

WIPRO LIMITED
BALANCE SHEET
(All figures in rupees thousands)

SOURCES OF FUNDS	Schedule	As of December 31,		As of March 31,
		2001	2000	2001
Shareholders' funds				
Share Capital	1	464,879	464,784	464,866
Share application money pending allotment (refer note 10)		3,663	12,938	2,345
Reserves and Surplus	2	23,680,157	17,283,960	19,184,623
		24,148,699	17,761,682	19,651,834
Loan Funds				
Secured loans	3	223,289	329,996	400,644
Unsecured loans	4	56,201	43,671	47,397
		279,490	373,667	448,041
Total		24,428,189	18,135,349	20,099,875
APPLICATION OF FUNDS				
Fixed Assets				
Gross block	5	11,075,299	8,266,040	9,020,225
Less : Depreciation		4,975,762	3,483,177	3,793,678
<i>Net Block</i>		6,099,537	4,782,863	5,226,547
Capital work-in-progress and advances		1,180,997	1,003,708	797,958
		7,280,534	5,786,571	6,024,505
Investments	6	5,169,747	1,817,288	1,636,443
Deferred tax assets		93,276		
Current assets, loans and advances				
Inventories	7	872,181	1,294,878	1,152,530
Sundry Debtors	8	5,567,971	5,305,213	6,176,657
Cash and Bank balances	9	1,438,049	2,358,578	4,463,421
Loans and advances	10	10,088,470	6,500,666	5,992,691
		17,966,671	15,459,335	17,785,299
Current liabilities and provisions				
Liabilities	11	5,546,523	4,442,474	4,813,400
Provisions	12	535,516	485,371	532,972
		6,082,039	4,927,845	5,346,372
Net Current Assets		11,884,632	10,531,490	12,438,927
Total		24,428,189	18,135,349	20,099,875
Significant accounting policies and notes to accounts	19			

As per our report attached
For N M Raiji & Co.,
Chartered Accountants

J M Gandhi
Partner

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman and Managing Director)

P M Sinha (Director)

N Vaghul (Director)

Suresh C Senapaty
(Corporate Executive Vice President - Finance)

Satish Menon
(Corporate Vice President- Legal & Company Secretary)
Bangalore, January 18, 2002

Mumbai, January 18, 2002

WIPRO LIMITED
PROFIT AND LOSS ACCOUNT
(in rupees thousands)

	Schedule	Nine months ended		Year ended
		December 31,		March 31,
		2001	2000	2001
INCOME				
Sales and Services		25,036,226	21,326,970	30,539,090
Other Income	13	1,014,690	427,950	695,463
		26,050,916	21,754,920	31,234,553
EXPENDITURE				
Cost of goods sold	14	15,239,290	12,980,089	18,103,247
Selling, general and administrative expenses	15	3,801,632	3,614,151	5,406,929
Interest	16	19,303	59,506	68,890
		19,060,225	16,653,746	23,579,066
PROFIT BEFORE TAXATION AND NON RECURRING / EXTRAORDINARY ITEMS		6,990,691	5,101,174	7,655,487
Provision for taxation (refer note 14)		535,750	596,475	992,000
PROFIT AFTER TAX BEFORE NON-RECURRING / EXTRAORDINARY ITEMS		6,454,941	4,504,699	6,663,487
Non recurring / extraordinary Gains	18	-	-	16,036
PROFIT FOR THE PERIOD		6,454,941	4,504,699	6,679,523
Appropriations				
Interim Dividend on Preference Shares		-	18,043	18,043
Interim Dividend on Equity Shares		-	-	-
Proposed Dividend on Equity Shares		-	-	116,217
Corporate tax on dividend		-	1,985	13,839
Transfer to Capital Redemption Reserve		-	-	250,000
Profit & Loss balance carried forward		6,454,941	4,484,671	-
Transfer to general reserve				6,281,424
Significant accounting policies and notes to accounts	19			

As per our report attached
For N M Raiji & Co.,
Chartered Accountants

J M Gandhi
Partner

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman and Managing Director)

P M Sinha (Director)

N Vaghul (Director)

Suresh C Senapaty
(Corporate Executive Vice President - Finance)

Satish Menon
(Corporate Vice President- Legal & Company Secretary)

Mumbai, January 18, 2002

Bangalore, January 18, 2002

WIPRO LIMITED
(in rupees thousands, except share numbers)

	As of December 31,		As of
	2001	2000	March 31, 2001
SCHEDULE 1 SHARE CAPITAL			
Authorised			
375,000,000 Equity shares of Rs 2 each (2001 : 375,000,000 ; 2000 : 375,000,000 equity shares of Rs 2 each)	750,000	750,000	750,000
2,500,000 (2001: 2,500,000 ; 2000 : 2,500,000) 10.25 % Redeemable Cumulative Preference Shares of Rs 100 each	250,000	250,000	250,000
	1,000,000	1,000,000	1,000,000
Issued, subscribed and paid-up			
232,439,524 equity shares of Rs 2 each (2001 : 232,433,019 ; 2000 : 232,391,814)	464,879	464,784	464,866
	464,879	464,784	464,866

Notes :

1. Of the above equity shares :

- i) 226,905,825 equity shares (2001 : 226,905,825 ; 2000 : 226,905,825), have been allotted as fully paid bonus shares by capitalisation of Share Premium of Rs 32,639 and General Reserves of Rs 421,173.
- ii) 1,325,525 equity shares (2001 : 1,325,525, 2000 : 1,325,525) have been allotted as fully paid-up, pursuant to a scheme of amalgamation, without payment being received in cash.
- iii) 3,162,500 shares representing 3,162,500 American Depository Receipts issued during 2000-2001 pursuant to American Depository offering by the Company.
- iv) 6,505 (2001 : 114,169 ; 2000 : Nil) equity share issued during the year pursuant to Employee Stock Option Plan.

SCHEDULE 2 RESERVES AND SURPLUS

	As of April 1, 2001	Additions	Deductions	As of Dec 31, 2001
Capital Reserves	9,500	-	-	9,500
	114,047	750	-	114,797
	114,047	750	(a) 105,297	(b) 9,500
Capital Redemption Reserve	250,038	-	-	250,038
	38	250,000	-	250,038
	38	250,000	(c) -	250,038
Share Premium	5,920,208	7,051	-	5,927,259
	-	5,875,542	(d) -	5,875,542
	-	5,920,208	(d) -	5,920,208
Revaluation Reserve	890,072	-	52,254	(e) 837,818
	1,047,110	-	71,579	975,531
	1,047,110	-	157,038	890,072
Investment Allowance Reserve	14,500	-	14,500	(f) -
	14,500	-	-	14,500
	14,500	-	-	14,500
Profit & Loss Account	6,454,941	6,454,941	6,454,941	6,454,941
	4,484,671	4,484,671	4,484,671	4,484,671
General Reserve	12,100,305	101,728	(i)(f) 2,001,432	(h) 10,200,601
	5,818,881	-	250,000	(c) 5,568,881
	5,818,881	6,281,424	(g) -	12,100,305
	19,184,623	6,563,720	2,068,186	23,680,157
	6,994,576	10,610,963	321,579	17,283,960
TOTAL	6,994,576	12,452,382	262,335	19,184,623

Corresponding figures for 2000 and 2001 are given below current years figures

- a) Capital subsidy received
- b) Refer note 2 of schedule 19
- c) Transfers from Profit and Loss account
- d) Rs. 7,051 (2001 : 123,759 ; 2000 : 95,743) pursuant to issue of shares under Employee Stock Option Plan and Rs. Nil (2001 : Rs.5,796,449 ; 2002 : Rs. 5,796,449) on account of American Depository Offering by the Company, net of offering expenses of Rs. Nil (2001 : Rs. 273,429 ; 2000 : Rs. 273,429)
- e) Transfer to Profit and Loss account Rs.39,388 (2001: Rs. 58,843 ; 2000 : Rs. 30,853) and reduction on account of sale of revalued assets and other adjustments Rs.12,866 (2001 : Rs. 98,195 ; 2000 : Rs. 40,726)
- f) Transfer to General Reserve Rs. 14,500 (2001 : Rs. Nil; 2000 : Rs. Nil)
- g) Transfer from Profit and Loss account Rs Nil (2001 : Rs. 6,281,424 ; 2000 : Nil) .
- h) Deficit arising on account of amalgamation of Wipro Net Limited with Wipro Limited (refer note 6 of schedule 19).
- i) Benefits arising on employee stock incentive plans Rs. 55,646 and deferred tax assets arising on other temporary differences Rs. 31,582

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 3 SECURED LOANS	Note Reference	As of December 31,		As of March 31,
		2001	2000	2001
From banks				
Cash Credit facility	a	112,515	28,523	203,187
External Commercial Borrowings	b	60,899	194,698	127,582
From Financial Institutions				
Asset Credit Scheme	c	48,200	68,200	68,200
Term Loans	d	-	36,900	-
Development loan from Government of Karnataka	e	1,675	1,675	1,675
		223,289	329,996	400,644

Notes :

- a. Secured by hypothecation of stock-in trade, book debts, stores and spares, and secured/to be secured by a second mortgage over certain immovable properties.
- b. Foreign currency loan secured by hypothecation of movable fixed assets in certain software development centers at Bangalore and specific plant and machinery of Fluid Power unit.
- c. Secured by hypothecation of specific machinery / assets.
- d.
 - i. Rs Nil (2001 : Rs. Nil ; 2000 : Rs 16,600) Secured / to be secured by a pari-passu second mortgage on all immovable properties.
 - ii. Rs Nil (2001 : Rs. Nil ; 2000: Rs 20,300) secured by a first charge on certain movable properties at Bangalore.
- e. Secured by a pari passu second mortgage over immovable properties at Mysore and hypothecation of movable properties other than inventories , book debts and specific equipments referred to in Note a above.

SCHEDULE 4 UNSECURED LOANS

	As of December 31,		As of
	2001	2000	March 31,
			2001
Fixed Deposits	854	886	886
Other Loans and Advances			
Interest free loan from Government	54,097	41,535	45,261
Loans from state financial institutions	1,250	1,250	1,250
	56,201	43,671	47,397

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 5 FIXED ASSETS

Particulars	GROSS BLOCK				PROVISION FOR DEPRECIATION				NET BLOCK	
	As on April 1, 2001	Additions	Deductions / adjustments	As on Dec 31, 2001	As on April 1, 2001	Depreciation for the period	Deductions / adjustments	As on Dec 31, 2001	As on Dec 31, 2001	As on March 31, 2001
Land	513,285	226,205	39,302	700,188	241	4,385	-	4,626	695,562	513,044
Buildings	1,713,059	243,793	21,475	1,935,377	154,923	26,272	13,947	167,248	1,768,129	1,558,136
Railway siding	4,000	-	-	4,000	3,800	150	-	3,950	50	200
Plant and Machinery	5,453,816	1,365,009	19,135	6,799,690	3,078,388	844,804	(135,519)	4,058,711	2,740,979	2,375,428
Furniture fixture and equipment	1,016,421	226,527	7,568	1,235,380	405,258	146,156	(749)	552,163	683,217	611,163
Vehicles	316,568	107,072	26,052	397,588	148,881	56,033	18,391	186,523	211,065	167,687
Technical Know-how	3,076	-	-	3,076	2,187	354	-	2,541	535	889
Total	9,020,225	2,168,606	113,532	11,075,299	3,793,678	1,078,154	(103,930)	4,975,762	6,099,537	5,226,547
March 31,2001	6,757,891	2,576,521	314,187	9,020,225	2,928,679	1,038,267	173,268	3,793,678	5,226,547	3,829,212

- a. The fixed assets of the Company were revalued as at March 31, 1997, at depreciated replacement values based on valuation by an independent firm of chartered surveyors and valuers. The depreciated replacement values were arrived on the basis of market values, present condition and balance expected useful life of the asset. Where relevant, Indices published by the Reserve Bank of India and Confederation of Indian Industry were used in the valuation. The following amounts were added to the fixed assets on revaluation.

	Gross Block	Depreciation Block	Net Block	Revalued Net Block
Land	123,532	-	123,532	166,097
Buildings (including tenancy rights)	685,341	37,541	647,800	791,034
Railway siding	3,988	2,988	1,000	1,000
Plant and Machinery	771,697	245,576	526,121	1,644,994
Furniture fixture and equipment				128,543
Vehicles				84,405
Technical Know-how	(7,302)	(7,360)	58	2,808
Patents and trade marks				1
Total	1,577,256	278,745	1,298,511	2,818,882

- b. Deductions to gross block and deductions / adjustments of provision for depreciation of the previous year ended March 31, 2001 include Rs. 203,911 and Rs. 114,884 respectively on account of assets of erstwhile Peripherals Division transferred to Wipro e-Peripherals Limited (refer Note 9)
- c. Land includes leasehold land Rs 9,978 (2001 : Rs. 9,978 ; 2000 : Rs 11,817)
- d. Buildings :
- includes shares worth Rs 2 (2001 : Rs. 2 ; 2000 : Rs 2)
 - includes leasehold land / property Rs 4,241 (2001 : Rs. 4,241 ; 2000 : Rs 4,241)
 - is net of depreciation during construction period.
- e. Deduction / adjustment in Gross Block and in provision for depreciation includes Rs. 67,207 (2001 : Rs. 123,818 ; 2000 : Rs. 59,327) pertaining to increased value of revalued assets sold / discarded. The net amount of Rs. 12,866 (2001 : Rs. 98,195 ; 2000 : Rs. 40,726) has been adjusted from revaluation reserve.
- f. Additions to gross block and depreciation block includes Rs. 573,272 and Rs. 143,019 respectively on account of assets to be transferred on amalgamation of Wipro Net.
- g. Deduction / adjustment in value of land Rs. 10,302 and building Rs. 5,597 represents refund of stamp duty paid on acquisition, by the Government of TamilNadu.

WIPRO LIMITED
(in rupees thousands except share numbers and face value)

SCHEDULE 6 INVESTMENTS

All shares are fully paid up

	Number	Face value	As of December 31,		As of
			2001	2000	March 31,
			2001	2000	2001
Investments - Long Term (at cost)					
Investments in subsidiary companies					
Unquoted					
Equity Shares					
Wipro Prosper Ltd	200	Rs 10	2	2	2
Wipro Trademark Holdings Ltd	200	Rs 10	2	2	2
Wipro Inc, USA	1,200	US \$ 2500	129,270	129,270	129,270
Wipro Japan KK, Japan	650	JPY 50,000	9,738	9,738	9,738
Wipro Net Ltd (refer note 6)	20,600,927	Rs 10	-	1,192,460	1,192,460
Wipro Welfare Ltd	66,171	Rs 10	662	662	662
			139,674	1,332,134	1,332,134
Preference Shares					
9 % cumulative redeemable preference shares held in Wipro Trademark Holdings Ltd	1,800	Rs 10	18	18	18
			18	18	18
Investments in equity shares of other companies - Unquoted					
Wipro GE Medical Systems Ltd #	4,900,000	Rs 10	49,000	49,000	49,000
Net Kracker Ltd #	1,863,520	Rs 10	18,635	18,635	18,635
Spectramind e Services Ltd (Partly paid of Rs. 5)	6,221,741	Rs 10	96,200	-	-
Wipro e-Peripherals Limited	5,460,000	Rs 10	54,600	54,600	54,600
			218,435	122,235	122,235
Quoted					
Trade Investments					
Dynamic Technologies Ltd	100	Rs 10	1	1	1
HDFC Bank Ltd	100	Rs 10	1	1	1
Kashyap Radiant Systems Ltd	500,000	Rs 10	-	5,000	-
			2	5,002	2
Investments in money market liquid mutual funds		Net Units			
Alliance Capital Mutual Fund		288,537	288,601	-	-
Pioneer ITI Mutual Fund (103,376 units redeemed during the year)		314,900	365,278	-	-
Prudential ICICI Mutual Fund		74,860,183	885,184	-	-
HDFC Mutual Fund		99,727,507	998,550	-	-
Standard Chartered Mutual Fund (39,000,000 units redeemed during the year)		30,568,369	305,701	-	-
Reliance Mutual Fund		20,023,617	245,933	-	-
Zurich India Mutual Fund		44,130,102	443,956	-	-
Templeton India Mutual Fund		22,150,970	221,561	-	-
Cholamandalam Mutual Fund (11,000,000 units redeemed during the year)		14,511,843	145,118	-	-
Kotak Mutual Fund		30,790,086	308,273	-	-
Birla Mutual Fund (11,935,073 units redeemed during the year)		28,217,808	354,638	-	-
			4,562,793	-	-
Investments in preference shares / debentures of other Companies					
Unquoted					
Convertible preference shares in Net Kracker Ltd(note #)	543,300	Rs. 100	54,330	54,330	54,330
12.5% unsecured Non convertible debentures of Wipro e-Peripherals	4,00,000	Rs. 100	40,000	40,000	40,000
Spectramind e Services Ltd (Partly paid of Rs. 5)	28,760,140	Rs. 10	143,800	-	-
			238,130	94,330	94,330
Other Investments (unquoted)					
Redeemable floating rate bonds of State Bank of India	2,500	Rs 1,000	2,500	2,500	2,500
Indira Vikas Patra (maturity value Rs 66,003)			47,952	47,952	47,952
Bonds of GE Capital Services India Ltd (refer note 11)			68,439	321,313	145,468
			118,891	371,765	195,920
TOTAL			5,277,943	1,925,484	1,744,639
Less : Provision for diminution in value of investments			108,196	108,196	108,196
TOTAL			5,169,747	1,817,288	1,636,443
Aggregate book value of quoted investments			2	5,002	2
Aggregate book value of unquoted investments (net of provision)			5,169,745	1,812,286	1,636,441
Aggregate market value of quoted investments			4,562,816	7,525	25

Notes :
Equity investments in these companies carry certain restrictions on transfer of shares that are normally provided for in joint venture / venture funding agreement.

Investment in equity and Preference shares of Wipro Finance Limited, erstwhile subsidiary of the Company have been fully provided.
The investments and the provision for diminution is :

	As of December 31,		As of
	2001	2000	March 31,
	2001	2000	2001
Equity shares	-	559,805	-
Convertible preference shares	-	321,600	-
Convertible preference shares	-	-	-
Redeemable preference shares	-	300,000	300,000
	-	1,181,405	300,000
Less : Provision for diminution in value of investments	-	1,181,405	300,000

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 7 INVENTORIES

	As of December 31,		As of
	2001	2000	March 31, 2001
Stores and Spares	34,860	44,275	44,689
Raw Materials	365,544	490,971	499,536
Stock-in-process	100,633	108,029	121,190
Finished goods	371,144	526,603	487,115
Stock-in-trade land *	-	125,000	-
TOTAL	872,181	1,294,878	1,152,530

Basis of stock valuation :

Raw materials, stock-in-process and stores and spares at or below cost.
Finished products at cost or net realisable value, whichever is lower.

* Valued at fair market value on the date of conversion from capital asset to stock in trade or current market value whichever is lower.

SCHEDULE 8 SUNDRY DEBTORS
(Unsecured)

Over Six Months

Considered good
Considered doubtful

Others

Considered good
Considered doubtful

Less : Provision for doubtful debts

TOTAL

	As of December 31,		As of
	2001	2000	March 31, 2001
	492,874	251,156	448,945
	537,004	391,427	292,593
	1,029,878	642,583	741,538
	5,075,097	5,054,057	5,727,712
	40,763	-	5,291
	5,115,860	5,054,057	5,733,003
	577,767	391,427	297,884
	5,567,971	5,305,213	6,176,657

SCHEDULE 9 CASH AND BANK BALANCES

Cash and cheques on hand
Balances with scheduled banks

On Current account
In Deposit account

Balances with other banks in current account

Inkom Bank, Russia
Midland Bank, U K
Wells Fargo, U S A
Nations Bank
Washington Mutual Bank, U S A
Socite General
Bank of America
First Chicago
Citibank
FCC National Bank
Chase Manhattan
Great Western Bank

	As of December 31,		As of
	2001	2000	March 31, 2001
	129,090	332,949	661,678
	655,691	171,002	527,989
	244,800	13,176	84,091
	-	60	43
	129,791	58,837	52,122
	-	259,100	597,294
	-	-	-
	-	-	-
	77,136	-	460,378
	26,117	379	10
	60,782	442,198	390,806
	-	646,566	875,432
	55,090	434,311	391,739
	59,528	-	421,815
	24	-	24
	1,438,049	2,358,578	4,463,421

Maximum balances during the year

Inkom Bank, Russia
Midland Bank, U K
Wells Fargo, U S A
Nations Bank
Washington Mutual Bank, U S A
Socite General
Bank of America
First Chicago
Citibank
FCC National Bank
Chase Manhattan
Great Western Bank

43
362,362
770,615
13
-
460,378
10
390,806
875,432
391,739
421,815
24

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 10 LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As of December 31,		As of
	2001	2000	March 31, 2001
Advances recoverable in cash or in kind or for value to be received			
Considered good	1,214,287	986,448	1,089,193
Considered doubtful	131,087	51,017	125,483
	1,345,374	1,037,465	1,214,676
Less : Provision for doubtful advances	131,087	51,017	125,483
	1,214,287	986,448	1,089,193
Certificate of deposits with foreign banks	6,109,922	4,271,259	3,326,108
Inter Corporate Deposits :			
GE Capital Services India	669,400	280,000	367,500
ICICI Limited	376,800	311,800	684,500
	7,156,122	4,863,059	4,378,108
Other Deposits	534,733	477,503	490,329
Advance income-tax (net of provision)	347,493	148,550	19,067
Balances with excise and customs	23,288	25,106	15,994
Unbilled Services	812,547	-	-
TOTAL	10,088,470	6,500,666	5,992,691

Note :

a) Other Deposits include Rs 25,000 (2001 :Rs. 25,000 ; 2000 : Rs 25,000) security deposits for premises with a firm in which a director is Interested

SCHEDULE 11 LIABILITIES

	As of December 31,		As of
	2001	2000	March 31, 2001
Sundry Creditors	2,010,285	1,271,827	1,607,681
Unclaimed dividends	1,674	255	180
Advances from customers	827,216	678,452	847,732
Other liabilities	2,365,897	2,103,957	2,016,355
Interest accrued but not due on loans	469	-	469
Other deposits	340,982	387,983	340,983
	5,546,523	4,442,474	4,813,400

SCHEDULE 12 PROVISIONS

	As on December 31,		As on
	2001	2000	March 31, 2001
Employee retirement benefits	535,516	485,371	404,901
Proposed dividend	-	-	116,217
Tax on proposed dividend	-	-	11,854
	535,516	485,371	532,972

SCHEDULE 13 OTHER INCOME

	Nine Months ended		Year ended
	December 31, 2001	2000	March 31, 2001
Dividend from liquid mutual funds	59,953	-	-
Other dividend	1,820	7,353	31,853
Interest	585,553	193,530	313,005
Rental Income	15,038	12,666	15,610
Profit on Sale of Investments	-	-	4,000
Profit on disposal of fixed assets	17,428	41,034	49,162
Difference in exchange	175,304	110,688	86,399
Royalty	39,762	4,583	30,789
Miscellaneous Income	119,832	58,096	164,645
	1,014,690	427,950	695,463

Notes : Tax deducted at source Rs. 107,544 (2001 : Rs. 65,183, 2000 :Rs. 21,649)

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 14 COST OF GOODS SOLD

	Nine Months ended		Year ended
	December 31,		March 31,
	2001	2000	2001
Raw materials, Finished and Process Stocks (Refer - schedule 17)	5,710,097	5,710,352	8,206,916
Stores & Spares	206,003	155,783	174,555
Power and Fuel	252,138	214,883	310,441
Salaries, wages and bonus	2,734,817	2,008,082	2,733,429
Contribution to provident and other funds	100,846	72,486	103,362
Gratuity and pension	97,019	73,756	78,239
Workmen and Staff welfare	108,312	87,724	188,220
Insurance	12,846	6,015	6,660
Repairs to factory buildings	8,782	22,244	38,554
Repairs to Plant & Machinery	13,301	36,728	73,655
Rent	163,183	147,894	196,129
Rates & Taxes	5,386	9,945	13,450
Packing	13,079	23,910	28,669
Traveling and allowance	4,290,138	3,647,879	4,956,452
Depreciation	799,606	494,651	738,582
Miscellaneous	759,056	381,715	373,812
Less : Capitalised (refer note 13)	(35,319)	(113,958)	(117,878)
TOTAL	15,239,290	12,980,089	18,103,247

SCHEDULE 15 SELLING GENERAL AND ADMINISTRATIVE EXPENSES

	Nine Months ended		Year ended
	December 31,		March 31,
	2001	2000	2001
Salaries, wages and bonus	750,449	634,524	924,346
Contribution to provident and other funds	25,095	29,651	40,131
Gratuity and pension	28,955	20,561	27,609
Workmen and Staff welfare	82,559	116,792	123,640
Insurance	4,836	14,898	20,676
Repairs to buildings	1,380	3,584	4,596
Rent	85,883	57,982	80,889
Rates and taxes	26,040	65,427	90,141
Carriage and freight	165,159	165,021	223,745
Commission on sales	247,064	450,657	659,432
Auditors' remuneration and expenses			
Audit fees	2,467	2,250	3,150
For certification including tax audit	-	169	1,162
Reimbursement of expenses	204	419	508
Advertisement and sales promotion	233,284	381,913	471,824
Loss on sale of fixed assets	1,207	916	803
Directors' fees	752	98	922
Depreciation	239,160	173,727	240,841
Traveling and allowances	1,093,529	744,598	1,075,868
Communication	117,864	203,494	326,311
Provision/write off of bad debts	246,616	194,361	266,516
Miscellaneous	449,129	353,109	823,819
TOTAL	3,801,632	3,614,151	5,406,929

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 16 INTEREST

	Nine Months ended		Year ended
	December 31,		March 31,
	2001	2000	2001
On other fixed loans	7,422	9,501	16,354
Other Interest	11,881	50,005	52,536
Total	19,303	59,506	68,890

SCHEDULE 17 RAW MATERIALS, FINISHED AND PROCESS STOCKS

	Nine Months ended		Year ended
	December 31,		March 31,
	2001	2000	2001
<u>Consumption of raw materials and bought out components</u>			
Opening stocks	499,536	497,545	497,545
Add : Purchases	2,290,140	2,613,528	3,873,857
Less : Transfer on sale of undertaking			136,772
Less : Closing stocks	365,544	490,971	499,536
	2,424,132	2,620,102	3,735,094
 Purchase of finished products for sale	 3,149,437	 3,050,182	 4,493,704
<u>(Increase)/decrease in finished and process stocks</u>			
Opening stock : In process	121,190	92,970	92,970
: Finished products	487,115	581,730	581,730
 Less : Transfer on sale of undertaking : In Process	-	-	12,200
: Finished Products	-	-	95,780
 Less : Closing stocks : In process	100,633	108,029	121,190
: Finished products	371,144	526,603	487,115
	136,528	40,068	(41,585)
<u>(Increase)/Decrease in stock-in-trade : land</u>			
Opening Stock	-	125,000	125,000
Less : Closing stock	-	125,000	
Less : Drawn from Capital Reserve (refer note 2)			105,297
	-	-	19,703
TOTAL	5,710,097	5,710,352	8,206,916

SCHEDULE 18 NON - RECURRING / EXTRAORDINARY ITEMS

	Nine Months ended		Year ended
	December 31,		March 31,
	2001	2000	2001
Gain / (Loss) on Sale of shares	-	-	55
Gain on transfer of business (refer note 9)	-	-	15,981
TOTAL	-	-	16,036

WIPRO LIMITED

Schedule - 19

SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

Accounts are maintained on an accrual basis under the historical cost convention.

Revenue recognition

- Sales include applicable sales tax unless separately charged, export incentives, and are net of discounts and cost provisions for services as per sales contract terms.
- Sales are recognized on despatch, except in the following cases :
 - Consignment sales are recognized on receipt of statement of account from the agent
 - Sales, which are subject to detailed acceptance tests, revenue is reckoned based on milestones for billing, as provided in the contracts
 - Software revenue is recognized on the basis of chargeable time or achievement of prescribed milestones for billing as provided in the contracts
- Export incentives are accounted on accrual basis and include estimated realizable values/benefits from special import licenses and Advance licenses.
- Agency commission is accrued on shipment of consignment by principal.
- Maintenance revenue is considered on acceptance of the contract and is accrued over the period of the contract.
- Other income is recognized on accrual basis.

Research and Development

Revenue expenditure on research and development is charged to Profit and Loss account and capital expenditure is shown as addition to fixed assets.

Provision for retirement benefits

For employees covered under group gratuity scheme of LIC, gratuity charged to Profit and Loss account is on the basis of premium demanded by LIC. Provision for gratuity (for certain category of employees) and leave benefit for employee's is determined as per actuarial valuation at the year end. Defined contributions for provident fund and pension are charged to the Profit and Loss account based on contributions made in terms of applicable schemes, after netting off the amounts rendered surplus on account of employees separated from the Company.

Fixed Assets and Depreciation

Fixed assets were revalued as at March 31, 1997. Such assets are stated at revalued amounts less depreciation. Assets acquired after March 31, 1997 are stated at cost less depreciation.

Interest on borrowed money allocated to and utilized for fixed assets, pertaining to the period upto the date of capitalization and other revenue expenditure incurred on new projects is capitalized. Assets acquired on hire purchase are capitalized at the gross value and interest thereon is charged to Profit and Loss account. Renewals and replacement are either capitalized or charged to revenue as appropriate, depending upon their nature and long term utility.

In respect of leased assets, lease rentals payable during the year is charged to Profit and Loss account.

Depreciation is provided on straight line method at rates specified in Schedule XIV to the Companies Act, 1956, except on computers, furniture and fixture, office equipment, electrical installations (other than those at factories) and vehicles for which commercial rates are applied. Technical know-how is amortized over six years.

Foreign currency transactions

Foreign currency transactions are recorded at the spot rate at the beginning of the concerned month. Year end balances of foreign currency assets and liabilities are restated at the closing rate/forward contract rate, as applicable. Resultant differences in respect of liabilities relating to acquisition of fixed assets are capitalized other differences on restatement or payment are adjusted to revenue account.

Forward premiums in respect of forward exchange contracts are recognized over the life of the contract, except that premiums relating to foreign currency loans for the acquisition of fixed assets are capitalized.

Inventories

Finished goods are valued at cost or net realizable value, whichever is lower. Other inventories are valued at cost less provision for obsolescence. Indigenously developed software products are valued at cost, which reflects their remaining economic life. Small value tools and consumables are charged to consumption on purchase. Stock-in-trade : Land is valued at the value on the date of conversion from capital assets to stock-in-trade or current market value, whichever is lower. Cost is computed on weighted average basis.

Investments

Investments are stated at cost. Diminution in value is provided for where the management is of the opinion that the diminution is of permanent nature.

Notes to accounts

(All figures are reported in rupees thousands, except data relating to equity share or unless stated otherwise)

1. i) The Company has provided depreciation at the rates specified in Schedule XIV to the Companies Act, 1956, except in cases of the following assets which are depreciated at commercial rates which are higher than the rates specified in Schedule XIV. Depreciation over the years is provided upto total cost of assets

Class of Asset	Depreciation applied	rate	Per Schedule XIV
	%		
Data Processing equipment & Software	50.00		16.21
Furniture and fixtures	19.00		6.33
Electrical Installations	19.00		4.75
Office equipment	19.00		4.75
Vehicles	24.00		9.50
Plant and Machinery *	20.00		4.75

* on assets of Wipro Net

- ii) Depreciation at 100% have been provided on assets costing less than Rs. 5
2. (i) In fiscal 1995, the Company had converted a fixed asset (consisting of land) into stock-in-trade at the then fair market value. The surplus (market price less original cost) arising on such conversion was credited to Capital Reserve. In fiscal 2000, there was a further reduction of Rs. 52,000 in the value of said land compared to carrying value at the beginning of the previous year. This reduction in value was recognized in the Profit and Loss account and an equivalent amount was drawn from the Capital Reserve created on the conversion, to offset the impact of such reduction on the Profit and Loss account.
- (ii) In fiscal 2001 the aforesaid land has been sold and realised profit on sale of land of Rs. 105,297, considering its original cost, as represented by the residual amount in Capital Reserve is transferred to the Profit and Loss account.
3. Estimated amount of contracts remaining to be executed on Capital account and not provided for is Rs. 181,751 (2001 : Rs. 400,280 ; 2000 : Rs. 404,211)
4. Contingent liabilities in respect of :
- i) Claims against the Company not acknowledged as debts Rs. 33,795 (2001 : Rs. 9,060 ; 2000 : Rs. 5,155)
- ii) Uncalled liability on partly paid equity shares of Spectramind is Rs 96,200 (2001 : Rs.Nil ; 2000 : Rs. Nil) and on convertible preference shares is Rs 143,800 (2001 : Rs.Nil ; 2000 : Rs. Nil)
- iii) Disputed demands for excise, customs, income tax, sales tax and other matters Rs. 246,120 (2001 : Rs. 221,060 ; 2000 : Rs. 127,120)
- iv) Guarantees given by Banks on behalf of the Company Rs. 954,391
5. Depreciation for the year has been provided on the revalued amount. However, depreciation of Rs. 39,388 (2001 : Rs. 58,843 ; 2000 : Rs. 30,853) provided on the increase in value on account of revaluation , has been drawn from revaluation reserve and the net amount has been charged to the profit and loss account.
- 6 During the period, the company acquired 17,91,385 shares, representing 8% of the equity capital of Wipro Net Limited (WNL). Consequent to this investment, WNL has become a fully owned subsidiary of the company. The board of directors of both the companies decided to amalgamate WNL into the company with effect from April 2001. Accordingly, the scheme of amalgamation was filed in the Karnataka High Court before the balance sheet date. The scheme has been approved in the meeting of creditors and shareholders of both the companies, convened by the court, held on July 19, 2001. The scheme of amalgamation has been given effect to in the accounts of the company for the period ended December 31, 2001, on the pooling of interest method, which is subject to approval by the High Court. The deficit of Rs. 2,001,432 arising on amalgamation is transferred to General Reserve as detailed below:

	Rs.	Rs.
Fixed Assets	433,507	
Net Current Assets	71,753	
Less : Loans	90,000	
Net Tangible assets as of March 31, 2001		415,260
Less : Investments in WNL by the Company		2,416,692
Deficit transferred to General Reserve		2,001,432

- 7 In fiscal 2001 the Company acquired 10,076,542 equity shares of Wipro Net Limited representing 45 % of interest held by KPN Group for Rs 1,087,216. Contemporaneously, equity of Wipro Net Limited (WNL) was restructured by spinning off its retail ISP segment into a separate Company Net Kracker Limited. The Company has invested Rs. 18,635 in equity shares and Rs 54,330 in convertible preference shares of Net Kracker Limited.

- 8 In fiscal 2000, the Company sold 4,694,795 equity shares in Wipro Net Limited (WNL) resulting in an extraordinary income of Rs. 1,095,449. Of the total shares sold, on 1,791,385 shares, the buyer had a put option and the Company has call option for a specified period. In September 2001 the buyer exercised the put option at Rs. 680 per equity share.
- 9 With effect from 1st September 2000, the company transferred the business of manufacturing and distribution of Computer Peripherals to Wipro e-Peripherals Limited (WeP) for a consideration of Rs. 270,880 received by way of - 5,460,000 equity shares of Rs. 10 each in Wipro e-Peripherals Limited, 1,000,000 12.5% unsecured Non convertible debentures of Rs. 100 each in WeP and cash of Rs. 116,280. The transaction resulted in a gain of Rs. 15,981 which has been shown as extraordinary item during the year ended March 31, 2001.
- 10 Amount received from employees on exercise of stock option, pending allotment of shares is shown as share application money pending allotment.
- 11 Company had, in October 1999, an ECB of USD 8,150('000s) equivalent to Rs. 354,364. At that time, the Company entered into an arrangement with a Bank (counter party) for the structured repayment of this loan. As per the agreement, Company made an investment in deep discount bonds of one of the corporate, with highest credit rating. The maturity value of such bonds have been assigned to the counter party which has, in turn, agreed to discharge the Company's ECB liability on the scheduled due dates. Consequent to this, exchange risk of the ECB liability was crystallized in the hands of the company and the premium paid at the time of structured payment is being amortized in the books of account over the balance tenure of ECB loan. The bonds in which the company has invested have varying maturity dates. The amount due on maturity is offset against ECB loan liabilities. At the end of ECB loan tenure, loan liability will match with the amount due on the last maturity of bonds.
- 12 Company has instituted various Employee Stock Option Plans. The compensation committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options. The particulars of options granted under various plans is tabulated below.

Stock option activity under the 1999 Plan is as follows:

Nine month period ended December 31, 2001				
	Shares arising out of options	Range of exercise prices and grant date fair values	Weighted-average exercise price and grant date fair values	Weighted-average remaining contractual life
Outstanding at the beginning of the period.....	4,564,431	Rs. 1,024 to 2,522	Rs. 1,542	29 months
Granted during the period.....	-			
Forfeited during the period.....	(606,365)	1,086 to 1,853	1,503	
Exercised during the period	(6,505)	1,086	1,086	
Outstanding at the end of the period.....	<u>3,951,561</u>	<u>1,024 to 2,522</u>	<u>1,549</u>	<u>20 months</u>
Exercisable at the end of the period.....	<u>634,858</u>	<u>Rs. 1,024 to 2,522</u>	<u>Rs. 1,549</u>	<u>—</u>

Stock option activity under the 2000 Plan is as follows:

Nine month period ended December 31, 2001				
	Shares arising out of options	Range of exercise prices and grant date fair values	Weighted-average exercise price and grant date fair values	Weighted-average remaining contractual life
Outstanding at the beginning of the period.....	3,214,350	Rs. 2,382 to 2,746	2,397	37 months
Granted during the period.....	108,744	Rs. 1,032 to 1,670	1,388	36 months
Forfeited during the period.....	(446,225)	Rs. 2,382	2,382	
Exercised during the period				
Outstanding at the end of the period.....	<u>2,876,869</u>	<u>Rs. 1,032 to 2,746</u>	<u>2,359</u>	<u>28 months</u>
Exercisable at the end of the period.....	<u>276,993</u>	<u>Rs. 382 to 2,746</u>	<u>2,397</u>	<u>—</u>

Stock option activity under the 2000 ADS Plan is as follows:

Nine month period ended December 31, 2001				
	Shares arising out of options	Range of exercise prices and grant date fair values	Weighted-average exercise price and grant date fair values	Weighted-average remaining contractual life (months)
Outstanding at the beginning of the period.....	264,750	\$ 41.375	\$ 41.375	37 months
Granted during the period.....	31,000	\$ 20.75 to 35.770	\$ 24.504	39 months
Forfeited during the period.....	(13,000)	41.375	41.375	—
Outstanding at the end of the period.....	<u>282,750</u>	<u>\$20.75 to 41.375</u>	<u>\$ 39.525</u>	<u>28 months</u>
Exercisable at the end of the period.....	<u>27,775</u>	<u>\$ 41.375</u>	<u>\$ 41.375</u>	<u>—</u>

13. Amount capitalised comprise following revenue expenditure incurred during the construction period.

	Nine Months ended December 31,	Year ended March 31,
	2001	2000
Raw material, finished goods (including manufactured products) and process stock	35,319	70,029
Pre - Operative expenses		104,461
Power and Fuel	-	42,913
Conveyance expenses	-	233
Professional expenses	-	783
TOTAL	35,319	113,958

14. Provision for taxation comprises of following:

- (i) Rs. 204,390(2001 : Rs. 377,676 ; 2000 : Rs. 235,676) in respect of foreign taxes, net of deferred tax of Rs. 6,049 and write back of provision of Rs. 40,951 (2001 : Rs. 18,000 ; 2000 : Rs. Nil)in respect of earlier year
- (ii) Rs.329,110 (2001 : Rs. 611,324 ; 2000; Rs. 360,799) in respect of Indian Income Tax, net of write back of provision of Rs.42,000 2001: Rs. 60,000 ; 2000 :Rs.Nil) in respect of earlier years.
- (iii) Rs.2,250 (2001 : Rs. 3,000 ; 2000 : Rs.Nil) in respect of Wealth Tax.

15. To comply with the newly introduced Accounting Standard 22 - Taxes on Income issued by the Institute of the Chartered Accountants of India which is mandatory with effect from April 1, 2001, the Company has made provision for taxation after considering deferred tax to recognize timing difference in tax. As per the requirement of the standard, the effect of deferred tax upto March 31, 2001 has been worked out at Rs. 87,227 and has been adjusted from the balance in General Reserve. The Company has also created net deferred tax for the period of Rs. 6,049 on account of which the profit for the period is higher by the equivalent amount.

16. Deferred tax comprise of :

Deferred tax assets :	
Allowance for doubtful debts	57,070
Employee stock incentive plan	61,695
Deferred tax liability	
Less : Depreciation differential	25,489
	93,276

17. The Managerial Remuneration paid for fiscal 2001 by Wipro Net Limited is based on the approval of shareholders of the company. However, the excess remuneration over and above the amount prescribed under schedule XIII of the Companies Act, 1956 is subject to the approval of the Central Government. The company has applied to the Central Government for their approval.

18. Corresponding figures for previous periods presented have been regrouped, where necessary, to confirm to this period classification. Current period figures are not comparable with the previous periods to the extent of amalgamation of Wipro Net Limited with effect from April 2001 and to the extent of transfer of peripherals business with effect from 1st September 2000.

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART II OF SCHEDULE VI TO THE COMPANIES ACT 1956

i) Licensed / registered / installed capacities

	Unit	Registered Capacity			Installed Capacity @		
		December 31, 2001	December 31, 2000	March 31, 2001	December 31, 2001	December 31, 2000	March 31, 2001
Vanaspati / Hydrogenated oils	T P A *	144,000	144,000	144,000	56,250	56,250	56,250
Hydraulic and pneumatic equipment	N P A #	40,000	40,000	40,000	40,000	40,000	40,000
Tipping gear systems	N P A #	2,000	2,000	2,000	2,000	2,000	2,000
Toilet Soaps	T P A *	42,750	42,750	42,750	28,000	28,000	28,000
Leather shoe uppers, leather shoes and allied articles	Pairs / Nos (1000's) p.a in lakhs	750	750	750	750	750	750
Fatty acids	T P A *	20,000	20,000	20,000	20,000	20,000	20,000
Glycerine	T P A *	2,000	2,000	2,000	1,800	1,800	1,800
GLS lamps	000s	50,000	50,000	50,000	50,000	50,000	50,000
TL Shells	000s	12,694	12,694	12,694	12,694	12,694	12,694
Flourescent tubelights	000s	10,694	8,139	10,694	10,694	8,139	10,694
Mini computers / micro processor based systems and data communication systems	Ex-factory turnover in million rupees p. a	244,000	244,000	64,000	244,000	64,000	244,000
Micro processor based computers and peripherals	N P A #	8,500	8,500	8,500	72,500	72,500	72,500
Computers and communication boards	N P A #	8,500	8,500	8,500	8,500	8,500	8,500
Computer software (domestic)	Rupees in million	100	100	100	-	-	-

@ Installed capacities are as per certificate given by management on which auditors have relied.

* TPA indicates tons per annum

NPA indicates nos. per annum

ii) Production and Sales

	Unit	Production #			Sales					
		Dec 31, 2001 Quantity #	Dec 31, 2000 Quantity #	March 31, 2001 Quantity #	December 31, 2001		December 31, 2000		March 31, 2001	
					Quantity	Rs 000	Quantity	Rs 000	Quantity	Rs 000
Software services						16,700,642		12,354,365		17,540,755
Mini computers/micro processor based Systems and data communication systems	Nos	38,933	34,094	62,779	57,773	3,289,799	34,866	3,914,308	62,321	6,368,530
Serial printers	Nos	-	28,422	28,422			39,974	837,846	39,974	837,846
Toilet soaps	Tons	15,099	17,722	23,274	15,020	1,073,748	18,121	1,343,133	23,853	1,738,022
Toiletries						239,650		169,918		226,189
Post sales support and related IT services e-mail and e-fax services						1,289,211		906,568		1,209,487
Vanaspati/hydrogenated oils	Tons	9,853	12,123	16,098	9,994	337,647	11,618	369,650	15,918	488,464
Lighting products	000s	&	&	&		681,983		647,489		902,785
Hydraulic and pneumatic equipment	Nos	27,636	36,024	51,177	29,024	363,364	35,756	443,071	50,552	639,953
Tipping gear systems	Nos	3,130	1,025	3,788	3,130	104,863	1,025	86,248	3,788	148,278
Shoe uppers and full shoes (pairs)	000s	433	350	511	441	114,606	355	92,670	508	144,901
Fatty acids	Tons	9,239 \$	20,021 \$	13,104 \$		5,981	245	8,626	339	10,025
Glycerine %	Tons	440 %	368 %	426 %	422	19,732	299	22,513	459	32,076
Reagent kits/ spares of analytical instruments	Nos	2,338	4,947	6,722	34,584	313,216	30,550	270,340	31,539	377,519
Spares / components for cylinders / tippers	&					74,347		72,843		83,041
Agency commission						141,005		227,900		346,216
Software products						305,033		180,089		146,270
Stock in trade Land										125,000
TOTAL						<u>25,481,744</u>		<u>21,947,577</u>		<u>31,365,357</u>
Less: Excise Duty						<u>445,518</u>		<u>620,607</u>		<u>826,267</u>
TOTAL						<u>25,036,226</u>		<u>21,326,970</u>		<u>30,539,090</u>

includes samples and shortages

\$ includes 9,216 tons (2001 : 12,715 ; 2000 : 9,843) used for own consumption

% includes 7 tons (2001 : Nil ; 2000 : 60) used for own consumption

& it is not practicable to give quantitative information in the absence of common expressible unit.

iii) **Closing Stocks**

	Unit	December 31, 2001		December 31, 2000		March 31, 2001	
		Quantity	Rs 000s	Quantity	Rs 000s	Quantity	Rs 000s
Mini computers/micro processor based systems and data communication systems *	Nos	1,325	40,587	56	236,604	556	165,771
Toilet Soaps	Tons	1,052	49,261	883	35,659	973	40,674
Vanaspati / hydrogenated oils	Tons	505	17,144	971	22,592	646	15,605
Lighting Products *			64,263		79,350		88,375
Hydraulic and pneumatic equipment	Nos	2,934	67,430	3,965	70,309	4,322	71,793
Shoe Uppers and full shoes (pairs)	000s		172	1	24	8	1,997
Fatty acids	Tons	144	3,667	161	3,032	121	109
Glycerine	Tons	56	3,121	27	1,626	45	2,711
Others			2,159		1,751		3,245
			<u>247,804</u>		<u>450,947</u>		<u>390,280</u>
Closing Stock of traded goods							
Reagent Kits/Spares of Analytical instruments	Nos	16,874	98,190	19,520	58,808	18,468	72,975
Others			25,150		16,848		23,860
			<u>371,144</u>		<u>526,603</u>		<u>487,115</u>

* includes traded products ; bifurcation between manufactured and traded products not practicable

iv) **Purchases for trading**

	Unit	December 31, 2001		December 31, 2000		March 31, 2001	
		Quantity	Rs 000s	Quantity	Rs 000s	Quantity	Rs 000s
Computer units /printers	Nos	19,609	2,433,400	16,775	2,375,965	15,725	3,307,191
Lighting Products *			303,521		345,806		455,167
Reagent kits/Spares of analytical instruments	Nos	30,652	257,953	25,729	202,627	23,891	299,564
Spares/Components for tippers/cylinders*			24,929		22,222		35,218
Others*			129,634		103,562		396,564
			<u>3,149,437</u>		<u>3,050,182</u>		<u>4,493,704</u>

* It is not practicable to give quantitative information in the absence of common expressible unit.

V) **Raw materials consumed**

	Unit	December 31, 2001		December 31, 2000		March 31, 2001	
		Quantity	Rs 000s	Quantity	Rs 000s	Quantity	Rs 000s
Peripherals/ Components for computers	#		1,478,315		1,576,277		2,297,597
Oils and fats	Tons	19,997	414,503	18,691	439,774	32,117	548,277
Components for cylinders	#		199,990		228,523		327,633
Tinplates	Tons			133	38,618	41	1,484
Components for lighting products	#		130,967		121,729		176,439
Leather	Sq.ft. (000s)	505	76,663	399	65,322	538	59,388
Others	#		123,694		149,859		324,276
			<u>2,424,132</u>		<u>2,620,102</u>		<u>3,735,094</u>

It is not practicable to give quantitative information in the absence of common expressible unit .

vi) **Value of imported and indigenous materials consumed**

	December 31, 2001		December 31, 2000		March 31, 2001	
	%	Rs. 000s	%	Rs 000s	%	Rs 000s
Raw Materials						
Imported	33	795,085	51	1,343,675	53	1,961,729
Indigenous	67	1,629,047	49	1,276,427	47	1,773,365
	<u>100</u>	<u>2,424,132</u>	<u>100</u>	<u>2,620,102</u>	<u>100</u>	<u>3,735,094</u>
Stores and Spares						
Imported	3	6,346	5	8,159	7	11,878
Indigenous	97	199,657	95	147,624	93	162,677
	<u>100</u>	<u>206,003</u>	<u>100</u>	<u>155,783</u>	<u>100</u>	<u>174,555</u>

vii) Value of imports on CIF basis

(does not include value of imported items locally purchased)

	December 31, 2001	December 31, 2000	March 31, 2001
Raw materials, components and peripherals	1,720,926	1,102,457	2,022,651
Stores and spares	194,405	153,484	218,763
Capital goods	16,793	149,910	366
Others	-	139,914	-
	1,932,124	1,545,765	2,241,780

viii) Expenditure in foreign currency

	December 31, 2001	December 31, 2000	March 31, 2001
Travelling	4,735,027	3,254,350	5,572,870
Interest	-	-	-
Royalty	80,644	-	85,848
Professional fees	147,790	17,787	214,825
Others	1,150,728	456,559	214,591
	6,114,189	3,728,696	6,088,134

ix) Earnings in foreign exchange

	December 31, 2001	December 31, 2000	March 31, 2001
Export of goods on F.O.B basis	111,731	93,084	143,297
Services	16,707,654	12,296,723	17,608,373
Interest on deposits / investments outside India	43,192	38,356	38,552
Agency commission	151,214	32,253	343,738
Others	-	746	-
	17,013,791	12,461,162	18,133,960

WIPRO LIMITED
CASH FLOW STATEMENT
(in rupees thousands)

	Nine Months ended		Year ended
	December 31,		March 31,
	2001	2000	2001
Cash flows from operating activities:			
Net profit before tax and non recurring items	6,990,691	5,101,174	7,655,487
Adjustments to reconcile Net profit before tax and non recurring items to net cash provided by operating activities:			
Depreciation and amortization	1,038,766	668,378	979,424
Foreign currency translation gains	(48,240)		(86,399)
Retirement benefits provision	130,615	219,456	138,986
Interest accrued on discount bonds			(27,345)
Interest on borrowings		(57,928)	68,890
Dividend / interest	(647,326)		(342,310)
Loss / (Gain) on sale of short-term investments			(4,000)
Loss / (Gain) on sale of property, plant and equipment	(17,428)	(41,034)	(49,162)
Realised Gain on sale of Stock-in-trade : Land			(105,297)
Operating cash flow before changes in working capital	7,447,078	5,890,046	8,228,274
Changes in operating assets and liabilities			
Trade and other receivable	773,952	(835,832)	(1,770,267)
Loans and advances	(858,854)	(476,790)	(401,062)
Inventories (other than stock-in-trade land)	280,349	45,281	(51,958)
Trade and other payables	476,809	390,820	1,097,961
Net cash provided by operations	8,119,334	5,013,525	7,102,948
Direct taxes paid	(883,725)	(829,771)	(1,095,813)
Non recurring / extraordinary items			16,036
Net cash provided by operating activities	7,235,609	4,183,754	6,023,171
Cash flows from investing activities:			
Expenditure on property, plant and equipment (including advances)	(1,975,036)	(2,108,619)	(2,772,425)
Proceeds from sale of property, plant and equipment	79,012	161,158	91,886
Purchase of investments	(6,027,022)	(5,597,324)	(1,231,465)
Inter Corporate deposits placed	5,800	(491,800)	(1,152,000)
Certificate of Deposits with foreign banks	(2,783,814)		(3,326,108)
Proceeds from sales and maturities of investments	77,029	64,817	243,000
Proceeds from divestment of Wipro e-Peripherals			116,281
Dividends received	61,773	7,353	31,853
Interest received	585,553	110,081	310,457
Net cash used in investing activities	(9,976,705)	(7,854,334)	(7,688,521)
Cash flows from financing activities:			
Capital subsidy received		750	750
Proceeds from American Depository Offering		5,802,774	5,802,774
Proceeds from exercise of Stock Option Plan grants	7,064	79,239	123,987
Share application monies received pending allotment		12,938	2,345
Proceeds from issue (redemption) of preference shares		(250,000)	(250,000)
Proceeds from issuance / (repayment) of borrowings	(168,551)	(205,320)	(130,947)
Interest on borrowings		(60,929)	(69,844)
Payment of cash dividends	(128,071)	(87,913)	(87,913)
Corporate tax on Dividend		(9,671)	(9,671)
Net cash provided by/(used in) financing activities	(289,558)	5,281,868	5,381,481
Net increase/ (decrease) in cash and cash equivalents during the year	(3,030,654)	1,611,288	3,716,131
Cash and cash equivalents at the beginning of the period	4,468,703	747,290	747,290
Cash and cash equivalents at the end of the period	1,438,049	2,358,578	4,463,421

Notes :

- i) Opening cash and bank balances include cash balances of Wipro Net Limited of Rs 5,282
- i) Purchase of investments include Rs. 1,218,142 on acquisition of minority interest of 8% in Wipro Net Limited.
- iii) Figures for previous periods presented, have been regrouped wherever necessary, to confirm to this period classification.

For and on behalf of the board of directors

Azim Hasham Premji (Chairman and managing director)

Suresh Senapaty
(Corporate Executive Vice President – Finance)

P M Sinha (Director)

Satish Menon
(Corporate Vice President- Legal & Company Secretary)

N Vaghul (Director)

Bangalore, January 18, 2002.

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Wipro Limited for the Nine Months ended December 31, 2001. This statement has been prepared by the company in accordance with the requirement under clause 32 of the listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company for the Nine Months ended December 31, 2001.

For N M Rajji & Co.,
Chartered Accountants

J M Gandhi
Partner

Mumbai, January 18, 2002.