

**WIPRO LIMITED AND SUBSIDIARIES**

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
PREPARED IN ACCORDANCE WITH U.S. GAAP  
AS OF AND FOR THE  
THREE MONTHS ENDED JUNE 30, 2006 AND 2007**

**WIPRO LIMITED AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**  
(in millions, except share data)

ASSETS	NOTE	As of June 30,		As of March 31,	
		2006	2007	2007	2007
		(unaudited)	(unaudited)	Convenience translation into US\$ (unaudited)	
<b>Current assets:</b>					
Cash and cash equivalents .....	Rs.	4,347	18,020	\$ 444	Rs. 12,412
Restricted cash.....		-	-	-	7,238
Investments in liquid and short-term mutual funds .....		35,966	25,630	632	32,410
Accounts receivable, net of allowances.....		21,602	27,911	688	28,083
Costs and earnings in excess of billings on contracts in progress .....		5,351	6,090	150	5,096
Inventories .....		2,307	4,426	109	4,150
Deferred income taxes.....		197	428	11	382
Other current assets.....		9,838	11,991	295	11,479
<b>Total current assets.....</b>		<b>79,608</b>	<b>94,495</b>	<b>2,329</b>	<b>101,251</b>
Property, plant and equipment, net.....		19,365	28,083	692	26,541
Investments in affiliates.....	4	1,108	1,295	32	1,242
Investments securities .....		13	357	9	357
Deferred income taxes.....		113	63	2	49
Purchase price pending allocation.....		1,149	-	-	-
Intangible assets, net.....		2,248	2,545	63	2,671
Goodwill.....	3	10,294	12,298	303	12,698
Other assets.....		1,343	3,050	75	1,959
<b>Total assets .....</b>	<b>Rs.</b>	<b>115,242</b>	<b>142,187</b>	<b>\$ 3,504</b>	<b>Rs. 146,767</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Borrowings from banks.....	Rs.	726	730	\$ 18	Rs. 2,893
Current portion of long-term debt.....		-	436	11	328
Accounts payable.....		6,958	9,363	231	10,202
Accrued expenses .....		5,209	4,735	117	5,139
Accrued employee costs .....		4,548	5,368	132	5,187
Advances from customers .....		1,111	1,431	35	1,315
Billings in excess of costs and earnings on contracts in progress.....		538	1,209	30	1,818
Other current liabilities .....		8,786	8,934	220	16,623
<b>Total current liabilities .....</b>		<b>27,876</b>	<b>32,206</b>	<b>794</b>	<b>43,505</b>
Long-term debt, excluding current portion .....		-	286	7	560
Deferred income taxes.....		226	593	15	464
Other liabilities.....		480	494	12	770
<b>Total liabilities.....</b>		<b>28,582</b>	<b>33,579</b>	<b>827</b>	<b>45,299</b>
Minority interest .....		-	54	1	-
<b>Stockholders' equity:</b>					
Equity shares at Rs. 2 par value: 1,650,000,000 shares authorized; Issued and outstanding: 1,458,999,650, 1,431,992,871 and 1,459,113,115 shares as of March 31, 2007, June 30, 2006 and 2007.....		2,864	2,918	72	2,918
Additional paid-in capital.....		16,374	24,860	613	24,508
Accumulated other comprehensive income.....		119	(277)	(6)	94
Retained earnings.....		67,303	81,052	1,997	73,948
Equity shares held by a controlled Trust:..... 7,961,760, 7,869,060 and 7,961,760 shares as of March 31, 2007, June 30, 2006 and 2007		(0)	(0)	(0)	(0)
<b>Total stockholders' equity.....</b>		<b>86,660</b>	<b>108,553</b>	<b>2,676</b>	<b>101,468</b>
<b>Total liabilities and stockholder's equity.....</b>	<b>Rs.</b>	<b>115,242</b>	<b>142,187</b>	<b>\$ 3,504</b>	<b>Rs. 146,767</b>

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Three months ended June 30,		
	2006	2007	2007
	(unaudited)	(unaudited)	Convenience translation into US\$ (unaudited)
<b>Revenues:</b>			
Global IT Services and Products			
IT Services.....	Rs. 22,414	Rs. 27,460	\$ 677
BPO Services.....	2,099	2,570	63
India and AsiaPac IT Services and Products			
Services.....	1,608	2,486	61
Products.....	2,748	4,088	101
Consumer Care and Lighting.....	1,650	2,221	55
Others.....	793	3,007	74
<b>Total.....</b>	<b>31,312</b>	<b>41,832</b>	<b>1,031</b>
<b>Cost of revenues:</b>			
Global IT Services and Products			
IT Services.....	14,617	18,288	451
BPO Services.....	1,493	1,652	41
India and AsiaPac IT Services and Products			
Services.....	891	1,515	37
Products.....	2,488	3,565	88
Consumer Care and Lighting.....	1,056	1,472	36
Others.....	635	2,604	64
<b>Total.....</b>	<b>21,182</b>	<b>29,096</b>	<b>717</b>
<b>Gross profit.....</b>	<b>10,131</b>	<b>12,737</b>	<b>314</b>
<b>Operating expenses:</b>			
Selling and marketing expenses.....	(2,036)	(2,761)	(68)
General and administrative expenses.....	(1,478)	(2,060)	(51)
Research and development expenses.....	(57)	(173)	(4)
Amortization of intangible assets.....	(54)	(105)	(3)
Foreign exchange losses, net.....	(19)	(852)	(21)
Others, net.....	23	80	2
<b>Operating income.....</b>	<b>6,509</b>	<b>6,865</b>	<b>169</b>
Other income, net.....	508	991	24
Equity in earnings of affiliates.....	65	87	2
<b>Income before income taxes, minority interest and cumulative effect of change in accounting principle.....</b>	<b>7,082</b>	<b>7,943</b>	<b>196</b>
Income taxes.....	(979)	(839)	(21)
Minority interest.....	-	-	-
<b>Income before cumulative effect of change in accounting principle</b>	<b>6,103</b>	<b>7,105</b>	<b>175</b>
Cumulative effect of change in accounting principle.....	39	-	-
<b>Net income.....</b>	<b>Rs. 6,142</b>	<b>Rs. 7,105</b>	<b>\$ 175</b>
<b>Earnings per equity share</b>			
Basic.....			
Income before cumulative effect of change in accounting principle	4.30	4.90	0.12
Cumulative effect of change in accounting principle	0.03	-	-
Net income	4.33	4.90	0.12
Diluted.....			
Income before cumulative effect of change in accounting principle	4.25	4.87	0.12
Cumulative effect of change in accounting principle	0.03	-	-
Net income	4.28	4.87	0.12
Weighted average number if equity shares used in computing earnings per equity share:			
Basic.....	1,419,404,399	1,449,892,856	
Diluted.....	1,436,644,785	1,457,885,337	

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Equity Shares		Additional Paid in Capital	Comprehensive Income	Accumulated Other Comprehensive Income/(loss)	Retained Earnings	Equity Shares held by a Controlled Trust		Total Stockholders' Equity
	No of shares	Amount					No of shares	Amount	
Balance as of March 31, 2007	1,458,999,650	Rs. 2,918	Rs. 24,508		Rs. 94	Rs. 73,947	(7,961,760)	Rs. (0)	Rs. 101,467
Issuance of equity shares on exercise of options (unaudited)	113,465	0	39	-	-	-	-	-	39
Compensation cost related to employee stock incentive plan (note 5) (unaudited)	-	-	312	-	-	-	-	-	312
Comprehensive Income									
Net income (unaudited)	-	-	-	7,105	-	7,105	-	-	7,105
Other comprehensive income/(loss)									
Translation adjustments (unaudited)	-	-	-	(586)	-	-	-	-	
Unrecognised actuarial loss (net of tax effect of Rs. (0.06)) (unaudited)	-	-	-	4	-	-	-	-	
Unrealised gain on investment securities, net (net of tax effect of Rs. (34)) (unaudited)	-	-	-	(67)	-	-	-	-	
Unrealised gain on cash flow hedging derivatives, net (note 2) (unaudited)	-	-	-						
Total other comprehensive income/(loss) (unaudited)				278	-	-	-	-	
Comprehensive income (unaudited)				(370)	(370)	-	-	-	(370)
				6,734					
Balance as of June 30, 2007 (unaudited)	1,459,113,115	Rs. 2,918	Rs. 24,860		Rs. (277)	Rs. 81,052	(7,961,760)	Rs. (0)	Rs. 108,553
Balance as of June 30, 2007 (\$) (unaudited)		\$ 72	\$ 613		\$ (7)	\$ 1,997		\$ (0)	\$ 2,675

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

	Three Months ended June 30,		
	2006	2007	2007
	(unaudited)	(unaudited)	Convenience translation into US\$ (unaudited)
Cash flows from operating activities:			
Net income.....	Rs. 6,142	Rs. 7,105	\$ 175
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of property, plant and equipment.....	(1)	(159)	(4)
Cumulative effect of change in accounting principle.....	(39)	-	-
Depreciation and amortization.....	963	1,290	32
Deferred tax charge/(benefit).....	(6)	68	2
Unrealised exchange (gain) / loss.....	398	(380)	(9)
Gain on sale of investments securities.....	(122)	(351)	(9)
Amortization of stock compensation.....	199	312	8
Equity in earnings of affiliates.....	(65)	(87)	(2)
Minority interest.....	-	-	-
Changes in operating assets and liabilities:			
Accounts receivable.....	(347)	230	6
Costs and earnings in excess of billings on contracts in progress.....	(942)	(993)	(24)
Inventories.....	(183)	(275)	(7)
Other assets.....	(319)	(1,346)	(33)
Accounts payable.....	(508)	(625)	(15)
Accrued expenses and employee costs.....	793	(223)	(5)
Advances from customers.....	32	(493)	(12)
Other liabilities.....	319	(354)	(9)
Net cash provided by operating activities.....	<u>6,314</u>	<u>3,718</u>	<u>92</u>
Cash flows from investing activities:			
Expenditure on property, plant and equipment.....	(2,256)	(2,979)	(73)
Proceeds from sale of property, plant and equipment.....	29	232	6
Dividends received from affiliates.....	-	-	-
Purchase of investments.....	(27,842)	(32,373)	(798)
Proceeds from sale of investments.....	22,375	39,438	972
Investments in inter-corporate deposits.....	-	150	4
Advances towards business combinations.....	(54)	-	-
Payment for acquisitions, net of cash acquired.....	(4,689)	(65)	(2)
Net cash used in investing activities.....	<u>(12,438)</u>	<u>4,402</u>	<u>108</u>
Cash flows from financing activities:			
Proceeds from issuance of equity shares.....	1,866	49	1
Proceeds from issuance of equity shares by a subsidiary.....	-	54	1
Proceeds from/(repayments of) short-term borrowing, net.....	(23)	(1,756)	(43)
Repayment of long-term debt.....	(236)	(574)	(14)
Payment of cash dividends.....	-	(271)	(7)
Net cash provided by/(used in) financing activities.....	<u>1,607</u>	<u>(2,497)</u>	<u>(62)</u>
Net increase in cash and cash equivalents during the period.....	(4,516)	5,623	139
Effect of exchange rate changes on cash.....	5	(15)	(0)
Cash and cash equivalents at the beginning of the period.....	<u>8,858</u>	<u>12,412</u>	<u>306</u>
Cash and cash equivalents at the end of the period.....	Rs. <u>4,347</u>	Rs. <u>18,020</u>	\$ <u>444</u>
Supplementary information:			
Cash paid for interest.....	Rs. 2	Rs. 131	\$ 3
Cash paid for taxes.....	604	1,264	31

See accompanying notes to the unaudited condensed consolidated financial statements.

**WIPRO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(in millions, except share data and where otherwise stated)**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying unaudited condensed consolidated financial statements of Wipro Limited ("Wipro" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States.

Interim information presented in the consolidated financial statements has been prepared by the management without audit and, in the opinion of management, includes all adjustments of a normal recurring nature that are necessary for the fair presentation of the financial position, results of operations and cash flows for the periods shown, and is in accordance with U.S. GAAP. These financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's annual report on Form 20-F for the fiscal year ended March 31, 2007.

The accompanying unaudited condensed consolidated financial statements have been prepared in Indian rupees, the national currency of India. Solely for the convenience of the readers, the financial statements as of and for the three months ended June 30, 2007 have been translated into United States dollars at the noon buying rate in New York City on June 29, 2007 for cable transfers in Indian rupees, as certified for customs purposes by the Federal Reserve Bank of New York of \$1= Rs. 40.58. No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate.

**NOTE 2: DERIVATIVE AND HEDGE ACCOUNTING**

The Company is exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward exchange and option contracts, where the counterparty is a bank. The Company considers the risks of non-performance by the counterparty as remote.

Forward contracts/options in respect of forecasted transactions, which meet the hedging criteria, are designated as cash flow hedges. Changes in the derivative fair values that are designated as effective cash flow hedges, under SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, are deferred and recorded as a component of accumulated other comprehensive income until the hedged transactions occur and are then recognized in the consolidated statements of income. The ineffective portion of a hedging derivative is immediately recognized in the consolidated statements of income.

As of June 30, 2007, a gain of Rs. 350 relating to changes in fair value of forward contracts/options, designated as hedge of forecasted transactions, is included as a component of other comprehensive income/loss within stockholders' equity.

**NOTE 3: ACQUISITIONS**

During the years ended March 31, 2007 and 2006, the Company completed a number of acquisitions. These acquisitions have been accounted for under the purchase method and have been included in the Company's consolidated financial statements from the date of the acquisition. The developments during the three months ended June 30, 2007 are as follows:

*Unza Holdings Limited*

In July 2007, the Company signed the definitive agreements to acquire 100% of the equity of Unza Holdings Limited (Unza), a Singapore based Fast Moving Consumer Goods (FMCG) Company for total cash consideration of US\$ 246, subject to completion of certain closing conditions. The Company intends to fund this acquisition through its internal resources.

Unza is one of South Asia's largest independent manufacturers and marketer of personal care products bringing Asian focused brands to millions of Asian consumers. With operations in over 40 countries, Unza markets a wide portfolio of personal care brands and detergent brands.

*cMango Inc and subsidiaries*

In April 2006, the Company acquired 100% equity of cMango Inc and subsidiaries (cMango). cMango is a provider of Business Service Management (BSM) solutions. The consideration (including direct acquisition costs) included a cash payment of Rs. 884 and an earn-out of US\$ 12 to be determined and paid in the future based on specific financial metrics being achieved over a two year period. The earn-out will be recorded as additional purchase price when the contingency is resolved.

The Company believes that through this acquisition it will expand its operations in Business Management Services sector. This acquisition also enables the Company to access over 20 customers in the Business Management Services sector.

The purchase price paid has been allocated to the acquired assets and liabilities as follows:

<b>Description</b>	<b>Fair value</b>
Net tangible assets .....	Rs. (23)
Customer-related intangibles.....	133
Deferred tax liabilities.....	(46)
Goodwill .....	820
Total	<u>Rs. 884</u>

*RetailBox BV and subsidiaries*

In June 2006, the Company acquired 100% equity of RetailBox BV and subsidiaries (Enabler). Enabler is in the business of providing comprehensive IT solutions and services. The consideration (including direct acquisition costs) included a cash payment of Rs. 2,442 and an earn-out of Euro 11 to be determined and paid in the future based on specific financial targets being achieved over a two year period. The earn-out will be recorded as additional purchase price when the contingency is resolved.

Through this acquisition the Company aims to provide a wide range of services including Oracle retail implementation, digital supply chain, business optimization and integration. Further, through this acquisition, the Company aims to expand domain expertise both in retail and technology sectors and obtain a presence in five different geographical locations.

The purchase price paid has been allocated to the acquired assets and liabilities as follows:

<b>Description</b>	<b>Fair value</b>
Net tangible assets .....	Rs. 389
Customer-related intangibles.....	298
Deferred tax liabilities.....	(105)
Goodwill .....	1,860
Total	<u>Rs. 2,442</u>

**NOTE 4: INVESTMENTS IN AFFILIATES**

*Wipro GE Medical Systems ("Wipro GE")*

The Company has accounted for its 49% interest in Wipro GE by the equity method. The carrying value of the investment in Wipro GE as of March 31, 2007, June 30, 2006 and June 30, 2007, was Rs. 1,120, Rs. 916 and Rs. 1,183 respectively. The Company's equity in the income of Wipro GE for three months ended June 30, 2006 and 2007 was Rs. 74 and Rs. 97 respectively.

### *WeP Peripherals*

The Company previously accounted for its 36.9% interest as of June 30, 2006 in WeP by the equity method. The carrying value of the equity investment in WeP Peripherals as of June 30, 2006 was Rs. 193.

In December 2006, the Company sold a portion of its interest in WeP Peripherals. Subsequent to this sale, the Company's ownership interest in WeP Peripherals is reduced to 15% and the Company does not have the ability to exercise significant influence over the operating and financial policies of WeP Peripherals. Accordingly, the Company has subsequently accounted for the balance investment of Rs. 80 under the cost method.

### *WM Net Serv*

The Company has accounted for its 80.1% ownership interest in WM NetServ by the equity method as the minority shareholder in the investee has substantive participative rights as specified in EITF Issue No. 96-16, Investor's Accounting for an Investee When the Investor Has a Majority of the Voting Interest but the Minority Shareholder or Shareholders Have Certain Approval or Veto Rights. The carrying value of the equity investment in WM NetServ as of March 31, 2007 and June 30, 2007 was Rs. 122 and Rs. 112. The Company's equity in the loss of WM NetServ for three months ended June 30, 2007 was Rs. 10.

## **NOTE 5: STOCK BASED COMPENSATION**

Effective April 1, 2006, the Company adopted SFAS No. 123 (revised 2004), Share-Based Payment, (SFAS No. 123 (R)), which requires the measurement of compensation expense for all stock-based payment awards based on the grant-date fair value of those awards and recognition on straight line basis over the requisite service period. The Company includes a forfeitures estimate in the amount of compensation expense being recognized. The Company adopted SFAS No. 123(R) using the modified prospective application method. Under this approach, the Company has recognized compensation expense for share-based payment awards granted prior to, but not yet vested as of April 1, 2006, based on the grant date fair value under Black-Scholes model estimated in accordance with the provisions of SFAS No. 123.

SFAS No. 123(R) requires that deferred stock-based compensation previously recorded under APB Opinion No. 25 and outstanding on the date of adoption be eliminated against additional paid-in capital. Accordingly, the deferred compensation balance of Rs. 2,202 was eliminated against additional paid-in capital on April 1, 2006.

Under APB Opinion No. 25, the Company had a policy of recognizing the effect of forfeitures only as they occurred. Accordingly, as required by SFAS No. 123 (R), on April 1, 2006, the Company estimated the number of outstanding instruments, which are not expected to vest and recognized a gain of Rs. 39 representing the reversal of compensation cost for such instruments previously recognized in statement of income as cumulative effect of changes in accounting principle.

The Company recorded stock compensation expense of Rs. 199 and Rs. 312 respectively during the three months ended June 30, 2007 and 2006.

## **NOTE 6: INCOME TAXES**

The Company had received tax demands from the Indian income tax authorities for the financial years ended March 31, 2001, 2002 and 2003 aggregating to Rs. 8,100 (including interest of Rs. 750). The tax demand was primarily on account of denial of deduction claimed by the Company under Section 10A of the Income Tax Act 1961, in respect of profits earned by its undertakings in Software Technology Park at Bangalore. The Company had appealed against these demands. In March 2006, the first appellate authority vacated the tax demands for the years ended March 31, 2001 and 2002. The income tax authorities have filed an appeal.

In March 2007, the first Income tax appellate authority upheld the deductions claimed by the Company under Section 10A of the Act, which vacates a substantial portion of the demand for the year ended March 31, 2003.

In December 2006, the Company received additional tax demand of Rs. 3,027 (including interest of Rs. 753) for the financial year ended March 31, 2004 on similar grounds as earlier years. The Company has filed an appeal



against this demand. Considering the facts and nature of disallowance and the order of the appellate authority upholding the claims of the Company for earlier years, the Company believes that the final outcome of the above dispute should be in favor of the Company and there should not be any material impact on the financial statements.

The range of loss relating to these contingencies is between zero and the amount of the demand raised.

#### **NOTE 7: IMPLEMENTATION OF FIN 48**

Effective April 1, 2007, the Company adopted Financial Accounting Standards Board Interpretation 48, Accounting for Uncertainty in Income Taxes – An Interpretation of Statement of Financial Accounting Standards No. 109 (FIN 48). FIN 48 requires that a position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not (i.e., a likelihood of more than fifty percent) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Upon adoption, the Company determined that the provisions of FIN 48 did not have a material effect on prior financial statements and therefore no change was required to the opening balance of retained earnings.

FIN 48 also requires that changes in judgment that result in subsequent recognition, derecognition or change in a measurement of a tax position taken in a prior annual period (including any related interest and penalties) be recognized as a discrete item in the period in which the change occurs. This change will not impact the manner in which the Company recorded income taxes on an annual basis and did not significantly impact its recorded income tax provision in the quarter ended June 30, 2007.

It is the Company's policy to include any penalties and interest related to income taxes as a component of other income, net.

#### **NOTE 8: SEGMENT INFORMATION**

The Company is currently organized by segments, including Global IT Services and Products (comprising of IT Services and BPO Services segments), India and AsiaPac IT Services and Products, Consumer Care and Lighting and 'Others'.

The Chairman of the Company has been identified as the Chief Operating Decision Maker ("CODM") as defined by SFAS No. 131, Disclosure about Segments of an Enterprise and Related Information. The Chairman of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed.

Operating segments with similar economic characteristics and complying with other aggregation criteria specified in SFAS No. 131 have been combined to form the Company's reportable segments. Consequently, IT Services and BPO services qualify as reportable segments under the Global IT Services and Products business.

The IT Services segment provides research and development services for hardware and software design to technology and telecommunication companies, software application development services to corporate enterprises. The BPO services segment provides Business Process Outsourcing services to large global corporations.

Until March 31, 2007, the operations of certain acquired entities were reviewed by the CODM separately and were accordingly reported separately as 'Acquisitions'. During the quarter ended June 30, 2007, the Company integrated these acquired entities under the IT Services segment and accordingly CODM no longer requires separate information relating to these acquired entities.

The India and AsiaPac IT Services and Products segment focuses primarily on addressing the IT and electronic commerce requirements of companies in India, MiddleEast and AsiaPacific region.

The Consumer Care and Lighting segment manufactures, distributes and sells soaps, toiletries, lighting products and hydrogenated cooking oils for the Indian market.

'Others' consist of business segments that do not meet the requirements individually for a reportable segment as defined in SFAS No. 131. Corporate activities such as treasury, legal and accounting, which do not qualify as operating segments under SFAS No. 131 have been considered as reconciling items.

Segment data for previous periods has been reclassified on a comparable basis.

Information on reportable segments is as follows:

Three Months ended June 30, 2006 (unaudited)

Note	Global IT Services and Products			India and AsiaPac IT Services and Products	Consumer Care and Lighting	Others	Reconciling Items	Entity Total
	IT Services	BPO Services	Total					
Revenues.....	Rs. 22,414	Rs. 2,099	Rs. 24,513	Rs. 4,356	Rs. 1,650	Rs. 793	Rs. -	Rs. 31,312
Exchange rate fluctuations.....	(39)	2	(37)	18	1	-	19	-
Total revenues.....	22,375	2,101	24,476	4,374	1,651	793	19	31,312
Cost of revenues.....	(14,617)	(1,493)	(16,111)	(3,379)	(1,056)	(635)	-	(21,182)
Selling and marketing expenses .....	(1,202)	(6)	(1,209)	(393)	(330)	(91)	(14)	(2,036)
General and administrative expenses.....	(951)	(201)	(1,152)	(246)	(29)	(36)	(14)	(1,478)
Research and development expenses.....	(57)	-	(57)	-	-	-	-	(57)
Amortization of intangible assets.....	(36)	(1)	(37)	(3)	(13)	-	-	(54)
Exchange rate fluctuations.....	-	-	-	-	-	-	(19)	(19)
Others, net.....	2	-	2	2	8	8	3	23
<b>Operating income of segment.....</b>	<b>Rs. 5,513</b>	<b>Rs. 399</b>	<b>Rs. 5,911</b>	<b>Rs. 353</b>	<b>Rs. 231</b>	<b>Rs. 39</b>	<b>Rs. (25)</b>	<b>Rs. 6,509</b>
Total assets of segment.....	Rs. 48,298	Rs. 12,193	Rs. 60,491	Rs. 9,663	Rs. 3,575	Rs. 3,603	Rs. 37,910	Rs. 115,242
Accounts receivable.....	16,039	851	16,890	3,495	587	630	-	21,602
Cash and cash equivalents and investments in liquid and short-term mutual funds.....	3,241	4,921	8,162	283	70	420	31,377	40,313
Depreciation.....	650	158	808	35	24	17	4	888
Average Capital Employed.....	32,036	10,671	42,706	3,536	1,798	2,358	33,462	83,860
Return on capital employed.....	69%	15%	55%	40%	51%			31%

Information on reportable segments is as follows:

Three months ended June 30, 2007 (unaudited)										
	Global IT Services and Products			India and AsiaPac IT Services and Products	Consumer Care and Lighting	Others	Reconciling Items	Entity Total		
	IT Services	BPO Services	Total						Rs.	Rs.
Revenues.....	Rs. 27,460	Rs. 2,570	Rs. 30,030	Rs. 6,574	Rs. 2,221	Rs. 3,007	Rs. -	Rs. 41,832	Rs. -	Rs. 41,832
Exchange rate fluctuations.....	(560)	(56)	(617)	25	0	8	584	-	-	-
Total revenues.....	26,899	2,514	29,413	6,599	2,221	3,015	584	41,832	-	41,832
Cost of revenues.....	(18,288)	(1,652)	(19,940)	(5,080)	(1,472)	(2,604)	-	(29,096)	-	(29,096)
Selling and marketing expenses .....	(1,473)	(36)	(1,509)	(674)	(393)	(164)	(21)	(2,761)	-	(2,761)
General and administrative expenses.....	(1,263)	(255)	(1,519)	(360)	(35)	(126)	(21)	(2,060)	-	(2,060)
Research and development expenses.....	(173)	-	(173)	-	-	-	-	(173)	-	(173)
Amortization of intangible assets.....	(68)	(1)	(69)	(13)	(19)	(5)	-	(105)	-	(105)
Exchange rate fluctuations.....	-	-	-	-	-	-	(852)	(852)	-	(852)
Others, net.....	23	-	23	27	3	23	5	80	-	80
<b>Operating income of segment (1).....</b>	<b>Rs. 5,656</b>	<b>Rs. 569</b>	<b>Rs. 6,226</b>	<b>Rs. 501</b>	<b>Rs. 305</b>	<b>Rs. 139</b>	<b>Rs. (306)</b>	<b>Rs. 6,865</b>	<b>Rs. -</b>	<b>Rs. 6,865</b>
Total assets of segment.....	Rs. 62,636	Rs. 7,979	Rs. 70,615	Rs. 14,855	Rs. 4,690	Rs. 7,930	Rs. 44,231	Rs. 142,187	Rs. -	Rs. 142,187
Accounts receivable.....	19,030	1,299	20,329	5,523	874	1,185	-	27,911	-	27,911
Cash and cash equivalents and investments in liquid and short-term mutual funds.....	5,912	337	6,250	1,018	97	180	35,941	43,650	-	43,650
Depreciation.....	863	159	1,022	51	26	60	5	1,164	-	1,164
Capital employed closing.....	46,846	6,688	53,534	8,041	2,961	5,363	40,216	110,116	-	110,116
Capital employed opening.....	47,661	6,456	54,117	5,718	3,094	5,659	36,661	105,249	-	105,249
Average capital employed.....	47,253	6,572	53,826	6,880	3,027	5,511	38,439	107,682	-	107,682
Return on capital employed.....	48%	35%	46%	29%	40%	-	-	26%	-	26%

Information on reportable segments is as follows:

- (1) Operating income of segments is after amortization of stock compensation expense arising from the grant of options:

Segments	Three Months ended June 30,	
	2006	2007
	(unaudited)	(unaudited)
IT Services.....	Rs. 174	Rs. 260
BPO Services .....	8	14
India and AsiaPac IT Services and Products.....	9	23
Consumer Care and Lighting .....	3	6
Others.....	2	3
Reconciling.....	3	5

- (2) Return on capital employed is computed based on the average of the capital employed at the beginning and at the end of the period.

The Company has four geographic segments: India, United States, Europe and Rest of the world. Revenues from the geographic segments based on domicile of the customer are as follows:

	Three Months ended June 30,	
	2006	2007
	(unaudited)	(unaudited)
India.....	Rs. 5,892	Rs. 9,427
United States.....	16,326	19,954
Europe.....	7,516	10,545
Rest of the world.....	1,578	1,906
	<u>Rs. 31,312</u>	<u>Rs. 41,832</u>