)	(1,010)	(22)
Others, net	32	118	3	112	250	5
Operating income	8,163	10,169	219	15,028	19,921	429
Other income, net (Note 16)	743	(789)	(17)	1,734	(1,061)	(23)
Equity in earnings/(losses) of affiliates (Note 12)	84	106	2	171	213	5

Income before income taxes, minority interest	8,990	9,486	204	16,933	19,073	411
Income taxes (Note 17)	(865)	(1,240)	(27)	(1,704)	(2,676)	(58)
Minority interest	(3)	(22)		(3)	(34)	(1)
Net income	Rs. 8,122	Rs. 8,224	\$ 177	Rs. 15,226	Rs. 16,363	\$ 352
Earnings per equity share: (Note 19)						
Basic	5.60	5.66	0.12	10.50	11.26	0.24
Diluted	5.57	5.65	0.12	10.45	11.23	0.24
Weighted average number of equity shares used in computing earnings per equity share:						
Basic	1,450,036,475	1,453,493,031		1,449,964,665	1,453,064,597	
Diluted	1,457,139,183	1,456,763,428		1,457,512,260	1,456,739,353	

See accompanying notes to the unaudited consolidated financial statements.

Table of Contents

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

	Equity Shares		Additional Paid in Capital	Comprehensive Income	Accumulated		Equity Shares held by a Controlled Trust No. of Shares	Amount	Total Stockholders' Equity
	No. of Shares	Amount			Other Comprehensive Income/(loss)	Retained Earnings			
Balance as of March 31, 2007	1,458,999,650	Rs. 2,918	Rs. 24,508		Rs. 94	Rs. 73,948	(7,961,760)	Rs. (0)	Rs. 101,468
Cash dividend (unaudited)						(1,675)			(1,675)
Issuance of equity shares on exercise of options (Note 18) (unaudited)	2,61,519	1	91						92
Compensation cost related to employee stock incentive plan (Note 18) (unaudited)			624						624
Comprehensive income / (loss)									
Net income (unaudited)				15,226		15,226			15,226
Other comprehensive income / (loss)									
Translation adjustments (Note 14) (unaudited)				(777)					
Unrecognized actuarial gain/(loss) (net of tax effect of Rs. (0.08)) (unaudited)				5					
Unrealized gain/(loss) on investment securities, net (net of tax				(161)					

effect of Rs. 81) (unaudited) Unrealized gain/(loss) on cash flow hedging derivatives, net (Note 13) (unaudited)				602					
Total other comprehensive income / (loss) (unaudited)				(331)	(331)				(331)
Comprehensive income (unaudited)				14,895					
Balance as of September 30, 2007 (unaudited)	1,459,261,169	Rs. 2,919	Rs. 25,223		Rs. (237)	Rs. 87,499	(7,961,760)	Rs.	Rs. 115,404
Balance as of March 31, 2008	1,461,453,320	Rs. 2,923	Rs. 26,441		Rs. (1,076)	Rs. 101,066	(7,961,760)	Rs.	Rs. 129,354
Cash dividend (unaudited)						(6,839)			(6,839)
Issuance of equity shares on exercise of options (Note 18) (unaudited)	1,549,888	3	272						275
Compensation cost related to employee stock incentive plan (Note 18) (unaudited)			789						789
Comprehensive income / (loss) Net income (unaudited)				16,363		16,363			16,363
Other comprehensive income / (loss) Translation adjustments (Note 14)				4,453					

(unaudited)
 Unrealized gain
 / (loss) on
 investment
 securities, net
 (net of tax
 effect of Rs.
 (60)) (Note 7)

(111)

(unaudited)
 Unrealized gain
 / (loss) on cash
 flow hedging
 derivatives, net
 (net of tax
 effect of Rs.
 (1,520)) (Note
 13) (unaudited)

(11,205)

Total other
 comprehensive
 income /(loss)
 (unaudited)

(6,863)

(6,863)

(6,863)

Comprehensive
 income
 (unaudited)

9,500

Balance as of
 September 30,
 2008

(unaudited) 1,463,003,208 Rs. 2,926 Rs. 27,502

Rs. (7,939) Rs. 110,590 7,961,760 Rs. Rs. 133,079

Balance as of
 September 30,
 2008 (\$)

(Unaudited) \$ 63 \$ 592 \$ (171) \$ 2,381 \$ \$ 2,865

See accompanying notes to the unaudited consolidated financial statements.

Table of Contents

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

	Six months ended September 30,		
	2007	2008	2008
			Convenience translation into US\$
	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from operating activities:			
Net income	Rs. 15,226	Rs. 16,363	\$ 352
Adjustments to reconcile net income to net cash provided by operating activities:		&nbs	