

CONSOLIDATED BALANCE SHEET

(Rs. In 000s)

	Schedule	As of December 31,		As of March 31,
		2002	2001	2002
SOURCES OF FUNDS				
Shareholders' funds				
Share Capital	1	465,094	464,879	464,931
Share application money pending allotment (refer note 12)			3,663	2,399
Reserves and Surplus	2	32,298,548	24,245,563	25,460,163
		32,763,642	24,714,105	25,927,493
Loan Funds				
Secured loans	3	50,398	223,290	254,872
Unsecured loans	4	61,395	56,201	60,563
Minority Interest		85,891	-	27,542
		197,684	279,491	342,977
Total		32,961,326	24,993,596	26,270,470
APPLICATION OF FUNDS				
Fixed Assets				
Goodwill on consolidation – refer note 1		4,833,992	-	12,670
Gross block	5	11,777,947	11,112,516	10,069,036
Less : Depreciation		6,018,090	5,007,099	4,770,280
<i>Net Block</i>		10,593,849	6,105,417	5,311,426
Capital work-in-progress and advances		1,266,854	1,180,997	1,164,327
		11,860,703	7,286,414	6,475,753
Investments	6	9,130,903	5,138,967	4,680,822
Deferred tax assets		441,152	141,258	421,803
Current assets, loans and advances				
Inventories	7	956,765	872,181	934,600
Sundry Debtors	8	7,414,764	5,547,000	6,514,625
Cash and Bank balances	9	5,305,009	1,524,334	3,031,909
Loans and advances	10	4,504,505	10,300,093	10,086,810
		18,181,043	18,243,608	20,567,944
Current liabilities and provisions				
Liabilities	11	6,044,330	5,281,891	5,223,455
Provisions	12	609,202	535,516	653,156
		6,653,532	5,817,407	5,876,611
Net Current Assets				
Miscellaneous expenditure (to the extent not written off or adjusted)		1,057	756	759
Total		32,961,326	24,993,596	26,270,470
Significant accounting policies and notes to accounts	19			

As per our report attached

For and on behalf of the Board of Directors

For N.M. Raiji & Co.,
Chartered AccountantsJ.M Gandhi
PartnerAzim Hasham Premji
Chairman and Managing DirectorN. Vaghul
DirectorB.C. Prabhakar
DirectorSuresh C. Senapaty
Corporate Executive Vice President –
FinanceSatish Menon
Corporate Vice President – Legal &
Company Secretary

Mumbai, January 17, 2003

Bangalore, January 17, 2003

CONSOLIDATED PROFIT AND LOSS ACCOUNT		(Rs. in 000s)		
		Schedule	Nine months ended December 31,	Year ended March 31,
		2002	2001	2002
INCOME				
Gross Sales and Services		31,062,551	25,595,411	35,032,098
Less: Excise Duty		506,920	445,518	627,012
Net Sales and Services		30,555,631	25,149,893	34,405,086
Other Income	13	995,015	1,017,391	1,558,236
		31,550,646	26,167,284	35,963,322
EXPENDITURE				
Cost of goods sold	14	19,471,268	15,698,479	21,588,668
Selling, general and administrative expenses	15	4,634,203	3,388,395	4,762,275
Interest	16	18,232	19,303	29,697
		24,123,703	19,106,177	26,380,640
PROFIT BEFORE TAXATION:				
Continuing Operations		7,609,186	7,157,987	9,707,309
Discontinuing Operations		(182,243)	(96,880)	(124,627)
Total		7,426,943	7,061,107	9,582,682
PROVISION FOR TAXATION: (refer note 9)				
Continuing Operations		960,756	554,621	773,492
Discontinuing Operations		(66,974)	(34,586)	(44,492)
Total		893,782	520,035	729,000
PROFIT FOR THE PERIOD BEFORE EXTRAORDINARY ITEMS:				
Continuing Operations		6,648,430	6,603,366	8,933,817
Discontinuing Operations		(115,269)	(62,294)	(80,135)
Total		6,533,161	6,541,072	8,853,682
Loss on discontinuance of ISPbusiness-refer note 6	18	(378,199)	-	-
Tax benefit on above		89,261	-	-
Net loss on discontinuance of ISP business		(288,938)	-	-
PROFIT FOR THE PERIOD BEFORE MINORITY INTEREST / EQUITY IN EARNINGS OF AFFILIATES:				
		6,244,223	6,541,072	8,853,682
Minority Interest		(34,679)	-	808
Equity in earnings / (losses) of affiliates		(258,630)	-	-
PROFIT FOR THE PERIOD		5,950,914	6,541,072	8,854,490
Earnings per share (in Rs.)				
Basic				
On profit for the period from continuing operations		28.76	28.57	38.65
On losses of discontinued ISP business		(0.50)	(0.27)	(0.35)
On extraordinary items		(1.25)	-	-
On equity in earnings of affiliates / minority interest		(1.27)	-	-
On profit for the period		25.74	28.30	38.30
Diluted				
On profit for the period from continuing operations		28.71	28.53	38.59
On losses of discontinued ISP business		(0.50)	(0.27)	(0.35)
On extraordinary items		(1.25)	-	-
On equity in earnings of affiliates / minority interest		(1.27)	-	-
On profit for the period		25.69	28.26	38.24
Number of shares				
Basic		231,186,761	231,132,818	231,132,500
Diluted		231,567,521	231,430,057	231,534,876

Significant accounting policies and notes to accounts 19

As per our report attached

For and on behalf of the Board of Directors

For N.M. Rajji & Co.,
Chartered AccountantsJ.M Gandhi
PartnerAzim Hasham Premji
Chairman and Managing DirectorN. Vaghul
DirectorB.C. Prabhakar
DirectorSuresh C. Senapaty
Corporate Executive Vice President -
FinanceSatish Menon
Corporate Vice President – Legal
& Company Secretary
Bangalore, January 17, 2003

Mumbai, January 17, 2003

(Rs. In 000s, except share numbers)

	As of December 31,		As of March 31,
	2002	2001	2002
SCHEDULE 1 SHARE CAPITAL			
Authorised			
375,000,000 (2002: 375,000,000; 2001: 375,000,000) Equity shares of Rs 2 each	750,000	750,000	750,000
2,500,000 (2002: 2,500,000; 2001: 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			
232,547,145 (2002: 232,465,689; 2001: 232,439,524) equity shares of Rs 2 each	465,094	464,879	464,931
	465,094	464,879	464,931

Notes:

1. Of the above equity shares:
 - i) 226,905,825 equity shares (2002: 226,905,825; 2001: 226,905,825), have been allotted as fully paid bonus shares by capitalization of Share Premium of Rs. 32,639 and General Reserves of Rs 421,173.
 - ii) 1,325,525 equity shares (2002: 1,325,525; 2001: 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) 228,295 (2002: 146,839; 2001:6,505) equity share issued pursuant to Employee Stock Option Plan.

SCHEDULE 2 RESERVES AND SURPLUS

	As of April 1, 2002	Additions	Deductions	As of December 31, 2002
Capital Reserves	9,500		-	9,500
	9,500			9,500
	9,500	-	-	9,500
Capital Redemption Reserve	250,038	-	-	250,038
	250,038			250,038
	250,038	-	-	250,038
Share Premium	6,386,235	88,352 (a)	-	6,474,587
	5,920,208	437,664		6,357,872
	5,920,208	466,027	-	6,386,235
Revaluation Reserve	-	-	-	-
	890,072		52,255	837,817
	890,072	-	890,072	(b)
Deferred Stock Compensation	-	4,401	-	4,401
	-	-	-	-
	-	-	-	-
Investment Allowance Reserve	-	-	-	-
	14,500		14,500	-
	14,500	-	14,500	(c)
Profit & Loss account	-	5,950,914	-	5,950,914
	-	6,541,072		6,541,072
General Reserve	18,814,390	794,718 (e)	-	19,609,108
	12,100,305	581,004	2,432,045	10,249,264
	12,100,305	9,146,130	2,432,045	(d)
	25,460,163	6,838,385	-	32,298,548
	19,184,623	7,559,740	2,498,800	24,245,563
	19,184,623	9,612,157	3,336,617	25,460,163

Corresponding figures for 2001 and 2002 are given below current year's figures

- a) Rs. 88,352 (2002: 35,414; 2001:7,051) pursuant to issue of shares under Employee Stock Option Plan and Rs. Nil (2002:Rs. 430,613; 2001: Rs. 430,613) on account of amalgamation of Wipro Net Limited with Wipro Limited.
- b) Transfer to Profit and Loss account Rs. Nil (2002: Rs. 39,388; 2001: Rs. 39,388) and reduction on account of sale of revalued assets and other adjustments Rs. Nil (2002: Rs. Nil; 2001: Rs. 12,866). The net difference of Rs. 850,684 was adjusted against revaluation reserve as on March 31, 2002.
- c) Transfer to General Reserve Rs. Nil (2002: Rs. 14,500; 2001: Rs. 14,500)
- d) Deficit arising on account of amalgamation of Wipro Net Limited with Wipro Limited (refer note 7 of schedule 19).
- e) Additions to General Reserves includes:

	December 31, 2002	March 31, 2002	December 31, 2001
Accumulated losses of subsidiaries as on March 31, 2001		(99,274)	(99,274)
Write bank of diminution in value of investment in subsidiaries		108,196	108,196
Benefits arising on employee stock incentive plans		55,646	55,646
Deferred tax assets (net) as of March 31, 2001		47,647	31,581
Reserves of Wipro Equity Reward Trust as at March 31, 2001		470,355	470,355
Transfer from investment allowance reserve		14,500	14,500
Transfer from profit and loss account		8,549,060	-
Equity in earnings of affiliates as of March 31, 2002:			
Wipro GE medicals systems Ltd.	771,849		
Wipro ePeripherals Ltd.	22,869		
Total	794,718	9,146,130	581,004

WIPRO LIMITED

	Note Reference	(Rs. In 000s)		
		As of December 31,		As of March 31,
		2002	2001	2002
SCHEDULE 3 SECURED LOANS				
From Banks				
Cash credit facility	a	20,523	112,516	204,997
External Commercial Borrowings	b	-	60,899	-
From Financial Institutions				
Asset Credit Scheme	c	28,200	48,200	48,200
Development loan from Government of Karnataka	d	1,675	1,675	1,675
		50,398	223,290	254,872

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 erstwhile Fluid Power unit.
- c. Secured by hypothecation of specific machinery / assets.
- d. 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.

	As of December 31,		As of March 31,
	2002	2001	2002
	SCHEDULE 4 UNSECURED LOANS		
Fixed Deposits			
	-	854	843
Other Loans and Advances			
Interest free loan from Government	60,145	54,097	58,470
Loans from state financial institutions	1,250	1,250	1,250
	61,395	56,201	60,563

SCHEDULE 5 FIXED ASSETS

Particulars	GROSS BLOCK				PROVISION FOR DEPRECIATION				NET BLOCK	
	As of April 1, 2002	Additions	Deductions / adjustments	As of Dec 31, 2002	As of April 1, 2002	Depreciation for the period	Deductions / adjustments	As of Dec 31, 2002	As of Dec 31, 2002	As of March 31, 2002
Land	584,916	28,938	-	613,854	5,510	2,906	-	8,416	605,438	579,406
Buildings	1,470,580	421,653	3,037	1,889,196	93,446	38,769	(24,084)	156,299	1,732,897	1,377,134
Railway siding	12	-	-	12	12	-	-	12	-	-
Plant and Machinery	6,299,405	1,299,400	286,406	7,312,399	3,869,116	1,085,067	132,770	4,821,413	2,490,986	2,430,289
Furniture fixture and equipment	1,280,868	157,623	14,638	1,423,853	601,525	177,149	(2,220)	780,894	642,959	679,343
Vehicles	420,843	147,865	42,487	526,221	189,832	71,699	21,837	239,694	286,527	231,011
Technical Know-how	10,378	-	-	10,378	9,949	321	-	10,270	108	429
Patents and trademark	2,034	-	-	2,034	890	202	-	1,092	942	1,144
Total	10,069,036	2,055,479	346,568	11,777,947	4,770,280	1,376,113	128,303	6,018,090	5,759,857	5,298,756

- a. Land includes leasehold land Rs 9,978 (2002: 9,978; 2001 : Rs. 9,978)
- b. Buildings:
- Includes shares worth Rs 2 (2002: Rs.2 ; 2001: Rs. 2)
 - Includes leasehold land / property Rs 4,241 (2002: Rs. 4,241; 2001: Rs. 4,241)
 - Is net of depreciation during construction period.

WIPRO LIMITED
SCHEDULE 6 INVESTMENTS
(Rs. In 000s except share numbers and face value)
All shares are fully paid up unless otherwise stated

	Number	Face value	As of December 31,		As of March 31,
			2002	2001	2002
Investments - Long Term (at cost)					
Investment in Affiliates					
Wipro GE Medical Systems Ltd #			513,219	-	-
WeP Peripherals Ltd			117,470	-	-
			630,689	-	-
Investments in equity shares of other companies					
Quoted					
Trade Investments					
Dynamatic Technologies Ltd	3732	Rs 10	66	66	66
Rasoi Ltd	112	Rs 10	2	2	2
Mannesmann Rexorth (India) Ltd	50	Rs 10	1	1	1
Oswal Agro Mills Ltd	80	Rs 10	3	3	3
DCM Ltd (sold during the year)	31	Rs 10	-	1	1
DCM Shriram Industries Ltd	55	Rs 10	2	2	2
DCM Shriram Consolidated Ltd	41	Rs 10	2	2	2
Shriram Industrial Enterprises Ltd	74	Rs 10	1	1	1
Zensar Technologies Ltd. (sold during the year)	75	Rs 10	-	2	2
The National Radio and Electronics Co. Ltd. (sold during the year)	100	Rs 10	-	2	2
Hindustan Lever Ltd.	6,240	Rs 10	17	17	17
Hindustan Motors Ltd.	200	Rs 10	4	4	4
Tata Engineering and Locomotive Co. Ltd.	80	Rs 10	2	2	2
Ashok Leyland Ltd. (sold during the year)	50	Rs 10	-	1	1
Ambalal Sarabhai Enterprises Ltd.	42	Rs 10	1	1	1
Nestle India Ltd. (sold during the year)	300	Rs 10	-	4	4
Surya Roshni Ltd. (sold during the year)	87	Rs 10	-	4	4
Cadbury India Ltd. (sold during the year)	80	Rs 10	-	10	10
Hindustan Dor Oliver Ltd. (sold during the year)	50	Rs 10	-	5	5
KSB Pumps Ltd.	50	Rs 10	11	11	11
Britannia Industries Ltd.	150	Rs 10	24	24	24
Exide Industries Ltd.	200	Rs 10	15	15	15
Amrit Banaspati Co. Ltd.	100	Rs 10	8	8	8
Procter & Gamble India Ltd.	50	Rs 10	13	13	13
Crompton Greaves Ltd.	50	Rs 10	7	7	7
Phillips (India) Ltd.	100	Rs 10	13	13	13
Velvette International Pharma Products Ltd.	100	Rs 10	2	2	2
International Best Foods Ltd.	240	Rs 10	12	12	12
Dynamatic Technologies Ltd	100	Rs 10	1	1	1
HDFC Bank Ltd	100	Rs 10	1	1	1
			208	237	237
- Unquoted					
Wipro GE Medical Systems Ltd. #	4,900,000	Rs 10	-	49,000	49,000
Wipro Fluid Power Ltd	1,863,520	Rs. 10	-	18,635	-
Spectramind eServices Pvt. Ltd.	6,221,741	Rs 10	-	96,200	144,299
WeP Peripherals Limited	5,460,000	Rs 10	-	54,600	54,600
All Seasons Foods Ltd.	100	Rs. 10	2	2	2
Sylantro	1,00,000	US\$ 0.1	480	479	489
			482	218,916	248,390
Investments in preference shares / debentures of other Companies					
Unquoted					
Convertible preference shares in Wipro Fluid Power Ltd.	543,300	Rs. 100	-	54,330	-
12.5% unsecured convertible debentures of Wipro ePeripherals Ltd.	4,00,000	Rs. 100	-	40,000	40,000
Convertible preference shares in Spectramind eServices pvt. Ltd.	28,760,140	Rs. 10	-	143,800	215,701
			-	238,130	255,701
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			47,952	47,952	47,952
National Saving Certificates (held in custody by Andhra Pradesh Govt.)			6	-	-
Bonds of GE Capital Services India			-	68,439	-
			50,458	118,891	50,452
Investments – short term:					
in money market mutual funds					
Alliance Capital Mutual Fund (40,760,773 units redeemed during the period)	18,189,384		265,565	288,601	265,910
Franklin Templeton Mutual Fund (1,158,768 units redeemed during the period)	587,211		681,700	365,278	452,168
Prudential ICICI Mutual Fund (358,593,950 units redeemed during the period)					924,966
HDFC Mutual Fund (440,126,994 units redeemed during the period)	132,502,532		1,527,520	885,184	
Standard Chartered Mutual Fund (183,886,190 units redeemed during the period)	160,487,280		1,791,620	998,550	521,910
Reliance Mutual Fund (155,836,925 units redeemed during the period)	84,509,715		980,800	305,701	230,320
Zurich India Mutual Fund (324,921,205 units redeemed during the period)	54,558,293		788,100	245,933	505,064
Franklin Templeton India Mutual Fund (35,080,663 units redeemed during the period)	94,256,631		1,069,900	443,956	400,499
Cholamandalam Mutual Fund (27,700,326 units redeemed during the period)	16,890,816		249,300	221,561	98,842
Kotak Mutual Fund (126,051,037 units redeemed during the period)	-		-	145,118	147,389
J M Mutual Fund (8,359,597 units redeemed during the period)	47,420,648		515,165	308,273	225,154
DSP Merrill Lynch Mutual Fund (7,841,215 units redeemed during the period)	8,354,450		87,700	-	-
Birla Mutual Fund (78,814,678 units redeemed during the period)	7,835,360		80,600	-	-
	44,058,495		411,096	354,638	353,820
			8,449,066	4,562,793	4,126,042
Total			9,130,903	5,138,967	4,680,822

Notes :

#Equity investments in this company carry certain restrictions on transfer of shares that are normally provided for in joint venture / venture funding Agreement.

(Rs. In 000s)

SCHEDULE 7 INVENTORIES

	As of December 31,		As of March 31,
	2002	2001	2002
Stores and Spares	32,707	34,860	31,425
Raw Materials	368,049	365,544	453,018
Stock-in-process	138,729	100,633	84,722
Finished goods	417,280	371,144	365,435
	956,765	872,181	934,600

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.

SCHEDULE 8 SUNDRY DEBTORS**(Unsecured)**

Over Six Months			
Considered good	799,262	517,008	686,166
Considered doubtful	640,335	557,619	506,630
	1,439,597	1,074,627	1,192,796
Others			
Considered good	6,615,502	5,029,992	5,828,459
Considered doubtful	-	40,763	5,737
	6,615,502	5,070,755	5,834,196
Less: Provision for doubtful debts	640,335	598,382	512,367
	7,414,764	5,547,000	6,514,625

SCHEDULE 9 CASH AND BANK BALANCES

Cash and cheques on hand	185,787	129,152	299,481
Balances with scheduled banks			
On Current account	738,369	656,336	588,229
In Deposit account	2,240,025	244,800	100,295
Balances with other banks in current account			
Midland Bank, U K	-	129,791	146,146
Wells Fargo, U S A	97,827	85,577	1,081,773
Nations Bank	-	-	97,627
Deutsche Bank	-	-	487,942
Societe General	-	77,136	198,324
Bank of America	11,357	26,117	27,142
Standard Chartered Bank	4,123	-	-
Shanghai C&S Bank	126	-	-
Bank of Scotland	480,000	-	-
Danske Bank	480,000	-	-
National City Bank	84,336	-	-
Allied Irish Banks	240,000	-	-
American express centurion	480,000	-	-
Svenska Handelsbanken	240,000	-	-
Hongkong & Shanghai Bank	716	-	-
Bank of Tokyo	22,318	-	-
First Chicago	-	60,782	976
Citibank	-	-	1,949
FCC National Bank	-	55,090	976
Chase Manhattan	-	59,528	1,025
Great Western Bank	25	25	24
	5,305,009	1,524,334	3,031,909

Maximum balances during the year

Inkom Bank, Russia	-
Midland Bank, U K	387,177
Wells Fargo, U S A	986,037
Nations Bank	97,627
Deutsche Bank	487,942
Societe General	460,378
Bank of America	36,958
First Chicago	390,806
Citibank	875,432
FCC National Bank	391,739
Chase Manhattan	421,815
Great Western Bank	24

WIPRO LIMITED

(Rs. In 000s)

	As of December 31,		As of March 31,
	2002	2001	2002
SCHEDULE 10 LOANS AND ADVANCES			
(Unsecured, considered good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received			
Considered good	1,416,673	1,245,538	949,297
Considered doubtful	71,692	131,087	71,451
	1,488,365	1,376,625	1,020,748
Less: Provision for doubtful advances	71,692	131,087	71,451
	1,416,673	1,245,538	949,297
Certificate of deposits with foreign banks			
Inter Corporate Deposits:			
GE Capital Services India	200,741	719,191	819,891
Citicorp Financial services Limited	35,497	-	-
ICICI Limited	-	376,800	1,245,200
	236,238	1,095,991	2,065,091
Other Deposits	633,517	535,094	549,089
Advance income-tax (net of provision)	496,273	432,607	243,485
Balances with excise and customs	9,735	23,288	38,821
Unbilled Services	1,230,460	857,653	953,808
	4,504,505	10,300,093	10,086,810

Note:

a) Other Deposits include Rs 25,000 (2002 :Rs. 25,000; 2001: 25,000) security deposits for premises with a firm in which a director is Interested

SCHEDULE 11 LIABILITIES

Sundry Creditors	1,891,601	2,010,286	2,268,027
Unclaimed dividends	1,588	1,674	1,588
Advances from customers	756,996	827,668	870,030
Other liabilities	3,096,338	2,441,794	2,083,509
Unbilled Services	297,621	-	-
Interest accrued but not due on loans	186	469	301
	6,044,330	5,281,891	5,223,455

SCHEDULE 12 PROVISIONS

Employee retirement benefits	609,202	535,516	408,990
Proposed dividend	-	-	232,466
Tax on proposed dividend	-	-	-
Other Provision	-	-	11,700
	609,202	535,516	653,156

SCHEDULE 13 OTHER INCOME

	Nine months ended		Year ended
	December 31,	2001	March 31,
	2002		2002
Dividend from mutual funds	20,737	59,953	279,549
Dividend from companies	-	1,820	5,096
Interest on debt instruments	207,637	585,553	753,287
Rental Income	19,453	15,038	19,227
Profit on Sale of Investments	315,819	-	-
Profit on disposal of fixed assets	2,959	17,428	36,251
Difference in exchange	321,687	175,304	214,187
Brand fees	40,242	39,762	53,016
Royalty	5,000	31,344	39,344
Provision no longer required written back	21,291	57,355	115,354
Miscellaneous Income	40,190	33,834	42,925
	995,015	1,017,391	1,558,236

Notes : Tax deducted at source Rs.104,805 (2002 : Rs. 130,897; 2001:107,544)

(Rs. In 000s)

	Nine months ended		Year ended
	December 31,		March 31,
	2002	2001	2002
SCHEDULE 14 COST OF GOODS SOLD			
Raw materials, Finished and Process Stocks (refer - schedule 17)	5,590,272	5,641,065	7,952,910
Stores & Spares	124,841	206,003	184,958
Power and Fuel	265,824	241,121	307,910
Salaries, wages and bonus	3,604,233	2,893,832	3,792,838
Contribution to provident and other funds	133,483	107,162	143,459
Gratuity and pension	149,764	97,439	121,292
Workmen and Staff welfare	111,692	116,596	154,060
Insurance	18,060	12,846	16,797
Repairs to factory buildings	6,361	8,782	10,790
Repairs to Plant & Machinery	282,526	13,301	116,510
Rent	161,792	164,472	202,116
Rates & Taxes	22,887	5,386	11,933
Packing	49,033	47,277	63,358
Travelling and allowances	6,119,361	4,030,820	5,492,051
Depreciation	824,056	799,895	1,108,743
Technical fees	126,881	109,251	136,439
Miscellaneous	1,981,456	1,238,550	1,848,772
Less: Capitalized	(101,254)	(35,319)	(76,268)
	19,471,268	15,698,479	21,588,668

SCHEDULE 15 SELLING GENERAL AND ADMINISTRATIVE EXPENSES

Salaries, wages and bonus	881,474	631,078	770,021
Contribution to provident and other funds	28,074	18,779	25,191
Gratuity and pension	36,283	28,536	32,959
Workmen and Staff welfare	99,772	74,276	114,501
Insurance	6,845	4,836	6,108
Repairs to buildings	3,817	1,380	3,781
Rent	99,344	87,264	121,202
Rates and taxes	53,108	28,586	21,764
Carriage and freight	97,989	130,961	166,776
Commission on sales	31,341	(26,775)	108,583
Auditors' remuneration and expenses			
Audit fees	4,738	2,474	3,522
For certification including tax audit	114	-	969
Reimbursement of expenses	227	204	859
Advertisement and sales promotion	295,324	233,284	316,252
Loss on sale of fixed assets	2,794	1,207	10,648
Directors' fees	62	752	800
Depreciation	281,037	244,908	319,495
Travelling and allowances	1,777,559	1,065,864	1,586,529
Communication	176,348	117,864	112,765
Provision/write off of bad debts	155,895	264,705	265,224
Diminution in value of investments (mutual fund units)	-	-	163,147
Miscellaneous	602,058	478,212	611,179
	4,634,203	3,388,395	4,762,275

(Rs. In 000s)

SCHEDULE 16 INTERESTOn fixed loans
Other

	Nine months ended December 31,		Year ended March 31,
	2002	2001	2002
On fixed loans	5,031	7,422	9,124
Other	13,201	11,881	20,573
	18,232	19,303	29,697

SCHEDULE 17 RAW MATERIALS, FINISHED AND PROCESS STOCKS**Consumption of raw materials and bought out components**

Opening stocks	439,930	499,536	499,536
Add: Purchases	3,293,839	2,221,108	3,720,523
Less: Transfer on sale of undertaking	-	-	46,496
Less: Closing stocks	368,049	365,544	439,930
	3,365,720	2,355,100	3,733,633

Purchase of finished products for sale

	2,330,404	3,149,437	4,206,410
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(Increase)/decrease in finished and process stocks

Opening stock	: In process	84,722	121,190	121,190
	: Finished products	365,435	487,115	487,115
Less: Transfer on sale of undertaking	: In Process	-	-	81,002
	: Finished Products	-	-	64,279
Less: Closing stocks	: In process	138,729	100,633	84,722
	: Finished products	417,280	371,144	365,435
		(105,852)	136,528	12,867
		5,590,272	5,641,065	7,952,910

SCHEDULE 18 NON - RECURRING / EXTRAORDINARY ITEMS

Loss of discontinued ISP business

	378,199		
	378,199		

SCHEDULE –19 SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

The preparation of consolidated financial statements in conformity with Indian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Basis of preparation of financial statements -

The accompanying consolidated financial statements have been prepared in accordance with Indian generally accepted accounting principles.

Principles of consolidation -

The consolidated financial statements include the financial statements of Wipro and all of its subsidiaries, which are more than 50% owned and controlled and its affiliates where the Company holds more than 20% control. All material inter-company accounts and transactions are eliminated on consolidation. The company accounts for investments by the equity method where its investment in the voting stock gives it the ability to exercise significant influence over the investee.

Revenue recognition

- Sales include applicable sales tax unless separately charged, export incentives, and are net of discounts.
- 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
 - Revenue from software development services includes revenue from time and material and fixed price contracts. Revenue from time and material contracts are recognized as related services are performed. With reference to fixed price contracts is recognized in accordance with percentage of completion method of accounting
- 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.

Fixed Assets and Depreciation

Fixed assets were revalued in March 1997. In January 2002 the revaluation reserves were reversed against the carrying value of fixed assets. Consequently, fixed assets are now stated at historical cost less depreciation.

Interest on borrowed money allocated to and utilized for fixed assets, pertaining to the period up to 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. In Wipro Inc, Enthink Inc and Wipro Japan KK depreciation is provided on Written Down Value method.

Investments

Long term Investments are stated at cost and short term investments are valued at lower of cost and net realizable value. Diminution in value is provided for where the management is of the opinion that the diminution is of permanent nature.

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. Cost is computed on weighted average basis.

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.

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Deferred Tax

Tax expenses charged to Profit and Loss account is after considering deferred tax impact for the timing difference between accounting income and tax income.

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

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.

NOTES TO ACCOUNTS

For preparation of interim financial statements, the same policies, which have been followed in the most recent annual financial statements, have been followed.

1. Goodwill arising on account of acquisition of subsidiaries and affiliates is not being amortized. Goodwill in the balance sheet represents goodwill arising on acquisition of the following:

	<i>(Rs. In 000s)</i>
Wipro Fluid Power Limited	18,271
Spectramind e Services Private Limited	3,568,494
GE Medical Systems Information Technologies Limited	208,960
Global energy practice of AMS Inc.	1,038,267
	<u>4,833,992</u>

2. Acquisition of Spectramind

In July 2002, the Company acquired controlling equity interest in Spectramind e Services Private Limited ("Spectramind"), a leading IT-enabled service provider in India providing remote processing services to large global corporations in the US, UK, Australia and other developed markets. The shares and warrants acquired, together with shares previously held by the Company, represent 89% of the outstanding shares of Spectramind. The aggregate purchase price for the acquisition, including the cost of acquisition of the shares previously held by the Company, was Rs. 4,176,552. In September 2002, the company acquired an additional 3% of the outstanding shares for Rs 169,638. The results of operations of Spectramind are consolidated in the Company's financial statements from July 1, 2002.

The Company has also entered into a call and put option arrangement with the management team and employees of Spectramind to acquire the unvested options. The put and call option can be exercised, at the fair market value, during the six month period commencing from 190 days from the date of exercise of the options.

The excess of consideration paid over the book value of assets acquired has been recognized as goodwill. The details of consideration paid, book value of assets acquired and goodwill arising from the acquisition is outlined below :

	<i>(Rs. In 000s)</i>
Cash and bank balances	160,615
Net current assets	692,747
Minority interest	(68,286)
Goodwill	3,568,494
	<u>4,353,570</u>

3. Acquisition of GE Medical Systems Information Technologies Limited (GEMSIT)

In August 2002, Wipro Limited acquired 60% equity interest in GE Medical Systems Information Technologies Limited (GEMSIT), an India based company engaged in the development of health care related software, and the technology rights in the business of GEMSIT from GE group for a consideration of Rs. 180,776.

The excess of consideration paid over the book value of assets acquired has been recognized as goodwill. The details of consideration paid, book value of assets acquired and goodwill arising from the acquisition is outlined below:

	<i>(Rs. In 000s)</i>
Cash and bank balances	35,184
Current assets	19,066
Minority interest	(21,700)
Goodwill	148,226
	<u>180,776</u>

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In December 2002, the Company acquired the remaining 40% minority equity interest for Rs 97,051. The acquisition resulted in goodwill of Rs. 60,734.

4. In December 2002, the Company acquired the global energy practice of American Management Systems for an aggregate consideration of Rs. 1,180,415. The global energy practice, which addresses the IT requirements of enterprises in energy and utilities sector, has a team of 90 domain experts and IT consultants with expertise in the areas of complex billing and settlement in energy markets, systems integration, enterprise application integration, and program management capabilities. The excess of consideration paid over the book value of assets acquired has been recognized as goodwill. The details of consideration paid, book value of assets acquired and goodwill arising from the acquisition is outlined below.

	<i>(Rs. In 000s)</i>
Fixed Assets	15,586
Receivables	126,562
Goodwill	1,038,267
	<u>1,180,415</u>

5. The company has a 49% equity interest in Wipro GE Medical Systems Limited (WGE), a joint venture with General Electric, USA. The joint venture agreement provides specific rights to the joint venture partners. The rights conferred to Wipro are primarily protective in nature. Therefore, in accordance with the guidance in Accounting Standard 27 "Financial Reporting of Investments in Joint Ventures" the investments in Wipro GE have been accounted for by equity method and not by proportionate consolidation method.

Investments in Wipro e Peripherals have been accounted for by equity method.

6. The Company was engaged in the business of providing corporate ISP services. Based on a review of this business, the company decided to discontinue the existing infrastructure based ISP business, but continue with the managed network and remote management services. Managed network and remote management services are currently being offered as part of total IT solutions. In June 2002, the management formally approved a plan to discontinue the infrastructure based corporate ISP services. The costs associated with the discontinuance including asset impairment charges and other exit costs have been reflected as extraordinary expenses.

The customers are being transitioned to an independent service provider. The consideration payable by the service provider to the Company is dependent on the occurrence of certain contingent events.

The total consideration received is Rs. 25 Mn and is adjusted against the extraordinary loss arising out of the same.

In addition deferred consideration is receivable based on revenue generated by transferred customers over one year period. Such consideration will be determined only at a future date and will be accounted on crystallization.

7. During fiscal 2002, the company acquired 1,791,385 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 Karnataka High Court approved the scheme of amalgamation. The scheme of amalgamation has been given effect to in the accounts of the Company for the year ended March 31, 2002, on the pooling of interest method. The share premium of WNL is credit to Wipro Limited. The deficit of Rs. 2,432,045 arising on amalgamation as detailed below was transferred to General Reserve:

	<i>(Rs. In 000s)</i>
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
Less: Share premium	430,613
Deficit transferred to General Reserve	<u>2,432,045</u>

8. Deferred tax comprise of:

	<i>(Rs. In 000s)</i>
Deferred tax assets:	
Allowance for doubtful debts	102,364
Property plant and equipment	116,743
Employee stock incentive plan	38,902
Accrued expenses	42,192
Business losses carried forward	140,951
	<u>441,152</u>

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9. Provision for taxation comprises of following:
- (i) Rs. 418,570 (2002: Rs. 388,837; 2001: Rs. 188,675) in respect of foreign taxes, net of deferred tax of Rs. Nil (2002: Rs. 53,967; 2001: Rs. 53,967) and write back of provision of Rs. Nil (2002: 87,189; 2001: Rs. 40,951) in respect of earlier year
 - (ii) Rs. 383,701 (2002: 337,163; 2001: Rs. 329,110) in respect of Indian Income Tax, net of tax benefit from discontinued business of Rs. 156,235, net of deferred tax expense of Rs. 90,130 (2002: Rs. 236,130; 2001: Rs. Nil) and write back of provision of Rs.193,612 (2002: Rs. 19,921; 2001: Rs. 42,000) in respect of earlier years.
 - (iii) Rs.2,250 (2002: Rs. 3,000; 2001: Rs. 2,250) in respect of Wealth Tax.

10.The details of subsidiaries and affiliates are as follows -

a) Name of the subsidiary	Country of Incorporation	% holding
Wipro Fluid Power Limited	India	98%
Wipro Inc	USA	100%
Enthink Inc	USA	- *
Wipro Japan KK	Japan	100%
Wipro Prosper Limited	India	100%
Wipro Trademarks holding Limited	India	100%
Wipro Welfare Limited	India	100%
Wipro Healthcare IT Limited	India	100%
Wipro Spectramind eServices Limited	India	92%
Wipro Technology Inc.	USA	- *
Wipro Holdings Mauritius Limited	Mauritius	100%
b) Wipro Equity Reward Trust	India	Fully controlled trust
c) Name of the affiliate		
Wipro GE Medical Systems Limited	India	49%
WeP Peripherals Limited	India	39.64%

* Fully owned by Wipro Inc.

11. Diluted EPS is calculated based on treasury stock method for ESOP outstanding.
12. Amount received from employees on exercise of stock option, pending allotment of shares is shown as share application money pending allotment.
13. 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 period figures to the extent of WeP Peripherals Limited and Wipro GE Medical Systems Limited which are consolidated as per Accounting Standard 23 and other subsidiaries acquired during the current period.

CASH FLOW STATEMENT

(Rs. In 000s)

	Nine months ended		Year ended
	December 31,		March 31,
	2002	2001	2002
Cash flows from operating activities:			
Profit before tax from continuing operations	7,315,877	7,157,987	9,707,309
Adjustments to reconcile Net profit before tax and non recurring items to net cash provided by operating activities:			
Depreciation and amortization	1,064,564	943,446	1,256,011
Foreign currency translation gains	(321,687)	(48,240)	(119,637)
Loss of discontinued operations		-	-
Minority interest	34,679	-	-
Equity in earnings of affiliates	307,630	-	-
Retirement benefits provision	200,212	130,615	(6,413)
Others	(298)	-	(12,676)
Interest on borrowings	18,232	-	28,941
Dividend / interest	(544,193)	(647,326)	(873,941)
Loss / (Gain) on sale of property, plant and equipment	(2,959)	(17,428)	(25,603)
Operating cash flow before changes in working capital	8,072,057	7,519,054	9,953,991
Trade and other receivable	(536,680)	929,969	(221,660)
Loans and advances	(469,931)	(895,635)	(778,532)
Inventories (other than stock-in-trade land)	(22,165)	280,349	217,929
Trade and other payables	356,778	340,303	566,620
Net cash provided by operations	7,400,059	8,174,040	9,738,348
Direct taxes paid	(1,123,339)	(950,577)	(1,199,885)
Net cash provided by continuing operations	6,276,720	7,223,463	8,538,463
Net cash provided by discontinuing operations	31,014	(12,864)	13,679
Net cash provided by operations	6,307,734	7,210,599	8,552,142
Cash flows from investing activities:			
Expenditure on property, plant and equipment (including advances)	(1,521,253)	(1,977,203)	(2,433,022)
Proceeds from sale of property, plant and equipment	84,634	79,012	194,650
Purchase of investments	(30,243,692)	(6,027,392)	(5,709,805)
Inter Corporate deposits placed / matured	1,828,853	5,800	(963,300)
Certificate of Deposits with foreign banks	4,805,610	(2,783,814)	(1,961,111)
Sale / maturities on Investments	26,236,496	77,029	145,468
Payment for acquisition, net of cash acquired	(5,085,443)	-	-
Dividend received	20,737	61,773	284,645
Interest received	207,637	585,553	560,355
Net cash used in investing activities	(3,666,421)	(9,979,242)	(9,882,120)
Cash flows from financing activities:			
Proceeds from exercise of Stock Option Plan grants	88,515	7,064	35,479
Share application money pending allotment	(2,399)	-	-
Dividends paid	(232,466)	(128,071)	(128,071)
Proceeds from issuance / (repayment) of borrowings	(221,863)	(174,381)	(133,886)
Net cash provided by/(used in) financing activities	(368,213)	(295,388)	(226,478)
Net increase/ (decrease) in cash and cash equivalents during the year	2,273,100	(3,064,031)	(1,556,456)
Cash and cash equivalents at the beginning of the period	3,031,909	4,588,365	4,588,365
Cash and cash equivalents at the end of the period	5,305,009	1,524,334	3,031,909

Notes:

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

N. Vaghul
Director

B.C. Prabhakar
Director

Suresh C. Senapaty
Corporate Executive
Vice President - Finance

Satish Menon
Corporate Vice President –
Legal & Company Secretary

Bangalore, January 17, 2003

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Wipro Limited – consolidated for the Nine months period ended December 31, 2002. This statement is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company for the Nine month period ended December 31, 2002, covered by our report of even dated.

For N M Rajji & Co.,
Chartered Accountants

J M Gandhi
Partner

Mumbai, January 17, 2003.
