

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF WIPRO LIMITED AND SUBSIDIARIES

		(Rs. in Million)		
CONDENSED CONSOLIDATED BALANCE SHEET		As of December 31,		As of March 31,
	Schedule	2007	2006	2007
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share capital	1	2,921	2,880	2,918
Share application money pending allotment		52	33	35
Reserves and surplus	2	114,097	89,042	93,042
		117,070	91,955	95,995
LOAN FUNDS				
Secured loans	3	2,273	1,053	1,489
Unsecured loans	4	24,712	2,170	2,338
		26,985	3,223	3,827
Minority Interest		126	31	29
		144,181	95,209	99,851
APPLICATION OF FUNDS				
FIXED ASSETS				
Goodwill [refer note 19(8), (9), (14), & (15)]		41,315	9,485	9,477
Gross block	5	52,107	34,942	37,287
Less: Accumulated depreciation		26,486	18,227	18,993
<i>Net block</i>		25,621	16,715	18,294
Capital work-in-progress and advances		12,237	9,090	10,191
		79,173	35,290	37,962
INVESTMENTS	6	18,825	38,294	33,249
DEFERRED TAX ASSET (NET)		575	726	590
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	7	6,155	3,985	4,150
Sundry debtors	8	36,163	27,756	29,007
Cash and bank balances	9	16,508	4,929	19,822
Loans and advances	10	29,250	16,500	17,454
		88,076	53,170	70,433
Less: CURRENT LIABILITIES AND PROVISIONS				
Liabilities	11	36,209	26,394	34,350
Provisions	12	6,259	5,877	8,033
		42,468	32,271	42,383
NET CURRENT ASSETS		45,608	20,899	28,050
		144,181	95,209	99,851

Notes to Accounts

19

The schedules referred to above form an integral part of the condensed consolidated balance sheet

As per our report attached

for and on behalf of the Board of Directors

for BSR & Co.
Chartered Accountants

Azim Premji
Chairman

B C Prabhakar
Director

Dr Jagdish N Sheth
Director

Zubin Shekary
Partner
Membership No. 48814

Suresh C Senapaty
Executive Vice President
& Chief Financial Officer

V Ramachandran
Company Secretary

Bangalore
January 18, 2008

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF WIPRO LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rs. in Million except share data)

Schedule	Quarter ended December 31,		Nine months ended December 31,		Year ended Mar 31,
	2007	2006	2007	2006	2007
INCOME					
Gross sales and services	53,137	40,057	143,896	107,709	151,330
Less: Excise duty	431	331	1,256	950	1,348
Net sales and services	52,706	39,726	142,640	106,759	149,982
Other income	1,626	825	3,561	1,996	2,732
	54,332	40,551	146,201	108,755	152,714
EXPENDITURE					
Cost of sales and services	37,315	27,497	100,434	72,885	102,420
Selling and marketing expenses	3,814	2,336	10,069	6,710	9,547
General and administrative expenses	2,832	2,078	7,519	5,344	7,635
Interest	760	48	1,221	84	124
	44,721	31,959	119,243	85,023	119,726
PROFIT BEFORE TAXATION					
	9,611	8,592	26,958	23,732	32,988
Provision for taxation including fringe benefit tax	1,100	1,031	3,150	3,122	3,868
Profit before minority interest / share in earnings of associates:	8,511	7,561	23,808	20,610	29,120
Minority interest	(11)	4	(8)	4	6
Share in earnings of associates	40	89	233	246	295
PROFIT FOR THE PERIOD					
	8,540	7,654	24,033	20,860	29,421
Appropriations					
Interim dividend	-	-	2,919	-	7,238
Proposed dividend	-	-	-	-	1,459
Tax on dividend	-	-	496	-	1,268
TRANSFER TO GENERAL RESERVE					
	8,540	7,654	20,618	20,860	19,456
EARNINGS PER SHARE - EPS					
Equity shares of par value Rs. 2/- each					
Basic (in Rs.)	5.88	5.36	16.56	14.65	20.62
Diluted (in Rs.)	5.86	5.28	16.48	14.43	20.41
Number of shares for calculating EPS					
Basic	1,451,774,660	1,428,718,122	1,451,362,813	1,424,271,318	1,426,966,318
Diluted	1,457,885,557	1,449,797,975	1,458,117,789	1,445,528,304	1,441,469,652

Notes to Accounts

19

The schedules referred to above form an integral part of the condensed consolidated profit and loss account

As per our report attached

for and on behalf of the Board of Directors

for BSR & Co.
Chartered Accountants

Azim Premji
Chairman

B C Prahakar
Director

Dr Jagdish N Sheth
Director

Zubin Shekary
Partner
Membership No. 48814
Bangalore
January 18, 2008

Suresh C Senapaty
Executive Vice President
& Chief Financial Officer

V Ramachandran
Company Secretary

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF WIPRO LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(Rs. in Million)

	Quarter Ended Decemehr 31,		Nine months ended Decemehr 31,		Year Ended
	2007	2006	2007	2006	March 31, 2007
A. Cash flows from operating activities:					
Profit before tax	9,611	8,592	26,958	23,732	32,988
<i>Adjustments:</i>					
Depreciation and amortization	1,429	1,011	3,850	2,888	3,978
Amortisation of stock compensation	303	440	875	1,036	1,078
Unrealised exchange differences - net	(1,287)	(174)	(2,395)	183	457
Interest on borrowings	760	48	1,221	84	125
Dividend / interest - net	(828)	(581)	(2,265)	(1,461)	(2,118)
(Profit) / Loss on sale of investments	(46)	(180)	(596)	(355)	(588)
Gain on sale of fixed assets	(7)	(2)	(172)	(8)	(10)
Working capital changes :					
Trade and other receivable	(3,501)	(1,633)	(8,239)	(5,949)	(7,358)
Loans and advances	(2,180)	609	(4,003)	(347)	(283)
Inventories	(254)	(469)	(1,109)	(830)	(1,120)
Trade and other payables	1,154	1,470	5,090	4,401	5,156
Net cash generated from operations	5,156	9,131	19,215	23,374	32,304
Direct taxes paid	(160)	(1,476)	(2,834)	(3,236)	(4,252)
Net cash generated by operating activities	4,996	7,656	16,381	20,138	28,052
B. Cash flows from investing activities:					
Acquisition of property, fixed assets plant and equipment (including advances)	(3,062)	(3,146)	(9,377)	(9,361)	(13,005)
Proceeds from sale of fixed assets	69	(65)	392	118	149
Purchase of investments	(80,976)	(36,986)	(180,821)	(83,946)	(123,579)
Proceeds on sale / from maturities on investments	86,537	32,514	196,073	77,083	122,042
Intercorporate deposit	-	-	50	-	(650)
Net payment for acquisition of businesses	(5,939)	(2,370)	(32,327)	(6,521)	(6,608)
Dividend / interest income received	495	581	1,787	1,461	2,118
Net cash generated by / (used in) investing activities	(2,876)	(9,472)	(24,223)	(21,166)	(19,533)
C. Cash flows from financing activities:					
Proceeds from exercise of employee stock option	337	1,257	393	3,905	9,458
Share application money pending allotment	16	(29)	52	32	35
Interest paid on borrowings	(760)	(48)	(1,221)	(84)	(125)
Dividends paid (including distribution tax)	(3,417)	-	(12,632)	(8,125)	(8,875)
Repayment of borrowings / loans	(35,883)	(2,775)	(55,985)	(6,285)	(5,915)
Proceeds of borrowings / loans	33,563	4,195	73,835	7,647	7,882
Proceeds from issuance of shares by subsidiary	(0)	35	55	35	35
Net cash generated by / (used in) financing activities	(6,145)	2,635	4,497	(2,875)	2,495
Net (decrease) / increase in cash and cash equivalents during the period	(4,025)	818	(3,345)	(3,903)	11,014
Cash and cash equivalents at the beginning of the period	20,488	4,144	19,822	8,858	8,858
Effect of translation of cash balance	46	(33)	31	(26)	(50)
Cash and cash equivalents at the end of the period	16,508	4,929	16,508	4,929	19,822

* Balance as on December 31, 2007 includes Rs. 509 Million in a restricted designated bank account for payment of deferred compensation to certain employees.

Balance as on March 31, 2007 includes Rs. 7,278 Million in a restricted designated bank account for payment of interim dividend for the period ended March 31, 2007.

As per our report attached for and on behalf of the Board of Directors

for BSR & Co.
Chartered Accountants

Azim Premji
Chairman

B C Prabhakar
Director

Dr Jagdish N Sheth
Director

Zubin Shekary
Partner
Membership No. 48814
Bangalore
January 18, 2008

Suresh C Senapaty
Executive Vice President
& Chief Financial Officer

V Ramachandran
Company Secretary

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF WIPRO LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

	<i>(Rs. in Million except share data)</i>		
	As of December 31,		As of March 31,
	2007	2006	2007
SCHEDULE 1 SHARE CAPITAL			
Authorised capital			
1,650,000,000 (2006 & 2007: 1,650,000,000) equity shares of Rs. 2 each	3,300	3,300	3,300
25,000,000 (2006 & 2007: 25,000,000) 10.25 % redeemable cumulative preference shares of Rs. 10 each	250	250	250
	3,550	3,550	3,550
Issued, subscribed and paid-up capital			
1,460,529,013 (2006: 1,439,802,322, 2007: 1,458,999,650) equity shares of Rs. 2 each [refer note 19 (2)]	2,921	2,880	2,918
	2,921	2,880	2,918
SCHEDULE 2 RESERVES AND SURPLUS			
Capital reserve			
Balance brought forward from previous period	47	47	47
	47	47	47
Securities premium account			
Balance brought forward from previous period	24,530	14,378	14,378
Add: Exercise of stock options by employees	562	4,460	10,152
	25,092	18,838	24,530
Translation reserve			
Balance brought forward from previous period	(247)	(111)	(111)
Movement during the period	(620)	16	(136)
	(867)	(95)	(247)
Restricted stock units reserve			
Employee Stock Options Outstanding	5,256	5,488	5,273
Less: Deferred Employee Compensation Expense	3,597	4,431	4,351
	1,659	1,057	922
General reserve			
Balance brought forward from previous period	67,790	48,357	48,357
Additions [refer note 19 (3)]	19,235	20,837	19,433
	87,025	69,194	67,790
Unrealised gains on cash flow hedges, net	1,141	-	-
Summary of reserves and surplus			
Balance brought forward from previous period	93,042	63,202	63,202
Additions	21,675	25,840	29,977
Deletions	(620)	-	(137)
	114,097	89,042	93,042

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF WIPRO LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

(Rs. in Million)

	As of December 31, 2007	As of March 31, 2006	As of March 31, 2007
--	----------------------------	-------------------------	-------------------------

SCHEDULE 3 SECURED LOANS

Term loans ^{1,2}	688	740	674
Cash credit facilities ¹	510	285	791
Finance lease obligation ²	1,075	28	24
	2,273	1,053	1,489

¹ Term loans and cash credit facility are secured by hypothecation of stock-in-trade, book debts, immovable/movable properties and other assets

² Term loans and finance lease obligation as on December 31, 2007 include Rs. 971 Million of borrowings of entities acquired during the period.

SCHEDULE 4 UNSECURED LOANS

Borrowing from banks ³	24,611	2,121	2,240
Loan from financial institutions	-	-	52
Interest free loan from State Governments	44	48	46
Others	57	1	-
	24,712	2,170	2,338

³ Borrowing from banks as on December 31, 2007 include Rs. 4,380 Million of borrowings of entities acquired during the period.

SCHEDULE 5 FIXED ASSETS

(Rs. in Million)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As of April 1, 2007	Additions ⁴	Deductions/adjustments	As of December 31, 2007	As of April 1, 2007	Depreciation for the period	Deductions / adjustments ⁴	As of December 31, 2007	As of December 31, 2007	As of March 31, 2007
(a) Tangible fixed assets										
Land (including leasehold)	2,170	598	41	2,727	2	1	2	5	2,722	2,168
Buildings	6,198	2,842	36	9,004	669	120	375	1,164	7,840	5,529
Plant & machinery ⁵	21,125	7,449	201	28,373	14,072	2,817	2,105	18,994	9,379	7,053
Furniture, fixture and equipments	4,180	2,380	61	6,499	2,806	514	848	4,168	2,331	1,374
Vehicles	1,830	831	184	2,477	989	328	18	1,335	1,142	841
(b) Intangible fixed assets										
Technical know-how	330	420	-	750	329	2	-	331	419	1
Patents, trade marks and rights	1,454	863	40	2,277	126	68	295	489	1,788	1,328
	37,287	15,383	563	52,107	18,993	3,850	3,643	26,486	25,621	18,294
Previous year - 31 March 2007	24,816	12,743	272	37,287	12,910	3,979	2,104	18,993	18,294	

⁴ - Additions include Gross Block of Rs. 8,031 Million and adjustments include Accumulated depreciation of Rs. 3,837 Million in respect of assets of entities acquired during the period

⁵ - Plant and machinery includes computers and computer software.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF WIPRO LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

SCHEDULE 6 INVESTMENTS

(Rs. in Million)

	As of December 31,		As of March 31,
	2007	2006	2007
Investments- Long Term - unquoted			
Investment in Associates			
Wipro GE Medical Systems Private Ltd ⁶	1,243	995	1,043
	1,243	995	1,043
Other Investments - unquoted	365	364	364
Current Investments - quoted			
Investments in Indian money market mutual funds	17,217	36,935	31,842
Investments - others	-	-	-
	17,217	36,935	31,842
	18,825	38,294	33,249

⁶ Equity investments in this company carry certain restrictions on transfer of shares that are normally provided for in shareholders' agreements

SCHEDULE 7 INVENTORIES

Finished goods	2,198	1,522	1,777
Raw materials	2,777	1,589	1,584
Stock in process	773	532	491
Stores and spares	407	342	298
	6,155	3,985	4,150

SCHEDULE 8 SUNDRY DEBTORS

(Unsecured)

Debts outstanding for a period exceeding six months

Considered good	2,347	1,261	919
Considered doubtful	1,081	1,203	1,388
	3,428	2,464	2,307
Other debts			
Considered good	33,816	26,495	28,088
Considered doubtful	-	-	-
	37,244	28,959	30,395
Less: Provision for doubtful debts	1,081	1,203	1,388
	36,163	27,756	29,007

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF WIPRO LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

SCHEDULE 9 CASH AND BANK BALANCES	<i>(Rs. in Million)</i>		
	As of December 31,		As of March 31,
	2007	2006	2007
Balances with bank:			
In current account ⁷	5,168	4,807	16,784
In deposit account	10,391	9	2,355
Cash and cheques on hand	949	113	683
	16,508	4,929	19,822

⁷ Balance as on December 31, 2007 includes Rs. 509 Million in a restricted designated bank account for payment of deferred compensation to certain employees.

Balance as on March 31, 2007 includes Rs. 7,278 Million in a restricted designated bank account for payment of interim dividend for the period ended March 31, 2007.

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

- Prepaid expenses	4,468	1,918	2,049
- Advance to suppliers / expenses	1,235	603	753
- Employee travel & other advances	1,531	782	885
- Others	4,559	2,178	1,471
	11,793	5,481	5,158
Considered doubtful	168	195	194
	11,961	5,676	5,352
Less: Provision for doubtful advances	168	195	194
	11,793	5,481	5,158

Other deposits	1,806	1,592	1,613
Advance income tax	5,463	4,185	4,730
Inter corporate deposit	600	-	650
Balances with excise and customs	601	125	207
Unbilled revenue	8,987	5,117	5,096
	29,250	16,500	17,454

SCHEDULE 11 LIABILITIES

Acquisition related liabilities	223	-	-
Accrued expenses and statutory liabilities	18,051	14,544	13,776
Sundry creditors	12,259	8,734	10,202
Unearned revenues	3,997	1,735	1,761
Advances from customers	1,675	1,377	1,369
Unclaimed dividends	4	4	4
Unpaid interim dividends	-	-	7,238
	36,209	26,394	34,350

SCHEDULE 12 PROVISIONS

Employee retirement benefits	2,495	2,002	2,118
Warranty provision	803	909	831
Provision for tax	2,961	2,966	3,106
Proposed dividend	-	-	1,459
Tax on dividend	-	-	519
	6,259	5,877	8,033

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF WIPRO LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rs. in Million)

	Quarter ended December 31,		Nine months ended December 31,		Year ended
	2007	2006	2007	2006	March 31, 2007
SCHEDULE 13 OTHER INCOME					
Dividend on mutual fund units	406	412	1,197	1,107	1,686
Profit on sale of investments	46	180	596	355	588
Interest on debt instruments and others	484	169	1,130	354	432
Exchange differences - net	319	(4)	(67)	(198)	(231)
Miscellaneous income	371	68	705	378	257
	1,626	825	3,561	1,996	2,732

SCHEDULE 14 COST OF SALES AND SERVICES

Employee compensation costs	18,657	14,485	51,088	39,472	54,239
Raw materials, finished and process stocks (refer Schedule 18)	9,590	6,759	25,793	15,430	23,182
Sub contracting / technical fees	2,517	1,626	7,020	4,814	6,677
Travel	1,311	1,162	3,616	3,480	5,084
Depreciation	1,325	941	3,561	2,695	3,696
Communication	565	431	1,430	1,177	1,620
Repairs	1,296	827	2,477	1,884	2,645
Power and fuel	412	281	1,108	810	1,062
Outsourced technical services	258	217	778	615	842
Rent	369	241	917	741	1,009
Stores and spares	252	175	699	459	676
Insurance	64	45	159	147	186
Rates and taxes	53	(35)	91	142	198
Miscellaneous	646	342	1,697	1,019	1,304
	37,315	27,497	100,434	72,885	102,420

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF WIPRO LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rs. in Million)

	Quarter ended December 31,		Nine months ended December 31,		Year ended
	2007	2006	2007	2006	March 31, 2007
SCHEDULE 15 SELLING AND MARKETING EXPENSES					
Employee compensation costs	1,832	1,168	4,897	3,364	4,728
Advertisement and sales promotion	703	312	1,683	1,005	1,400
Travel	227	147	730	550	790
Carriage and freight	294	234	855	554	885
Commission on sales	150	65	391	205	275
Rent	147	90	359	236	326
Communication	101	74	256	199	294
Conveyance	37	29	103	80	111
Depreciation	85	44	206	126	190
Repairs to buildings	23	21	55	49	60
Insurance	5	5	26	18	25
Rates and taxes	9	10	25	22	26
Miscellaneous expenses	201	137	483	302	437
	3,814	2,336	10,069	6,710	9,547

SCHEDULE 16 GENERAL AND ADMINISTRATIVE EXPENSES

Employee compensation costs	1,426	987	3,543	2,355	3,430
Travel	309	232	835	657	909
Repairs and maintenance	131	82	395	218	321
Provision for bad debts	-	61	226	205	294
Manpower outside services	64	35	164	98	142
Depreciation	18	25	83	66	93
Rates and taxes	6	13	44	56	63
Insurance	21	17	55	38	57
Rent	19	19	66	40	77
Auditors' remuneration					
Audit fees	3	3	10	10	13
For certification including tax audit	-	-	1	1	1
Out of pocket expenses	-	-	1	1	1
Miscellaneous expenses	835	604	2,096	1,599	2,234
	2,832	2,078	7,519	5,344	7,635

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF WIPRO LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rs. in Million)

	Quarter ended December 31,		Nine months ended December 31		Year ended
	2007	2006	2007	2006	March 31, 2007

SCHEDULE 17 INTEREST

Cash credit and others ⁸	760	48	1,221	84	124
-------------------------------------	-----	----	-------	----	-----

⁸ Includes Rs.88 Million and Rs.286 Million for the quarter ended and nine month ended December 31, 2007 (2006 & 2007: Nil) of interest borne by Wipro Equity Reward Trust in respect of loans availed by employees from third party financial institution/bank in March 2007 for the exercise of vested employee stock options.

SCHEDULE 18

RAW MATERIALS, FINISHED AND PROCESSED STOCKS

Consumption of raw materials and bought out components :

Opening stocks	2,868	667	1,584	692	692
Add: Stock taken over on acquisition	-	651	374	651	651
Add: Purchases	3,847	4,210	13,125	7,534	11,701
Less: Closing stocks	2,777	1,589	2,777	1,589	1,584
	3,938	3,939	12,306	7,288	11,460

Purchase of finished products for sale

	5,890	3,000	13,622	8,678	12,471
--	-------	-------	--------	-------	--------

(Increase) / Decrease in finished and process stocks :

Opening stock					
: In process	646	373	491	289	289
: Finished products	2,084	1,156	1,777	886	886
Stock taken over on acquisition					
: In process	-	194	8	194	194
: Finished products	3	150	560	150	150
Less: Closing stock					
: In process	773	532	773	532	491
: Finished products	2,198	1,521	2,198	1,521	1,777
	(238)	(180)	(135)	(536)	(749)
	9,590	6,759	25,793	15,430	23,182