



FOR IMMEDIATE RELEASE

Contact: Sridhar Ramasubbu
Wipro Limited
408-557-4402

RESULTS PREPARED IN ACCORDANCE WITH US GAAP
WIPRO RECORDS 38% NET INCOME GROWTH FOR THE QUARTER ENDED SEPTEMBER
30, 2001

Bangalore, India and Santa Clara, California – October 18, 2001-- Wipro Limited (NYSE:**WIT**) today announced financial results under US GAAP for its second fiscal quarter ended September 30, 2001.

Highlights:

- **Net income for the quarter ended September 30, 2001, was Rs. 2.1 billion (\$44 million) representing an increase of 38% over the same period last year. Net Income for the six months ended September 30, 2001 was Rs. 4.0 billion (\$83 million) representing an increase of 62% over the same period last year.**
- **Global IT Services segment Revenue increased 10% over the prior quarter, and increased 37%, at Rs. 5.7 billion (\$119 million), compared to the quarter ended September 30, 2000.**
- **Increases in Offshore realization by 16% and Onsite realization by 20% over the same period last year.**
- **R&D Services contributed 52% of Global IT Services Revenue for the quarter ended September 30, 2001, representing an increase of 3%, from 49%, over the corresponding period last year.**
- **Rs. 2.4 billion (\$50 million) of cash was generated from operations for the quarter ended September 30, 2001, and Rs. 3.7 billion (\$78 million) of cash was generated for the six months ended September 30, 2001.**
- **Realization from new customers was over 20% of the average realization for the quarter due to a better mix of higher value added services in data warehousing, package implementation and systems integration.**
- **26 new clients added in the quarter ended September 30, 2001, including 11 Fortune 1000 companies.**
- **3 new client dedicated development centers in India started during the quarter ended September 30, 2001.**
- **Board of Directors authorizes the investment of up to \$15 million in IT Enabled Services companies.**

Total Revenues for the six months ended September 30, 2001 were Rs. 16.1 billion (\$337 million), representing a 15% increase over the corresponding period in the last year. Net Income was Rs. 4.0 billion (\$83 million), representing an increase of 62% over Net Income for the same period last year. Earnings Per Share from continuing operations was Rs 17.30 (\$0.36) for the six

months ended September 30, 2001, representing an increase of 56% over the Earnings Per Share of Rs. 11.10, for the corresponding period last year. Total Revenue for the quarter ended September 30, 2001 was Rs. 8.5 billion (\$177 million), representing a 12% increase over the corresponding period in the last year. Net Income was Rs. 2.1 billion (\$44 million), representing an increase of 38% over Net Income for the same period last year. Earnings Per Share from continuing operations was Rs. 9.13 (\$0.19) for the quarter ended September 30, 2001, representing an increase of 36% over the Earnings Per Share of Rs. 6.72, for the corresponding period last year.

Commenting on the results, Mr. Azim Premji, Chairman of Wipro, said, "It is a tribute to the character and dedication of our team at Wipro that, despite the tragedy on September 11, the Net Income for the quarter and half-year have met with our internal expectations. The September 11 tragedy resulted in several deferred customer visits and delays in closing large orders, while smaller project orders continued without any significant delays. We believe we have grown ahead of the Software Services industry growth rate for the half-year and continue to believe that we will grow ahead of the industry growth for the full year. For the next quarter, we currently expect to have a sequential growth rate of around 5% in our Global IT business Revenue. We continue to work towards large order wins to generate upside."

Mr. Vivek Paul, Vice Chairman and CEO of Wipro Technologies added "In October, we opened a customer dedicated development center for SCA Packaging and concluded an agreement to open a similar center for a US telecom equipment manufacturer. We have also won orders for a large fixed price project with Visteon in our Embedded Systems vertical and a \$3 million project with a US Mid-West life insurance company."

Global IT Services (66% of Revenues and 92% of Operating Income for the quarter ended September 30, 2001)

Wipro's Global IT Services business segment recorded Revenue of Rs. 5.7 billion (\$119 million) for the quarter ended September 30, 2001, representing an increase of 37% over the Revenue for the quarter ended September 30, 2000. Earnings before Interest and Tax (EBIT) was Rs. 1.9 billion (\$39 million) for the quarter ended September 30, 2001, representing an increase of 30% over EBIT for the quarter ended September 30, 2000.

EBIT decreased from 34.6% for the quarter ended September 30, 2000 to 33.0% for the quarter ended September 30, 2001. The decrease in EBIT resulted from lower margins on product revenues and a 7% decrease in IT professional utilization as compared to the quarter ended September 30, 2000, partially offset by price realizations which increased by 16% for Offshore projects and increased by 20% for Onsite projects over the corresponding period of the previous year. EBIT for the half year ended September 30, 2001 increased to 34.3% from 32.2% for the corresponding period in the previous year.

Our largest customer, top 5 and top 10 customers accounted for 8%, 30% and 44%, respectively, of our total Revenue for the quarter ended September 30, 2001, as compared to 10%, 33% and 47% respectively, for the corresponding period of the previous year. Twenty-six new clients were added in the quarter ended September 30, 2001, of which 11 customers are represented on the Fortune 1000 companies list. New customers added in the quarter included Citibank, HSBC Group, Johnson Control, Matsushita, Micron Technology Inc., Emerson Motors and Phillip Morris. New customers added in current fiscal year contributed 13% of total Revenue for the quarter ended September 30, 2001.

Customers with an annual Revenue rate of \$5 million and above increased to 24 in the quarter ended September 30, 2001, from 15 in the quarter ended September 30, 2000, and 22 in the quarter ended June 30, 2001. Customers with an annual Revenue of \$1 million and above increased to 81 in the quarter ended September 30, 2001, from 65 in the quarter ended September 30, 2000, and 74 in the quarter ended June 30, 2001.

For the quarter ended September 30, 2001, the R&D Services business segment, consisting of Telecom & Internet Service Providers practice (12% of Revenue), Embedded Systems & Internet Access devices practice (15% of Revenue) and Telecom & Inter-networking practice (25% of Revenue), continued to contribute 52% of Global IT Services Revenue, which represents a 3% increase over the same period last year and an unchanged proportion from the quarter ended June 30, 2001. The Enterprise Solutions and Technology Infrastructure Services segments contributed 42% and 6%, respectively, of Global IT Services Revenue. We continued to diversify our Revenue profile with increased contributions from Europe. The proportion of Revenues from Europe increased from 27% for the quarter ended September 30, 2000 to 39% for the quarter ended September 30, 2001. Accordingly, the proportion of Revenue from North America decreased to 55% from 65% in the corresponding quarter of the previous year. Japan contributed 6% for the quarter ended September 30, 2001.

We had 9,411 employees as of September 30, 2001, representing an increase of 833 employees over the same quarter in the previous year and net decrease of 384 employees from the previous quarter. Gross addition of employees during the quarter ended September 30, 2001 was 111.

India and Asia Pac IT Services and Products (20% of Revenue and 6% of Operating Income for the quarter ended September 30, 2001)

After launching its services in the Asia Pacific and Middle East regions in the previous quarter, Wipro Infotech has now begun reporting as the India and Asia Pac Services and Products business segment. This segment recorded Revenue of Rs. 1.7 billion (\$36 million) and Earnings Before Interest and Tax (EBIT) of Rs. 127 million (\$3 million) for the quarter ended September 30, 2001. Operating Margin increased to 7.4% for the quarter ended September 30, 2001 from 7.1% for the quarter ended September 30, 2000. Operating Margin for the six months ended September 2001 increased to 6.4% from 6.2% for the six months ended September 30, 2000. Annualized Return on Capital Employed (ROCE) was 67% for the six months ended September 30, 2001.

Consumer Care & Lighting (9% of Revenue and 5% of Operating Income for the quarter ended September 30, 2001)

Wipro's Consumer Care & Lighting business segment recorded Revenue of Rs. 743 million (\$16 million) for the quarter ended September 30, 2001, as compared to Rs. 788 million for the same period last year. Earnings Before Interest and Tax (EBIT) was Rs. 110 million (\$ 2 million) for the quarter ended September 30, 2001, as compared to Rs. 71 million for the same period last year. Annualized Return on Capital Employed (ROCE) was 54% for the six months ended September 30, 2001.

Wipro Limited results for the quarter ended September 30, 2001, computed under the Indian GAAP and the US GAAP, along with individual business segment reports are available in the Investor Relations section of our website at www.wipro.com.

Strategy to address IT Enabled Services market

The Board of Directors today authorized the investment of up to \$15 million in IT Enabled Services companies. An investment of Rs.480 million (\$10 million) was approved in Spectramind eServices Private Limited, a leading India based player in IT Enabled Services. Wipro will hold 17% of the equity shares and convertible preference shares amounting to 7% of equity post conversion (on a fully diluted basis).

Commenting on the strategy of addressing IT Enabled Services through associate companies, Azim Premji, Chairman, Wipro Limited said “The IT-enabled sector is complementary to our business and offers immense growth opportunities. Many of the challenges they face as an infant industry are those that we have overcome. This investment allows us to participate in this business opportunity without diluting our per capita Operating Margin. In addition, it can open new business opportunities for Wipro. We have carefully evaluated the remote outsourcing space over the past six months and have zeroed in on Spectramind due to its experienced management team, the shared values of integrity and innovation, and commitment to Six Sigma to deliver the highest Customer Satisfaction.”

Wipro will provide technology intensive secondary and tertiary customer support services and leverage its associate, Spectramind to provide remote processing and BPO services. Wipro will also provide client acquisition and account management services on commercial terms to Spectramind.

Spectramind with a team of over 850 associates provides both voice and non-voice based web enabled services to leading global corporates.

Mr. Vivek Paul, Vice Chairman and CEO of Wipro Technologies added, “Wipro already offers product support services at a secondary or tertiary level for our computing and telecom customers. As these customers now look at using India for primary support, our ability to make a joint offer both expands our market opportunity as well as anchors customers by being a single stop shop. We will now complete the life-cycle partnership with our technology customers spanning R&D services for product development to technical support and BPO services.”

Quarterly Conference call

Wipro will hold conference calls today to discuss second fiscal quarter results at 11:00 AM Indian Standard Time (1:30 AM Eastern Time) and at 7:00 PM Indian Standard Time (9:30 AM Eastern) to discuss the company's performance for the quarter and answer questions sent to email ID: Lakshminarayana.lan@wipro.com. An audio recording of the management discussions and the question and answer session will be available online and will be accessible in the Investor Relations section of the company website at www.wipro.com shortly after the live broadcast.

About Wipro Limited:

Wipro Limited is the first SEI CMM Level 5 certified IT Services Company globally. Wipro provides Research and Development services to Telecom and Electronic product companies and software solutions to global corporate enterprises.

In the Indian market, Wipro is a leader in providing IT solutions and services for the corporate segment in India offering system integration, network integration and IT services. Wipro also has profitable presence in niche market segments of consumer products and lighting.

Wipro's ADSs are listed on the New York Stock Exchange, and its equity shares are listed in India on the Stock Exchange - Mumbai, and the National Stock Exchange, among others.

For more information, please visit our websites at www.wipro.com and www.wiproindia.com.

Forward-looking and cautionary statements:

Certain statements in this release 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 earnings, our ability to manage growth, intense competition in IT services including those factors which may affect 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 Wipro makes 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 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. Wipro 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. Wipro does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

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(tables to follow)

WIPRO LIMITED
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share data)

	Three Months Ended September 30,			Six Months Ended September 30,			Year ended March 31,	
	2000	2001	2001	2000	2001	2001	2001	2001
	Unaudited			Unaudited				
Revenues :								
<i>Global IT Services and Products</i>								
Services	Rs. 4,157	Rs. 5,194	\$ 108	Rs. 7,755	Rs. 10,354	\$ 216	Rs. 17,670	\$ 369
Products.....	-	407	8	-	407	8	-	-
<i>India and AsiaPac IT Services and Products</i>								
IT Services	524	494	10	945	979	20	1,879	39
IT Products	1,800	1,229	26	3,252	2,114	44	6,792	142
Consumer Care and Lighting.....	788	743	16	1,525	1,468	31	3,144	66
Others.....	283	412	9	535	811	17	1,329	28
Total.....	7,552	8,479	177	14,012	16,133	337	30,814	643
Cost of Revenues								
<i>Global IT Services and Products</i>								
Services	2,238	2,867	60	4,161	5,569	116	9,205	192
Products.....	-	358	7	-	358	7	-	-
<i>India and AsiaPac IT Services and Products</i>								
IT Services	270	251	5	488	518	11	1,011	21
IT Products	1,499	1,017	21	2,772	1,708	36	5,457	114
Consumer Care and Lighting.....	579	544	11	1,100	1,034	22	2,215	46
Others.....	208	337	7	400	652	14	962	20
Total.....	4,794	5,374	112	8,921	9,839	206	18,850	393
Gross profit.....	2,758	3,105	65	5,091	6,294	131	11,964	250
Operating expenses :								
Selling, general, and administrative exp	(1,101)	(1,094)	(23)	(2,264)	(2,340)	(49)	(4,835)	(101)
Research and development expenses...	-	(31)	(1)	-	(67)	(2)	-	-
Amortization of goodwill.....	(1)	(44)	(1)	(1)	(88)	(2)	(45)	(1)
Foreign exchange gains / (losses), net.	31	122	3	19	167	3	86	2
Gain on sale of property and equipment.	-	1	-	-	15	-	155	3
Operating Income.....	1,687	2,059	43	2,845	3,981	83	7,325	153
Other income/ (expense), net	14	248	5	9	432	9	315	7
Income taxes.....	(198)	(209)	(4)	(334)	(471)	(10)	(1,150)	(24)
Income before share of equity in earnings Of affiliates and minority interest	1,503	2,098	44	2,520	3,942	82	6,489	135
Equity in earnings of affiliates	27	11	-	9	55	1	(53)	(1)
Income from continuing operations.....	1,530	2,109	44	2,529	3,997	83	6,437	134
Discontinued operations								
Income tax benefit on sale of interest ..	-	-	-	-	-	-	78	2
Income before cumulative effect of accounting change.....	1,530	2,109	44	2,529	3,997	83	6,514	136
Cumulative effect of accounting change, net of tax.....	-	-	-	(59)	-	-	(59)	(1)
Net income	Rs. 1,530	Rs. 2,109	\$ 44	Rs. 2,470	Rs. 3,997	\$ 83	Rs. 6,455	\$ 135
Earnings per equity share: Basic								
Continuing Operations.....	6.72	9.13	0.19	11.10	17.30	0.36	28.07	0.59
Discontinued operations.....	-	-	-	-	-	-	0.34	-
Cumulative effect of accounting change	-	-	-	(0.26)	-	-	(0.26)	-
Net income.....	6.72	9.13	0.19	10.84	17.30	0.36	28.15	0.59
Earnings per equity share: Diluted								
Continuing operations.....	6.65	9.12	0.19	10.99	17.28	0.36	27.83	0.58
Discontinued Operations.....	-	-	-	-	-	-	0.34	-
Cumulative effect of accounting change	-	-	-	(0.26)	-	-	(0.26)	-
Net Income.....	6.65	9.12	0.19	10.73	17.28	0.36	27.91	0.58
Additional Information								
Operating Income								
Global IT Services & Products	Rs. 1,450	Rs. 1,887	39	Rs. 2,518	Rs. 3,753	\$ 78	Rs. 6,018	\$ 126
India & AsiaPac IT Services & Products	166	127	3	261	198	4	764	16
Consumer Care & Lighting	71	110	2	156	201	4	436	9
Others	38	20	1	57	(18)	-	291	6
Reconciling Item	(38)	(85)	(2)	(147)	(153)	(3)	(183)	(4)
Total	Rs. 1,687	Rs. 2,059	43	Rs. 2,845	Rs. 3,981	\$ 83	Rs. 7,325	\$ 153

WIPRO LIMITED
CONSOLIDATED BALANCE SHEETS
(in Millions, except share data and unless stated otherwise)

	As of September 30,			As of March 31,	
	2000	2001	2001	2001	2001
	(unaudited)				
ASSETS					
Current assets:					
Cash and cash equivalents	Rs. 983	Rs. 6,332	\$ 132	Rs. 5,623	\$ 117
Accounts receivable, net of allowances	4,582	5,362	112	5,924	124
Inventories	1,592	1,797	38	1,486	31
Investment securities.....	138	2,707	56	2,562	53
Deferred income taxes.....	38	77	2	74	2
Other current assets	2,583	4,290	89	2,401	50
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	9,916	20,565	429	18,071	377
Investment securities	211	127	3	144	3
Property, plant and equipment, net	4,156	6,372	133	5,668	118
Investments in affiliates	761	760	16	690	14
Deferred income taxes	256	137	3	222	5
Intangible assets, net	10	745	16	833	17
Other assets	283	558	12	534	11
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets.....	Rs. 15,593	Rs. 29,264	\$ 611	Rs. 26,162	\$ 546
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Borrowings from banks	Rs. 151	Rs. 168	\$ 4	Rs. 347	\$ 7
Current portion of long term debt	1,323	134	3	1,326	28
Accounts Payable.....	1,438	2,036	43	1,847	39
Accrued expenses.....	1,644	2,080	43	1,793	37
Advances from customers.....	914	1,086	23	1,077	22
Other current liabilities	503	556	12	468	10
Redeemable preferred stock	250	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities.....	6,223	6,060	127	6,858	143
Long-term debt, excluding current portion	139	50	1	95	2
Deferred income taxes	18	98	2	91	2
Other liabilities	85	67	1	37	1
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities.....	6,465	6,275	131	7,081	148
Stockholders' equity					
Equity shares at Rs. 2 par value: 235,000,000 shares authorized as of March 31, 2000 and 375,000,000 shares authorized as of March 31, 2001 and September 30, 2000 and 2001; Issued and outstanding: 229,156,350 shares as of March 31, 2000 and September 30, 2000, 232,433,019 shares as of March 31, 2001 and 232,437,689 shares as of September 30, 2001.....					
	458	465	10	465	10
Additional paid-in capital	789	6,691	140	6,696	140
Deferred stock compensation	(151)	(47)	(1)	(97)	(2)
Accumulated other comprehensive income	2	(4)	-	2	-
Retained earnings	8,030	15,884	332	12,015	251
Equity shares held by a controlled Trust: 1,216,460, 1,280,885, 1,252,235 and 1,308,460 shares as of March 31, 2000, March 31, 2001, September 30, 2000 and September 30, 2001	*	*	*	*	*
	9,128	22,989	480	19,081	398
Total stockholders' equity.....	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and stockholders' equity.....	Rs. 15,593	Rs. 29,264	\$ 611	Rs. 26,162	\$ 546
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
* Equity shares held by a controlled trust	Rs. 73,900	Rs. 75,900		Rs. 74,900	