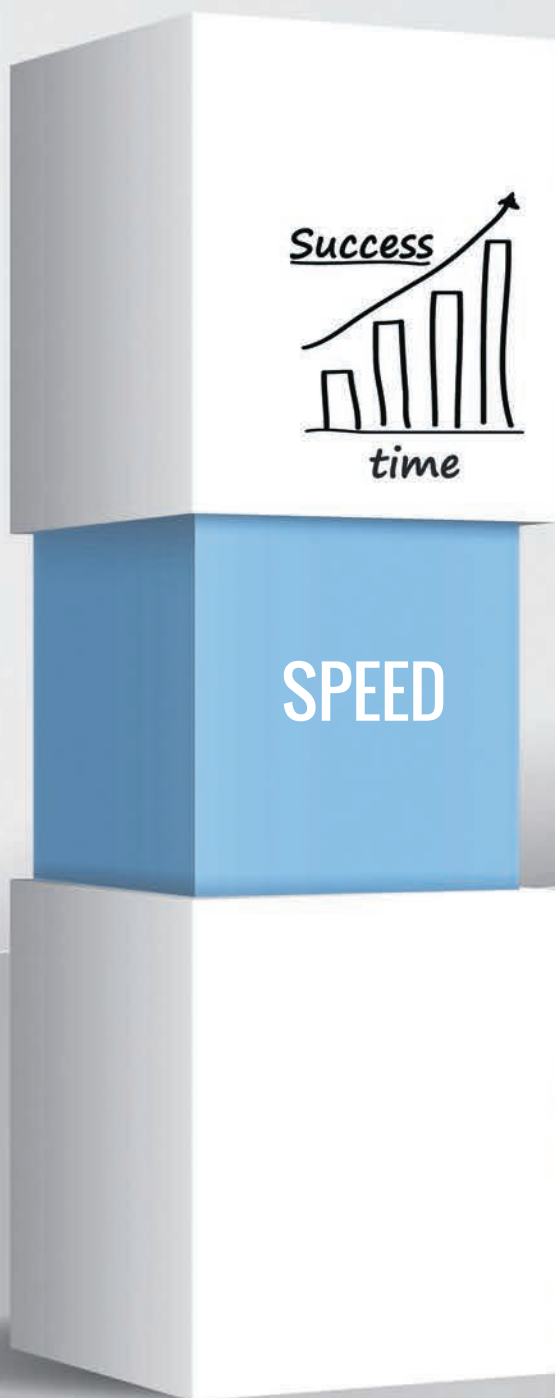


# ANNUAL REPORT 2013 - 2014



## DRIVING EXECUTION EXCELLENCE



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Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in our earnings, revenue and profits, our ability to generate and manage growth, intense competition in IT services, our ability to maintain our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which we make strategic investments, withdrawal of fiscal governmental incentives, political instability, war, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property, and general economic conditions affecting our business and industry. Additional risks that could affect our future operating results are more fully described in our filings with the United States Securities and Exchange Commission. These filings are available at [www.sec.gov](http://www.sec.gov). We may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.



**“ To be relevant in a world that wants "business outcomes as a service" we need to focus on predictability in delivery and innovative solutions. ”**

# WIPRO IN BRIEF





Wipro Limited (NYSE: WIT; NSE: WIPRO) is a global leader in IT Services, Outsourced R&D, Infrastructure Services, Business Process Services and Business Consulting.

With a track record of over 25 years, Wipro is the first to perfect a unique quality methodology, the Wipro Way – a combination of Six Sigma, Lean Manufacturing, Kaizen and CMM practices – to provide unmatched business value and predictability to our clients.

Our industry aligned customer facing business model gives us a deep understanding of our customers' needs to build domain specific solutions, while our 55+ dedicated emerging technologies 'Centres of Excellence' enables us to harness the latest technology for delivering superior business results to our clients. We have a workforce of over 140,000 serving over 950 clients, including a number of Fortune 500 and Global 500 corporations in 175+ cities across six continents.

We began our business as a vegetable oil manufacturer in 1945 at Amalner, a small town in Western India and thereafter, expanded into the manufacture of soaps and other consumer care products. During the early 1980s, we entered the Indian IT industry by manufacturing and selling mini computers. We began selling personal computers in India in 1985.

In the 1990s, we leveraged our hardware R&D design and software development expertise and began offering software services to global clients. We are one of the pioneers of the offshore development centre ("ODC") model that propelled the growth of the Indian IT Services business to a global scale.

Effective March 31, 2013, we demerged the Diversified Business to create an organization focused purely on Information Technology.

## VALUES

At the core of Wipro is the "Spirit of Wipro". It encapsulates the values, which are the guiding principles for our culture and behavior in Wipro. It binds us together and inspire us to achieve excellence in whatever we do.

### Spirit of Wipro identifies three core values

#### Intensity To Win

- Make customers successful
- Team, innovate, excel

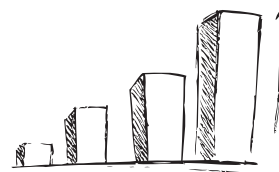
#### Act With Sensitivity

- Respect for the individual
- Thoughtful and Responsible

#### Unyielding Integrity

- Delivering on commitments
- Honesty and fairness in action

# DRIVING EXECUTION EXCELLENCE



There have been several disruptions in the past decade that have changed the way we think, act and do business. Our world has become unimaginably well networked and connected. Technology has empowered the customer and broken traditional competitive barriers. Boundaries within the organizational functions are blurring and the focus is changing from process to outcome. We are truly in the Digital Age, and the way we do business must reflect the needs of this age.

## **SPEED, SIMPLICITY AND EXCELLENCE**

A fast paced world needs fast moving organizations – those that can respond to customer demands in real time, launch products and services with alacrity, and fine tune their systems and processes continuously to meet changing market needs. It is easy to lose one's way in a complex landscape which changes incessantly. Therefore organizations will need speed, simplicity and execution excellence to succeed. These coupled with a focus on customer experience and predictability in outcome will define the future ready organization.

An effective organization is simple – in the way it is structured, and in how it works and performs. Large and mid-size organizations can be prone to complexities which can make them sluggish, ineffective, and bureaucratic. Wipro believes in fighting complexity. For instance, to simplify client interactions, we adopted the Global Client Partner (GCP) structure. This changed our multiple owner approach to a single owner and enhanced our ability to focus on client needs.

Simplicity, when embraced, leads to speed. When an organization and its people have clarity around tasks and actions, agility is the outcome. It becomes easy to adapt to new trends and change quickly, hence fostering a culture of innovation.

Simply put, innovation is a novel idea executed well. Simpler structures allow time and energy to focus on new ideas. Simplicity in decision making also enables quick action and implementation with a focus on executing with excellence.

For businesses today, operational excellence is not an option but a mandate. Collaboration, teamwork, problem solving, and risk identification and control are key components of success.

## **EXCELLENCE AT WIPRO**

### **■ Customer centricity**

Our focus on account management has yielded encouraging results. We continue to execute to our strategy for superior engagement with clients while investing in emerging technologies to drive towards a higher growth trajectory. Our strategy of 'standardization at the core' is yielding results. Our investments in automation and productivity tools have driven efficiencies and helped us expand the margins of the IT Services business.

Our DNA of customer centricity reflects in tangible actions and the commitment that we demonstrate to our customers' success by taking ownership. For example, our financial services business has identified eleven key themes that will transform our clients' business in the industry. We will show clients "here is how" they can simplify their business, right from infrastructure to core processes, make it more resilient, stay compliant, be agile with better architecture, be digital, connect with their customers and advise them better. Across these themes – "the power of how" will redefine the way we engage with our customers. Committing to only what we can actually deliver, consistently pushing ourselves and others to do better and responding to clients with a sense of urgency are a few ways in which we endeavor to build customer trust.

To be available to our customers, we have defined country specific structures and appointed local industry veterans as regional heads in most of our focus geographies. We have built a successful country delivery strategy with respective delivery heads in every region. We are also looking to build local delivery teams and functional streams. Almost all the regions have local marketing, HR, recruitment and legal functions.

#### ■ Driving predictability and innovation to deliver on customer expectations

To be relevant in a world that wants "business outcomes as a service", we need to focus on predictability in delivery and innovative solutions to meet evolving business needs.

To drive predictability in outcomes we are investing heavily in hyper-automation and technologies such as cognitive intelligence to build next generation delivery platforms.

We have set-up a new "Change the Business Services" unit to boost Revenue Vitality i.e. increase our share of revenue from new business areas. This unit will focus on transformational initiatives both for Wipro and for our customers. For example, as third-platform digital technologies are set to grow at a rapid pace, we are building integrated solutions and services which can be deployed rapidly with the existing IT environment.

One of the most pertinent requirements for enterprises today is creating Connected Customer Experiences. We

believe that the opportunity in creating the Connected Enterprise, transcending interactions and transactions is imperative, real and at the cusp of massive growth. Our new Practice - Connected Enterprise Services will single-mindedly focus on growth by delivering an integrated value proposition covering Customer Engagement, Commerce and Customer Experience, delivered by an Integrated Enterprise.

Meanwhile, we are also adapting to the changing technology services landscape by offering various 'as a service' models that provide customers several benefits: greater agility, higher levels of innovation, faster responsiveness to market changes, improved ability to contain costs and lower capital requirements. For example, we have partnered with NetSuite to bring Finance & Accounting Business Process as a Service (F&A BPaaS) to our clients. This solution will enable enterprises to selectively manage and control their finance and accounting processes on a standardized platform. It will also enable rapid implementation of business processes, improve compliance standards, and provide operational readiness, leading to significant cost savings.

#### ■ Domain Knowledge

Of course, to help our customers we must understand their business. Besides pulling in the right expertise and capabilities, we constantly upgrade our skills and adopt best practices to implement innovative solutions, leveraging our understanding of technology, industry and delivery processes and tools.

Domain knowledge helps us appreciate and meet industry vision and respond faster to changes. It helps us deliver cross-system benefits to our customers rather than focus solely on delivery commitments. For example, we have done some great work in building domain focus for our ENU business that has positioned us amongst the world's top service providers in this space. A recent IDC Marketscape rated Wipro as a 'Major Player' in the EMEA Utilities market. We are now one of the few companies in the world to have a large number of subsurface information experts. Our technology heritage and growing domain expertise in ENU allows us to be major players at the sweet spot of Information Technology and Operational Technology integration.







## ■ Collaboration

Our mega-alliance strategy places Wipro in a unique position in the world of consolidating 'stacks'. We are building strategic initiatives across cloud, analytics and mobility with our strategic partners such as Cisco, EMC<sup>2</sup>, SAP, Oracle and Microsoft. The aim is co-innovation and co-creation for the future, through a synergistic partnership ecosystem.

At Wipro, we believe that people are the pillars of the organization's future and that customers perceive us on the basis of our people rather than the technologies we enable. We strive to hire, retain and grow the best, high impact people to delight our customers.

Our inclusive hiring using a competency approach ensures that the best candidate gets selected for the job. Our internal job postings enable competency development through rotations. We were also the first to reward people management effectiveness. Nurturing people is a key WLQ (Wipro Leadership Qualities) competency and the Best People Managers are recognized by the Chairman himself.

## THE ROAD AHEAD

Wipro has identified 6 market disruptions that could transform the business landscape. These are - consumerization, consumption models, regulation, complexity, cyber security and changing stakeholder influence. To leverage these disruptions we have devised 6 strategies: to focus on our core strengths, leverage technology disruptions, transform the way we sell, build solution and people assets, build a world class ecosystem, and deliver certainty and efficiency.

We have witnessed significant technological shifts that will have a far reaching impact on our business model and that of our clients. We want to ensure execution excellence that will help us stay true to our vision to earn our clients' trust and maximize value of their businesses by providing solutions that integrate deep industry insights, leading technologies and best in class delivery processes.

We believe businesses will require flexibility, modularity, fresh thinking and ability to manage multi-stakeholder communication to stay relevant in the future. At the center

of it will be Execution Excellence driving the vision for the future.

# FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE (FOR CONTINUING OPERATIONS)	FY 2014	FY 2013	FY 2012
Revenue (₹Mn)	437,628	376,882	322,075
Profit before Depreciation , Amortisation , Interest and Tax (₹Mn)	100,460	79,885	69,131
PBIT (₹Mn)	89,354	69,972	59,912
Depreciation, Amortisation (₹Mn)	11,106	9,913	9,219
Effective Tax Rate	22.4%	21.5%	19.8%
Tax (₹Mn)	22,600	16,912	12,955
PBT (₹Mn)	101,005	78,596	65,523
PAT - Profit for the period attributable to Equity holders (₹Mn)	77,967	61,362	52,325
PER SHARE DATA (FOR CONTINUING OPERATIONS)			
EPS - Basic (₹)	31.76	25.01	21.36
EPS - Diluted (₹)	31.66	24.95	21.29
Book Value* (₹)	140	116	116
Dividend Per Share (₹)	8	7	6
FINANCIAL POSITION (₹Mn)*			
Share Capital	4,932	4,926	4,917
Networth	344,886	284,983	286,163
Total Debt	51,592	63,816	58,958
Property, Plant and Equipment incl. Intangibles Assets	53,385	52,239	63,217
PPE	51,449	50,525	58,988
Intangible Assets	1,936	1,714	4,229
Cash and Investments	189,934	163,469	128,037
Goodwill	63,422	54,756	67,937
Net Current Assets	218,230	162,663	155,803
Capital Employed	396,478	348,799	345,121
SHAREHOLDING RELATED			
Number of Shareholders	210,470	213,603	227,158
Market Price of Shares (₹) Adjusted for Bonus**	543.2	437.2	440.1
Dividend Distribution Ratio (%)	30%	33%	30%

Note : All figures above are based on IFRS Consolidated Financial Statements

Book Value per share has been computed using weighted number of equity shares used for computing diluted earnings per share

\* Effective March 31, 2013, the Group completed the demerger of its consumer care and lighting, infrastructure engineering and other non-IT business segments (collectively, "the Diversified Business"). Consequently to the demerger, the financial position as at March 31, 2014 and 2013 does not include the balances of the Diversified Business and are therefore strictly not comparable with the financial position as at Mar 31, 2012.

\*\* Market price of shares is based on closing price in NSE as on March 31