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Financial Performance of Wipro Limited

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ABSTRACT

This paper examines the financial performance of Wipro Limited across FY 2022–23 to FY 2024–25 through ratio analysis, comparative trend analysis, and the SWOT framework, with focus on liquidity, solvency, profitability, and returns generated on capital employed. The evidence indicates that Wipro sustained a strong liquidity cushion and a conservative balance sheet, alongside margin expansion and higher net income in FY 2024–25 despite a soft revenue environment. These outcomes were underpinned by disciplined execution, robust cash conversion, and resilient large-deal bookings, even as demand remained uneven across markets and verticals. The SWOT lens underscores significant opportunities in cloud, AI, cybersecurity, and end-to-end digital programs, counterbalanced by competitive intensity, macro uncertainty in key geographies, and rapid technological change. The study infers that long-term value creation can be enhanced by accelerating investments in high-growth service lines, deepening client mining in core regions, and maintaining margin rigor through the cycle.

INTRODUCTION

The financial performance of the enterprise signals its resilience, efficiency, and capacity to create stakeholder value, underscoring the need for disciplined evaluation in a fast-changing environment. Wipro Limited is a Bengaluru-headquartered global provider of information technology, consulting, and business process services, delivering cloud, cybersecurity, data and AI, and digital transformation solutions to clients across more than 60 countries, placing it among India's foremost technology service companies. Established in 1945 as Western India Vegetable Products and reshaped over decades under the Premji family's stewardship, Wipro has evolved into a consulting-led, engineering-driven partner that executes end-to-end programs at scale. Given the technology sector's intensity of competition and rapid innovation cycles, a focused appraisal of Wipro's finances helps illuminate its profitability, liquidity, leverage, and operational discipline, as well as its preparedness for AI-first and cloud-native growth phases. Accordingly, this project applies Ratio Analysis, Comparative Analysis, and SWOT Analysis to interpret core financial indicators, examine year-over-year patterns, and situate results within Wipro's strategic moves, leadership developments, and market footprint.

STATEMENT OF PROBLEM

Wipro Limited, a major global provider of technology services and consulting, has sustained resilient earnings, solid cash generation, and a conservative capital structure over the past three financial years; yet, topline momentum has been uneven amid a soft discretionary IT-spend cycle, sharpening questions about competitive intensity, pricing, and share gains in core markets where the Americas and Europe account for a dominant revenue contribution and heighten sensitivity to macro and currency swings. The rapid pivot toward AI-enabled transformation, cloud modernization, cybersecurity, and platformization is compressing refresh cycles and demanding continuous capability build-out and large-deal execution, even as fixed-price mix, wage inflation, and selective ramp-downs can pressure utilization and margins. Prior analyses tend to emphasize backward-looking ratio trends and overlook deal pipeline quality, geography/vertical mix, and peer benchmarking versus TCS, Infosys, HCL Tech, and Accenture, leaving a gap on how Wipro's AI initiatives, FullStride Cloud partnerships, consulting-led selling, and operating model changes convert into durable growth and margin uplift. This study therefore integrates multi-year financials with competitive context, disclosed risk factors, and technology adoption trends to evaluate Wipro's financial position, earnings capacity, structural strengths and weaknesses, and the resilience of its growth trajectory in a fast-evolving IT services landscape.

OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

- To assess the current financial standing of the Company.
- To gauge the enterprise's earning potential using key profitability indicators.
- To pinpoint the Company's core strengths and areas needing improvement through ratio trends and SWOT evaluation.

LIMITATIONS OF THE STUDY

- Non-financial drivers—like client satisfaction, delivery quality, talent retention, innovation in AI/cloud, and cybersecurity posture—are material to competitiveness but only partially captured in financial statements.
- The analysis covers only a three-year period (FY 2022–23 to FY 2024–25), which may not fully capture long-term structural trends or cyclical effects in the IT services industry.

REVIEW FOR LITERATURE

- **Dr. R. Guna Sundari and Anantha Narayanan A (2025)** examined Wipro's financial performance over 2019–2024 and reported strong liquidity with conservative leverage, while noting volatility in gross and net profit ratios due to operating cost pressures and changing demand; they recommend cost control and equity strengthening to sustain margins.
- **Dr. M. Yasodha, Vijayantthi R., Shree Harshini G., and Nivedha V. (2021)** analyzed working capital management at Wipro and found overall liquidity and operating stability improving post-pandemic, though 2020 pressures reduced working capital; the study underscores receivables, inventory, and cash management as levers for profitability.
- **Sukhdeep Kaur and Poonam (2024)** conducted a comparative analysis of TCS, Wipro, and Infosys and identified statistically significant differences in net profit ratios via ANOVA, with TCS leading and Wipro trailing on average margins over 2020–2024, suggesting execution in higher-value digital programs is critical for convergence.

RESEARCH METHODOLOGY

SOURCES OF DATA

Wipro's Integrated Annual Reports and consolidated financials for FY 2022–23, FY 2023–24, and FY 2024–25 taken from the official investors website and year-end press releases .

Quarterly result packs, earnings transcripts, and data sheets used to cross-check full-year disclosures and definitions of financial metrics .

PERIOD OF STUDY

The date required for the study has been collected from secondary data sources and the relevant information were taken from the company's annual report for the period of last 3 year

TOOLS AND TECHNIQUES

- **Liquidity:** Quick Ratio and Current Ratio derived from consolidated current assets and liabilities; inventories and other adjustments used for quick ratio where disclosed .
- **Capital structure:** Debt-to-Equity calculated from total borrowings and equity.
- **Profitability:** Operating Margin from cost of sales and operating income; Net Profit Margin from profit attributable to equity holders over total income .
- **Return metrics:** Return on Equity (ROE) .
- **Trend and comparative review:** Year-on-year analysis across the three years to spot direction, stability, and inflection points in the above ratios .
- **Qualitative lens:** SWOT drawn from management commentary, business outlook, client/geography mix, and risk factors included in the reports and transcripts .

ANALYTICAL TOOLS USED

- Current ratio
- Quick ratio
- Debt-Equity ratio
- Operating margin
- Net Profit margin

- Return on Equity (ROE)
- Trend analysis

ANALYSIS AND INTERPRETATION (SWOT ANALYSIS)

Strengths and weaknesses

Strengths

- Strong balance sheet with low leverage and solid cash generation from operations supporting investments in AI and cloud programs.
- Global delivery footprint and large-deal momentum, including multi-year wins that anchor visibility for services pipelines.
- Strategic platforms like FullStride Cloud and ai360 embed AI in deals, improving win rates and differentiation.
- Stabilizing talent metrics with lower attrition and calibrated hiring, aiding utilization and margin execution.

Weaknesses

- Revenue growth lag versus peers with FY25 constant-currency decline and slower conversion from TCV to revenue.
- High geographic concentration in the Americas/Europe increases exposure to macro and regulatory shocks.
- Pricing pressure in cost-takeout/vendor consolidation deals can cap operating margin expansion.
- Periodic project pauses and delayed client decisions extend sales cycles and defer ramp-ups.

Opportunities and threats

Opportunities

- Rising enterprise adoption of generative AI, cloud modernization, and cybersecurity driving new program spend.
- Scope to diversify across underpenetrated regions and verticals to reduce concentration risk.
- Large-deal pipeline and platform-led offerings enable cross-sell and higher share-of-wallet in key accounts.
- Talent upskilling at scale in AI and automation can lift productivity and delivery quality.

Threats

- Intense competition from global integrators pressures pricing and talent retention in priority markets.
- Macro uncertainty and softer European demand dampen discretionary tech spending and deal velocity.
- Cost inflation in skilled labor and changing visa/trade regimes may impact onshore delivery economics.
- Execution risk in converting large TCV to revenue given client caution, tariffs, and program deferrals.

INTERPRETATION: Wipro's strong balance sheet, global delivery, and AI/cloud platforms provide a solid base for large digital programs and steady margins. Growth headwinds, revenue concentration in Western markets, and pricing pressure require faster deal conversion and disciplined execution. Diversifying geographies and scaling generative AI, cloud modernization, and cybersecurity can accelerate revenue and support margin expansion.

CURRENT RATIO

Current ratio table

Financial Year	Current Assets (₹ Cr)	Current Liabilities (₹ Cr)	Current Ratio
FY 2022–23	53,978	18,843	2.86
FY 2023–24	65,066	25,546	2.58
FY 2024–25	77,778	28,625	2.72

Chart 1



INTERPRETATION: Current Ratio stayed well above the 2:1 benchmark across all three years, indicating strong liquidity and comfortable short-term solvency.

QUICK RATIO

Quick ratio table

FINANCIAL YEAR	CURRENT ASSETS (IN CR)	INVENTORIES (IN CR)	CURRENT LIABILITIES (IN CR)	QUICK RATIO
FY 2023-24	65,066.2	90.7	25,245.8	2.57
FY 2024-25	77,777.5	69.4	28,625.3	2.71

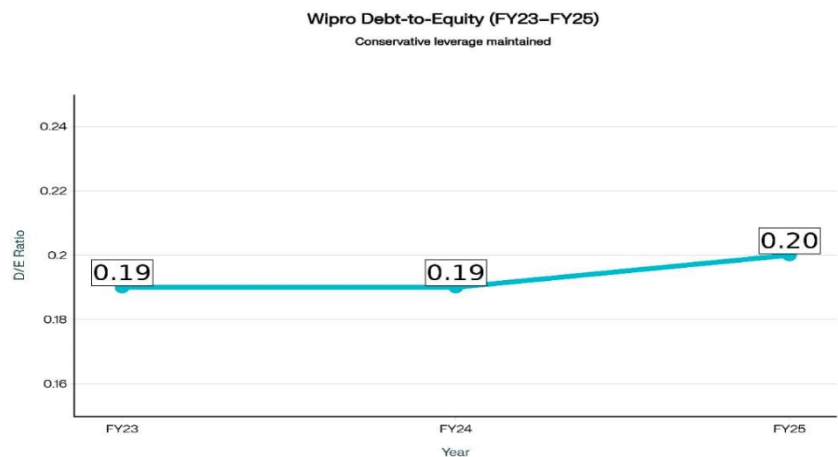
INTERPRETATION: Quick Ratio stayed well above the ideal benchmark, improving from 2.57 in FY 2023–24 to 2.71 in FY 2024–25, indicating strong ability to meet short-term obligations without relying on inventory.

DEBT TO EQUITY RATIO

Debt Equity Table

FINANCIAL YEAR	TOTAL DEBT/EQUITY
FY 2022-23	0.19
FY 2023-24	0.19
FY 2024-25	0.20

Chart 2



INTERPRETATION: Debt-to-Equity shows how much the company relies on borrowings versus shareholders’ funds. The ratio stayed low and steady at about 0.19–0.20 across FY 2023–FY 2025, indicating conservative leverage and strong solvency. A slight uptick in FY 2024–25 keeps D/E comfortably low, reflecting prudent capital structure management.

OPERATING MARGIN

Operating margin table

FINANCIAL YEAR	REVENUE (IN CR)	OPERATING PROFIT (IN CR)	OPERATING MARGIN
FY 2022-23	90,488	16,854	18.17%
FY 2023-24	89,760	16,776	18.16%
FY 2024-25	89,088	18,021	19.38%

Chart 3



INTERPRETATION: Operating margin improved steadily over three years, rising from about 18.17% in FY 2022–23 to roughly 19.38% in FY 2024–25, indicating better operating efficiency.

NET PROFIT MARGIN

Net profit margin table

FINANCIAL YEAR	REVENUE (IN CR)	NET PROFIT (IN CR)	NET PROFIT MARGIN
FY 2022-23	904,876	113,665	12.6%
FY 2023-24	897,603	111,121	12.4%
FY 2024-25	893,108	132,180	14.8%

Chart 4



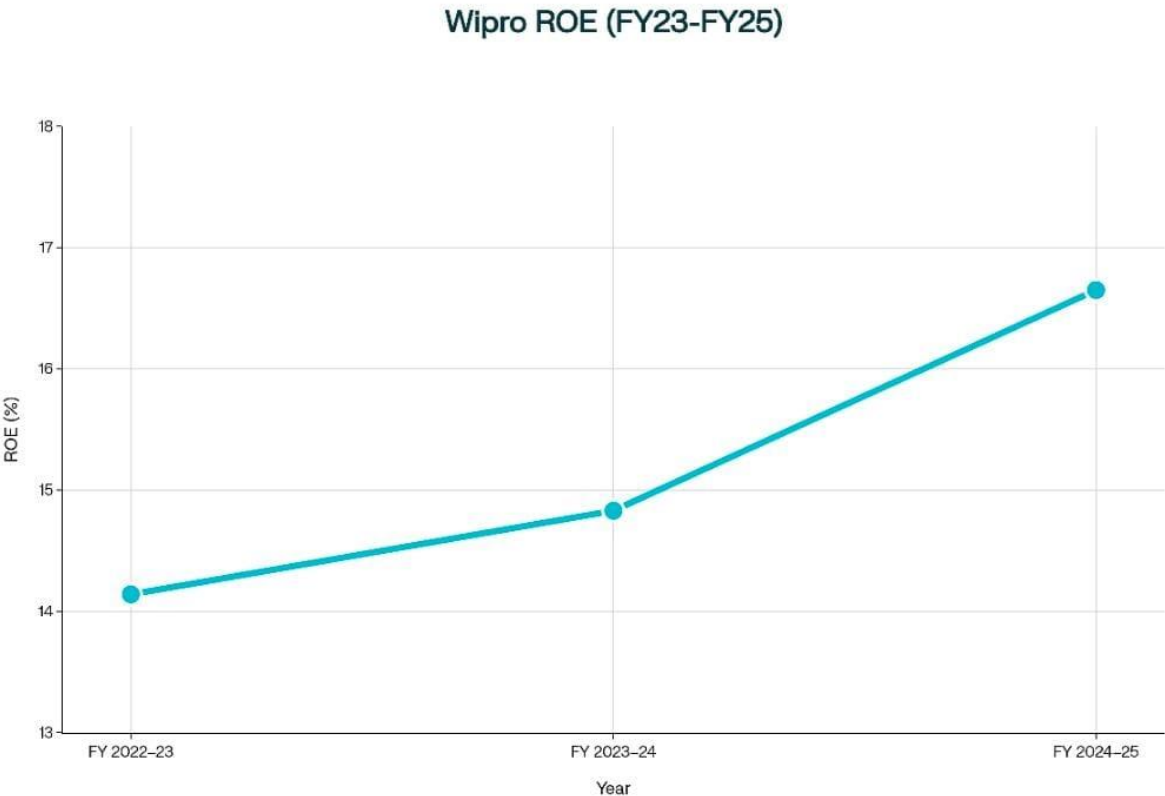
INTERPRETATION: Net profit margin dipped slightly from 12.6% in FY 2022–23 to 12.4% in FY 2023–24, reflecting softer demand and pricing pressure through FY24. It then improved to 14.8% in FY 2024–25, despite cautious client spending, aided by cost control, mix shift, and margin discipline. The rebound indicates better operating leverage and efficiency, though sustaining it will depend on faster deal conversion and geographic diversification.

RETURN ON EQUITY

Table

FINANCIAL YEAR	PROFIT AVAILABLE TO EQUITY HOLDERS (IN CR)	AVG. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (IN CR)	ROE (%)
FY 2022-23	110,452	781,164	14.14
FY 2023-24	113,500	765,523.5	14.83
FY 2024-25	131,354	789,096	16.65

Chart 5



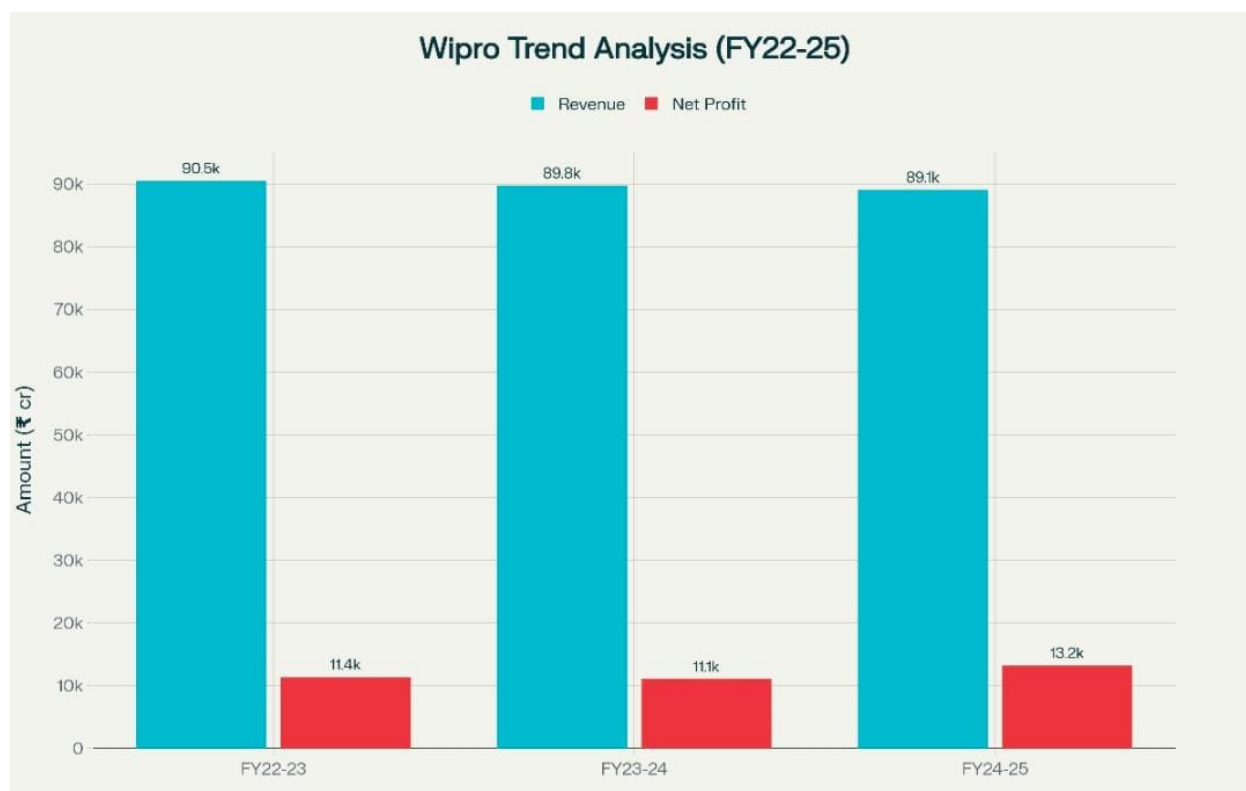
INTERPRETATION: ROE rose from 14.14% in FY23 to 16.65% in FY25, showing stronger capital efficiency supported by higher profits and disciplined equity base management. The FY24 dip versus FY25 reflects timing of revenue recovery and buyback impacts on equity, with FY25 benefiting from higher net income.

TREND ANALYSIS

Table

BASIS (IN CR)	FY 2022-23	2023-24	2024-25
REVENUE	90,488	89,760	89,088
NET PROFIT	11,366	11,112	13,218
CURRENT ASSETS	66,110	65,066	77,778
CURRENT LIABILITIES	26,775	25,246	28,625
TOT. EQUITY	62,762	75,122	83,045
TOT. DEBT	12,000	14,147	16,182

Chart 6



INTERPRETATION: Revenue was broadly flat across the period, while net profit improved in FY 2024–25 on margin gains and operating discipline. Liquidity stayed strong with current assets rising faster than current liabilities by FY 2024–25, reflecting prudent working capital management.

Findings

1. Liquidity Position

- Wipro's Current Ratio remained consistently above the ideal 2:1 benchmark during FY 2022–23 to FY 2024–25, indicating a sound short-term liquidity position.
- The Quick Ratio also stayed strong, improving from 2.57 in FY 2023–24 to 2.71 in FY 2024–25, suggesting that the company can easily meet its short-term obligations even without relying on inventory.
- Overall, Wipro's liquidity management reflects efficient working capital control and financial flexibility.

2. Solvency and Capital Structure

- The Debt-to-Equity Ratio remained low and stable between 0.19 and 0.20, signifying low financial risk and a conservative approach to leverage.
- The company's reliance on equity funding over debt reflects a strong solvency position and sustainable capital structure management.
- This indicates Wipro's capacity to fund growth initiatives without heavy borrowing, maintaining investor confidence.

3. Profitability Performance

- The Operating Margin improved gradually from 18.17% in FY 2022–23 to 19.38% in FY 2024–25, demonstrating enhanced operational efficiency and cost optimization.
- The Net Profit Margin declined slightly to 12.4% in FY 2023–24 due to pricing pressures and slower demand but rebounded to 14.8% in FY 2024–25, showing recovery driven by improved cost control and revenue mix.
- Profitability trends indicate resilient earnings despite market challenges, aided by efficient management and strategic focus on high-margin services.

4. Return on Equity (ROE)

- ROE increased from 14.14% in FY 2022–23 to 16.65% in FY 2024–25, reflecting improved capital utilization and enhanced shareholder returns.
- The consistent rise demonstrates that the company is effectively generating profit from its equity base, signaling strong financial performance and value creation for shareholders.

5. Trend Analysis

- Revenue remained relatively stable over the three-year period, showing minor fluctuations due to global demand softness and client caution.
- Net Profit showed steady growth in FY 2024–25, supported by margin improvement and operational efficiency.
- Current Assets grew faster than Current Liabilities, further strengthening the liquidity position.
- Total Equity and Debt both increased moderately, suggesting balanced capital expansion without compromising solvency.

6. SWOT-Based Findings

- **Strengths:** Wipro's strong balance sheet, global footprint, and integration of AI and cloud technologies enhance competitiveness and operational resilience.
- **Weaknesses:** Revenue growth remains below peers, with concentration in Western markets increasing exposure to regional risks.
- **Opportunities:** Expansion into new geographies, AI-driven platforms, and cybersecurity services can accelerate revenue and strengthen positioning.
- **Threats:** Global competition, macroeconomic uncertainty, and pricing pressures remain key external risks affecting performance and deal conversion.

7. Overall Financial Assessment

- Wipro Limited maintained robust liquidity, low leverage, and stable profitability throughout the study period.
- The upward movement in ROE and operating margin signifies improved efficiency and prudent management of resources.
- Despite modest revenue growth, the company's strategic investments in AI, cloud modernization, and automation position it strongly for long-term performance improvement.
- Overall, the financial performance of Wipro Limited during FY 2022–23 to FY 2024–25 can be considered financially sound, operationally efficient, and strategically resilient.

Suggestion

Wipro Limited has maintained a strong financial base with consistent liquidity and low leverage; however, to enhance its overall performance and sustain long-term growth, several measures are recommended. The company should diversify its revenue by expanding into emerging markets to reduce dependence on the Americas and Europe and mitigate regional risks. Accelerating deal conversion and project execution through automation and efficient delivery processes can help improve revenue realization. Continued investment in artificial intelligence, automation, and innovation will strengthen competitiveness and operational efficiency. Cost optimization through better resource management and digital transformation should be prioritized to sustain margins amid pricing pressures. Wipro must also focus on expanding its cybersecurity, cloud modernization, and generative AI services to capture growing global demand. In addition, developing and retaining skilled talent through upskilling programs in AI and digital technologies will ensure service quality and innovation. Enhancing investor transparency, benchmarking against top industry peers, and reinforcing sustainability and ESG practices will further strengthen Wipro's reputation and stakeholder confidence. Overall, by implementing these strategies, Wipro can achieve sustainable growth, improved profitability, and a stronger competitive position in the global IT services industry.

CONCLUSION

Wipro Limited's three-year financial review indicates a conservatively managed balance sheet with consistently strong liquidity, stable low leverage, and a clear recovery in profitability in FY 2024–25, supported by margin expansion and disciplined cost control. The current ratio remained comfortably above benchmark and the debt-to-equity ratio stayed low, underscoring robust short-term solvency and prudent capital structure management through the period. Net profit improved in FY 2024–25 even amid muted topline trends, reflecting operational efficiencies and better mix, while cash generation stayed strong relative to earnings, reinforcing financial resilience. Looking ahead, sustained growth will hinge on sharper execution in high-demand areas such as cloud, AI, and cybersecurity, deeper client mining in core geographies, and continued focus on utilization and pyramid optimization to defend margins against intense competition. With its healthy liquidity, conservative leverage, and improving profitability trajectory, Wipro is positioned to pursue disciplined investments and deliver steady long-term value, provided it accelerates revenue momentum and navigates industry transitions effectively.

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