DIRECTORS' REPORT

Dear Shareholders,

The Directors present the Annual Report together with the audited Balance Sheet and Profit and Loss Account of Wipro Limited for the year ended March 31, 2002.

Amalgamation/Transfer of Business

The Scheme of Amalgamation of Wipro Net Limited with your Company has been approved by the Hon'ble High Court of Karnataka on April 5, 2002. The erstwhile Wipro Net Limited stands merged with your Company with retroactive effect from April 1, 2001.

The shareholders of the Company had approved Ordinary Resolutions for transfer of the Company's Fluid Power Business to Netkracker Limited with effect from the opening hours of March 1, 2002 under Section 293 (1)(a) of the Companies Act, 1956, by means of a Postal Ballot in accordance with the provisions contained in Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The name of Netkracker Limited has since been changed to Wipro Fluid Power Limited.

The Annual Report of Wipro Limited for the year 2001-2002 has been prepared after giving effect to the amalgamation of Wipro Net Limited as well as the transfer of its Fluid Power Business.

FINANCIAL RESULTS

(Rs. in Millions)

	2002	2001
Sales and other income	**34,677**	30,863
Profit before tax	**9,501**	7,656
Provision for tax	**840**	992
Profit after tax before extraordinary items	**8,661**	6,664
Extraordinary gains	-	16
Profit for the year	**8,661**	6,680
Appropriations :		
Interim dividend on preference shares	-	18
Proposed dividend on equity shares	**232**	116
Corporate tax on distributed dividend	-	14
Transfer to Capital Redemption Reserve	-	250
Transfer to General Reserve	**8,428**	6,282

Sales of the Company for the year ended March 31, 2002 were Rs. 34,677 mns up by 12% and Profit after Tax before extraordinary items was Rs. 8,661 mns up by 30% over the previous year. Over the last 10 years, the sales have grown at an average annual rate of 22% and Profit after Tax at 53%. The Company's earnings in foreign exchange of Rs. 23,495 million has recorded a growth of 30% over the previous year.

Dividend

The Directors recommend a dividend of Re. 1/- per equity share to be appropriated from the profits of the year 2001-2002 subject to the approval by the shareholders at the ensuing Annual General Meeting. After the approval of the shareholders at the ensuing Annual General Meeting, the dividend will be paid in line with the applicable regulations.

Directors

Mr. Hamir K. Vissanji, retired as a Director of the Company with effect from January 15, 2002. During the year, the nomination of Dr. Nachiket Mor, Nominee Director on behalf of a Financial Institution was withdrawn by the Financial Institution as per the Reserve Bank of India guidelines, consequent to his appointment as a Director of ICICI Bank Limited. The Directors place on record their appreciation of the invaluable contributions made by Mr. Hamir K. Vissanji and Dr. Nachiket Mor during their tenure as Directors on the Board of Directors of the Company.

Dr. Ashok Ganguly, Mr. B.C. Prabhakar and Mr. N. Vaghul, retire by rotation and being eligible offer themselves for re-appointment.

Prof. Eisuke Sakakibara and Mr. P.M. Sinha were appointed as Additional Directors of the Company with effect from January 1, 2002 till the conclusion of the ensuing Annual General Meeting.

Mr. D.A. Prasanna was appointed as Additional Director of the Company with effect from April 15, 2002 till the conclusion of the ensuing Annual General Meeting. Mr. D.A. Prasanna was also appointed as a whole-time Director of the Company designated as Vice Chairman and Chief Executive Officer of the Company's Health Care & Life Science business with effect from April 19, 2002.

Shareholders' consent is requested for re-appointment of Prof. Eisuke Sakakibara, Mr. P.M. Sinha and Mr. D.A. Prasanna as Directors of the Company as per the resolutions contained in the Notice convening the Annual General Meeting.

Fixed Deposits

Fixed deposits from the public as at March 31, 2002 were Rs. 0.84 mns and the unclaimed deposits as on that date were Rs. 0.84 mns.

Subsidiary Companies

As required under Section 212 of the Companies Act, 1956, the Annual Reports together with Balance Sheet and Profit and Loss Account for the year ended 2001-2002, of the subsidiary companies, Wipro Trademarks Holding Limited, Wipro Prosper Limited, Wipro Fluid Power Limited, Wipro Welfare Limited, Wipro Inc., Enthink Inc., and Wipro Japan KK are attached.

Auditors

The auditors M/s. N.M. Raiji & Co., retire at the conclusion of ensuing Annual General Meeting. The Audit Committee of the Board recommends the re-appointment of M/s. N.M. Raiji & Co. as Auditors for a further period of one year.

Personnel

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in the Annexure forming part of this report.

Wipro Employee Stock Option Plan (WESOP)

The Wipro Employee Stock Option Plan 1999 and 2000 were successful in enhancing employee commitment. The details of options granted under WESOP 1999 and 2000 are given below :

Sl. No.	Description	WESOP 1999	WESOP 2000
a.	Options granted	5,230,150	9,266,144
b.	Pricing formula	Fair Market Value i.e., the market price as defined by Securities and Exchange Board of India from time to time.	Fair Market Value i.e., the market price as defined by Securities and Exchange Board of India from time to time.
c.	Options vested	816,571	411,414
d.	Options exercised	146,839	-
e.	Total number of shares arising as a result of exercise of option	146,839	-
f.	Options lapsed *	-	-
g.	Variation of terms of options	NIL	NIL
h.	Money realized by exercise of options	Rs. 160,120,926	-
i.	Total number of options in force	3,885,958	8,472,514
	Employee wise details of options granted to :		
(i)	Senior Management	No. of Options	
	Vivek Paul	55,000	-
	P.S. Pai	25,000	-
	Dileep K. Ranjekar	16,000	-
	Suresh C. Senapaty	16,000	12,500
	Suresh Vaswani	13,500	12,500
	M.S. Rao	4,000	-
	Vineet Agrawal	9,000	12,500
(ii)	Employees holding 5% or more of the total number of options granted during the year	NIL	NIL

Sl. No.	Description	WESOP 1999	WESOP 2000
(iii)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	NIL
		As of March 31, 2002	
j.	Diluted Earnings Per Share pursuant to issue of shares on exercise of option calculated in accordance with International Accounting Standard (IAS) 33.	37.41	

* As per the Plan, options lapse only on termination of the Plan. If an Option expires or becomes unexercisable without having been exercised in full, the unpurchased shares, which were subject thereto, shall become available for future grant or sale under the Plan.

ADS 2000 Stock Option Plan

Under the ADS 2000 Stock Option Plan, 677,450 stock options representing 677,450 American Depository Shares each representing one equity share of Rs. 2/- each were granted to the employees. The details of options granted under the ADS 2000 Stock Option Plan to Senior Management are given below:

Options granted to Senior Management

Name	Options
Vivek Paul	160,000
Suresh C. Senapaty	3,000

Research and Development

Our R&D efforts continued in the area of Routing and QoS protocols for the Edge Routers. (Mpls, Ospf, Bgp4, Rsvp-TE, Cops and Sip). We have set up a lab for the testing and integration of the above protocols, their inter-working and a lab for Enterprise application testing with Rational under Interop.

We also built capabilities in 3G Core Networks (UMTS), 3G Testing, NGN Applications, Management of Convergent Neworks, Metro Optical Networks and Gigabit Ethernet by Standards body participation, reference solution building and creating internal technology forums.

We have also envisioned and conceptualized a workflow solution “Flow-briX” to address the comprehensive need for Publishing and Media segment.

The total expenditure on R&D during the year was Rs. 150 million including capital expenditure of Rs. 23 million.

Foreign Exchange Earnings and Outgoings

The foreign exchange earnings of the Company during the year were Rs. 23,495 million while the outgoings were Rs. 11,963 million (including materials imported).

Report on Corporate Governance

A detailed report on Corporate Governance has been included separately in the Annual Report.

Directors Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated that :

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) the Directors had prepared the annual accounts on a going concern basis.

Acknowledgements

The Directors thank the Company's customers, suppliers, bankers, financial institutions, Central and State Governments and shareholders for their consistent support to the Company. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

On behalf of the Board

Azim H. Premji
Chairman

Bangalore, April 19, 2002

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

"Good Corporate Governance" is governance with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics. Good Corporate Governance, is a critical doctrine to the global economic system, enabling the business to not only effectively and efficiently achieve its corporate objectives but also provides it the structure and methodology to sustain its survival in a globally competitive environment. Your Company has always been managed with the principles of "Good Corporate Governance".

CORPORATE GOVERNANCE AT WIPRO

In 1999-2000, your Company initiated the process of making substantial disclosures on the Company and its Board of Directors in the Annual Report and strengthened it further during 2000-2001. While continuing to make similar disclosures, we have benchmarked your Company's corporate practices with the guidelines recommended by the SEBI Committee on Corporate Governance. We are glad to inform you that the Company adheres to all the mandatory recommendations made by the SEBI Committee.

I BOARD OF DIRECTORS

A ***The Board of Directors of the Company shall have an optimum combination of executive and non-executive directors with not less than fifty per cent of the Board of Directors comprising of non-executive directors. In case the Company has an executive chairman, at least half of the Board should comprise of independent directors.***

The details of the Directors on the Board of your Company for the year 2001-2002 are given below :

Name	Category	Designation	Date of Appointment	Number of membership in Boards of other public companies
Azim H. Premji	Promoter Director	Chairman & Managing Director	01.09.1968	11
P.S. Pai	Executive Director	Vice Chairman	01.12.1998	Nil
Vivek Paul	Executive Director	Vice Chairman	26.07.1999	1
Hamir K. Vissanji *	Non-Executive Director	Director	21.09.1956	4
N. Vaghul	Non-Executive Director	Director	09.06.1997	12
B.C. Prabhakar	Non-Executive Director	Director	20.02.1997	Nil
Jagdish N. Sheth	Non-Executive Director	Director	01.01.1999	2
Ashok Ganguly	Non-Executive Director	Director	01.01.1999	7
Eisuke Sakakibara **	Non-Executive Director	Additional Director	01.01.2002	Nil
P.M. Sinha **	Non-Executive Director	Additional Director	01.01.2002	4
Nachiket Mor***	Nominee Director	Director	27.11.1996	3

* resigned from the Board effective January 15, 2002.
** appointed as Additional Directors with effect from January 1, 2002.
*** resigned from the Board effective July 19, 2001.

B ***All pecuniary relationship or transactions of the non-executive directors vis a vis the Company should be disclosed in the Annual Report.***

None of the non-executive directors have any pecuniary relationship or transaction with the Company.

II *AUDIT COMMITTEE*

A qualified and independent Audit Committee shall be set up having a minimum of three independent non-executive directors as members. The role of the Audit Committee shall include the following :

- ***Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible***
- ***Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for repayment for any other services***
- ***Reviewing with management the annual financial statements before submission to the Board***

The Audit Committee of the Board of Directors reviews, acts and reports to the Board of Directors with respect to various auditing and accounting matters, including the recommendation for appointment of our independent auditors, the scope of the annual audits, fees to be paid to the independent auditors, the performance of our independent auditors and our accounting practices.

The Audit Committee also reviews audit observations of Wipro's Internal Audit department pertaining to various Business Units (BU) and discusses the same with BU Management. Wipro's Internal Audit is an ISO 9001:2000 certified function.

The Audit Committee comprises of the following three non-executive directors. The Audit Committee reviews the audited quarterly and yearly financial results with the Management before being submitted to the Board for its consideration and approval.

Mr. N. Vaghul – Chairman

Messrs B.C. Prabhakar and P.M. Sinha – Members

Name	Number of meetings held during the year	Number of meetings attended during the year
N. Vaghul	4	4
Nachiket Mor*	4	1
Hamir K. Vissanji **	4	2
B.C. Prabhakar***	4	3
P.M. Sinha****	4	1

* resigned with effect from July 19, 2001 and attended the meeting held up to that date.
** resigned with effect from January 15, 2002.
*** co-opted with effect from July 19, 2001 and attended all the meetings held after that date.
**** co-opted with effect from January 1, 2002 and attended all the meetings held after that date.

III REMUNERATION OF DIRECTORS

A. ***The remuneration of the non-executive directors shall be decided by the Board of Directors.***

Non-executive directors were paid professional fees for the services rendered by them to the Company during the year 2001-02 which was approved by the Board of Directors of the Company at their meetings held on April 19, 2001 and September 3, 2001.

B. ***Appropriate disclosures on the remuneration of directors have to be made in the section on the corporate governance of the annual report;***

The details of actual payments made during the financial year 2001-02 to the directors of the Company are given below :

a) Remuneration paid to Promoter and Executive Directors

(Rs. in 000s)

Name	Basic Salary	Commission/ Incentives	Allowance	Other annual compensation*	Deferred benefits	No. of options granted	No. of ADS options granted	Expiration Date
Azim H. Premji	2,100	9,717	-	2,172	2,883	-	-	-
Vivek Paul* *	15,463	29,152	-	1,533	2,319	55,000	160,000	Feb. 2009
P.S. Pai	2,280	9,717	1,500	1,509	616	25,000	-	June 2006

* In addition, the above directors were entitled to rent free furnished residential accommodation or house rent allowance, leave travel concession, reimbursement of medical expenses, personal accident insurance, fully maintained Company car with driver, interest subsidy on housing loan, gardener, watchman, electricity, servant and gratuity as per Company policy. Deferred benefits in the case of Mr. Vivek Paul was Company's contribution to Deferred Compensation Plan. In the case of others, it was Company's contribution to Pension and Provident Fund.

** Figures mentioned are rupee equivalent – as amounts were paid in US Dollars.

b) Professional fees paid to Non-Executive Directors

Six of our non-executive directors were paid professional fees as detailed hereunder :

Professional fees paid for the full year (2001-02)

(Rs. in 000s)

	Ashok Ganguly	B.C. Prabhakar	N. Vaghul	Dr. Jagdish N. Sheth *
Professional fees	800	400	800	1,221

* Figures mentioned above are Rupee equivalent – as amounts were paid in US Dollars.

Professional fees paid for part of the year (2001-02) **

	Prof. Eisuke Sakakibara***	P.M. Sinha
Professional fees	486	250

** Professional fees paid only with effect from date of appointment i.e. January 1, 2002.

*** Figures mentioned above are Rupee equivalent – as amounts were paid in Yen.

IV COMPENSATION AND BENEFITS COMMITTEE

The Compensation and Benefit Committee of the Board of Directors, which was formed in 1987, determines the salaries, benefits and stock option grants for our employees, directors and other individuals compensated by our Company. The Compensation Committee also administers our compensation plans. The Compensation & Benefits Committee comprises of the following three non-executive directors :

Mr. N. Vaghul – Chairman

Messrs B.C. Prabhakar and P.M. Sinha – Members

Name	Number of meetings held during the year	Number of meetings attended during the year
N. Vaghul	4	4
Hamir K. Vissanji *	4	2
B.C. Prabhakar	4	4
P.M. Sinha**	4	1

* resigned with effect from January 15, 2002.
** co-opted with effect from January 1, 2002 and attended all the meetings held after that date.

V BOARD PROCEDURE

A. *The Board of Directors of a Company shall meet at least four times a year, with a maximum time gap of four months between any two meetings.*

During the last financial year, our Board met at four meetings held on April 19, 2001, July 19, 2001, October 17, 2001 and January 17, 2002. All the Board meetings were held at our Registered Office at Bangalore.

Agenda papers along with explanatory statements were circulated to the Directors in advance for each of these meetings. All relevant information, as recommended by the SEBI Committee on Corporate Governance as well as items required under Clause 49 of the Listing Agreement were placed before the Board from time to time. The details of Board meetings held during 2001-02 and attendance record of each of the Directors are given below :

Name of the Director	Number of meetings held	Number of meetings attended
Azim H. Premji	4	4
P.S. Pai	4	4
Vivek Paul	4	4
Hamir K. Vissanji *	4	2
N. Vaghul	4	4
B.C. Prabhakar	4	4
Jagdish N. Sheth	4	3
Ashok Ganguly	4	4
Eisuke Sakakibara **	4	1
P.M. Sinha **	4	1
Nachiket Mor***	4	1

* resigned with effect from January 15, 2002.
** appointed with effect from January 1, 2002 and attended all meetings held after that date.
*** resigned with effect from July 19, 2001 and attended all meetings upto that date.

B. *Company further agrees that a director shall not be a member in more than 10 committees or act as chairman of more than five committees across all companies in which he is a director.*

None of the Directors of our Company were members in more than 10 committees nor acted as chairman of more than five committees across all companies in which they were directors. Details of Board memberships positions occupied by the Directors, across all companies, have been given at the beginning of the section.

VI *MANAGEMENT*

A ***Management discussion and analysis report shall form part of the Annual Report to the shareholders***

The Company has provided a detailed Management Discussion and Analysis in its Annual Report for the year 2001-02 in pages 82 through 89.

B ***Disclosures must be made by the management to the Board relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the Company at large.***

During 2001-02, no transactions of material nature had been entered into by the Company with the Management or their relatives that may have a potential conflict with interests of the Company.

VII SHAREHOLDERS

A ***In the case of appointment of a new director or re-appointment of a director, the shareholders must be provided with the following information :***

- ***a brief resume of the director***
- ***nature of his expertise in specific functional areas***
- ***names of companies in which the person also holds the directorship and the membership of committees of the Board***

The notice for the Annual General Meeting held on July 19, 2001 complied with this requirement.

B ***All information like quarterly result, presentation made by companies to analyst shall be put on Company's website***

Our Quarterly and Annual results as well as copies of the Press Releases and Company Presentations were displayed on the following web-sites i.e. www.wiproindia.com and www.wipro.com

Apart from the above, we also regularly provided the information to the stock exchanges as per the requirements of the Listing Agreements and updated our websites periodically to include information on new developments and business opportunities of the Company.

C ***A Board committee under the chairmanship of a non-executive director shall be formed to specifically look into the redressing of shareholders' and investors' complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividends, etc. This committee shall be designated as 'shareholders/investors grievance committee'***

ADMINISTRATIVE AND SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE

The Administrative and Shareholders/Investors Grievance Committee administered the following :

a. redress shareholder and investor's compliants etc. relating to transfer of shares, non receipt of balance sheet, non receipt of declared dividends

b. consolidate and sub-divide share certificates

c. approve transmission and issue of duplicate/fresh share certificate

d. open and close Bank accounts

e. grant and revoke general, specific and banking powers of attorney

The composition of the Administrative and Shareholders/Investors Grievances Committee is as follows :

Mr. B.C. Prabhakar	–	Chairman
Mr. Azim H. Premji	–	Member

D ***The Board of the Company shall delegate the power of share transfer to an officer or a committee or to the registrar and share transfer agents so as to expedite the process of share transfers.***

The Board has delegated the power of share transfer to Registrar and Share Transfer Agents who processes share transfers in less than 7 days from the date of lodgement in the case of shares held in physical form.

VIII COMPLIANCE

A certification shall be obtained from the auditors of the Company regarding compliance of conditions of corporate governance as stipulated and the same sent to the shareholders along with the directors' report which is sent annually to all the shareholders of the Company.

The certificate obtained from our statutory Auditors M/s. N.M. Raiji & Co., dated April 19, 2002 appears at page 50 of the Annual Report.

IX COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE

The name and designation of the Compliance Officer of the Company is Mr. Suresh C. Senapaty, Corporate Executive Vice President – Finance.

In addition, shareholders/ADR holders can contact Mr. J. Shankar, Corporate Treasurer in India and Mr. R. Sridhar in USA on financial matters and Mr. Satish Menon, Corporate Vice President–Legal & Company Secretary on all legal and secretarial matters.

Their contact details are given below :

Name	Telephone Number	Email id	Fax No.
S.C. Senapaty	91-080-8440011-Extn 113 91-080-8440055 (Direct)	suresh.senapaty@wipro.com	91-080-8440104
J. Shankar	91-080-8440011-Extn 170 91-080-8440079 (Direct)	shankar.jaganathan@wipro.com	91-080-8440051
Satish Menon	91-080-8440011-Extn 180 91-080-8440078 (Direct)	satish.menon@wipro.com	91-080-8440051
R. Sridhar	001-408 557 4402	sridhar.ramabsubbu@wipro.com	001 408 615 7178

X GENERAL BODY MEETINGS

1. **Details on Annual General Meetings (AGM) :**

1.1 Location and time, where last three AGMs held :

Year	Location	Date	Time
1998-99	Taj Residency, Bangalore	July 29, 1999	4.30 pm
1999-00	Taj Residency, Bangalore	July 27, 2000	4.30 pm
2000-01	Doddakannelli, Sarjapur Road, Bangalore	July 19, 2001	4.30 pm

1.2 Whether special resolutions were put through postal ballot last year? No

Generally, all the resolutions in the AGM are passed through show of hands.

<u>Attendance at AGMs and EGMs during the last financial year :</u>

July 19, 2001 At the Annual General Meeting, all the Directors were present.

July 19, 2001 At the Extra-Ordinary General Meeting, all the Directors were present.

2. Details on Extraordinary General Meetings (EGM) :

2.1 Location and time, where last three EGMs held :

Year	Location	Date	Time
1998-99	Ganesha Complex, Madiwala, Bangalore	December 13, 1999	11.00 am
1999-00	Taj Residency, Bangalore	April 26, 2000	4.30 pm
2000-01	Doddakannelli, Sarjapur Road, Bangalore	July 19, 2001	5.30 pm

3. Details on resolutions passed through Postal Ballot :

Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, consent of the shareholders was obtained by way of Ordinary Resolutions passed under Section 293 (1)(a) of the Companies Act, 1956, for transfer of one of the Company's undertaking engaged in the business of Fluid Power to Netkracker Limited with effect from opening hours of March 1, 2002. The name of Netkracker Limited has since been changed to Wipro Fluid Power Limited.

The Scrutinizer appointed for the purpose of conducting the Postal Ballot exercise was Mr. T.S. Suresh, Partner, King & Partridge, Advocates & Solicitors.

The Company complied with all the procedural formalities for the conduct of Postal Ballot.

XI GENERAL SHAREHOLDERS INFORMATION

The following information would be useful to our shareholders :

Sl. No.	Information	
1.	Annual General Meeting	
	- Date and Time	July 18, 2002 at 4.30 pm
	- Venue	Wipro Limited Doddakannelli Sarjapur Road Bangalore 560 035
2.	Financial Calendar	(Tentative schedule)
	- Financial reporting for the quarter ended June 30, 2002	Second fortnight of July 2002
	- Financial reporting for the half year ending September 30, 2002	Second fortnight of October 2002
	- Financial reporting for the half year ending December 31, 2002	Second fortnight of January 2003
	- Financial reporting for the year ending March 31, 2003	Second fortnight of April 2003
	- Annual General Meeting for the year ending March 31, 2003	Second fortnight of July 2003
3.	Book Closure Date (Both days inclusive)	July 3-July 18, 2002
4.	Dividend Payment Date	Dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after July 18, 2002, subject to deduction of tax, if any.

5. Listing on Stock Exchanges at :

Equity Shares

Bangalore Stock Exchange Limited
No. 51, First Cross, J.C. Road, Bangalore 560 027

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400 023

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Bandra East, Mumbai 400 051

The Delhi Stock Exchange Association Ltd.
3/1, Asaf Ali Road, DSE House
New Delhi 110 002

Stock Exchange, Ahmedabad
Opp. Sahajanand College
Kamadhenu Complex
Panjara Pole
Ahmedabad 380 015

The Kolkatta Stock Exchange Association Ltd.
7, Lyons Range
Kolkatta 700 001

Cochin Stock Exchange Ltd.
36/165, 4th Floor, MES Building
Judges Avenue, Kaloor
Cochin 682 017

American Depository Receipts (ADRs)
New York Stock Exchange
60 Wall Street
New York

Listing fees for the year 2001-02 and 2002-03 have been paid to the Indian Stock Exchanges

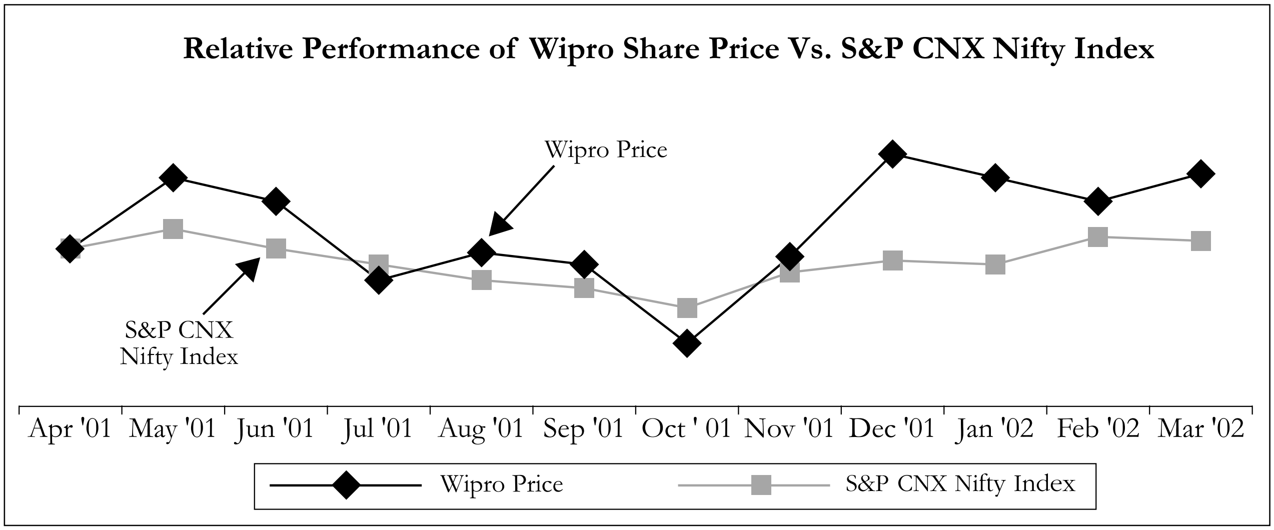
Listing fees to New York Stock Exchange for listing of ADRs has been paid for the calendar year 2002.

6. Stock Code :

The Stock Exchange, Mumbai	Wipro
National Stock Exchange of India Ltd.	Wipro
New York Stock Exchange (ADRs)	WIT

7. Stock Market Data :

Month	Price in NSE during each month		S&P CNX Nifty Index during each month		Wipro price movement %		Nifty Index movement %	
	High Rs.	Low Rs.	High Rs.	Low Rs.	High	Low	High	Low
April '01	1,588	759	1,172	1,000				
May '01	1,868	1,451	1,226	1,096	18	91	5	10
June '01	1,774	1,221	1,176	1,060	-5	-16	-4	-3
July '01	1,459	1,367	1,127	1,047	-18	12	-4	-1
Aug '01	1,565	1,362	1,084	1,052	7	0	-4	0
Sept '01	1,525	802	1,059	849	-3	-41	-2	-19
Oct '01	1,199	812	1,000	884	-21	1	-6	4
Nov '01	1,564	1,010	1,098	974	30	24	10	10
Dec '01	1,974	1,421	1,133	1,010	26	41	3	4
Jan '02	1,875	1,461	1,122	1,052	-5	3	-1	4
Feb '02	1,785	1,562	1,206	1,069	-5	7	8	2
Mar '02	1,894	1,550	1,201	1,118	6	-1	0	5



8.	Registrar & Share Transfer Agents	:	Karvy Consultants Limited 51/2, Vanivilas Road T.K.N. Complex Opp. National College Basavangudi Bangalore Tel : 080-6613400/6621192/93 Fax : 080-6621169
9.	Share Transfer System	:	The turnaround time for completion of transfer of shares in physical form is generally less than 7 days from the date of receipt, if the documents are clear in all respects. We have internally fixed turnaround time for closing the queries/ complaints received from the shareholders.

10. Details of queries/complaints received and resolved during the year 2001-2002.

Name of queries/complaints	Received	Resolved	Unresolved
No. of requests for change of address	122	122	-
No. of requests for transmission	9	9	-
Non receipt of share certificates/bonus shares	13	13	-
Non receipt of Dividend/Revalidation of Dividend Warrants	131	131	-
Letters from SEBI & Stock Exchanges	3	3	-
Issue of duplicate share certificates	6	5	1*
Splitting of shares	17	17	-

* Pending completion of formalities by the shareholder. Duplicate share certificate would be issued thereafter.

11. Distribution of Shareholding as of March 31, 2002 :

Category	No. of shareholders	Percentage	No. of shares	Percentage
1-500	54,729	96.26	1,514,402	0.65
501-1000	785	1.38	620,322	0.27
1001-2000	475	0.84	707,370	0.30
2001-3000	196	0.34	513,792	0.22
3001-4000	88	0.15	314,386	0.14
4001-5000	84	0.11	297,703	0.13
5001-10000	174	0.31	1,271,609	0.55
Above 10001	348	0.61	227,226,105	97.74
Total	**56,879**	**100.00**	**232,465,689**	**100.00**

12. Categories of Shareholding as on March 31, 2002 :

Sl. No.	Category	No. of shares held	% of shareholding
A	**PROMOTERS HOLDING**		
1.	Promoters		
	- Promoter in his capacity as partner of Partnership firms	162,586,800	69.94
	- Promoter in his capacity as director of Private Limited Companies	22,746,300	9.78
	- Promoter in his individual capacity	9,340,510	4.02
	- Promoter Directors' Relatives	453,500	0.20
B	**NON PROMOTER HOLDING**		
	INSTITUTIONAL INVESTORS		
	Mutual Funds and UTI	1,713,774	0.74
	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non Government Institutions)	1,210,715	0.52
	FIIs*	6,806,985	2.93
C	**OTHERS**		
	Private Corporate Bodies	4,007,959	1.72
	Indian Public	16,549,183	7.11
	NRIs/OCBs	5,083,140	2.19
	Directors and Relatives	617,875	0.27
	Trusts	1,348,948	0.58
	TOTAL	**232,465,689**	**100.00**

* includes 2,587,080 shares traded as ADRs.

13. Dematerialisation of Shares and Liquidity : Over 96% of our outstanding equity shares have been dematerialized upto March 31, 2002.

14. Outstanding convertible instruments : As of March 31, 2002, there are no outstanding convertible instruments.

15. Outstanding ADRs as of March 31, 2002 : Outstanding ADRs as of March 31,2002 are 2,587,080. Each ADR represents one underlying Equity Share.

16. Address of our depository for ADS : Morgan Guaranty Trust Company of New York
60, Wall Street
New York, NY 10260

Tel : 001-(212) 648-3208
Fax : 001-(212) 648-5576

17. Name and address of the custodian for ADS in India : ICICI Limited
ICICI Towers
Bandra Kurla Complex
Bandra East
Mumbai 400 051.

Tel : 91-22-6531414
Fax : 91-22-6531165

18. Plant locations :

a. Our Software Development Facilities are located at :

Sl. No.	Address	City
1	S B Towers, 88, M G Road	Bangalore 560 001
2	Information Technology Park, Whitefield	Bangalore 560 066
3	8, 7th Main Block, Koramangala	Bangalore 560 095
4	K-312, Koramangala Industrial Layout, V Block, Koramangala	Bangalore 560 095
5	271-271A, Sri Ganesh Complex, Hosur Main Road, Madiwala I	Bangalore 560 068
6	26, Sri Chamundi Complex, Madiwala II, Bommanahalli, Hosur Main Road	Bangalore 560 068
7	Madiwala Village, Bangalore-Hosur Road, Madiwala III	Bangalore 560 068
8	111, Mount Road, Guindy	Chennai 600 032
9	138, Shollinganallur, Old Mahabalipuram Road	Chennai 600 019
10	A314, Block III, KSSIDC Multistoried Complex, Keonics Electronic City	Bangalore 561 229
11	1-8-448, Lakshmi Buildings, S P Road, Begumpet	Secunderabad 500 016
12	Survey Nos. 64, Serilingampali Mandal, Madhapur	Hyderabad 500 033
13	Sharada Arcade, 685/2B & 685/2C, Satara Road	Pune 411 037
14	Plot No. 2, MIDC, Infotech Park, Hingewadi	Pune 411 027
15	3rd Floor, International Technology Centre, Belapur, Navi Mumbai	Mumbai 400 614
16	Plot No. 480-481, Section 20, Udyog Vihar Phase II	Gurgaon 122 015

b. Our manufacturing facilities are located at :

Sl. No.	Address	City
1	P O Box No.12, Dist. Jalgaon	Amalner 425 401
2	L-8, MIDC, Waluj	Aurangabad 431 136
3	105, Hootagalli Industrial Area	Mysore 571 186
4	A-28, Thattanchavady Industrial Estate	Pondicherry 605 102
5	10, Thiruvandar Koil Village, Thirubhuvanai, Villainur Taluk	Pondicherry 605 102
6	120/1, Vellancheri	Guduvanchery 603 202
7	Plot No. 4, Anthrasanahalli Industrial Area	Tumkur 572 106

19 Members can contact us at our registered office :

Wipro Limited
Doddakannelli
Sarjapur Road
Bangalore 560 035.

Telephone : (91-80) 8440011. Fax : (91-80) 8440051.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Wipro Limited

We have examined the compliance of conditions of Corporate Governance by Wipro Limited (the Company) for the year ended on March 31, 2002, as stipulated in Clause 49 of the Listing Agreements of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

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Indian GAAP Financial Statements

US GAAP Financial Statements

WIPRO LIMITED

Financial Statements for the year ended March 31, 2002

(in accordance with Generally Accepted Accounting Principles in India)

AUDITOR'S REPORT

To the Members of WIPRO LIMITED

We have audited the attached Balance Sheet of Wipro Limited, as at March 31, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and with the audited returns from the branches;

(iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) On the basis of written representations received from the directors, we report that none of the directors is disqualified as on March 31, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002; and

(b) in the case of Profit and Loss Account, of the profit for the year ended on that date.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

Annexure to Auditor's Report of even date for the Members of WIPRO LIMITED

(i) The Company has maintained proper records showing quantitative details and the situation of its fixed assets. A major portion of fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of fixed assets by the management is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancy has been noticed between the book records and the assets physically verified.

(ii) None of the fixed assets of the Company have been revalued during the year.

(iii) Stocks of finished goods, stores, spare parts and raw materials other than with the third parties have been physically verified by the management at reasonable intervals. There is a process of obtaining confirmation in respect of stocks with third parties.

(iv) In our opinion and according to the information and explanations given to us, the procedures for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(v) The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt within the books of account.

(vi) In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.

(vii) The Company has not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management as defined under Section 370(1-B) of the Companies Act, 1956.

(viii) The Company has granted unsecured interest free/interest-bearing loans to its subsidiaries and to companies which are listed in the register maintained under Section 301 of the Companies Act, 1956. The terms and conditions of such loans are, prima facie, not prejudicial to the interest of the Company.

(ix) In respect of loans and advances in the nature of loans given by the Company, the parties/ employees have generally repaid the principle amount and interest as per terms, wherever stipulated.

(x) The Company has adequate internal control procedures commensurate with its size and nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.

(xi) The transactions for purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or agreements entered in the register maintained under Section 301 of the Companies Act, 1956, as aggregating during the year to Rs. 50,000/- or more in respect of each party, have been made at prices which are generally reasonable having regard to prevailing market prices for such goods, materials, or services or the prices at which transactions for similar goods or services have been made with other parties.

(xii) As explained to us, the Company has a regular procedure for determination of unserviceable or damaged stores and raw material. In our opinion, adequate provision has been made in the accounts for the estimated loss on the items so determined.

(xiii) The Company has not accepted any public deposits during the year. The amount outstanding as on the balance sheet date is only in respect of unclaimed deposits accepted in earlier years. On account of this no comment is called for in respect of the compliance of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

(xiv) In our opinion, the Company has maintained reasonable records for the sale and disposal of realisable by-products and scrap.

(xv) The Company has a system of internal audit which, in our opinion, is commensurate with its size and nature of its business.

(xvi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 for maintenance of Cost records in respect of the Vanaspati, Soaps, Lighting and Electronic products and are of opinion that, prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

(xvii) The Company has been generally regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities, except that in a few cases there were minor delays in depositing the dues.

(xviii) There are no undisputed amounts in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which, as at the Balance Sheet date, were outstanding for a period of more than six months from the date they became payable.

(xix) On the basis of our examination of the books of account and the information and explanations given to us, there are no personal expenses which have been charged to the revenue account other than those incurred in terms of contractual obligations or in accordance with generally accepted business practice.

(xx) The Company is not a sick industrial company within the meaning of Section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

(xxi) In respect of service activities, the Company has a reasonable system, commensurate with its size and nature of business for :

(a) recording receipts, issues and consumption of materials and allocating materials consumed to the relative jobs/projects.

(b) allocating man-hours utilised to the respective jobs/projects.

(c) authorisation at appropriate levels and an adequate system of internal control on issue of stores and allocation of stores and man power to jobs/projects.

(xxii) The business activity carried on by the Company includes letting out immovable property on rental basis. For such activities, maintenance of records of materials, stores, man-hours etc., is not considered necessary.

(xxiii) As regards the trading activity of the Company, during the year the damaged goods have been determined and suitable value adjustment has been made in the books of account.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

BALANCE SHEET

(Rs. in 000s)

	Schedule	As of March 31, 2002	2001
SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	1	464,931	464,866
Share application money pending allotment (refer note 11)		2,399	2,345
Reserves and Surplus	2	24,860,451	19,184,623
		25,327,781	19,651,834
Loan Funds			
Secured loans	3	254,872	400,644
Unsecured loans	4	13,659	47,397
		268,531	448,041
Total		25,596,312	20,099,875
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	5	9,615,514	9,020,225
Less : Depreciation		4,503,870	3,793,678
Net Block		5,111,644	5,226,547
Capital work-in-progress and advances		1,162,642	797,958
		6,274,286	6,024,505
Investments	6	4,784,557	1,636,443
Deferred tax assets		238,822	-
Current assets, loans and advances			
Inventories	7	748,364	1,152,530
Sundry Debtors	8	6,434,866	6,176,657
Cash and Bank balances	9	2,935,434	4,463,421
Loans and advances	10	10,177,581	5,992,691
		20,296,245	17,785,299
Current liabilities and provisions			
Liabilities	11	5,366,645	4,813,400
Provisions	12	630,953	532,972
		5,997,598	5,346,372
Net Current Assets		14,298,647	12,438,927
Total		25,596,312	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

Mumbai, April 19, 2002

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, April 19, 2002

PROFIT AND LOSS ACCOUNT

(Rs. in 000s)

	Schedule	Year ended March 31, 2002	2001
INCOME			
Sales and Services		34,161,515	30,512,350
Other Income	13	1,553,060	695,463
		35,714,575	31,207,813
EXPENDITURE			
Cost of goods sold	14	20,779,161	18,076,507
Selling, general and administrative expenses	15	5,405,675	5,406,929
Interest	16	28,941	68,890
		26,213,777	23,552,326
PROFIT BEFORE TAXATION AND NON-RECURRING / EXTRAORDINARY ITEMS		9,500,798	7,655,487
Provision for taxation (refer note 15)		839,707	992,000
PROFIT AFTER TAX BEFORE NON-RECURRING / EXTRAORDINARY ITEMS		8,661,091	6,663,487
Non recurring / extraordinary items	18	-	16,036
PROFIT FOR THE PERIOD		8,661,091	6,679,523
Appropriations			
Interim Dividend on Preference Shares		-	18,043
Proposed Dividend on Equity Shares		232,466	116,217
Corporate tax on dividend		-	13,839
Transfer to Capital Redemption Reserve		-	250,000
Transfer to general reserve		8,428,625	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

Mumbai, April 19, 2002

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, April 19, 2002

(Rs. in 000s, except share numbers)

SCHEDULE 1 SHARE CAPITAL

	As of March 31, 2002	2001
Authorised		
375,000,000 (2001 : 375,000,000) Equity shares of Rs. 2 each	**750,000**	750,000
2,500,000 (2001 : 2,500,000) 10.25 % Redeemable Cumulative Preference Shares of Rs. 100 each	**250,000**	250,000
	1,000,000	1,000,000
Issued, subscribed and paid-up		
232,465,689 (2001 : 232,433,019) equity shares of Rs. 2 each	**464,931**	464,866
	464,931	464,866

Notes :

1. Of the above equity shares :
   - i) 226,905,825 equity shares (2001 : 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) 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) 146,839 (2001 : 114,169) equity share issued pursuant to Employee Stock Option Plan.

SCHEDULE 2 RESERVES AND SURPLUS

	As of April 1, 2001	Additions		Deductions		As of March 31, 2002
Capital Reserves	**9,500**	**-**		**-**		**9,500**
	114,047	750	(a)	105,297	(b)	9,500
Capital Redemption Reserve	**250,038**	**-**		**-**		**250,038**
	38	250,000	(c)	-		250,038
Share Premium	**5,920,208**	**466,027**	(d)	**-**		**6,386,235**
	-	5,920,208		-		5,920,208
Revaluation Reserve	**890,072**	**-**		**890,072**	(e)	**-**
	1,047,110	-		157,038		890,072
Investment Allowance Reserve	**14,500**	**-**		**14,500**	(f)	**-**
	14,500	-		-		14,500
General Reserve	**12,100,305**	**8,546,418**	(f)(i)(g)	**2,432,045**	(h)	**18,214,678**
	5,818,881	6,281,424		-		12,100,305
	19,184,623	**9,012,445**		**3,336,617**		**24,860,451**
	6,994,576	12,452,382		262,335		19,184,623

Corresponding figures for 2000-2001 are given below current year's figures

a) Capital subsidy received.
b) Refer note 2 of schedule 19.
c) Transfers from Profit and Loss account.
d) Rs. 35,414 (2001 : 123,759) pursuant to issue of shares under Employee Stock Option Plan and Rs. Nil (2001 : Rs. 5,796,449) on account of American Depository Offering by the Company, net of offering expenses of Rs. Nil (2001 : Rs. 273,429) and Rs. 430,613 on account of amalgamation of Wipro Net Limited with Wipro Limited.
e) Transfer to Profit and Loss account Rs. 39,388 (2001 : Rs. 58,843) and reduction on account of sale of revalued assets and other adjustments Rs. Nil (2001 : Rs. 98,195). The net amount of Rs. 850,684 is adjusted against revaluation reserve (refer note 5 of schedule 19).
f) Transfer to General Reserve Rs. 14,500 (2001 : Rs. Nil).
g) Transfer from Profit and Loss account Rs. 8,428,625 (2001 : Rs. 6,281,424).
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 (2001 : Nil) and deferred tax assets arising on temporary differences Rs. 47,647 (2001 : Nil).

(Rs. in 000s)

SCHEDULE 3 SECURED LOANS	Note Reference	As of March 31, 2002	2001
From Banks			
Cash credit facility	a	**204,997**	203,187
External Commercial Borrowings	b	**-**	127,582
From Financial Institutions			
Asset Credit Scheme	c	**48,200**	68,200
Development loan from			
Government of Karnataka	d	**1,675**	1,675
		254,872	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 centres 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.

SCHEDULE 4 UNSECURED LOANS	As of March 31, 2002	2001
Fixed Deposits	**843**	886
Other Loans and Advances		
Interest free loan from government	**11,566**	45,261
Loans from state financial institutions	**1,250**	1,250
	13,659	47,397

SCHEDULE 5 FIXED ASSETS

(Rs. in 000s)

Particulars	GROSS BLOCK				PROVISION FOR DEPRECIATION				NET BLOCK	
	As on April 1, 2001	Additions	Deductions/ adjustments	**As on March 31, 2002**	As on April 1, 2001	Depreciation for the period	Deductions/ adjustments	**As on March 31, 2002**	**As on March 31, 2002**	As on March 31, 2001
Land	513,285	231,676	160,045	**584,916**	241	5,269	-	**5,510**	**579,406**	513,044
Buildings	1,713,059	375,983	630,423	**1,458,619**	154,923	35,548	99,505	**90,966**	**1,367,653**	1,558,136
Railway siding	4,000	-	3,988	**12**	3,800	-	3,788	**12**	**-**	200
Plant and Machinery	5,453,816	1,599,553	1,167,848	**5,885,521**	3,078,388	1,098,352	554,649	**3,622,091**	**2,263,430**	2,375,428
Furniture, fixture and equipment	1,016,421	287,421	41,250	**1,262,592**	405,258	205,873	20,910	**590,221**	**672,371**	611,163
Vehicles	316,568	149,742	52,834	**413,476**	148,881	73,391	37,151	**185,121**	**228,355**	167,687
Technical Know-how	3,076	-	(7,302)	**10,378**	2,187	464	(7,298)	**9,949**	**429**	889
Total	**9,020,225**	**2,644,375**	**2,049,086**	**9,615,514**	**3,793,678**	**1,418,897**	**708,705**	**4,503,870**	**5,111,644**	**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	

a. Revaluation :
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 Bock	**Depreciation Bock**	**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. Land includes leasehold land Rs. 9,978 (2001 : Rs. 9,978)

c. Buildings :
   i) includes shares worth Rs. 2 (2001 : Rs. 2)
   ii) includes leasehold land/property Rs. 4,241 (2001 : Rs. 4,241)
   iii) is net of depreciation during construction period.

d. Additions to gross block and provision for depreciation includes Rs. 573,272 and Rs. 143,019 respectively on account of assets transferred on amalgamation of Wipro Net.

e. 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 Tamil Nadu.

f. Deduction to gross block and provision for depreciation includes Rs. 449,603 and Rs. 241,210 on account of sale of Wipro Fluid Power business (refer note 10)

g. Deduction/adjustment in Gross Block and in provision for depreciation includes Rs. Nil (2001 : Rs. 123,818) pertaining to increased value of revalued assets sold/ discarded. The net amount of Rs. Nil (2001 : Rs. 98,195) has been adjusted from revaluation reserve.

h. Deduction/adjustment in gross block and provision for depreciation is net of Rs. 850,684 of the amounts added on revaluation adjusted against the revaluation reserve. (refer note 5).

i. 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).

SCHEDULE 6 INVESTMENTS

(Rs. in 000s except share numbers and face value)				As of March 31,	
All shares are fully paid up unless otherwise stated	Number	Face value		2002	2001
Investments - Long Term (at cost)					
Investments in subsidiary companies					
Unquoted					
Equity Shares					
Wipro Prosper Ltd.	200	Rs.	10	**2**	2
Wipro Trademarks Holding Ltd.	200	Rs.	10	**2**	2
Wipro Inc, USA	1,200	US $	2,500	**129,270**	129,270
Wipro Japan KK, Japan	650	JPY	50,000	**9,738**	9,738
Wipro Net Ltd. (refer note 6)	20,600,927	Rs.	10	**-**	1,192,460
Wipro Welfare Ltd.	66,171	Rs.	10	**662**	662
Wipro Fluid Power Ltd. (2001 : 1,863,520 shares)	7,296,520	Rs.	10	**72,965**	18,635
				212,639	1,350,769
Preference Shares					
9% cumulative redeemable preference shares held in Wipro Trademarks Holding Ltd.	1,800	Rs.	10	**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
Spectramind eServices Pvt. Ltd. (Partly paid of Rs. 7.5)	6,221,741	Rs.	10	**144,299**	-
Wipro ePeripherals Ltd.	5,460,000	Rs.	10	**54,600**	54,600
				247,899	103,600
Quoted					
Trade Investments					
Dynamatic Technologies Ltd.	100	Rs.	10	**1**	1
HDFC Bank Ltd.	100	Rs.	10	**1**	1
				2	2
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 Non convertible debentures of Wipro ePeripherals Ltd.	400,000	Rs.	100	**40,000**	40,000
Convertible preference shares in Spectramind eServices Pvt. Ltd. (Partly paid of Rs. 7.5)	28,760,140	Rs.	10	**215,701**	-
				255,701	94,330
Other Investments (unquoted)					
Redeemable floating rate bonds of State Bank of India	2,500	Rs.	1,000	**2,500**	2,500
Indira Vikas Patra (maturity value Rs. 66,003)				**47,952**	47,952
Bonds of GE Capital Services India (refer note 12)				**-**	145,468
				50,452	195,920
Investments – short term (at market value) :					
in money market liquid mutual funds					
Alliance Capital Mutual Fund (39,960 units redeemed during the year)	265,857			**265,910**	-
Pioneer ITI Mutual Fund (103,376 units redeemed during the year)	389,279			**452,168**	-
Prudential ICICI Mutual Fund (9,306,496 units redeemed during the year)	78,253,001			**924,966**	-
HDFC Mutual Fund (48,970,580 units redeemed during the year)	52,169,137			**521,910**	-
Standard Chartered Mutual Fund (47,000,000 units redeemed during the year)	23,032,046			**230,320**	-
Reliance Mutual Fund	50,054,397			**505,064**	-
Zurich India Mutual Fund (4,973,145 units redeemed during the year)	39,832,390			**400,499**	-
Templeton India Mutual Fund (12,490,008 units redeemed during the year)	9,875,923			**98,842**	-
Cholamandalam Mutual Fund (11,000,000 units redeemed during the year)	14,738,939			**147,389**	-
Kotak Mutual Fund (8,694,609 units redeemed during the year)	22,490,420			**225,154**	-
Birla Mutual Fund (11,935,073 units redeemed during the year)	35,080,266			**353,820**	-
				4,126,042	-
Total				**4,892,753**	1,744,639
Less : Provision for diminution in value of long term investments				**108,196**	108,196
Total				**4,784,557**	1,636,443

	(Rs. in 000s)	
	As of March 31,	
	2002	2001
Aggregate book value of quoted investments	2	2
Aggregate book value of unquoted investments (net of provision)	766,709	1,636,441
Aggregate market value of quoted investments and investments in money market mutual funds	4,126,068	25

Notes :

Equity investments in this Company 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 outlined below :

	2002	2001
Redeemable preference shares	-	300,000
	-	300,000
Less : Provision for diminution in value of investments	-	300,000

SCHEDULE 7 INVENTORIES

	2002	2001
Stores and Spares	23,083	44,689
Raw Materials	400,569	499,536
Stock-in-process	21,344	121,190
Finished goods	303,368	487,115
	748,364	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.

SCHEDULE 8 SUNDRY DEBTORS

	2002	2001
(Unsecured)		
Over Six Months		
Considered good	675,017	448,945
Considered doubtful	483,200	292,593
	1,158,217	741,538
Others		
Considered good	5,759,849	5,727,712
Considered doubtful	5,737	5,291
	5,765,586	5,733,003
Less : Provision for doubtful debts	488,937	297,884
	6,434,866	6,176,657

(Rs. in 000s)

	As of March 31, 2002	2001
SCHEDULE 9 CASH AND BANK BALANCES		
Cash and cheques on hand	299,390	661,678
Balances with scheduled banks		
On Current account	587,578	527,989
In Deposit account	100,295	84,091
Balances with other banks in current account		
Inkom Bank	-	43
Midland Bank	146,146	52,122
Wells Fargo	986,037	597,294
Nations Bank	97,627	-
Deutsche Bank	487,942	-
Societe General	198,324	460,378
Bank of America	27,142	10
First Chicago	976	390,806
Citibank	1,952	875,432
FCC National Bank	976	391,739
Chase Manhattan	1,025	421,815
Great Western Bank	24	24
	2,935,434	4,463,421
Maximum balances during the year		
Inkom Bank	-	43
Midland Bank	387,177	362,362
Wells Fargo	986,037	770,615
Nations Bank	97,627	13
Deutsche Bank	487,942	-
Socite General	460,378	460,378
Bank of America	36,958	10
First Chicago	390,806	390,806
Citibank	875,432	875,432
FCC National Bank	391,739	391,739
Chase Manhattan	421,815	421,815
Great Western Bank	24	24
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	857,413	1,089,193
Considered doubtful	70,193	125,483
	927,606	1,214,676
Less : Provision for doubtful advances	70,193	125,483
	857,413	1,089,193
Share application money pending allotment (refer note 10)	360,000	-
Certificate of deposits with foreign banks	5,287,219	3,326,108
Inter Corporate Deposits :		
GE Capital Services India	770,100	367,500
ICICI Limited	1,245,200	684,500
	2,015,300	1,052,000
Other Deposits	544,966	490,329
Advance income-tax (net of provision)	155,240	19,067
Balances with excise and customs	35,170	15,994
Unbilled Services	922,273	-
	10,177,581	5,992,691

Note :

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

(Rs. in 000s)

	As of March 31, 2002	As of March 31, 2001
SCHEDULE 11 LIABILITIES		
Sundry Creditors	**2,148,315**	1,607,681
Unclaimed dividends	**1,588**	180
Advances from customers	**866,006**	847,732
Other liabilities	**2,009,452**	2,016,355
Interest accrued but not due on loans	**301**	469
Other deposits	**340,983**	340,983
	5,366,645	4,813,400
SCHEDULE 12 PROVISIONS		
Employee retirement benefits	**398,487**	404,901
Proposed dividend	**232,466**	116,217
Tax on proposed dividend	**-**	11,854
	630,953	532,972

SCHEDULE 13 OTHER INCOME	Year ended March 31, 2002	Year ended March 31, 2001
Dividend from mutual funds	**279,549**	-
Dividend from companies	**5,096**	31,853
Interest on debt instruments	**753,287**	313,005
Rental Income	**19,227**	15,610
Profit on Sale of Investments	**-**	4,000
Profit on disposal of fixed assets	**36,251**	49,162
Difference in exchange	**214,187**	86,399
Royalty & Brand fees	**92,360**	30,789
Provision no longer required written back	**115,354**	53,662
Miscellaneous Income	**37,749**	110,983
	1,553,060	695,463

Notes : Tax deducted at source Rs. 130,897 (2001 : Rs. 65,183)

SCHEDULE 14 COST OF GOODS SOLD	2002	2001
Raw materials, Finished and Process Stocks (refer Schedule 17)	**7,930,913**	8,180,176
Stores & Spares	**182,674**	174,555
Power and Fuel	**321,028**	310,441
Salaries, wages and bonus	**3,497,485**	2,733,429
Contribution to provident and other funds	**133,385**	103,362
Gratuity and pension	**120,595**	78,239
Workmen and Staff welfare	**139,054**	188,220
Insurance	**16,631**	6,660
Repairs to Factory Buildings	**10,773**	38,554
Repairs to Plant & Machinery	**115,919**	73,655
Rent	**201,944**	196,129
Rates & Taxes	**11,667**	13,450
Packing	**15,436**	28,669
Travelling and allowances	**5,831,446**	4,956,452
Depreciation	**1,106,297**	738,582
Miscellaneous	**1,220,182**	373,812
Less : Capitalized (refer note 14)	**(76,268)**	(117,878)
	20,779,161	18,076,507

(Rs. in 000s)

	Year ended March 31, 2002	2001
SCHEDULE 15 SELLING GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries, wages and bonus	995,591	924,346
Contribution to provident and other funds	34,934	40,131
Gratuity and pension	33,510	27,609
Workmen and Staff welfare	129,173	123,640
Insurance	6,108	20,676
Repairs to buildings	3,781	4,596
Rent	118,079	80,889
Rates and taxes	12,785	90,141
Carriage and freight	212,278	223,745
Commission on sales	489,545	659,432
Auditors' remuneration and expenses		
Audit fees	3,430	3,150
For certification including tax audit	969	1,162
Reimbursement of expenses	885	508
Advertisement and sales promotion	316,203	471,824
Loss on sale of fixed assets	10,648	803
Directors' fees	800	922
Depreciation	312,601	240,841
Travelling and allowances	1,571,629	1,075,868
Communication	112,213	326,311
Provision/write off of bad debts	248,442	266,516
Diminution in value of investments (mutual fund units)	163,147	-
Miscellaneous	628,924	823,819
	5,405,675	5,406,929
SCHEDULE 16 INTEREST		
On fixed loans	9,124	16,354
Other	19,817	52,536
	28,941	68,890
SCHEDULE 17 RAW MATERIALS, FINISHED AND PROCESS STOCKS		
Consumption of raw materials and bought out components		
Opening stocks	499,536	497,545
Add : Purchases	3,539,152	3,873,857
Less : Transfer on sale of undertaking	46,496	136,772
Less : Closing stocks	400,569	499,536
	3,591,623	3,735,094
Purchase of finished products for sale	4,200,978	4,466,964
(Increase)/decrease in finished and process stocks		
Opening stock : In process	121,190	92,970
: Finished products	487,115	581,730
Less : Transfer on sale of undertaking : In Process	81,002	12,200
: Finished Products	64,279	95,780
Less : Closing stocks : In process	21,344	121,190
: Finished products	303,368	487,115
	138,312	(41,585)
(Increase)/Decrease in stock-in-trade : land		
Opening Stock	-	125,000
Less : Closing stock	-	-
Less : Drawn from Capital Reserve (refer note 2)	-	105,297
	-	19,703
	7,930,913	8,180,176

(Rs. in 000s)

SCHEDULE 18 NON-RECURRING/EXTRAORDINARY ITEMS

	Year ended March 31, 2002	2001
Gain/(Loss) on Sale of shares	-	55
Gain on transfer of business (refer note 9)	-	15,981
	-	16,036

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, 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. Revenue on 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.

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 in March 1997 and stated at revalued cost less depreciation. Depreciation was provided on revalued amounts. The additional depreciation charge on amounts added on revaluation was drawn out of revaluation reserves. In January 2002 the revaluation reserves were reversed out against the carrying value of fixed assets. Consequently fixed assets are now stated at historical costs less depreciation.

Interest on funds borrowed and allocated for acquiring 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 data processing equipment and software, 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 prevailing 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.

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.

Inventories

Finished goods are valued at cost or net realizable value, whichever is lower. Other inventories are valued at cost less provision for obsolescence. Small value tools and consumables are charged to consumption on purchase.

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.

NOTES TO ACCOUNTS

(All figures are reported in rupees thousands, except data relating to 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 up to total cost of assets.

Class of Asset	Depreciation rate applied %	Per Schedule XIV
Data Processing equipment & Software	50.00	16.21
Plant & Machinery of ISP business	20.00	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	4.75	4.75

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 realized 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. 241,338 (2001 : Rs. 400,280)

4. Contingent liabilities in respect of :

i) Uncalled liability on partly paid equity shares is Rs. 48,100 (2001 : Rs. Nil) and on convertible preference shares is Rs. 71,900 (2001 : Rs. Nil)

ii) Disputed demands for excise, customs, income tax, sales tax and other matters Rs. 199,530 (2001 : Rs. 221,060)

iii) Guarantees given by Banks on behalf of the Company Rs. 361,058

5. Depreciation for the year on revalued assets has been provided up to 31st December, 2001. However, depreciation of Rs. 39,388 (2001 : Rs. 58,843) provided on increase in value on account of revaluation and the net amount has been charged to the Profit and Loss Account. In January 2002 the Company decided to reverse the revaluation reserve by reducing the carrying value of the fixed assets by the amount of revaluation reserve. Consequently net amount of Rs. 850,684 has been adjusted against the gross block/provision for depreciation of fixed assets. On account of this from 1st January, 2002, depreciation is provided on original cost of fixed assets.

6. During the year, 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 Wipro Net Limited is credit to Wipro Limited. The deficit of Rs. 2,432,045 arising on amalgamation as detailed below is transferred to General Reserve :

(Rs. in 000s)

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	-	2,432,045

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 and the same has been converted into 5,433,000 equity shares during the year.

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 had call option for a specified period. In June 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 ePeripherals Limited (WeP) for a consideration of Rs. 270,880 received by way of - 5,460,000 equity shares of Rs. 10 each in Wipro ePeripherals 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. In March 2002 the Company transferred the Fluid Power business to Wipro Fluid Power Limited (formerly known as Netkracker Limited) for Rs. 363,137. In consideration of this transfer the Company will receive 3,600,000, 1% redeemable Preference Shares of Rs. 100 each of Wipro Fluid Power Limited. The balance has been received in cash in March 2002.

11. Amount received from employees on exercise of stock option, pending allotment of shares is shown as share application money pending allotment.

12. 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 a 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 has been 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. During the year all the bonds have matured and have been offset against ECB loan liability.

13. 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 :

	Year ended March 31, 2002			
	Shares arising out of options	Range of exercise prices and grant date fair values Rs.	Weighted average exercise price and grant date fair values Rs.	Weighted average remaining contractual life (months)
Outstanding at the beginning of the period	4,564,431	1,024 to 2,522	1,542	59
Granted during the period	-			
Forfeited during the period	(645,803)	1,086 to 1,853	1,542	
Exercised during the period..	(32,670)	1,086	1,086	
Outstanding at the end of the period	3,885,958	1,024 to 2,522	1 ,550	47
Exercisable at the end of the period	637,062	1,024 to 2,522	1,385	46

Stock option activity under the 2000 Plan is as follows :

	Year ended March 31, 2002			
	Shares arising out of options	Range of exercise prices and grant date fair values Rs.	Weighted average exercise price and grant date fair values Rs.	Weighted average remaining contractual life (months)
Outstanding at the beginning of the period	3,214,350	2,382 to 2,746	2,397	67
Granted during the period	5,745,844	1,032 to 1,670	1,582	60
Forfeited during the period	(487,680)	1,032 to 2,651	2,397	
Exercised during the period..	-			
Outstanding at the end of the period	8,472,514	1,032 to 2,746	1,846	58
Exercisable at the end of the period	411,414	2,375 to 2,651	2,397	55

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

	Year ended March 31, 2002			
	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	67
Granted during the period	409,200	20.75 to 36.400	35.490	61
Forfeited during the period	(26,500)	41.375	41.375	-
Outstanding at the end of the period	647,450	20.75 to 41.375	37.660	55
Exercisable at the end of the period	35,738	41.375	41.375	44

14. Amount capitalized comprise following revenue expenditure incurred during the construction period.

(Rs. in 000s)

	Year ended March 31,	
	2002	2001
Raw material, finished goods (including manufactured products) and process stock	**76,268**	104,461
Pre-operative expenses		
Power and Fuel	-	10,995
Conveyance expenses	-	233
Professional expenses	-	2,189
	76,268	117,878

15. Provision for taxation comprises of following :
    (i) Rs. 392,831(2001 : Rs. 377,676) in respect of foreign taxes, net of deferred tax of Rs. 6,049 and write back of provision of Rs. 87,189 (2001 : Rs. 18,000) in respect of earlier year.
    (ii) Rs. 443,876 (2001 : Rs. 611,324) in respect of Indian Income Tax, net of deferred tax of Rs. 129,480 and write back of provision of Rs. 19,921 (2001: Rs. 60,000) in respect of earlier years.
    (iii) Rs. 3,000 (2001 : Rs. 3,000) in respect of Wealth Tax.

16. 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. 103,293 and has been adjusted from the balance in General Reserve. The Company has also created net deferred tax for the period of Rs. 135,529 on account of which the profit for the period is higher by the equivalent amount.

17. Deferred tax comprise of :
    Deferred tax assets :

	(Rs. in 000s)
Allowance for doubtful debts	76,761
Employee stock incentive plan	61,695
Provision for diminution of investments	58,333
Accrued expenses	48,842
	245,631
Less : Deferred tax liability – Depreciation differential	6,809
	238,822

18. Sundry creditors include an amount of Rs. 20,310 (2001: 36,801) being amount payable to suppliers, who are Small Scale Industrial Undertakings (SSI) as defined under the Industrial (Development and Regulation) Act, 1951, exceeding Rs. 100 in aggregate and outstanding for a period in excess of 30 days as at the date of Balance Sheet. The list of such SSI's is attached.

19. Computation of net profit in accordance with Section 198 read with Section 349 of the Companies Act, 1956

(Rs. in 000s)

		March 31, 2002		March 31, 2001
Profit before taxation		**9,500,798**		7,655,487
Add : Depreciation as per accounts *				
Managerial Remuneration	78,170		107,431	
Provision for doubtful debts/Advances	247,122	**325,292**	278,021	385,452
Less : Bad debts written off	109,077		122,189	
Amount drawn from Capital Reserve	-	**109,077**	-	122,189
Net profit for Section 198 of the Companies Act, 1956		**9,717,013**		7,918,750
Commission payable :				
@ 0.10% (2001 : 0.40%) of the above profits to the				
Chairman & Managing Director		**9,717**		31,675
@ 0.30% to Vice Chairman and		**29,152**		23,756
@ 0.10% to Vice Chairman and		**9,717**		7,919
@ 0.10% pro rata to a Vice Chairman		**-**		5,279
Managerial remuneration comprises :				
Salaries and allowances		**23,000**		20,378
Commission		**48,586**		68,628
Pension Contribution		**2,973**		11,991
Contribution to Provident Fund		**526**		640
Perquisites		**3,085**		5,794
Total		**78,170**		107,431

* For the year 2001-02, net profit is computed on book depreciation which is lower than depreciation computed under Section 350 of Companies Act, 1956.

Fees paid to the Non-executive directors in the professional capacity is subject to approval of the Central Government and has not been considered in the Managing Director remuneration.

20. Related Party Transactions

The following are related parties where control exists :

Subsidiaries	Affiliates	Entities controlled by Directors
Wipro Japan KK	Wipro GE Medical Systems Ltd.	Azim Premji Foundation Pvt. Ltd.*
Enthink Inc.	Wipro ePeripherals Ltd.	Hasham Premji (Partnership firm)*
Wipro Inc.		
Wipro Prosper Ltd.		
Wipro Trademarks Holding Ltd.		
Wipro Welfare Ltd.		
Wipro Fluid Power Ltd.		

* Major shareholder or director has control over these entities.

The Company has the following transactions with related parties.

(Rs. in 000s)

	As of March 31,	
	2002	2001
Wipro Japan KK :		
Revenues from services	**383,950**	394,054
Wipro GE Medical Systems Ltd. :		
Revenues from sale of computer equipment and administrative and management support services	**26,208**	17,396
Fees for usage of trade mark	**39,344**	8,820
Wipro Net Ltd. :		
Fees for consultancy services	—	13,100
Fees for computer and network maintenance support	—	10,452
Revenues from sale of computer equipment	—	109,871
Wipro ePeripherals Ltd. :		
Revenues from sale of computer equipment and services	**9,230**	13,984
Fees for usage of Brand/trade mark	**53,016**	30,789
Interest received on debentures	**5,000**	4,704
Payments for services	**1,160**	—
Purchase of printers	**138,676**	169,000
Wipro Fluid Power Ltd. :		
Fees for technical and infrastructure support services	**96,155**	37,018
Revenues from sale of computer equipment and services	**987**	—
Azim Premji Foundation Pvt. Ltd. :		
Revenues from sale of computer equipment and services	**1,442**	—
Chairman and Managing Director :		
Payment of lease rentals	**1,200**	1,200
Payment to non-executive directors :		
Dr. Ashok Ganguly	**800**	800
Narayan Vaghul	**800**	800
Prof. Eisuke Sakakibara	**$ 10 ***	-
Dr. Jagdish N. Sheth	**$ 25**	$ 25
P.M. Sinha	**250 ***	-
B.C. Prabhakar	**400**	400
* appointed effective January 1, 2002		
The following is the listing of receivables and payables of related party transactions		
Receivables :		
Wipro GE Medical Systems Ltd.	**56,181**	13,295
Wipro ePeripherals Ltd.	**17,037**	-
Azim Premji Foundation Pvt. Ltd.	**348**	-
Hasham Premji	**25,000**	25,000
Payables :		
Wipro ePeripherals Ltd.	**25,875**	2,297
Wipro Fluid Power Ltd.	**-**	10,000

The following table represents the annual and long term compensation earned by our executive directors and members of our administrative, supervisory or management bodies for the year ended March 31, 2002.

(Rs. in 000s)

	Salary/Allowance	Commission and Incentive	Deferred benefits
Azim H. Premji	2,100	9,717	2,883
Vivek Paul	17,120	29,152	-
P.S. Pai	3,780	9,717	616
Dileep K. Ranjekar	3,231	1,650	439
S.C. Senapaty	1,940	1,788	405
Vineet Agrawal	1,511	1,057	211
M.S. Rao	2,482	327	311
Suresh Vaswani	2,206	931	253

21. Corresponding figures for previous periods presented have been regrouped, where necessary, to confirm to this year 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, transfer of peripherals business with effect from 1st September, 2000 and sale of Fluid Power business with effect from 1st March, 2002.

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 March 31, 2002	Registered Capacity March 31, 2001	Installed Capacity @ March 31, 2002	Installed Capacity @ March 31, 2001
Vanaspati/Hydrogenated oils	T P A *	144,000	144,000	56,250	56,250
Toilet Soaps	T P A *	42,750	42,750	28,000	28,000
Leather shoe uppers, leather shoes and allied articles	Pairs/Nos. (1000's) p.a in lakhs	750	750	750	750
Fatty acids	T P A *	20,000	20,000	20,000	20,000
Glycerine	T P A *	2,000	2,000	1,800	1,800
GLS lamps	000s	50,000	50,000	50,000	50,000
TL Shells	000s	12,694	12,694	12,694	12,694
Flourescent tubelights	000s	10,694	10,694	10,694	10,694
Mini computers/micro processor based systems and data communication systems	N P A #	244,000	64,000	244,000	244,000
Micro processor based computers and peripherals and communication boards	N P A #	72,500	72,500	72,500	72,500

@ 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 # March 31, 2002 Quantity #	Production # March 31, 2001 Quantity #	Sales March 31, 2002 Quantity	Sales March 31, 2002 Rs. in 000s	Sales March 31, 2001 Quantity	Sales March 31, 2001 Rs. in 000s
Software services					22,509,262		17,540,755
Mini computers/micro processor based Systems and data communication systems	Nos.	61,652	62,779	87,719	4,985,869	62,321	6,368,530
Serial printers	Nos.	-	28,422	-	-	39,974	837,846
Toilet soaps	Tons	19,353	23,274	19,795	1,420,831	23,853	1,738,022
Toiletries					299,512		226,189
Post sales support and related IT services					1,763,607		1,182,747
Corporate ISP Services					508,018		-
Vanaspati/hydrogenated oils	Tons	11,722	16,098	11,897	407,602	15,918	488,464
Lighting products	&	-	&	-	929,929	-	902,785
Hydraulic and pneumatic equipment	Nos.	35,794	51,177	37,451	466,989	50,552	639,953
Tipping gear systems	Nos.	4,289	3,788	4,289	148,110	3,788	148,278
Shoe uppers and full shoes (pairs)	000s	613	511	613	166,408	508	144,901
Fatty acids	Tons	12,653 $	13,104 $		13,242	339	10,025
Glycerine	Tons	594 %	426 %	492	28,074	459	32,076
Reagent kits/spares of analytical instruments	Nos.	2,338	6,722	44,677	407,706	31,539	377,519
Spares/components for cylinders/tippers	&				91,306		83,041
Agency commission					182,355		346,216
Software products					444,283		146,270
Stock in trade Land					-		125,000
Total					34,773,103		31,338,617
Less: Excise Duty					611,588		826,267
Total					34,161,515		30,512,350

\# includes samples and shortages
$ includes 12,668 tons (2001 : 12,715) used for own consumption
% includes 111 tons (2001 : Nil) used for own consumption
& it is not practicable to give quantitative information in the absence of common expressible unit.

iii) Closing Stocks

(Rs. in 000s)

		March 31, 2002		March 31, 2001	
	Unit	Quantity	Rs. 000s	Quantity	Rs. 000s
Mini computers/micro processor based systems and data communication systems*	Nos	1,135	61,985	556	165,771
Toilet Soaps	Tons	531	24,959	973	40,674
Vanaspati/hydrogenated oils	Tons	471	15,738	646	15,605
Lighting Products*			58,228		88,375
Hydraulic and pneumatic equipment	Nos	-	-	4,322	71,793
Shoe Uppers and full shoes (pairs)	000s	8	207	8	109
Fatty acids	Tons	105	2,540	121	1,997
Glycerine	Tons	37	1,864	45	2,711
Others			67		3,245
			165,588		390,280
Closing Stock of traded goods					
Reagent Kits/Spares of Analytical instruments	Nos.	16,346	110,675	18,468	72,975
Others			27,105		23,860
			303,368		487,115

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

iv) Purchases for trading

		March 31, 2002		March 31, 2001	
	Unit	Quantity	Rs. 000s	Quantity	Rs. 000s
Computer units /printers	Nos	26,646	3,271,440	15,725	3,280,453
Lighting Products*			418,437		455,167
Reagent kits/Spares of analytical instruments	Nos.	40,217	324,547	23,891	299,564
Spares/Components for tippers/cylinders*			30,294		35,218
Others*			156,260		396,562
			4,200,978		4,466,964

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

v) Raw materials consumed

		March 31, 2002		March 31, 2001	
	Unit	Quantity	Rs. 000s	Quantity	Rs. 000s
Peripherals/Components for computers	#		2,348,057		2,297,597
Oils and fats	Tons	19,310	426,127	32,117	548,277
Components for cylinders	#		271,620		327,633
Tinplates	Tons	-	-	41	1,484
Components for lighting products	#		176,705		176,439
Leather	Sq.ft. (000s)	642	70,352	538	59,388
Others	#		298,762		324,276
			3,591,623		3,735,094

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

vi) Value of imported and indigenous materials consumed

(Rs. in 000s)

	March 31, 2002		March 31, 2001	
	%	Rs. 000s	%	Rs. 000s
Raw Materials				
Imported	43	1,553,780	53	1,961,729
Indigenous	57	2,037,843	47	1,773,365
	100	3,591,623	100	3,735,094
Stores and Spares				
Imported	5	8,805	7	11,878
Indigenous	95	173,869	93	162,677
	100	182,674	100	174,555

vii) Value of imports on CIF basis

(does not include value of imported items locally purchased)

	March 31, 2002	March 31, 2001
Raw materials, components and peripherals	2,993,699	2,022,651
Stores and spares	237,480	218,763
Capital goods	12,696	366
Others	-	-
	3,243,875	2,241,780

viii) Expenditure in foreign currency

	March 31, 2002	March 31, 2001
Travelling	6,687,444	5,572,870
Interest	506	-
Royalty	135,887	85,848
Professional fees	446,529	214,825
Others	1,448,156	214,591
	8,718,522	6,088,134

ix) Earnings in foreign exchange

	March 31, 2002	March 31, 2001
Export of goods on F.O.B. basis	154,896	143,297
Services	22,626,917	17,608,373
Interest on deposits/investments outside India	520,052	38,552
Agency commission	192,885	343,738
	23,494,750	18,133,960

ADDITIONAL INFORMATION PURSUANT TO THE PROVISONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

I	**Registration Details**			
	Registration No.	20800	State Code	08
	Balance Sheet Date	31st March 2002		
II	**Capital raised during the year**	(Rs. in 000s)		
	Public issue	Nil		
	Rights issue	Nil		
	Bonus issue	Nil		
	Issue of shares on exercise of Employee Stock Options	35,479		
	American Depository Offering	Nil		
III	**Position of mobilisation of and deployment of funds**	(Rs. in 000s)		
	Total Liabilities	25,596,312	**Total Assets**	25,596,312
	Sources of funds		**Application of Funds**	
	Paid-up capital	464,931	Net Fixed Assets	6,274,286
	Share application money pending allotment	2,399	Deferred tax assets	238,822
	Reserves and Surplus	24,860,451	Investments	4,784,557
	Secured Loans	254,872	Net Current Assets	14,298,647
	Unsecured Loans	13,659		
IV	**Performance of the Company**	(Rs. in 000s)		
	Turnover	35,714,575		
	Total Expenditure	26,213,777		
	Profit before Tax	9,500,798		
	Profit after Tax	8,661,091		
	Earnings per share (basic)	37.47		
	Dividend	50%		

V Generic names of three principal products/services of the Company (as per monetary terms)

i) Item code no (ITC Code) 84714900.10
Product description Computer systems including personal computer and units thereof

ii) Item code no (ITC Code) 85245309.10
Product description Computer software

iii) Item code no (ITC Code) 15162009.10
Product description Hydrogenated Vegetable oils

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, April 19, 2002

CASH FLOW STATEMENT

(Rs. in 000s)

	Year ended March 31, 2002	2001
Cash flows from operating activities :		
Net profit before tax and non recurring items	**9,500,798**	7,655,487
Adjustments to reconcile Net profit before tax and non recurring items to net cash provided by operating activities :		
Depreciation and amortization	**1,378,945**	979,424
Foreign currency translation gains	**(115,088)**	(86,399)
Retirement benefits provision	**(6,413)**	138,986
Interest accrued on discount bonds	**(71,653)**	(27,345)
Interest on borrowings	**28,941**	68,890
Dividend/interest	**(873,941)**	(342,310)
Loss/(Gain) on sale of short-term investments	**-**	(4,000)
Loss/(Gain) on sale of property, plant and equipment	**(25,603)**	(49,162)
Realised Gain on sale of Stock-in-trade : Land	**-**	(105,297)
Operating cash flow before changes in working capital	**9,815,986**	8,228,274
Changes in operating assets and liabilities		
Trade and other receivable	**(149,398)**	(1,770,267)
Loans and advances	**(673,121)**	(401,062)
Inventories (other than stock-in-trade land)	**188,698**	(51,958)
Trade and other payables	**435,764**	1,097,961
Net cash provided by operations	**9,617,929**	7,102,948
Direct taxes paid	**(1,039,758)**	(1,095,813)
Non recurring/extraordinary items	**-**	16,036
Net cash provided by operating activities	**8,578,171**	6,023,171
Cash flows from investing activities :		
Expenditure on property, plant and equipment (including advances)	**(2,432,540)**	(2,772,425)
Proceeds from sale of property, plant and equipment	**194,650**	91,886
Purchase of investments	**(5,350,271)**	(1,231,465)
Inter Corporate deposits placed	**(963,300)**	(1,152,000)
Certificate of Deposits with foreign banks	**(1,961,111)**	(3,326,108)
Proceeds from sales and maturities of investments	**145,468**	243,000
Proceeds from divestment of ePeripherals	**-**	116,281
Purchase of investment in Spectramind eServices Pvt. Ltd.	**(360,000)**	-
Dividends received	**284,645**	31,853
Interest received	**560,355**	310,457
Net cash used in investing activities	**(9,882,104)**	(7,688,521)
Cash flows from financing activities :		
Capital subsidy received	**-**	750
Proceeds from American Depository Offering	**-**	5,802,774
Proceeds from exercise of Stock Option Plan grants	**33,080**	123,987
Share application monies received pending allotment	**2,399**	2,345
Proceeds from issue redemption) of preference shares	**-**	(250,000)
Proceeds from issuance/(repayment) of borrowings	**(136,744)**	(130,947)
Interest on borrowings	**-**	(69,844)
Payment of cash dividends	**(116,217)**	(87,913)
Corporate tax on Dividend	**(11,854)**	(9,671)
Net cash provided by/(used in) financing activities	**(229,336)**	5,381,481
Net increase/(decrease) in cash and cash equivalents during the year	**(1,533,269)**	3,716,131
Cash and cash equivalents at the beginning of the year	**4,468,703**	747,290
Cash and cash equivalents at the end of the year	**2,935,434**	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

N. Vaghul
Director

B.C. Prabhakar
Director

Suresh C. Senapaty
Corporate Executive
Vice President – Finance

Satish Menon
Corporate Vice President –
Legal & Company Secretary

Bangalore, April 19, 2002

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Wipro Limited for the year ended March 31, 2002. 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 Year Ended March 31, 2002.

for N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

ANNEXURE TO THE DIRECTORS' REPORT

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

				2001-2002	2000-2001
1	**Electricity**				
	a)	**Purchased**			
		Unit	KWH	**12,064,570**	13,988,200
		Total amount	Rs.	**52,676,133**	60,188,828
		Rate/Unit	Rs.	**4.37**	4.3
	b)	**Own generation**			
		Through diesel generator			
		Unit	KWH	**693,567**	1,426,906
		Unit/litre of diesel oil	Units	**2.20**	2.67
		Cost/Unit	Rs.	**8.06**	8.38
2	**Coal (including coconut shells)**				
	Quantity		Tonnes	**11,578**	7,405
	Total cost		Rs.	**17,069,027**	15,919,792
	Average rate		Rs.	**1,474.24**	2,149.87
3	**Furnace oil**				
	Quantity - LDO		Lts.	**1,828,979**	4,056,213
	Total cost		Rs.	**22,187,370**	47,264,083
	Average rate		Rs.	**12.13**	11.65
4	**Furnace oil**				
	Quantity - HSD		Lts.	**83,955**	-
	Total cost		Rs.	**1,442,856**	-
	Average rate		Rs.	**17.19**	-
5.	**L.P.G.**				
	Quantity		Kgs.	**575,964**	972,374
	Total cost		Rs.	**9,801,824**	18,604,060
	Average		Rs.	**17.02**	19.13

B. CONSUMPTION PER UNIT PRODUCTION

Vanaspati	**Electricity (KWH/Tonne)**	**Liquid diesel oil (Litres/Tonne)**	**Coal (Tonnes/Tonne)**
2001-2002	146.87	12.8	0.25
2000-2001	150.86	9.34	0.3

G.L.S.	**Electricity (KWH/1000 GLS)**	**Liquid diesel oil (Litres/Tonne)**	**L.P.G. (KG/1000 GLS)**
2001-2002	25.09	-	5.09
2000-2001	25.46	-	5.95

F.T.L.	**Electricity (KWH/1000 FTL)**	**Liquid diesel oil (Litres/Tonne)**	**L.P.G. (KG/1000 FTL)**
2001-2002	164.69	-	36.59
2000-2001	225.82	-	29.62

SSI dues exceeding Rs. 100 in aggregate and outstanding for a period in excess of 30 days as at a date of Balance Sheet – March 31, 2002

Supplier	Total Dues Rs. in 000s
Bhargava Rotopack Pvt. Ltd.	227
Meet Engineering Pvt. Ltd.	134
Prachi Industries	144
Triumph Pack Pvt. Ltd.	202
Unique Wires Pvt. Ltd.	112
Vijay Litetronics Comp Ltd.	514
Glostar Electricals Pvt. Ltd.	253
Kay Pee Industries	221
Karthiks	627
Mercury Lamps Pvt. Ltd.	347
Maharashtra Industries	2,319
Prospects Industries	2,387
R C Industries	1,969
Regal Luminaries	527
Sandesh Electricals	595
Superstars	5,785
Unilux	3,429
Ujas Electricals Pvt. Ltd.	237
Vossloh-Schabe India Pvt. Ltd.	281
	20,310

Management discussion and analysis of results for the year ended March 31, 2002

1.0 Industry Structure and developments

Please refer to our discussions in the section titled *"Management Discussion and Analysis of Financial Condition and Results of Operations - US GAAP"* in pages 164 through 178 of this report.

1.01 Opportunities and Threats

Please refer to our discussions in the section titled *"Management Discussion and analysis of Financial condition and Results of operations - US GAAP"* in pages 164 through 178 of this report and in the section titled *"Risk Factors"* in pages 179 through 184 of this report.

1.02 Segment-wise or product-wise performance

Please refer the *"Segment Wise Business performance"* report in pages 4 through 5 of this report.

1.03 Outlook

Please refer to our discussions in the section titled *"Management Discussion and analysis of Financial condition and Results of operations - US GAAP"* in pages 164 through 178 of this report.

1.04 Risks and Concerns

Please refer to our discussions in the section titled *"Risk Factors"* in pages 179 through 184 of this report.

2.0 Internal Control

Management maintains internal control systems designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and properly recorded, and accounting records are adequate for preparation of financial statements and other financial information. The internal audit function performs internal audit periodically to ascertain their adequacy and effectiveness. The internal audit function also carries out Operations Review Audits. The "Quality System" of the audit function has been certified under ISO 9001:2000. The audit committee periodically reviews the functions of internal audit.

3.0 Discussion on financial performance

3.1 The financial statements are prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles in India. The management of Wipro accepts the responsibility for the integrity and objectivity of these financial statements and the basis for various estimates and judgments used in preparing the financial statements.

3.2 Balance Sheet as at March 31, 2002

3.2.1 Share Capital

The Company has an Authorised capital of Rs. 1,000 mn comprising 375 million Equity shares of Rs. 2 each and 2.5 million redeemable cumulative preference shares of Rs. 100 each as of March 31, 2002.

Equity Shares

- The Company has instituted various Employee Stock Option Plans (ESOP), these options vest with the employees over a specified period subject to employee fulfilling certain conditions. Upon vesting, the employees are eligible to apply and secure allotment of the Company's shares at a price determined on the date of grant of options. During the year 32,670 shares were allotted on exercise of the options, granted under 1999 Wipro Employee Stock Option Plan (ESOP), by the eligible employees.

3.2.2 Share application pending allotment

Eligible employees have applied for allotment of 2,209 shares of Rs. 2 each. Pending allotment, amounts received from the employees are reflected as share application money pending allotment.

3.2.3 Reserves and Surplus

Share Premium Account :

- Under the employee stock option plan, eligible employees have exercised their right to equity shares upon expiry of the vesting period. Share premium includes premium received on exercise of stock options, amounting to Rs. 34 million and the share premium of Wipro Net of Rs. 431 million. Share premium of Wipro Net has been added to share premium of Wipro Limited on amalgamation of Wipro Net Limited with Wipro Limited.

Revaluation Reserve :

The fixed assets of the Company were revalued as at March 31, 1997.

- Depreciation for the year on revalued assets has been provided up to 31st December, 2001. Depreciation provided on the revalued portion of the asset amounting to Rs. 39 million is drawn out of revaluation reserve.
- Fixed assets were revalued to ensure that business units of Wipro deliver return on capital employed based on the replacement value of assets. The return on capital employed generated by the business units has exceeded internal norms. The value drivers now are operating margins and growth in operating income. Further, the benefits from the revaluation exercise is not commensurate with the additional costs and efforts required to perform the revaluation exercise.
- Consequently, in January 2002, the Company decided to reverse the revaluation reserve. The carrying value of the fixed assets was reduced by the amount of revaluation reserves.

3.2.4 Secured Loans

- The Company has availed cash credit facilities of Rs. 205 mn from consortium of banks to bridge temporary mismatches in cash flows.
- The Company had availed foreign currency denominated loans under the external commercial borrowing scheme. This loan was fully repaid in February 2002.
- The Company had availed a loan of Rs. 48 mn from a financial institution. This is secured by hypothecation of specific assets and machinery. The Company has repaid Rs. 20 million during the fiscal year and the balance would be repaid in fiscal 2003.

3.2.5 Unsecured Loans

- Fixed deposits which have matured but have not yet been claimed by the depositors are reflected as fixed deposits. The Company has sent communications to the depositors requesting them to claim these deposits.
- The Company has availed certain incentives provided by the State Governments. The Company collects sales tax on sales but is required to remit it after a specified time period. Further, the Company has also received certain interest free/ nominal interest bearing loans from State Financial Institutions.

3.2.6 Fixed Assets

During the year the Company invested Rs. 2,433 million on fixed assets. These investments were primarily on creating software development facilities for Global IT Services and Products. The unit wise spends are outlined below :

(Rs. in millions)

Business Unit	Amount
Global IT Services and Products	1,896
India and AsiaPac IT Services and Products	165
Consumer Care & Lighting	46
Others	326
Total	**2,433**

The capital expenditure of Global IT Services and Products, project/asset category wise, is outlined below :

(Rs. in millions)

Project/Asset category	Amount
Commissioned during the year	
Electronic City Tower 5	193
Belapur	160
Chennai, Sholinganallur	55
Pune, Hinjewadi 1	55
Madivala 3	155
Electronic City Tower 6	191
Vashi, Mumbai	190
Electronic City 2	65
M G Road	92
Koramangala 2	44
Madivala 1	57
Sarjapur	43
Electronic City 1	164
Madhapur	29
United Kingdom	38
United States of America	26
Others	104
In process	
Chennai, Sholinganallur	187
Electronic city	48
Total	**1,896**

Depreciation

- The Company has provided depreciation either at the rates specified in Schedule XIV of the Companies Act, 1956, or at commercial rates which are higher than the rates specified by Schedule XIV.
- Depreciation is provided on the revalued amount upto 31st December, 2001. The depreciation provided on the amount added on revaluation is drawn from revaluation reserve.

3.2.7 Investments

Purchase of investments during the year

- During the year the Company acquired 17% of Spectramind eServices Pvt. Ltd. As of March 31, 2002 the Company held Rs. 144 million (partly paid of Rs. 7.5) in the form of equity and Rs. 216 million (partly paid of Rs. 7.5) in the form of convertible preference shares.

- During the year the Company transferred the business of Fluid Power to Wipro Fluid Power Ltd. (formerly known as Netkracker Ltd.) for Rs. 363 million. The name of Netkracker Limited has since been changed to Wipro Fluid Power Limited. In consideration of this transfer the Company will receive 3,600,000, 1% redeemable Preference shares of Rs. 100 each of Wipro Fluid Power Limited. The balance was received in cash in March 2002.
- During the year, 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.
- During the year Company invested Rs. 4,126 million in short term liquid money market instruments.

Sale of Investments during the year

- The Company had assigned the proceeds of certain investments to a third party who had assumed the obligation of discharging our ECB loan liability. During the year the proceeds from sale, on maturity, of these investments has been offset against the ECB loan liability.

3.2.8 Inventories

The Inventories comprise mainly computers, upgrades and spares of India and AsiaPac IT Services and Products and raw material and finished stocks of Consumer Care and Lighting. Stock of inventory has reduced from Rs. 1,153 million as of March 31, 2001 to Rs. 748 as of March 31, 2002.

The reduction in inventory is primarily due to the transfer of inventories of Rs. 301 million of Fluid Power business to Wipro Fluid Power Limited. In addition, inventories of India and AsiaPac IT Services and Products has reduced by Rs. 94 million due to a 14% decline in revenues.

3.2.9 Sundry Debtors

Sundry debtors (net of provision) for the current year is at 6,434 million as against 6,177 million in the previous year. Segment wise break up of sundry debtors is outlined below :

(Rs. in millions)

Business Unit	2002	2001	Increase
Global IT Services	3,730	3,540	190
India and AsiaPac IT Services and Products	2,311	2,089	222
Consumer Care and Lighting	181	159	22
Others	212	389	(177)
Total	**6,434**	**6,177**	**257**

In Global IT Services and Products days of sales outstanding have decreased from 61 days in fiscal 2001 to 57 days in fiscal 2002. In India and AsiaPac IT Services and Products, days-of-sales outstanding has increased from 62 days to 86 days.

Provision for doubtful debts has increased from 1 % of sales in fiscal 2001 to 1.4% of sales in fiscal 2002. In absolute terms provision for doubtful debts has increased from Rs. 298 million in fiscal 2001 to Rs. 489 million in fiscal 2002.

3.2.10 Cash and Bank balance

- Cash and cheques on hand of Rs. 299 million includes collections in overseas branches which has been banked the first working day following the date of receipt.
- Balances with foreign banks in current accounts are interest bearing.
- In fiscal 2001 the Company made equity offering in overseas capital markets. The proceeds of the offering are invested in highly liquid money market instruments. Deposits with other banks include Rs. 1,179 million of such investments.

3.2.11 Loans and Advances

- In fiscal 2001 the year the Company made equity offering in overseas capital markets. The proceeds of the offering are invested in highly liquid money market instruments. Loan and advances include Rs. 5,287 million of such investments.
- Cash surplus generated by operations has been invested in Inter Corporate deposits. These deposits are placed with financial institutions/corporates with highest credit rating.
- Advances recoverable in cash or in kind have decreased from Rs. 1,089 million to Rs. 857 million. The decrease is primarily in others. Interest accrued, at the beginning of the year, on certain investments have been received in fiscal 2002. Certain advances which were earlier grouped in other advances have now been reclassified as capital advances and grouped under capital work-in-progress.

3.2.12 Current Liabilities and Provisions

Current Liabilities

Sundry creditors have increased to Rs. 2,148 million from Rs. 1,607 million in line with the increase in operating expenses.

Other liabilities has decreased marginally from 2,016 million to 2,009 million.

Provisions

- Provisions of Rs. 398 million for employee retirement benefit represents Company's liability towards leave encashment and gratuity, valued on an actuarial basis. Gratuity entitlement of most of the employees and pension benefits are funded through contribution to applicable schemes of LIC.
- For fiscal 2002, the Directors of the Company have proposed a dividend of 50% on equity shares.

3.3 Results of Operations

3.3.1 Income from Sales and Services

Sales have grown by 12%. The increase was attributable to increases of 28% in revenues of Global IT Services and Products and decreases of 14% and 9% in revenues of India and AsiaPac IT Services and Products and Consumer Care & Lighting respectively.

Global IT Services and Products

Global IT Services and Products accounts for 66% of the total revenue of Wipro Limited. During the year revenues grew by 28% from Rs. 17,840 million to Rs. 22,909 million. Revenues from technology services grew by 28%. This was primarily driven by growth in revenues from the practice addressing the requirements of telecom and internet service providers. Revenues from Telecom and Internetworking practice, addressing the requirements of telecom equipment manufacturers declined by 6% reflecting the softness in demand from telecom equipment manufacturers. Revenues from enterprise services grew by 28% primarily driven by growth in revenues from practices addressing the requirements of financial services and retail and utility companies.

We added over 107 new clients during the year, new clients accounted for over 15% of the total revenues. The total number of clients who accounted for over US $ 5 million in revenues increased from 15 in fiscal 2001 to 23 for fiscal 2002.

India and AsiaPac IT Services and Products

India and AsiaPac IT Services and Products accounted for 21% of the total revenues of Wipro Limited. The decrease in revenue was primarily due to a 6% decline in revenues from manufactured products and a 29% decline in revenues from traded products. This was partially offset by 2% growth in Services revenue.

Consumer Care and Lighting

Consumer Care and Lighting accounts for 9% of total revenue. Sales of Consumer Care and Lighting decreased by 9%. This was primarily attributable to decline in revenues from soap products.

3.3.2 Other Income

Other income of Rs. 1,553 million has increased by 123% as compared to last year. *(Rs. in millions)*

	Amount		Growth
Particulars	March 31, 2002	March 31, 2001	
Dividend	**285**	32	791%
Interest	**753**	313	141%
Rental Income	**19**	16	19%
Profit on Sale of Investments	**-**	4	-
Profit on disposal of fixed assets	**36**	49	-
Difference in exchange	**214**	86	149%
Royalty	**92**	31	197%
Provision no longer required	**115**	54	113%
Miscellaneous Income	**38**	111	-65%
Total	**1,553**	**696**	**123%**

- Dividends primarily comprise returns from investments in money market mutual funds. A significant portion of our domestic investments are in money market mutual funds. Returns received as dividends are more tax efficient than returns received in the form of interest.
- The interest income has increased from Rs. 313 million in fiscal 2001 to Rs. 753 million in fiscal 2002. The increase is primarily on account of increase in absolute quantum of investments. The proceeds from equity offering of the Company of Rs. 5,814 million and cash surplus generated by operations has been invested in highly liquid money market instruments or lent to corporate/financial institutions of highest credit rating. The proceeds from equity offering has been invested for the entire year in fiscal 2002 while it was invested only for a portion of the year in fiscal 2001.
- Amounts received from Wipro ePeripherals Lrd. and Wipro GE Medical Systems Ltd. for the use of proprietary intangible assets of the Company is reflected as royalty income.

3.3.3 Cost of goods sold

(Rs. in millions)

Particulars	March 31, 2002		March 31, 2001		Increase
	Amount	%	Amount	%	
Raw materials, Finished and Process Stocks	**7,931**	**23.22%**	8,180	26.81%	-3%
Stores & Spares	**183**	**0.53%**	175	0.57%	-
Power and Fuel	**321**	**0.94%**	310	1.02%	-
Salaries, wages and bonus	**3,497**	**10.24%**	2,733	8.96%	28%
Contribution to provident and other funds	**133**	**0.39%**	103	0.34%	-
Gratuity and pension	**121**	**0.35%**	78	0.26%	-
Workmen and Staff welfare	**139**	**0.41%**	188	0.62%	-
Insurance	**17**	**0.05%**	7	0.02%	-
Repairs to factory buildings	**11**	**0.03%**	39	0.13%	-
Repairs to Plant & Machinery	**116**	**0.34%**	74	0.24%	-
Rent	**202**	**0.59%**	196	0.64%	-
Rates & Taxes	**12**	**0.03%**	13	0.04%	-
Packing	**15**	**0.05%**	29	0.09%	-
Travelling and allowance	**5,831**	**17.07%**	4,956	16.24%	18%
Depreciation	**1,106**	**3.24%**	739	2.42%	50%
Miscellaneous	**1,220**	**3.57%**	374	1.23%	226%
Capitalised	**(76)**	**-0.22%**	(118)	-0.39%	-
Total	**20,779**	**60.83%**	**18,077**	**59.24%**	**15%**
Income from sales and services	**34,162**	**100.00%**	**30,512**	**100.00%**	

Consumption of Raw materials, finished and process stocks

The decrease in consumption of raw materials, finished and process stocks is primarily due to 18% decline in Indian IT Services and Products which is partially offset by the bought out products in Global IT Services and Products.

Salaries and other manpower related costs

The compensation expenses has increased by 28% primarily due to the annual compensation review in October 2000 and the increase in onsite allowances effective October 2001. The impact of annual compensation review is for the entire year in fiscal 2002 while the impact was only for a portion of the year in fiscal 2001.

Travelling and allowances

Travel and allowance has increased by 18% during the year to Rs. 5,381 million. This increase is primarily due to increase in number of employees who have been deployed at customer premises, higher frequency of travel and increase in travel allowances.

3.3.4 Selling, General and Administrative Expense

(Rs. in millions)

Particulars	March 31, 2002		March 31, 2001		Increase
	Amount	%	Amount	%	
Salaries, wages and bonus	**996**	**2.91%**	924	3.03%	8%
Contribution to provident and other funds	**35**	**0.10%**	40	0.13%	-
Gratuity and pension	**34**	**0.10%**	28	0.09%	-
Workmen and Staff welfare	**129**	**0.38%**	124	0.41%	-
Insurance	**6**	**0.02%**	21	0.07%	-
Repairs to buildings	**4**	**0.01%**	5	0.02%	-
Rent	**118**	**0.35%**	81	0.27%	-
Rates and taxes	**13**	**0.04%**	90	0.30%	-
Carriage and freight	**212**	**0.62%**	224	0.73%	-
Commission on sales	**490**	**1.43%**	659	2.16%	-26%
Auditors' remuneration and expenses					
Audit fees	**3**	**0.01%**	3	0.01%	-
For certification including tax audit	**1**	**0.00%**	1	0.00%	-
Reimbursement of expenses	**1**	**0.00%**	1	0.00%	-
Advertisement and sales promotion	**316**	**0.93%**	472	1.55%	33%
Loss on sale of fixed assets	**11**	**0.03%**	1	0.00%	-
Directors' fees	**1**	**0.00%**	1	0.00%	-
Depreciation	**313**	**0.92%**	241	0.79%	-
Travelling and allowances	**1,572**	**4.60%**	1,076	3.53%	46%
Communication	**112**	**0.33%**	326	1.07%	-
Provision/write off of bad debts	**248**	**0.73%**	267	0.87%	-
Diminution in value of investments (mutual fund units)	**163**	**0.48%**	-	0.00%	
Miscellaneous	**629**	**1.84%**	824	2.70%	-24%
Total	**5,406**	**15.82%**	**5,407**	**17.72%**	**0%**
Income from sales and services	**34,162**	**100.00%**	**30,512**	**100.00%**	

Salaries and other manpower related costs

The increase is primarily due to annual compensation review in October 2000 and the increase in support staff head count. The impact of annual compensation review is for the entire year in fiscal 2002 while the impact was only for a portion of the year in fiscal 2001.

Advertisement and sales promotion

Advertisement and sales promotion have decreased by 33 % during the year to Rs. 316 million. The decrease is primarily due to reduction of advertisement spends in Wipro Consumer Care.

Travelling and allowances

Travel and allowance has increased by 46% during the year to Rs. 1,572 million. This is primarily due to increase in the Global IT Services and Products Sales and Marketing Team from 67 in fiscal 2001 to 99 in fiscal 2002. Expenses of overseas sales and marketing team are included in travel and allowances.

Commission on sales

Commission on sales has declined by 26% to Rs. 490 million. The decline is primarily in Global IT Services and Products. In Global IT Services and Products we have discontinued certain sales channels and supplemented them with our own sales efforts. This has facilitated the reduction in commission expenses in Global IT Services and Products from Rs. 213 million in fiscal 2001 to Rs. 48 million in fiscal 2002.

3.3.5 Interest

Interest expense has reduced from Rs. 69 million in previous year to Rs. 29 million in the current year. The decrease is primarily on account of reduction in absolute quantum of borrowings and partly due to reduction in interest rates. Average borrowings in the current year are nearly 40% lower than the average borrowings in the previous year.

3.3.6 Income taxes

Effective tax rate has reduced to 9% from 13 % in the previous year. The reduction in the effective tax rate was primarily due to the following :

a) Increase in the proportion of revenues from Global IT Services and Products.

b) Increase in the proportion of Global IT Services and Products revenues from geographies having lower tax rates.

c) A significant portion of the income from domestic investments being realised in a tax-free manner.

d) Write-back of tax provision of earlier periods on completion of assessments.

3.3.7 Appropriations from Profit

The Profit after tax of Rs. 8,661 million is appropriated as follows :

– Proposed dividend on equity shares Rs. 232 million

– Transfer to general reserve Rs. 8,429 million

4.0 Material developments in Human Resources

Please refer to our discussions in the sub section titled *"Human Resources"* in the section titled *"Management Discussion and Analysis of Financial Condition and Results of Operations - US GAAP"* in pages 164 through 178 of this report.

5.0 Transactions in which the management is interested in their personal capacity

Refer note 20 in Notes to Accounts.

Reconciliation of Profits between Indian GAAP and US GAAP

(Rs. in million)

Particulars	Notes	March 31, 2002	March 31, 2001
Profits before extraordinary/non recurring items		8,854	6,664
Net extraordinary/non-recurring items		-	16
Profit for the year		**8,854**	**6,680**
Adjustments to reconcile profits for the year as per Indian GAAP with net income as per US GAAP			
Stock compensation expense	A	(79)	(87)
Deferred tax expense	B	(200)	(56)
Goodwill amortization	C	(175)	(45)
Consolidation of subsidiaries	D	-	202
Share in Profit/(loss) of affiliates	E	130	(54)
Deferral of revenue	F	(88)	41
Unrealised restatement gains	G	(52)	-
Interest on secured borrowings	H	(40)	(149)
Others	I	(20)	(18)
Tax liability on sale of real estate property	J	-	(78)
Total		(524)	(244)
Income from continuing operations		**8,330**	**6,436**
Income tax benefits on sale of investments in discontinued operations	J	-	78
Cumulative effect of change in accounting policy	F	-	(59)
Total		**-**	**19**
Net Income as per US GAAP		**8,330**	**6,455**

Notes :

A. Under US GAAP, compensation cost is recognized for shares granted to employees as the excess of the quoted market price of the stock at the date of grant over the amount to be paid by the employee. Such compensation cost is amortized over the vesting period. Accordingly, Wipro has recorded compensation cost for shares granted to employees from the Wipro Equity Reward Trust set up in 1984. No such accounting is required under Indian GAAP.

B. Under US GAAP, Income taxes are accounted using the asset liability method. This method requires recognition of future tax consequences of temporary differences between the book-base and the tax-base of assets and liabilities and operating loss carry forwards. Under Indian GAAP income taxes were accounted using the taxes payable method and the impact of temporary differences was not recognized. From April 1, 2001, income taxes are accounted using the asset liability method. In US GAAP, a deferred tax asset of Rs. 200 million was recognized in the year ended March 31, 2000 for the difference between the tax basis carrying value of investments in Wipro Net and the amounts for financial reporting. The deferred tax asset has been reversed during the year ended March 31, 2002, on legal re-organisation of Wipro Net as a result of which the benefit of the deferred tax asset will no longer be available.

C. In fiscal 2001, the Company recorded goodwill of Rs. 868 million on acquisition of minority interest held by KPN group in Wipro Net. In fiscal 2000, the Company had also recorded goodwill of Rs. 10.5 million on acquisition of minority interest in Wipro Computers Limited. Goodwill resulting from these acquisitions is amortized over a period of 5 years. In Indian GAAP, from April 1, 2001, cost of investments in excess of share in the underlying assets will be recorded as goodwill.

D. Under US GAAP, the financial statements of all subsidiaries, which are more than 50% owned and controlled are consolidated with the financial statements of the parent. Accordingly, Wipro has consolidated the financial statements of subsidiaries. In Indian GAAP financial statements of subsidiaries have been consolidated from April 1, 2001.

E. Under US GAAP, the financial statements of affiliates (entities where the investor has ability to exercise significant influence) are accounted by the equity method whereby the share of the investor in the profits/losses of the investee are recorded in the year such profits are earned or losses incurred. Accordingly, Wipro has recorded it's share of profit/loss of Wipro GE Medical Systems Ltd., Wipro Net Ltd., Netkracker Ltd. and Wipro ePeripherals Ltd. Under Indian GAAP, dividends from affiliates are recognized as income when received.

F. The Company has adopted the provisions of the Staff Accounting Bulletin No. 101 (SAB 101) issued by the Securities Exchange Commission. Accordingly, revenues from sale of goods, where a customer is not obligated to pay a portion of contract price until the completion of installation, is recognized only on completion of installation. The cumulative effect of the applying this change to all prior years is reflected separately as the cumulative effect of change in accounting policy. In Indian GAAP revenue is recognized on dispatch. In addition, in Indian GAAP, revenue has been recongised in respect of work performed in a certain fixed price, fixed time frame arrangement where the discussions with the customer on expanding the scope of work has not yet been concluded. In US GAAP revenues on this arrangement will be recognized when the final terms of the arrangement is contractualy agreed upon with the customer.

G. In US GAAP, unrealised foreign exchange restatement gains on certain foreign currency denominated assets have been recognized directly in Stockholders' equity.

H. In fiscal 2000 the Company transferred equity shares in Wipro Net to a financial institution. The terms of the transfer provide Wipro with a call option and the transferee with a put option. Further, the transferee is restricted from selling the shares during the period of the option. Under US GAAP, this transfer is not recorded as a sale but as a secured borrowing. Interest is recognized at the effective yield on the put option. A deferred tax asset of Rs 200 million was recognized in the year ended March 31, 2000 for the difference between the tax basis carrying value of investments in Wipro Net and the amounts for financial reporting. In Indian GAAP the transfer of shares is recognized as sale.

I. Others include differences arising from accounting for interest capitalization and exchange rate fluctuations of foreign currency liability for capital goods. Under Indian GAAP, exchange rate fluctuations on foreign currency liability for capital goods are included in the cost of the relevant asset. Under US GAAP, such exchange rate fluctuations are charged to income statement.

J. The tax liability arising on sale of certain real estate property is offset against tax benefits arising on sale of investments in discontinued operations. In Indian GAAP income tax expense is accounted using the taxes payable method. The tax liability and tax benefit offset each other and is not reported separately. Under US GAAP, tax liability arising on sale of real estate property is reflected in income tax expense and tax benefits arising from sale of investments in discontinued operations are reflected separately after income from continuing operations.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 as at March 31, 2002

(Rs. in 000s)

				For Financial year of the Subsidiary		For previous financial year since it became a subsidiary	
Name of the Subsidiary Company	Financial year ending of the Subsidiary	Number of shares held	Extent of holding	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Accounts of Holding Company (Except to the extent dealt with in F)	Profits/(losses) so far it concerns the members of the Holding Company and dealt with in the books of Accounts of Holding Company	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Accounts of Holding Company (Except to the extent dealt with in H)	Profits/(losses) so far it concerns the members of the Holding Company and dealt with in the books of Accounts of Holding Company
A	B	C	D	E	F	G	H
Wipro Inc, USA	March 31, 2002	1,200	100%	299	Nil	(13,428)	(108,122)
Enthink Inc, USA *	March 31, 2002	-	0%	(5,108)	Nil	(123,415)	NA
Wipro Japan KK, Japan	March 31, 2002	650	100%	38,576	Nil	39,032	NA
Wipro Prosper Limited	March 31, 2002	200	100%	26	Nil	697	Nil
Wipro Trademarks Holding Limited	March 31, 2002	200	100%	(217)	Nil	(363)	Nil
Wipro Welfare Limited	March 31, 2002	66,171	100%	Nil	Nil	Nil	Nil
Wipro Fluid Power Limited	March 31, 2002	7,296,520	79%	94,728	Nil	Nil	Nil

* Wipro Inc, USA holds all the shares of Enthink Inc.

The Board of Directors
Wipro Limited
Bangalore.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

We have examined the attached Consolidated Balance Sheet of Wipro Limited (the Company) and its subsidiaries (the Wipro Group) as at March 31, 2002 and also the Profit and Loss Account of the Group for the year ended on that date.

These financial statements are the responsibility of the management of Wipro Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with Accounting Principles Generally Accepted in India and are free of material mis-statements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles issued and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard-21, consolidated financial statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Wipro Limited and its subsidiaries.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the note thereon give a true and fair view :
   a. in the case of the balance sheet, of the state of affairs of the Wipro Group as at March 31, 2002.
   b. in the case of the Profit and Loss Account, of the profit of the Wipro Group for the year ended on that date.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

CONSOLIDATED BALANCE SHEET

(Rs. in 000s)

	As of March 31, 2002	2001
SOURCES OF FUNDS		
Shareholders' funds		
Share Capital	464,931	464,866
Share application money pending allotment	2,399	4,797
Minority Interest	27,542	-
Reserves and Surplus	25,460,163	18,500,175
	25,955,035	18,969,838
Loan Funds		
Secured Loans	254,872	400,644
Unsecured Loans	60,563	48,087
	315,435	448,731
TOTAL	26,270,470	19,418,569
APPLICATION OF FUNDS		
Fixed Assets		
Goodwill	12,670	-
Gross block	10,069,036	9,488,812
Less : Depreciation	4,770,280	3,818,627
Net Block	5,311,426	5,670,185
Capital work-in-progress and advances	1,164,327	797,958
	6,475,753	6,468,143
Investments	4,680,822	499,474
Deferred tax assets	421,803	-
Current assets, loans and advances		
Inventories	934,600	1,152,530
Sundry Debtors	6,546,160	6,198,589
Cash and Bank balances	3,031,909	4,588,365
Loans and advances	10,055,275	6,117,725
	20,567,944	18,057,209
Current liabilities and provisions		
Liabilities	5,223,455	5,052,456
Provisions	653,156	554,550
	5,876,611	5,607,006
Net Current Assets	14,691,333	12,450,203
Miscellaneous expenditure (to the extent not written off or adjusted)	759	749
TOTAL	26,270,470	19,418,569

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

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, April 19, 2002

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rs. in 000s)

	Year ended March 31, 2002	2001
INCOME		
Sales and Services	**34,405,086**	30,813,117
Other Income	**1,558,236**	697,111
	35,963,322	31,510,228
EXPENDITURE		
Cost of goods sold	**20,831,431**	18,076,391
Selling, general and administrative expenses	**5,519,512**	5,638,956
Interest	**29,697**	71,877
	26,380,640	23,787,224
PROFIT BEFORE TAXATION	**9,582,682**	7,723,003
Provision for taxation (refer note 4)	**729,000**	1,012,000
Add : Minority Interest	**808**	-
PROFIT AFTER TAX	**8,854,490**	6,711,003
Earnings per share (in Rs.)		
Basic	**38.31**	29.26
Diluted	**38.24**	29.02
Number of shares		
Basic	**231,132,500**	229,325,989
Diluted	**231,534,876**	231,254,523

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

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, April 19, 2002

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. 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 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. Revenue on 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.

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 in March 1997 and stated at revalued cost less depreciation. Depreciation was provided on revalued amounts. The additional depreciation charge on amounts added on revaluation was drawn out of revaluation reserves. In January 2002 the revaluation reserves were reversed out against the carrying value of fixed assets. Consequently fixed assets are now stated at historical costs 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 data processing equipment and software, 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 the depreciation is provided on Written Down Value method.

Foreign currency transactions

Foreign currency transactions are recorded at the spot rate prevailing 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.

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.

Inventories

Finished goods are valued at cost or net realizable value, whichever is lower. Other inventories are valued at cost less provision for obsolescence. Small value tools and consumables are charged to consumption on purchase. Cost is computed on weighted average basis.

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.

Notes to Accounts

1. In accordance with Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, the Consolidated Financial Statements of Wipro Limited include the financial statements of all subsidiaries which are more than 50% owned and controlled.

2. Accounting Standard 21 does not deal with investments in associates and joint ventures. At present such investment is accounted at cost as required under Accounting Standard - 13. It means that the Company's proportionate share in Profit or Loss of such companies are not recognized and only dividend income is recognized. Consequently, Wipro GE Medical Systems Ltd. has not been considered for consolidation.

3. During the year, 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 Wipro Net Limited is credited to Wipro Limited. The deficit of Rs. 2,432,045 arising on amalgamation as detailed below is transferred to General Reserve :

(Rs. in 000s)

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		2,432,045

4. Provision for taxation comprises of following :

   (i) Rs. 388,837 in respect of foreign taxes, net of deferred tax of Rs. 53,967 and write back of provision of Rs. 87,189 in respect of earlier year.

   (ii) Rs. 337,163 in respect of Indian Income Tax, net of deferred tax benefits of Rs. 236,130 and net of write back of provision of Rs. 19,921 in respect of earlier years.

   (iii) Rs. 3,000 in respect of Wealth Tax.

5. The details of subsidiaries are as follows :

a)	Name of the subsidiary	Country of Incorporation	% holding
	Wipro Fluid Power Limited	India	79%
	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%
b)	Wipro Equity Reward Trust	India	Fully controlled trust

* Fully owned by Wipro Inc.

CASH FLOW STATEMENT

(Rs. in 000s)

	Year ended March 31, 2002
Cash flows from operating activities:	9,582,682
Net profit before tax and non recurring items	
Adjustments to reconcile Net profit before tax and non recurring items to net cash provided by operating activities :	
Depreciation and amortization	1,378,945
Foreign currency translation gains	(119,637)
Retirement benefits provision	(6,413)
Others	(12,676)
Interest on borrowings	28,941
Dividend/interest	(873,941)
Loss/(Gain) on sale of property, plant and equipment	(25,603)
Operating cash flow before changes in working capital	9,952,298
Trade and other receivable	(236,983)
Loans and advances	(745,340)
Inventories (other than stock-in-trade land)	217,929
Trade and other payables	519,631
Net cash provided by operations	9,707,535
Direct taxes paid	(1,155,393)
Net cash provided by operating activities	8,552,142
Cash flows from investing activities :	
Expenditure on property, plant and equipment (including advances)	(2,433,022)
Proceeds from sale of property, plant and equipment	194,650
Purchase of investments	(5,709,805)
Inter Corporate deposits placed	(963,300)
Certificate of Deposits with foreign banks	(1,961,111)
Sale/maturities on Investments	145,468
Divided received	284,645
Interest received	560,355
Net cash used in investing activities	(9,882,120)
Cash flows from financing activities :	
Proceeds from exercise of Stock Option Plan grants	35,479
Dividends paid	(128,071)
Proceeds from issuance/(repayment) of borrowings	(133,886)
Net cash provided by/(used in) financing activities	(226,478)
Net increase/(decrease) in cash and cash equivalents during the year	(1,556,456)
Cash and cash equivalents at the beginning of the period	4,588,365
Cash and cash equivalents at the end of the period	3,031,909

Notes :

i) Opening cash and bank balances include cash balances of subsidiaries of Rs. 115,113 and Rs. 5,282 of Wipro Net Limited.

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.

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

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, April 19, 2002

Financial Statements of Subsidiaries of Wipro Limited for the year ended March 31, 2002

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Fluid Power Limited for the year ended March 31, 2002.

PURCHASE OF BUSINESS

The Company has purchased Wipro Limited's Fluid Power Business with effect from the opening hours of March 1, 2002.

The Annual Report of Wipro Fluid Power Limited for the year 2001-2002 has been prepared after giving effect to the said purchase of the Fluid Power Business.

The Company has obtained the approval for change of name from Netkracker Limited to Wipro Fluid Power Limited as well as the fresh certificate of incorporation dated April 16, 2002, consequent to change of name, from the Registrar of Companies, Karnataka, Bangalore pursuant to an application made by the Company.

(Rs. in Mns)

Financial Results

	2002	2001
Sales and Services	**154.78**	6.8
Loss	**(174.22)**	(229.3)

The Profit and Loss account shows a loss of Rs. 174.22 Mns for the year.

Directors

Mr. M.S. Rao was appointed as Additional Director of the Company with effect from March 1, 2002 till the conclusion of the ensuing Annual General Meeting. Mr. M.S. Rao was also appointed as a whole-time Director of the Company designated Managing Director of the Company with effect from March 1, 2002. Mr. D.A. Prasanna and Mr. S.C. Senapaty were appointed as Additional Directors of the Company with effect from April 15, 2002 till the conclusion of the ensuing Annual General Meeting. Mr. D.A. Prasanna was also appointed as a whole-time Director and Chairman with effect from April 15, 2002.

Mr. B.S. Shankaranarayanan retire by rotation and being eligible offers himself for re-appointment.

Auditors

The Auditors, M/s. N.M. Raiji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

Personnel

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in the Annexure forming part of this report.

Directors Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated that :

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis.

On behalf of the Board

D.A. Prasanna
Chairman

Bangalore, April 18, 2002

AUDITORS' REPORT

TO THE MEMBERS OF WIPRO FLUID POWER LIMITED (formerly known as Netkracker Limited)

We have audited the attached Balance Sheet of Wipro Fluid Power Limited, (formerly known as Netkracker Limited) as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) On the basis of written representations received from the directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002; and

   (b) in the case of Profit and Loss Account, of the loss for the year ended on that date.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 18, 2002

Annexure to Auditor's Report of even date for the Members of Wipro Fluid Power Limited (formerly known as Netkracker Limited)

(i) The Company has maintained proper records showing quantitative details and the situation of its fixed assets. A major portion of fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of fixed assets by the management is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancy has been noticed between the book records and the assets physically verified.

(ii) None of the fixed assets of the Company have been revalued during the year.

(iii) Stocks of finished goods, stores, spare parts and raw materials other than with the third parties have been physically verified by the management at reasonable intervals. There is a process of obtaining confirmation in respect of stocks with third parties.

(iv) In our opinion and according to the information and explanations given to us, the procedures for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(v) The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt within the books of account.

(vi) In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.

(vii) The Company has not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or from the companies under the same management as defined under sub-section (1-B) of Section 370 of the Companies Act, 1956.

(viii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to the companies under the same management as defined under sub-section (1-B) of Section 370 of the Companies Act, 1956.

(ix) In respect of loans and advances in the nature of loans given by the Company, the parties/employees have generally repaid the principle amount and interest as per terms, wherever stipulated.

(x) The Company has adequate internal control procedures commensurate with its size and nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.

(xi) The transactions for purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or agreements entered in the register maintained under Section 301 of the Companies Act, 1956, as aggregating during the year to Rs. 50,000/- or more in respect of each party, have been made at prices which are generally reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.

(xii) As explained to us, the Company has a regular procedure for determination of unserviceable or damaged stores and raw material. In our opinion, adequate provision has been made in the accounts for the estimated loss on the items so determined.

(xiii) The Company has not accepted any public deposits to which the provisions of Section 58A of Companies Act, 1956 and the rules made thereunder would apply.

(xiv) In our opinion, the Company has maintained reasonable records for the sale and disposal of realisable by-products and scrap.

(xv) The Company has a system of internal audit which, in our opinion, is commensurate with its size and nature of its business.

(xvi) The Central Government has not prescribed the maintenance of Cost records under Section 209 (1)(d) of the Companies Act, 1956.

(xvii) The Company has been generally regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities, except that in a few cases there were minor delays in depositing the dues.

(xviii) There are no undisputed amounts in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which, as at the Balance Sheet date, were outstanding for a period of more than six months from the date they became payable.

(xix) On the basis of our examination of the books of account and the information and explanations given to us, there are no personal expenses which have been charged to the revenue account other than those incurred in terms of contractual obligations or in accordance with generally accepted business practice.

(xx) The Company is not a sick industrial company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

(xxi) The business activity carried on by the Company includes providing internet access on rental basis. For such activities, records for allocation of manpower, stores and other material is not considered necessary. There is proper authorisation for issuance of material.

(xxii) As regards the trading activity of the Company, during the year the damaged goods have been determined and suitable value adjustment has been made in the books of account.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 18, 2002

BALANCE SHEET

(Rs. in 000s)

	Schedule	As at March 31, 2002	2001
SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	1	92,361	92,361
Share application money pending allotment		360,000	-
Reserves and surplus	2	280,618	280,618
Loan funds			
Unsecured Loans	3	46,904	-
Total		779,883	372,979
APPLICATION OF FUNDS			
Fixed assets			
Gross block	4	434,825	77,595
Less : Depreciation		252,610	4,144
Net block		182,215	73,451
Capital work-in-progress and advances		1,685	663
		183,900	74,114
Investments		-	-
Defferred Tax		134,515	-
Current assets, loans and advances			
Inventories	5	186,236	-
Sundry debtors	6	115,342	2,275
Cash and bank balances	7	253	1,770
Loans and advances	8	60,957	98,875
		362,788	102,920
Less : Current liabilities and provisions			
Liabilities	9	159,778	41,190
Provisions	10	10,523	485
		170,301	41,675
Net current assets		192,487	61,245
Miscellaneous Expenditure		-	8,346
Debit Balance in Profit and Loss Account		268,980	229,274
Total		779,883	372,979

Significant accounting policies and notes to accounts 16

The Schedule referred to above and notes thereon form an integral part of the Balance Sheet

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Bangalore, April 18, 2002

For and on behalf of Board of Directors

D.A. Prasanna
Chairman

M.S. Rao
Managing Director

Bangalore, April 18, 2002

WIPRO FLUID POWER LIMITED (formerly known as Netkracker Limited)

PROFIT AND LOSS ACCOUNT

(Rs. in 000s)

	Schedule	Year ended March 31, 2002	2001
INCOME			
Sales and Services		139,358	6,808
Other Income	11	4,173	2,056
		143,531	8,864
EXPENDITURE			
Cost of Goods Sold	12	156,153	38,674
Operating, administrative and marketing expenses	13	83,285	26,896
Depreciation		18,501	4,144
Interest	14	754	-
		258,693	69,714
PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS		(115,162)	(60,850)
Extraordinary/Non-Recurring Items	15	59,060	168,424
PROFIT/(LOSS) AFTER EXTRAORDINARY ITEMS		(174,221)	(229,274)
PROFIT/(LOSS) BEFORE TAXATION		(174,221)	(229,274)
Provision for Taxation (refer note 10)		(134,515)	-
PROFIT/(LOSS) AFTER TAXATION		(39,706)	(229,274)
Balance brought forward (refer note 10)		(229,274)	-
BALANCE CARRIED TO BALANCE SHEET		(268,980)	(229,274)
Significant accounting policies and notes to accounts	16		

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Bangalore, April 18, 2002

For and on behalf of Board of Directors

D.A. Prasanna
Chairman

M.S. Rao
Managing Director

Bangalore, April 18, 2002

SCHEDULES FORMING PART OF BALANCE SHEET

(Rs. in 000s)

SCHEDULE 1 SHARE CAPITAL

	As at March 31, 2002	As at March 31, 2001
Authorised capital		
94,30,000 Equity shares of Rs. 10 each (2001 : 40,00,000 Equity shares of Rs. 10 each)	**94,300**	40,000
570,000, 0% Fully Convertible cumulative preference shares of Rs. 10 each (2001 : 60,00,000, 0% Fully Convertible cumulative preference shares of Rs. 10 each)	**5,700**	60,000
Issued, subscribed and paid-up		
92,36,100 (2001 : 3,803,100) Equity shares of Rs. 10 each. Of the above Equity shares 72,96,520 (2001 : 1,863,520) shares are held by the holding Company Wipro Limited	**92,361**	38,031
Preference Share Capital (54,33,000 shares converted into equity shares during the year)	**-**	54,330
	92,361	92,361

SCHEDULE 2 RESERVES & SURPLUS

	2002	2001
Share Premium	**280,618**	280,618
	280,618	280,618

SCHEDULE 3 UNSECURED LOANS

	2002	2001
Sales Tax Loan	**46,904**	-
	46,904	-

SCHEDULE 4 FIXED ASSETS

Particulars	Gross Block			
	As on April 1, 2001	Additions	Deletion	As on March 31, 2002
Building	-	11,960	-	**11,960**
Plant & Machinery	63,960	380,687	47,158	**397,487**
Licence	9,976	-	7,764	**2,211**
Dies, Jigs & Fixtures	-	4,310	-	**4,310**
Furniture & Equipment	2,301	11,675	2,486	**11,489**
Vehicles	1,359	8,210	2,202	**7,366**
Total	**77,595**	**416,841**	**59,611**	**434,825**
March 31, 2001	-	77,595	-	77,595

SCHEDULE 4 FIXED ASSETS (Contd.)

Particulars	Provision for Depreciation				Net Block	
	As on April 1, 2001	Depreciation for the period	Deletions	As on March 31, 2002	As on March 31, 2002	As on March 31, 2001
Building	-	2,482	-	**2,482**	**9,478**	-
Plant & Machinery	3,350	231,658	729	**234,279**	**163,209**	60,611
Licence	474	1,737	-	**2,211**	**-**	9,502
Dies, Jigs & Fixtures	-	1,806	-	**1,806**	**2,504**	-
Furniture & Equipment	240	7,286	404	**7,123**	**4,366**	2,061
Vehicles	80	5,048	418	**4,710**	**2,656**	1,278
Total	**4,144**	**250,017**	**1,551**	**252,610**	**182,214**	**73,451**
March 31, 2001	-	4,144	-	4,144	-	-

Note :
Deletions includes assets written off during the year - Rs. 45,214
Addition for the period includes Rs. 412,798 being the gross value of assets of Fluidpower division.
Depreciation for the period includes Rs. 231,516 being the accumalated depreciation on assets taken over.

(Rs. in 000s)

	As at March 31, 2002	As at March 31, 2001
SCHEDULE 5 INVENTORIES		
Stores and spares	**8,342**	-
Raw materials	**39,361**	-
Stock-in-process	**63,378**	-
Finished goods	**62,067**	-
Traded stock	**13,088**	-
	186,236	-
SCHEDULE 6 SUNDRY DEBTORS		
(Unsecured, unless otherwise stated)		
Over six months		
Considered good	**14,550**	174
Considered doubtful	**3,794**	-
	18,344	174
Others		
Considered good	**100,793**	2,101
	119,136	2,275
Less : Provision for doubtful debts	**3,794**	-
	115,342	2,275

(Rs. in 000s)

	As at March 31, 2002	As at March 31, 2001
SCHEDULE 7 CASH AND BANK BALANCES		
Cash and cheques on hand	60	956
Balances with scheduled banks		
In current account	193	814
	253	1,770
SCHEDULE 8 LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Sundry deposits	3,933	96,979
Balance with Excise and Customs	3,651	-
Advances recoverable in cash or in kind or for value to be received		
Considered good	52,903	1,817
Considered doubtful	1,257	-
Less : Provision for doubtful advances	1,257	-
	52,903	1,817
Advance Income Tax	470	79
	60,957	98,875
SCHEDULE 9 LIABILITIES		
Sundry creditors		
Due to SSI Undertakings	33,600	-
Others	72,097	-
	105,697	15,762
Income received in advance	11,967	20,752
Advance from Customers	3,992	-
Other Liabilities	38,122	5,143
	159,778	41,657
SCHEDULE 10 PROVISIONS		
Retirement Benefits	10,523	18
	10,523	18

	Year ended March 31, 2002	Year ended March 31, 2001
SCHEDULE 11 OTHER INCOME		
Interest on deposits with companies	1,698	2,056
(Tax deducted at source : 2002 : Rs. 392; 2001 : Rs. 79)		
Miscellaneous Income	2,475	-
	4,173	2,056

(Rs. in 000s)

	Year ended March 31, 2002	2001
SCHEDULE 12 COST OF GOODS SOLD		
Consumption of raw materials and brought out components		
Opening stocks	46,496	-
Add : Purchases	26,215	-
	72,711	-
Less : Closing stocks	39,361	-
	33,350	-
Purchase of finished products for sale	5,688	-
Opening stock : In process	81,002	-
: Finished products	64,279	-
Less : Closing stocks : In process	63,378	-
: Finished products	62,067	-
	19,836	-
	58,874	-
Cost of Internet Services	97,279	38,674
	156,153	38,674
SCHEDULE 13 OPERATING, ADMINISTRATIVE AND MARKETING EXPENSES		
Stores and spares	2,284	-
Sub contracting charges	7,190	-
Power and fuel	1,469	50
Salaries, wages and bonus	18,250	3,432
Contribution to Provident Fund	704	131
Gratuity and Leave Encashment	166	485
Workmen and Staff welfare	416	11
Insurance	327	6
Repairs to Buildings	17	-
Repairs to Machinery	2,417	95
Rent	2,872	1,126
Rates and Taxes	367	6
Carriage and Freight	4,120	1,228
Auditors' remuneration and expenses		
Audit fees	100	100
Advertisement and sales promotion	18,413	14,545
Communication Expenses	4,895	1,141
Travelling and Conveyance	2,148	803
Office maintenance	180	86
Provision/write off of Bad debts	43	-
Manpower outside services	575	242
Selling and Distribution Expenses	5,375	1,337
Consultancy Charges	4,814	1,369
Loss on Sale/discarding of fixed assets	1,073	-
Miscellaneous	5,070	704
	83,285	26,897

(Rs. in 000s)

	Year ended March 31, 2002	2001
SCHEDULE 14 INTEREST		
Others	754	-
	754	-
SCHEDULE 15 EXTRAORDINARY/ NON-RECURRING ITEMS		
Assets Written Off	45,214	-
Deffered Expenditure Written Off	8,346	1,067
Roc Fee and Stamp Fee for increase in Authorised Capital	5,500	-
Reimbursement of losses as per contractual obligations	-	166,767
Preliminary Expenses	-	590
	59,060	168,424

SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES

1. **Accounting convention**

   The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and comply with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India.

2. The significant accounting policies followed by the Company are as stated below.

Revenue recognition

- Sales does not include sales tax as the same is separately charged and are net of discounts.
- Sales are recognised on despatch.
- Export incentives are accounted on accrual basis and include estimated realizable values/benefits from special import licenses and Advance licenses.
- Internet access is sold to customers for both limited and unlimited number of hours, which is to be utilized within a specified period of time. Revenue for limited hour pack is recognized based on usage by the customer over the specified period. At the end of the specified time frame, the remaining unutilized hours, if any, are recognized as revenue thereon. In case for unlimited hour pack revenue is recognized based on time elapsed and the total time for which it is valid.
- Agency commission is accrued on shipment of consignment by principal.
- 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 employees 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 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), vehicles and machinery used for providing internet services, for which commercial rates are applied.

Foreign Currency Transactions

Foreign currency transactions are recorded at the spot rate prevailing 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. Small value tools and consumables are charged to consumption on purchase. Cost is computed on weighted average basis. Inventories of compact discs are written off in the year of purchase.

Deferred Taxes

Deferred Tax asset is recognised in the books of account for the accumulated losses incurred by the Company on the basis of the management view that, the losses will get offset in the future by way of profit earned by the fluid power business which has been purchased on 1st March, 2002.

NOTES TO ACCOUNTS

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

1. 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 rate applied (%)	Per Schedule XIV (%)
Data processing equipment & software	50.00	16.21
Furniture and fixtures	19.00	6.33
Electrical Installations (other than Factories)	19.00	4.75
Office equipment	19.00	4.75
Vehicles	24.00	9.50
Plant and Machinery *	20.00	4.75
License	20.00	Not Specified

* On assets used for internet services.

Depreciation at 100% have been provided on assets costing less than Rs. 5

2. Services outsourced

   The Company has outsourced the entire back end activities, which includes bandwidth, infrastructure (2 mb lines, e1r2 lines), colocation of servers and customer care activities.

3. Deferred Revenue Expenditure

   Considering the future benefit from the expenditure incurred during the previous year 2000-2001 for Web development/ Product launch, which is below expectation, it has been decided to charge off the balance of the unamortized amount at the beginning of the year of Rs. 2,828 and Rs. 5,518 being the expenses towards Web development and Product launch.

4. Fixed Assets

   Assets writeoff of Rs. 45,214 comprises of assets scrapped during the year, since the management feels that these assets have no realizable value.

5. Estimated amount of contracts remaining to be executed on Capital account and not provided for is Rs. NIL (2001 : Rs. Nil)

6. Contingent liabilities in respect of :

   i. Claims against the Company not acknowledged as debts Rs. Nil.
   (2001 : Rs. NIL)

   ii. Disputed demands for excise, customs, income tax, sales tax and other matters Rs. Nil. (2001 : Rs. NIL)

   iii. Guarantees given by Banks on behalf of the Company Rs. 24,717.
   (2001 : Rs. 20,000)

7. No provision for income tax has been made during the period, as the Company does not have any taxable income.

8. Auditor's remuneration

Statutory audit fees (2001 : Rs. 100)	Rs. 100

9. 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. The Company has created net deferred tax for the period of Rs. 134,515 on account of which the loss for the period is lower by an equivalent amount.

10. Deferred tax comprise of :

Deferred tax assets :	
Depreciation differential	11,619
Brought forward business loss U/s. 72	122,896
Deferred tax liability	NIL
Total	134,515

11. Sundry creditors include an amount of Rs. 17,805 being amount payable to suppliers, who are Small Scale Industrial Undertakings (SSI) as defined under the Industrial (Development and Regulation) Act 1951, exceeding Rs. 100 in aggregate and outstanding for a period in excess of 30 days as at the date of Balance Sheet. The list of such SSI's is attached.

12. Share application money pending allotment represents purchase consideration payable to Wipro Limited on acquisition of Fluid Power business from the said company.

13. Corresponding figures for previous periods have been regrouped wherever necessary, to confirm to this year's classification. Current period figures are not comparable with the previous period to the extent of purchase of Wipro Fluid Power Division from Wipro Limited with effect from March 1, 2002.

WIPRO FLUID POWER LIMITED (formerly known as Netkracker Limited)

SSI dues exceeding Rs. 100 in aggrage and outstanding for a period in excess of 30 days as at a date of Balance Sheet :

Supplier	Total Dues Rs. 000s
Shamban Seals	2,194
Karnataka Electrical	1,938
Kalpa Engineering	584
Malnad Alloy Castings	320
Pishey Industries	312
Pushpagiri Forgings Pvt. Ltd.	2,102
South India Auto	173
Sujatha Wood Industries	267
Unique Engineers	358
Vijay Spheroidals	1,351
Pavithra Engineering Work	101
Sujatha Enterprises	104
Hadid Tools Centre	104
SKC Tech Hi Precision	104
Vasanth Weld Industries	111
Madhu Engineering Works	116
Veekay Enterprises	121
SMB Trading Corporation	125
Ravikiran Mechanical	126
Myzas Engineers	128
Accurate Engineering	139
Universal Engineering	148
Precimax Devices	158
Excel Tools & Engineering	159
Texel Industries	183
A.P. Engineering Works	211
Sanghvi Lub. & Fasteners	298
Laveena Engineering	361
Fluorokraft Pvt. Ltd.	382
Turbotek Industries	420
As-met Industries	575
Bombay Oil Seals Co.	743
Tulip Engineers	883
Hydro-links Flexibles	1,073
Shantala Ductile & Grey	1,335
	17,805

Additional information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956
All details are for year ended March 31, 2002

		Unit	
1	**Registered Capacity**		
	Hydraulic and pneumatic equipment	NPA #	40,000
	Tipping gear systems	NPA #	2,000
2	**Installed Capacity**		
	Hydraulic and pneumatic equipment	NPA #	40,000
	Tipping gear systems	NPA #	5,000

\# NPA indicates numbers per annum

		Production		Sales	
3	**Production and Sales**	**Unit**	**Quantity #**	**Quantity**	**Rs. in 000s**
	Hydraulic and pneumatic equipment	Nos	5,734	5,815	80,915
	Tipping gear systems	Nos	703	766	23,300
	Spares/components for tippers/cylinders				15,500
	ISP services				35,042
	Agency commission				983
	Processing and service charges				25
	Miscellaneous Income				3,190
	Less : Excide Duty				15,424
					143,531
4	**Closing Stock**			**Nos**	
	Hydraulic and pneumatic equipment			1,562	62,067
				1,562	**62,067**
5	**Traded item consumed**				
	Spares/components for tippers/cylinders				5,688
					5,688
6	**Raw material consumed**				
	Components for cylinders				33,350
					33,350
7	**Value for imported and indigenous material consumed**				
	Raw materials				
	Imported				9,504
	Indigenous				23,846
					33,350
8	**Stores and spares consumed**				
	Imported				733
	Indigenous				1,551
					2,284
9	**Value of imports on CIF basis**				
	(excludes value of imported items locally purchased)				
	Raw materials, components and peripherals				5,332
	Stores and Spares				145
					5,477
10	**Earnings in foreign currency**				
	Export of goods on FOB basis				1,161
	Agency commission				983
					2,144

ADDITIONAL INFORMATION PURSUANT TO THE PROVISONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

I	**Registration Details**			
	Registration No.	27551	State Code	08
	Balance Sheet Date	31st March 2002		
II	**Capital raised during the year**	(Rs. in 000s)		
	Public issue	Nil		
	Rights issue	Nil		
	Bonus issue	Nil		
III	**Position of mobilisation of and deployment of funds**	(Rs. in 000s)		
	Total Liabilities	**779,883**	**Total Assets**	**779,883**
	Sources of funds		**Application of Funds**	
	Paid-up capital	92,361	Net Fixed Assets	183,900
	Share application money pending allotment	360,000	Deferred Tax Assets	134,515
	Reserves and Surplus	280,618	Net Current Assets	192,487
	Secured Loans	-	Debit balance in Profit and Loss Account	268,980
	Unsecured Loans	46,904		
IV	**Performance of the Company**	(Rs. in 000s)		
	Turnover	143,531		
	Total Expenditure	258,693		
	Loss before Tax	174,221		
	Loss after Tax	39,706		
	Earnings per share (basic)	-		
	Dividend	-		

V Generic names of two principal products/services of the Company (as per monetary terms)

i) Item code no (ITC Code) 357000000
   Product description Hydraulic and pneumatic equipment

ii) Item code no (ITC Code) 374840000
   Product description Tipping system

For and on behalf of the Board of Directors

D.A. Prasanna
Chairman

M.S. Rao
Managing Director

Bangalore, April 18, 2002

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Inc. for the year ended March 31, 2002.

Financial Results

(Rs. in Mns)

	2002	2001
Sales and services	**58.43**	24.38
Profit/(Loss) before tax	**0.30**	(7.86)
Profit/(Loss) after tax	**0.30**	(7.86)
Extraordinary items/Prior period items	-	-
Profit/(Loss) for the year	**0.30**	(7.86)

Operations

Wipro Inc. is a wholly owned subsidiary of Wipro Limited, incorporated with the object of investing in various technology segments in USA.

Auditors

The Auditors, M/s. N.M. Raiji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

Directors Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated that :

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis.

On behalf of the Board

Vivek Paul
Director

Bangalore, April 19, 2002

AUDITOR'S REPORT

TO THE MEMBERS OF WIPRO INC

We have audited the attached Balance Sheet of Wipro Inc, as at March 31, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) On the basis of written representations received from the directors, we report that none of the directors is disqualified as on March 31, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002; and

   (b) in the case of Profit and Loss Account, of the profit for the year ended on that date.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

ANNEXURE TO AUDITOR'S REPORT OF EVEN DATE FOR THE MEMBERS OF WIPRO INC

(i) The Company has not granted any loans or advances in the nature of loans.

(ii) The Company is yet to introduce a system of internal audit.

(iii) On the basis of our examination of the books of account and the information and explanations given to us, there are no personal expenses which have been charged to the revenue account other than those incurred in terms of service contract obligations with employees and accepted business practices.

(iv) In our opinion, clauses of Manufacturing and Other Companies (Auditor's Report) Order,1988 numbering (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xvi), (xvii), (xviii) and (xx) are not applicable for the current year.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

BALANCE SHEET

(Rs. in 000s)

	Schedule	As at March 31, 2002	As at March 31, 2001
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	129,270	129,270
Translation Reserve		2,930	2,449
Total		132,200	131,719
APPLICATION OF FUNDS			
Investments	3	488	466
Current Assets, Loans and Advances :			
Sundry Debtors	4	12,143	3,682
Cash and Bank Balances	5	12,700	23,035
Loans and Advances	6	-	437
		24,843	27,154
Less : Current Liabilities and provisions			
Liabilities	7	14,441	17,508
		14,441	17,508
Net Current Assets		10,401	9,645
Miscellaneous Expenditure		60	58
Debit in Profit & Loss Account	2	121,250	121,550
Total		132,200	131,719

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Vivek Paul
Chairman

Girish S. Paranjpe
Director

Bangalore, April 19, 2002

PROFIT AND LOSS ACCOUNT

(Rs. in 000s)

	Schedule	Year ended March 31, 2002	2001
INCOME			
Sales and Services		**54,567**	24,146
Other Income	8	**3,867**	232
		58,435	24,378
EXPENDITURE			
Software Development charges		**53,926**	-
Administration & Marketing Expenses	9	**4,185**	32,095
Audit Fees		**25**	25
Interest		**-**	114
		58,136	32,234
PROFIT/(LOSS) FOR THE YEAR		**299**	(7,856)
LOSS BROUGHT FORWARD		**(121,550)**	(113,694)
BALANCE CARRIED TO BALANCE SHEET		**(121,250)**	(121,550)

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Vivek Paul
Chairman

Girish S. Paranjpe
Director

Bangalore, April 19, 2002

(Rs. in 000s)

	As at March 31, 2002	As at March 31, 2001
SCHEDULE 1 SHARE CAPITAL		
Authorised		
Issued, Subscribed and paid-up		
1,200 equity shares of USD 2,500 each	129,270	129,270
	129,270	129,270
SCHEDULE 2 DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		
Loss carried forward from Profit and Loss Account	121,250	121,550
	121,250	121,550
SCHEDULE 3 INVESTMENTS		
Investment in Sylantro	488	466
	488	466
SCHEDULE 4 SUNDRY DEBTORS		
(Unsecured)		
Over six months	-	-
Other considered good	12,143	3,682
	12,143	3,682
SCHEDULE 5 CASH AND BANK BALANCES		
Balances With Banks		
Wells Fargo	12,700	23,035
	12,700	23,035
SCHEDULE 6 LOANS AND ADVANCES		
Salary Advance	-	437
	-	437
SCHEDULE 7 LIABILITIES		
Trade Payables	13,865	17,418
Outstanding Liabilities	120	90
Advance from Customers	457	
	14,441	17,508

	Year Ended March 31, 2002	Year Ended March 31, 2001
SCHEDULE 8 OTHER INCOME		
Service fee	3,867	232
	3,867	232
SCHEDULE 9 ADMINISTRATION & MARKETING EXPENSES		
Salaries, wages and bonus	3,516	-
Rates and taxes	2	12
Professional & Consultancy Charges	570	26,374
Bank Charges	-	1
Miscellaneous	96	5,708
	4,185	32,095

ACCOUNTING POLICIES :

1. Accounts are maintained on accrual basis. The transactions are in local currency, which has been converted for reporting in Indian Currency on the following basis.

2. **Conversion into Indian Rupees :**

   For the purpose of the accounts during the period all Income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end conversion is being debited or credited to Translation Reserve.

   The Equity Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as "Reserve and Surplus".

3. **Revenue Recognition :**

   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. Revenue on fixed price contracts is recognized in accordance with percentage of completion method of accounting.

4. **Investments :**

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

5. **Corporate Tax :**

   Though Wipro Inc has reported a profit during this year, the Company is not liable to any corporate tax, because of accumulated losses in the previous years. Since Wipro Inc has reported a loss, no corporate tax provision has been made.

6. **Related Party Transaction :**

   The related party transaction includes the billing raised by the Holding Company of Rs. 53.925 Million and service fee billing raised by the Holding Company is Rs. 3.515 Million.

NOTES TO ACCOUNTS :

1. The Company is a 100% Subsidiary of Wipro Limited. The accounts have been prepared and audited for the purpose of attachment to the accounts of the Holding Company to comply with the provisions of the Indian Companies Act.

2. For the Purpose of conversion of the local currency (USD) into Indian Currency (Indian Rupees) the exchange rate applied is as per para 2 of the accounting policies.

DIRECTORS' REPORT

The Directors present the Annual Report of Enthink Inc. for the year ended March 31, 2002

Financial Results

(Rs. in Mns)

	2002	2001
Sales and services	**0.47**	45.03
Profit/(loss) before tax	**(5.10)**	16.04
Profit/(loss) after tax	**(5.10)**	16.04

Operations

Enthink Inc. is a wholly owned subsidiary of Wipro Inc. and is a leading provider of ready for use communication technologies to enable companies building Intelligent Internet applications. Enthink Inc., incorporated with the object of investing in various technology segments in USA, develops and sells Semiconductor and Software based Intellectual Property and provides Integration Services for enabling makers of Internet applications, to release their products faster.

Auditors

The Auditors, M/s. N.M. Raiji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

Directors Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated that :

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis.

On behalf of the Board

Vivek Paul
Director

Bangalore, April 19, 2002

AUDITOR'S REPORT

TO THE MEMBERS OF ENTHINK INC

We have audited the attached Balance Sheet of Enthink Inc, as at March 31, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) On the basis of written representations received from the directors, we report that none of the directors is disqualified as on March 31, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

  (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002; and

  (b) in the case of Profit and Loss Account, of the loss for the year ended on that date.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

ANNEXURE TO AUDITOR'S REPORT OF EVEN DATE FOR THE MEMBERS OF ENTHINK INC

(i) The Company has maintained proper records to show full particulars including quantitative details of its fixed assets. The fixed assets have not been physically verified by the management during the year.

(ii) None of the fixed assets have been revalued during the year.

(iii) The Company has not granted any loans or advances in the nature of loans or advances other than to employees.

(iv) In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase and sale of assets and services.

(v) The Company is yet to introduce internal audit system.

(vi) On the basis of our examination of the books of account and the information and explanations given to us, there are no personal expenses which have been charged to the revenue account other than those incurred in terms of service contract obligations with employees and accepted business practices.

(vii) In respect of services activities :

a. there are no materials used for the project

b. the Company has a reasonable system, commensurate with its size and nature of business for allocating man hours utilised to the respective jobs/projects.

(viii) In our opinion, clauses of Manufacturing and Other Companies (Auditor's Report) Order, 1988, numbering (iii), (iv), (v), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xvi), (xvii), (xviii) and (xx) are not applicable for the current year.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

BALANCE SHEET

(Rs. in 000s)

	Schedule	As at March 31, 2002	2001
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**105,254**	105,254
Reserves and Surplus			
Translation Reserve		**2,079**	(1,414)
Total		**107,333**	103,840
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	**24,980**	23,869
Less : Depreciation		**24,950**	19,105
Net Block		**30**	4,764
Current Assets, Loans and Advances :			
Sundry Debtors	4	**16,643**	16,087
Cash and Bank Balances	5	**21,612**	20,905
Loans and Advances	6	**400**	382
		38,654	37,374
Less : Current Liabilities and provisions			
Liabilities	7	**59,873**	61,713
		59,873	61,713
Net Current Assets		**(21,219)**	(24,339)
Debit Balance in P & L Account	2	**128,522**	123,415
Total		**107,333**	103,840

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Vivek Paul
Chairman

Girish S. Paranjpe
Director

Bangalore, April 19, 2002

PROFIT AND LOSS ACCOUNT

(Rs. in 000s)

	Schedule	Year ended March 31, 2002	2001
INCOME			
Sales and Services		-	37,683
Other Income	8	**465**	7,347
		465	45,030
EXPENDITURE			
Administration & Marketing Expenses	9	**724**	21,220
Audit Fees		**25**	25
Depreciation		**4,825**	7,744
		5,574	28,989
PROFIT/(LOSS) FOR THE YEAR		**(5,108)**	16,040
LOSS BROUGHT FORWARD		**(123,415)**	(139,455)
BALANCE CARRIED TO BALANCE SHEET		**(128,523)**	(123,415)

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Vivek Paul
Chairman

Girish S. Paranjpe
Director

Bangalore, April 19, 2002

(Rs. in 000s)

	As at March 31, 2002	As at March 31, 2001
SCHEDULE 1 SHARE CAPITAL		
Authorised Capital :		
Issued, Subscribed and Paid-up Preference Shares - 6,000,000 @ US $ 0.40 each and (All the shares have been held by Wipro Inc.) Common Shares - 1,669,540 @ US $ 0.05 each (All the shares have been held by Wipro Inc.)	105,254	105,254
	105,254	105,254
SCHEDULE 2 DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		
Loss carried forward from Profit and Loss Account	128,523	123,415
	128,523	123,415

SCHEDULE 3 FIXED ASSETS

	Gross Block			
Particulars	**As on April 1, 2001**	**Additions during the Year**	**Deletions during the Year**	**As on March 31, 2002**
Computers	23,798	1,103	-	24,901
Office Equipment	37	4	-	41
Furniture	34	4	-	38
Total	**23,869**	**1,111**	**-**	**24,980**

	Provision for Depreciation			
Particulars	**Provision for Dep. as on April 1, 2001**	**Depreciation during the Year**	**Accumulated Dep. as on March 31, 2002**	**Net Block As on March 31, 2002**
Computers	19,074	4,810	24,901	-
Office Equipment	18	8	21	20
Furniture	13	7	28	10
Total	**19,105**	**4,825**	**24,950**	**30**

Note :

1. Fixed Assets includes Translation Reserve of Rs. 1,111.
2. Depreciation for the year includes Translation Reserve of Rs. 1,021.

	As at March 31, 2002	As at March 31, 2001
SCHEDULE 4 SUNDRY DEBTORS		
(Unsecured)		
Over six months Considered good	16,643	16,087
Over six months Considered doubtful	3,429	3,315
Less : Provision	(3,429)	(3,315)
	16,643	16,087

(Rs. in 000s)

	As at March 31, 2002	2001
SCHEDULE 5 CASH AND BANK BALANCES		
Balances with Banks		
Bank of Tokyo	440	420
Wells Fargo	21,172	20,485
	21,612	20,905
SCHEDULE 6 LOANS AND ADVANCES		
Sundry Deposits	366	350
Travel Advances	98	93
Salary Advance	34	32
Total of Loans and Advances	497	475
Less : Provision made	(98)	(93)
	400	382
SCHEDULE 7 LIABILITIES		
Trade Payables	59,791	61,660
Outstanding Liabilities	82	53
	59,873	61,713

	Year ended March 31, 2002	2001
SCHEDULE 8 OTHER INCOME		
Interest Income	465	932
Excess provision reversed	-	6,414
	465	7,347
SCHEDULE 9 ADMINISTRATION & MARKETING EXPENSES		
Salaries, wages and bonus	-	6,115
Rates and taxes	40	47
Brokerage and commission	143	1,245
Advertisement and sales promotion	-	7
Provision for Doubtful Debts	-	3,322
Travelling	-	382
Communications	-	109
Books & Periodicals	-	455
Professional & Consultancy Charges	475	8,987
Bank Charges	5	2
Miscellaneous	61	436
Exchange Rate Fluctuation A/c	-	113
	724	21,220

ACCOUNTING POLICIES :

1. Accounts are maintained on accrual basis. The transactions are in local currency, which has been converted for reporting in Indian Currency on the following basis.

2. **Conversion into Indian Rupees :**

   For the purpose of the accounts during the period all Income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end conversion is being debited or credited to Translation Reserve.

   The Equity Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as "Reserve and Surplus".

3. **Revenue Recognition :**

   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. Revenue on fixed price contracts is recognized in accordance with percentage of completion method of accounting.

4. **Depreciation :**

   Fixed assets are stated net of depreciation provision. Depreciation has been provided on Written Down Value method at the following rates which are equal or higher than the rates specified as per the Schedule XIV of the Indian Companies Act. Such rates are fixed after considering applicable laws of United States of America and management estimation of the useful life of the asset.

Description of Assets	Life of asset
Software	36 months

5. **Employees Related Costs** :

   There are no employees related costs.

6. **Corporate Tax :**

   Since Enthink Inc has reported a loss, no corporate tax provision has been made.

NOTES TO ACCOUNTS :

1. The Company is a 100% Subsidiary of Wipro Inc. The accounts have been prepared and audited for the purpose of attachment to the accounts of the Holding Company to comply with the provisions of the Indian Companies Act.

2. For the Purpose of conversion of the local currency (USD) into Indian Currency (Indian Rupees) the exchange rate applied is as per para 2 of the accounting policies.

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Japan KK for the year ended March 31, 2002

Financial Results

(Rs. in Mns)

	2002	2001
Sales and services	**463**	354
Profit before tax	**83**	55
Profit after tax	**39**	30

Operations

Wipro Japan KK is a wholly owned subsidiary of Wipro Limited pursuing the marketing of services provided by Wipro Limited.

Auditors

The Auditors, M/s. N M Raiji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

Directors Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated that :

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis.

On behalf of the Board

Vivek Paul
Director

Bangalore, April 19, 2002

AUDITOR'S REPORT

TO THE MEMBERS OF WIPRO JAPAN KK

We have audited the attached Balance Sheet of Wipro Japan KK, as at March 31, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) On the basis of written representations received from the directors, we report that none of the directors is disqualified as on March 31, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002; and

   (b) in the case of Profit and Loss Account, of the profit for the year ended on that date.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

ANNEXURE TO AUDITOR'S REPORT OF EVEN DATE FOR THE MEMBERS OF WIPRO JAPAN KK

(i) The Company has maintained proper records to show full particulars including quantitative details of its fixed assets. The fixed assets have not been physically verified by the Management during the year.

(ii) None of the fixed assets have been revalued during the year.

(iii) The Company has not granted any loans or advances in the nature of loans and advances other than to employees, who have generally repaid the principle amounts and interest as per the terms, wherever stipulated.

(iv) In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase and sale of assets and services.

(v) A review of internal control systems and procedures was conducted by internal audit department of Wipro Limited the parent company.

(vi) On the basis of our examination of the books of account and the information and explanations given to us, there are no personal expenses which have been charged to the revenue account other than those incurred in terms of service contract obligations with employees or accepted business practices.

(vii) In respect of services activities :

(a) there are no materials used in the project

(b) the Company has reasonable system, commensurate with its size and nature of business for allocating man hours utilised to the respective jobs/projects.

(viii) In our opinion, clauses of Manufacturing and Other Companies (Auditor's Report) Order, 1988, numbering (iii), (iv), (v), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xvi), (xvii), (xviii) and (xx) are not applicable for the current year.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Mumbai, April 19, 2002 *Partner*

BALANCE SHEET

(Rs. in 000s)

	Schedule	As at March 31, 2002	2001
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**9,738**	9,738
Reserves and Surplus	2	**77,607**	39,032
Translation Reserves		**(4,108)**	(351)
Total		83,238	48,419
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	**10,950**	9,343
Less : Depreciation		**6,607**	5,224
Net Block		**4,343**	4,119
Current Assets, Loans and Advances			
Sundry Debtors	4	**41,572**	69,838
Cash and Bank Balances	5	**61,459**	70,558
Loans and Advances	6	**45,486**	7,402
		148,517	147,798
Less : Current Liabilities and provisions			
Liabilities	7	**25,798**	85,252
Provisions	8	**43,924**	18,246
		69,722	103,498
Net Current Assets		**78,795**	44,300
Miscellaneous Expenditure		**100**	
Total		83,238	48,419

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Vivek Paul
Chairman

V. Balakrishnan
Director

Bangalore, April 19, 2002

WIPRO JAPAN KK

PROFIT AND LOSS ACCOUNT

(Rs. in 000s)

	Schedule	Year ended March 31, 2002	2001
INCOME			
Sales and Services		408,877	299,327
Other Income	9	54,492	54,990
		463,369	354,317
EXPENDITURE			
Software Development charges		275,991	214,791
Administration & Marketing Expenses	10	103,053	81,947
Audit fee		25	25
Depreciation		1,800	2,873
		380,870	299,636
PROFIT BEFORE TAXATION		82,500	54,681
Provision for Taxation		43,924	25,076
PROFIT AFTER TAXATION		38,576	29,605
Profit Brought Forward		39,032	9,427
BALANCE CARRIED TO BALANCE SHEET		77,607	39,032

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Vivek Paul
Chairman

V. Balakrishnan
Director

Bangalore, April 19, 2002

(Rs. in 000s)

	As at March 31, 2002	2001
SCHEDULE 1 SHARE CAPITAL		
Authorised Capital :		
1800 equity shares of Jap. Yen 50,000 each		
Issued, Subscribed and paid-up	**9,738**	9,738
650 equity shares of Jap. Yen 50,000 each		
	9,738	9,738
SCHEDULE 2 RESERVES AND SURPLUS		
Balance carried from Profit and Loss Account	**77,607**	39,032
	77,607	39,032

SCHEDULE 3 FIXED ASSETS

	Gross Block			
Description	**As on April 1, 2001**	**Additions during the Year**	**Deletions during the Year**	**As on March 31, 2002**
Computers	3,083	1,332	-	**4,345**
Office Equipment	4,396	321	-	**4,809**
Furniture	1,864	133	-	**1,797**
Total	**9,343**	**1,786**	**-**	**10,950**

	Provision for Depreciation			
Description	**Provision for Dep. as on April 1, 2001**	**Depreciation during the Year**	**Accumulated Dep. as on March 31, 2002**	**Net Block As on March 31, 2002**
Computers	2,170	681	**2,772**	**1,573**
Office Equipment	2,352	871	**2,878**	**1,931**
Furniture	703	249	**957**	**840**
Total	**5,224**	**1,800**	**6,607**	**4,343**

Note :
1. Fixed Assets includes Translation Reserve of Rs. (179).
2. Depreciation for the year includes Translation Reserve of Rs. (418).

	As at March 31, 2002	2001
SCHEDULE 4 SUNDRY DEBTORS		
(Unsecured)		
Over six months		
Considered good	**1,634**	-
Considered doubtful	**16,206**	-
Other		
Considered good	**39,938**	69,838
Less Provision	**16,206**	-
	41,572	69,838

(Rs. in 000s)

	As at March 31, 2002	As at March 31, 2001
SCHEDULE 5 CASH AND BANK BALANCES		
Cash	**35**	22
Balances with other Banks		
Bank of Tokyo Mitsubishi	**61,424**	67,713
Cheques on Hand	**-**	2,823
	61,459	70,558
SCHEDULE 6 LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Salary Advance	**-**	186
Prepaid Expenses	**1,264**	1,150
Tax deducted at source (Bank Interest)/Advance Tax paid	**20,383**	-
Advances recoverable in Cash/Kind considered good	**17,500**	-
Other Deposits	**6,339**	6,066
	45,486	7,402
SCHEDULE 7 LIABILITIES		
Employee Travel Payable	**228**	-
Consumption tax	**18,428**	12,651
Salary & incentives	**-**	3,182
Withholding-tax	**26**	94
Social Insurance	**1,035**	916
Intercompany	**-**	67,339
Outstanding Liabilities	**1,536**	1,070
Other Liabilities	**4,544**	-
	25,798	85,252
SCHEDULE 8 PROVISIONS		
Provision for corporate tax	**43,924**	18,246
	43,924	18,246

	Year ended March 31, 2002	Year ended March 31, 2001
SCHEDULE 9 OTHER INCOME		
Service fee	**54,033**	52,895
Interest income	**47**	2,095
Provision No Longer Required (Consumption Tax)	**412**	-
	54,492	54,990

(Rs. in 000s)

	Year ended March 31,	
	2002	**2001**
SCHEDULE 10 ADMINISTRATION & MARKETING EXPENSES		
Salaries, Wages and Bonus	**60,354**	59,567
Workman and staffwelfare	**631**	595
Insurance	**73**	2,772
Repairs and Maintenance	**321**	374
Rent	**3,123**	4,107
Rates and Taxes	**165**	182
Legal and Professional Charges	**3,477**	2,371
Travelling	**4,834**	3,847
Communications	**4,052**	4,747
Provision for Doubtful Debts	**16,782**	-
Miscellaneous	**9,242**	3,386
	103,053	81,947

ACCOUNTING POLICIES :

1. Accounts are maintained on accrual basis. The transactions are in local currency, which has been converted for reporting in Indian Currency on the following basis.

2. Conversion into Indian Rupees :

For the purpose of the accounts during the period all Income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is being debited or credited to Translation Reserve.

The Equity Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as “Reserve and Surplus”.

3. Revenue Recognition :

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. Revenue on fixed price contracts is recognized in accordance with percentage of completion method of accounting.

4. Depreciation :

Fixed assets are stated net of depreciation provision. Depreciation has been provided on Written down Value method. Depreciation rates are fixed after considering applicable laws of Japan and Management estimation of the useful life of the asset.

Depreciation of Assets	Value of Asset	Estimate life
Software	From 100,000 to 200,000 Yen	3 Years
	Above 200,000 Yen	6 Years
Office Equipment	From 100,000 to 200,000 Yen	3 Years
	Above 200,000 Yen	6 Years
Iron Make		15 Years

5. Employees Related Costs :

The Company's obligation of social insurance payment is accounted on accrual basis. There are no retirement benefits given to employees.

6. Consumption Tax :

As per local laws in Japan, consumption tax @ 5% is payable on all purchases and the Company charges such tax on the customers at the time of billing. The net amount is shown as recoverable or payable.

NOTES TO ACCOUNTS :

1. The Company is a wholly owned Subsidiary of Wipro Limited. The accounts have been prepared and audited to attach with the accounts of the Wipro Limited, the Holding Company to comply with the provisions of the Indian Companies Act.
2. For the Purpose of conversion of the local currency (Japanese Yen) into Indian Currency (Indian Rupees) the exchange rate applied is as per para 2 of the accounting policies given below.

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Trademarks Holding Limited for the year ended March 31, 2002.

Financial Results

The Profit and Loss account shows a loss of Rs. 217,302 for the year.

Directors

Mr. Suresh C. Senapaty and Mr. Satish Menon retire by rotation and being eligible offer themselves for re-appointment.

Auditors

The Auditors, M/s. N.M. Raiji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

Personnel

The Company has no employees in the category specified under Section 217(2A) of the Companies Act, 1956.

Conservation of Energy/Technology Absorption, Research and Development/Foreign Exchange Earnings and Outgoings

The Company has nothing to report on the particulars required under Section 217(1)(a) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

Directors Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated that :

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis.

On behalf of the Board

Suresh C. Senapaty
Chairman

Bangalore, April 19, 2002

AUDITORS' REPORT

TO THE MEMBERS OF WIPRO TRADEMARKS HOLDING LIMITED

We have audited the attached Balance Sheet of Wipro Trademarks Holding Limited, as at March 31, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) On the basis of written representations received from the directors, we report that none of the directors is disqualified as on March 31, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002; and

   (b) in the case of Profit and Loss Account, of the loss for the year ended on that date.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

ANNEXURE TO AUDITOR'S REPORT OF EVEN DATE FOR THE MEMBERS OF WIPRO TRADEMARKS HOLDING LIMITED

(i) The Company is an investment company. It owns fixed assets in the form of Trademarks, which are not physically verifiable. The Company has not revalued its fixed assets. The Company does not have any employees. Hence, in our opinion no comment under paragraph 4 of the Order are called for in the case of items (iii), (iv), (v), (vi), (ix), (x), (xi), (xii), (xiv), (xv), (xvi) and (xx) of clause (A) and item (iii) of clause D.

(ii) The Company has taken interest free loans from the holding company and from the companies, listed in the register maintained under Section 370 (1B) of the Companies Act, 1956. The terms and conditions of the loan are not prima facie prejudicial to the interest of the Company.

(iii) The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under Section 301 or the companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.

(iv) The Company has not given any loans or advances in the nature of loan.

(v) Directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the Rules framed thereunder are not applicable, as the Company has not accepted deposits.

(vi) We have no comments to offer under paragraph 4A(XV) of the Order regarding internal audit as paid up capital of the Company is less than Rs. 2.5 million and the average annual turnover of the Company is less than the stipulated limit.

(vii) There are no undisputed amounts payable as at March 31, 2002, in respect of income tax, wealth tax, customs duty, excise duty and sales tax.

(viii) No personal expenses have been charged to revenue account.

(ix) We have no comments to offer under paragraph 4D(ii) as the Company has not granted loans and advance on the basis of security by way of pledge of shares, debentures and other securities.

(x) During the year no securities were held by the Company.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

BALANCE SHEET

	Schedule	As at March 31, 2002 Rupees	As at March 31, 2001 Rupees
SOURCE OF FUNDS			
Shareholder's funds			
Share Capital	1	20,000	20,000
Loan funds			
Unsecured loan	2	690,000	690,000
Total		710,000	710,000
APPLICATION OF FUNDS			
Fixed Assets			
Trade marks		2,033,836	1,837,584
Less : Amortization		889,671	620,414
		1,144,165	1,217,170
Current Assets, Loans and Advances	3	993,528	925,778
Less : Current Liabilities and Provisions	4	2,007,638	1,795,590
Net Current Assets		(1,014,110)	(869,812)
Profit and Loss account		579,945	362,643
Total		710,000	710,000
Notes to accounts	5		

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Suresh C. Senapaty
Chairman

Satish Menon
Director

Bangalore, April 19, 2002

PROFIT AND LOSS ACCOUNT

	Schedule	Year ended March 31, 2002 Rupees	2001 Rupees
INCOME			
Licence fees		**100,000**	100,000
		100,000	100,000
EXPENDITURE			
Professional Charges		**36,745**	22,413
Miscellaneous Expenses		**4,700**	9,300
Amortisation		**269,257**	241,331
Auditor's remuneration - Audit Fees		**6,600**	6,600
		317,302	279,644
LOSS FOR THE YEAR		**(217,302)**	(179,644)
Balance brought forward		**(362,643)**	(182,999)
BALANCE CARRIED TO BALANCE SHEET		**(579,945)**	(362,643)
Notes to accounts	5		

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Suresh C. Senapaty
Chairman

Satish Menon
Director

Bangalore, April 19, 2002

SCHEDULE 1 SHARE CAPITAL

	As at March 31, 2002 Rupees	2001 Rupees
Authorised		
8,000 equity shares of Rs. 10 each	80,000	80,000
2,000 9% cumulative redeemable preference shares of Rs. 10 each	20,000	20,000
	100,000	100,000
Issued, Subscribed and Paid-up		
200 equity shares of Rs. 10 each	2,000	2,000
1,800 9% cumulative redeemable preference share of Rs. 10 each	18,000	18,000
	20,000	20,000

Note :

a) All the above shares are held by Wipro Limited, the Holding Company

b) The preference shares are redeemable at par at any time before the expiry of ten years from the date of allotment, at the discretion of the Company.

SCHEDULE 2 UNSECURED LOANS

	2002 Rupees	2001 Rupees
From Wipro Limited	600,000	600,000
From Wipro Prosper Limited	90,000	90,000
	690,000	690,000

SCHEDULE 3 CURRENT ASSETS, LOANS AND ADVANCES

	2002 Rupees	2001 Rupees
Debtors (Unsecured and considered good) more than 6 months	25,000	25,000
Debtors receivable	100,000	100,000
Cash in hand	50	50
Balance with schedule bank in current account	200,678	200,728
Advance for purchase of shares	667,800	600,000
	993,528	925,778

SCHEDULE 4 CURRENT LIABILITES AND PROVISIONS

	2002 Rupees	2001 Rupees
Sundry Creditors	12,525	12,525
Amount due to holding Company	1,975,512	1,763,464
Provision for taxation	19,601	19,601
	2,007,638	1,795,590

1. **ACCOUNTING POLICIES**

   Trademarks are amortized over the life of the trademark.

SCHEDULE 5 NOTES TO ACCOUNTS

2. Arrears of dividend on preference share not provided for Rs. 30,604 (2001: 28,984).
3. Additional information pursuant to part II of Schedule VI to the Companies Act, 1956 - Not Applicable.
4. Figures of previous year have been regrouped, wherever necessary to confirm to current year's classification.

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

I	**Registration Details**			
	Registration No.	21795	State Code	08
	Balance Sheet Date	31st March 2002		
II	**Capital raised during the year**			
	Public issue	Nil		
	Rights issue	Nil		
	Bonus issue	Nil		
	Private placement	Nil		
III	**Position of mobilisation of and deployment of funds (Rupees)**			
	Total Liabilities	710,000	**Total Assets**	710,000
	Sources of funds		**Application of Funds**	
	Paid-up capital	20,000	Net Fixed Assets	1,144,165
	Reserves and Surplus	Nil	Investments	Nil
	Secured Loans	Nil	Net Current Assets	(1,014,110)
	Unsecured Loans	690,000	Miscellaneous Expenditure	Nil
			Accumulated Losses	579,945
IV	**Performance of the Company (Rupees)**			
	Turnover	100,000		
	Total Expenditure	317,302		
	Profit before Tax	(217,302)		
	Profit after Tax	(217,302)		
	Earnings per share	-		
	Dividend	-		
V	Generic names of three principal products/services of the Company (as per monetary terms)	Not Applicable		

For and on behalf of the Board of Directors

Suresh C. Senapaty
Chairman

Satish Menon
Director

Bangalore, April 19, 2002

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Prosper Limited for the year ended March 31, 2002.

Financial Results

The Profit and Loss account shows a profit of Rs. 26,182 for the year.

Directors

Mr. Suresh C. Senapaty and Mr. Satish Menon retire by rotation and being eligible offer themselves for re-appointment.

Auditors

The Auditors, M/s. N.M. Raiji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

Personnel

The Company has no employees in the category specified under Section 217(2A) of the Companies Act, 1956.

Conservation of Energy/Technology Absorption, Research and Development/Foreign Exchange Earnings and Outgoings

The Company has nothing to report on the particulars required under Section 217(1)(a) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

Directors Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated that :

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis.

On behalf of the Board

Suresh C. Senapaty
Chairman

Bangalore, April 19, 2002

AUDITOR'S REPORT

TO THE MEMBERS OF WIPRO PROSPER LIMITED

We have audited the attached Balance Sheet of Wipro Prosper Limited, as at March 31, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) On the basis of written representations received from the directors, we report that none of the directors is disqualified as on March 31, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002; and

   (b) in the case of Profit and Loss Account, of the profit for the year ended on that date.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

ANNEXURE TO AUDITOR'S REPORT OF EVEN DATE FOR THE MEMBERS OF WIPRO PROSPER LIMITED

(i) The Company is an investment company. It does not own any fixed assets nor does it have any employees. Hence, in our opinion no comments under paragraph 4 of the Order is called for in the case of items (i), (ii), (iii), (iv), (v), (vi), (ix), (x), (xi), (xii), (xiv), (xv), (xvii), (xx) of Clause (A) and item (iii) of Clause D.

(ii) The Company has taken interest free advances from the holding company for which repayment schedule is not stipulated. The terms and conditions of the loan are not prima facie prejudicial to the interest of the Company.

(iii) The Company has granted interest free loans to the companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956, for which the repayment schedule is not stipulated. The Company has not granted any other loan to the companies listed in the register maintained under Section 301 of the Companies Act, 1956.

(iv) As explained to us, the Company has not given any loans or advances in the nature of the loan.

(v) Directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the Rules framed thereunder are not applicable as the Company has not accepted deposits.

(vi) We have no comments to offer under paragraph 4A(XV) of the Order regarding internal audit as paid up capital of the Company is less than Rs. 2.5 million and the average annual turnover of the Company is less than the stipulated limit.

(vii) There are no undisputed amount payable as at March 31, 2001, in respect of income tax, wealth tax, customs and excise duties and sales tax.

(viii) No personal expenses have been charged to revenue account.

(ix) We have no comments to offer under paragraph 4D(ii) as the Company has not granted loans and advance on the basis of security by way of pledge of shares, debentures and other securities.

(x) The Company has maintained proper records of transactions and contracts in respect of the share and has also made timely entries therein. Expect for certain shares referred to in Note 2 to accounts, all the securities have been held by the Company in its own name.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

WIPRO PROSPER LIMITED

BALANCE SHEET

	Schedule	As at March 31, 2002 Rupees	2001 Rupees
SOURCE OF FUNDS			
Shareholder's funds			
Share Capital	1	**2,000**	2,000
Reserves and Surplus	2	**1,105,695**	1,079,513
Total		**1,107,695**	1,081,513
APPLICATION OF FUNDS			
Investments	3	**237,788**	237,788
Current Assets, Loans and Advances	4	**1,084,360**	960,977
Less : Current Liabilities and Provisions	5	**214,453**	117,251
Net Current Assets		**869,907**	843,727
Total		**1,107,695**	1,081,513
Notes to accounts	6		

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Suresh C. Senapaty
Chairman

Satish Menon
Director

Bangalore, April 19, 2002

PROFIT AND LOSS ACCOUNT

	Schedule	Year ended March 31, 2002 Rupees	2001 Rupees
INCOME			
Dividend - gross		**36,482**	14,260
Interest on debentures - gross [tax deducted at source Rs. NIL; (2001 : Rs. 77)]		**-**	421
		36,482	14,681
EXPENDITURE			
General Expenses		**3,700**	17,880
Auditor's remuneration - Audit Fees		**6,600**	6,600
		10,300	24,480
PROFIT/(LOSS) BEFORE TAXATION		**26,182**	(9,800)
PROFIT/(LOSS) AFTER TAXATION		**26,182**	(9,800)
Balance brought forward		**696,513**	706,313
BALANCE CARRIED TO BALANCE SHEET		**722,695**	696,513
Notes to accounts	6		

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Suresh C. Senapaty
Chairman

Satish Menon
Director

Bangalore, April 19, 2002

	As at March 31, 2002 Rupees	2001 Rupees
SCHEDULE 1 SHARE CAPITAL		
Authorised		
8,000 equity shares of Rs. 10 each	80,000	80,000
2,000 9% cumulative redeemable preference shares of Rs. 10 each	20,000	20,000
	100,000	100,000
Issued, Subscribed and Paid-up		
200 equity shares of Rs. 10 each	2,000	2,000
	2,000	2,000
All the above shares are held by Wipro Limited, the Holding Company		
SCHEDULE 2 RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	365,000	365,000
Add : Transfer from Profit and Loss account	-	-
	365,000	365,000
Capital Redemption Reserve	18,000	18,000
Profit and Loss account	722,695	696,513
	1,105,695	1,079,513

SCHEDULE 3 INVESTMENTS

(at cost)

	Number	Face Value Rupees	As at March 31, 2002 Rupees	2001 Rupees
EQUITY SHARES				
A. Trade (Quoted)				
Dynamatic Technologies Ltd. (Refer Note No. 2)	3732	10	66,363	66,363
B. Non-Trade (Quoted)				
Rasoi Ltd.	112	10	1,750	1,750
Mannesmann Rexorth (India) Ltd.	50	10	438	438
Oswal Agro Mills Ltd.	80	10	3,100	3,100
DCM Ltd.	31	10	675	675
DCM Shriram Industries Ltd.	55	10	1,696	1,696
DCM Shriram Consolidated Ltd.	41	10	2,276	2,276
Shriram Industrial Enterprises Ltd.	74	10	676	676
Fujitsu - ICIM Ltd.	75	10	1,625	1,625
The National Radio and Electronics Co. Ltd.	100	10	2,565	2,565
Hindustan Lever Ltd.	6,240	1	17,580	17,580
Hindustan Motors Ltd.	200	10	4,250	4,250
Tata Engineering and Locomotive Co. Ltd.	80	10	2,050	2,050
Ashok Leyland Ltd.	50	10	1,475	1,475
Ambalal Sarabhai Enterprises Ltd.	42	10	409	409
Sarabhai Electronics Ltd.	8	10	78	78
Nestle India Ltd.	300	10	4,300	4,300
Surya Roshni Ltd.	87	10	4,750	4,750
Oswal Agro Furance Ltd.	30	10	300	300
Cadbury India Ltd.	80	10	10,425	10,425
Hindustan Dor Oliver Ltd.	50	10	4,575	4,575

	Number	Face Value Rupees	As at March 31, 2002 Rupees	2001 Rupees
KSB Pumps Ltd.	50	10	**11,425**	11,425
Britannia Industries Ltd.	150	10	**23,450**	23,450
Exide Industries Ltd.	200	10	**14,500**	14,500
Amrit Banaspati Co. Ltd.	100	10	**8,250**	8,250
Procter & Gamble India Ltd.	50	10	**12,700**	12,700
Crompton Greaves Ltd.	50	10	**6,600**	6,600
Phillips (India) Ltd.	100	10	**12,750**	12,750
Velvette International Pharma Products Ltd.	100	10	**2,500**	2,500
Non-Trade (Unquoted)				
All Seasons Foods Ltd.	100	10	**1,900**	1,900
International Best Foods Ltd.	240	10	**12,357**	12,357
			237,788	237,788
Aggregate cost of quoted investments			**235,888**	235,888
Aggregate cost of unquoted investments			**1,900**	1,900
Market value of quoted investments			**1,855,792**	1,828,884

SCHEDULE 4 CURRENT ASSETS, LOANS AND ADVANCES

	2002	2001
Balance with a scheduled bank in current account	**425,109**	388,726
Cash in hand	**50**	50
Loan	**90,000**	90,000
Advances recoverable in cash or kind or for value to be received (considered good)	**549,375**	462,375
Advance Income Tax (net of provision)	**19,826**	19,826
	1,084,360	960,977

SCHEDULE 5 CURRENT LIABILITES AND PROVISIONS

	2002	2001
Sundry Creditors	**26,932**	20,330
Amount due to holding Company	**187,521**	96,921
	214,453	117,251

1. **ACCOUNTING POLICIES**

   Investments -

   Investments are accounted at cost plus transfer charges, Diminution in value is provided for where the management is of the opinion that the diminution is of a permanent nature.

   Income on investment -

   Income on investment is recognized on accrual basis

SCHEDULE 6 NOTES TO ACCOUNTS

2. As at the date of audit, 3451 equity shares of Dynamatic Technologies Ltd., purchased by the Company has remained to be transferred in the name of the Company pending disposal of the appeal of the Company before the Hon'ble Madras High Court in this regard.
3. Additional information pursuant to part II of Schedule VI to the Companies Act, 1956 - Not Applicable
4. Figures of previous year have been regrouped, wherever necessary to confirm to current year's classification.

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

I	**Registration Details**			
	Registration No.	21796	State Code	08
	Balance Sheet Date	31st March 2002		
II	**Capital raised during the year**			
	Public issue	Nil		
	Rights issue	Nil		
	Bonus issue	Nil		
	Private placement	Nil		
III	**Position of mobilisation of and deployment of funds (Rupees)**			
	Total Liabilities	1,107,695	**Total Assets**	1,107,695
	Sources of funds		**Application of Funds**	
	Paid-up capital	2,000	Net Fixed Assets	Nil
	Reserves and Surplus	1,105,695	Investments	237,788
	Secured Loans	Nil	Net Current Assets	869,907
	Unsecured Loans	Nil	Miscellaneous Expenditure	Nil
IV	**Performance of the Company (Rupees)**			
	Turnover	36,482		
	Total Expenditure	10,300		
	Profit before Tax	26,182		
	Profit after Tax	26,182		
	Earnings per share	130.91		
	Dividend	-		
V	Generic names of three principal products/services of the Company (as per monetary terms)	Not Applicable		

For and on behalf of the Board of Directors

Suresh C. Senapaty
Chairman

Satish Menon
Director

Bangalore, April 19, 2002

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Welfare Limited for the year ended March 31, 2002.

Financial Results

As the Company is yet commence its operations, no Profit and Loss account is prepared. All expenditure incurred has been classified as pre-operative expenses which now stands at Rs. 699,020.

Directors

Mr. Suresh C. Senapaty and Mr. Satish Menon retire by rotation and being eligible offer themselves for re-appointment.

Auditors

The Auditors, M/s. N.M. Raiji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

Personnel

The Company has no employees in the category specified under Section 217(2A) of the Companies Act, 1956.

Conservation of Energy/Technology Absorption, Research and Development/Foreign Exchange Earnings and Outgoings

The Company has nothing to report on the particulars required under Section 217(1)(a) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

Directors Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated that :

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis.

On behalf of the Board

Suresh C. Senapaty
Chairman

Bangalore, April 19, 2002

AUDITOR'S REPORT

TO THE MEMBERS OF WIPRO WELFARE LIMITED

We have audited the attached Balance Sheet of Wipro Welfare Limited, as at March 31, 2002. No profit and loss account has been prepared, as the Company has not commenced commercial activity. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

(i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(iii) the Balance Sheet dealt with by this report are in agreement with the books of account;

(iv) in our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) on the basis of written representations received from the directors, we report that none of the directors is disqualified as on March 31, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

ANNEXURE TO AUDITOR'S REPORT OF EVEN DATE FOR THE MEMBERS OF WIPRO WELFARE LIMITED

(i) The Company has neither taken nor granted any loans, secured or unsecured, from/to companies, firms or other parties listed in the register maintained under Section 301 and/or from the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.

(ii) The Company has not given any loans or advances in the nature of loans to any party.

(iii) In our opinion and according to the information and explanations given to us, no undisputed amounts in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as on March 31, 2002 for a period of more than six months from the date they become payable.

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

BALANCE SHEET

	Schedule	As at March 31, 2002 Rupees	As at March 31, 2001 Rupees
SOURCES OF FUNDS			
Shareholder's funds			
(a) Share Capital	1	661,710	661,710
(b) Advance against equity		2,500	2,500
Total		664,210	664,210
APPLICATION OF FUNDS			
Current Assets Loans and Advances	2	76,200	25,200
Less : **Current Liabilities**			
Sundry Creditors		111,010	52,010
Net Current Assets		(34,810)	(26,810)
Miscellaneous expenditure (to the extent not written off or adjusted)	3	699,020	691,020
Total		664,210	664,210
Notes to accounts	4		

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Suresh C. Senapaty
Chairman

Satish Menon
Director

Bangalore, April 19, 2002

	As at March 31, 2002 Rupees	As at March 31, 2001 Rupees
SCHEDULE 1 SHARE CAPITAL		
Authorised		
10,000,000 equity shares of Rs. 10 each	**100,000,000**	100,000,000
Issued, Subscribed and Paid-up		
66,171 equity shares of Rs. 10 each	**661,710**	661,710
66,171 equity shares of Rs. 10 each held by Wipro Limited, the holding Company.		
SCHEDULE 2 CURRENT ASSETS LOAN AND ADVANCES		
Cash on hand	**200**	200
Balance with schedule bank in current account	**25,000**	25,000
Other Advances	**51,000**	
	76,200	25,200

	Year ended March 31, 2002	Year ended March 31, 2001
SCHEDULE 3 MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary expenses	**16,245**	16,245
Pre-operative expenses		
Advertisement	**79,339**	79,339
Membership and subscription	**19,134**	19,134
Legal and professional charges	**56,150**	48,650
Printing and Stationary	**3,980**	3,980
Rate and Taxes	**524,172**	523,672
	699,020	691,020
SCHEDULE 4 NOTES TO ACCOUNTS		
1. The Company has not yet commenced its operations and hence no Profit and Loss account is Prepared. Expenditure incurred during the period is classified as pre-operative expenses.		
2. The accounts are prepared under the historical cost convention.		
3. Legal and professional charges includes Audit fees	**6,300**	6,300

As per our Report attached

For N.M. Raiji & Co.,
Chartered Accountants

J.M. Gandhi
Partner

Mumbai, April 19, 2002

For and on behalf of the Board of Directors

Suresh C. Senapaty
Chairman

Satish Menon
Director

Bangalore, April 19, 2002

Management's Discussion and Analysis of Financial Conditions and Results of Operations, Risk Factors and Financial Statements for the year ended March 31, 2002

(in accordance with United States Generally Accepted Accounting Principles)

SUMMARY OF SELECTED CONSOLIDATED FINANCIAL DATA
(in millions, except share data)

	Year ended March 31,				
	1999	2000	2001	2002	2002
Consolidated statements of Income Data :					
Revenue :					
Global IT Services					
Services	Rs. 6,359	Rs. 10,206	Rs. 17,670	Rs. 21,457	$ 439
Products				955	20
India and AsiaPac IT Services and Products					
Services	1,137	1,513	1,873	1,914	39
Products	6,028	6,577	6,771	5,037	103
Consumer Care and Lighting	3,402	3,151	3,144	2,938	60
Others	806	1,381	1,329	1,680	34
Total	17,732	22,828	30,787	33,981	696
Cost of Revenues :					
Global IT Services					
Services	4,057	6,220	9,205	11,506	236
Products	-	-	-	891	18
India and AsiaPac IT Services and Products					
Services	680	901	984	862	18
Products	4,901	5,640	5,457	4,234	87
Consumer Care and Lighting	2,585	2,251	2,215	2,021	41
Others	582	1,070	962	1,354	28
Total	12,805	16,082	18,823	20,868	427
Gross Profit	4,927	6,746	11,964	13,113	269
Operating expenses :					
Selling, general and administrative expenses	(3,119)	(3,252)	(4,835)	(4,873)	(100)
Research and development expenses	-	-	-	(127)	(3)
Amortization of goodwill	-	(1)	(45)	(176)	(4)
Foreign exchange gains/(loss), net	34	52	120	219	4
Others, net	103	73	349	158	3
Operating Income	1,945	3,618	7,553	8,314	170
Gain/(loss) on sale of stock of affiliates, including direct issue of stock by affiliate	-	412	-	-	-
Other income/(expense) (net)	(282)	(284)	87	839	17
Income taxes	(179)	(525)	(1,150)	(971)	(20)
Income before share of equity in earnings of affiliates	1,484	3,221	6,490	8,182	168
Equity in earnings of affiliate	96	113	(53)	147	3
Income from continuing operations	Rs. 1,580	Rs. 3,334	Rs. 6,437	Rs. 8,329	$ 171
Earnings per share from continuing operations :					
Basic	6.94	14.63	28.07	36.04	0.74
Diluted	6.94	14.58	27.83	35.98	0.74
Additional data :					
Operating Income					
Global IT Services	Rs. 1,493	Rs. 2,909	Rs. 6,038	Rs. 7,609	$ 156
India and AsiaPac IT Services and Products	283	460	825	578	12
Consumer Care and Lighting	442	485	451	404	8
Others	(108)	92	215	(86)	(2)
Reconciling items	(165)	(328)	24	(191)	(4)
Total	Rs. 1,945	Rs. 3,618	Rs. 7,553	Rs. 8,314	$ 170
Consolidated Balance Sheet Data :					
Cash and cash equivalents	Rs. 637	Rs. 784	Rs. 5,623	Rs. 7,377	$ 151
Working Capital	(210)	1,925	11,216	18,415	377
Total assets	10,702	12,678	26,187	33,755	691
Total debt, including preferred stock	3,252	1,804	1,768	291	6
Total stockholders equity	2,648	6,687	19,081	27,457	562

Management's Discussion and Analysis of Financial Conditions and Results of Operations

Investors are cautioned that this discussion contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words "anticipate", "believe", "estimate", "intend", "will" and "expect" and other similar expressions as they relate to the company or its business are intended to identify such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Factors that could cause or contribute to such differences include those described under the heading "Risk Factors" in the prospectus filed with the Securities and Exchange Commission, as well as the factors discussed in the Form 20-F, included in this report. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. The following discussion and analysis should be read in conjunction with our financial statements included herein and the notes thereto.

Overview

We are a leading India based provider of IT Services globally. We provide high-end IT solutions to leading companies worldwide and have other profitable businesses in niche markets in India. Our objective is to be a world leader in providing comprehensive IT Services by continuing to provide world-class quality Services and building on the Wipro brand name. We have three primary business segments we operate through independent divisions.

- *Global IT Services and Products.* We provide research and development services for hardware and software design to technology and telecommunication companies, software application development, package implementation and system integration services to corporate enterprises. In large system integration projects, we also supply the hardware and software products. These services are marketed and delivered through our Wipro Technologies division.

- *India and AsiaPac IT Services and Products.* We are a leader in the Indian IT market and focus primarily on meeting all the IT and e-commerce requirements of companies in India and the AsiaPacific region through our Wipro Infotech division.

- *Consumer Care and Lighting.* We leverage our brand name and distribution strengths to sustain a profitable presence in niche markets in the areas of soaps, toiletries, lighting products and hydrogenated cooking oils for the Indian market. We have been in the consumer care business since our inception in 1945 and the lighting business since 1992.

- *Healthcare and Life Sciences.* In April 2002, we established a new business segment named Wipro Healthcare and Life Sciences, to address the IT requirements of the emerging Healthcare and Life Sciences market. Our business division, Wipro Biomed, which is currently included in Others, will now become part of the Wipro Healthcare and Life Sciences segment. The business segment information presented here does not reflect the establishment of the new business segment.

Our revenue and net income for the years ended March 31, 2000, 2001 and 2002 are provided below :

	Year ended March 31,		
	2000	2001	2002
		(in millions)	
Revenue	Rs. 22,827	Rs. 30,787	**Rs. 33,981**
Cost of revenue	16,082	18,823	**20,868**
Gross profit	6,745	11,964	**13,113**
Gross margins	30%	39%	**39%**
Operating income	3,617	7,553	**8,315**
Income from continuing operations	3,333	6,437	**8,330**
Net income	3,552	6,455	**8,330**
Earnings per share			
Basic	15.59	28.15	**36.04**
Diluted	15.54	27.91	**35.98**

Our revenue and operating income by business segment are provided below for the years ended March 31, 2000, 2001 and 2002.

	Year ended March 31,		
	2000	2001	2002
Revenue :			
Global IT Services and Products	46%	58%	**67 %**
India and AsiaPac IT Services and Products	35	28	**20**
Consumer Care and Lighting	14	10	**9**
Others	5	4	**4**
	100%	100%	**100 %**
Operating Income :			
Global IT Services and Products	80%	80%	**92 %**
India and AsiaPac IT Services and Products	13	11	**7**
Consumer Care and Lighting	13	6	**5**
Others	3	3	**(1)**
Reconciling items	(9)	-	**(3)**
	100%	100%	**100 %**

The Others category in the table above includes our other lines of business such as Wipro Net, Wipro Biomed and Wipro Fluid Power. Corporate activities such as treasury, legal, accounting and human resources which do not qualify as operating segments under SFAS No. 131, have been considered as reconciling items. Reconciling items are net of common costs allocated to other business segments.

	Global IT Services and Products		
	Year ended March 31,		
	2000	2001	2002
		(in millions)	
Revenue			
Services	Rs. 10,459	Rs. 17,797	**Rs. 21,701**
Products	-	-	**967**
Total	10,459	17,797	**22,668**
Cost of Revenue			
Services	(6,220)	(9,205)	**(11,506)**
Products	-	-	**(891)**
Total	(6,220)	(9,205)	**(12,397)**
Selling, general and administrative expenses	(1,345)	(2,575)	**(2,533)**
Research and Development expenses	-	-	**(127)**
Others, net	15	20	**(2)**
Operating Income	2,909	6,037	**7,609**
Revenue growth rate over prior period	58%	70%	**27%**
Operating margin	28%	34%	**34%**

Global IT Services and Products revenue from Services is derived from technology and software services provided on either a time and materials or fixed-price, fixed-time frame basis. Our business segment revenue includes the impact of exchange rate fluctuations. Revenue from Services provided on a time and materials basis is recognized in the period that services are provided and costs incurred. Revenue from fixed-price, fixed-time frame projects is recognized on a percentage of completion basis. Provisions for estimated losses on projects in progress are recorded in the period in which we determine such losses to be probable. To date, a substantial majority of our Services revenue has been derived from time and materials projects. For the year ended March 31, 2002, time and materials projects generated 73% of Global IT Services and Products, Services revenue, while fixed-price, fixed-time frame projects generated 27% of Global IT Services and Products revenue. The proportion of revenue from fixed price, fixed-time frame projects may increase. Our operating results could be adversely affected by factors such as cost overruns due to delays, unanticipated costs, and wage inflation.

Global IT Services and Products revenue from Products is derived from the sale of third-party hardware and software products.

The cost of revenue for Services, in Global IT Services and Products, consists primarily of compensation expenses for our IT professionals, data communication expenses, computer maintenance, travel expenses and occupancy expenses associated with services rendered. We recognize these costs as incurred. Selling, general and administrative expenses consist primarily of sales and marketing expenses and allocated corporate overhead expenses associated with management, human resources, corporate marketing, information management systems, quality assurance and finance. The cost of revenue for Products, in Global IT Services and Products, consists of the cost of products procured from third party manufacturers.

The Services component of our Global IT Services and Products revenue and profits for any period are significantly affected by the proportion of work performed at our facilities in India and at client sites overseas and by the utilization rates of our IT professionals. Services performed in India generally yield better profit margins because the higher costs of performing overseas work more than offset the higher rates we charge. For this reason, we seek to move a project as early as possible from overseas locations to our Indian development centers. As of March 31, 2002, 79% of our professionals in the Services components of our Global IT Services and Products were located in India. For the year ended March 31, 2002, 48% of the Services component of our Global IT Services and Products revenues was generated from work performed at our facilities in India.

In our segment reporting only, management included the impact of exchange rate fluctuations and net interest income on inter-segment business loans in its revenue. As of April 1, 2000, management started excluding net interest income received on inter-business segment loans in segment revenue. Excluding the impact of these items, revenue, as reported in our statements of income, is Rs. 10,206 million, Rs. 17,670 million and Rs. 22,412 million for the years ended March 31, 2000, 2001 and 2002 respectively.

	India and AsiaPac IT Services and Products		
	Year ended March 31,		
	2000	2001	**2002**
		(in millions)	
Revenue			
Services	Rs. 1,513	Rs. 1,873	**Rs. 1,914**
Products	6,563	6,725	**5,037**
Total	8,076	8,598	**6,951**
Cost of revenue			
Services	(901)	(984)	**(863)**
Products	(5,640)	(5,457)	**(4,234)**
Total	(6,541)	(6,441)	**(5,097)**
Selling, general and administrative expenses	(1,098)	(1,392)	**(1,278)**
Amortization of goodwill	(1)	(1)	**(2)**
Others, net	25	61	**5**
Operating income	461	825	**579**
Revenue growth rate over prior period	13%	6%	**(19%)**
Operating margin	6%	10%	**8%**

Our India and AsiaPac IT Services revenue is derived principally from hardware and software support, maintenance and consulting services. Our India and AsiaPac IT Products revenue is derived primarily from the sale of computers, networking equipment and related hardware products. Our business segment revenue includes the impact of exchange rate fluctuations. We recognize revenue from services, depending on the contract terms, over the contract period. Revenue on products is recognized on dispatch of the products to the customer.

Effective January 1, 2001, we adopted the provisions of Staff Accounting Bulletin No. 101 (SAB 101) issued by the Securities and Exchange Commission which provides guidelines in applying generally accepted accounting principles to selected revenue recognition issues. Revenue continues to be recognized on dispatch, however, where the client is not obligated to pay a portion of the contract price until completion of installation, revenue is recognized only on completion of installation. Financial information for the year ended March 31, 2001 has been restated by applying the newly adopted accounting principle.

The cost of revenue for India and AsiaPac IT Services consists primarily of compensation expenses and replacement parts for our maintenance services. We recognize these costs as incurred. The cost of revenue for India and AsiaPac IT Products consists of manufacturing costs for products, including materials, labor and facilities. In addition, a portion of the costs reflects products manufactured by third parties and sold by us. We recognize these costs at the time of sale.

Selling, general and administrative expenses for our India and AsiaPac IT Services and Products business segment are similar in type to those for our Global IT Services and Products business segment.

Historically, our India and AsiaPac IT Products revenue has accounted for a substantial majority of revenue and a much smaller portion of operating income of our India and AsiaPac IT Services and Products business segment. Our strategy in the IT market in India and AsiaPacific region is to improve our profitability by focusing on IT Services, including systems integration, support services, software and networking solutions, Internet and e-commerce applications.

In our segment reporting only, management included the impact of exchange rate fluctuations and net interest income on inter-segment business loans in its revenue. As of April 1, 2000, management started excluding net interest income received on inter-business segment loans in segment revenue. Excluding the impact of these items, revenue, as reported in our statements of income, is Rs. 8,090 million, Rs. 8,645 million and Rs. 6,950 millions for the years ended March 31, 2000, 2001 and 2002 respectively.

	Consumer Care and Lighting		
	Year ended March 31,		
	2000	2001	2002
		(in millions)	
Revenue	Rs. 3,192	Rs. 3,144	**Rs. 2,939**
Cost of revenue	(2,251)	(2,215)	**(2,021)**
Selling, general and administrative expenses	(462)	(539)	**(518)**
Others, net	6	61	**3**
Operating income	485	451	**403**
Revenue growth rate over prior period	(7%)	(2%)	**(7%)**
Operating margin	15%	14%	**14%**

We have been in the Consumer Care business since 1945 and the lighting business since 1992. The Consumer Care business has historically generated surplus cash. Our strategy is to sustain operating margins and continue generating positive operating cash flows. Revenue in this segment may fluctuate as commodity prices change and as we emphasize profitability and cash generation over volume sales.

We recognize revenue from product sales at the time of shipment. Cost of products consists primarily of raw materials and other manufacturing expenses such as overheads for factories. Selling, general and administrative expenses are similar in type to those for our other business segments.

In our segment reporting only, management included the impact of exchange rate fluctuations and net interest income on inter-segment business loans in its revenue. As of April 1, 2000, management started excluding net interest income received on inter-business segment loans in segment revenue. Excluding the impact of these items, revenue, as reported in our statements of income, is Rs. 3,151 million, Rs. 3,144 million and Rs. 2,939 millions for the years ended March 31, 2000, 2001 and 2002 respectively.

Amortization of Deferred Stock Compensation

We have amortized deferred stock compensation expenses of Rs. 97 million, Rs. 87 million and Rs. 79 million, for the years ended March 31, 2000, 2001 and 2002, respectively, in connection with equity shares issued to our employees pursuant to our Wipro

Equity Reward Trust. We use the intrinsic value based method of APB Opinion No. 25 and record a deferred stock compensation expense for the difference between the sale price of equity shares and the fair value as determined by quoted market prices of our equity shares on the date of grant. The deferred stock compensation is amortized on a straight-line basis over the vesting period of the equity shares, which ranges from six months to five years.

The stock compensation charge has been allocated to cost of revenue and selling, general and administrative expenses in line with the nature of the service rendered by the employee who received the benefit. The amortization is :

	Year ended March 31,		
	2000	2001	2002
		(in millions)	
Cost of revenue	Rs. 36	Rs. 32	**Rs. 30**
Selling, general and administrative expenses	61	55	**49**
Total	Rs. 97	Rs. 87	**Rs. 79**

Amortization of Goodwill

In December 2000, we acquired the 45% minority interest held by KPN Telecom in Wipro Net, our subsidiary. This acquisition resulted in goodwill of Rs. 868 million. Goodwill is currently being amortized over a period of 5 years. Please refer to the discussions on "Recent accounting pronouncements" in Note 2 of the Notes to the Consolidated Financial Statements about the impact of our adoption of SFAS 141 and SFAS 142 on unamortized goodwill.

Foreign Exchange Gains (Net)

Exchange rate fluctuation consists of the difference between the rate of exchange at which a transaction is recorded and the rate of exchange on the date the transaction is settled, and the gains and losses on revaluation of foreign currency assets and liabilities outstanding at the end of a period.

Others, net

Others, net includes net gains on the sale of property, plants, equipment, royalty and other operating income.

Other Income/(Expense) (Net)

Our other income includes interest income on short-term investments net of interest expense on short term and long-term debt and realized gains on the sale of investment securities.

Equity in Earnings of Affiliate

Wipro GE Medical Systems Ltd. (Wipro GE). We hold a 49% equity interest in Wipro GE Medical Systems Limited, a joint venture with General Electric.

Wipro ePeripherals Ltd. (WeP). On September 1, 2000, we spun off our peripherals services division into a new legal entity Wipro ePeripherals Ltd., or WeP. In consideration of the transfer, we received a 38.7% equity interest, non-convertible debentures bearing a 12.5% interest rate and cash of Rs. 156 million. WeP has equity participation from certain strategic investors and employees. In March 2002, WeP issued additional equity shares to certain investors, which resulted in reduction of our equity interest to 33.8%. Our share of the income generated by WeP is accrued in proportion to our equity interest.

Wipro Net Ltd. As of March 31, 1999, we held a 100% equity interest in Wipro Net. In December 1999, we decreased our interest in Wipro Net Ltd. from 100% to 55%. Since the minority shareholder also held substantive stockholder participating rights in Wipro Net Ltd. since December 1999, we did not consolidate Wipro Net in our financial statements. Historically, the results of operations of Wipro Net Ltd. have not been material in relation to our consolidated financial statements. Consequently, the decrease in our interest in Wipro Net Ltd. did not significantly impact our revenues and operating income.

In December 2000, we acquired the 45% minority interest in Wipro Net held by KPN Telecom for Rs. 1,087 million resulting in goodwill of Rs. 868 million. Subsequent to the acquisition, we have been consolidating Wipro Net in our financial statements. Our equity in the loss of Wipro Net prior to the acquisition of the minority interest of Rs. 136 million in fiscal 2001 is reported by the equity method.

In May 2001, we decided to merge Wipro Net into Wipro Limited. The merger was completed in April 2002 after obtaining regulatory approvals.

Netkracker Ltd. In December 2000, we established Netkracker by transferring our retail Internet business into a newly formed Company in which a strategic investor invested Rs. 300 million to acquire a 51% equity share interest. We retained a 49% equity share interest and also acquired additional convertible preference shares in Netkracker for an aggregate amount of Rs. 54 million. In March 2002, we converted such preference shares to equity shares and increased our equity interest in Netkracker to 79%. In March 2002, we agreed to acquire an additional 19% equity share interest in Netkracker from the strategic investor for Rs. 30 million in cash and a contingent cash consideration that is payable on the occurrence of certain specified events. We believe that the occurrence of such specified events are within our control and as a result have determined that the contingent consideration is not payable. Accordingly, the transaction was accounted for as a purchase business combination. The amounts assigned to the net assets of Netkracker exceed the cost of acquisition and this excess was initially used to reduce the amounts allocated to certain eligible assets. Since the remaining excess of Rs. 96 million is not material we have reported it as a component of other income and not as an extraordinary gain.

Gain on Sale of Stock of Affliates

Pursuant to a joint venture agreement in the year ended March 31, 2000, our affiliate, Wipro Net Ltd., issued equity shares to KPN Telecom which increased the carrying value of our equity interest by Rs. 266 million. Further, we sold equity shares of Wipro Net Ltd., to KPN Telecom for a gain of Rs. 146 million.

Income Taxes

Our net income earned from providing services in client premises outside India is subject to tax in the country where we perform the work. Most of our tax paid in countries other than India can be applied as a credit against our Indian tax liability to the extent that the same income is subject to tax in India.

Currently, we benefit from tax holidays the Government of India gives to the export of information technology services from specially designated "Software Technology Parks" in India. As a result of these incentives, our operations have been subject to relatively insignificant Indian tax liabilities.

These tax incentives currently include a 10-year tax holiday from payment of Indian corporate income taxes for the operation of our Indian facilities, all of which are "Export Oriented Undertakings" or located in "Software Technology Parks" or "Export Processing Zones;" and an income tax deduction of 100% for profits derived from exporting information technology services. We can use either of these two tax incentives. As a result of these two tax incentives, a substantial portion of our pre-tax income has not been subject to significant tax in recent years. For the years ended March 31, 2000, 2001 and 2002, without accounting for the double taxation treaty set-offs, our tax benefits were Rs. 1,104 million, Rs. 2,389 million and Rs. 2,862 million, respectively, from such tax incentives.

The Finance Act, 2000 phases out the 10-year tax holiday over a ten year period from fiscal 2000 through fiscal 2009. Accordingly, facilities set up on or before March 31, 2000, have a 10-year tax holiday, new facilities set up on or before March 31, 2001, have a 9-year tax holiday and so forth until March 31, 2009, after which the tax holiday will no longer be available to new facilities. Our current tax holidays expire in stages by 2009. Additionally, the Finance Act, 2002 has subjected ten percent of all income derived from services located in "Software Technology Parks" to income tax for a one-year period ending March 31, 2003.

The Finance Act, 2000 also restricts the scope of the tax exemption to export income earned by software development centers that are "Export Oriented Undertakings" or located in "Software Technology Parks" or "Export Processing Zones" as compared to the earlier exemption which was available to business profits earned by them. For companies opting for the 100% tax deduction for profits derived from exporting information technology services, the Finance Act, 2000 phases out the income tax deduction over the next five years beginning on April 1, 2000.

Results of Operations

Years ended March 31, 2002 and 2001

Revenue. Our total revenue increased 10% from Rs. 30,787 million for the year ended March 31, 2001 to Rs. 33,981 million for the year ended March 31, 2002. Revenue growth was driven primarily by a 27% increase in revenue from Global IT Services and Products. Revenues of India and AsiaPac IT Services and Products and Consumer Care & Lighting declined by 19% and 7%, respectively, partially offsetting the revenue increase of Global IT Services and Products.

Global IT Services & Products revenue increased 27% from Rs. 17,797 million for the year ended March 31, 2001 to Rs. 22,668 million for the year ended March 31, 2002. Revenue from technology services increased by 22%. This increase is attributable to increased services provided to telecommunications and Internet service providers. Revenue from Telecom and Internetworking , declined 6%, reflecting the softness in demand from telecom equipment manufacturers. Revenue from enterprise services increased 22%. This was primarily driven by increased revenues we received from services provided to financial services, retail and utility companies. We added over 107 new clients during the year, accounting for over 14% of our total Global IT Services and Products revenue for the year. The total number of clients that individually accounted for over $5 million in revenues increased from 15 to 23. Revenue from products were primarily from the sale of hardware and software products along with services in a system integration project.

India and AsiaPac IT Services & Products revenue declined 19% from Rs. 8,598 million for the year ended March 31, 2001 to Rs. 6,951 million for the year ended March 31, 2002. The current weak economic environment has reduced the demand for IT products in the Indian markets. The decrease in revenue from products was primarily due to a 15% decline in revenue from manufactured products and a 31% decline in revenue from traded products. These decreases were partially offset by a 2% growth in revenue from Services.

Consumer Care and Lighting revenues declined 7% from Rs. 3,144 million for the year ended March 31, 2001 to Rs. 2,939 million for the year ended March 31, 2002. This was primarily attributable to a decline in revenue from soap products.

Revenue from Others increased by 26%, from Rs. 1,329 million for the year ended March 31, 2001 to Rs. 1,680 million for the year ended March 31, 2002. Most of this increase is attributable to revenue from Wipro Net which has been included to Others since December 2000. Prior to December 2000, Wipro Net was an affiliate of Wipro Limited. In December 2000 we acquired the minority interest held by KPN Telecom and Wipro Net became a wholly owned subsidiary of Wipro. On a comparable basis, revenues of Others declined by 1%.

Cost of Revenue. As a percentage of total revenue, cost of revenue remained at 61% for the year ended March 31, 2002.

As a percentage of Global IT Services revenue, cost of Global IT Services revenue increased by 1% from 52% in the year ended March 31, 2001 to 53% in the year ended March 31, 2002. This increase is primarily due to a 5% decline in IT professional utilization rates from 65% in fiscal 2001 to 60% in fiscal 2002 and a modest increase in compensation for overseas onsite employees. This is partially offset by a 12% increase in our offshore billing rates and a 15% increase in our onsite billing rates.

As a percentage of Global IT Products revenue, cost of Global IT Products revenue was 92% in the year ended March 31, 2002. There was no revenue from sale of products in the year ended March 31, 2001.

As a percentage of India and AsiaPac IT Products revenue, cost of India and AsiaPac IT Products revenue, increased by 3% from 81% for the year ended March 31, 2001 to 84% for the year ended March 31, 2002. This was primarily due to an increase in the sales of lower margin products.

As a percentage India and AsiaPac IT Services revenue, cost of India and AsiaPac IT Services revenue declined by 8% from 53% for the year ended March 31, 2001 to 45% for the year ended March 31, 2002. This decrease was primarily due to an increase in the sales of higher margin services.

As a percentage of Consumer Care and Lighting revenue, cost of Consumer Care and Lighting revenue decreased marginally by 1% from 70% for the year ended March 31, 2001 to 69% for the year ended March 31, 2002. Most of this decrease resulted from an improvement in operating efficiencies, which was partially offset by lower margins on soap products.

As a percentage of revenues, cost of revenues of Others increased by 9% from 72% for the year ended March 31, 2001 to 81% for the year ended March 31, 2002. This increase was primarily attributable to the inclusion of Wipro Net in Others since December 2000. On a comparable basis, cost of revenues of Others decreased by 2% from 81% in the year ended March 31, 2001 to 79% in the year ended March 31, 2002.

Selling, general and administrative expenses. Selling, general and administrative expenses increased 1% from Rs. 4,835 million for the year ended March 31, 2001, to Rs. 4,873 million for the year ended March 31, 2002. The total increase in selling, general and administrative expenses of Rs. 38 million was attributable to decrease of Rs. 42 million in Global IT Services and Products, Rs. 114 million in India and AsiaPac IT Services and Products, Rs. 21 million in Consumer Care and Lighting, Rs. 54 million in Reconciling items, and an increase of Rs. 269 million in Others.

Selling, general and administrative expenses for Global IT Services and Products declined by 2% from Rs. 2,575 million for the year ended March 31, 2001 to Rs. 2,533 million for the year ended March 31, 2002. This decrease is primarily due to cost control measures and lower advertisement expenditure.

Selling, general and administrative expenses for India and AsiaPac IT Services and Products declined by 8% from Rs. 1,392 million for the year ended March 31, 2001 to Rs. 1,278 million for the year ended March 31, 2002. This decrease was primarily due to cost control measures and lower travel related expenditure.

Selling, general and administrative expenses for Consumer Care and Lighting declined by 4% from Rs. 539 million for the year ended March 31, 2001 to Rs. 518 million for the year ended March 31, 2002. Most of this decrease resulted from the reduction of sales promotion expenses.

Selling, general and administrative expenses for Others increased by 167% from Rs. 161 million for the year ended March 31, 2001 to Rs. 430 million for the year ended March 31, 2002. This was primarily attributable to the inclusion of Wipro Net in Others since December 2000. On a comparable basis, Selling general and administrative expenses of Others increased by 23% from Rs. 184 million for the year ended March 31, 2002 to Rs. 226 million for the year ended March 31, 2002.

Foreign exchange gains. Foreign exchange gains increased to Rs. 219 million for the year ended March 31, 2002, from Rs. 120 million for the year ended March 31, 2001. This was primarily due to the depreciation of Indian rupee agains the United States dollar and an increase in our export revenues. During fiscal 2002, the Indian Rupee declined by over 4% against the U.S. dollar. Revenues from exports of our products and services increased 20% to Rs. 21,912 million from Rs. 18,323 million in the year ended March 31, 2001.

Operating Income. As a result of foregoing factors, operating income increased 10% from Rs. 7,553 million for the year ended March 31, 2001 to Rs. 8,315 million for the year ended March 31, 2002. Operating income of Global IT Services and Products increased by 26% to Rs. 7,609 million offsetting a 30% and 11% decline in operating income of India and AsiaPac IT Services and Products and Consumer Care and Lighting to Rs. 579 million and Rs. 403 million, respectively.

Other income (net). Other income (net) increased to Rs. 839 million for the year ended March 31, 2002 from Rs. 87 million for the year ended March 31, 2001. The cash surpluses generated by our operations and the proceeds from our ADR offering have been invested in money market instruments. The increase in other income is primarily due to interest income and realized gains on these short-term investments.

Income Taxes. Income taxes declined by 16% from Rs. 1,150 million for the year ended March 31, 2001 to Rs. 971 million for the year ended March 31, 2002. Our effective tax rate decreased by 5% to 10%. The reduction in the effective tax rate was primarily due to the following :

- An increase in the proportion of total revenue from Global IT Services and Products;
- An increase in the proportion of Global IT Services and Products revenue from geographies having lower tax rates;
- An increase in the proportion of the income from domestic investments being realized in a tax-free manner; and
- Favourable tax assessments.

Equity in earnings of affiliates. Equity in earnings of affiliates was Rs. 147 million for the year ended March 31, 2002. For the year ended March 31, 2001 equity in losses of affiliates was Rs. 53 million for the year ended March 31, 2001. Most of this increase is attributable to the consolidation of Wipro Net since December 2000. Equity in losses of Wipro Net for the year ended March 31, 2001 was Rs. 136 million. Equity in earnings of Wipro GE increased to Rs. 234 million for the year ended March 31, 2002 from Rs. 184 million in the year ended March 31, 2001.

Income from continuing operations. As a result of the foregoing factors, income from continuing operations increased 29% from Rs. 6,437 million for the year ended March 31, 2001 to Rs. 8,330 million for the year ended March 31, 2002.

Years ended March 31, 2001 and 2000

Revenue. Our total revenue increased by 35% from Rs. 22,827 million for the year ended March 31, 2000 to Rs. 30,787 million for the year ended March 31, 2001. The increase in total revenue was attributable to increases of 70% and 6% from Global IT Services and Products and Indian IT Services and Products respectively and a decrease of 2% in revenue of Consumer Care & Lighting and 4% decrease in revenue in Others.

Global IT Services and Products revenue increased 70% from Rs. 10,459 million for the year ended March 31, 2000 to Rs. 17,797 million for the year ended March 31, 2001. The increase resulted from the growth in the number and the size of projects performed for clients. The total number of clients who accounted for over $1 million in revenue for the year increased from 39 during the year ended March 31, 2000 to 65 during the year ended March 31, 2001. The total number of clients who individually accounted for over $5 million in revenues increased from 11 in year ended March 31, 2000 to 15 for the year ended March 31, 2001. Over 114 new clients were added during the year ended March 31, 2001, accounting for 9% of our Global IT Services and Products revenues for the year.

India and AsiaPac IT Services and Products revenues increased 6% from Rs. 8,076 million for the year ended March 31, 2000 to Rs. 8,598 million for the year ended March 31, 2001. This increase resulted from a 32% increase in the sale of computers and networking equipment, a 24% increase in Services, and a 64% decrease in revenues as a result of the sale of our Peripherals Services Division as a separate legal entity effective September 1, 2000.

Consumer Care and Lighting revenue declined 2% from Rs. 3,192 million for the year ended March 31, 2000 to Rs. 3,144 million for the year ended March 31, 2001.

Revenue from Others decreased by 4% from Rs. 1,381 million for the year ended March 31, 2000 to Rs. 1,329 million for the year ended March 31, 2001. This decrease was attributable to the sale of a 45% interest in Wipro Net, effective December, 1999, subsequent to which our interest in Wipro Net has been accounted for under the equity method, and the acquisition in December, 2000, of the minority interest held by KPN Telecom after which revenues of Wipro Net are included in Others.

Cost of Revenue. As a percentage of total revenue, cost of revenue decreased from 70% for the year ended March 31, 2000 to 61% for the year ended March 31, 2001. This decrease was primarily attributable to an increase in the proportion of Global IT Services revenue from 46% to 58% of total revenues. Our Global IT Services and Products business segment typically has a higher gross margin than our other lines of business.

As a percentage of Global IT Services and Products revenue, cost of Global IT Services and Products revenue decreased from 59% for the year ended March 31, 2000 to 52% for the year ended March 31, 2001. This decrease as a percentage of revenue resulted from increased billing rates and increase in composition of revenues from R&D services to 50% of revenues during the year ended March 31, 2001 from 46% in the year ended March 31, 2000. Billing rates increased on average by over 15% during the year ended March 31, 2001 compared to rates during the previous year.

As a percentage of India and AsiaPac IT Services and Products revenues, cost of of India and AsiaPac IT Services and Products revenue decreased from 81% for the year ended March 31, 2000 to 75% for the year ended March 31, 2001. Our Peripherals Services Division was spun off as a separate legal entity effective September 1, 2000. Our Peripherals Services Division historically had a higher percentage of product revenues and consequently a higher cost of revenues. The decrease was also due to an increase in percentage of services revenue up from 19% for the year ended March 31, 2000, to 22% for the year ended March 31, 2001.

As a percentage of Consumer Care and Lighting revenue, cost of Consumer Care and Lighting revenue decreased from 71% for the year ended March 31, 2000 to 70% for the year ended March 31, 2001. Most of the decrease as a percentage of revenues resulted from an increase in the proportion of revenue from soaps and lighting products, which typically have a higher gross margin than hydrogenated vegetable oils. This decrease was partly offset by increased reliance on outsourcing a portion of the manufacturing of our lighting products.

As a percentage of revenues, cost of revenues of Others decreased from 78% for the year ended March 31, 2000 to 72% for the year ended March 31, 2001. This decrease was attributable to the sale of a 45% interest in Wipro Net, effective December, 1999, subsequent to which our interest in Wipro Net has been accounted for under the equity method, and the acquisition in December, 2000, of the minority interest held by KPN Telecom after which revenues of Wipro Net are included in Others.

Selling, general and administrative expenses. Selling, general and administrative expenses increased 49% from Rs. 3,251 million for the year ended March 31, 2000, to Rs. 4,835 million for the year ended March 31, 2001. The total increase in selling, general and administrative expenses of Rs. 1,584 million was attributable to increase of Rs. 1,230 million, Rs. 294 million, Rs. 77 million, Rs. 46 million in Global IT Services and Products, India and AsiaPac IT Services and Products, Consumer Care and Lighting and Reconciling items respectively and a decline of Rs. 63 million in Others.

Selling, general and administrative expenses for Global IT Services and Products increased 91% from Rs. 1,345 million for the year ended March 31, 2000 to Rs. 2,575 million for the year ended March 31, 2001. The increase was primarily due to an increase in the number of sales and marketing personnel from 49 to 67, increased compensation and, increased marketing expenses.

Selling, general and administrative expenses of India and AsiaPac IT Services and Products increased 27% from Rs. 1,098 million for the year ended March 31, 2000 to Rs. 1,392 million for the year ended March 31, 2001. This increase resulted from an increase in advertising and marketing expenses, traveling expenses and a higher depreciation charge.

Selling, General and Administrative expenses for Consumer Care and Lighting increased 17% from Rs. 462 million for the year ended March 31, 2000 to Rs. 539 million for the year ended March 31, 2001. Most of the increase resulted from increased advertising and sales promotion expenses.

Selling, general and administrative expenses for Others decreased 28% from Rs. 224 million for the year ended March 31, 2000 to Rs. 161 million for the year ended March 31, 2001.

Operating Income. As a result of foregoing factors, operating income increased 109%, from Rs. 3,617 million for the year ended March 31, 2000, to Rs. 7,553 million for the year ended March 31, 2001.

Other income (net) increased to Rs. 87 million for the year ended March 31, 2001, from Other expense (net) of Rs. 284 million for the year ended March 31, 2000. The increase in other income is primarily due to interest income received on the investments made out of the cash surpluses generated by our operations and the proceeds from our ADR offering.

Income taxes. Income taxes increased 119%, from Rs. 525 million for the year ended March 31, 2000 to Rs. 1,150 million for the year ended March 31, 2001. Our effective tax rate increased to 15% for the year ended March 31, 2001 from 14% for the year ended March 31, 2000. The increase in the effective tax rate, resulted from an increased proportion of revenues of Global IT Services business from Europe and Japan where our income is subject to higher taxation. The tax rates applicable to domestic income increased from 38.5% in the year ended March 31, 2000 to 39.6% in the year ended March 31, 2001.

Income from continuing operations. As a result of the foregoing factors, income from continuing operations increased 93% from Rs. 3,333 million for the year ended March 31, 2000 to Rs. 6,437 million for the year ended March 31, 2001.

Liquidity and Capital Resources

Our capital requirements relate primarily to financing the growth of our Global IT Services and Products and India and AsiaPac IT Services and Products businesses. We have historically financed the majority of our working capital, capital expenditure and other requirements through our operating cash flow, and to a limited extent through bank loans.

Investments in inter-corporate deposits technically do not meet the definition of investment securities and hence are included in other current assets. Excluding the impact of these investments, cash flow from operations for the years ended March 31, 2000, 2001 and 2002 was Rs. 3,515 million, Rs. 5,941 million and Rs. 9,075 million, respectively. For the years ended March 31, 2000, 2001 and 2002, capital expenditure was Rs. 1,318 million, Rs. 2,626 million and Rs. 2,485 million, respectively. This expenditure was financed primarily through cash generated from our operations.

As of March 31, 2002, we had total debt of Rs. 291 million comprised borrowings from a consortium of banks of Rs. 182 million, under a line of credit of Rs. 2,650 million, secured by inventory and accounts receivable and other borrowings of Rs. 109 million, secured by liens over our property, plant and equipment and certain investments.

We expect that our primary financing requirements in the future will be capital expenditures and working capital requirements in connection with growing our business. We believe that cash generated from operations, along with the net proceeds of our initial U.S. public offering in October 2000 of 3,162,500 American Depositary Shares (including the exercise of the underwriter's overallottment option to purchase 412,500 ADSs) representing 3,162,500 Equity Shares, will be sufficient to satisfy our currently foreseeable working capital and capital expenditure requirements. However, our liquidity and capital requirements are affected by many factors, some of which are based on the normal ongoing operations of our businesses and some of which arise from uncertainties related to global economies and the sectors that we target for our services. In the future, we may require or choose to obtain additional debt or equity financing. We cannot be certain that additional financing, if needed, will be available on favorable terms. We routinely review potential acquisitions, however currently we have no agreements to enter into any material acquisition.

Trend Information

Our Global IT Services and Products business segment is subject to fluctuations primarily resulting from factors such as:

- The effect of seasonal hiring which occurs in the quarter ended September 30;
- The time required to train and productively utilize new employees;
- The proportion of services we perform at client sites;
- Exchange rate fluctuations; and
- The size, timing and profitability of new projects.

Our India and AsiaPac IT Services and Products business segment is also subject to seasonal fluctuations. Our product revenue is driven by capital expenditure budgets and the spending patterns of our clients who often delay or accelerate purchases in reaction to tax depreciation benefits on capital equipment. As a result, our India and AsiaPac IT Services and products revenues for the quarters ended March 31 and September 30 are typically higher than other quarters of the year. We believe the impact of this fluctuation on our revenues will decrease as the proportion of services revenue increases.

Our Consumer Care and Lighting business segment is also subject to seasonal fluctuations. Demand for hydrogenated cooking oil is greater during the Indian festival season and has increased revenues from our Consumer Care business for the quarters ended September 30 and December 31. Our revenues in this segment are also subject to commodity price fluctuations. In the twelve quarters ended March 31, 2002, the price of the commodity component of our hydrogenated oil products decreased significantly which resulted in significantly lower revenues from hydrogenated oil products, however growth in revenues from soaps and lighting products has offset this decline in revenue.

Our quarterly revenue, operating income and net income have varied significantly in the past and we expect that they are likely to vary in the future. You should not rely on our quarterly operating results as an indication of future performance. Such quarterly fluctuations may have an impact on the price of our equity shares and ADSs.

Recent accounting pronouncements: In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No.141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No.141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 as well as all purchase method business combinations completed after June 30, 2001. SFAS No. 141 also specifies the criteria intangible assets acquired in a purchase method business combination must meet to be recognized and reported apart from goodwill, noting that any purchase price allocated to an assembled workforce may not be accounted for separately. SFAS No. 142 will require that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead be tested for impairment at least annually in accordance with the provisions of SFAS No. 142. SFAS No. 142 will also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment in accordance with SFAS No. 121 and SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets.

We are required to adopt the provisions of SFAS No. 141 immediately, and SFAS No. 142 effective April 1, 2002. Furthermore, any goodwill and any intangible assets determined to have an indefinite useful life that are acquired in a purchase business combination completed after June 30, 2001, will not be amortized, but will continue to be evaluated for impairment in accordance with the relevant accounting literature that is applicable until the adoption of SFAS No. 142. Goodwill and intangible assets acquired in business combinations completed before July 1, 2001, will continue to be amortized prior to the adoption of SFAS No. 142.

Upon adoption of SFAS No. 142, SFAS No. 141 will require us to evaluate its existing intangible assets and goodwill that were acquired in prior purchase business combinations, and to make any necessary reclassifications in order to conform with the new criteria in SFAS No. 141 for recognition apart from goodwill. Upon adoption of SFAS No. 142, we will be required to reassess the useful lives and residual values of all intangible assets acquired in purchase business combinations, and make any necessary amortization period adjustments by the end of the first interim period after adoption. In addition, to the extent an intangible asset is identified as having an indefinite useful life, we will be required to test the intangible asset for impairment in accordance with the provisions of SFAS No. 142 within the first interim period. Any impairment loss will be measured as of the date of adoption and recognized as the cumulative effect of a change in accounting principle in the first interim period.

In connection with the transitional goodwill impairment evaluation, SFAS No. 142 will require us to perform an assessment of whether there is an indication that goodwill is impaired as of the date of adoption. To accomplish this we must identify our reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of adoption. We will then have up to six months from the date of adoption to determine the fair value of each reporting unit and compare it to the reporting unit's carrying amount. To the extent a reporting unit's carrying amount exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and we must perform the second step of the transitional impairment test. In the second step, we must compare the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of its assets (recognized and unrecognized) and liabilities in a manner similar to a purchase price allocation in accordance with SFAS No. 141, to its carrying amount, both of which must be measured as of the date of adoption. This second step is required to be completed as soon as possible, but no later than the end of the year of adoption. Any transitional impairment loss will be recognized as the cumulative effect of a change in accounting principle in our statement of income.

As of the date of adoption, we will have unamortized goodwill in the amount of Rs. 656 million which will be subject to the transition provisions of SFAS No. 141 and 142. Amortization expense related to goodwill was Rs. 1 million, Rs. 45 million and Rs. 176 million for the years ended March 31, 2000, 2001 and 2002, respectively. Adoption of SFAS Nos. 141 and 142, will not have a significant impact on our financial statements.

In August 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations. SFAS No. 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the entity capitalizes a cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. The standard is effective for fiscal years beginning after June 15, 2002.

In August 2001, the FASB issued SFAS No. 144, which requires that specified long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. Under SFAS No. 144, discontinued operations will no longer be measured at net realizable value or include amounts for operating losses that have not yet been incurred. The provisions of SFAS No. 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001.

Adoption of SFAS No. 143 and 144, will not have a significant impact on our financial statements.

Quantitative and Qualitative Disclosures About Market Risk

General

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt.

Our exposure to market risk is a function of our investment and borrowing activities and our revenue generating activities in foreign currency. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss. Most of our exposure to market risk arises out of our foreign currency account receivables and our investments in foreign currency denominated securities.

Risk Management Procedures

We manage market risk through a corporate treasury department, which evaluates and exercises independent control over the entire process of market risk management. Our corporate treasury department recommends risk management objectives and policies which are approved by senior management and our audit committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies on a daily basis.

Components of Market Risk

Our exposure to market risk arises principally from exchange rate risk. Interest rate risk is the other component of our market risk.

Exchange rate risk. Our exchange rate risk primarily arises from our foreign exchange revenues, receivables and payables, investments in foreign currency denominated securities and foreign currency debt. We evaluate our exchange rate exposure arising from these transactions and enter into foreign currency forward contracts to mitigate such exposure. We have approved risk management policies that require us to hedge a significant portion of our exposure. Current Indian regulations do not permit us to hedge the exposure on foreign currency denominated securities. Our net exchange rate exposure for the years ended March 31, 2001 and 2002, was $37.5 million and $15.5 million, respectively.

The forward contracts typically mature between one through six months. The counter parties for our exchange contracts are banks and we consider the risk of non-performance by the counter parties as non-material. These forward contracts are effective hedges from an economic perspective, however they do not qualify for hedge accounting under SFAS No. 133, as amended. We estimate that changes in exchange rates will not have a material impact on our operating results or cash flow.

Interest rate risk. Our interest rate risk primarily arises from our long-term debt. We adopt appropriate borrowing strategies to manage our interest rate risk. Additionally, we enter into interest rate swap agreements to hedge interest rate risk.

A maturity profile as of March 31, 2002 of our debt is set forth below :

Maturing in year ending March 31 :	Total
	(in millions)
2003	Rs. 79
2004	28
2005	1
2006	-
Thereafter	-
Total	Rs. 108

As of March 31, 2001, and 2002, we had interest rate swap agreements outstanding in the notional principal amount of $3.3 million and $Nil, which represent hedges of interest rate risk on our foreign currency debt. The counter parties for our interest rate agreements are banks, and we consider the risk of non-performance by the counter parties as non- material.

Based on the maturity profile and composition of our debt portfolio, we estimate that changes in interest rates will not have a material impact on our operating results or cash flows.

Our temporary resources are generally invested in short-term investments, which generally do not expose us to significant interest rate risk.

Fair value. The fair value of our market rate risk sensitive instruments closely approximates their carrying value.

Critical accounting policies

Critical accounting policies are defined as those in our view, most important to the portrayal of the Company's financial condition and results and that are most demanding on our calls on judgment. We believe that the accounting policies discussed below are the most critical accounting policies. For a detailed discussion on the application of these and other accounting policies, please refer to Note 2 in the Notes to the Consolidated Financial Statements.

Revenue Recognition

We derive our revenues primarily from two sources: (i) product revenue; and (ii) service revenue.

Product Revenue

Product revenue is recognized when there is persuasive evidence of a contract, the product has been delivered, the sales price is fixed or determinable, and collectibility is reasonably assured. The product is considered delivered to the customer once it has been shipped, and title and risk of loss has been transferred. If we are obligated to perform installation services and a portion of the sales consideration is payable only on the completion of installation services, then the entire revenue is deferred and recognized on the completion of the installation services.

We consider a binding purchase order or a signed contract as persuasive evidence of an arrangement. Persuasive evidence of an arrangement may take different forms depending upon the customary practices of a specific class of customers.

Service Revenue

Service revenue is recognized when there is persuasive evidence of a contract, the sales price is fixed or determinable, and collectibility is reasonably assured. Time and material service contract revenue is recognized as the services are rendered. Fixed price service contract revenue is recognized using the percentage-of-completion method of accounting. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. We follow this method when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Since the financial reporting of these contracts depends on estimates, which are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes evident. Maintenance revenue is recognized ratably over the term of the agreement. Revenue from customer training, support and other services is recognized as the related services are performed.

Revenue Arrangements with Multiple Deliverables

In revenue arrangements with multiple deliverables we allocate the total revenues to be earned under the arrangement among the various elements based on their relative fair values. We recognize revenues on the delivered products or services only if:

- The above product or service revenue recognition criteria are met;
- Undelivered products or services are not essential to the functionality of the delivered products or services;
- Payment for the delivered product or services is not contingent upon delivery of the remaining products or services; and
- There is evidence of the fair value for each of the deliverables.

Assessments regarding impact of the undelivered element on functionality of the delivered element, impact of forfeiture and similar contractual provisions and determination of fair value of each element, would affect the timing of revenue recognition and would impact our results of operation.

Principles of consolidation and application of equity method of accounting

Our financial statements include the accounts of our controlled affiliates. Our assessment of control considers the existence of substantive participating rights with the minority holders in majority owned affiliates and the existence of control through contract or other means.

We consolidate the Wipro Equity Reward Trust (WERT). From December 1999 to December 2000 we did not consolidate Wipro Net Limited, a 55% owned affiliate, as the minority shareholder had substantive participating rights.

Investments in affiliates, over which we exercise significant influence, but not control, are accounted for by the equity method. In addition to our percentage ownership of the voting interest, we consider the following to determine the existence of significant influence :

- Inter-company transactions, exchange of personnel, sharing of resources and technological dependence;
- Board representation;
- Unilateral ability to acquire additional equity interest; and
- The amount of funding provided by us to the affiliate.

Accounting Estimates

While preparing financial statements we make estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically we make estimates of the uncollectability of our accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of the customers deteriorates, additional allowances may be required.

Our estimate of liability relating to pending litigation is based on currently available facts and our assessment of the probability of an unfavorable outcome. Considering the uncertainties about the ultimate outcome and the amount of losses we re-assess our estimates as additional information becomes available. Such revisions in our estimates could materially impact our results of operations and our financial position.

We provide for inventory obsolence, excess inventory and inventories with carrying values in excess of realizable values based on our assessment of the future demands, market conditions and our specific inventory management initiatives. If the market conditions and actual demands are less favourable than our estimates, additional inventory write-downs may be required. In all cases inventory is carried at the lower of historical costs or realizable value.

Accounting for Income taxes

As part of the process of preparing our consolidated financial statements we are required to estimate our income taxes in each of the jurisdictions in which we operate. We are subject to tax assessments in each of these jurisdictions. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Though we have considered all these issues in estimating our income taxes, there could be an unfavourable resolution of such issues that may affect our results of operations.

We also assess the temporary differences resulting from differential treatment of certain items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are recognized in our consolidated financial statements. We assess our deferred tax assets on an ongoing basis by assessing our valuation allowance and adjusting the valuation allowance appropriately. In calculating our valuation allowance we consider the future taxable incomes and the feasibility of tax planning initiatives. If we estimate that the deferred tax asset cannot be realized at the recorded value, a valuation allowance is created with a charge to the statement of income in the period in which such assessment is made.

Business Combinations, Goodwill and Intangible Assets

We adopted SFAS No. 141 in fiscal 2002, we will adopt SFAS No. 142 effective April 1, 2002. Upon adoption, we will be required to allocate the existing goodwill to reporting units. Goodwill will not be amortized but will be subject to impairment review. We are required to perform an initial impairment review of our goodwill in fiscal 2003 and an annual impairment review thereafter. We currently do not expect to record an impairment charge upon completion of our initial impairment review.

The process of identifying reporting units, identifying intangible assets separate from goodwill, allocating goodwill to reporting units and reviewing goodwill for impairment is complex. We are required to make significant assumptions and subjective estimates. If any of our assumptions or estimates are revised it may impact our results of operations and financial position.

RISK FACTORS

Risks Related to our Company

Our revenues are difficult to predict because they can fluctuate significantly given the nature of the markets in which we operate. This increases the likelihood that our results could fall below the expectation of market analysts, which could cause the price of our equity shares and ADSs to decline.

Our revenues historically have fluctuated and may fluctuate in the future depending on a number of factors, including:

- the size, timing and profitability of significant projects or product orders;
- the proportion of services we perform at our clients' sites rather than at our offshore facilities;
- seasonal changes that affect the change in the mix of services we provide to our clients or in the relative proportion of services and product revenues;
- seasonal changes that affect purchasing patterns among our consumers of computer peripherals, personal computers, consumer care and other products;
- the effect of seasonal hiring patterns and the time we require to train and productively utilize our new employees; and
- currency exchange fluctuations.

Approximately 59% of our total operating expenses in our Services business of Global IT Services and Products business, particularly personnel and facilities, are fixed in advance of any particular quarter. As a result, unanticipated variations in the number and timing of our projects or employee utilization rates may cause significant variations in operating results in any particular quarter. We believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indications of future performance. Thus, it is possible that in the future some of our quarterly results of operations may be below the expectations of public market analysts and investors, and the market price of our equity shares and ADSs could decline.

If we do not continue to improve our administrative, operational and financial personnel and systems to manage our growth, the value of our shareholders' investment may be harmed.

We have experienced significant growth in our Global IT Services and Products business. We expect our growth to place significant demands on our management and other resources. This will require us to continue to develop and improve our operational, financial and other internal controls, both in India and elsewhere. Our continued growth will increase the challenges involved in:

- recruiting and retaining sufficiently skilled technical, marketing and management personnel;
- providing adequate training and supervision to maintain our high quality standards; and
- preserving our culture, values and entrepreneurial environment.

If we are unable to manage our growth effectively, the quality of our services and products may decline, and our ability to attract clients and skilled personnel may be negatively affected. These factors in turn could negatively affect the growth of our Global IT Services and Products business and harm the value of our shareholders' investment.

Intense competition in the market for IT Services could affect our cost advantages, which could decrease our revenues.

The market for IT Services is highly competitive. Our competitors include software companies, IT companies, large international accounting firms and their consulting affiliates, systems consulting and integration firms, other technology companies and client in-house information services departments, both international and domestic. Many of our competitors have significantly greater financial, technical and marketing resources and generate greater revenue than we do. We cannot be reasonably certain that we will be able to compete successfully against such competitors, or that we will not lose clients to such competitors. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as our ability to attract, motivate and retain skilled employees, the price at which our competitors offer comparable services, and the extent of our competitors' responsiveness to their clients' needs.

Wages in India have historically been lower than wages in the United States and Europe, which has been one of our competitive advantages. Wage increases in India may prevent us from sustaining this competitive advantage and may reduce our profit margins.

Our wage costs in India have historically been significantly lower than wage costs in the United States and Europe for comparably skilled professionals, which has been one of our competitive advantages. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. We may need to increase the levels of our employee compensation more rapidly than in the past to remain competitive. Unless we are able to continue to increase the efficiency and productivity of our employees, wage increases in the long term may reduce our profit margins.

The recent rapid economic slowdown and terrorist attacks in the United States could delay or reduce the number of new purchase orders we receive and disrupt our operations in the United States, which could affect our financial results and prospects.

Approximately 57% of our Global IT Services and Products revenues are from the United States. During an economic slowdown our clients may delay or reduce their IT spending significantly, which may in turn lower the demand for our services and affect our financial results. Recent terrorist attacks in the United States have disrupted normal business practices for extended periods of time, reduced business confidence and have generally increased performance pressures on U.S. companies. As a result several clients have delayed purchase orders with us. Continued, or more severe, terrorist attacks in the United States could cause clients in the U.S. to further delay their decisions on IT spending, which could affect our financial results. Although we continue to believe that we have a strong competitive position in the United States, we have increased our efforts to geographically diversify our clients and revenue.

Our success depends in large part upon our management team and other highly skilled professionals. If we fail to retain and attract these personnel, our business may be unable to grow and our revenues could decline, which may decrease the value of our shareholders' investment.

We are highly dependent on the senior members of our management team, including the continued efforts of our Chairman and Managing Director. Our ability to execute project engagements and to obtain new clients depends in large part on our ability to attract, train, motivate and retain highly skilled professionals, especially project managers, software engineers and other senior technical personnel. If we cannot hire and retain additional qualified personnel, our ability to bid on and obtain new projects, and to continue to expand our business will be impaired and our revenues could decline. We believe that there is significant competition for professionals with the skills necessary to perform the services we offer. We may not be able to hire and retain enough skilled and experienced employees to replace those who leave. Additionally, we may not be able to re-deploy and retrain our employees to keep pace with continuing changes in technology, evolving standards and changing client preferences.

Our Global IT Services and Products service revenues depend to a large extent on a small number of clients, and our revenues could decline if we lose a major client.

While we currently derive, and believe we will continue to derive, a significant portion of our Global IT Services and Products service revenues from a limited number of corporate clients we continue to reduce our dependence on any revenues from service rendered to any one client. The loss of a major client or a significant reduction in the service performed for a major client could result in a reduction of our revenues. General Electric our largest client for the year ended March 31, 2001 and Lattice group our largest client in the year ended March 31, 2002, accounted for 8% and 7% of our Global IT Services and Products revenues, respectively. For the same periods, our ten largest clients accounted for 45% and 42% of our Global IT Services and Products revenues. The volume of work we perform for specific clients may vary from year to year, particularly since we typically are not the only outside service provider for our clients. Thus, a major client in one year may not provide the same level of revenues in a subsequent year.

Restrictions on immigration may affect our ability to compete for and provide services to clients in the United States, which could hamper our growth and cause our revenues to decline.

If U.S. immigration laws change and make it more difficult for us to obtain H-1B and L-1 visas for our employees, our ability to compete for and provide services to clients in the United States could be impaired. In response to recent terrorist attacks in the United States, the U.S. Immigration and Naturalization Service has increased the level of scrutiny in granting visas to people of South-East Asian origin. This restriction and any other changes in turn could hamper our growth and cause our revenues to decline.

Our employees who work on site at client facilities or at our facilities in the United States on temporary and extended assignments typically must obtain visas. As of March 31, 2002, the majority of our personnel in the United States held H-1B visas (721 persons) or L-1 visas (510 persons). An H-1B visa is a temporary work visa, which allows the employee to remain in the U.S. while he or she remains an employee of the sponsoring firm, and the L-1 visa is an intra-company transfer visa, which only allows the employee to remain in the United States temporarily. Although there is no limit to new L-1 petitions, there is a limit to the aggregate number of new H-1B petitions that the U.S. Immigration and Naturalization Service may approve in any government fiscal year. We may not be able to obtain the H-1B visas necessary to bring critical Indian professionals to the United States on an extended basis during years in which this limit is reached. This limit was reached in March 2000 for the U.S. Government's fiscal year ended September 30, 2000. While we anticipated that this limit would be reached before the end of the U.S. Government's fiscal year, and made efforts to plan accordingly, we cannot assure you that we will continue to be able to obtain a sufficient number of H-1B visas on the same time schedule as we have previously, or at all.

Our costs could increase if the Government of India reduces or withholds tax benefits and other incentives it provides to us.

Currently, we benefit from certain tax incentives under Indian tax laws. As a result of these incentives, our operations have been subject to relatively insignificant Indian tax liabilities. These tax incentives currently include a 10-year tax holiday from payment of Indian corporate income taxes for our Global IT Services and Products business operated from specially designated "Software Technology Parks" in India and an income tax deduction of 100% for profits derived from exporting information technology services. As a result, a substantial portion of our pre-tax income has not been subject to significant tax in recent years. For the years ended March 31, 2001 and 2002, without accounting for double taxation treaty set-offs, our tax benefits were Rs. 2,389 million, and Rs. 2,862 million, from such tax incentives. We are currently also eligible for exemptions from other taxes, including customs duties. The Finance Act, 2000 phases out the ten year tax holiday over a ten year period from the financial year 1999-2000 to financial year 2008-2009. Our current tax holidays expire in stages by 2009. Additionally, the recently enacted Finance Act, 2002 subjects ten percent of all income derived from services located in " Software Technology Parks" to income tax for the one-year period ending March 31, 2003. For companies opting for the 100% tax deduction for profits derived from exporting information technology services, the Finance Act, 2000 phases out the income tax deduction over the next five years beginning on April 1, 2000. When our tax holiday and income tax deduction exemptions expire or terminate, our costs will increase. Additionally, the government of India could enact similar laws in the future, which could further impair our other tax incentives.

We focus on high-growth industries, such as networking and communications. Any decrease in demand for technology in such industries may significantly decrease the demand for our services, which may impair our growth and cause our revenues to decline.

Approximately 50% of our Global IT Services and Products business is derived from clients in high growth industries who use our IT Services for networking and communications equipment. The recent rapid economic slowdown in U.S. may adversely affect the growth prospects of these companies. Any significant decrease in the growth of these industries will decrease the demand for our services and could reduce our revenue.

Our failure to complete fixed-price, fixed-time frame contracts on budget and on time may negatively affect our profitability, which could decrease the value of our shareholders' investment.

We offer a portion of our services on a fixed-price, fixed-time frame basis, rather than on a time-and-materials basis. Although we use specified software engineering processes and our past project experience to reduce the risks associated with estimating, planning and performing fixed-price, fixed- time frame projects, we bear the risk of cost overruns, completion delays and wage inflation in connection with these projects. If we fail to accurately estimate the resources and time required for a project, future rates of wage inflation and currency exchange rates, or if we fail to complete our contractual obligations within the contracted time frame, our profitability may suffer.

Disruptions in telecommunications could harm our service model, which could result in a reduction of our revenues.

A significant element of our business strategy is to continue to leverage and expand our software development centers in Bangalore, Chennai, Gurgaon, Hyderabad and Pune, India, as well as overseas. We believe that the use of a strategically located network of software development centers will provide us with cost advantages, the ability to attract highly skilled personnel in various regions of the country and the world, the ability to service clients on a regional and global basis, and the ability to provide services to our clients 24 hours a day, seven days a week. Part of our service model is to maintain active voice and data communications between our main offices in Bangalore, our clients' offices, and our other software development and support facilities. Although we maintain redundancy facilities and satellite communications links, any significant loss in our ability to transmit voice and data through satellite and telephone communications would result in a reduction of our revenues.

Our international operations subject us to risks inherent in doing business on an international level that could harm our operating results.

While to date most of our software development facilities are located in India and in the United States, we intend to establish new development facilities, including potentially in Southeast Asia and Europe. We have not yet made substantial contractual commitments to establish any new facilities and we cannot assure you that we will not significantly alter or reduce our proposed expansion plans. Because of our limited experience with facilities outside of India, we are subject to additional risks including, among other things, difficulties in regulating our business globally, export requirements and restrictions, and multiple and possibly overlapping tax structures. Any of these events could harm our future performance.

We may engage in future acquisitions, investments, strategic partnerships or other ventures that may harm our performance, dilute our shareholders and cause us to incur debt or assume contingent liabilities.

We may acquire or make investments in complementary businesses, technologies, services or products, or enter into strategic partnerships with parties who can provide access to those assets. We may not identify suitable acquisition, investment or strategic partnership candidates, or if we do identify suitable candidates, we may not complete those transactions on terms commercially acceptable to us or at all. If we acquire another company, we could have difficulty in assimilating that company's personnel, operations, technology and software. In addition, the key personnel of the acquired company may decide not to work for us. If we make other types of acquisitions, we could have difficulty in integrating the acquired products, services or technologies into our operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. As of the date of this report, we have no agreement to enter into any material investment or acquisition transaction.

We may be liable to our clients for damages caused by system failures, which could damage our reputation and cause us to lose customers.

Many of our contracts involve projects that are critical to the operations of our clients' businesses, and provide benefits that may be difficult to quantify. Any failure in a client's system could result in a claim for substantial damages against us, regardless of our responsibility for such failure. Although we attempt to limit our contractual liability for damages resulting from negligent acts, errors, mistakes or omissions in rendering our services, we cannot be assured that the limitations on liability we provide for in our service contracts will be enforceable in all cases, or that it will otherwise protect us from liability for damages.

Risks Related to Investments in Indian Companies

We are incorporated in India, and substantially all of our assets and our employees are located in India. Consequently, our financial performance and the market price of our ADSs will be affected by political, social and economic developments affecting India, Government of India policies, including taxation and foreign investment policies, government currency exchange control, as well as changes in exchange rates and interest rates.

Regional conflicts in South Asia could adversely affect the Indian economy, disrupt our operations and cause our business to suffer.

South Asia has from time to time experienced instances of civil unrest and hostilities among neighboring countries, including between India and Pakistan. In recent years there have been military confrontations between India and Pakistan that have occurred in the region of Kashmir. The potential for such hostilities has recently increased as a result of terrorist attacks in the U.S. and the recent attack on the Indian Parliament has increased tensions between India and Pakistan. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our ADSs, and on the market for our services.

Political instability or changes in the government in India could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The Government of India has changed five times since 1996. The current Government of India, formed in October 1999, has announced policies and taken initiatives that support the continued economic liberalization policies that have been pursued by previous governments. We cannot assure you that these liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting technology companies, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

Indian law limits our ability to raise capital outside India and may limit the ability of others to acquire us, which could prevent us from operating our business or entering into a transaction that is in the best interests of our shareholders.

Indian law constraints our ability to raise capital outside India through the issuance of equity or convertible debt securities. Generally, any foreign investment in, or an acquisition of, an Indian company requires approval from relevant government authorities in India including the Reserve Bank of India. However, the Government of India currently does not require prior approvals for IT companies, subject to certain exceptions. Under any such exception, if the Government of India does not approve the investment or implements a limit on the foreign equity ownership of IT companies, our ability to seek and obtain additional equity investment by foreign investors will be constrained. In addition, these restrictions, if applied to us, may prevent us from entering into a transaction, such as an acquisition by a non-Indian company, which would otherwise be beneficial for our company and the holders of our equity shares and ADSs.

Indian law imposes foreign investment restrictions that limit a holder's ability to convert equity shares into ADSs, which may cause our equity shares to trade at a discount or premium to the market price of our ADSs.

Recently the government of India has permitted two-way fungibility of ADRs, subject however to sectoral caps and certain conditions. Additionally, investors who exchange ADSs for the underlying equity shares and are not holders of record will be required to declare to us details of the holder of record, and the holder of record will be required to disclose the details of the beneficial owner. Any investor who fails to comply with this requirement may be liable for a fine of up to Rs. 1,000 for each day such failure continues. Such restrictions on foreign ownership of the underlying equity shares may cause our equity shares to trade at a discount or premium to the ADSs.

Except for limited circumstances, the Reserve Bank of India must approve the sale of equity shares underlying ADSs by a non-resident of India to a resident of India. Since currency exchange controls are in effect in India, the Reserve Bank of India will approve the price at which equity shares are transferred based on a specified formula, and a higher price per share may not be permitted. Additionally, except in certain limited circumstances, if an investor seeks to convert the rupee proceeds from a sale of equity shares in India into foreign currency and then repatriate that foreign currency from India he or she will have to obtain an additional Reserve Bank of India approval for each transaction. We cannot assure our ADS holders that any required approval from the Reserve Bank of India or any other government agency can be obtained on any terms or at all.

Our ability to acquire companies organized outside India depends on the approval of the Government of India. Our failure to obtain approval from the Government of India for acquisitions of companies organized outside India may restrict our international growth, which could negatively affect our revenues.

The Ministry of Finance of the Government of India and/or the Reserve Bank of India must approve our acquisition of any company organized outside of India. The Government of India has recently issued a policy statement permitting acquisitions of companies organized outside India with a transaction value :

- if in cash, effective April 28, 2001 up to 100% of the proceeds from an ADS offering; and
- if in stock, the greater of $100 million or ten times the acquiring company's previous fiscal year's export earnings.
- in addition, upto US $ 100 million can be invested under the automatic approval route.

We cannot assure you any required approval from the Reserve Bank of India and/or the Ministry of Finance or any other government agency can be obtained. Our failure to obtain approval from the Government of India for acquisitions of companies organized outside India may restrict our international growth, which could negatively affect our revenues.

The laws of India do not protect intellectual property rights to the same extent as those of the United States, and we may be unsuccessful in protecting our intellectual property rights. Unauthorized use of our intellectual property may result in development of technology, products or services which compete with our products.

Our intellectual property rights are important to our business. We rely on a combination of copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. However, the laws of India do not protect proprietary rights to the same extent as laws in the United States. Therefore, our efforts to protect our intellectual property may not be adequate. Our competitors may independently develop similar technology or duplicate our products or services. Unauthorized parties may infringe upon or misappropriate our products, services or proprietary information.

The misappropriation or duplication of our intellectual property could disrupt our ongoing business, distract our management and employees, reduce our revenues and increase our expenses. We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly. As the number of patents, copyrights and other intellectual property rights in our industry increases, and as the coverage of these rights increases, we believe that companies in our industry will face more frequent patent infringement claims. Defending against these claims, even if not meritorious, could be expensive and divert our attention and resources from operating our company. Although there are no pending or threatened intellectual property lawsuits against us, if we become liable to third parties for infringing their intellectual property rights, we could be required to pay a substantial damage award and forced to develop non-infringing technology, obtain a license or cease selling the applications or products that contain the infringing technology. We may be unable to develop non-infringing technology or to obtain a license on commercially reasonable terms, or at all.

REPORT OF MANAGEMENT

Management of Wipro is responsible for the integrity and objectivity of the consolidated financial statements and related notes. The consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (US GAAP) and include amounts based on judgments and estimates by management. Management is also responsible for the accuracy of the related data in the annual report and its consistency with the financial statements.

Management maintains internal control systems designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and properly recorded, and accounting records are adequate for preparation of financial statements and other financial information. These are reviewed at regular intervals to ascertain their adequacy and effectiveness.

In addition to the system of internal controls, the Company has articulated it's vision and core values which permeate all it's activities. It also has corporate policies to ensure highest standards of integrity in all business transactions, eliminate possible conflicts of interest, ensure compliance with laws, and protect confidentiality of proprietary information. These are reviewed at periodic intervals.

The consolidated financial statements have been audited by the Company's independent auditors, KPMG. Their responsibility is to audit these statements in accordance with generally accepted auditing standards in the United States and express their opinion on the fairness of presentation of the statements.

The Audit Committee of the board comprising entirely of independent directors conducts an ongoing appraisal of the independence and performance of the Company's internal and external auditors and monitors the integrity of Company's financial statements. The Audit Committee meets several times during the year with management, internal auditors and the independent auditors to discuss audit activities, internal controls and financial reporting matters.

Azim H. Premji
Chairman and Chief Executive Officer

S.C. Senapaty
Corporate Executive Vice President – Finance
and Chief Financial Officer

Bangalore, April 17, 2002

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Wipro Limited

We have audited the accompanying consolidated balance sheets of Wipro Limited and subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended March 31, 2002. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wipro Limited and subsidiaries as of March 31, 2002 and 2001, and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

KPMG
Bangalore, India
April 17, 2002

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	As of March 31, 2001	As of March 31, 2002	2002 Convenience translation into US $ (Unaudited)
ASSETS			
Current assets :			
Cash and cash equivalents (Note 4)	Rs. 5,622,681	Rs. 7,377,200	$ 151,079
Accounts receivable, net of allowances (Note 5)	5,878,285	5,980,903	122,484
Costs and earnings in excess of billings on contracts in progress	65,334	1,009,795	20,680
Inventories (Note 6)	1,467,097	1,402,146	28,715
Investment securities (Note 8)	2,562,511	5,043,334	103,284
Deferred income taxes (Note 21)	147,798	179,088	3,668
Other current assets (Note 7)	2,356,261	3,481,308	71,294
Total current assets	18,099,967	24,473,774	501,204
Investment securities (Note 8)	144,105	450,833	9,233
Property, plant and equipment, net (Note 9)	5,479,325	6,261,857	128,238
Investments in affiliates (Note 13)	689,693	898,319	18,397
Deferred income taxes (Note 21)	221,982	265,149	5,430
Intangible assets, net (Note 10)	833,305	656,571	13,446
Other assets (Note 7)	719,084	748,084	15,320
Total assets	Rs. 26,187,461	Rs. 33,754,587	$ 691,267
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities :			
Borrowings from banks (Note 15)	Rs. 346,650	Rs. 182,260	$ 3,733
Current portion of long-term debt (Note 16)	1,326,196	78,993	1,618
Accounts payable	1,847,243	2,238,900	45,851
Accrued expenses	1,899,389	1,943,647	39,804
Advances from customers	970,971	1,121,107	22,959
Other current liabilities (Note 11)	493,547	493,950	10,116
Total current liabilities	6,883,996	6,058,857	124,081
Long-term debt, excluding current portion (Note 16)	95,031	29,770	610
Deferred income taxes (Note 21)	90,642	115,453	2,364
Other liabilities	37,179	93,240	1,909
Total liabilities	7,106,848	6,297,320	128,964
Stockholders' equity :			
Equity shares at Rs. 2 par value: 375,000,000 shares authorized as of March 31, 2001 and 2002; Issued and outstanding : 232,433,019 shares and 232,465,689 shares as of March 31, 2001 and 2002, respectively (Note 17)	464,866	464,932	9,521
Additional paid-in capital	6,696,295	6,727,806	137,780
Deferred stock compensation (Note 22)	(97,047)	(3,844)	(79)
Accumulated other comprehensive income (Note 8)	1,431	51,861	1,062
Retained earnings (Note 18)	12,015,143	20,216,587	414,020
Equity shares held by a controlled Trust: 1,280,885 shares and 1,321,335 shares as of March 31, 2001 and 2002, respectively (Note 22)	(75)	(75)	(2)
Total stockholders' equity	19,080,613	27,457,267	562,303
Total liabilities and stockholders' equity	Rs. 26,187,461	Rs. 33,754,587	$ 691,267

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)

	Year ended March 31, 2000	2001	2002	2002 Convenience translation into US $ (Unaudited)
Revenues :				
Global IT Services and Products				
Services	Rs. 10,206,078	Rs. 17,670,426	Rs. 21,456,945	$ 439,421
Products	-	-	955,281	19,563
India and AsiaPac IT Services and Products				
Services	1,512,717	1,872,703	1,913,547	39,188
Products	6,576,580	6,771,347	5,036,948	103,153
Consumer Care and Lighting	3,151,116	3,143,537	2,938,630	60,181
Others	1,380,583	1,328,915	1,680,138	34,408
Total	22,827,074	30,786,928	33,981,489	695,914
Cost of revenues :				
Global IT Services and Products				
Services	6,219,980	9,204,649	11,505,827	235,630
Products	-	-	890,730	18,241
India and AsiaPac IT Services and Products				
Services	900,934	984,307	862,628	17,666
Products	5,640,228	5,456,545	4,233,847	86,706
Consumer Care and Lighting	2,251,238	2,215,349	2,021,080	41,390
Others	1,070,031	961,779	1,354,189	27,733
Total	16,082,411	18,822,629	20,868,301	427,366
Gross profit	6,744,663	11,964,299	13,113,188	268,548
Operating expenses :				
Selling, general, and administrative expenses	(3,251,298)	(4,835,095)	(4,873,326)	(99,802)
Research and development expenses	-	-	(126,930)	(2,599)
Amortization of goodwill	(1,000)	(45,389)	(175,567)	(3,595)
Foreign exchange gains,net	51,603	120,226	218,968	4,484
Others, net	73,219	348,918	158,474	3,245
Operating income	3,617,187	7,552,959	8,314,807	170,281
Gain on sale of stock of affiliate, including direct issue of stock by affiliate (Note 13)	412,144	-	-	-
Other income/(expense), net (Note 19)	(283,627)	86,847	838,839	17,179
Income taxes (Note 21)	(525,298)	(1,150,042)	(970,746)	(19,880)
Income before share of equity in earnings of affiliates	3,220,406	6,489,764	8,182,900	167,579
Equity in earnings of affiliates (Note 13)	112,590	(53,181)	147,078	3,012
Income from continuing operations	3,332,996	6,436,583	8,329,978	170,591
Discontinued operations (Note 3)				
Income tax benefit on sale of interest	218,707	77,735	-	-
Income before cumulative effect of accounting change	3,551,703	6,514,318	8,329,978	170,591
Cumulative effect of accounting change, net of tax	-	(59,104)	-	-
Net income	Rs. 3,551,703	Rs. 6,455,214	Rs. 8,329,978	$ 170,591
Earnings per equity share : Basic				
Continuing operations	14.63	28.07	36.04	0.74
Discontinued operations	0.96	0.34	-	-
Cumulative effect of accounting change	-	(0.26)	-	-
Net income	15.59	28.15	36.04	0.74
Earnings per equity share : Diluted				
Continuing operations	14.58	27.83	35.98	0.74
Discontinued operations	0.96	0.34	-	-
Cumulative effect of accounting change	-	(0.26)	-	-
Net income	15.54	27.91	35.98	0.74
Weighted average number of equity shares used in computing earnings per equity share :				
Basic	227,843,378	229,325,989	231,132,500	231,132,500
Diluted	228,648,134	231,254,523	231,534,876	231,534,876

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

(in thousands, except share data)

	Equity Shares							Equity Shares held by a Controlled Trust		
	No. of Shares	Amount	Additional Paid in Capital	Deferred Stock Compensation	Comprehensive Income	Accumulated Other Comprehensive Income	Retained Earnings	No. of Shares	Amount	Total Stockholders' Equity
Balance as of March 31, 1999	229,156,350	Rs. 458,313	Rs. 182,562	Rs. (154,348)	Rs. —	Rs. 2,796	Rs. 2,158,969	(1,409,485)	Rs. (68)	Rs. 2,648,224
Cash dividends paid	—	—	—	—	—	—	(75,622)	—	—	(75,622)
Shares issued by Trust, net of forfeitures	—	—	—	—	—	—	—	138,280	(10)	(10)
Sales of shares by Trust	—	—	466,768	—	—	—	—	54,745	3	466,771
Compensation related to employee stock incentive plan, net of reversals	—	—	150,908	(150,908)	—	—	—	—	—	—
Amortization of compensation related to employee stock incentive plan	—	—	—	96,898	—	—	—	—	—	96,898
Comprehensive income										
Net income	—	—	—	—	Rs. 3,551,703	—	3,551,703	—	—	3,551,703
Other comprehensive income										
Unrealized gain/(loss) on investment securities, net	—	—	—	—	(1,024)	(1,024)	—	—	—	(1,024)
Comprehensive income					Rs. 3,550,679					
Balance as of March 31, 2000	229,156,350	458,313	800,238	(208,358)	—	1,772	5,635,050	(1,216,460)	(75)	6,686,940
Cash dividends paid	—	—	—	—	—	—	(75,121)	—	—	(75,121)
Common stock issued	3,162,500	6,325	5,796,449	—	—	—	—	—	—	5,802,774
Shares forfeited, net of issuances by Trust	—	—	—	—	—	—	—	(64,425)	—	—
Issuance of equity shares on exercise of options	114,169	228	123,759	—	—	—	—	—	—	123,987
Compensation related to employee stock incentive plan, net of reversals	—	—	(24,151)	24,151	—	—	—	—	—	—
Amortisation of compensation related to employee stock incentive plan	—	—	—	87,160	—	—	—	—	—	87,160
Comprehensive income										
Net income	—	—	—	—	Rs. 6,455,214	—	6,455,214	—	—	6,455,214
Other comprehensive income										
Unrealized gain/(loss) on investment securities, net	—	—	—	—	(341)	(341)	—	—	—	(341)
Comprehensive income					Rs. 6,454,873					
Balance as of March 31, 2001	232,433,019	464,866	6,696,295	(97,047)		1,431	12,015,143	(1,280,885)	(75)	19,080,613
Cash dividends paid	—	—	—	—	—	—	(128,534)	—	—	(128,534)
Shares forfeited, net of issuances by Trust	—	—	—	—	—	—	—	(40,450)	—	—
Issuance of equity shares on exercise of options	32,670	66	35,414	—	—	—	—	—	—	35,480
Net reversal of compensation related to employee stock incentive plan	—	—	(14,480)	2,362	—	—	—	—	—	(12,118)
Amortization of compensation related to employee stock incentive plan	—	—	—	90,841	—	—	—	—	—	90,841
Income tax benefit arising on exercise of stock options	—	—	10,577	—	—	—	—	—	—	10,577
Comprehensive income										
Net income	—	—	—	—	Rs. 8,329,978	—	8,329,978	—	—	8,329,978
Other comprehensive income										
Unrealized, gain/(loss) on investment securities, net	—	—	—	—	50,430	50,430	—	—	—	50,430
Comprehensive income					Rs. 8,380,408					
Balance as of March 31, 2002	232,465,689	Rs. 464,932	Rs. 6,727,806	Rs. (3,844)		Rs. 51,861	Rs. 20,216,587	(1,321,335)	Rs. (75)	Rs. 27,457,267
Balance as of March 31, 2002 Convenience translation US $ (unaudited)		$ 9,521	$ 137,780	$ (79)		$ 1,062	$ 414,020		$ (2)	$ 562,303

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands, except share data)

	Year ended March 31, 2000	2001	2002	2002 Convenience translation into US $ (Unaudited)
Cash flows from operating activities :				
Income from continuing operations	Rs. 3,332,996	Rs. 6,436,583	Rs. 8,329,978	$ 170,591
Adjustments to reconcile income from continuing operations to net cash provided by operating activities :				
Cumulative effect of accounting change, net of tax	-	(59,104)	-	-
Loss /(gain) on sale of property, plant and equipment	22,944	(154,457)	(26,003)	(533)
Depreciation and amortization	738,723	1,037,119	1,588,489	32,531
Non-cash interest expense on long-term debt	34,176	148,864	-	-
Deferred tax charge	166,488	(41,389)	56,403	1,155
Gain on sale of investment securities	(681)	-	(201,536)	(4,127)
Gain on sale of stock of affiliate, including direct issue of stock by affiliate	(412,144)	-	-	-
Amortization of deferred stock compensation	96,898	87,160	78,723	1,612
Undistributed equity in earnings of affiliates	(97,890)	85,030	(141,982)	(2,908)
Other non-cash items	-	-	(96,000)	(1,966)
Income tax benefit arising on exercise of stock options	-	-	10,577	217
Changes in operating assets and liabilities :				
Accounts receivable	(858,439)	(1,758,562)	(102,618)	(2,102)
Costs and earnings in excess of billings on contracts in progress	(9,396)	(55,938)	(944,461)	(19,342)
Inventories	237,965	(517,963)	64,951	1,330
Other assets	(221,384)	(1,564,562)	(1,166,691)	(23,893)
Accounts payable	(523,951)	549,826	391,657	8,021
Accrued expenses	622,528	404,784	44,258	906
Advances from customers	216,820	201,316	150,136	3,075
Other liabilities	169,633	12,664	26,295	539
Net cash provided by continuing operations	3,515,286	4,811,371	8,062,176	165,107
Net cash provided by discontinued operations	-	77,735	-	-
Net cash provided by operating activities	3,515,286	4,889,106	8,062,176	165,107

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands, except share data)

	Year ended March 31, 2000	2001	2002	2002 Convenience translation into US $ (Unaudited)
Cash flows from investing activities :				
Expenditure on property, plant and equipment	(1,317,958)	(2,626,273)	(2,484,863)	(50,888)
Proceeds from sale of property, plant and equipment	32,333	226,054	307,501	6,297
Funding of discontinued operations	(855,793)	-	-	-
Purchase of minority interest, net of cash acquired	(67,500)	(1,083,450)	-	-
Investments in affiliate	-	(72,967)	-	-
Proceeds from sale of investments in affiliates	153,128	-	-	-
Proceeds from sale of assets of the peripherals division	-	156,280	-	-
Purchase of investment securities	(833,622)	(2,469,807)	(9,759,309)	(199,863)
Proceeds from sale and maturities of investment securities	95,974	174,000	7,198,754	147,425
Net cash used in investing activities	(2,793,438)	(5,696,163)	(4,737,917)	(97,029)
Cash flows from financing activities :				
Proceeds from issuance of common stock	-	5,926,761	35,480	727
Proceeds from/(repayments of) short-term borrowing from banks, net	(1,688,043)	232,846	(164,390)	(3,367)
Proceeds from issuance of long-term debt	976,043	-	-	-
Repayment of long-term debt	(755,049)	(188,351)	(1,312,465)	(26,878)
Sale of shares by Trust	466,771	-	-	-
Redemption of preferred stock	-	(250,000)	-	-
Proceeds from issuance of common stock by a subsidiary/affiliate	502,345	-	-	-
Payment of cash dividends	(75,622)	(75,121)	(128,365)	(2,629)
Net cash provided by/(used in) financing activities	(573,555)	5,646,135	(1,569,740)	(32,147)
Effect of de-consolidation of a subsidiary on cash and cash equivalents	(1,943)	-	-	-
Net increase in cash and cash equivalents during the year	146,350	4,839,078	1,754,519	35,931
Cash and cash equivalents at the beginning of the year	637,253	783,603	5,622,681	115,148
Cash and cash equivalents at the end of the year	Rs. 783,603	Rs. 5,622,681	Rs. 7,377,200	$ 151,079
Supplementary information :				
Cash paid for interest	Rs. 335,545	Rs. 69,844	Rs. 69,826	$ 1,430
Cash paid for taxes	221,233	1,120,889	1,251,346	25,627

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in thousands, except share data and where otherwise stated)

1. Overview

Wipro Limited (Wipro), together with its subsidiaries Wipro Inc., EnThink Inc., Wipro Prosper Limited, Wipro Welfare Limited, Wipro Trademarks Holdings Limited, Wipro Net Limited, Wipro Japan KK, Netkracker Limited and affiliates Wipro ePeripherals Limited and Wipro GE Medical Systems Limited (collectively, the Company) is a leading India based provider of IT services and products globally. Further, Wipro has other businesses such as India and AsiaPac IT Services and Products, Consumer Care and Lighting and Healthcare systems. Wipro is headquartered in Bangalore, India.

2. Significant Accounting Policies

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 accounting principles generally accepted in the United States.

Functional currency. The functional and reporting currency of the Company is the Indian rupee as a significant portion of the Company's activities are conducted in India.

Convenience translation. The accompanying 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 year ended March 31, 2002 have been translated into United States dollars at the noon buying rate in New York City on March 29, 2002, for cable transfers in Indian rupees, as certified for customs purposes by the Federal Reserve Bank of New York of $ 1 = Rs. 48.83. 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.

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. 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.

Cash equivalents. The Company considers all highly liquid investments with remaining maturities, at the date of purchase/ investment, of three months or less to be cash equivalents.

Revenue recognition. Revenues from software development services comprise income from time-and-material and fixed-price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue with respect to fixed-price contracts is recognized in accordance with the percentage of completion method of accounting. Provisions for estimated losses on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. Maintenance revenue is deferred and recognized ratably over the term of the agreement. Revenue from customer training, support, and other services is recognized as the related service is performed. Revenue from sale of goods is recognized, in accordance with the sales contract, on dispatch from the factories/warehouses of the Company, except for contracts where a customer is not obligated to pay a portion of contract price allocable to the goods until installation or similar service has been completed. In these cases, revenue is recognized on completion of installation. Revenues from multiple-element arrangements are allocated among separate elements based on the fair value of each element. When the Company receives advance payments from customers for sale of products or provision of services, such payments are reported as advances from customers until all conditions for revenue recognition are met. Revenues from product sales are shown net of excise duty, sales tax and applicable discounts and allowances.

Effective April 1, 2001, the Company adopted EITF 00-14: Accounting for Certain Sales Incentives, EITF 00-22: Accounting for Points and Certain Other Time-based or Volume-based sales, Incentive Offers and Offers for Free Products or Services to be Delivered in the Future and EITF 00-25: Vendor Income Statement Characterisation of Consideration from a Vendor to a Retailer. Reported data for previous periods have been reclassified to make it comparable with the current presentation. These reclassifications had no impact on reported net income.

Shipping and handling costs. Shipping and handling costs are included in selling, general and administrative expenses.

Inventories. Inventories are stated at the lower of cost and market. Cost is determined using the weighted average method for all categories of inventories.

Investment securities. The Company classifies its debt and equity securities in one of the three categories: trading, held-to-maturity or available-for-sale, at the time of purchase and re-evaluates such classifications as of each balance sheet date. Trading and available-for-sale securities are recorded at fair value. Held-to-maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts. Unrealized holding gains and losses on trading securities are included in income.

Temporary unrealized holding gains and losses, net of the related tax effect, on available-for-sale securities are excluded from income and are reported as a separate component of stockholders' equity until realized. Realized gains and losses from the sale of available-for-sale securities are determined on a specific identification basis and are included in income. A decline in the fair value of any available-for-sale or held-to-maturity security below cost that is deemed to be other than temporary results in a reduction in carrying amount to fair value. Fair value is based on quoted market prices. Non-readily marketable equity securities for which there is no readily determinable fair value are recorded at cost, subject to an impairment charge for any other than temporary decline in value. The impairment is charged to income.

Investments in affiliates. The Company's equity in the earnings of affiliates is included in the statement of income and the Company's share of net assets of affiliates is included in the balance sheet.

Shares issued by subsidiary/affiliate. The issuance of stock by a subsidiary/affiliate to third parties reduces the proportionate ownership interest in the investee. Unless the issuance of such stock is part of a broader corporate reorganization or unless realization is not assured, the Company recognizes a gain or loss, equal to the difference between the issuance price per share and the Company's carrying amount per share. Such gain or loss is recognized in the statement of income when the transaction occurs.

Property, plant and equipment. Property, plant and equipment are stated at cost. The Company depreciates property, plant and equipment over the estimated useful life using the straight-line method. Assets under capital lease are amortized over their estimated useful life or the lease term, as appropriate. The estimated useful lives of assets are as follows :

Buildings	30 to 60 years
Plant and machinery	2 to 21 years
Furniture, fixtures and equipment	2 to 5 years
Vehicles	4 years
Computer software	2 years

Software for internal use is primarily acquired from third-party vendors and is in ready to use condition. Costs for acquiring this software are capitalized and subsequent costs are charged to the statement of income. The capitalized costs are amortized on a straight-line basis over the estimated useful life of the software. Deposits paid towards the acquisition of property, plant and equipment outstanding as of each balance sheet date and the cost of property, plant and equipment not ready for use before such date are disclosed under capital work-in-progress. The interest cost incurred for funding an asset during its construction period is capitalized based on the actual investment in the asset and the average cost of funds. The capitalized interest is included in the cost of the relevant asset and is depreciated over the estimated useful life of the asset.

Intangible assets. The Company records as assets, costs incurred on assets which are of enduring value at the consideration paid for it and amortizes the cost by systematic charges to income over the period estimated to be benefited. Goodwill resulting from acquisitions is reported as an intangible asset and amortized over a period of five years.

Start-up costs. Cost of start-up activities including organization costs are expensed as incurred.

Research and development. Revenue expenditure on research and development is expensed as incurred. Capital expenditure incurred on equipment and facilities that are acquired or constructed for research and development activities and having alternative future uses, is capitalized as tangible assets when acquired or constructed. Software product development costs are expensed as incurred until technological feasibility is achieved.

Impairment of long-lived assets and long-lived assets to be disposed of. In accordance with Statement of Financial Accounting Standards (SFAS) No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell.

Foreign currency transactions. The functional and reporting currency of the Company is the Indian rupee. Foreign currency transactions are translated into Indian rupees at the rates of exchange prevailing on the date of the respective transactions. Assets and liabilities in foreign currency are translated into Indian rupees at the exchange rate prevailing on the balance sheet date. The resulting exchange gains/losses are included in the statement of income.

Earnings per share. In accordance with SFAS No. 128, Earnings Per Share, basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be antidilutive.

Income taxes. Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits of which future realization is uncertain.

Stock-based compensation. The Company uses the intrinsic value based method of Accounting Principles Board (APB) Opinion No. 25 to account for its employee stock based compensation plans. The Company has therefore adopted the pro forma disclosure provisions of SFAS No. 123, Accounting for Stock-based Compensation.

Accounting change. Effective January 1, 2001, the Company adopted the provisions of Staff Accounting Bulletin No. 101 (SAB 101) issued by the Securities and Exchange Commission, which provides guidelines in applying generally accepted accounting principles to selected revenue recognition issues. Accordingly, the Company changed its policy to recognize revenues from sale of goods only on completion of installation. Prior to the adoption of SAB 101, revenues were recognized on dispatch to the customer with an appropriate provision for costs of installation.

The initial adoption resulted in a cumulative catch up adjustment of Rs. 59,104, which is recorded as a charge to income in fiscal 2001. The effect of this change in accounting principle on net income of fiscal 2001 is immaterial. Similarly, the effect of the change on net income of fiscal 2000 is immaterial. The cumulative effect of the change on retained earnings at the beginning of fiscal 2001 is included in the restated net income of the year ended March 31, 2001. Revenues for the year ended March 31, 2001 include an amount of Rs. 701,455 as a result of the cumulative effect adjustment.

Derivatives and hedge accounting. On April 1, 2001, Wipro adopted SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities as amended, when the rules became effective for companies with fiscal year ending March 31.

The Company enters into forward foreign exchange contracts where the counterparty is generally a bank. The Company purchases forward foreign exchange contracts to mitigate the risk of changes in foreign exchange rates on accounts receivable and forecasted cash flows denominated in certain foreign currencies. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting under SFAS No. 133, as amended. Any derivative that is either not designated as a hedge, or is so designated but is ineffective per SFAS No. 133, is marked to market and recognized in income immediately. No initial transition adjustments were required to adopt SFAS No. 133.

Recent accounting pronouncements. In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 as well as all purchase method business combinations completed after June 30, 2001. SFAS No. 141 also specifies the criteria intangible assets acquired in a purchase method business combination must meet to be recognized and reported apart from goodwill, noting that any purchase price allocated to an assembled workforce may not be accounted for separately. SFAS No. 142 will require that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead be tested for impairment at least annually in accordance with the provisions of SFAS No. 142. SFAS No. 142 will also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment in accordance with SFAS No. 121 and SFAS No. 144. Accounting for the Impairment or Disposal of Long-Lived Assets.

The Company is required to adopt the provisions of SFAS No. 141 immediately, and SFAS No. 142 effective April 1, 2002. Furthermore, any goodwill and any intangible assets determined to have an indefinite useful life that are acquired in a purchase business combination completed after June 30, 2001, will not be amortized, but will continue to be evaluated for impairment in accordance with the relevant accounting literature that is applicable until the adoption of SFAS No. 142. Goodwill and intangible assets acquired in business combinations completed before July 1, 2001, will continue to be amortized prior to the adoption of SFAS No. 142.

Upon adoption of SFAS No. 142, SFAS No. 141 will require the Company to evaluate its existing intangible assets and goodwill that were acquired in prior purchase business combinations, and to make any necessary reclassifications in order to conform with the new criteria in SFAS No. 141 for recognition apart from goodwill. Upon adoption of SFAS No. 142, the Company will be required to reassess the useful lives and residual values of all intangible assets acquired in purchase business combinations, and make any necessary amortization period adjustments by the end of the first interim period after adoption. In addition, to the extent an intangible asset is identified as having an indefinite useful life, the Company will be required to test the intangible asset for impairment in accordance with the provisions of SFAS No. 142 within the first interim period. Any impairment loss will be measured as of the date of adoption and recognized as the cumulative effect of a change in accounting principle in the first interim period.

In connection with the transitional goodwill impairment evaluation, SFAS No. 142 will require the Company to perform an assessment of whether there is an indication that goodwill is impaired as of the date of adoption. To accomplish this the Company must identify its reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of adoption. The Company will then have up to six months from the date of adoption to determine the fair value of each reporting unit and compare it to the reporting unit's carrying amount. To the extent a reporting unit's carrying amount exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and the Company must perform the second step of the transitional impairment test. In the second step, the Company must compare the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of its assets (recognized and unrecognized) and liabilities in a manner similar to a purchase price allocation in accordance with SFAS No. 141, to its carrying amount, both of which must be measured as of the date of adoption. This second step is required to be completed as soon as possible, but no later than the end of the year of adoption. Any transitional impairment loss will be recognized as the cumulative effect of a change in accounting principle in the Company's statement of income.

As of the date of adoption, the Company will have unamortized goodwill in the amount of Rs. 656,240, which will be subject to the transitional provisions of SFAS Nos. 141 and 142. Amortization expense related to goodwill was Rs. 1,000, Rs. 45,389 and Rs. 175,567 for the years ended March 31, 2000, 2001 and 2002, respectively. Adoption of SFAS Nos. 141 and 142, will not have a significant impact on the financial statements of the Company.

In August 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations. SFAS No. 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the entity capitalizes a cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. The standard is effective for fiscal years beginning after June 15, 2002.

In August 2001, the FASB issued SFAS No. 144, which requires that specified long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. Under SFAS No. 144, discontinued operations will no longer be measured at net realizable value or include amounts for operating losses that have not yet been incurred. The provisions of SFAS No. 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001.

Adoption of SFAS Nos. 143 and 144, will not have a significant impact on the financial statements of the Company.

Reclassifications. Certain reclassifications have been made to conform prior period data to the current presentation. These reclassifications had no effect on reported income.

3. Discontinued Operations

The Company was involved in the financial services business through Wipro Finance, a majority owned subsidiary. The Company, for strategic reasons, decided to concentrate on its core businesses and as a result, in March 1999, the Company decided to exit the financial services business and approved a formal plan for winding down the operations of this business. Under the plan, Wipro Finance will not accept any new business and the existing assets and liabilities would be liquidated as per their contractual terms.

In December 1999, the Company sold 50% of its interest in Wipro Finance to certain investors for a nominal amount. Subsequent to the sale, the Company did not have a controlling interest in Wipro Finance. The financial statements of Wipro Finance were not consolidated for the year ended March 31, 2000. In fiscal 2001, the Company sold the balance 50% interest in Wipro Finance for a nominal amount. The tax benefit of Rs. 218,707 and Rs. 77,735 arising on the sales has been reported separately as a component of discontinued operations in fiscal 2000 and 2001, respectively.

4. Cash and Cash Equivalents

Cash and cash equivalents as of March 31, 2001 and 2002 comprise of cash, cash on deposit with banks and highly liquid money market instruments.

5. Accounts Receivable

Accounts receivable as of March 31, 2001 and 2002 are stated net of allowance for doubtful accounts. The Company maintains an allowance for doubtful accounts based on present and prospective financial condition of its customers and aging of the accounts receivable. Accounts receivable are generally not collateralized.

The activity in the allowance for doubtful accounts receivable is given below :

	Year ended March 31, 2000	Year ended March 31, 2001	Year ended March 31, 2002
Balance at the beginning of the period	Rs. 277,841	Rs. 196,602	Rs. 297,884
Additional provision during the period	299,122	212,990	250,867
Bad debts charged to provision	(380,361)	(111,708)	(57,107)
Balance at the end of the period	Rs. 196,602	Rs. 297,884	Rs. 491,644

6. Inventories

Inventories consist of the following :

	As of March 31, 2001	As of March 31, 2002
Stores and spare parts	Rs. 44,689	Rs. 31,425
Raw materials and components	483,807	453,018
Work-in-process	101,932	84,722
Finished goods	836,669	832,981
	Rs. 1,467,097	Rs. 1,402,146

Finished goods as of March 31, 2001 and 2002 include inventory of Rs. 340,124 and Rs. 467,546, respectively, with customers pending installation.

7. Other Assets

Other assets consist of the following :

	As of March 31, 2001	As of March 31, 2002
Prepaid expenses	Rs. 757,893	Rs. 748,142
Advances to suppliers	173,390	68,917
Balances with statutory authorities	114,234	38,821
Deposits	533,684	533,247
Inter-corporate deposits		
GE Capital Services India	367,500	819,891
ICICI Limited	684,500	1,245,200
Advance income taxes	-	311,257
Others	444,144	463,917
	3,075,345	4,229,392
Less : Current assets	2,356,261	3,481,308
	Rs. 719,084	Rs. 748,084

8. Investment Securities

Investment securities consist of the following :

	As of March 31, 2001				As of March 31, 2002		
	Carrying Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value	Carrying Value	Gross Unrealized Holding Gains	Fair Value
Available-for-sale :							
Equity securities	Rs. 233	Rs. 1,682	Rs. (64)	Rs. 1,851	Rs. 233	Rs. 1,623	Rs. 1,856
Debt securities	2,462,497	—	—	2,462,497	4,962,102	79,376	5,041,478
	2,462,730	1,682	(64)	2,464,348	4,962,335	80,999	5,043,334
Held-to-maturity :							
Debt securities	188,268	2,424	—	190,692	90,833	3,108	93,941
	188,268	2,424	—	190,692	90,833	3,108	93,941
Equity securities with no readily determinable fair values :							
Equity securities	—	—	—	—	144,300	—	144,300
Convertible preference shares	54,000	—	—	54,000	215,700	—	215,700
	54,000	—	—	54,000	360,000	—	360,000
	Rs. 2,704,998	**Rs. 4,106**	**Rs. (64)**	**Rs. 2,709,040**	**Rs. 5,413,168**	**Rs. 84,107**	**Rs. 5,497,275**

Debt securities, held-to-maturity as of March 31, 2002, mature between one through three years.

Dividends from available-for-sale securities during the years ended March 31, 2000, 2001 and 2002 were Rs. 22, Rs. 14 and Rs. 36, respectively, and are included in other income.

In October 2001, the Company acquired a 17% equity interest in Spectramind eServices Private Limited (Spectramind) for a consideration of Rs. 144,300. Additionally, the Company acquired non-voting convertible preference shares of Rs. 215,700. The convertible preference shares shall be converted to equity at a conversion ratio of 0.3234 equity share per convertible preference share, on occurrence of any of the events specified in the shareholders agreement. These events are liquidation of Spectramind, initial public offering by Spectramind and valuation of Spectramind reaching specified levels based on a fresh issue of equity shares by Spectramind or sale of shares by existing shareholders. If any of these events do not occur within 18 months from the date of investment, the convertible preference shares shall be converted on expiry of the period. The current voting equity interest of Wipro does not give it the ability to exercise significant influence over the operating and financial policies of Spectramind. As the equity securities do not have a readily determinable fair value, such investments are recorded at cost, subject to an impairment charge for any other than temporary decline in value.

9. Property, Plant and Equipment

Property, plant and equipment consist of the following :

	As of March 31,	
	2001	**2002**
Land	Rs. 201,253	Rs. 370,079
Buildings	1,173,134	1,585,515
Plant and machinery	4,806,457	5,469,300
Furniture, fixtures, and equipment	1,038,276	1,264,870
Vehicles	322,534	420,843
Computer software for internal use	542,009	742,305
Capital work-in-progress	801,218	1,116,082
	8,884,881	10,968,994
Accumulated depreciation and amortization	(3,405,556)	(4,707,137)
	Rs. 5,479,325	Rs. 6,261,857

Depreciation expense for the years ended March 31, 2000, 2001 and 2002, is Rs. 734,473, Rs. 991,262 and Rs. 1,411,291, respectively. This includes Rs. 53,261, Rs. 140,624 and Rs. 204,492 as amortization of capitalized internal use software, during the years ended March 31, 2000, 2001 and 2002, respectively.

10. Intangible Assets

In October 1999, the Company acquired the 45% minority interest in Wipro Computers Limited for a consideration of Rs. 67,500. The acquisition resulted in goodwill of Rs. 10,500. In December 2000, the Company acquired the 45% minority interest held by the KPN Group in Wipro Net Limited for a consideration of Rs. 1,087,216. The acquisition resulted in goodwill of Rs. 867,786. Goodwill is amortized over a period of 5 years. As of March 31, 2002, the carrying value of the goodwill is Rs. 656,240.

11. Other Current Liabilities

Other current liabilities consist of the following :

	As of March 31,			
		2001		2002
Statutory dues payable	Rs.	352,328	Rs.	357,822
Taxes payable		71,534		72,707
Others		69,685		63,421
	Rs.	493,547	Rs.	493,950

12. Operating Leases

The Company leases office and residential facilities under cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental expense under such leases was Rs. 237,693, Rs. 277,018 and Rs. 320,029 for the years ended March 31, 2000, 2001 and 2002, respectively.

Prepaid expenses as of March 31, 2001 and 2002 include Rs. 187,720 and Rs. 214,838, respectively, being prepaid operating lease rentals for land obtained on lease for a period of 60 years. The prepaid expense is being charged over the lease term.

13. Investments in Affiliates

Wipro GE Medical Systems Ltd. (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, 2001 and 2002, was Rs. 586,749 and Rs. 820,849, respectively. The Company's equity in the income of Wipro GE for the years ended March 31, 2000, 2001 and 2002, was Rs. 138,749, Rs. 184,315 and Rs. 234,100, respectively.

Wipro Net Ltd. Until December 1999, Wipro Net was a 100% subsidiary of the Company. In December 1999, the Company diluted its interest in Wipro Net to 55% through a sale of shares and direct issuance of shares by Wipro Net. The resultant gain was recorded in the income statement. As the minority shareholders of Wipro Net had significant participating rights, Wipro Net was accounted for by equity method subsequent to the dilution. In December 2000, the Company acquired the 45% minority interest in Wipro Net. In May 2001, Wipro decided to legally re-organize the operations of Wipro Net whereby Wipro Net would be merged with Wipro. The merger was completed in April 2002 after obtaining regulatory approvals.

The carrying value of the investment in Wipro Net as of March 31, 2000 was Rs. 270,586. The Company's equity in the loss of Wipro Net for the year ended March 31, 2000 and 2001, was Rs. 26,159 and Rs. 135,893 respectively.

Netkracker Ltd. In December 2000, the Company established Netkracker by transferring its retail internet business. A strategic investor acquired a 51% equity interest in the entity with Wipro retaining the balance 49%. Additionally, Wipro acquired convertible preference shares in Netkracker. The carrying value of the investment in Netkracker as of March 31, 2001 was Rs. 44,054. The Company's equity in the loss of Netkracker for the year ended March 31, 2001, was Rs. 112,133.

During the year ended March 31, 2002, the Company recorded equity method losses of Rs. 110,698, which reduced the carrying value of the equity interest and other investments to zero.

In March 2002, Wipro and the strategic investor entered into certain agreements whereby the convertible preference shares were converted to common stock increasing Wipro's equity interest from 49% to 79%. Additionally, Wipro would acquire 19% equity interest in Netkracker from the strategic investor for a cash consideration of Rs. 30,000 and a contingent consideration that is payable on occurrence of specified events. The Company has determined that the events that trigger contingent payments are within its control and no contingent consideration will be payable under the arrangement.

The transaction has been accounted for as a purchase business combination. Prior to the acquisition, Netkracker had a deferred tax asset of Rs. 135,000 for carry-forward business losses, for which a valuation allowance had been established due to the significant uncertainty on realization on a standalone basis. Subsequent to the acquisition, Wipro will fully utilize the benefit of the carry-forward business losses and accordingly the valuation allowance has been reversed. The amounts assigned to the net assets of Netkracker exceed the cost of acquisition. This excess was initially used to reduce the amounts allocable to certain eligible assets and the remaining excess of Rs. 96,000 is reported as a component of other income. As the remaining excess is not material it is not reported as an extraordinary gain.

Wipro ePeripherals. On September 1, 2000, the computer peripherals division of Wipro was spun-off into a separate legal entity, Wipro ePeripherals. In consideration of the transfer, Wipro received a 38.7% equity interest in the new entity, 12.5% non-convertible debentures and cash. Wipro ePeripherals issued 61.3% of its equity to strategic investors and employees for cash. Shares were issued to Wipro and the new investors at the par value of Rs. 10. Wipro accounts for its 38.7% interest by the equity method. In March 2002, Wipro ePeripherals issued additional equity shares to certain investors, which resulted in dilution of Wipro's interest to 33.8%. The impact of this issuance on the carrying value of the investment was not material.

The carrying value of the investment in Wipro ePeripherals as of March 31, 2001 and 2002 was Rs. 58,890 and Rs. 77,470, respectively. The Company's equity in the income of Wipro ePeripherals for the year ended March 31, 2001 and 2002 was Rs. 10,530 and Rs. 23,676 respectively.

14. Financial Instruments and Concentration of Risk

Concentration of risk. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, investment securities, accounts receivable and inter-corporate deposits. The Company's cash resources are invested with financial institutions and commercial corporations with high investment grade credit ratings. Limits have been established by the Company as to the maximum amount of cash that may be invested with any such single entity. To reduce its credit risk, the Company performs ongoing credit evaluations of customers. No single customer accounted for 10% or more of the revenues or accounts receivable as of March 31, 2001 and 2002.

Derivative financial instruments. The Company enters into forward foreign exchange contracts and interest rate swap agreements, where the counterparty is generally a bank. The Company considers the risks of non-performance by the counterparty as non-material. The following table presents the aggregate contracted principal amounts of the Company's derivative financial instruments outstanding :

	As of March 31,	
	2001	2002
Forward contracts	$ 39,531,243 (sell)	$ 62,845,414 (sell)
Interest rate swaps	$ 3,250,000	$ Nil

The foreign forward exchange contracts mature between one to nine months.

15. Borrowings from Banks

The Company has a line of credit of Rs. 2,650,000 from its bankers for working capital requirements. The line of credit is renewable annually. The credit bears interest at the prime rate of the bank, which averaged 13.1%, 12.8%, and 12.2% in fiscal 2000, 2001 and 2002, respectively. The facilities are secured by inventories, accounts receivable and certain property and contain financial covenants and restrictions on indebtedness.

16. Long-term Debt

Long-term debt consist of the following :

	As of March 31,	
	2001	2002
Foreign currency borrowings	Rs. 127,582	Rs. -
Rupee term loans from banks and financial institutions	1,245,459	48,200
Others	48,186	60,563
	1,421,227	108,763
Less : Current portion	1,326,196	78,993
	Rs. 95,031	Rs. 29,770

In December 1999, the Company had transferred an 8% interest in Wipro Net to a financial institution. Under the terms of the transfer, the Company had a call option to repurchase the transferred shares at a determinable consideration. Additionally, the financial institution had a put option to sell the shares to the Company at a determinable consideration. The Company had recorded the transfer as a secured borrowing with pledge of collateral. The principal shareholder of the Company had pledged certain shares held in Wipro to further secure the borrowing. Interest was imputed at the implicit yield on the put option. As of March 31, 2001 rupee term loans include Rs. 1,177,259 representing the borrowing. In June 2001, the financial institution exercized the option resulting in repayment of the borrowing.

All long-term debt is secured by a specific charge over the property, plant and equipment of the Company and contains certain financial covenants and restrictions on indebtedness.

An interest rate profile of the long-term debt is given below :

	As of March 31,	
	2001	2002
Rupee term loans from banks and financial institutions	13.9%	14.2%

A maturity profile of the long-term debt outstanding as of March 31, 2002, is set out below :

Maturing in the year ending March 31 :

2003	Rs.	78,993
2004		28,305
2005		1,253
2006		105
Thereafter		107
	Rs.	108,763

17. Equity Shares and Dividends

The Company presently has only one class of equity shares. For all matters submitted to vote in the shareholders meeting, every holder of equity shares, as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held.

In September 1999, the Company effected a five-for-one share split. All references in the consolidated financial statements to number of shares and per share amounts of the Company's equity shares have been retroactively restated to reflect the increased number of equity shares outstanding resulting due to the share splits.

In October 2000, the Company made a public offering of its American Depositary Shares, or ADSs, to international investors. The offering consisted of 3,162,500 ADSs representing 3,162,500 equity shares, at an offering price of $ 41.375 per ADS. The equity shares represented by the ADS carry similar rights as to voting and dividends as the other equity shares.

Should the Company declare and pay dividend, such dividend will be paid in Indian rupees. Indian law mandates that any dividend, exceeding 10% of the common stock, can be declared out of distributable profits only after the transfer of upto 10% of net income computed in accordance with current regulations to a general reserve. Also, the remittance of dividends outside India is governed by Indian law on foreign exchange. Dividend payments are also subject to applicable taxes.

In the event of liquidation of the affairs of the Company, all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company, after such discharge, shall be distributed to the holders of equity shares in proportion to the number of shares held by them.

The Company paid cash dividends of Rs. 75,622, Rs. 75,121 and Rs. 128,534 during the years ended March 31, 2000, 2001 and 2002, respectively. The dividends per share were Rs. 0.30 during the years ended March 31, 2000 and 2001 and Rs. 0.50 during the year ended March 31, 2002.

18. Retained Earnings

The Company's retained earnings as of March 31, 2001 and 2002, include restricted retained earnings of Rs. 274,038 and Rs. 259,538 respectively, which are not distributable as dividends under Indian company and tax laws. These relate to requirements regarding earmarking a part of the retained earnings on redemption of preference shares and to avail specific tax allowances.

Retained earnings as of March 31, 2001 and 2002, also include Rs. 567,126 and Rs. 794,719 respectively, of undistributed earnings in equity of affiliates.

19. Other Income/(Expense), Net

Other income/(expense) consist of the following :

	Year ended March 31, 2000	2001	2002
Interest income/(expense), net of capitalized interest	Rs. (283,649)	Rs. 86,833	Rs. 420,059
Others	22	14	418,780
	Rs. (283,627)	Rs. 86,847	Rs. 838,839

Rs. 53,980, Rs. 48,000 and Rs. 20,000 of interest has been capitalized during the years ended March 31, 2000, 2001 and 2002, respectively.

20. Shipping and Handling costs

Selling, general and administrative expenses for the years ended March 31, 2000, 2001 and 2002, include shipping and handling costs of Rs. 48,570, Rs. 62,200 and Rs. 47,922, respectively.

21. Income Taxes

Income taxes consist of the following :

	Year ended March 31, 2000	2001	2002
Current taxes			
Domestic	Rs. 183,890	Rs. 749,406	Rs. 471,539
Foreign	174,920	402,752	442,804
	358,810	1,152,158	914,343
Deferred taxes	166,488	(2,116)	56,403
Total income tax expense	Rs. 525,298	Rs. 1,150,042	Rs. 970,746

The reported income tax expense differed from amounts computed by applying the enacted tax rates to income from continuing operations before income taxes as a result of the following :

	Year ended March 31, 2000	2001	2002
Income from continuing operations before taxes	Rs. 3,858,294	Rs. 7,586,625	Rs. 9,300,724
Enacted tax rate in India	38.5%	39.55%	35.7%
Computed expected tax expense	1,485,443	3,000,510	3,320,358
Effect of:			
Income exempt from tax in India	(1,104,111)	(2,388,705)	(2,861,967)
Reversal of deferred tax asset on legal re-organization of subsidiary	—	—	199,512
Others	(30,954)	135,485	(15,687)
Domestic income taxes	350,378	747,290	642,216
Effect of tax on foreign income	174,920	402,752	328,530
Total income tax expense	Rs. 525,298	Rs. 1,150,042	Rs. 970,746

Deferred tax assets reported as of March 31, 2001 include Rs. 199,512 being the difference between the tax basis and the amount for financial reporting of Wipro Net, a domestic subsidiary. The deferred tax asset has been reversed during the year ended March 31, 2002, on legal re-organization of Wipro Net as a result of which the benefit of the deferred tax asset will no longer be available to the Company.

A substantial portion of the profits of the Company's India operations are exempt from Indian income taxes being profits attributable to export operations and profits from undertakings situated in Software Technology and Hardware Technology Parks. Under the tax holiday, the taxpayer can utilize an exemption from income taxes for a period of any ten consecutive years. The Company has opted for this exemption from the year ended March 31, 1997, for undertakings situated in Software Technology and Hardware Technology Parks. Profits from certain other undertakings are also eligible for preferential tax treatment. In addition, dividend income from certain category of investments is exempt from tax. The aggregate rupee and per share (basic) effects of these tax exemptions are Rs. 1,104,111 and Rs. 4.85 per share for the year ended March 31, 2000, Rs. 2,388,705 and Rs. 10.42 per share for the year ended March 31, 2001, Rs. 2,861,967 and Rs. 12.38 per share for the year ended March 31, 2002.

	As of March 31,	
	2001	2002
Deferred tax assets		
Property, plant and equipment	Rs. -	Rs. 15,661
Allowance for doubtful accounts	56,318	57,329
Investments in mutual fund units	-	58,333
Accrued expenses	73,893	48,842
Carry-forward capital losses	145,280	122,810
Carry-forward business losses	47,918	182,918
Difference between tax basis and amount for financial reporting of a domestic subsidiary	199,512	-
Others	17,587	81,154
Total gross deferred tax assets	540,508	567,047
Less : valuation allowance	(170,728)	(122,810)
Deferred tax assets	369,780	444,237
Deferred tax liabilities		
Property, plant and equipment	Rs. 25,489	Rs. -
Undistributed earnings of affiliates	64,966	86,061
Unrealized gain on available for sale securities	187	29,392
Total gross deferred tax liability	90,642	115,453
Net deferred tax assets	Rs. 279,138	Rs. 328,784

Management believes that based on a number of factors, the available objective evidence creates sufficient uncertainties regarding the generation of future capital gains and realizability of the entire carry-forward capital losses. Accordingly, the Company has established a valuation allowance for the carry-forward capital losses arising on sale of shares in Wipro Finance, a discontinued operation. These losses expire after eight years succeeding the year in which they were first incurred. The carry-forward capital losses as of March 31, 2002 will expire by 2009.

During the year ended March 31, 2002, management implemented certain tax planning strategies that make it more likely than not that deferred tax assets relating to carry-forward business losses of foreign operations will be realized. This has resulted in reversal of valuation allowance aggregating to Rs. 47,918. Similarly, based on historical taxable income, projections of future taxable income and tax planning strategies, management believes that it is more likely than not that the Company will realize the benefit of carry-forward business losses relating to certain Indian operations.

The carry-forward business losses as of March 31, 2002, expire as follows :

Year ending March 31 :

2009	Rs. 77,112
2010	43,911
2020	20,883
2021	27,035
Thereafter	13,977
	Rs. 182,918

Although realization of the net deferred tax assets is not assured, management believes that it is more likely than not that all of the net deferred tax assets will be realized. The amount of net deferred tax assets considered realizable, however could be reduced in the near term based on changing conditions.

22. Employee Stock Incentive Plans

Wipro Equity Reward Trust (WERT). In fiscal 1985, the Company established a controlled trust called the WERT. Under this plan, the WERT would purchase shares of Wipro out of funds borrowed from Wipro. The Company's Compensation Committee would recommend to the WERT, officers and key employees, to whom the WERT will grant shares from its holding. The shares have been granted at a nominal price. Such shares would be held by the employees subject to vesting conditions. The shares held by the WERT are reported as a reduction from stockholders' equity. 679,450 and 555,910 shares held by employees as of March 31, 2001 and 2002, respectively, subject to vesting conditions are included in the outstanding equity shares.

In February 2000, the WERT sold 54,745 shares of Wipro to third parties. The proceeds of the sale, net of the realized tax impact have been credited to additional paid-in capital.

The movement in the shares held by the WERT is given below :

	Year ended March 31,		
	2000	2001	2002
Shares held at the beginning of the period	1,409,485	1,216,460	1,280,885
Shares granted to employees	(254,100)	(4,250)	-
Sale of shares by the WERT	(54,745)	-	-
Grants forfeited by employees	115,820	68,675	40,450
Shares held at the end of the period	1,216,460	1,280,885	1,321,335

Deferred compensation is amortized on a straight-line basis over the vesting period of the shares which ranges from 6 to 60 months. The weighted-average-grant-date fair values of the shares granted during the years ended March 31, 2000 and 2001 are Rs. 1,028 and Rs. 2,212. The amortization of deferred stock compensation, net of reversals, for the years ended March 31, 2000, 2001 and 2002, was Rs. 96,898, Rs. 87,160 and Rs. 78,723, respectively. The stock-based compensation has been allocated to cost of revenues and selling, general and administrative expenses as follows :

	Year ended March 31,		
	2000	2001	2002
Cost of revenues	Rs. 36,299	Rs. 32,363	Rs. 29,504
Selling, general and administrative expenses	60,599	54,797	49,219
	Rs. 96,898	Rs. 87,160	Rs. 78,723

Wipro Employee Stock Option Plan 1999 (1999 Plan). In July 1999, the Company established the 1999 Plan. Under the 1999 Plan, the Company is authorized to issue up to 5 million equity shares of common stock to eligible employees. Employees covered by the 1999 Plan are granted an option to purchase shares of the Company subject to the requirements of vesting. The Company has not recorded, any deferred compensation as the exercise price was equal to the fair market value of the underlying equity shares on the grant date.

Stock option activity under the 1999 Plan is as follows :

	Year ended March 31, 2000			
	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	—	—	—	—
Granted during the period	2,558,150	Rs. 1,024 - 2,522	Rs. 1,091	66 months
Forfeited during the period	(146,000)	1,086	1,086	—
Outstanding at the end of the period	2,412,150	1,024 - 2,522	1,091	66 months
Exercisable at the end of the period	—	—	—	—

	Year ended March 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	2,412,150	Rs. 1,024 - 2,522	Rs. 1,091	66 months
Granted during the period	2,672,000	1,853 - 2,419	1,860	62 months
Forfeited during the period	(405,550)	1,086	1,086	—
Exercised during the period	(114,169)	1,086	1,086	—
Outstanding at the end of the period	4,564,431	1,024 - 2,522	1,542	59 months
Exercisable at the end of the period	86,491	Rs. 1,024 - 2,522	Rs. 1,284	54 months

	Year ended March 31, 2002			
	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	4,564,431	Rs. 1,024 – 2,522	Rs. 1,542	59 months
Forfeited during the period	(645,803)	1,086 – 1,853	1,542	-
Exercised during the period	(32,670)	1,086	1,086	-
Outstanding at the end of the period	3,885,958	1,024 – 2,522	1,550	47 months
Exercisable at end of the period	637,062	Rs. 1,024 – 2,522	Rs. 1,385	46 months

Wipro Employee Stock Option Plan 2000 (2000 Plan). In July 2000, the Company established the 2000 Plan. Under the 2000 Plan, the Company is authorized to issue up to 25 million equity shares to eligible employees. Employees covered by the 2000 Plan are granted an option to purchase equity shares of the Company subject to vesting. The Company has not recorded any deferred compensation as the exercise price was equal to the fair market value of the underlying equity shares on the grant date.

Stock option activity under the 2000 Plan is as follows :

	Year ended March 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	—	—	—	—
Granted during the period	3,520,300	Rs. 2,382 – 2,746	Rs. 2,397	67 months
Forfeited during the period	(305,950)	2,382	2,382	—
Outstanding at the end of the period	3,214,350	2,382 – 2,746	2,397	67 months
Exercisable at the end of the period	—	—	—	—

	Year ended March 31, 2002			
	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	3,214,350	Rs. 2,382 – 2,746	Rs. 2,397	67 months
Granted during the period	5,745,844	1,032 – 1,670	1,582	60 months
Forfeited during the period	(487,680)	1,032 – 2,651	2,397	-
Outstanding at the end of the period	8,472,514	1,032 – 2,746	1,846	58 months
Exercisable at the end of the period	411,414	Rs. 2,375 – 2,651	Rs. 2,397	55 months

Stock Option Plan (2000 ADS Plan). In April 2000, the Company established the 2000 ADS Plan. Under the 2000 ADS Plan, the Company is authorized to issue options to purchase up to 1.5 million American Depositary Shares (ADSs) to eligible employees. Employees covered by the 2000 ADS Plan are granted an option to purchase ADSs representing equity shares of the Company subject to the requirements of vesting. The Company has not recorded any deferred compensation as the exercise price was equal to the fair market value of the underlying ADS on the grant date.

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

	Year ended March 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	—	—	—	—
Granted during the period	268,750	$ 41.375	$ 41.375	67 months
Forfeited during the period	(4,000)	41.375	41.375	—
Outstanding at the end of the period	264,750	41.375	41.375	67 months
Exercisable at the end of the period	—	—	—	—

	Year ended March 31, 2002			
	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	67 months
Granted during the period	409,200	20.75 – 36.40	35.49	61 months
Forfeited during the period	(26,500)	41.375	41.375	—
Outstanding at the end of the period	647,450	20.75 – 41.375	37.66	55 months
Exercisable at the end of the period	35,738	$ 41.375	$ 41.375	44 months

Wipro Net Plan. In December 1999, Wipro Net established an Employee Stock Option Plan (Wipro Net Plan). Under the Wipro Net Plan, eligible employees were granted an option to purchase equity shares of Wipro Net subject to the requirements of vesting. Wipro Net has not recorded any deferred compensation as the exercise price was not less than the fair market value of the underlying equity shares on the grant date.

During the year ended March 31, 2002, consequent to the decision to legally re-organize the business of Wipro Net by merging Wipro Net with Wipro, stock options in the stock of Wipro Net, issued to employees of Wipro Net, have been exchanged for stock options of Wipro under the 2000 Plan. The exchange did not result in an increase in the aggregate intrinsic value of the award or a reduction in the ratio of the exercise price per share to the market price per share. As the new options were granted at the fair value on the grant date, no compensation cost has been recorded.

The Company has adopted the pro forma disclosure provisions of SFAS No. 123. Had compensation cost been determined in a manner consistent with the fair value approach described in SFAS No. 123, the Company's net income and earnings per share as reported would have been reduced to the pro forma amounts indicated below :

	Year ended March 31,		
	2000	**2001**	**2002**
Net income			
As reported	Rs. 3,551,703	Rs. 6,455,214	Rs. 8,329,978
Adjusted pro forma	3,383,749	5,198,098	6,411,866
Earnings per share: Basic			
As reported	15.59	28.15	36.04
Adjusted pro forma	14.85	22.67	27.74
Earnings per share: Diluted			
As reported	15.54	27.91	35.98
Adjusted pro forma	14.80	22.58	27.73

The fair value of each option is estimated on the date of grant using the Black-Scholes model with the following assumptions.

	Year ended March 31,	
	2001	2002
Dividend yield	0.03%	0.03%
Expected life	42 months	42 months
Risk free interest rates	11%	8.5%
Volatility	45%	65%

23. Earnings Per Share

A reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share is set out below :

	Year ended March 31,		
	2000	2001	2002
Basic earnings per equity share-weighted average number of equity shares outstanding	227,843,378	229,325,989	231,132,500
Effect of dilutive equivalent shares-stock options outstanding	804,756	1,928,534	402,376
Diluted earnings per equity share-weighted average number of equity shares and equivalent shares outstanding	228,648,134	231,254,523	231,534,876

Shares held by the controlled WERT have been reduced from the equity shares outstanding and shares held by employees subject to vesting conditions have been included in outstanding equity shares for computing basic and diluted earnings per share.

Options to purchase 3,214,350 and 5,451,924 equity shares were outstanding during the years ended March 31, 2001 and 2002, respectively, but were not included in the computation of diluted earnings per share because the exercise price of the options was greater than the average market price of the equity shares.

24. Employee Benefit Plans

Gratuity. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India. Under this plan, the settlement obligation remains with the Company, although the Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the Company.

	As of March 31,	
	2001	2002
Change in the benefit obligation		
Projected Benefit Obligation (PBO) at the beginning of the year	Rs. 53,783	Rs. 54,558
Service cost	4,110	3,798
Interest cost	5,653	5,723
Benefits paid	(5,635)	(6,444)
Acturial (gain)/loss	(3,353)	1,552
PBO at the end of the year	54,558	59,187
Change in plan assets		
Fair value of plan assets at the beginning of the year	24,502	27,892
Actual return on plan assets	2,482	2,856
Employer contributions	6,543	2,415
Benefits paid	(5,635)	(6,444)
Plan assets at the end of the year	27,892	26,719
Funded status	(26,666)	(32,468)
Unrecognized actuarial (gain)/loss	(2,259)	(535)
Unrecognized transition obligation	9,635	8,330
Unrecognized actuarial cost	10,415	9,173
Accrued liability	Rs. (8,875)	Rs. (15,500)

Net gratuity cost for the years ended March 31, 2000, 2001 and 2002 included :

	Year ended March 31,		
	2000	2001	2002
Service cost	Rs. 4,049	Rs. 4,110	Rs. 3,798
Interest cost	5,512	5,653	5,723
Expected return on assets	(2,351)	(1,654)	(2,992)
Amortization of transition liabilities	1,874	1,874	2,516
Net gratuity cost	Rs. 9,084	Rs. 9,983	Rs. 9,045

The actuarial assumptions used in accounting for the Gratuity Plan are :

	As of March 31,	
	2001	2002
Discount rate	11%	10%
Rate of increase in compensation levels	10%	9%
Rate of return on plan assets	10.5%	9.5%

Superannuation. Apart from being covered under the Gratuity Plan described above, the senior officers of the Company also participate in a defined contribution plan maintained by the Company. This plan is administered by the Life Insurance Corporation of India. The Company makes annual contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions.

Provident fund. In addition to the above benefits, all employees receive benefits from a provident fund, a defined contribution plan. The employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's salary. A portion of the contribution is made to the provident fund trust established by the Company, while the remainder of the contribution is made to the Government's provident fund. The Company has no further obligations under the plan beyond its monthly contributions.

The Company contributed Rs. 161,723, Rs. 249,341 and Rs. 153,901 to various defined contribution and benefit plans during the years ended March 31, 2000, 2001 and 2002, respectively.

25. Related Party Transactions

The Company has the following transactions with related parties :

	Year ended March 31,		
	2000	2001	2002
Wipro GE :			
Revenues from sale of computer equipment and administrative and management support services	Rs. 54,535	Rs. 17,396	Rs. 26,208
Fees for usage of trade mark	—	8,820	39,344
Rent paid	1,198	—	—
Wipro Net :			
Fees for consultancy services	12,186	13,100	—
Fees for computer and network maintenance support	—	10,452	—
Revenues from sale of computer equipment	—	109,871	—
Wipro ePeripherals :			
Revenues from sale of computer equipment and services	—	13,984	9,230
Fees for usage of trade mark	—	—	53,016
Interest received on debentures	—	4,704	5,000
Payments for services	—	—	1,160
Purchase of printers	—	169,000	138,676
Netkracker :			
Fees for technical and infrastructure support services	—	37,018	96,155
Revenues from sale of computer equipment and services	—	—	987
Azim Premji Foundation :			
Revenues from sale of computer equipment and services	—	—	1,442
Principal Shareholder :			
Payment of lease rentals	1,200	1,200	1,200

The Company has the following receivables from related parties, which are reported as other current assets in the balance sheet.

	As of March 31,			
		2001		2002
Wipro GE	Rs.	13,295	Rs.	56,181
Wipro ePeripherals		—		17,037
Azim Premji Foundation		—		348
Security deposit given to Hasham Premji, a firm under common control		25,000		25,000
	Rs.	38,295	Rs.	98,566

The Company has the following payables to related parties, which are reported as other current liabilities in the balance sheet.

	As of March 31,			
		2001		2002
Wipro ePeripherals	Rs.	2,297	Rs.	25,875
Netkracker		10,000		-
	Rs.	12,297	Rs.	25,875

As of March 31, 2001, the Company held convertible preference shares of Rs. 54,000 in Netkracker. As of March 31, 2001 and 2002 the Company held 12.5% non-convertible debentures of Rs. 40,000 in Wipro ePeripherals. These investments are reported as non-current investment securities.

26. Commitments and Contingencies

Capital commitments. As of March 31, 2001 and 2002, the Company had committed to spend approximately Rs. 400,280 and Rs. 241,338, respectively, under agreements to purchase property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Guarantees. As of March 31, 2001 and 2002, performance guarantees provided by banks on behalf of the Company to certain Indian Government and other agencies amount to approximately Rs. 346,764 and Rs. 467,020 respectively, as part of the bank line of credit.

Other commitments. The Company's Indian operations have been established as a Software Technology Park Unit under a plan formulated by the Government of India. As per the plan, the Company's India operations have export obligations to the extent of 1.5 times the employee costs for the year on an annual basis and 5 times the amount of foreign exchange released for capital goods imported, over a five year period. The consequence of not meeting this commitment in the future, would be a retroactive levy of import duty on certain computer hardware previously imported duty free. As of March 31, 2002, the Company has met all commitments required under the plan.

Contingencies. The Company is involved in lawsuits, claims, investigations and proceedings, including patent and commercial matters, which arise in the ordinary course of business. There are no such matters pending that Wipro expects to be material in relation to its business.

27. Segment Information

The Company is organized by segments, including Global IT Services and Products, India and AsiaPac IT Services and Products, Consumer Care and Lighting and other segments. Each of the segments has a Vice Chairman/Chief Executive Officer who reports to the Chairman of the Company. The Chairman of the Company has been identified as the Chief Operating Decision Maker 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. Until fiscal 2000, interest income by lending to other segments, was included as a component of total revenue and operating income for segment data. From fiscal 2001, the Chief Operating Decision Maker evaluates revenue growth and operating income of the segments excluding interest income earned by the segment from lending to other segments within the Company.

The Global IT Services and Products (Wipro Technologies) segment provides research and development services for hardware and software design to technology and telecommunication companies and software application development services to corporate enterprises.

The India and AsiaPac IT Services and Products (Wipro Infotech) segment focuses primarily on addressing the IT and electronic commerce requirements of companies in India 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 consists of various 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.

Information on reportable segments is as follows :

	Year ended March 31, 2000					
	Global IT Services and Products	India and AsiaPac IT Services and Products	Consumer Care and Lighting	Others (net of eliminations)	Reconciling Items	Entity Total
Revenues	Rs. 10,206,078	Rs. 8,089,297	Rs. 3,151,116	Rs. 1,380,583	Rs. —	Rs. 22,827,074
Exchange rate fluctuations	88,946	(13,923)	(2,090)	—	(72,933)	—
Interest income on funding other segments, net	163,500	—	43,000	—	(206,500)	—
Total revenues	10,458,524	8,075,374	3,192,026	1,380,583	(279,433)	22,827,074
Cost of revenues	(6,219,980)	(6,541,162)	(2,251,238)	(1,070,031)	—	(16,082,411)
Selling, general and administrative expenses	(1,345,009)	(1,097,902)	(461,823)	(224,046)	(122,518)	(3,251,298)
Amortization of goodwill	—	(1,000)	—	—	—	(1,000)
Exchange rate fluctuations	—	—	—	—	51,603	51,603
Others, net	15,000	25,000	5,929	5,000	22,290	73,219
Operating income of segment	Rs. 2,908,535	Rs. 460,310	Rs. 484,894	Rs. 91,506	Rs. (328,058)	Rs. 3,617,187
Total assets of segment	Rs. 5,116,501	Rs. 3,788,784	Rs. 1,282,676	Rs. 764,433	Rs. 1,725,959	Rs. 12,678,353
Capital employed	2,711,042	1,474,491	678,549	521,146	3,048,562	8,433,790
Return on capital employed (1)	92%	32%	70%	—	—	—
Accounts receivable	2,163,931	1,743,789	133,889	389,751	—	4,431,360
Depreciation	526,511	68,105	86,002	43,225	10,630	734,473

	Year ended March 31, 2001					
	Global IT Services and Products	India and AsiaPac IT Services and Products	Consumer Care and Lighting	Others (net of eliminations)	Reconciling Items	Entity Total
Revenues	Rs. 17,670,426	Rs. 8,644,050	Rs. 3,143,537	Rs. 1,328,915	Rs. —	Rs. 30,786,928
Exchange rate fluctuations	126,291	(46,387)	-	-	(79,904)	-
Total revenues	17,796,717	8,597,663	3,143,537	1,328,915	(79,904)	30,786,928
Cost of revenues	(9,204,649)	(6,440,852)	(2,215,349)	(961,779)	-	(18,822,629)
Selling, general and administrative expenses	(2,574,518)	(1,392,304)	(538,753)	(161,484)	(168,036)	(4,835,095)
Amortization of goodwill	—	(1,000)	—	—	(44,389)	(45,389)
Exchange rate fluctuations	—	—	—	—	120,226	120,226
Others, net	20,000	61,000	61,113	9,000	197,805	348,918
Operating income of segment	Rs. 6,037,550	Rs. 824,507	Rs. 450,548	Rs. 214,652	Rs. 25,702	Rs. 7,552,959
Total assets of segment	Rs. 9,242,116	Rs. 3,921,596	Rs. 1,205,128	Rs. 1,668,108	Rs.10,150,513	Rs. 26,187,461
Capital employed	7,760,449	1,090,097	846,978	1,271,686	10,007,101	20,976,311
Return on capital employed (1)	115%	64%	59%	—	—	—
Accounts receivable	3,453,330	1,674,773	158,927	591,255	—	5,878,285
Depreciation	708,274	94,166	63,901	50,169	74,752	991,262

	Year ended March 31, 2002					
	Global IT Services and Products	India and AsiaPac IT Services and Products	Consumer Care and Lighting	Others (net of eliminations)	Reconciling Items	Entity Total
Revenues	Rs. 22,412,226	Rs. 6,950,495	Rs. 2,938,630	Rs. 1,680,138	Rs. -	Rs. 33,981,489
Exchange rate fluctuations	255,810	(202)	411	87	(256,106)	-
Total revenues	22,668,036	6,950,293	2,939,041	1,680,225	(256,106)	33,981,489
Cost of revenues	(12,396,557)	(5,096,475)	(2,021,080)	(1,354,189)	-	(20,868,301)
Selling, general and administrative expenses	(2,533,337)	(1,278,248)	(517,701)	(430,265)	(113,775)	(4,873,326)
Research and development expenses	(126,930)	-	-	-	-	(126,930)
Amortization of goodwill	-	(2,000)	-	-	(173,567)	(175,567)
Exchange rate fluctuations	-	-	-	-	218,968	218,968
Others, net	(2,395)	4,786	3,256	18,542	134,285	158,474
Operating income of segment	Rs. 7,608,817	Rs. 578,356	Rs. 403,516	Rs. (85,687)	Rs. (190,195)	Rs. 8,314,807
Total assets of segment	Rs. 11,196,573	Rs. 3,532,129	Rs. 1,076,291	Rs. 1,631,088	Rs.16,318,506	Rs. 33,754,587
Capital employed	8,724,898	962,381	708,041	1,606,970	15,954,694	27,956,983
Return on capital employed (1)	92%	56%	52%	-	-	-
Accounts receivable	3,700,657	1,810,889	172,426	296,931	-	5,980,903
Depreciation	974,452	138,991	61,596	168,743	67,509	1,411,291

(1) Return on capital employed is computed based on the average of the capital employed at the beginning and at the end of the year.

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

	Year ended March 31,		
	2000	2001	2002
India	Rs. 12,244,102	Rs. 12,463,900	Rs. 11,552,033
United States	6,522,166	11,430,738	12,688,593
Europe	2,350,170	5,070,806	8,255,195
Rest of the world	1,710,636	1,821,484	1,485,668
	Rs. 22,827,074	Rs. 30,786,928	Rs. 33,981,489

29. Fair Value of Financial Instruments

The fair values of the Company's current assets and current liabilities approximate their carrying values because of their short-term maturity. Such financial instruments are classified as current and are expected to be liquidated within the next twelve months.

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ **Registration statement pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934**

☒ **Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended March 31, 2002

☐ **Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from ____________________ to ____________________

Commission File Number: 001-16139
WIPRO LIMITED
(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

Karnataka, India
(Jurisdiction of incorporation or organization)

Doddakannelli
Sarjapur Road
Bangalore, Karnataka 560035, India
+91-80-844-0011
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act :

Title of Each Class	Name of Each Exchange on which Registered
None	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act :

American Depositary Shares,
each represented by one Equity Share, par value Rs. 2 per share.

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

Not Applicable

(Title of Class)

Indicate the number of each of the issuer's classes of capital or common stock as of the class of the period covered by the Annual Report. **232,465,689 Equity Shares**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes .... No **X**

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 .... Item 18 **X**

Currency of Presentation and Certain Defined Terms

In this Annual Report on Form 20-F, references to “$” or “dollars” or “U.S. dollars” are to the legal currency of the United States and references to “Rs.” or “rupees” or “Indian rupees” are to the legal currency of India. Our financial statements are presented in Indian rupees and translated into U.S. dollars and are prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”). References to “Indian GAAP” are to Indian generally accepted accounting principles. References to a particular “fiscal” year are to our fiscal year ended March 31 of such year.

References to “U.S.” or “United States” are to the United States of America, its territories and its possessions. References to “India” are to the Republic of India. “Wipro” is a registered trademark of Wipro Limited in the United States and India. All other trademarks or tradenames used in this Annual Report on Form 20-F are the property of their respective owners.

Except as otherwise stated in this report, all translations from Indian rupees to U.S. dollars are based on the noon buying rate in the City of New York on March 29, 2002, for cable transfers in Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York which was Rs. 48.83 per $1.00. 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. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

Forward-looking and Cautionary Statement

IN ADDITION TO HISTORICAL INFORMATION, THIS ANNUAL REPORT CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE REFLECTED IN THE FORWARD-LOOKING STATEMENTS. FACTORS THAT MIGHT CAUSE SUCH A DIFFERENCE INCLUDE, BUT ARE NOT LIMITED TO, THOSE DISCUSSED IN THE SECTION ENTITLED “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS” AND ELSEWHERE IN THIS REPORT. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH REFLECT MANAGEMENT’S ANALYSIS ONLY AS OF THE DATE HEREOF. IN ADDITION, READERS SHOULD CAREFULLY REVIEW THE OTHER INFORMATION IN THIS ANNUAL REPORT AND IN THE COMPANY’S PERIODIC REPORTS AND OTHER DOCUMENTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) FROM TIME TO TIME.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Selected Financial Data

This information is set forth under the caption "Summary of Selected Consolidated Financial Data" on page 163 of our Annual Report for the fiscal year ended March 31, 2002, and is incorporated herein by reference.

Exchange Rates

Fluctuations in the exchange rate between the Indian rupee and the U.S. dollar will affect the U.S. dollar equivalent of the Indian rupee price of our equity shares on the Indian stock exchanges and, as a result, will likely affect the market price of our American Depositary Shares, or ADSs, listed on the New York Stock Exchange, and vice versa. Such fluctuations will also affect the U.S. dollar conversion by our depositary for the ADSs, Morgan Guaranty Trust Company of New York, or Depositary, of any cash dividends paid in Indian rupees on our equity shares represented by the ADSs.

The following table sets forth, for the fiscal years indicated, information concerning the number of Indian rupees for which one U.S. dollar could be exchanged based on the average of the noon buying rate in the City of New York on the last business day of each month during the period for cable transfers in Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York. The column titled "Average" in the table below is the average of the daily noon buying rate on the last business day of each month during the year.

Fiscal Year Ended March 31,	Period End	Average	High	Low
1997	35.88	35.70	35.95	35.00
1998	39.53	37.37	39.53	35.72
1999	42.50	42.27	42.83	39.74
2000	43.65	43.46	43.75	42.84
2001	46.85	45.88	46.90	43.70
2002	48.83	47.80	48.83	46.88

The following table sets forth the high and low exchange rates for the previous six months and are based on the average of the noon buying rate in the City of New York on the last business day of each month during the period for cable transfers in Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York:

Month	High	Low
November 2001	Rs. 48.11	Rs. 47.98
December 2001	48.29	47.80
January 2002	48.58	48.27
February 2002	48.90	48.55
March 2002	48.83	48.71
April 2002	49.01	48.83

Capitalization and Indebtedness

Not applicable.

Reasons for the Offer and Use of Proceeds

Not applicable.

Risk Factors

This information is available in the section titled "Risk Factors" on pages 179 through 184 in our Annual Report for the fiscal year ended March 31, 2002, and such information is incorporated herein by reference.

Item 4. Information on the Company

History and Development of the Company

Wipro Limited was incorporated in 1945 as Western India Vegetable Products Limited under the Indian Companies Act, VII of 1913, which is now superceded by the Companies Act, 1956. We are deemed to be registered under the Companies Act, 1956, or the Companies Act. We are registered with the Registrar of Companies, Karnataka, Bangalore, India as Company No. 20800. Our registered office is located at Doddakannelli, Sarjapur Road, Bangalore 560 035, and the telephone number of our registered office is +91-80-844-0011. The name and address of our registered agent in the United States is CT Corporation, located at 1350 Treat Blvd., Suite 100, Walnut Creek, California 94596.

Wipro Limited was initially engaged in the manufacture of hydrogenated vegetable oil. Over the years, we have diversified into the areas of Information Technology or IT services, IT products and Consumer Care & Lighting Products. We are headquartered in Bangalore, India and have operations in North America, Europe and Asia. For the fiscal year ended March 31, 2002, 99% of our operating income was generated from our IT business segments. For the same period, Global IT Services and Products represented 92% of our operating income and India and AsicaPac IT Services and Products represented 7% of our operating income.

In October 2000, we raised gross aggregate proceeds of approximately $131 million in our initial U.S. public offering of our ADSs on the New York Stock Exchange.

We incurred capital expenditure of Rs. 1,318 million, Rs. 2,626 million and Rs. 2,485 million ($ 50.89 million) during the fiscal years ended March 31, 2000, 2001 and 2002, respectively. These capital expenditures were primarily incurred on new software development facilities for our Global IT services business segment. These capital expenditures also include Rs. 570 million incurred on the expansion of our corporate facilities in Bangalore over the course of the fiscal years ended March 31, 2000 and 2001.

Business Overview

Wipro Limited is a leading India based provider of IT services globally. We provide research and development services and software solutions to leading companies worldwide. We leverage offshore development facilities located in India to offer these services. In India, we are a leader in providing IT solutions and services. We also have a profitable presence in niche Indian market segments of consumer products and lighting.

We have three primary business segments :

- *Global IT Services and Products*. We provide research and development services for hardware and software design to technology and telecommunications companies and software application development services and package implementation services to corporate enterprises. Global IT Services is our fastest growing business segment and accounted for 67% of our revenue and 92% of our operating income for the year ended March 31, 2002.

- *India and AsiaPac IT Services and Products*. We are a leader in the Indian IT market and focus primarily on meeting all the IT and electronic commerce requirements of companies in India and the AsiaPacific region. This business segment accounted for 20% of our revenue and 7% of our operating income for the year ended March 31, 2002.

- *Consumer Care and Lighting*. We leverage our brand name and distribution strengths to sustain a profitable presence in niche markets in the areas of soaps, toiletries, lighting products and hydrogenated cooking oils for the Indian market. This business segment accounted for 9% of our revenue and 5% of our operating income for the year ended March 31, 2002.

- *Healthcare and Life Sciences*. In April 2002, we established this new business segment to address the IT requirements of the emerging Healthcare and Life Sciences market. Wipro Biomed, which is currently reported in Others, will now be included in the Wipro Healthcare and Life Sciences segment.

Industry Overview

IT Services

The role of IT in transforming businesses and economies worldwide has been widely recognized. The recent shift in the role of IT from merely supporting businesses to transforming businesses, driving productivity gains and creating new business models has increased the importance of IT to the success of companies world-wide. This has resulted in an increased focus for companies on areas such as :

- Reducing the time it takes to introduce new software applications, commonly known as time-to-application advantage; and
- Reducing the time it takes to develop new technologies, commonly known as time-to-market advantage.

As a result, corporate budgets for IT services and research and development budgets of technology companies have grown significantly. International Data Corporation, or IDC, estimates that the global IT services market will grow from approximately $413 billion in 2001 to $683 billion by 2006, reflecting a compound annual growth rate or CAGR of 11%. The market for research and development services is comparable in size. The United States National Science Foundation estimated that research and development expenditure in the United States, the largest market, was $264 billion for 2000.

Along with the increase in IT services and research and development spending, companies are increasingly using external professional services as an effective tool to meet their IT requirements. The trend towards outsourcing is driven by a growing shortage of IT professionals in developed economies and the threat of economic slowdown forcing cost-optimization strategies. By deploying high-speed communications equipment, companies can access skilled IT services from remote locations to meet their complex IT requirements in a cost-effective manner.

The India Advantage. According to a survey of U.S. software service vendors conducted by the World Bank, India is one of the leading offshore destinations for companies seeking to outsource software development of IT projects. A McKinsey study conducted in 1999 for the Indian National Association of Software and Service Companies, or NASSCOM, estimates that India's export revenue from IT services will grow to $30 billion by March 31, 2008.

There are several key factors contributing to this rapid growth of India-based IT services:

- India-based IT companies have proven their capability to deliver IT services that satisfy the requirements of international clients who expect the highest quality standards. The NASSCOM survey of international quality standards of the top 400 Indian software companies showed that 201 had already been ISO 9000 or SEI-CMM Level 3 certified, with an additional 80 anticipated to acquire such certifications during 2002.

- India has a large, highly skilled English-speaking labor pool that is available at a relatively low labor cost. According to NASSCOM, the Indian software industry was expected to employ 416,000 software professionals by March 31, 2002, making it the second largest employer in the IT services industry after the United States. In addition, India has more than 1,800 engineering colleges and technical institutes that train approximately 68,000 graduates annually in IT. According to a McKinsey study conducted for NASSCOM, the average annual wage for software professionals in India is approximately 20% of the average U.S. rate. Although wages in India are rising faster than in the United States, the labor rate differential is anticipated to remain a competitive advantage for Indian companies into the foreseeable future.

- With the time differential between India and its largest market, the United State, Indian companies are able to provide a combination of onsite and offshore services on a 24 hour basis on specific projects.

In line with global trends, Indian companies are also increasingly becoming aware of the potential of IT systems as they have begun to realize the benefits of technology enhancements in their businesses. The domestic Indian IT industry is primarily composed of hardware, packaged software and IT services. IDC estimates that the Indian IT market will grow to over $14.9 billion by 2005, reflecting a compound annual growth rate of approximately 27.4% from 2000, when $4.4 billion was spent. The IT services market in India is expected to grow in line with the rest of the industry to approximately $4.47 billion in 2005 from $1.32 billion in 2000, representing a compound annual growth rate of over 28%.

Consumer Care & Lighting

The consumer care market that we address includes soaps, toiletries and infant care products. The aggregate consumption in these markets for the year ended December 31, 2001 was approximately Rs. 45,546 million. The lighting industry in India is divided into incandescent lighting and fluorescent tube lighting. The aggregate consumption in these markets as of December 31, 2001, was approximately Rs. 17,852 million.

Competitive Strengths

We believe that the following are our principal competitive strengths :

Broad range of research and development services

Our strengths in research and development services position us ideally to take advantage of the rapid development and enhancement of new technologies. We are one of few major IT services companies in the world capable of providing an entire range of research and development services from concept to product realization. We acquired these skill sets through our earlier research and development efforts in the design of computer hardware products for the Indian market when the Government of India did not allow these products to be imported. We provide IT services for designing, enhancing and maintaining platform technologies including servers and operating systems, communication subsystems, local area and wide area network protocols, optical networking systems, Internet protocol based switches, routers and embedded software including software used in mobile phones, home/office appliances and automobiles.

Comprehensive range of IT services

We provide our customers comprehensive and integrated software solutions, and are able to take full responsibility for project execution. We have over 11 years of experience in software development, re-engineering and maintenance for our corporate customers and provide managed IT support services both at the client's site and through our 37 offshore development centers in India. We believe that this integrated approach positions us to take advantage of key growth areas in enterprise solutions, including IT services for electronic commerce, or e-commerce, data warehousing and the implementation of enterprise application software such as resource planning or ERP, supply chain management or SCM and customer relationship management or CRM.

World-class quality as measured by SEI-CMM and Six Sigma initiatives

One of the most critical factors in our success has been our commitment to pursue the highest quality standards in all aspects of our business. We were assessed at SEI-CMM Level 5, the highest level of quality certification, in January 1999, making us the first IT services provider in the world to achieve this standard. SEI-CMM is widely accepted in the software industry as a standard to measure the maturity and effectiveness of software processes. Our SEI-CMM Level 5 rating is supported by our Six Sigma initiative, which is an internationally recognized program focusing on defect reduction and cycle time reduction. Our Six Sigma program was launched in 1998. Six Sigma represents a quality standard of less than 3.4 defects per million opportunities in which a defect may arise.

Offshore Development Model

One of our strengths is our ability to leverage our offshore development centers, or ODCs. We were among the first India-based IT services companies to implement the offshore development model as a method for delivering high-quality services at a relatively low cost to international clients. The ODC model has many features that are attractive to our clients, including :

- A time difference between the client site and the ODC which allows a 24-hour work schedule for specific projects;
- The ability to quickly increase the scale of development operations;
- Increased access to our large pool of highly skilled IT professionals located in India; and
- Physical and operational separation from all other client projects, providing enhanced security for a client's intellectual property.

Established track record with premier international customer base

Our customers include some of the world's leading companies. Our top ten customers in terms of revenue for the fiscal year ended March 31, 2002, have maintained a working relationship with us for an average of 4.1 years. We had 23 clients that represented at least $5.0 million in IT services revenues in the fiscal year ended March 31, 2002. We believe that having an established base of high quality, high-technology clients provides us with the following competitive advantages :

- The type of clients we target are likely to maintain or increase their IT outsourcing budgets;
- Most of our large clients have invested significantly in our offshore development centers and are therefore likely to provide a high level of repeat business; and,
- Our IT professionals are consistently exposed to the latest technologies that we are then able to leverage to procure business from other clients.

Ability to access, attract and retain skilled IT professionals

We continue to develop new methods of accessing and attracting skilled IT professionals. We partnered with a leading Indian university to establish a program for on the job training and a Masters degree in software engineering. We have also sought to open facilities in various cities in India to better access local professionals. We believe that our ability to retain highly skilled personnel is enhanced by our leadership position, opportunities to work with leading edge technologies and focus on training and compensation. In fiscal 2002 we were assessed at People Capability Maturity Model or PCMM level 5, the highest level of certification. PCMM is widely accepted as a standard to measure the maturity and effectiveness of human resources practices. Currently, we have over 8,500 IT professionals in our Global IT Services business segment and we expect to grow this number in the foreseeable future. One of the keys to attracting and retaining qualified personnel is our variable and performance linked compensation programs. We have had an employee stock purchase program since 1984, an employee stock option plan and a productivity bonus plan since October 1999.

Broad distribution network and strong sales force in India

We have a large and growing distribution network for our domestic businesses. For our Indian IT Services and Products business segment, our direct sales force targets large corporate clients and over 250 channel partners in over 100 locations focus on medium and small enterprises. For our consumer care and lighting products, we have access to one million retail outlets. This distribution reach provides us with a significant competitive advantage and allows us to grow our business with minimal increases in personnel.

Strong brand recognition in the Indian market

We believe that our brands are some of the most well recognized brands in the Indian market. We have been operating in the Indian market for over 56 years and believe that customers equate our brand with high quality standards and a commitment to customer service. We enhance the value of our brands through aggressive and selective advertising and promotions.

Our Strategy

Our objective is to be a world leader in providing comprehensive IT services. The markets we address are undergoing rapid change due to the pace of technology development and change in business models. We believe that these trends provide us with significant growth opportunities. The key elements of our strategy include :

Significantly expand our Global IT Services and Products business

We expect to significantly grow our Global IT Services and Products business and the percentage of our total revenues and profits contributed by this business over the next few years. We believe that we can achieve this objective through the following :

- Identify and develop service offerings in emerging growth areas as separate business opportunities, such as business intelligence services; and telecommunication and Internet service providers;
- Aggressively grow our research and development services by focusing on high growth markets such as telecommunications, mobile communications and the Internet, and high growth technologies such as embedded software;
- Leveraging our experience in providing IT infrastructure management services in the Indian market and our access to existing clients outside India to provide technology infrastructure support services; and
- Expand our market presence by providing system integration services.

Increase the number and penetration of Global IT Services and Products clients

We intend to increase the number of our clients through a dedicated sales team focused on new client acquisitions and increasing our presence in Europe and Asia. Our goal is to make every new client account earn over $1 million in annual revenues within twelve months. We intend to increase our share of business with existing clients by expanding our range of IT solutions and by increasing our knowledge of industry segments and individual client businesses to allow us to better understand client requirements.

Sustain/Increase our Global IT Services and Products operating margins

We intend to focus on sustaining/increasing our operating margins by :

- increasing the revenue per IT professional by providing higher value added services;
- increasing the number of productized services;
- increasing the proportion of our fixed price contracts; and
- increasing the proportion of our client work conducted offshore, which typically has higher operating margins.

Focus on services-led growth in the IT market in India

We plan to grow in the IT market in India by focusing on the services we offer our clients. We believe that by offering clients a full service technology solution, including systems integration, support services, software and networking solutions along with branded hardware products, we can enhance our profitability significantly.

Aggressively build awareness of the Wipro brand name

We plan to continue aggressively building awareness among clients and consumers both domestically and internationally of the Wipro brand name. We believe we can leverage the strength of an international brand name across all of our businesses by ensuring that our brand name is associated with Wipro's position as a market leader that is committed to high quality standards. To achieve this objective, we intend to expand our marketing efforts with advertising campaigns and promotional efforts that are targeted to specific groups.

Pursue selective acquisitions of IT services companies

We plan to pursue selective acquisitions of IT service companies that would allow us to expand our service offerings and acquire additional skills that are valued by our clients. We believe that this will strengthen our relationships with clients and allow us to realize higher revenues from them. In pursuing acquisitions, we will focus on companies where a significant portion of their work can be moved offshore to India to leverage our low cost offshore delivery model and realize higher margins. Although we have not currently identified any companies we would like to acquire, we continue to seek to identify and acquire companies that will complement our existing businesses and build our brand. This strategy includes exploring potential strategic partnerships and relationships.

Sustain growth in operating income and cash flow of our traditional businesses

We have been in the consumer care business since 1945 and the lighting business since 1992. The consumer care business has historically generated surplus cash for us to be able to grow our other businesses. Our strategy is to maintain a steady growth in operating income for these businesses through efficient capital utilization, strong brand name recognition and expanding our nationwide distribution network.

Global IT Services and Products

Our Global IT Services and Products business segment, which we call Wipro Technologies, is a leader in providing IT services to international companies. We provide clients customized IT solutions to improve their competitiveness. Our IT services are focused on the following areas :

- Research and development services;
- Enterprise solutions; and
- Technology infrastructure support services.

In our IT service offerings, we typically assume primary project management responsibility. We offer these services worldwide through a team of over 8,500 IT professionals and 37 offshore development centers.

Research and Development Services

We provide product development services for both hardware and software systems that are implemented in computers and communications equipment. We acquired these skill sets from earlier research and development efforts in the design of computer hardware products for the Indian market when the Government of India did not allow these products to be imported. We have leveraged our research and development skills to become an outsourcing resource for companies that seek highly skilled product development services for some of their core technologies. We typically target these services to the Chief Technology Officer of technology product companies to provide them with a product development time-to-market advantage. Our services include :

Hardware design and development. We design and develop various types of integrated electronic circuits, or ICs, including application specific integrated circuits, or ASICs and field programmable gate arrays, or FPGAs. We offer our services over a broad spectrum of technology areas and are able to provide our clients complete subsystems or entire products. We are able to assume complete responsibility for all phases of the development, beginning with the requirements analysis to the transfer of technology and information to the client.

Software system design and development. We develop software applications, including computer operating system software applications commonly known as middleware, electronics communication protocols and software that helps computers manage networks and control peripheral devices such as printers and monitors. We focus on embedded software technologies that involve the design and development of software solutions that are embedded in the hardware of a particular device.

Our research and development services division accounted for 46%, 50% and 50% of Global IT Services revenue for the fiscal years ended March 31, 2000, March 31, 2001 and March 31, 2002.

We have approximately 4,700 IT professionals trained in a broad array of computing platforms and communication technologies. By focusing on selected markets and technologies we are able to leverage our expertise and create greater efficiencies as well as faster delivery times. Our research and development services are organized into three areas of focus, which are described below with illustrative examples of projects we have completed for our clients :

Telecommunications and inter-networking. We provide software and hardware design, development and implementation services in areas such as fiber optics communication networks, wireless networks, data networks, voice switching networks and networking protocols. Two examples of projects we have completed for our clients are provided below :

- *Wireless communications software*. A leading North-American telecommunications solution provider sought our services to help provide a wireless pre-paid solution to a large cellular service provider in North America that enables a mobile subscriber to pay in advance for a class of cellular service. The application communicates with Interactive Voice Response Units or IVR to replay announcements to subscribers. It interacts with middleware, for the real time billing of calls. The application also supports roaming subscribers. We helped define the requirements and the architecture for the entire solution. Our team then assumed complete responsibility for design, development, testing and deployment support of the application.
- *Data Networks*. The client is a U.S. based networking company that sought our services to design application specific integrated circuits or ASICs for their edge router products. We designed various physical interface cards for their Internet Protocol switch product and developed the firmware, network management and protocol software for the switch.

Embedded systems and Internet access devices. The software solution we provide is programmed into the hardware IC or ASIC to eliminate the need for running the software through an external source. The technology is particularly important to portable computers, consumer electronics, computer peripherals, automotive electronics and mobile phones, as well as other machines such as process controlled equipment. A representative client project is provided below :

- *Embedded software for Automotive Electronics*. A leading European automotive equipment vendor sought our services for a complete Graphical User Interface or GUI based Human – Machine Interface or HMI for its high-end driver information system. The client possessed the requisite hardware capabilities and had the discrete telematics functional modules such as the Global Positioning System or GPS and audio required for the driver information system. We provided the expertise of integrating these varied modules into a user-friendly ergonomic interface, designed in a manner that could be effortlessly extrapolated to fit diverse models and functionalities.

Telecommunications and service providers. We provide software application integration, network integration and maintenance services to telecommunications service providers, Internet service providers, application service providers and Internet data centers. A representative client project provided below :

- *Comprehensive Systems Integration*. For a U.K. based telecommunications service provider, we provided comprehensive system integration services including development of the architecture of the solution, procurement and integration of various products, and development of necessary software and maintenance of the solution.

Enterprise Solutions

We provide a comprehensive range of enterprise solutions primarily to Fortune 1000 companies to meet their business requirements. We typically target these services to the Chief Information Officer of a company to provide them with a time-to-application advantage. Our enterprise solutions division accounted for 50%, 45% and 50% of our Global IT Services and Products revenues for the fiscal years ended March 31, 2000, March 31, 2001 and March 31, 2002.

Our services include :

E-commerce services. We offer solutions to help create the infrastructure and build and deliver applications for companies seeking to implement their e-commerce strategies. We offer our e-commerce services through our branded service, Net.profit, which enables our customers to rapidly deploy software applications so they can take advantage of new business opportunities and enhance profitability. Our e-commerce services include :

- *IT Architecting and Design*. We help our clients analyze and choose hardware, software and tools needed to deliver a system that meets their business objectives. For example, we designed an Internet based ordering system for a travel instruments company in the United Kingdom and developed an implementation plan with resources required, schedules and deliverables.
- *Application Development*. We work with our clients to develop applications around their existing or chosen architectures to meet their business requirements. For example, we developed an engineering procurement and construction portal for a leading U.S. based engineering construction company.
- *Legacy Web Integration*. We help organizations with large existing investments in legacy systems to Internet enable a number of front-end applications such as customer queries. For example, for a leading Europe based securities firm, we re-engineered their one time payment system and their credit and risk management system to a web based system.
- *Web Security*. We have developed a reliable and highly scalable security model, which we have branded WebSecure, which helps our clients integrate Internet security technologies with their business model. For instance, using WebSecure, we have developed a comprehensive security system for a leading U.S. based retail organization's extranet/intranet that can be accessed in multiple locations and that encompasses diverse platforms and applications.

E-commerce projects are often characterized by changing requirements, very short development and deployment time frames and emerging technologies. To address these characteristics we have developed a solution methodology called Re-engineer Application Process through Incremental & Iterative Development, or RAPIID. We adopt an incremental and iterative process in our projects and take advantage of a library of reusable components developed at our development centers to reduce the development time for a project. We have over 750 e-commerce IT professionals, most of whom have industry expertise in financial services, retail, healthcare or utilities.

Custom applications. We help our clients align their IT systems with their business strategy by creating customized solutions, selecting appropriate technologies, implementing systems on a fast-track basis, and ensuring overall quality. We offer outsourcing services in the areas of software development, re-engineering and maintenance.

- *Development*. We offer our development services over a broad spectrum of technology areas that include client/server applications, object oriented software, Internet/intranet applications and mainframe applications. For example, for a U.S. based manufacturer of random access memory or RAM components, we developed a Global Planning and Scheduling application that allows the client to streamline its supply chain management capabilities, reduce operational costs and improve customer satisfaction through on-time deliveries.
- *Re-engineering*. We study a client's business processes and existing systems and convert or redevelop them to meet their requirements. For example, for a large insurance company in the U.S. we transitioned their existing propriety life insurance policy administration system to a more flexible and scalable system.
- *Maintenance*. To meet the needs of a changing business environment with limited internal resource utilization, we address legacy software applications for our clients that require upgrades. For example, for a large U.S. based Insurance company we have been providing IT services in the areas of Claims Processing Systems, Policy Processing Systems, Billing System, Agency System and Management Information Systems.

Enterprise application integration services. We implement packaged enterprise applications which integrate information in an organization with key business processes to improve the efficiency and effectiveness of our clients. Through strategic alliances with some of the leading solutions vendors, we assist our clients in implementing services in the areas of enterprise resource planning, supply chain management and customer relationship management.

Business intelligence and data warehousing. We develop strategies and implement solutions for our clients to manage multiple sources of data for use in their decision making processes. For example, for a large insurance company in the U.S. we designed and implemented a management information system in the claims processing area. Our solution included the generation of a range of analyses and reports on customer profitability, dealer performance and sales team performance.

We focus our services on clients in selected industries to leverage our expertise and create greater efficiencies and faster delivery times. We primarily offer our services across the retail and utilities, financial services, and manufacturing, industries.

Technology Infrastructure Support Services

Our offerings include help desk management, systems management and migration, network management and messaging services. We are able to provide Global IT Services and Products clients with high quality, 24 hour, seven day a week support services by leveraging our expertise in managing IT infrastructure for our clients in India. We formed this division at the end of 1998 and it accounted for 7% of Global IT Services and Products revenues for the year ended March 31, 2002. We anticipate that this division of our Global IT Services business will continue to grow over the next few years.

A few representative examples are provided below :

- For a legislative body in Europe we provided consulting services in the area of IT infrastructure management. We continue to support the server, network operations and disaster recovery systems.
- For a large investment banking company in the U.S., we provide remote infrastructure management services in the areas of database and web server administration from an offshore development centre in India.

Our Delivery Model

In our IT service offerings, we typically assume primary project management responsibility for all stages of implementation of the project. Typically, a project team consists of a small number of IT professionals based at the client's location who define the scope of the project, track changes to specifications and requirements during project implementation, assist in installing the software or system at the client's site and ensure its continued operation. The large proportion of the development work on the project is performed at one of our dedicated offshore development centers, or ODCs, located in India. Our project management techniques, risk management processes and quality control measures enable us to complete projects on time and seamlessly across multiple locations with a high level of quality.

The Offshore Development Center. We were one of the first Indian IT services companies to implement the offshore development model as a method for delivering high-quality services at a relatively low cost to our international clients. Our ODC is a virtual extension of the client's working environment with a dedicated facility and dedicated hardware and software infrastructure that replicate the client's facilities. This is further enhanced by a dedicated high-speed telecommunication link with the client's onsite facilities and a secure working environment. We currently operate 37 offshore development centers. Clients such as Compaq, Nortel, and Seagate Technologies have had ODCs with us for periods ranging from five to twelve years. In all our projects, we endeavor to increase the proportion of work performed at the ODCs in order to be able to take advantage of the various benefits associated with this approach, including higher gross margins and increased process control. Due to the level of investment required by our clients in an ODC and the quality of services we provide, the ODC model has provided us a high percentage of repeat business and a stable revenue stream. In addition, the ODC model has many features that are attractive to our clients, including:

- A time difference between the client site and the ODC which allows a 24-hour work schedule for specific projects;
- The ability to quickly increase the scale of development operations;
- Increased access to our large pool of highly skilled IT professionals located in India; and
- Physical and operational separation from all other client projects, providing enhanced security for a client's intellectual property.

Clients

We provide IT software solutions to clients from a broad array of industry sectors. Several of our clients purchase services across several of our business segments. We seek to expand the level of business with our existing clients by increasing the type and range of services we provide to them. The table below illustrates the size of our client project work as measured by revenues.

	Number of clients in		
Per client revenue($)	**Year ended March 31, 2000**	**Year ended March 31, 2001**	**Year ended March 31, 2002**
1-3 million	23	36	49
3-5 million	5	14	9
>5 million	11	15	23
Total	39	65	81

For the fiscal years ended March 31, 2001 and 2002 Global IT Services and Products largest client accounted for 8% and 7% of revenue from services of Global IT Services and Products and 5% and 5% of total revenues. For the same periods, Global IT Services and Products five largest clients accounted for 30% and 29% of Global IT Services and Products revenues, and 17% and 20% of total revenues.

Sales and Marketing

Our headquarters is located at Bangalore, India. We sell and market our Global IT Services and Products primarily through our direct sales force, with locations worldwide, including in the United States, France, Holland, Japan, Sweden and the United Kingdom. Our sales teams are organized in three ways:

- by the vertical market segment in which the client's business is;
- a client is new or existing; and
- by the geographic region in which the client is located.

We use an integrated team sales approach that allows our sales teams to pass a client over to an execution team once the sale is completed. Our sales personnel, with the appropriate software professionals and technical managers work together in analyzing potential projects and selling our expertise to potential clients.

Our sales efforts are largely decentralized and conducted within each of our business segments. Global IT Services and Products also gets support from our corporate marketing team to assist in brand building and other corporate level marketing efforts. Our sales and marketing team has increased from 67 to 99 personnel from March 31, 2001 to March 31, 2002. We intend to expand our global marketing efforts through increased presence in targeted geographical regions.

Competition

The market for IT services is highly competitive and rapidly changing. Our competitors in this market include consulting firms, big five accounting firms, global IT services companies, such as IBM Global Services, Accenture, EDS, Sapient, and India based IT services companies such as Tata Consultancy Services, Infosys, and Satyam.

These competitors are located internationally as well as in India. We expect that further competition will increase and potentially include companies from other countries that have lower personnel costs than those currently in India. A significant part of our competitive advantage has historically been a wage cost advantage relative to companies in the United States and Europe. Since wage costs in India are presently increasing at a faster rate than those in the United States, our ability to compete effectively will increasingly become dependent on our ability to provide high quality, on-time, complex deliverables that depend on increased expertise in certain technical areas. We also believe that our ability to compete will depend on a number of factors not within our control, including :

- the ability of our competitors to attract, retain and motivate highly skilled IT services professionals;
- the price at which our competitors offer their services; and
- the extent to which our competitors can respond to a client's needs.

We believe we compete favorably with respect to each of these factors and believe our success has been driven by quality leadership, our ability to create client loyalty and our expertise in targeted select markets.

India and AsiaPac IT Services and Products

Our India and AsiaPac IT Services and Products business segment, which we call Wipro Infotech, is focused on the Indian market and provides clients with complete technology solutions. Our suite of technology services and products consists of the following :

- Enterprise products;
- Technology integration and management services; and
- Software solutions.

Additionally, we provide our domestic customers with access to our full range of global IT services, including enterprise solutions and research and development services.

Services and Products

Enterprise Products. We are one of the largest system integrators in India. This business offering assists clients with integration solutions, including platform, network, security and service provider systems integration. We manufacture our own brand of personal desktop computers and also offer a portfolio of international brands, to meet our clients' requirements.

Technology Integration and Management Services. We enable our customers to leverage our IT skills and expertise to maximize the return on their technology investments. We have over 20 years of experience and currently support over 150,000 systems with over 40,000 clients with approximately 1,500 IT professionals. Our offerings include :

- *Systems and network integration*. Includes integration of computing platforms, networks, security and service provider systems. These services are typically bundled with sales of our computer products.
- *Availability services*. Includes hardware and software maintenance, and network availability services. We provide these services through an annual service or maintenance contract with the client which provides for both preventive and breakdown maintenance services.
- *Managed IT services*. Management and operation of IT infrastructure such as data centers on a day- to-day basis.
- *Professional services*. Includes technology support services for upgrades, system migrations, messaging, network audits and new system implementation. When combined with our expertise in availability and managed IT services, we can provide the client with a complete solution for enhanced system performance.

We supplement our in-house resources with approximately 110 franchisees, whom we train, and support for them to provide both Availability and Managed IT services. This allows us to grow our business substantially without proportionate increases in our personnel.

Software Solutions. We provide software solutions to enable clients to effectively utilize IT systems to run their business more efficiently. Our solutions include e-services, e-security solutions, and enterprise application services. These services leverage our expertise developed by our enterprise solutions division of our global business segment.

Clients

We provide products and services to clients in a variety of areas such as manufacturing, IT services, banking, public sector undertakings, as well as to the major stock exchanges of India. Our clients also include channel partners, who are value-added resellers of our services and products. As of March 31, 2002, we had over 250 channel partners in over 100 cities in India. We have a diverse range of clients, none of whom account for more than 5% of our Indian IT Services and Products business segment revenues.

Sales and Marketing

We sell and market our products and services to major corporate clients through our direct sales force and to smaller corporate clients and retail clients through an extensive network of exclusive channel partners. Sales teams are organized according to industry sectors such as communications, finance, insurance and software. Compensation to our sales teams is comprised of salary and additional compensation linked to the profit margins and collections that a particular sales team produces. Sales efforts are further supplemented through a corporate-wide web-based ordering system and a marketing team that assists in brand building and other corporate level marketing efforts. As of March 31, 2002, we had 235 employees in our sales and marketing staff.

Competition

The market for our products and services is highly competitive and rapidly changing. Our competitors include multinational corporations such as Compaq, IBM and Hewlett-Packard and Indian companies such as HCL Infosystems Ltd., and Zenith IT Group. Currently, our major competitors in the Indian services market include HCL Infosystems and IBM Global Services.

Consumer Care and Lighting

Our consumer care and lighting business segment focuses on niche profitable market segments and has historically generated cash to support the growth of our other business segments. We began with the hydrogenated oil business, and expanded into the soaps market. We have continued to expand our business, and currently offer a mix of consumer products including hydrogenated cooking oil, soaps and toiletries, light bulbs and fluorescent tubes, and lighting accessories.

Products

Soaps and toiletries. Our product lines include soaps and toiletries, as well as baby products, using ethnic ingredients. Our umbrella brands include the Santoor and Wipro Active lines of soaps and talcum powders and the Wipro Baby Soft line of infant and child care products, which includes soap, talcum powder, oil and feeding bottles.

Lighting. Our product line includes incandescent light bulbs, florescent tubes and luminaries. We operate both in commercial and retail markets. We have also developed commercial lighting solutions for pharmaceutical production centers, software development centers and other industries.

Hydrogenated cooking oils. Our product line consists of hydrogenated cooking oils, a cooking medium used in homes, and bulk consumption points like bakeries and restaurants. We sell this product under our brand name Wipro Sunflower, which was launched in the 1950s and has been a leading brand in western and southern India.

Sales and Marketing

We sell and market our consumer care products primarily through our distribution network in India, that has access to one million retail outlets throughout the country. We sell our lighting products to major industrial and commercial customers through our direct sales force, from 26 sales offices located throughout India. We also have access to over 300,000 retail outlets for our lighting products.

We leverage our brand recognition by successfully incorporating the Wipro identity with our consumer brands. We intend to expand our marketing efforts with advertising campaigns and promotional efforts targeted to specific regions of India.

Competition

Our competitors in consumer care and lighting are located primarily in India, and include multinational and Indian companies such as Hindustan Lever Limited, for soaps, toiletries and hydrogenated oils and General Electric and Philips for lighting.

Raw Materials and Manufacturing

The primary raw materials for many of our soap and hydrogenated oil products are agricultural commodities, such as vegetable oils. We normally purchase these raw materials domestically through various suppliers contracts. Prices of vegetable oils, agricultural commodities tend to fluctuate due to seasonal, climatic and economic factors, which generally also affect our competitors.

Our lighting products are manufactured from glass and industrialized parts. We purchase these parts from various domestic and foreign distributors and manufacturers, pursuant to a combination of requirement and other supply contracts. These materials are currently in adequate supply, and we expect them to continue to be in adequate supply.

We have five manufacturing facilities located in southern and western India.

Government Regulation and Environmental Matters

We are subject to several legislative provisions relating to the prevention of food adulteration, weights and measures, drugs and cosmetics, storage of explosives, environmental protection, pollution control, essential commodities and operation of manufacturing facilities. Non-compliance with these provisions may lead to civil and criminal liability. We are and have been in compliance with the applicable provisions.

Wipro GE Medical Systems Limited

In 1990, we formed a joint venture with General Electric called Wipro GE Medical Systems Limited to learn new technologies and management processes from world class companies like General Electric and to enter new markets. General Electric currently holds 51% of the equity in the joint venture and we hold 49%. The joint venture partners have equal representation on the board of directors and the chairman of the joint venture is the chairman of Wipro Limited. The joint venture provides customers in South Asian markets after sales services for all GE Medical Systems products sold to them. Products offered in this market consists of GE Medical Systems products manufactured world wide and portable ultrasound equipment manufactured in India by this joint venture for the global markets. This venture also leverages our strength in software development to develop embedded software for medical equipment designed and developed by General Electric for their global product portfolio. Our main competitors include Siemens and Philips.

Wipro Fluid Power

Our fluid power business started in 1975, as a result of our strategy to enter new emerging markets with profitable business and high margins. We focus on the hydraulics market, especially the mobile construction equipment business and believe the growth of this business is linked to the growth of infrastructure spending in India. We manufacture and sell cylinders and truck hydraulics, and we also distribute hydraulic steering equipment and pumps, motors and valves for international companies. Our main competitors include Hitachi Ltd., Hyundai Motor Company, UT Limited (India) and overseas suppliers such as the Danfoss Group and Komatsu Ltd.

Markets and Sales Revenue

Our revenues for the last three fiscal years by geographic areas are as follows :

(In millions)

	Fiscal year ended March 31,			
Geographic Area	2000	2001	2002	2002
India	Rs. 12,244	Rs. 12,464	Rs. 11,552	$ 237
United States	6,522	11,431	12,689	260
Europe	2,350	5,071	8,255	169
Rest of the World	1,711	1,821	1,486	30
Total	Rs. 22,827	Rs. 30,787	Rs. 33,982	$ 696

Intellectual Property

Our intellectual property rights are important to our business. We rely on a combination of patent, copyright, trademark and design laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. We require employees, independent contractors and, whenever possible, vendors to enter into confidentiality agreements upon the commencement of their relationships with us. These agreements generally provide that any confidential or proprietary information developed by us or on our behalf be kept confidential. These agreements also provide that any confidential or proprietary information disclosed to third parties in the course of our business be kept confidential by such third parties. However, our clients usually own the intellectual property in the software we develop for them.

Our efforts to protect our intellectual property may not be adequate. Our competitors may independently develop similar technology or duplicate our products and/or services. Unauthorized parties may infringe upon or misappropriate our products, services or proprietary information. In addition, the laws of India do not protect intellectual property rights to the same extent as laws in the United States. For example, India does not grant patents for software applications or products. In the future, litigation may be necessary to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly.

We could be subject to intellectual property infringement claims as the number of our competitors grows and our product or service offerings overlap with competitive offerings. In addition, we may become subject to such claims since we may not always be able to verify the intellectual property rights of third parties from which we license a variety of technologies. Defending against these claims, even if not meritorious, could be expensive and divert our attention from operating our company. If we become liable to third parties for infringing their intellectual property rights, we could be required to pay substantial damage awards and be forced to develop non-infringing technology, obtain a license or cease selling the applications that contain the infringing technology. The loss of some of our existing licenses could delay the introduction of software enhancements, interactive tools and other new products and services until equivalent technology could be licensed or developed. We may be unable to develop non-infringing technology or obtain a license on commercially reasonable terms, or at all.

As of March 31, 2002, Wipro Limited and its subsidiaries held 156 trademarks in India, including Wipro, Santoor and Wipro Babysoft. Wipro Trademarks Holding Limited, our wholly owned subsidiary, has 981 trademark applications pending in India. We have four registered trademarks in Japan, two registered trademark in the United States, five community trademarks in the European Union and two trademark application, two service mark applications pending in the United States and one service mark application in Japan. It is uncertain whether we will obtain registration for these trademarks and service marks.

We have three patent applications that are currently pending in India. We have one registered patent for our hydraulic tipping valve. We have three registered copyrights and thirteen pending copyright registrations in India. We also have nine designs registered in India. We cannot guarantee that we will obtain patent, design and copyright registration for any of our pending applications.

Organizational Structure

Wipro's subsidiaries and affiliates are provided in the table below.

Name	Country of Incorporation	Percentage Held by Wipro
Wipro Inc.	United States	100%
Enthink Inc. *	United States	100%
Wipro Japan KK.	Japan	100%
Wipro Prosper Ltd.	India	100%
Wipro Welfare Ltd.	India	100%
Wipro Trademarks Holding Ltd.	India	100%
Netkracker Ltd. **	India	79%
Wipro e-Peripherals Ltd.	India	33.8%
Wipro GE Medical Systems Ltd.	India	49%

* Wholly owned subsidiary of Wipro Inc.

** Name changed to Wipro Fluid Power Limited as of April 16, 2002.

Facilities

Our headquarters and corporate offices are located at Doddakannelli, Sarjapur Road, Bangalore, India. The offices are approximately 300,000 square feet. We have entered into an agreement to purchase approximately 1,500,000 square feet of land adjoining our corporate offices for future expansion plans. Additionally, our most significant leased and owned properties are listed in the table below.

We have one sales and marketing office located in each of the following countries: Canada, France, Germany, Japan, Sweden, and the United Kingdom. In addition, we have eight sales and marketing offices in the United States.

We operate nine manufacturing sites, aggregating approximately 1,272,700 square feet and approximately 3,590,000 square feet of land. We own seven of these facilities, located in Amalner, Tumkur, Bangalore, Mysore, Hindupur, Chennai and Pondicherry, India. We have leased on a long-term basis one additional facility located in Waluj, India.

Our software development and manufacturing facilities are equipped with a world class technology infrastructure that includes networked workstations, servers, data communication links, captive power generators and other plants and machinery.

We believe that our facilities are optimally utilized and that appropriate expansion plans are being planned and undertaken to meet our future growth.

Location	Building Approx. Sq.ft.	Land (1) Approx. Sq.ft.	Ownership
Software Development Facilities			
Bangalore (M.G.Road), Karnataka	56,000	-	Leased
Bangalore (ITPL), Karnataka	45,000	-	Leased
Bangalore (Koramangala 1), Karnataka	48,000	-	Leased
Bangalore (Koramangala 2), Karnataka	52,500	30,000	Owned
Bangalore (Koramangala 3), Karnataka	13,249	-	Leased
Bangalore (Madivala – 1), Karnataka	48,000	-	Leased
Bangalore (Madivala – 2), Karnataka	74,800	-	Leased
Bangalore (Madivala – 3), Karnataka	70,000	-	Leased
Bangalore (Electronic City 1), Karnataka	225,000	217,800	Long term lease
Bangalore (Electronic City 2), Karnataka (2)	430,000	522,000	Owned
Chennai, (Guindy), Tamil Nadu	35,000	16,000	Owned
Chennai (Sholinganalur), Tamil Nadu	450,000	610,000	Owned
Gurgaon, Haryana	6,000	-	Long term lease
Hyderabad (Madhapur), Andhra Pradesh	250,000	196,000	Long term lease
London – United Kingdom	11,000	-	Leased
New Mumbai (Belapur), Maharashtra	156,000	-	Long term lease
Pune, (Hinjewadi), Maharashtra	270,000	1,084,000	Long term lease
Secunderabad (Begumpet), Andhra Pradesh	40,000	-	Long term lease
Phoenix, Arizona	2,300	-	Leased
Total	**2,282,849**	**2,675,800**	
Proposed Software Development Facilities			
Bangalore (Electronic City 3), Karnataka	250,000	370,000	Owned
Bangalore (Electronic City 4), Karnataka	-	2,178,000	Owned
Hyderabad, Andhra Pradesh	900,000	1,300,000	Long term lease
Kolkata, West Bengal	350,000	522,000	Long term lease
New Mumbai (Vashi), Maharashtra	250,000	166,000	Long term lease
Total	**1,750,000**	**1,058,000**	
Factories			
Amalner, Maharashtra	727,000	1,108,000	Owned
Bangalore, Karnataka	63,000	397,000	Owned
Tumkur, Karnataka	139,000	397,000	Owned
Hindupur, Andhra Pradesh	31,000	114,000	Owned
Tambaram, Chennai	90,000	80,000	Owned
Mysore, Karnataka	60,000	327,000	Owned
Thirubhvanai, Pondicherry	20,000	400,000	Owned
Waluj, Aurangabad	124,000	767,000	Long term lease
Thatanchavadi, Pondicherry	18,700	-	Owned
Total	**1,272,700**	**3,590,000**	

(1) Includes land owned or held pursuant to a long term lease.
(2) Facility partially completed.

Material Plans to Construct, Expand and Improve Facilities

As of March 31, 2002, we have capital commitments of Rs. 241 million ($4.94 million) related to the construction or expansion of software development facilities. Additional expansion plans are currently intended to be funded by internal accruals.

Legal Proceedings

Wipro Limited, its directors, senior executive officers and affiliates are not currently a party to any material legal proceedings.

Item 5. Operating and Financial Review and Prospects

Operating Results

This information is available in the section titled "Management's Discussion and Analysis of Financial Conditions and Results of Operation" on pages 164 through 178 in our Annual Report for the fiscal year ended March 31, 2002, and is incorporated herein by reference.

Liquidity and Capital Resources

This information is available in the section titled "Management's Discussion and Analysis of Financial Conditions and Results of Operation" on pages 164 through 178 in our Annual Report for the fiscal year ended March 31, 2002, and is incorporated herein by reference.

Trend Information

This information is available in the section titled "Management's Discussion and Analysis of Financial Conditions and Results of Operation" on pages 164 through 178 in our Annual Report for the fiscal year ended March 31, 2002 and is incorporated herein by reference.

Item 6. Directors, Senior Management and Employees

Directors and Senior Management

Our directors and executive officers, their respective ages and positions as of March 31, 2002 are as follows :

Name	Age	Position
Azim H. Premji	56	Chairman of the Board and Managing Director
Dr. Ashok Ganguly	66	Director
P. S. Pai	59	Vice Chairman of the Board and Executive Officer
B. C. Prabhakar	59	Director
Dr. Jagdish N. Sheth	63	Director
Vivek Paul	43	Vice Chairman of the Board and Executive Officer
Narayan Vaghul	65	Director
Eisuke Sakakibara	61	Director
P.M.Sinha	62	Director
Dileep K. Ranjekar	51	Executive Vice President, Human Resources
Suresh C. Senapaty	45	Executive Vice President, Finance
Suresh Vaswani	42	President, Wipro Infotech
M.S. Rao	59	Managing Director, Wipro Fluid Power Limited
Vineet Agrawal	40	Vice President, Mission Quality, Innovation, Brand and Corporate Communication

Azim H. Premji has been our Chairman of the Board and Managing Director since September 1968. Mr. Premji holds a Bachelor of Science in Electrical Engineering from Stanford University. Currently, he is also a director of Media Lab Asia.

Dr. Ashok Ganguly has served as our Director since January 1999. He has also been Chairman of ICI India Limited since August 1996. From June 1980 to May 1990, he served as Chairman of Hindustan Lever Limited. From May 1990 to May 1997 he served as Director of Unilever NV and Plc. Currently, he is also on the boards of British Airways Plc, Technology Network (India) Pvt. Ltd., ICICI Knowledge Park Ltd., Mahindra & Mahindra Ltd., as well as on the Central Board of Directors of Reserve Bank of India and, most recently, Tata AIG Life Insurance Co. Ltd. Dr. Ganguly holds a B.Sc in Chemistry from Bombay University and an MS and Ph.D. from the University of Illinois.

P.S. Pai has served as our director, Vice Chairman of the Board and Executive Officer of Wipro Consumer Care and Lighting since January 1999 and served as Group President from July 1996 to December 1998. He significantly contributed to the brand building of Sunflower, Santoor, Wipro Shikakai, Wipro Baby Soft and Wipro Lighting products and also helped to build one of the largest distribution systems in the country. Mr. Pai holds a B. Engineering from Mysore University and Post Graduate Diploma in Industrial Engineering from IIT, Madras.

B.C. Prabhakar has served as our director since February 1997. He has practiced law in his own firm since April 1970. Mr. Prabhakar holds a B.A. in Political Science and Sociology and an LL.B. from Mysore University.

Dr. Jagdish N. Sheth has served as our director since January 1999. He has been a professor at Emory University since July 1991. He has also been a director of Norstan, Inc. since September 1995, and of Pac West Telecomm since July 1999. Dr. Sheth holds a B. Commerce from Madras University, an M.B.A. and a Ph.D. in Behavioral Sciences from the University of Pittsburgh.

Vivek Paul has served as our director, Vice Chairman of the Board and Executive Officer of Wipro Technologies since July 1999. From January 1996 to July 1999, Mr. Paul was General Manager of Global CT Business at General Electric, Medical Systems Division. From March 1993 to December 1995, he served as President and Chief Executive Officer of Wipro GE Medical Systems Limited. Mr. Paul holds a B. Engineering from the Birla Institute of Technology and Science, and an M.B.A. from the University of Massachusetts, Amherst.

Narayan Vaghul has served as our director since June 1997. He has been Chairman of the Board of ICICI Limited since September 1985. Mr. Vaghul is also on the Boards of Mahindra and Mahindra Ltd., Nicholas Piramal India, Ltd., Technology Network (India) Pvt. Ltd. and Air India Limited. Mr. Vaghul is also the Chairman of the Compensation Committee of Mahindra and Mahindra Limited and Nicholas Piramal India Ltd. Mr. Vaghul holds a B. Commerce in Banking from Madras University.

Prof. Eisuke Sakakibara became a director of our company on January 1, 2002. He has been a Professor of Economics in Keio University of Japan since 1999. After working with the Ministry of Finance, Government of Japan since 1965, he was posted as Economist, International Monetary Fund in 1971 and was the visiting Associate Professor of Economics at Harvard University. He has also served as Director-General, International Finance Bureau, Japan between 1995 and 1997. In 1997 he became the Vice Minister of Finance for International Affairs, Japan. Prof. Sakakibara holds a B.A. in Economics from the University of Tokyo and a Ph.D. in Economics from the University of Michigan.

Priya Mohan Sinha became a director of our company on January 1, 2002. He has served as the Chairman of PepsiCo India Holdings Limited and President of Pepsi Foods Limited since 1992. From October 1981 to November 1992, he was on the Executive Board of Directors of Hindustan Lever Limited. From 1981 to 1985, he also served as Sales Director of Hindustan Lever. Currently, he is also on the Boards of ICICI Bank Limited, Bharti Televentures and Lafarge India. Mr. Sinha was also Chairman of Stepan Chemicals Limited between 1990 and 1993 and on the Boards of Brooke Bond India Limited, Lipton India Limited, Indexport Limited and Lever Nepal Limited. Mr. Sinha holds a Bachelor of Arts from Patna University and he also attended an Advanced Management Program in the Sloan School of Management, Massachusetts Institute of Technology.

*Dileep K. Ranjeka*r has served as our Corporate Executive Vice President, Human Resources, since February 1995, and has served with us in other positions since May 1976. Mr. Ranjekar holds a B.Sc. and a Post Graduate Diploma in Marketing from Pune University, and an M.A. in Personnel Management and Industrial Relations from the Tata Institute of Social Services.

Suresh C. Senapaty has served as our Corporate Executive Vice President, Finance, since January 1995 and served with us in other positions since April 1980. Mr. Senapaty holds a B. Commerce from Utkal University, and is a Fellow Member of the Institute of Chartered Accountants of India.

Suresh Vaswani has served as President of Wipro Infotech since December 2000, and has served with us in other positions since June 1987. Mr. Vaswani holds a B.Tech from IIT, Karagpur and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad.

M.S. Rao has served as President, Wipro Fluid Power since September 1992 and he became the Managing Director of Wipro Fluid Power Limited on March 1, 2002. He has also held other positions in our company since October 1973. Mr. Rao holds a B. Engineering and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad.

Vineet Agrawal has served as Executive Corporate Vice President, Mission Quality, Innovation, Brand and Corporate Communication since January 2002 and has held other positions in our company since December 1985. Mr. Agrawal holds a B.Tech from IIT, New Delhi and an M.B.A. from Bajaj Institute of Management Studies, Mumbai.

Compensation

Director Compensation

Each of our non-employee directors receive an attendance fee of $41 (Rs. 2,000) for every Board and Committee meeting they attend. In the fiscal year ended March 31, 2002, we paid an aggregate of $82,546 (Rs. 4,030,750) to our non-employee directors. Our directors are reimbursed for travel and out-of-pocket expenses in connection with their attendance at Board and Committee meetings. Additionally, we also compensate certain directors for consulting services they provide to us as under;

1. Dr. Ashok Ganguly receives approximately $16,383 (Rs. 800,000) per year.
2. Narayan Vaghul receives approximately $16,383 (Rs. 800,000) per year.
3. Prof. Eisuke Sakakibara receives approximately $40,000 (Rs. 1,953,200) per year.
4. Dr. Jagdish N. Sheth receives approximately $25,000 (Rs. 1,220,750) per year.
5. P.M. Sinha receives approximately $20,479 (Rs. 1,000,000) per year.
6. B.C. Prabhakar receives approximately $8,191 (Rs. 400,000) per year.

As Prof. Eisuke Sakakibara and P.M. Sinha were appointed as Additional Directors with effect from January 1, 2002, they have been paid for the services rendered during the quarter ended March 31, 2002.

Executive Compensation

The following two tables present the annual and long term compensation earned, awarded or paid for services rendered to us for the fiscal year ended March 31, 2002 by our Executive Directors and members of our administrative, supervisory or management bodies.

	Annual Compensation			
Name	**Salary**	**Commission/ Incentives (1)**	**Housing (2)**	**Others (3)**
Azim H. Premji	$ 43,006	$ 198,986	$ 24,575	$ 19,908
Vivek Paul	316,667	597,010	-	31,405
P.S. Pai	77,412	198,986	28,015	2,894
Dileep K. Ranjekar	66,712	33,792	9,246	2,590
Suresh C. Senapaty	39,727	36,612	18,431	3,500
Vineet Agrawal	30,948	21,646	7,370	1,445
M.S. Rao	50,830	6,700	9,043	2,375
Suresh Vaswani	45,175	19,058	6,307	4,239

1. Azim H. Premji, Vivek Paul and P. S. Pai were paid commissions at the rate of 0.1%, 0.3% and 0.1%, respectively, on our net profits computed in accordance with the provisions of the Companies Act, 1956. All other executives were paid incentives under a Quarterly Performance Linked Scheme based on their achievement of pre-defined profit targets.
2. The value of this perquisite accounts for more than 25% of the total value of all perquisites and personal benefits received in fiscal 2002.

3. The figure includes a subsidy of $12,858 and $1,859, respectively, to Azim H. Premji and Suresh Vaswani, for interest payments on their independent housing loans.

	Long Term Compensation					
Name	Deferred Benefits (1)(2)	No. of Equity Share Options Granted	Grant Price	No. of ADS Options Granted	Grant Price	Expiration Date
Azim H. Premji	$ 59,041	-	-	-	-	-
Vivek Paul	47,500	-	-	100,000	36.4	Feb 2009
P.S. Pai	12,607	-	-	-	-	-
Dileep K. Ranjekar	8,990	-	-	-	-	-
Suresh. C. Senapaty	8,299	12,500	32.48	-	-	Feb 2009
Vineet Agrawal	4,322	12,500	32.48	-	-	Feb 2009
M.S. Rao	6,362	-	-	-	-	-
Suresh Vaswani	5,187	12,500	32.48	-	-	Feb 2009

1. Deferred benefits payable to Vivek Paul include contributions made by us to our deferred compensation plan and in the case of other employees, our contribution to the Provident Fund and Pension Fund. Under our pension plan, any pension that is payable to an employee is not computed on the basis of final compensation, but on the accumulated pension fund to the credit of the employee as of the date of separation, death, disability or retirement. We annually contribute 15% of Mr. Premji's base salary and commission earned for that year to our pension fund for the benefit of Mr. Premji. For all other employees, we contribute 15% of their respective base salaries to our pension fund for their benefit. These contributions are included in this column.

2. In addition to the deferred benefits indicated above, we are also required by Indian law to pay a one time only lumpsum of $7,167 (Rs. 350,000) as a gratuity payment for each of our employees, other than Vivek Paul, at the time of separation, death, disability or retirement.

Board Composition

Our Articles of Association provide that the minimum number of directors shall be four and the maximum number of directors shall be twelve. As of March 31, 2002, we had nine directors on our Board. Our Articles of Association provide that at least two-thirds of our directors shall be subject to retirement by rotation. One third of these directors must retire from office at each annual general meeting of the shareholders. A retiring director is eligible for re-election. Up to one-third of our directors can be appointed as permanent directors. Currently, Azim H. Premji and Vivek Paul are non-retiring directors.

The terms of each of our directors and their expiration dates are :

Name	Expiration of current term of office	Term of office
Azim H. Premji	December 31, 2002	2 years
Vivek Paul	July 29, 2004	5 years
P.S. Pai	July 31, 2002	8 months
Dr. Jagdish N. Sheth	Annual General Meeting 2003	Retirement by rotation
Dr. Ashok Ganguly	July 18, 2002	Retirement by rotation
B.C. Prabhakar	July 18, 2002	Retirement by rotation
N. Vaghul	July 18, 2002	Retirement by rotation
Prof. Eisuke Sakakibara	July 18, 2002	Retirement by rotation
P.M. Sinha	July 18, 2002	Retirement by rotation

Option Grants

There were no option grants to our Chairman and Managing Director in the fiscal years ended March 31, 2001 and 2002. Details of options granted to other senior management executives are reported elsewhere in this Item 6 in the section titled "Executive Compensation."

Option Exercises and Holdings

Our Chairman and Managing Director did not exercise or hold any options during the fiscal year ended March 31, 2002. The details of stock options held and exercised with respect to other senior management executives are reported elsewhere in this Item 6 in the section titled "Share Ownership."

Employment and Indemnification Contracts

Under the Companies Act, our shareholders must approve the salary, bonus and benefits of all employee directors at an Annual General Meeting of Shareholders. Each of our employee directors has signed an agreement containing the terms and conditions of employment, including a monthly salary, performance bonus and benefits including vacation, medical reimbursement and pension fund contributions. These agreements are made for a two year period, three year period and five year period, but either we or the employee director may terminate the agreement upon six months notice to the other party.

We have entered into employment agreements with Azim H. Premji, P.S. Pai, Vivek Paul, Dileep K. Ranjekar, Suresh C. Senapaty, M. S. Rao, Suresh Vaswani and Vineet Agrawal. These employment agreements provide for up to a 180-day notice period, up to 21 days of leave in addition to statutory holidays, and an annual compensation review. Additionally, employees are required to relocate as we may determine, and to comply with confidentiality provisions.

Our employment agreement with Vivek Paul also provides that if his employment with us is terminated for reasons other than legal, ethical or company policy violations, we will pay a severance payment equal to twenty-four months base salary plus benefits payable for that period. The severance payment is payable in monthly installments consistent with our established payroll policies over a twenty-four month period following the date notice of termination is served. These payments will cease if Vivek Paul obtains new employment within the twenty-four months. Further, upon termination of service for reasons other than legal, ethical or company policy violations, Vivek Paul shall be entitled to continued vesting for a specified number of shares awarded to him under the Wipro Equity Reward Trust. Vivek Paul must exercise his right to receive these shares within three months from the date of his termination.

We also have entered into agreements to indemnify our directors and officers for claims brought under U.S. laws to the fullest extent permitted by Indian law. These agreements, among other things, indemnify our directors and officers for certain expenses, judgments, fines and settlement amounts incurred by any such person in any action or proceeding, including any action by or in the right of Wipro Limited, arising out of such person's services as our director or officer.

Board Committee Information

Audit Committee

Our Audit Committee reviews, acts on and reports to the Board of Directors with respect to various auditing and accounting matters. These matters include the recommendation of our independent auditors, the scope of our annual audits, fees to be paid to the independent auditors, the performance of our independent auditors and our accounting practices. The Audit Committee comprises of the following three non-executive directors :

Mr. N. Vaghul	-	Chairman of the Audit Committee
Messrs P.M. Sinha and B.C. Prabhakar	-	Members of the Audit Committee.

Compensation & Benefits Committee

The Compensation and Benefits Committee of the Board of Directors, which was formed in 1987, determines the salaries, benefits and stock option grants for our employees, directors and other individuals compensated by our company. The Compensation and Benefits Committee also administers our compensation plans. The Compensation & Benefits Committee comprises of the following three non-executive directors;

Mr. N. Vaghul	-	Chairman of the Compensation & Benefits Committee
Messrs P.M. Sinha and B.C. Prabhakar	-	Members of the Compensation & Benefits Committee.

Employees

As of March 31, 2002, we had over 13,800 employees, including over 9,400 IT professionals. Highly trained and motivated people are critical to the success of our business. To achieve this, we focus on attracting and retaining the best people possible. A combination of strong brand name, congenial working environment and competitive compensation programs enables us to attract and retain these talented people.

Our human resources department is centralized at our corporate headquarters in Bangalore and functions across all of the business segments. We have implemented corporate-wide recruiting, training, performance evaluation and compensation programs that are tailored to address the needs of each of our business segments.

Recruiting

We hire entry level graduates from both the top engineering and management universities in India as well as more experienced lateral hires from employee referral programs, advertisements, placement consultants, our website postings and walk-ins. To facilitate employee growth within Wipro Limited, all new openings are first offered to our current employees. The nature of work, skill sets requirements and experience levels are highlighted to the employees. Applicants undergo the regular recruitment process and get assigned to their new roles.

Training

Each of our new recruits must attend a two week intensive training program when they begin working with us. New or recent graduates must also attend additional training programs that are tailored to their area of technology. We also have a mandatory continuing education program that requires each IT professional to attend at least 40 hours of continuing education classes to improve their understanding and competency of new technologies, as well as to develop leadership and personal self-development skills. We currently have 36 full-time faculty members to provide these training courses. We supplement our continuing education program for existing employees by sponsoring special programs at leading educational institutions such as IIM Bangalore to provide special skillset training in areas such as project management to any of our IT professionals who choose to enroll. We also reserve a small percentage of these classes for our software programmer clients who meet the eligibility criteria.

Performance Evaluations

Employees receive written performance objectives that they develop in cooperation with their respective managers. They are measured against these criteria annually in a formal review process which includes self-reviews and reviews from peers, managers and subordinates.

Compensation

We continually strive to provide our employees with competitive and innovative compensation packages. Our compensation packages include a combination of salary, stock options, pension, and health and disability insurance. We measure our compensation packages against industry standards and seek to match or exceed them. We adopted an employee stock purchase plan in 1984. We have devised both business segment performance and individual performance linked incentive programs that we believe more accurately link performance to compensation for each employee. For example, we link cash compensation to a business segment's quarterly operating margin objectives.

Share Ownership

The following table sets forth as of March 31, 2002, for each director and executive officer, the total number of equity shares, ADSs and options to purchase equity shares and ADSs exercisable within 60 days from March 31, 2002. Beneficial ownership is determined in accordance with rules of the Securities and Exchange Commission. All information with respect to the beneficial ownership of any principal shareholder has been furnished by such shareholder and, unless otherwise indicated below, we believe that persons named in the table have sole voting and sole investment power with respect to all the shares shown as beneficially owned, subject to community property laws, where applicable.

The shares beneficially owned by the directors include the equity shares owned by their family members to which such directors disclaim beneficial ownership. The number of shares beneficially owned includes equity shares, equity shares underlying ADSs, the number of equity shares and equity shares underlying ADSs exercisable within 60 days from March 31, 2002. The number of shares presented in the table below includes equity shares underlying ADSs and ADS options. For the convenience of the readers, the stock option grant price has been translated into U.S. dollars based on the noon buying rate in the City of New York on

March 29, 2002, for cable transfers in Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York which was Rs. 48.83 per $1.00. The share numbers and percentages listed below are based on 232,465,689 equity shares outstanding as of March 31, 2002.

Name	Equity Shares Beneficially Owned	Percentage of Equity Shares Beneficially Owned	Equity Shares Underlying Options Granted	Grant Price ($)	Date of Expiration
Azim H. Premji (1)	195,375,610	84.05%	—	—	—
P.S. Pai (2)	445,885	*	11,250	22.16	September 2005
			9,000	37.81	June 2006
Vivek Paul (3)	198,850	*	18,750	21.86	September 2005
			27,000	51.65	August 2006
			54,000	41.375	October 2006
			100,000	36.4	February 2009
B.C. Prabhakar	290	*	—	—	—
Dr. Jagdish Sheth	—	—	—	—	—
Dr. Ashok Ganguly	—	—	—	—	—
N. Vaghul	—	—	—	—	—
Prof. Eisuke Sakakibara	—	—	—	—	—
P.M. Sinha	—	—	—	—	—
Suresh C. Senapaty (4)	26,350	*	6,000	22.16	September 2005
			7,200	37.81	June 2006
			2,700	41.375	October 2006
			12,500	32.48	February 2009
Dileep K. Ranjekar (5)	6,300	*	6,000	22.16	September 2005
			7,200	37.81	June 2006
M.S. Rao (6)	53,800	*	3,000	22.16	September 2005
Vineet Agrawal (7)	10,270	*	3,000	22.16	September 2005
			4,500	37.81	June 2006
			12,500	32.48	February 2009
Suresh Vaswani (8)	9,350	*	5,250	22.16	September 2005
			5,850	37.81	June 2006
			12,500	32.48	February 2009

* Represents less than 1% of the shares.

(1) Includes 54,376,500 shares held by Hasham Traders (a partnership), of which Mr. Premji is a partner, 54,169,500 shares held by Prazim Traders (a partnership), of which Mr. Premji is a partner, 54,040,800 shares held by Zash Traders (a partnership), of which Mr. Premji is a partner, 6,840,500 shares held by Napean Trading Investment Co. Pvt. Ltd., of which Mr. Premji is a director, 8,965,700 shares held by Regal Investments Trading Co. Pvt. Ltd., of which Mr. Premji is a director, 6,940,100 shares held by Vidya Investment Trading Co. Pvt. Ltd., of which Mr. Premji is a director, 214,400 shares held by members of Mr. Premji's immediate family, 239,100 shares held jointly by Mr. Premji and members of his immediately family and 238,500 shares held by the Azim Premji Foundation (I) Pvt. Ltd. and 10,000 shares held by the Azim Premji Foundation Pvt. Ltd. Mr. Premji disclaims beneficial ownership of the 238,500 shares held by the Azim Premji Foundation (I) Pvt. Ltd. and 10,000 shares held by the Azim Premji Foundation Pvt. Ltd.

(2) Includes 34,000 shares held by members of Mr. Pai's immediate family and shares held jointly by Mr. Pai and the Wipro Equity Reward Trust, or WERT, which may be transferred to the sole ownership of the WERT if Mr. Pai's

employment is terminated prior to October 2002. Mr. Pai disclaims beneficial ownership of the shares held by members of his immediate family.

(3) Includes shares held jointly by Mr. Paul and the WERT, which may be transferred to the sole ownership of the WERT if Mr. Paul's employment is terminated. However, if Mr. Paul's employment is terminated for reasons other than legal, ethical or company policy violations, Mr. Paul shall be entitled to continued vesting for a specified number of shares awarded to him under the Wipro Equity Reward Trust. Mr. Paul must exercise his right to receive these shares within three months from the date of his termination.

(4) Includes shares held jointly by Mr. Suresh Senapaty and the WERT, which may be transferred to the sole ownership of the WERT if Mr. Suresh Senapaty's employment is terminated prior to October 2002.

(5) Includes shares held jointly by Mr. Ranjekar and the WERT, which may be transferred to the sole ownership of the WERT if Mr. Ranjekar's employment is terminated prior to October 2002.

(6) Includes shares held jointly by Mr. M.S. Rao and the WERT, which may be transferred to the sole ownership of the WERT if Mr. M.S. Rao's employment is terminated prior to October 2002.

(7) Includes shares held jointly by Mr. Vineet Agrawal's and the WERT, which may be transferred to the sole ownership of the WERT if Mr. Vineet Agrawal's employment is terminated prior to October 2003.

(8) Includes shares held jointly by Mr. Suresh Vaswani and the WERT, which may be transferred to the sole ownership of the WERT if Mr. Suresh Vaswani's employment is terminated prior to October 2003.

Option Plans

2000 ADS Option Plan

Our 2000 ADS option plan provides for the grant of two types of options to our employees and directors: incentive stock options, which may provide our employees with beneficial U.S. tax treatment, and non-statutory stock options. The 2000 ADS option plan was approved by our Board of Directors in September 2000 and by our shareholders on April 26, 2000. Unless terminated sooner by the Board, the 2000 ADS option plan will terminate automatically in September 2010. A total of 1,500,000 ADSs, representing 1,500,000 equity shares, are currently reserved for issuance under the 2000 ADS option plan. All options under the 2000 ADS option plan will be exercisable for ADSs. Either our Board of Directors or a committee of our Board of Directors administers the 2000 ADS option plan. The committee has the power to determine the terms of the options granted, including the exercise prices, the number of ADSs subject to each option, the exercisability thereof, and the form of consideration payable upon such exercise. In addition, the committee has the authority to amend, suspend, or terminate the 2000 ADS option plan, provided that no such action may affect any ADS previously issued and sold or any option previously granted under the 2000 ADS option plan.

The 2000 ADS option plan generally does not allow for the transfer of options, and only the optionee may exercise an option during his or her lifetime. An optionee generally must exercise an option within three months of termination of service. If an optionee's termination is due to death or disability, his or her option will fully vest and become exercisable and the option must be exercised within twelve months after such termination. The exercise price of incentive stock options granted under the 2000 ADS option plan must at least equal the fair market value of the ADSs on the date of grant. The exercise price of non-statutory stock options granted under the 2000 ADS option plan must at least equal 90% of the fair market value of the ADSs on the date of grant. The term of options granted under the 2000 ADS option plan may not exceed ten years. The 2000 ADS option plan provides that in the event of our merger with or into another corporation or a sale of substantially all of our assets, the successor corporation shall either assume the outstanding options or grant equivalent options to the holders. If the successor corporation neither assumes the outstanding options nor grants equivalent options, such outstanding options shall vest immediately, and become exercisable in full.

2000 Employee Stock Option Plan

Our 2000 stock plan provides for the grant of stock options to eligible employees and directors. The creation of our 2000 stock plan was approved by our Board of Directors on April 26, 2000, and by our shareholders on July 27, 2000. The 2000 stock plan became effective on September 15, 2000, and unless terminated sooner, the 2000 stock plan will terminate automatically on September 15, 2010. A total of 25,000,000 equity shares are currently reserved for issuance pursuant to the 2000 stock plan. All options under the 2000 stock plan will be exercisable for our equity shares.

Our Compensation and Benefits Committee appointed by our Board of Directors administers the 2000 stock plan. The committee has the power to determine the terms of the options granted, including the exercise price, the number of shares subject to each option, the exercisability thereof, and the form of consideration payable upon such exercise. In addition, the committee has the authority to amend, suspend or terminate the 2000 stock plan, provided that no such action may adversely affect the rights of any optionee under the 2000 stock plan.

The 2000 stock plan generally does not allow for the transfer of options and only the optionee may exercise an option during his or her lifetime. An optionee generally must exercise any vested options, within seven days of termination of service with us. If an optionee's termination is due to death, disability or retirement, his or her option will fully vest and become exercisable. Generally such options must be exercised within six months after termination. The exercise price of stock options granted under the 2000 stock plan will be determined by the committee. The term of options granted under the 2000 stock plan may not exceed six years.

The 2000 stock plan provides that in the event of our merger with or into another corporation or a sale of substantially all of our assets, each option shall be proportionately adjusted to give effect to the merger or asset sale.

1999 Employee Stock Option Plan

Our 1999 stock plan provides for the grant of stock options to eligible employees and directors. The 1999 stock plan was approved by our Board of Directors on April 30, 1999 and by our shareholders on July 29, 1999. Unless terminated sooner, the 1999 stock plan will terminate automatically on July 28, 2009. A total of 5,000,000 equity shares are currently reserved for issuance pursuant to the 1999 stock plan. All options under the 1999 stock plan will be exercisable for our equity shares.

Our Compensation and Benefits Committee appointed by our Board of Directors administers the 1999 stock plan. The committee has the power to determine the terms of the options granted, including the exercise price, the number of shares subject to each option, the exercisability thereof, and the form of consideration payable upon such exercise. In addition, the committee has the authority to amend, suspend or terminate the 1999 stock plan, provided that no such action may adversely affect the rights of any optionee under the 1999 stock plan.

The 1999 stock plan generally does not allow for the transfer of options and only the optionee may exercise an option during his or her lifetime. An optionee generally must exercise any vested options, within seven days of termination of service with us. If an optionee's termination is due to death, disability or retirement, his or her option will fully vest and become exercisable. Generally such options must be exercised within six months after termination. The exercise price of stock options granted under the 1999 stock plan will be determined by the committee. The term of options granted under the 1999 stock plan may not exceed six years.

The 1999 stock plan provides that in the event of our merger with or into another corporation or a sale of substantially all of our assets, each option shall be proportionately adjusted to give effect to the merger or asset sale.

Wipro Equity Reward Trust

We established the Wipro Equity Reward Trust, or WERT, in 1984 to allow our employees to acquire a greater proprietary stake in our success and growth, and to encourage our employees to continue their association with us. The WERT is designed to give eligible employees the right to receive restricted shares and other compensation benefits at the times and on the conditions that we specify. Such compensation benefits include voluntary contributions, loans, interest and dividends on investments in the WERT, and other similar benefits.

The WERT is administered by a board of trustees that generally consists of between two and six members as appointed by us. We select eligible employees to receive grants of shares and other compensation from the WERT and communicate this information to the WERT. We select employees based upon various factors including, without limitation, an employee's performance, period of service and status. The WERT awards the number of shares that each employee is entitled to receive out of the shares we issued to the WERT at its formation. We also determine the time intervals that an employee may elect to receive them. The shares issued under the WERT are generally not transferable for a period of four years after the date of issuance to the employee. Shares from the WERT are issued in the joint names of the WERT and the employee until such restrictions and obligations are fulfilled by the employee. After the four year period, complete ownership of the shares is transferred to the employee.

If employment is terminated by death, disability or retirement, his or her restricted shares are transferred to the employee's legal heirs or continue to be held by the employee, as the case may be, and such individuals may exercise any rights to those shares for up to ninety days after employment has ceased.

The Trustees of the WERT have the authority to amend or terminate the WERT at any time and for any reason. The WERT is subject to all applicable laws, rules, regulations and approvals by any governmental agencies as may be required. As of March 31, 2002, the WERT holds 1,344,235 of our outstanding equity shares in its own name and holds 533,010 of our outstanding equity shares jointly in the names of the WERT and participating employees, including 22,900 shares not yet jointly registered in the names of the WERT and participating employees.

Item 7. Major Shareholders And Related Party Transactions

Major Shareholders

The following table sets forth certain information regarding the beneficial ownership of our equity shares as of March 31, 2002, of each person or group known by us to own beneficially 5% or more of the outstanding equity shares.

Beneficial ownership is determined in accordance with rules of the SEC and includes voting and investment power with respect to such shares. Shares subject to options that are currently exercisable or exercisable within 60 days of March 31, 2002 are deemed to be outstanding and to be beneficially owned by the person holding such options for the purpose of computing the percentage ownership of such person, but are not deemed to be outstanding and to be beneficially owned for the purpose of computing the percentage ownership of any other person. All information with respect to the beneficial ownership of any principal shareholder has been furnished by such shareholder and, unless otherwise indicated below, we believe that persons named in the table have sole voting and sole investment power with respect to all the shares shown as beneficially owned, subject to community property laws, where applicable. The number of shares and percentage ownership are based on 232,465,689 equity shares outstanding as of March 31, 2002.

Name of Beneficial Owner	Class of Security	Number of Shares Beneficially Held 2001	% of Class
Azim H. Premji (1)	Equity	195,375,610	84.05
Hasham Traders	Equity	54,376,500	23.39
Prazim Traders	Equity	54,169,500	23.30
Zash Traders	Equity	54,040,800	23.25

(1) Includes 54,376,500 shares held by Hasham Traders (a partnership), of which Mr. Premji is a partner, 54,169,500 shares held by Prazim Traders (a partnership), of which Mr. Premji is a partner, 54,040,800 shares held by Zash Traders (a partnership), of which Mr. Premji is a partner, 6,840,500 shares held by Napean Trading Investment Co. Pvt. Ltd., of which Mr. Premji is a director, 8,965,700 shares held by Regal Investments Trading Co. Pvt. Ltd., of which Mr. Premji is a director, 6,940,100 shares held by Vidya Investment Trading Co. Pvt. Ltd., of which Mr. Premji is a director, 214,400 shares held by members of Mr. Premji's immediate family, 239,100 shares held jointly by Mr. Premji and members of his immediately family and 238,500 shares held by the Azim Premji Foundation (I) Pvt. Ltd and 10,000 shares held by the Azim Premji Foundation Pvt. Ltd. Mr. Premji disclaims beneficial ownership of the 238,500 shares held by the Azim Premji Foundation (I) Pvt. Ltd. and 10,000 shares held by the Azim Premji Foundation Pvt. Ltd.

Our American Depositary Shares are listed on the New York Stock Exchange. Each ADS represents one equity share of par value Rs. 2 per share. Our ADSs are registered pursuant to Section 12(g) of the Securities Exchange Act of 1934 and, as of March 31, 2002, are held by approximately 2,390 holders of record in the United States.

Our equity shares can be held by Foreign Institutional Investors, or FIIs, Overseas Corporate Bodies, or OCBs, and Non-resident Indians, or NRIs, who are registered with the Securities and Exchange Board of India, or SEBI, and the Reserve Bank of India, or RBI. Currently 5.12% of the Company's equity shares are held by these FIIs, OCBs and NRIs of which some of them may be residents or bodies corporate registered in the United States of America and elsewhere. We are not aware of which FIIs, OCBs and NRIs hold our equity shares as residents or as corporate entities registered in the United States.

Our major shareholders do not have a differential voting rights with respect to their equity shares. To the best of our knowledge, we are not owned or controlled directly or indirectly by any government or by any other corporation. We are not aware of any arrangement, the operation of which may at a subsequent date result in a change in control.

Related Party Transactions

We believe that all transactions described in this section are on no less favorable terms to us than on terms that could be obtained from disinterested third parties.

Wipro Limited Transactions with ICICI Venture Capital Funds

On March 5, 2002, we entered into a Share Purchase Agreement with ICICI Venture Funds Management Company Limited (the investment manager of ICICI Information Technology Fund), pursuant to which we purchased 396,874 equity shares of Netkracker Limited, representing approximately 4% of Netkracker Limited's total equity outstanding, for aggregate consideration of $184,313 (Rs. 9,000,000).

On March 5, 2002, we entered into an Agreement to Sell with ICICI Venture Funds Management Company Limited for the purchase of 1,354,206 equity shares of Netkracker Limited held by ICICI Global Opportunities Fund, representing approximately 15% of the total equity outstanding of Netkracker Limited, for aggregate consideration of $430,063 (Rs. 21,000,000).

With the completion of above two transactions, our shareholding in the equity capital of Netkracker Limited will be 98%.

Employment and Indemnification Agreements

We have entered into employment agreements with Azim H. Premji, P.S. Pai, Vivek Paul, Dileep Ranjekar, Suresh Senapaty, M.S. Rao, Suresh Vaswani and Vineet Agrawal. These employment agreements provide for up to a 180-day notice period, up to 21 days of leave in addition to statutory holidays, and an annual compensation review. Additionally, employees are required to relocate as we may determine, and to comply with confidentiality provisions.

We also have entered into agreements to indemnify our directors and officers for claims brought under U.S. laws to the fullest extent permitted by Indian law. These agreements, among other things, indemnify our directors and officers for certain expenses, judgments, fines and settlement amounts incurred by any such person in any action or proceeding, including any action by or in the right of Wipro Limited, arising out of such person's services as our director or officer.

The tenure of Mr. P.S. Pai as Vice Chairman of Wipro Limited ended on November 30, 2001. Subject to the approval of the shareholders, the Board of Directors, with Mr. Pai abstaining, re-appointed Mr. P.S. Pai as Vice Chairman of Wipro Limited until July 31, 2002. The remuneration payable to Mr. P.S. Pai during the period from December 1, 2001 to July 31, 2002 would be the same as that paid to Mr. Pai in the preceding period. Mr. Pai is entitled to a salary of Rs. 190,000 ($3,891) per month. Mr. Pai shall also be entitled to certain perquisites including: housing; medical expense reimbursement, paid vacation, health club fees, personal accident insurance, provident fund/pension, gratuity, personal automobile and chauffeur, and residential telephone.

Item 8. Financial Information

Consolidated Statements and Other Financial Information

The following financial statements and the auditors' report appearing on pages 185 through 210 of our Annual Report for the fiscal year ended March 31, 2002, are incorporated herein by reference :

- Independent Auditors' Report.
- Consolidated Balance Sheets as of March 31, 2001 and 2002.
- Consolidated Statements of Income for the years ended March 31, 2000, 2001 and 2002.
- Consolidated Statements of Stockholders' Equity and comprehensive income for the years ended March 31, 2000, 2001 and 2002.
- Consolidated Statements of Cash Flows for the years ended March 31, 2000, 2001 and 2002.
- Notes to the Consolidated Financial Statements.

Our Annual Report for fiscal 2002, except for those portions which are expressly incorporated by reference in this filing, is furnished for the information of the Securities and Exchange Commission and is not to be deemed as filed as a part of this Annual Report on Form 20-F.

Dividends

Although the amount varies, public companies in India typically pay cash dividends. Under Indian law, a corporation pays dividends upon a recommendation by the Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not increase the amount of the dividend recommended by the Board of Directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits of previous fiscal years.

For the years ended March 31, 2000, 2001 and 2002 we paid cash dividends of Rs. 0.30, Rs. 0.30 and Rs. 0.50 ($0.01) per equity share, respectively. Although we have no current intention to discontinue dividend payments, we cannot assure you that any future dividends will be declared or paid or that the amount thereof will not be decreased. Holders of ADSs will be entitled to receive dividends payable on equity shares represented by such ADSs. Cash dividends on equity shares represented by ADSs are paid to the Depositary in rupees and are generally converted by the Depositary into U.S. dollars and distributed, net of depositary fees, taxes, if any, and expenses, to the holders of such ADSs.

Export Revenue

For the fiscal year ended March 31, 2002, we generated Rs. 21,912 million, or 64% of our total revenues, from the export of our products and services out of India.

Significant Changes

None.

Item 9. The Offer and Listing

Price History

Our equity shares are traded on The Stock Exchange, Mumbai or BSE, The Bangalore Stock Exchange, or BGSE, The National Stock Exchange of India Limited, or NSE, The Cochin Stock Exchange Ltd., The Kolkata Stock Exchange Association Ltd., The Stock Exchange-Ahmedabad, The Delhi Stock Exchange Association Ltd., in India, or collectively, the Indian Stock Exchanges. A significant portion of our equity shares are traded on the BSE and the NSE. Our American Depository Shares as evidenced by American Depository Receipts, or ADRs are traded in the U.S. on the New York Stock Exchange, or NYSE, under the ticker symbol "WIT". Each ADS represents one equity share. Our ADSs began trading on the NYSE on October 19, 2000.

As of March 31, 2002, we had 232,465,689 issued and outstanding equity shares. As of March 31, 2002, there were approximately 2,390 record holders of ADRs evidencing 2,587,080 ADSs (equivalent to 2,587,080 equity shares). As of March 31, 2002, there were approximately 56,879 record holders of our equity shares listed and traded on the Indian Stock Exchanges.

The following tables set forth for the periods indicated the price history of our equity shares and ADSs on the BSE, NSE and the NYSE. Stock prices per share have been restated to reflect a 5 for 1 stock split in 1999.

	BSE				NSE				NYSE	
Fiscal year	**Price Per Equity Share**				**Price Per Equity Share**				**Price Per ADS**	
ended March 31,	**High (Rs.)**	**Low (Rs.)**	**High ($)**	**Low ($)**	**High (Rs.)**	**Low (Rs.)**	**High ($)**	**Low ($)**	**High ($)**	**Low ($)**
2002	1,965	764	40.24	15.64	1,945	759	39.83	15.54	44.00	16.99
2001	5,919	1,295	126.34	27.64	5,924	1,327	126.45	28.32	68.43	31.05
2000	9,800	616	224.51	14.11	10,350	604	237.11	13.91	—	—
1999	871	153	20.49	3.60	880	150	20.71	3.54	—	—
1998	162	75	4.11	1.90	158	73	4.01	1.85	—	—

	BSE				NSE				NYSE	
	Price Per Equity Share				**Price Per Equity Share**				**Price Per ADS**	
Quarter ended	**High (Rs.)**	**Low (Rs.)**	**High ($)**	**Low ($)**	**High (Rs.)**	**Low (Rs.)**	**High ($)**	**Low ($)**	**High ($)**	**Low ($)**
June 30, 2001	1,806	764	38.35	16.22	1868	759	39.66	16.11	39.00	18.11
September 30, 2001	1,566	815	32.69	17.01	1,565	802	32.67	16.74	34.80	16.99
December 31, 2001	1,965	841	40.70	17.42	1,974	812	40.89	16.82	42.75	18.75
March 31, 2002	1,889	1,550	38.68	31.74	1,894	1,461	38.78	29.92	44.00	31.00

	BSE				NSE				NYSE	
	Price Per Equity Share				**Price Per Equity Share**				**Price Per ADS**	
Quarter ended	**High (Rs.)**	**Low (Rs.)**	**High($)**	**Low($)**	**High (Rs.)**	**Low (Rs.)**	**High($)**	**Low($)**	**High($)**	**Low($)**
June 30, 2000	5,919	1,474	132.42	32.98	5,924	1,474	132.53	32.98	—	—
September 30, 2000	3,060	1,852	65.45	39.61	3,099	1,856	74.22	39.70	—	—
December 31, 2000	3,074	1,295	65.61	27.64	3,071	1,327	65.55	28.32	65.75	31.05
March 31, 2001	2,637	1,295	56.29	27.64	2,640	1,327	56.35	28.32	53.60	31.05

	BSE				NSE				NYSE	
	Price Per Equity Share				**Price Per Equity Share**				**Price Per ADS**	
Six months ended	**High (Rs.)**	**Low (Rs.)**	**High($)**	**Low($)**	**High (Rs.)**	**Low (Rs.)**	**High($)**	**Low($)**	**High($)**	**Low($)**
October 30, 2001	1,198	841	24.93	17.50	1,199	812	24.95	16.90	24.80	18.75
November 30, 2001	1,563	1,010	32.57	21.05	1,563	1,010	32.57	21.05	35.73	21.20
December 31, 2001	1,965	1,425	40.70	29.52	1,974	1,421	40.89	29.43	42.75	33.82
January 30, 2002	1,864	1,460	38.38	30.06	1,875	1,461	38.61	30.06	44.00	31.00
February 28, 2002	1,765	1,565	36.19	32.09	1,785	1,562	36.60	32.03	38.14	34.00
March 31, 2002	1,889	1,550	38.68	31.74	1,894	1,550	38.18	31.74	43.25	36.75

(1) Source : BSE data obtained from www.bseindia.com and NSE data obtained from www.nseindia.com. NYSE data obtained from www.adrwise.com.

Plan of Distribution

Not applicable.

Markets

Trading Practices and Procedures on the Indian Stock Exchanges

The BSE and NSE together account for more than 80% of the total trading volume on the Indian Stock Exchanges. Trading on both of these exchanges is accomplished through on-line execution. These two stock exchanges handle over 100,000 trades per day with 21 volumes in excess of Rs. 20 billion. Trading is done on a three-day fixed settlement basis on most of the exchanges, including the BSE and NSE. Any outstanding amount at the end of the settlement period is settled by delivery and payment. However, institutional investors are not permitted to 'net out' their transactions and must trade on a delivery basis.

The BSE permits carry forwards of trades in certain securities by non-institutional investors with an associated charge. In addition, orders can be entered with a specified term of validity that may last until the end of the session, day or settlement period. Dealers must specify whether orders are for a proprietary account or for a client. The BSE specifies certain margin requirements for trades executed on the exchange, including margins based on the volume or quantity of exposure that the broker has on the market, as well as mark-to-market margins payable on a daily basis for all outstanding trades. Trading on the BSE normally takes place from 10:00 a.m. to 3:30 p.m. on all weekdays, except holidays. The NSE does not permit carry forwards of trades. It has separate margin requirements based on the net exposure of the broker on the exchange. The NSE normally trades from 9:30 a.m. until 4:00 p.m. on weekdays, except holidays. The NSE and BSE also have separate online trading systems and separate clearing houses.

The BSE was closed from January 11 through January 13, 1993 due to a riot in Mumbai. It was also closed on March 12, 1993 due to a bomb explosion within its premises. From December 14 through December 23, 1993 the BSE was closed due to a broker's strike, and from March 20 through March 22, 1995, the governing board of the BSE closed the market due to a default of one of the broker members. There have been no closures of the Indian Stock Exchanges in response to "panic" trading or large fluctuations. Most of the Indian stock exchanges do, however, have a specific price band for each security listed. When a price fluctuation exceeds the specified limits of the price band, trading of the security is stopped. Such price volatility controls and the specific price bands are decided by each individual exchange and may differ.

Item 10. Additional Information

Share Capital

Not applicable.

Memorandum and Articles of Association

Set forth below is a brief summary of the material provisions of our Articles of Association and the Companies Act, all as currently in effect. Wipro Limited is registered under the Companies Act, with the Registrar of Companies, Karnataka, Bangalore, India with Company No. 20800. The following description of our Articles of Association does not purport to be complete and is qualified in its entirety by the Articles of Association, and Memorandum of Association, of Wipro Limited that are included as exhibits to our registration statement on Form F-1 filed with the Securities and Exchange Commission on September 26, 2000.

Our Articles of Association provide that the minimum number of directors shall be four and the maximum number of directors shall be twelve. Currently, we have nine directors. Our Articles of Association provide that at least two-thirds of our directors shall be subject to retirement by rotation. One third of these directors must retire from office at each annual general meeting of the shareholders. A retiring director is eligible for re-election. Up to one-third of our directors can be appointed as permanent directors. Currently, Azim H. Premji and Vivek Paul are non-retiring directors. Our Articles of Association do not mandate the retirement of our directors under an age limit requirement. Our Articles of Association do not require our Board members to be shareholders in our company.

Our Articles of Association provide that any director who has a personal interest in a transaction must disclose such interest, must abstain from voting on such transaction and may not be counted for purposes of determining whether a quorum is present at the meeting. Such director's interest in any such transaction shall be reported at the next meeting of shareholders.

The remuneration payable to our directors may be fixed by the Board of Directors in accordance with provisions prescribed by the Government of India.

Objects and Purposes of Our Memorandum of Association

The following is a summary of our Objects as set forth in Section 3 of our Memorandum of Association :

- To purchase or otherwise acquire and take over any lands.
- To carry on the business of extracting vegetable oil.
- To manufacture and deal in hydrogenated vegetable oil.
- To carry on business as manufacturers, sellers, buyers, exporters, importers, and dealers of fluid power products.
- To carry on business as mechanical engineers, tool makers, brass and metal founders, mill-makers, mill-wrighters, machinists, metallurgists.
- To carry on the trade or business of manufacturing and distributing chemical, synthetic and organic products.
- To carry on business as manufacturers, exporters, sellers, dealers and buyers in all types and kinds of goods, articles and things.
- To carry on business in India and elsewhere as manufacturer, assembler, designer, builder, seller, buyer, exporter, importer, factors, agents, hirers and dealers of computer hardware and software and any related aspects thereof.
- To carry on research and development activities on all aspects related to products business and objects of our company.
- To construct, equip and maintain mills, factories, warehouses, godowns, jetties and wharves any other conveniences or erection suitable for any of the purpose of our company.
- To carry on all or any of the business of soap and candle makers, tallow merchants, chemists, druggists, dry salters, oil-merchants, manufacturers of dyes, paints, chemicals and explosives and manufacturers of and dealers in pharmaceutical, chemical, medicinal and other preparations or compounds, perfumery and proprietary articles and photographic materials and derivatives and other similar articles of every description.
- To carry on any other trade or business whatsoever as can in the opinion of us be advantageously or conveniently carried on by us.
- To carry on the business of metal working and manufacturing.
- To acquire and take over the whole or any part of the business, property and liabilities of any person or persons, firm or corporation carrying on any business which we are authorized to carry on or possessed of any property or rights suitable for our purposes.
- To manufacture or otherwise acquire and deal in containers and packing materials of any kind.
- To apply for, purchase or otherwise acquire any patents, brevets d'invention, licenses, concessions and the like conferring an exclusive or non-exclusive or limited right to use, any secret or other information as to any invention.
- To purchase or otherwise acquire, manufacture, and deal in all raw materials, stores, stock-in-trade, goods, chattels and effects.
- To enter into any partnership or any arrangement for sharing profits, union of interests, joint ventures, reciprocal concession or otherwise.
- To purchase or otherwise acquire all or any part of the business, property and liabilities of any person, company, society, or all or any of the purposes within the objects of our company.
- To enter into any arrangement with any government or authorities.
- To provide for the welfare of person in the employment of our company, or formerly engaged in any business acquired by our company and the wives, widows, families or dependants of such persons.
- To undertake, carry out, promote and sponsor rural development including any program for promoting the social and economic welfare or uplift of the public in any rural area.
- To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of the national economy and for discharging what the directors may consider to be the social and moral responsibilities of our company to the public or any section of the public.
- From time to time to subscribe or contribute to any charitable, benevolent or useful object of a public nature.

Description of Equity Shares

Dividends

Under the Companies Act, unless our Board of Directors recommends the payment of a dividend, we may not declare a dividend. Similarly, under our Articles of Association, although the shareholders may, at the annual general meeting, approve a dividend in an amount less than that recommended by the Board of Directors, they cannot increase the amount of the dividend. In India, dividends generally are declared as a percentage of the par value of a company's equity shares. The dividend recommended by the Board, if any, and subject to the limitations described above, is distributed and paid to shareholders in proportion to the paid up value of their shares within 30 days of the approval by the shareholders at the annual general meeting. Pursuant to our Articles of Association, our Board of Directors has discretion to declare and pay interim dividends without shareholder approval. With respect to equity shares issued during a particular fiscal year, including any equity shares underlying ADSs issued to the Depositary or in the future, unless otherwise determined by shareholders, cash dividends declared and paid for such fiscal year generally will be prorated from the date of issuance to the end of such fiscal year. Under the Companies Act, dividends can only be paid in cash to the registered shareholder at a record date fixed on or prior to the annual general meeting or to his order or his banker's order.

The Companies Act provides that any dividends that remain unpaid or unclaimed after the 30-day period are to be transferred to a special bank account. We transfer any dividends that remain unclaimed for seven years from the date of the transfer to a fund created by the Indian Government. After the transfer to this fund, such unclaimed dividends may be claimed only from the fund.

Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits of previous fiscal years. Before declaring a dividend greater than 10% of the par value of its equity shares, a company is required under the Companies Act to transfer to its reserves a minimum percentage of its profits for that year, ranging from 2.5% to 10% depending upon the dividend percentage to be declared in such year.

The Companies Act further provides that, in the event of an inadequacy or absence of profits in any year, a dividend may be declared for such year out of the company's accumulated profits, subject to the following conditions:

- the rate of dividend to be declared may not exceed 10% of its paid up capital or the average of the rate at which dividends were declared by the company in the prior five years, whichever is less;
- the total amount to be drawn from the accumulated profits earned in the previous years and transferred to the reserves may not exceed an amount equivalent to 10% of its paid up capital and free reserves, and the amount so drawn is to be used first to set off the losses incurred in the fiscal year before any dividends in respect of preference or equity shares are declared; and
- the balance of reserves after withdrawals shall not fall below 15% of its paid up capital.

We are subject to taxation for each dividend declared, distributed or paid for a relevant period by our company.

Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits a company to distribute an amount transferred from the general reserve or surplus in the company's profit and loss account to its shareholders in the form of bonus shares (similar to a stock dividend). The Companies Act also permits the issuance of bonus shares from a share premium account. Bonus shares are distributed to shareholders in the proportion recommended by the Board of Directors. Shareholders of record on a fixed record date are entitled to receive such bonus shares.

Audit and Annual Report

At least 21 days before the Annual General Meeting of shareholders, a company must distribute a detailed version of the company's audited balance sheet and profit and loss account and the reports of the Board of Directors and the auditors thereon. Under the Companies Act, a company must file the balance sheet and annual profit and loss account presented to the shareholders within 30 days of the conclusion of the Annual General Meeting with the Registrar of Companies.

A company must also file an annual return containing a list of the company's shareholders and other company information, within 60 days of the conclusion of the meeting.

Preemptive Rights and Issue of Additional Shares

The Companies Act gives shareholders the right to subscribe for new shares in proportion to their respective existing shareholdings unless otherwise determined by a special resolution passed by a General Meeting of the shareholders. Under the

Companies Act, in the event of an issuance of securities, subject to the limitations set forth above, a company must first offer the new shares to the shareholders on a fixed record date. The offer must include: (i) the right, exercisable by the shareholders of record, to renounce the shares offered in favor of any other person; and (ii) the number of shares offered and the period of the offer, which may not be less than 15 days from the date of offer. If the offer is not accepted it is deemed to have been declined. The Board of Directors is authorized under the Companies Act to distribute any new shares not purchased by the preemptive rights holders in the manner that it deems most beneficial to the company.

Voting Rights

At any General Meeting, voting is by show of hands unless a poll is demanded by a shareholder or shareholders present in person or by proxy holding at least 10% of the total shares entitled to vote on the resolution or by those holding shares with an aggregate paid up capital of at least Rs.50,000. Upon a show of hands, every shareholder entitled to vote and present in person has one vote and, on a poll, every shareholder entitled to vote and present in person or by proxy has voting rights in proportion to the paid up capital held by such shareholders. The Chairman of the Board has a deciding vote in the case of any tie. Any shareholder of the company may appoint a proxy. The instrument appointing a proxy must be delivered to the company at least 48 hours prior to the meeting. A proxy may not vote except on a poll. A corporate shareholder may appoint an authorized representative who can vote on behalf of the shareholder, both upon a show of hands and upon a poll.

Ordinary resolutions may be passed by simple majority of those present and voting at any General Meeting for which the required period of notice has been given. However, certain resolutions such as amendments of the Articles and the Memorandum of Association, commencement of a new line of business, the waiver of preemptive rights for the issuance of any new shares and a reduction of share capital, require that votes cast in favor of the resolution (whether by show of hands or poll) are not less than three times the number of votes, if any, cast against the resolution. As per the Companies Act, not less than two-third of the directors of a public company shall retire by rotation and be appointed by the shareholders in the general meeting.

Liquidation Rights

Subject to the rights of creditors, employees and the holders of any shares entitled by their terms to preferential repayment over the equity shares, if any, in the event of our winding-up the holders of the equity shares are entitled to be repaid the amounts of paid up capital or credited as paid up on those equity shares. All surplus assets after payments to the holders of any preference shares at the commencement of the winding-up shall be paid to holders of equity shares in proportion to their shareholdings.

Preference Shares

Preference shares have preferential dividend and liquidation rights. Preference shares may be redeemed if they are fully paid, and only out of our profits, or out of the proceeds of the sale of shares issued for purposes of such redemption. Holders of preference shares do not have the right to vote at shareholder meetings, except on resolutions which directly affect the rights of their preference shares. However, holders of cumulative preference shares have the right to vote on every resolution at any meeting of the shareholders if the dividends due on the preference shares have not been paid, in whole or in part, for a period of at least two years prior to the date of the meeting. Currently, there are no preference shares issued and outstanding.

Redemption of Equity Shares

Under the Companies Act, unlike preference shares, equity shares are not redeemable.

Liability on Calls

Not applicable.

Discriminatory Provisions in Articles

There are no provisions in the Articles of Association discriminating against any existing or prospective holder of such securities as a result of such shareholder owning a substantial number of shares.

Alteration of Shareholder Rights

Under the Companies Act, the rights of any class of shareholders can be altered or varied with the consent in writing of the holder of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class if the provisions with respect to such variation is contained in the memorandum or articles of the company, or in the absence of any such provision in the memorandum or articles, if such variation is not prohibited by the terms of issue of the shares of that class.

Under the Companies Act, the Articles may be altered only by way of a special resolution.

Meetings of Shareholders

We must convene an annual general meeting of shareholders within six months after the end of each fiscal year and may convene an extraordinary general meeting of shareholders when necessary or at the request of a shareholder or shareholders holding at least 10% of our paid up capital carrying voting rights. The annual general meeting of the shareholders is generally convened by our Secretary pursuant to a resolution of the Board of Directors. Written notice setting out the agenda of the meeting must be given at least 21 days, excluding the days of mailing and date of the meeting, prior to the date of the general meeting to the shareholders of record. Shareholders who are registered as shareholders on the date of the general meeting are entitled to attend or vote at such meeting. The annual general meeting of shareholders must be held at our registered office or at such other place within the city in which the registered office is located; meetings other than the annual general meeting may be held at any other place if so determined by the Board of Directors. Our Articles of Association provide that a quorum for a general meeting is the presence of at least five shareholders in person.

Additionally, shareholder consent for certain items or special business is required to be obtained by a postal ballot. In order to obtain the shareholders' consent, our Board of Directors appoint a scrutinizer, who is not in our employment, who, in the opinion of the Board, can conduct the postal ballot voting process in a fair and transparent manner in accordance with the provisions of Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

Limitations on the Rights to Own Securities

The limitations on the rights to own securities, including the rights of non-resident or foreign shareholders to hold the securities imposed by Indian law are discussed in Item 10 of this Annual Report, under the section titled "Currency Exchange Controls" and is incorporated herein by reference.

Voting Rights of Deposited Equity Shares Represented by ADSs

Under Indian law, voting of the equity shares is by show of hands unless a poll is demanded by a member or members present in person or by proxy holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding an aggregate paid up capital of at least Rs. 50,000. A proxy may not vote except on a poll.

As soon as practicable after receipt of notice of any meetings or solicitation of consents or proxies of holders of shares or other deposited securities, our Depositary shall fix a record date for determining the holders entitled to give instructions for the exercise of voting rights. The Depositary shall then mail to the holders of ADSs a notice stating (a) such information as is contained in such notice of meeting and any solicitation materials, (b) that each holder on the record date set by the Depositary therefore will be entitled to instruct the Depositary as to the exercise of the voting rights, if any pertaining to the deposited securities represented by the ADSs evidenced by such holders ADRs and (c) the manner in which such instruction may be given, including instructions to give discretionary proxy to a person designated by us.

On receipt of the aforesaid notice from the Depositary, our ADS holders may instruct the Depositary on how to exercise the voting rights for the shares that underlie their ADSs. For such instructions to be valid, the Depositary must receive them on or before a specified date.

The Depositary will try, as far as is practical, and subject to the provisions of Indian law and our Memorandum of Association and our Articles of Association, to vote or to have its agents vote the shares or other deposited securities as per our ADS holders' instructions. The Depositary will only vote or attempt to vote as per an ADS holder's instructions. The Depositary will not itself exercise any voting discretion.

Neither the Depositary nor its agents are responsible for any failure to carry out any voting instructions, for the manner in which any vote is cast, or for the effect of any vote. There is no guarantee that our shareholders will receive voting materials in time to instruct the Depositary to vote and it is possible that ADS holders, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Register of Shareholders; Record Dates; Transfer of Shares

We maintain a register of shareholders. For the purpose of determining the shares entitled to annual dividends, the register is closed for a specified period prior to the annual general meeting. The date on which this period begins is the record date. To determine which shareholders are entitled to specified shareholder rights, we may close the register of shareholders. The Companies Act requires us to give at least seven days' prior notice to the public before such closure. We may not close the register of shareholders for more than thirty consecutive days, and in no event for more than forty-five days in a year. Trading of our equity shares, however, may continue while the register of shareholders is closed.

Following the introduction of the Depositories Act, 1996, and the repeal of Section 22A of the Securities Contracts (Regulation) Act, 1956, which enabled companies to refuse to register transfers of shares in some circumstances, the equity shares of a public company are freely transferable, subject only to the provisions of Section 111A of the Companies Act. Since we are a public company, the provisions of Section 111A will apply to us. Our AOA currently contain provisions which give our directors discretion to refuse to register a transfer of shares in some circumstances. Furthermore, in accordance with the provisions of Section 111A(2) of the Companies Act, our directors may refuse to register a transfer of shares if they have sufficient cause to do so. If our directors refuse to register a transfer of shares, the shareholder wishing to transfer his, her or its shares may file a civil suit or an appeal with the Company Law Board.

Pursuant to Section 111A(3), if a transfer of shares contravenes any of the provisions of the Indian Securities and Exchange Board of India Act, 1992 or the regulations issued thereunder or the Indian Sick Industrial Companies (Special Provisions) Act, 1985 or any other Indian laws, the Company Law Board may, on application made by the company, a depositary incorporated in India, an investor, the Securities and Exchange Board of India or other parties, direct the rectification of the register of records. The Company Law Board may, in its discretion, issue an interim order suspending the voting rights attached to the relevant shares before making or completing its investigation into the alleged contravention. Notwithstanding such investigation, the rights of a shareholder to transfer the shares will not be restricted.

Under the Companies Act, unless the shares of a company are held in a dematerialized form, a transfer of shares is effected by an instrument of transfer in the form prescribed by the Companies Act and the rules thereunder together with delivery of the share certificates. Our transfer agent for our equity shares is Karvy Consultants Limited located in Bangalore, Karnataka, India.

Company Acquisition of Equity Shares

Under the Companies Act, approval of at least 75% of a company's shareholders voting on the matter and approval of the High Court of the state in which the registered office of the company is situated is required to reduce a company's share capital. A company may, under some circumstances, acquire its own equity shares without seeking the approval of the High Court. However, a company would have to extinguish the shares it has so acquired within the prescribed time period. A company is not permitted to acquire its own shares for treasury operations.

An acquisition by a company of its own shares that does not rely on an approval of the High Court must comply with prescribed rules, regulations and conditions of the Companies Act. In addition, public companies which are listed on a recognized stock exchange in India must comply with the provisions of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, or Buy-back Regulations. Since we are a public company listed on several recognized stock exchanges in India, we would have to comply with the relevant provisions of the Companies Act and the provisions of the Buy-back Regulations.

Disclosure of Ownership Interest

Section 187C of the Indian Companies Act requires beneficial owners of shares of Indian companies who are not holders of record to declare to the company details of the beneficial owner. Any person who fails to make the required declaration within 30 days may be liable for a fine of up to Rs. 1,000 for each day the declaration is not made. Any lien, promissory note or other collateral agreement created, executed or entered into with respect to any share by the registered owner thereof, or any hypothecation by the registered owner of any share, pursuant to which a declaration is required to be made under Section 187C, shall not be enforceable by the beneficial owner or any person claiming through the beneficial owner if such declaration is not made. Failure to comply with Section 187C will not affect the obligation of the company to register a transfer of shares or to pay any dividends to the registered holder of any shares pursuant to which such declaration has not been made. While it is unclear under Indian law whether Section 187C applies to holders of ADSs of the company, investors who exchange ADSs for the underlying Equity Shares of the Company will be subject to the restrictions of Section 187C. Additionally, holders of ADSs may be required to comply with such notification and disclosure obligations pursuant to the provisions of the Deposit Agreement to be entered into by such holders, the company and a depositary.

Provisions on Changes in Capital

Our authorized capital can be altered by an ordinary resolution of the shareholders in a General Meeting. The additional issue of shares is subject to the preemptive rights of the shareholders and provisions governing the issue of additional shares are discussed in item 10 of this Annual Report. In addition a company may increase its share capital, consolidate its share capital into shares of larger face value than its existing shares or sub-divide its shares by reducing their par value, subject to an ordinary resolution of the shareholders in a General Meeting.

Takeover Code and Listing Agreements

Under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, or Takeover Code, upon the acquisition of more than 5% of the outstanding shares or voting rights of a publicly-listed Indian company a purchaser is required to notify the company and the company and the purchaser are required to notify all the stock exchanges on which the shares of such company are listed. An ADS holder would be subject to these notification requirements.

Upon the acquisition of 15% or more of such shares or voting rights, or a change in control of the company, the purchaser is required to make an open offer to the other shareholders, offering to purchase at least 20% of all the outstanding shares of the company at a minimum offer price as determined pursuant to the Takeover Code. Since we are a listed company in India, the provisions of the Takeover Code will apply to us. However, the Takeover Code provides for a specific exemption from this provision to an ADS holder and states that this provision will apply to an ADS holder only once he or she converts the ADSs into the underlying equity shares.

An acquirer is required to disclose the aggregate of the pre and post acquisition of shareholding and voting rights of the acquirer to the target company when such acquisition aggregates to 5% and 10% of the voting rights. The creeping acquisition limits provided under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 have been increased from 5% to 10% effective October 24, 2001. This covers the period ending September 30, 2002 subject to review by the Board of SEBI.

We have entered into listing agreements with each of the Indian Stock Exchanges on which our equity shares are listed. Each of the listing agreements provides that if a purchase of a listed company's shares results in the purchaser and its affiliates holding more than 5% of the company's outstanding equity shares or voting rights, the purchaser and the company must report its holding to the company and the relevant stock exchange(s). The agreements also provide that if an acquisition results in the purchaser and its affiliates holding equity shares representing more than 15% of the voting rights in the company, then the purchaser must, before acquiring such equity shares, make an offer on a uniform basis to all remaining shareholders of the company to acquire equity shares that have at least an additional 20% of the voting rights of the total equity shares of the company at a prescribed price.

Although the provisions of the listing agreements entered into between us and the Indian Stock Exchanges on which our equity shares are listed will not apply to equity shares represented by ADSs, holders of ADSs may be required to comply with such notification and disclosure obligations pursuant to the provisions of the Deposit Agreement to be entered into by such holders, our company and a depositary.

Material Contracts

Not applicable.

Currency Exchange Controls

Foreign investment in Indian securities is governed by the Foreign Exchange Management Act, 1999. The Foreign Direct Investment Scheme under the Reserve Bank's Automatic Route enables Indian Companies (other than those specifically excluded in the scheme) to issue shares to persons resident outside India without prior permission from the RBI, subject to certain conditions. General permission has been granted for the transfer of shares and convertible debentures by a person resident outside India as follows: (i) for transfers of shares or convertible debentures held by a person resident outside India other than NRI or overseas corporate bodies, or OCBs, to any person resident outside India, provided that the transferee has obtained permission of the Central Government and if that person had any previous venture or tie up in India through investment in any manner or a technical collaboration or trademark agreement in the same field or allied field in which the Indian company whose shares are being transferred is engaged, and (ii) NRI or OCB are permitted to transfer shares or convertible debentures of Indian company to other NRI or OCB.

A person resident outside India may transfer securities of an Indian company to a person resident in India by way of gift. However where such transfer is not by way of gift, prior approval of the RBI is necessary. For transfer of existing shares or convertible debentures of an Indian company by a resident to a non resident by way of sale the transferor should obtain an approval of Central Government and thereafter make an application to RBI for permission. In such cases the RBI may permit the transfer subject to such terms and conditions including the price at which the sale may be made.

General

Shares of Indian companies represented by ADSs may be approved for issuance to foreign investors by the Government of India under the Issue of Foreign Currency Convertible Bonds and Equity Shares (through Depositary Receipt Mechanism) Scheme, 1993, or the 1993 Regulation, as modified from time to time, promulgated by the Government of India. The 1993 Regulation is distinct from other policies or facilities, as described below, relating to investments in Indian companies by foreign investors. The issuance of ADSs pursuant to the 1993 Regulation also affords to holders of the ADSs the benefits of Section 115AC of the Indian Income Tax Act, 1961 for purposes of the application of Indian tax law.

The Reserve Bank of India or RBI, has issued a notification directing that Indian companies may utilize up-to 100 percent of proceeds realized from the sale of ADSs for overseas investments.

In February 2002, the RBI issued a circular stating that the terms of Regulation 4A of the Reserve Bank of India Notification FEMA 20/2000-RB dated May 3, 2000, as amended by Notification No.FEMA 41/2001-RB dated March 2, 2001, allow a registered broker to purchase shares of an Indian company on behalf of a person resident outside of India for the purpose of converting those shares into ADSs/GDSs. However, such conversion is subject to compliance with the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme 1993 and the periodic guidelines issued by the Central Government. This would mean that ADSs converted into Indian shares may be converted back into ADSs, subject to the limits of sectoral caps.

The Operative Guidelines for the limited two-way fungibility under the "Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme 1993 has also been approved by the Government of India.

These guidelines provide that a re-issuance of ADSs/GDSs are permitted to the extent of ADSs/GDSs, have been redeemed for underlying shares and sold in the domestic market. The re-issuance must be within the specified limits. The conditions to be satisfied in this regard are: (i) the shares are purchased on a recognized stock exchange; (ii) the Indian company has issued ADS/GDS, (iii) the shares are purchased with the permission of the custodian of the ADSs/GDSs of the Indian company and are deposited with the custodian; and (iv) the number of shares so purchased shall not exceed the number of ADSs/GDSs converted into underlying shares.

Procedure for conversion of shares into ADSs/GDSs is as follows: (i) on request by the overseas investor for the acquisition of shares for re-issuance of ADSs/GDSs, the SEBI registered broker will purchase shares from a stock exchange after verifying with the custodian as to the availability of "Head Room" (i.e. the number of ADSs/GDSs originally issued minus number of ADSs/GDSs outstanding further adjusted for ADSs/GDSs redeemed into underlying shares and registered in the name of the non-resident investor(s)); (ii) an Indian broker purchases the shares in the name of the overseas depository; (iii) After the purchase, the Indian broker places the domestic shares with the Custodian; (iv) Custodian advises the overseas depository on the custody of domestic shares and to issue corresponding ADSs/GDSs to the Investor; and (v) the overseas depository issues ADSs/GDSs to the Investor.

Foreign Direct Investment

In July 1991, the Government of India raised the limit on foreign equity holdings in Indian companies from 40% to 51% in certain high priority industries. The RBI gives automatic approval for such foreign equity holdings. The Foreign Investment Promotion Board, or FIPB, currently under the Ministry of Industry, was thereafter formed to negotiate with large foreign companies wishing to make long-term investments in India. Foreign equity participation in excess of 51% in such high priority industries or in any other industries up to Rs. six billion is currently allowed only with the approval of the FIPB. Proposals in excess of Rs. six billion require the approval of the Cabinet Committee on Foreign Investment. Proposals involving the public sector and other sensitive areas require the approval of Cabinet Committee on Economic Affairs.These facilities are designed for direct foreign investments by non-residents of India who are not NRIs, OCBs or FIIs (as each term is defined below), or foreign direct investors. The Department of Industrial Policy and Promotion, a part of the Ministry of Industry, issued detailed guidelines in January 1998 for consideration of foreign direct investment proposals by the FIPB, or the Guidelines. Under the Guidelines, sector specific guidelines for foreign direct investment and the levels of permitted equity participation have been established. In March 2000, the RBI issued a notification that foreign ownership of up to 50%, 51%, 74% or 100%, depending on the category of industry, would be allowed without prior permission of the RBI. The issues to be considered by the FIPB, and the FIPB's areas of priority in granting approvals are also set out in the Guidelines. The basic objective of the Guidelines is to improve the transparency and objectivity of the FIPB's consideration of proposals. However, because the Guidelines are administrative guidelines and have not been codified as either law or regulations, they are not legally binding with respect to any recommendation made by the FIPB or with respect to any decision taken by the Government of India in cases involving foreign direct investment.

In May 1994, the Government of India announced that purchases by foreign investors of ADSs as evidenced by ADRs and foreign currency convertible bonds of Indian companies will be treated as direct foreign investment in the equity issued by Indian companies for such offerings. Therefore, offerings that involve the issuance of equity that results in Foreign Direct Investors holding more than the stipulated percentage of direct foreign investments (which depends on the category of industry) would require approval from the FIPB. In addition, in connection with offerings of any such securities to foreign investors, approval of the FIPB is required for Indian companies whether or not the stipulated percentage limit would be reached, if the proceeds therefrom are to be used for investment in non-high priority industries.

In July 1998, the Government of India issued guidelines to the effect that foreign investment in preferred shares will be considered as part of the share capital of a company and will be processed through the automatic RBI route or will require the approval of the FIPB, as the case may be. Investments in preferred shares are included as foreign direct investment for the purposes of sectoral caps on foreign equity, if such preferred shares carry a conversion option. If the preferred shares are structured without a conversion option, they would fall outside the foreign direct investment limit but would be treated as debt and would be subject to special Government of India guidelines and approvals.

Investment by Non-Resident Indians and Overseas Corporate Bodies

A variety of special facilities for making investments in shares of Indian companies is available to individuals of Indian nationality or origin residing outside India, or NRIs, and to overseas corporate bodies, or OCBs. These facilities permit NRIs and OCBs to make portfolio investments in shares and other securities of Indian companies on a basis that is not generally available to other foreign investors. These facilities are different and distinct from investments by Foreign Direct Investors described above. Indian companies are now allowed, without prior Government of India approval, to invest in joint ventures or wholly-owned subsidiaries outside India. The amount invested may not exceed $100 million or its equivalent in a financial year.

Investment by Foreign Institutional Investors

In September 1992, the Government of India issued guidelines which enable foreign institutional investors or FIIs, including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated/ institutional portfolio managers, to invest in all the securities traded on the primary and secondary markets in India. Under the guidelines, FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FERA. FIIs must also comply with the provisions of the SEBI Foreign Institutional Investors Regulations, 1995. When it receives the initial registration, the FII also obtains general permission from the RBI to engage in transactions regulated under FERA. Together, the initial registration and the RBI's general permission enable the registered FII to: buy (subject to the ownership restrictions discussed below) and sell freely tradable securities issued by Indian companies; realize capital gains on investments made through the initial amount invested in India; subscribe or renounce rights offerings for shares; appoint a domestic custodian for custody of investments held; and repatriate the capital, capital gains, dividends, income received by way of interest and any other compensation received towards the sale or renunciation of rights offerings of shares.

Ownership Restrictions

SEBI and RBI regulations restrict investments in Indian companies by FIIs, NRIs and OCBs or collectively, Foreign Direct Investors. Under current SEBI regulations applicable to Wipro Limited, subject to the requisite approvals of the shareholders in a General Meeting, Foreign Direct Investors in aggregate may hold no more than 40% of a company's equity shares, excluding the equity shares underlying the ADSs. However, under Vide Notification No. FEMA.40/2001-RB dated March 2, 2001 under Foreign Exchange Management (Transfer or Issue of any Foreign Security (Amendment) Regulations, 2001, the limit of FII investment in a company has been increased from 40 to 49% subject to obtaining the approval of the shareholders by a special resolution. NRIs and OCBs in aggregate may hold no more than 10% of a company's equity shares, excluding the equity shares underlying the ADSs. Furthermore, SEBI regulations provide that no single FII may hold more than 10% of a company's total equity shares and no single NRI or OCB may hold more than 5% of a company's total equity shares. There is uncertainty under Indian law about the tax regime applicable to FIIs which hold and trade ADSs. FIIs are urged to consult with their Indian legal and tax advisers about the relationship between the FII guidelines and the ADSs and any equity shares withdrawn upon surrender of ADSs.

More detailed provisions relating to FII investment have been introduced by the SEBI with the introduction of the SEBI Foreign Institutional Investors Regulations, 1995. These provisions relate to the registration of FIIs, their general obligations and responsibilities, and certain investment conditions and restrictions. One such restriction is that the total investment in equity and equity-related instruments should not be less than 70% of the aggregate of all investments of an FII in India. The SEBI has also permitted private placements of shares by listed companies with FIIs, subject to the prior approval of the RBI under FERA. Such private placement must be made at the average of the weekly highs and lows of the closing price over the preceding six months or the preceding two weeks, whichever is higher. Under the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1998 approved by the SEBI in January 1998 and promulgated by the Government of India in February 1998, or the Takeover Code, which replaced the 1994 Takeover Code (as defined herein), upon the acquisition of more than 5% of the outstanding shares of a public Indian company, a purchaser is required to notify the company and all the stock exchanges on which the shares of the company are listed. Upon the acquisition of 15% or more of such shares or a change in control of the company, the purchaser is required to make an open offer to the other shareholders offering to purchase at least 20% of all the outstanding shares of the company at a minimum offer price as determined pursuant to the rules of the Takeover Code. Upon conversion of ADSs into equity shares, an ADS holder will be subject to the Takeover Code.

Open market purchases of securities of Indian companies in India by Foreign Direct Investors or investments by NRIs, OCBs and FIIs above the ownership levels set forth above require Government of India approval on a case-by-case basis.

Government of India Approvals

Approval of the Foreign Investment Promotion Board for foreign direct investment by ADS holders is required. Specific approval of the Reserve Bank of India will have to be obtained for:

- any renunciation of rights in the underlying equity shares in favor of a person resident in India; and
- the sale of the underlying equity shares by a person resident outside India to a person resident in India.

In such cases, the foreign investor would have to apply to the Reserve Bank of India by submitting Form TS1, that requires information as to the transferor, the transferee, the shareholding structure of the company whose shares are to be sold, the proposed price and other information. The Reserve Bank of India is not required to respond to a Form TS1 application within any specific time period and may grant or deny the application at its discretion. Exceptions to this requirement of Reserve Bank of India approval include sales made in the stock market through a registered Indian broker, through a recognized stock exchange in India at the prevailing market rates, or if the shares are offered in accordance with the terms of an offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The proceeds from any sale of the underlying equity shares by a person resident outside India to a person resident in India may be transferred outside India after receipt of Reserve Bank of India approval (if required), and the payment of applicable taxes and stamp duties.

No approval is required for transfers of ADSs outside India between two non-residents. Any person resident outside India who desires to sell equity shares received upon surrender of ADSs or otherwise transfer such equity shares within India should seek the advice of Indian counsel as to the requirements applicable at that time.

Taxation

Indian Taxation

The following summary is based on the law and practice of the Indian Income-tax Act, 1961, or Income-Tax Act, including the special tax regime contained in Sections 115AC and 115ACA of the Income-tax Act read with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended on, January 19, 2000, or the Issue of Foreign Currency Convertible bonds and Ordinary Shares Scheme. The Income-tax Act is amended every year by the Finance Act of the relevant year. Some or all of the tax consequences of Sections 115AC and 115ACA may be amended or changed by future amendments to the Income-tax Act.

We believe this information is materially complete as of the date hereof, however, this summary is not intended to constitute a complete analysis of the individual tax consequences to non-resident holders or employees under Indian law for the acquisition, ownership and sale of ADSs and equity shares.

Residence. For purposes of the Income-tax Act, an individual is considered to be a resident of India during any fiscal year if he or she is in India in that year for:

- a period or periods amounting to 182 days or more; or
- 60 days or more and, within the four preceding years has been in India for a period or periods amounting to 365 days or more; or
- 182 days or more, in case of a citizen of India or a person of Indian origin living abroad who visits India and within the four preceding years has been in India for a period or periods amounting to 365 days or more.

A company is a resident of India if it is incorporated in India or the control and the management of its affairs is situated wholly in India. Companies that are not residents of India would be treated as non-residents for purposes of the Income-tax Act.

Taxation of Distributions. The Income Tax Act, as amended by the Finance Act, 2002, treats dividend payments as income. There is a withholding tax of 10.5% (including any applicable surcharges) for dividend payments. However, there is no withholding tax, if the dividend paid to individual resident shareholders does not exceed Rs. 1,000 in the fiscal year in question. A higher withholding tax, at a rate not exceeding 21% (including the applicable surcharge), is imposed when a dividend is paid to non-residents on equity shares subscribed to or purchased on a convertible foreign exchange. In all other cases the withholding rate of taxation is 42% (including applicable surcharges) for foreign companies and 31.5% (including applicable surcharges) in the case of other non-resident shareholders. A lower rate applies if dictated by tax treaty.

Any distributions of additional ADSs or equity shares to resident or non- resident holders will not be subject to Indian tax.

Taxation of Capital Gains. The following is a brief summary of capital gains taxation of non-resident holders and resident employees in respect of the sale of ADSs and equity shares received upon redemption of ADSs. The relevant provisions are contained mainly in sections 45, 47(vii)(a), 115AC and 115ACA, of the Income Tax Act, in conjunction with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares Scheme.

Gains realized upon the sale of ADSs or shares that have been held for a period of more than thirty-six months and twelve months, respectively, are considered long term capital gains. Gains realized upon the sale of ADSs or shares that have been held for a period of thirty six months or less and twelve months or less, respectively, are considered short term capital gains. Capital gains are taxed as follows :

- Gains from a sale of ADSs outside India, by a non-resident to another non-resident are not taxable in India.
- Long term capital gains realized by a resident employee from the transfer of the ADSs will be subject to tax at the rate of 10.5% Short term capital gains on such a transfer will be taxed at graduated rates with a maximum of 31.5%, including the applicable surcharge.
- Long term capital gains realized by an individual holder upon the sale of equity shares obtained from the redemption of ADSs are subject to tax at a rate of 10.5%.
- Long term capital gains realized by non-resident corporate holders upon the sale of equity shares obtained through the redemption of ADSs are subject to taxation at the rate of 10%.
- Short-term capital gains realized upon the sale of equity shares obtained from the redemption of ADSs will be taxed at variable rates with a maximum of 42% in case of foreign companies, and 31.5% including the applicable surcharge in the case of resident employees and non-resident individuals with taxable income over Rs. 150,000.

The above rates may be reduced by the applicable tax treaty in case of non-residents. The capital gains tax is computed by applying the appropriate tax rates to the difference between the sale price and the purchase price of the equity shares or ADSs. Under the Issue of Foreign Currency Convertible Bonds and Ordinary Shares Scheme, the purchase price of equity shares in an Indian listed company received in exchange for ADSs will be the market price of the underlying shares on the date that the depositary gives notice to the custodian of the delivery of the equity shares in exchange for the corresponding ADSs' or "stepped up" basis purchase price. The market price will be the price of the equity shares prevailing on The Stock Exchange, Mumbai or the National Stock Exchange. There is no corresponding provision under the Income Tax Act in relation to the "stepped up" basis for the purchase price of equity shares. However the tax department has not denied this benefit. In the event that the tax department denies this benefit, the original purchase price of ADSs would be considered the purchase price for computing the capital gains tax.

According to the Issue of Foreign Currency Convertible Bonds and Ordinary Shares Scheme, a non-resident holder's holding period for the purposes of determining the applicable Indian capital gains tax rate in respect of equity shares received in exchange for ADSs commences on the date of the notice of the redemption by the depositary to the custodian. However, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares Scheme does not address this issue in the case of resident employees, and it is therefore unclear as to when the holding period for the purposes of determining capital gains tax commences for such a resident employee.

The Issue of Foreign Currency Convertible Bonds and Ordinary Shares Scheme provides that if the equity shares are sold on a recognized stock exchange in India against payment in Indian rupees, they will no longer be eligible for the preferential tax treatment.

It is unclear as to whether section 115AC and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares Scheme are applicable to a non-resident who acquires equity shares outside India from a non-resident holder of equity shares after receipt of the equity shares upon redemption of the ADSs.

If section 115AC and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares Scheme are not applicable to a non-resident holder, long term capital gains realized on the sale of such equity shares which are listed in India will still be subject to tax at the rate of 10.5%. The non-resident holders will also be able to avail of the benefits of exchange rate fluctuations for the computation of capital gains tax which are not available to a non-resident holder under section 115AC and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares Scheme.

It is unclear as to whether capital gains derived from the sale of subscription rights or other rights by a non-resident holder not entitled to an exemption under a tax treaty will be subject to Indian capital gains tax. If such subscription rights or other rights are deemed by the Indian tax authorities to be situated within India, the gains realized on the sale of such subscription rights or other rights will be subject to Indian taxation. The capital gains realized on the sale of such subscription rights or other rights, which will generally be in the nature of short term capital gains, will be subject to tax at variable rates with a maximum rate of 42% in case of a foreign company and 31.5%, including the applicable surcharge, in case of resident employees and non-resident individuals with taxable income over Rs. 150,000.

Withholding Tax on Capital Gains. Any gain realized by a non-resident or resident employee on the sale of equity shares is subject to Indian capital gains tax, which, in the case of a non-resident employee is to be withheld at the source by the buyer.

Buy-back of Securities. Indian companies are not subject to any tax on the buy-back of their shares. However, the shareholders will be taxed on any resulting gains. Our company would be required to deduct tax at source according to the capital gains tax liability of a non-resident shareholder.

Stamp Duty and Transfer Tax. Upon issuance of the equity shares underlying our ADSs, companies will be required to pay a stamp duty of 0.1% per share of the issue price of the underlying equity shares. A transfer of ADSs is not subject to Indian stamp duty. However, upon the acquisition of equity shares from the depositary in exchange for ADSs, the non-resident holder will be liable for Indian stamp duty at the rate of 0.5% of the market value of the ADSs or equity shares exchanged. A sale of equity shares by a non-resident holder will also be subject to Indian stamp duty at the rate of 0.5% of the market value of the equity shares on the trade date, although customarily such tax is borne by the transferee. Shares must be traded in dematerialized form. The transfer of shares in dematerialized form is currently not subject to stamp duty.

Wealth Tax. The holding of the ADSs and the holding of underlying equity shares by resident and non-resident holders will be exempt from Indian wealth tax. Non-resident holders are advised to consult their own tax advisors regarding this issue.

Gift Tax and Estate Duty. Indian gift tax was abolished as of October 1998. Indian Estate Duty was abolished as of March 1985. We cannot assure that these taxes and duties will not be restored in future. Non-resident holders are advised to consult their own tax advisors regarding this issue.

Service Tax. Brokerage or commission paid to stock brokers in connection with the sale or purchase of shares is subject to a service tax of 5%. The stock broker is responsible for collecting the service tax from the shareholder and paying it to the relevant authority.

PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE INDIAN AND THEIR LOCAL TAX CONSEQUENCES OF ACQUIRING, OWNING OR DISPOSING OF EQUITY SHARES OR ADSs.

United States Federal Taxation

The following is a summary of the material U.S. federal income and estate tax consequences that may be relevant with respect to the acquisition, ownership and disposition of equity shares or ADSs. This summary addresses the U.S. federal income and estate tax considerations of holders that are U.S. persons. U.S. persons are citizens or residents of the United States, or corporations created in or under the laws of the United States or any political subdivision thereof or therein, estates, the income of which is subject to U.S. federal income taxation regardless of its source and trusts for which a U.S. court exercises primary supervision and a U.S. person has the authority to control all substantial decisions and who will hold equity shares or ADSs as capital assets or U.S. Holder.

This summary does not address tax considerations applicable to holders that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, tax-exempt entities, persons that will hold equity shares or ADSs as a position in a "straddle" or as part of a "hedging" or "conversion" transaction for tax purposes, persons that have a "functional currency" other than the U.S. dollar or holders of 10% or more, by voting power or value, of the stock of our company. This summary is based on the tax laws of the United States as in effect on the date of this document and on United States Treasury Regulations in effect or, in some cases, proposed, as of the date of this document, as well as judicial and administrative interpretations thereof available on or before such date and is based in part on the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below.

Each prospective investor should consult his, her or its own tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of equity shares or ADSs.

Ownership of ADSs. For U.S. federal income tax purposes, holders of ADSs will be treated as the owners of equity shares represented by such ADSs.

Dividends. Except for equity shares, if any, distributed pro rata to all shareholders of our company, including holders of ADSs, distributions of cash or property with respect to equity shares will be included in income by a U.S. holder as foreign source dividend income at the time of receipt, which in the case of a U.S. holder of ADSs generally will be the date of receipt by the depositary, to the extent such distributions are made from the current or accumulated earnings and profits (as determined under U.S. federal income tax principles) of our company. Such dividends will not be eligible for the dividends received deduction generally allowed to corporate U.S. holders. To the extent, if any, that the amount of any distribution by our company exceeds our company's current and accumulated earnings and profits as determined under U.S. federal income tax principles, it will be treated first as a tax-free return of the U.S. holder's tax basis in the equity shares or ADSs and thereafter as capital gain.

Subject to certain conditions and limitations, any Indian dividend distribution taxes imposed upon distributions paid to a U.S. holder will be eligible for credit against the U.S. holder's federal income tax liability. Alternatively, a U.S. holder may claim a deduction for such amount, but only for a year in which a U.S. holder elects to do so with respect to all foreign income taxes. The overall limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to equity shares or ADSs will generally constitute foreign source "passive income."

If dividends are paid in Indian rupees, the amount of the dividend distribution included in the income of a U.S. holder will be in the U.S. dollar value of the payments made in Indian rupees, determined at a spot exchange rate between Indian rupees and U.S. dollars applicable to the date such dividend is included in the income of the U.S. holder, regardless of whether the payment is in fact converted into U.S. dollars. Generally, gain or loss, if any, resulting from currency exchange fluctuations during the period from the date the dividend is paid to the date such payment is converted into U.S. dollars will be treated as U.S. source ordinary income or loss.

A non-U.S. holder of equity shares or ADSs generally will not be subject to U.S. federal income tax or withholding tax on dividends received on equity shares or ADSs unless such income is effectively connected with the conduct by such non-U.S. holder of a trade or business in the United States.

Sale or Exchange of Equity Shares or ADSs. A U.S. holder generally will recognize gain or loss on the sale or exchange of equity shares or ADSs equal to the difference between the amount realized on such sale or exchange and the U.S. holder's tax basis in the equity shares or ADSs, as the case may be. Such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the equity shares or ADSs, as the case may be, were held for more than one year. Gain or loss, if any, recognized by a U.S. holder generally will be treated as U.S. source passive income or loss for U.S. foreign tax credit purposes.

A non-U.S. holder of equity shares or ADSs generally will not be subject to U.S. federal income or withholding tax on any gain realized on the sale or exchange of such equity shares or ADSs unless:

- such gain is effectively connected with the conduct by such non-U.S. holder of a trade or business in the U.S.; or
- in the case of any gain realized by an individual non-U.S. holder, such holder is present in the United States for 183 days or more in the taxable year of such sale and other conditions are met.

Estate Taxes. An individual shareholder who is a citizen or resident of the United States for U.S. federal estate tax purposes will have the value of the equity shares or ADSs owned by such holder included in his or her gross estate for U.S. federal estate tax purposes. An individual holder who actually pays Indian estate tax with respect to the equity shares will, however, be entitled to credit the amount of such tax against his or her U.S. federal estate tax liability, subject to a number of conditions and limitations.

Any dividends paid, or proceeds on a sale of, equity shares or ADSs to or by a U.S. holder may be subject to U.S. information reporting, and a 31% backup withholding tax may apply unless the holder is an exempt recipient or provides a U.S. taxpayer identification number, certifies that such holder is not subject to backup withholding and otherwise complies with any applicable backup withholding requirements. Any amount withheld under the backup withholding rules will be allowed as a refund or credit against the holder's U.S. federal income tax, provided that the required information is furnished to the Internal Revenue Service.

Passive Foreign Investment Company. A non-U.S. corporation will be classified as a passive foreign investment company for U.S. Federal income tax purposes if either:

- 75% or more of its gross income for the taxable year is passive income;
  or
- on average for the taxable year by value, or, if it is not a publicly traded corporation and so elects, by adjusted basis, if 50% or more of its assets produce or are held for the production of passive income.

We do not believe that we satisfy either of the tests for passive foreign investment company status. If we were to be a passive foreign investment company for any taxable year, U.S. holders would be required to either:

- pay an interest charge together with tax calculated at maximum ordinary income rates on "excess distributions," which is defined to include gain on a sale or other disposition of equity shares;
- if a qualified electing fund election is made, include in their taxable income their pro rata share of undistributed amounts of our income; or
- if the equity shares are "marketable" and a mark-to-market election is made, mark-to-market the equity shares each taxable year and recognize ordinary gain and, to the extent of prior ordinary gain, ordinary loss for the increase or decrease in market value for such taxable year.

The above summary is not intended to constitute a complete analysis of all tax consequences relating to ownership of equity shares or ADSs. You should consult your own tax advisor concerning the tax consequences of your particular situation.

Documents on Display

This report and other information filed or to be filed by Wipro Limited can be inspected and copied at the public reference facilities maintained by the SEC at :

- Judiciary Plaza
  450 Fifth Street, N.W.
  Room 1024
  Washington, D.C. 20529, and

- Northwestern Atrium Center
  500 West Madison Street
  Suite 1400
  Chicago, Illinois 60661-2511

Copies of these materials can also be obtained from the Public Reference Section of the SEC, 450th Street, N.W., Washington, DC 20549, at prescribed rates.

The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are not required to use the EDGAR system, but currently intend to do so in order to make our reports available over the Internet.

Additionally, documents referred to in this Form 20-F may be inspected at our corporate offices which are located at Doddakannelli, Sarjapur Road, Bangalore, Karnataka, 560035, India.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Quantitative and Qualitative Disclosures about Market Risk

This information is available in the section titled "Management's Discussion and Analysis of Financial Conditions and Results of Operation" on pages 164 through 178 in our Annual Report for fiscal 2002 and is incorporated herein by reference.

Item 12. Description of Securities Other Than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Use of Proceeds

On October 19, 2000, we completed our initial U.S. public offering, or U.S. IPO, of 3,162,500 American Depositary Shares representing 3,162,500 equity shares, par value Rs. 2 per share (including the exercise of the underwriters' over allotment option consisting of 412,500 American Depositary Shares representing 412,500 equity shares) at a public offering price of $41.375 per American Depositary Share pursuant to a registration statement, filed on Form F-1 (File No. 333-46278) filed with the Securities Exchange Commission (the "Registration Statement"). All of the shares registered were sold. The managing underwriters were Morgan Stanley Dean Witter, Credit Suisse First Boston, and Banc of America Securities. Aggregate gross proceeds to the Company (prior to deduction of underwriting discounts and commissions and expenses of the offering) were $130,848,438. There were no selling stockholders in the U.S. IPO. We paid underwriting discounts and commissions of approximately $5,888,180. A significant portion of other expenses incurred in connection with our U.S. IPO were reimbursed by the Depositary. Accordingly, the net proceeds from the offering after underwriting discounts and commissions is approximately $124,960,258. The net proceeds from the offering have been invested in highly liquid money market instruments. As of March 31, 2002, none of the net proceeds from the offering had been used.

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

This information is available in the section titled "Audited Financial Statements" on pages 185 through 210 in our Annual Report for fiscal 2002 and is incorporated herein by reference.

PART III

Item 19. Exhibits

Exhibit Number	Description
*3.1	Articles of Association of Wipro Limited, as amended.
*3.2	Memorandum of Association of Wipro Limited, as amended.
*3.3	Certificate of Incorporation of Wipro Limited, as amended.
*4.1	Form of Deposit Agreement (including as an exhibit, the form of American Depositary Receipt).
*4.2	Wipro's specimen certificate for equity shares.
*10.1	1999 Employee Stock Option Plan.
*10.2	2000 Employee Stock Option Plan.
*10.3	Wipro Equity Reward Trust.
*10.4	2000 ADS Option Plan.
*10.5	Form of Indemnification Agreement.
*10.6	Asset Credit Scheme Loan between Wipro Limited and ICICI Limited, dated September 19, 1996, as amended.
*10.7	Share Purchase Agreement between Wipro Limited and ICICI Limited, for shares of Wipro Net Limited, dated December 28, 1999.
*10.8	Option Agreement between Wipro Limited and ICICI Limited, dated December 28, 1999.
*10.9	Pledge Agreement by Azim H. Premji and ICICI Limited, dated December 28, 1999.
13.1	Wipro Limited Annual Report for Fiscal 2002.
*21.1	List of Wipro's subsidiaries.
99.1	Proxy Information Statement to holders of American Depositary Shares.
99.2	Proxy Information Statement to holders of Equity Shares.
99.3	Proxy Form to holders of American Depositary Shares.
99.4	Proxy Form to holders of Equity Shares.

* Incorporated by reference to exhibits filed with the Registrant's Registration Statement on Form F-1 (File No. 333-46278) in the form declared effective September 26, 2000.

Signatures

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

For Wipro Limited

Bangalore, India
June 5, 2002

Azim H. Premji,
Chairman and Managing Director

Suresh C. Senapaty,
Executive Vice President, Finance