

WIPRO LIMITED
BALANCE SHEET
(All figures in rupees thousands)

SOURCES OF FUNDS	Schedule	As of June 30,		As of March 31,
		2001	2000	2001
Shareholders' funds				
Share Capital	1	464,873	708,313	464,866
Share application money pending allotment (refer note 10)				2,345
Reserves and Surplus	2	19,324,922	8,062,703	19,184,623
		19,789,795	8,771,016	19,651,834
Loan Funds				
Secured loans	3	324,786	506,931	400,644
Unsecured loans	4	51,721	40,417	47,397
		376,507	547,348	448,041
Total		20,166,302	9,318,364	20,099,875

APPLICATION OF FUNDS

Fixed Assets				
Gross block	5	9,800,675	7,187,133	9,020,225
Less : Depreciation		4,251,851	3,126,688	3,793,678
<i>Net Block</i>		5,548,824	4,060,445	5,226,547
Capital work-in-progress and advances		1,203,714	702,957	797,958
		6,752,538	4,763,402	6,024,505
Investments	6	443,983	462,033	1,636,443
Deferred tax assets		93,276		
Current assets, loans and advances				
Inventories	7	1,286,135	1,462,546	1,152,530
Sundry Debtors	8	5,936,854	4,607,975	6,176,657
Cash and Bank balances	9	2,061,351	655,432	4,463,421
Loans and advances	10	9,083,031	1,567,879	5,992,691
		18,367,371	8,293,832	17,785,299
Current liabilities and provisions				
Liabilities	11	4,913,366	3,893,919	4,813,400
Provisions	12	577,500	306,984	532,972
		5,490,866	4,200,903	5,346,372
Net Current Assets				
		12,876,505	4,092,929	12,438,927
Total				
		20,166,302	9,318,364	20,099,875

Significant accounting policies and notes to accounts
As per our report attached
For N M Raiji & Co.,
Chartered Accountants

19

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman and Managing Director)

Hamir K Vissanji (Director)

N Vaghul (Director)

Suresh C Senapaty
(Corporate Executive Vice President - Finance)

Satish Menon
(Corporate Vice President- Legal & Company Secretary)
Bangalore, July 20, 2001

J M Gandhi
Partner

Mumbai, July 20, 2001

WIPRO LIMITED
PROFIT AND LOSS ACCOUNT
(in rupees thousands)

	Schedule	Three months ended		Year ended
		June 30,		March 31,
		2001	2000	2001
INCOME				
Sales and Services		7,851,868	6,183,580	30,539,090
Other Income	13	306,937	54,067	692,915
		8,158,805	6,237,647	31,232,005
EXPENDITURE				
Cost of goods sold	14	4,624,747	3,842,456	18,103,247
Selling, general and administrative expenses	15	1,302,716	1,184,404	5,404,381
Expenditure on Research and Development				
Interest	16	3,618	15,727	68,890
		5,931,081	5,042,587	23,576,518
PROFIT BEFORE TAXATION AND NON RECURRING / EXTRAORDINARY ITEMS		2,227,724	1,195,060	7,655,487
Provision for taxation (refer note 14)		150,942	118,119	992,000
PROFIT AFTER TAX BEFORE NON-RECURRING / EXTRAORDINARY ITEMS		2,076,782	1,076,941	6,663,487
Non recurring / extraordinary items	18	-	-	16,036
PROFIT FOR THE PERIOD		2,076,782	1,076,941	6,679,523
Appropriations				
Interim Dividend on Preference Shares				18,043
Interim Dividend on Equity Shares				-
Proposed Dividend on Equity Shares				116,217
Corporate tax on dividend				13,839
Transfer to Capital Redemption Reserve				250,000
Profit & Loss balance carried forward		2,076,782	1,076,941	-
Transfer to general reserve				6,281,424
Significant accounting policies and notes to accounts	19			

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

J M Gandhi
Partner

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman and Managing Director)

Hamir K Vissanji (Director)

N Vaghul (Director)

Suresh C Senapaty
(Corporate Executive Vice President - Finance)

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

Mumbai, July 20, 2001

Bangalore, July 20,2001

WIPRO LIMITED
(in rupees thousands, except share numbers)

	As of June 30,		As of
	2001	2000	march 31, 2001
SCHEDULE 1 SHARE CAPITAL			
Authorised			
375,000,000 Equity shares of Rs 2 each (2001 : 375,000,000 ; 2000 : 375,000,000 equity shares of Rs 2 each)	750,000	750,000	750,000
2,500,000 (2001 : 2,500,000 ; 2000 : 2,500,000) 10.25 % Redeemable Cumulative Preference Shares of Rs 100 each	250,000	250,000	250,000
	1,000,000	1,000,000	1,000,000
Issued, subscribed and paid-up			
232,436,379 equity shares of Rs 2 each (2001 : 232,433,019 ; 2000 : 229,156,350)	464,873	458,313	464,866
Nil (2001 : Nil ; 2000 : 2,500,000) 10.25 % Redeemable Cumulative Preference Shares of Rs 100 each	-	250,000	-
	464,873	708,313	464,866

Notes :

1. Of the above equity shares :
 - i) 226,905,825 equity shares (2001 : 226,905,825 ; 2000 : 226,905,825), have been allotted as fully paid bonus shares by capitalisation of Share Premium of Rs 32,639 and General Reserves of Rs 421,173.
 - ii) 1,325,525 equity shares (2001 : 1,325,525, 2000 : 1,325,525) have been allotted as fully paid-up, pursuant to a scheme of amalgamation, without payment being received in cash.
 - iii) 3,162,500 shares representing 3,162,500 American Depository Receipts issued during 2000-2001 pursuant to American Depository offering by the Company.
 - iv) 3,360 (2001 : 114,169 ; 2000 : Nil) equity share issued during the year pursuant to Employee Stock Option Plan.
2. Preference shares were redeemed in December 2000.

SCHEDULE 2 RESERVES AND SURPLUS

	As of April 1, 2001	Additions	Deductions	As of June 30, 2001
Capital Reserves	9,500			9,500
	114,047	750	-	114,797
	114,047	750 (a)	105,297 (b)	9,500
Capital Redemption Reserve	250,038			250,038
	38	-	-	38
	38	250,000 (c)	-	250,038
Share Premium	5,920,208	3,642		5,923,850
	-	-	-	-
		5,920,208 (d)		5,920,208
Revaluation Reserve	890,072		25,920 (e)	864,152
	1,047,110	-	9,564	1,037,546
	1,047,110	-	157,038	890,072
Investment Allowance Reserve	14,500			14,500
	14,500	-	-	14,500
	14,500	-	-	14,500
Profit & Loss Account		2,076,782		2,076,782
		1,076,941		1,076,941
General Reserve	12,100,305	87,227 (h)	2,001,432 (g)	10,186,100
	5,818,881			5,818,881
	5,818,881	6,281,424 (f)	-	12,100,305
	19,184,623	2,167,651	2,027,352	19,324,922
	6,994,576	1,077,691	9,564	8,062,703
TOTAL	6,994,576	12,452,382	262,335	19,184,623

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

- a) Capital subsidy received
- b) Refer note 2 of schedule 19
- c) Transfers from Profit and Loss account
- d) Rs.123,759 pursuant to issue of shares under Employee Stock Option Plan and Rs.5,796,449 on account of American Depository Offering by the Company, net of offering expenses of Rs. 273,429
- e) Transfer to Profit and Loss account Rs. 13,050 (2001: Rs. 58,843 ; 2000 : Rs. 9,564) and reduction on account of sale of revalued assets and other adjustments Rs.12,867 (2001 : Rs. 98,195 ; 2000 : Nil)
- f) Transfer from Profit and Loss account Rs Nil (2001 : Rs. 6,281,424 ; 2000 : Nil) .
- g) Deficit arising on account of amalgamation of Wipro Net Limited with Wipro Limited (refer note 6).
- h) Benefits arising on employee stock incentive plans Rs. 55,646 and deferred tax assets arising on other temporary differences Rs. 31,581

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 3 SECURED LOANS	Note Reference	As of June 30,		As of March 31,
		2001	2000	2001
From banks				
Cash Credit facility	a	127,329	107,332	203,187
External Commercial Borrowings	b	127,582	272,824	127,582
From Financial Institutions				
Asset Credit Scheme	c	68,200	88,200	68,200
Term Loans	d		36,900	-
Development loan from Government of Karnataka	e	1,675	1,675	1,675
		324,786	506,931	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 Fluid Power unit.
- c. Secured by hypothecation of specific machinery / assets.
- d.
 - i. Rs Nil (2001 : Rs. Nil ; 2000 : Rs 16,600) Secured / to be secured by a pari passu second mortgage on all immovable properties.
 - ii. Rs Nil (2001 : Rs. Nil ; 2000: Rs 20,300) secured by a first charge on certain movable properties at Bangalore.
- e. Secured by a pari passu second mortgage over immovable properties at Mysore and hypothecation of movable properties other than inventories , book debts and specific equipments referred to in Note a above.

SCHEDULE 4 UNSECURED LOANS

	As of June 30,		As of
	2001	2000	March 31,
			2001
Fixed Deposits	865	886	886
Other Loans and Advances			
Interest free loan from Government	49,606	38,281	45,261
Loans from state financial institutions	1,250	1,250	1,250
	51,721	40,417	47,397

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 5 FIXED ASSETS

Particulars	GROSS BLOCK				PROVISION FOR DEPRECIATION BLOCK				NET BLOCK	
	As on April 1, 2001	Additions	Deductions / adjustments	As on June 30, 2001	As on April 1, 2001	Depreciation for the period	Deductions / adjustments	As on June 30, 2001	As on June 30, 2001	As on March 31, 2001
Land	513,285	-	10,302	502,983	241	8	-	249	502,734	513,044
Buildings	1,713,059	12,091	19,475	1,705,675	154,923	9,143	(573)	164,639	1,541,036	1,558,136
Railway siding	4,000	-	-	4,000	3,800	50	-	3,850	150	200
Plant and Machinery	5,453,816	726,614	10,553	6,169,877	3,078,388	253,845	(136,304)	3,468,537	2,701,340	2,375,428
Furniture fixture and equipment	1,016,421	57,116	853	1,072,684	405,258	44,579	(4,672)	454,509	618,175	611,163
Vehicles	316,568	34,754	8,942	342,380	148,881	16,108	7,227	157,762	184,618	167,687
Technical Know-how	3,076	-	-	3,076	2,187	118	-	2,305	771	889
Total	9,020,225	830,575	50,125	9,800,675	3,793,678	323,851	(134,322)	4,251,851	5,548,824	5,226,547
March 31, 2001	6,757,891	2,576,521	314,187	9,020,225	2,928,679	1,038,267	173,268	3,793,678	5,226,547	3,829,212

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

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

- b. Deductions to gross block and deductions / adjustments of provision for depreciation of the previous year ended March 31, 2001 include Rs. 203,911 and Rs. 114,884 respectively on account of assets of erstwhile Peripherals Division transferred to Wipro e-Peripherals Limited (refer Note 7)
- c. Land includes leasehold land Rs 9,978 (2001 : Rs. 9,978 ; 2000 : Rs 11,817)
- d. Buildings :
- includes shares worth Rs 2 (2001 : Rs. 2 ; 2000 : Rs 2)
 - includes leasehold land / property Rs 4,241 (2001 : Rs. 4,241 ; 2000 : Rs 4,241)
 - is net of depreciation during construction period.
- e. Deduction / adjustment in Gross Block and in provision for depreciation includes Rs. 13,649 (2001 : Rs. 123,818 ; 2000 : Rs. Nil) pertaining to increased value of revalued assets sold / discarded. The net amount of Rs. 12,867 (2001 : Rs. 98,195 ; 2000 : Rs. Nil) has been adjusted from revaluation reserve.
- f. Additions to gross block and depreciation block includes Rs. 573,272 and Rs. 143,019 respectively on account of assets to be transferred on amalgamation of Wipro Net.
- g. Deduction / adjustment in value of land Rs. 10,302 and building Rs. 5,597 represents refund of stamp duty paid on acquisition, by the Government of TamilNadu.

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

SCHEDULE 6 INVESTMENTS
All shares are fully paid up

	Number	Face value	As of June 30,		As of
			2001	2000	March 31,
			2001	2000	2001
Investments - Long Term (at cost)					
Investments in subsidiary companies					
Unquoted					
Equity Shares					
Wipro Prosper Ltd	200	Rs 10	2	2	2
Wipro Trademark Holdings Ltd	200	Rs 10	2	2	2
Wipro Inc, USA	1,200	US \$ 2500	129,270	105,940	129,270
Wipro Japan KK, Japan	650	JPY 50,000	9,738	9,738	9,738
Wipro Net Ltd (refer note 6)	20,600,927	Rs 10	-	105,244	1,192,460
Wipro Welfare Ltd	66,171	Rs 10	662	662	662
			139,674	221,588	1,332,134
Preference Shares					
9 % cumulative redeemable preference shares held in Wipro Trademark Holdings Ltd	1,800	Rs 10	18	18	18
			18	18	18
Investments in equity shares of other companies					
Quoted					
Trade Investments					
Dynamic Technologies Ltd	100	Rs 10	1	1	1
Other Investments					
HDFC Bank Ltd	100	Rs 10	1	1	1
Kashyap Radiant Systems Ltd	500,000	Rs 10		5,000	
			2	5,002	2
- Unquoted					
Wipro GE Medical Systems Ltd #	4,900,000	Rs 10	49,000	49,000	49,000
Net Kracker Ltd #	1,863,520	Rs. 10	18,635	-	18,635
Wipro e-Peripherals Limited	5,460,000	Rs 10	54,600	-	54,600
Wipro Finance Limited		Rs 10	&	&	&
			122,235	49,000	122,235
Investments in preference shares / debentures of other Companies					
Unquoted					
Investments in preference shares of Wipro Finance Ltd					
Convertible preference shares in Wipro Finance Ltd		Rs 100	-	&	-
Convertible preference shares in Wipro Finance Ltd		Rs 100	-	&	-
Redeemable preference shares in Wipro Finance Ltd	3,000,000	Rs 100	-	&	-
Convertible preference shares in Net Kracker Ltd(note #)	543,300	Rs. 100	54,330	-	54,330
12.5% unsecured Non convertible debentures of Wipro e-Peripherals	4,00,000	Rs. 100	40,000	-	40,000
			94,330	-	94,330
Other Investments (unquoted)					
Redeemable floating rate bonds of State Bank of India	2,500	Rs 1,000	2,500	2,500	2,500
Indira Vikas Patra (maturity value Rs 66,003)			47,952	-	47,952
Bonds of GE Capital Services India Ltd (refer note 11) (maturity value Rs 240,500)			145,468	292,121	145,468
			195,920	294,621	195,920
TOTAL			552,179	570,229	1,744,639
Less : Provision for diminution in value of investments, other than note &			108,196	108,196	108,196
TOTAL			443,983	462,033	1,636,443
Aggregate book value of quoted investments			2	5,002	2
Aggregate book value of unquoted investments (net of provision)			443,981	457,031	1,636,441
Aggregate market value of quoted investments			23	7,529	25

- Notes :**
- # Equity investments in these companies carry certain restrictions on transfer of shares that are normally provided for in joint venture / venture funding agreement.
- & Provision for diminution in value of investments in Wipro Finance Limited, erstwhile subsidiary of the Company is outlined below.

	As of June 30,		As of
	2001	2000	March 31,
			2001
Equity shares		559,805	-
Convertible preference shares		321,600	-
Convertible preference shares		200,000	-
Redeemable preference shares	300,000	300,000	300,000
	300,000	1,381,405	300,000
Less : Provision for diminution in value of investments	300,000	1,381,405	300,000

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 7 INVENTORIES

	As of June 30,		As of
	2001	2000	March 31, 2001
Stores and Spares	40,902	48,560	44,689
Raw Materials	513,753	566,445	499,536
Stock-in-process	113,995	154,283	121,190
Finished goods	617,485	568,258	487,115
Stock-in-trade land *	-	125,000	-
TOTAL	1,286,135	1,462,546	1,152,530

Basis of stock valuation :

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

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

SCHEDULE 8 SUNDRY DEBTORS
(Unsecured)

Over Six Months

	As of June 30,		As of
	2001	2000	March 31, 2001
Considered good	476,574	515,115	448,945
Considered doubtful	340,924	258,178	292,593
	817,498	773,293	741,538

Others

Considered good	5,460,280	4,092,860	5,727,712
Considered doubtful	35,698	-	5,291
	5,495,978	4,092,860	5,733,003

Less : Provision for doubtful debts

TOTAL

	376,622	258,178	297,884
	5,936,854	4,607,975	6,176,657

SCHEDULE 9 CASH AND BANK BALANCES

	As of June 30,		As of
	2001	2000	March 31, 2001
Cash and cheques on hand	397,484	165,021	661,678
Balances with scheduled banks			
On Current account	398,186	57,939	527,989
In Deposit account	150,091	200,223	84,091
Balances with other banks in current account			
Inkom Bank, Russia		60	43
Midland Bank, U K	62,912	32,208	52,122
Wells Fargo, U S A	242,270	192,262	597,294
Nations Bank		7,696	-
Washington Mutual Bank, U S A		23	-
Socite General	168,544		460,378
Bank of America	3,412		10
First Chicago	151,140		390,806
Citibank	222,123		875,432
FCC National Bank	168,215		391,739
Chase Manhatten	96,949		421,815
Great Western Bank	25		24
	2,061,351	655,432	4,463,421

Maximum balances during the year

Inkom Bank, Russia	43
Midland Bank, U K	362,362
Wells Fargo, U S A	770,615
Nations Bank	13
Washington Mutual Bank, U S A	-
Socite General	460,378
Bank of America	10
First Chicago	390,806
Citibank	875,432
FCC National Bank	391,739
Chase Manhatten	421,815
Great Western Bank	24

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 10 LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As of June 30,		As of
	2001	2000	March 31, 2001
Advances recoverable in cash or in kind or for value to be received			
Considered good	1,248,905	610,773	1,089,193
Considered doubtful	125,848	55,342	125,483
	1,374,753	666,115	1,214,676
Less : Provision for doubtful advances	125,848	55,342	125,483
	1,248,905	610,773	1,089,193
Inter Corporate Deposits :			
GE Capital Services India	1,570,913	505,000	367,500
ICICI Limited	459,600		684,500
Other Deposits	532,801	396,149	490,329
Certificate of deposits with foreign banks	5,208,592	-	3,326,108
Advance income-tax (net of provision)	58,251	32,550	19,067
Balances with excise and customs	3,969	23,407	15,994
TOTAL	9,083,031	1,567,879	5,992,691

Note :

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

SCHEDULE 11 LIABILITIES

	As of June 30,		As of
	2001	2000	March 31, 2001
Acceptances	-	12,048	-
Sundry Creditors	1,592,625	1,056,064	1,607,681
Unclaimed dividends	180	255	180
Advances from customers	948,800	705,078	847,732
Other liabilities	2,030,309	1,779,452	2,016,355
Interest accrued but not due on loans	469	39	469
Other deposits	340,983	340,983	340,983
	4,913,366	3,893,919	4,813,400

SCHEDULE 12 PROVISIONS

	As on June 30,		As on
	2001	2000	March 31, 2001
Employee retirement benefits	448,051	305,606	404,901
Proposed dividend	117,491	1,378	116,217
Tax on proposed dividend	11,958	-	11,854
	577,500	306,984	532,972

SCHEDULE 13 OTHER INCOME

	Three Months ended		Year ended
	June 30, 2001	2000	March 31, 2001
Dividend	-	7,350	31,853
Interest	213,566	18,393	313,005
Net discount / premium on Certificate of Deposit	(3,317)		(2,548)
Rental Income	3,566	3,699	15,610
Profit on Sale of Investments	-	-	4,000
Profit on disposal of fixed assets	13,625	1,287	49,162
Difference in exchange	42,365	5,710	86,399
Miscellaneous Income	37,132	17,628	195,434
	306,937	54,067	692,915

Notes : Tax deducted at source Rs. 9,671 (2001 : Rs. 65,183, 2000 :Rs. 1,038)

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 14 COST OF GOODS SOLD

	Three Months ended		Year ended
	June 30,		March 31,
	2001	2000	2001
Raw materials, Finished and Process Stocks (Refer – schedule 17)	1,529,392	1,657,896	8,206,916
Stores & Spares	57,699	65,311	174,555
Power and Fuel	95,042	54,310	310,441
Salaries, wages and bonus	872,328	567,978	2,733,429
Contribution to provident and other funds	33,758	19,839	103,362
Gratuity and pension	27,456	21,708	78,239
Workmen and Staff welfare	37,564	22,432	188,220
Insurance	2,896	2,449	6,660
Repairs to factory buildings	2,870	7,495	38,554
Repairs to Plant & Machinery	40,131	14,068	73,655
Rent	51,896	53,816	196,129
Rates & Taxes	2,941	2,632	13,450
Packing	3,843	13,848	28,669
Travelling and allowance	1,385,810	1,148,378	4,956,452
Depreciation	238,176	143,951	738,582
Miscellaneous	252,787	78,516	373,812
Less : Capitalised (refer note 13)	(9,842)	(32,171)	(117,878)
TOTAL	4,624,747	3,842,456	18,103,247

SCHEDULE 15 SELLING GENERAL AND ADMINISTRATIVE EXPENSES

	Three Months ended		Year ended
	June 30,		March 31,
	2001	2000	2001
Salaries, wages and bonus	271,126	207,633	924,346
Contribution to provident and other funds	7,847	6,592	40,131
Gratuity and pension	9,438	7,680	27,609
Workmen and Staff welfare	28,936	28,427	123,640
Insurance	3,101	3,236	20,676
Repairs to buildings	453	1,207	4,596
Rent	28,845	14,821	80,889
Rates and taxes	10,475	71,106	90,141
Carriage and freight	52,553	47,669	223,745
Commission on sales	107,260	126,225	659,432
Auditors' remuneration and expenses			
Audit fees	800	750	3,150
For certification including tax audit	-	-	1,162
Reimbursement of expenses	68	118	508
Advertisement and sales promotion	80,150	117,142	471,824
Loss on sale of fixed assets	177	379	803
Directors' fees	20	36	922
Depreciation	72,625	49,070	240,841
Traveling and allowances	404,635	234,967	1,075,868
Communication	38,600	61,337	326,311
Provision/write off of bad debts	56,144	64,170	266,516
Miscellaneous	129,463	141,839	821,271
TOTAL	1,302,716	1,184,404	5,404,381

WIPRO LIMITED
(in rupees thousands)

SCHEDULE 16 INTEREST

	Three Months ended June 30,		Year ended March 31,
	2001	2000	2001
On other fixed loans	3,426	6,569	16,354
Other Interest	192	9,158	52,536
Total	3,618	15,727	68,890

SCHEDULE 17 RAW MATERIALS, FINISHED AND PROCESS STOCKS

	Three Months ended June 30,		Year ended March 31,
	2001	2000	2001
<u>Consumption of raw materials and bought out components</u>			
Opening stocks	499,536	497,545	497,545
Add : Purchases	796,083	858,165	3,873,857
Less : Transfer on sale of undertaking			136,772
Less : Closing stocks	513,753	566,445	499,536
	781,866	789,265	3,735,094
Purchase of finished products for sale	870,701	916,472	4,493,704
<u>(Increase)/decrease in finished and process stocks</u>			
Opening stock : In process	121,190	92,970	92,970
: Finished products	487,115	581,730	581,730
Less : Transfer on sale of undertaking : In Process		-	12,200
: Finished Products		-	95,780
Less : Closing stocks : In process	113,995	154,283	121,190
: Finished products	617,485	568,258	487,115
	(123,175)	(47,841)	(41,585)
<u>(Increase)/Decrease in stock-in-trade : land</u>			
Opening Stock		125,000	125,000
Less : Closing stock		125,000	
Less : Drawn from Capital Reserve (refer note 2)			105,297
		-	19,703
TOTAL	1,529,392	1,657,896	8,206,916

SCHEDULE 18 NON - RECURRING / EXTRAORDINARY ITEMS

	Three Months ended June 30,		Year ended March 31,
	2001	2000	2001
Provision for diminution in value of investments	-	-	-
Gain / (Loss) on Sale of shares	-	-	55
Gain on sale of investments in Wipro Net Limited	-	-	-
Gain on transfer of business (refer note 9)	-	-	15,981
TOTAL	-	-	16,036

WIPRO LIMITED

Schedule - 19

SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

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

Revenue recognition

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

Research and Development

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

Provision for retirement benefits

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

Fixed Assets and Depreciation

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

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

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

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

Foreign currency transactions

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

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

Inventories

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

Investments

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

Notes to accounts

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

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

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

* on assets of Wipro Net

- ii) Depreciation at 100% have been provided on assets costing less than Rs. 5
2. (i) In fiscal 1995, the Company had converted a fixed asset (consisting of land) into stock-in-trade at the then fair market value. The surplus (market price less original cost) arising on such conversion was credited to Capital Reserve. In fiscal 2000, there was a further reduction of Rs. 52,000 in the value of said land compared to carrying value at the beginning of the previous year. This reduction in value was recognized in the Profit and Loss account and an equivalent amount was drawn from the Capital Reserve created on the conversion, to offset the impact of such reduction on the Profit and Loss account.
- (ii) In fiscal 2001 the aforesaid land has been sold and realised profit on sale of land of Rs. 105,297, considering its original cost, as represented by the residual amount in Capital Reserve is transferred to the Profit and Loss account.
3. Estimated amount of contracts remaining to be executed on Capital account and not provided for is Rs. 393,821 (2001 : Rs. 400,280 ; 2000 : Rs. 210,034)
4. Contingent liabilities in respect of :
- i) Claims against the Company not acknowledged as debts Rs. 33,795 (2001 : Rs. 9,060 ; 2000 : Rs. 8,892)
- ii) Disputed demands for excise, customs, income tax, sales tax and other matters Rs. 221,060 (2001 : Rs. 221,060 ; 2000 : Rs. 127,120)
- iii) Guarantees given by Banks on behalf of the Company Rs. 176,928.
5. Depreciation for the year has been provided on the revalued amount. However, depreciation of Rs. 13,050 (2001 : Rs. 58,843 ; 2000 : Rs. 9,564) provided on the increase in value on account of revaluation , has been drawn from revaluation reserve and the net amount has been charged to the profit and loss account.
6. During the quarter, the company acquired 17,91,385 shares, representing 8% of the equity capital of Wipro Net Limited (WNL). Consequent to this investment, WNL has become a fully owned subsidiary of the company. The board of directors of both the companies decided to amalgamate WNL into the company with effect from April 2001. Accordingly, the scheme of amalgamation was filed in the Karnataka High Court before the balance sheet date. The scheme has been approved in the meeting of creditors and shareholders of both the companies, convened by the court, held on July 19, 2001. The scheme of amalgamation has been given effect to in the accounts of the company for the quarter ended June 30, 2001, on the pooling of interest method, which is subject to approval by the High Court. The deficit of Rs. 2,001,432 arising on amalgamation is transferred to General Reserve as detailed below:

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

7. In fiscal 2001 the Company acquired 10,076,542 equity shares of Wipro Net Limited representing 45 % of interest held by KPN Group for Rs 1,087,216. Contemporaneously, equity of Wipro Net Limited (WNL) was restructured by spinning off its retail ISP segment into a separate Company Net Kracker Limited. The Company has invested Rs. 18,635 in equity shares and Rs 54,330 in convertible preference shares of Net Kracker Limited.
8. In fiscal 2000, the Company sold 4,694,795 equity shares in Wipro Net Limited (WNL) resulting in an extraordinary income of Rs. 1,095,449. Of the total shares sold, on 1,791,385 shares, the buyer had a put option and the Company has call option for a specified period. In 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 e-Peripherals Limited (WeP) for a consideration of Rs. 270,880 received by way of - 5,460,000 equity shares of Rs. 10 each in Wipro e-Peripherals Limited, 1,000,000 12.5% unsecured Non convertible debentures of Rs. 100 each in WeP and cash of Rs. 116,280. The transaction resulted in a gain of Rs. 15,981 which has been shown as extraordinary item during the year ended March 31, 2001.
- 10 Amount received from employees on exercise of stock option, pending allotment of shares is shown as share application money pending allotment.
- 11 Company had, in October 1999, an ECB of USD 8,150('000s) equivalent to Rs. 354,364. At that time, the Company entered into an arrangement with a Bank (counter party) for the structured repayment of this loan. As per the agreement, Company made an investment in deep discount bonds of one of the corporate, with highest credit rating. The maturity value of such bonds have been assigned to the counter party which has, in turn, agreed to discharge the Company's ECB liability on the scheduled due dates. Consequent to this, exchange risk of the ECB liability was crystallised in the hands of the company and the premium paid at the time of structured payment is being amortised in the books of account over the balance tenure of ECB loan. The bonds in which the company has invested have varying maturity dates. The amount due on maturity is offset against ECB loan liabilities. At the end of ECB loan tenure, loan liability will match with the amount due on the last maturity of bonds.
- 12 Company has instituted various Employee Stock Option Plans. The compensation committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options. The particulars of options granted under various plans is tabulated below.

Stock option activity under the 1999 Plan is as follows:

Three month period ended June 30, 2001				
	Shares arising out of options	Range of exercise prices and grant date fair values	Weighted-average exercise price and grant date fair values	Weighted-average remaining contractual life
Outstanding at the beginning of the period.....	4,564,431	Rs. 1,024 to 2,522	Rs. 1,542	29 months
Granted during the period.....	-			
Forfeited during the period.....	(492,750)	1,086 to 1,853	1,521	—
Exercised during the period	(3,360)	1,086	1,086	—
Outstanding at the end of the period.....	<u>4,068,321</u>	<u>1,024 to 2,522</u>	<u>1,545</u>	<u>26 months</u>
Exercisable at the end of the period.....	<u>4,03,382</u>	<u>Rs. 1,024 to 1,853</u>	<u>Rs. 1,538</u>	<u>—</u>

Stock option activity under the 2000 Plan is as follows:

Three month period ended June 30, 2001				
	Shares arising out of options	Range of exercise prices and grant date fair values	Weighted-average exercise price and grant date fair values	Weighted-average remaining contractual life
Outstanding at the beginning of the period.....	3,214,350	Rs. 2,382 to 2,746	2,397	40 months
Granted during the period.....	38,744	Rs. 1,269 to 1670	1,459	40 months
Forfeited during the period.....	(296,025)	Rs. 2,382	2,382	
Exercised during the period				
Outstanding at the end of the period.....	<u>2,957,069</u>	<u>Rs. 2,386</u>	<u>2,386</u>	<u>34 months</u>
Exercisable at the end of the period.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

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

Three month period ended June 30, 2001				
	Shares arising out of options	Range of exercise prices and grant date fair values	Weighted-average exercise price and grant date fair values	Weighted-average remaining contractual life (months)
Outstanding at the beginning of the period.....	264,750	\$ 41.375	\$ 41.375	37 months
Granted during the period.....	2,000	\$ 35.77	\$ 35.77	41 months
Forfeited during the period.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Outstanding at the end of the period.....	<u>266,750</u>	<u>\$35.77 to \$41.375</u>	<u>\$ 41.33</u>	<u>34 months</u>
Exercisable at the end of the period.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

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

	Three months ended June 30,	Year ended March 31,
	2001	2000
Raw material, finished goods (including manufactured products) and process stock	9,842	32,171
Pre - Operative expenses		104,461
Power and Fuel	-	-
Conveyance expenses	-	-
Professional expenses	-	10,995
		233
		2,189
TOTAL	9,842	117,878

14 Provision for taxation comprises of following:

- (i) Rs. 60,724 (2001 : Rs. 377,676 ; 2000 : Rs. 67,676) in respect of foreign taxes, net of deferred tax of Rs. 629 and write back of provision of Rs. 35,307 (2001 : Rs. 18,000 ; 2000 : Rs. Nil)in respect of earlier year
- (ii) Rs. 89,468 (2001 : Rs. 611,324 ; 2000; Rs. 50,443) in respect of Indian Income Tax, net of write back of provision of Rs 34,000 (2001: Rs. 60,000 ; 2000 :Rs.Nil) in respect of earlier years.
- (iii) Rs. 750 (2001 : Rs. 3,000 ; 2000 : Rs Nil) in respect of Wealth Tax.

15. To comply with the newly introduced Accounting Standard 22 - Taxes on Income issued by the Institute of the Chartered Accountants of India which is mandatory with effect from April 1, 2001, the Company has made provision for taxation after considering deferred tax to recongnise 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. 92,647 and has been adjusted from the balance in General Reserve. The Company has also created net deferred tax for the quarter of Rs. 629, on account of which the profit for the period is higher by the equivalent amount.

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

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

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

i) Licensed / registered / installed capacities

	Unit	Registered Capacity			Installed Capacity @		
		June 30, 2001	June 30, 2000	March 31, 2001	June 30, 2001	June 30, 2000	March 31, 2001
Vanaspatti / Hydrogenated oils	T P A *	144,000	144,000	144,000	56,250	56,250	56,250
Hydraulic and pneumatic equipment	N P A #	40,000	40,000	40,000	40,000	40,000	40,000
Tippling gear systems	N P A #	2,000	2,000	2,000	2,000	2,000	2,000
Toilet Soaps	T P A *	42,750	42,750	42,750	28,000	28,000	28,000
Leather shoe uppers, leather shoes and allied articles	Pairs / Nos (1000's) p. a in lakhs	750	750	750	750	750	750
Fatty acids	T P A *	20,000	20,000	20,000	20,000	20,000	20,000
Glycerine	T P A *	2,000	2,000	2,000	1,800	1,800	1,800
GLS lamps	000s	50,000	50,000	50,000	50,000	50,000	50,000
TL Shells	000s	12,694	12,694	12,694	12,694	12,694	12,694
Flourescent tubelights	000s	10,694	8,139	10,694	10,694	10,694	10,694
Mini computers / micro processor based systems and data communication systems	Ex-factory turnover in million rupees p. a	2,700	2,700	2,700	2,700	2,700	2,700
Micro processor based computers and peripherals	N P A #	8,500	8,500	8,500	72,500	72,500	72,500
Computers and communication boards	N P A #	8,500	8,500	8,500	8,500	8,500	8,500
Computer software (domestic)	Rupees in million	100	100	100	-	-	-

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

* TPA indicates tons per annum

NPA indicates nos. per annum

ii) Production and Sales

	Unit	Production #			Sales					
		June 30, 2001	June 30, 2000	March 31, 2001	June 30, 2001		June 30, 2000		March 31, 2001	
	Quantity #	Quantity #	Quantity #	Quantity	Rs 000	Quantity	Rs 000	Quantity	Rs 000	
Software services					5,124,463		3,518,399		17,540,755	
Mini computers/micro processor based Systems and data communication systems	Nos	14,625	9,296	62,779	14,782	1,124,047	10,992	1,009,907	62,321	6,368,530
Serial printers	Nos	-	16,447	28,422			23,987	341,171	39,974	837,846
Toilet soaps	Tons	5,783	5,546	23,274	5,584	473,886	6,015	432,030	23,853	1,964,211
Post sales support and related IT services e-mail and e-fax services						438,785		353,242		1,209,487
Vanaspatti/hydrogenated oils	Tons	4,345	3,634	16,098	4,116	117,182	3,718	120,339	15,918	488,464
Lighting products	000s		&	&		196,747		197,063		902,785
Hydraulic and pneumatic equipment	Nos	5,905	11,634	51,177	6,154	86,906	9,974	120,335	50,552	639,953
Tippling gear systems	Nos	967	791	3,788	967	36,385	791	27,459	3,788	148,278
Shoe uppers and full shoes (pairs)	000s	114	121	511	122	35,198	126	28,770	508	144,901
Fatty acids	Tons	3,300 \$	6,380 \$	13,104 \$			142	2,629	339	10,025
Glycerine %	Tons	1,377 %	112 %	426 %	151	5,419	92	5,356	459	32,076
Reagent kits/ spares of analytical instruments	Nos	2,256	1,324	6,722	9,659	96,128	8,077	55,166	31,539	377,519
Spares / components for cylinders / tippers	&					26,445		34,567		83,041
Agency commission						47,106		48,827		346,216
Software products						51,429		47,724		146,270
Stock in trade Land										125,000
TOTAL						<u>8,028,267</u>		<u>6,342,984</u>		<u>31,365,357</u>
Less: Excise Duty						<u>176,399</u>		<u>159,404</u>		<u>826,267</u>
TOTAL						<u>7,851,868</u>		<u>6,183,580</u>		<u>30,539,090</u>

includes samples and shortages

\$ includes 3,078 tons (2001 : 12,715 ; 2000 : 2,997) used for own consumption

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

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

iii) Closing Stocks

	Unit	June 30, 2001		June 30, 2000		March 31, 2001	
		Quantity	Rs 000s	Quantity	Rs 000s	Quantity	Rs 000s
Mini computers/micro processor based systems * and data communication systems *	Nos	399	231,935	312	125,689	556	165,771
Serial Printers *	Nos			9,185	99,387	-	-
Toilet Soaps	Tons	1,171	48,544	813	38,730	973	40,674
Vanaspati / hydrogenated oils	Tons	876	22,943	382	11,143	646	15,605
Lighting Products *			63,121		52,226		88,375
Hydraulic and pneumatic equipment	Nos	4,073	75,861	5,357	78,245	4,322	71,793
Shoe Uppers and full shoes (pairs)	000s		770	-	29	8	1,997
Fatty acids	Tons	222	1,894	315	7,819	121	109
Glycerine	Tons	67	3,229	98	5,034	45	2,711
Others			49,822		68,031		3,245
			<u>498,119</u>		<u>486,333</u>		<u>390,280</u>
Closing Stock of traded goods							
Reagent Kits/Spares of Analytical instruments	Nos	23,395	86,755	17,542	50,248	18,468	72,975
Others			32,611		31,677		23,860
			<u>617,485</u>		<u>568,258</u>		<u>487,115</u>

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

iv) Purchases for trading

	Unit	June 30, 2001		June 30, 2000		March 31, 2001	
		Quantity	Rs 000s	Quantity	Rs 000s	Quantity	Rs 000s
Computer units /printers	Nos	9,023	633,911	6,353	590,864	15,725	3,307,191
Lighting Products *			89,244		66,179		455,167
Reagent kits/Spares of analytical instruments	Nos	12,330	88,063	4,901	39,924	23,891	299,564
Spares/Components for tippers/cylinders*			8,049		10,082		35,218
Others*			51,434		209,423		396,564
			<u>870,701</u>		<u>916,472</u>		<u>4,493,704</u>

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

V) Raw materials consumed

	Unit	June 30, 2001		June 30, 2000		March 31, 2001	
		Quantity	Rs 000s	Quantity	Rs 000s	Quantity	Rs 000s
Peripherals/ Components for computers	#		449,071		412,392		2,297,597
Oils and fats	Tons	6,541	127,275	5,437	114,696	32,117	548,277
Components for cylinders	#		53,826		74,598		327,633
Tinplates	Tons			61	2,036	41	1,484
Components for lighting products	#		51,181		60,665		176,439
Leather	Sq.ft. (000s)	121	25,403	121	16,373	538	59,388
Others	#		75,110		108,504		324,276
			<u>781,866</u>		<u>789,264</u>		<u>3,735,094</u>

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

vi) Value of imported and indigenous materials consumed

	June 30, 2001		June 30, 2000		March 31, 2001	
	%	Rs. 000s	%	Rs 000s	%	Rs 000s
Raw Materials						
Imported	50	390,029	48	381,912	53	1,961,729
Indigenous	50	391,837	52	407,352	47	1,773,365
	<u>100</u>	<u>781,866</u>	<u>100</u>	<u>789,264</u>	<u>100</u>	<u>3,735,094</u>
Stores and Spares						
Imported	33	19,015	5	3,279	7	11,878
Indigenous	67	38,684	95	62,032	93	162,677
	<u>100</u>	<u>57,699</u>	<u>100</u>	<u>65,311</u>	<u>100</u>	<u>174,555</u>

vii) Value of imports on CIF basis

(does not include value of imported items locally purchased)

	June 30, 2001	June 30, 2000	March 31, 2001
Raw materials, components and peripherals	31,630	335,643	2,022,651
Stores and spares	82,789	29,603	218,763
Capital goods	30,185	55,883	366
Others		2,142	-
	144,604	423,271	2,241,780

viii) Expenditure in foreign currency

	June 30, 2001	June 30, 2000	March 31, 2001
Travelling	1,340,354	1,035,316	5,572,870
Interest		-	-
Royalty	29,504	18,756	85,848
Professional fees	13,599	1,986	214,825
Others	368,701		214,591
	1,752,158	1,056,058	6,088,134

ix) Earnings in foreign exchange

	June 30, 2001	June 30, 2000	March 31, 2001
Export of goods on F.O.B basis	32,778	28,967	143,297
Services	5,150,648	3,530,045	17,608,373
Interest on deposits / investments outside India	97,872	49,395	38,552
Agency commission	49,563	49	343,738
Others		-	-
	5,330,861	3,608,456	18,133,960

WIPRO LIMITED
CASH FLOWS STATEMENT
(in rupees thousands)

	Three months ended		Year ended
	June 30,		March 31,
	2001	2000	2001
Cash flows from operating activities:			
Net profit before tax and non recurring items	2,227,724	1,195,060	7,655,487
Adjustments to reconcile Net profit before tax and non recurring items to net cash provided by operating activities:			
Depreciation and amortization	310,798	193,021	979,424
Foreign currency translation gains	(42,365)	(33,936)	(86,399)
Retirement benefits provision	43,149	39,691	138,986
Interest accrued on discount bonds			(27,345)
Interest on borrowings		15,728	68,890
Dividend / interest	(203,637)	(7,350)	(342,310)
Loss / (Gain) on sale of short-term investments			(4,000)
Loss / (Gain) on sale of property, plant and equipment	(13,625)	(908)	(49,162)
Realised Gain on sale of Stock-in-trade : Land			(105,297)
Operating cash flow before changes in working capital	2,322,044	1,401,304	8,228,274
Changes in operating assets and liabilities			
Trade and other receivable	399,194	(24,156)	(1,770,267)
Loans and advances	(79,223)		(401,062)
Inventories (other than stock-in-trade land)	(133,606)	(122,387)	(51,958)
Trade and other payables	(158,540)	(162,330)	1,097,961
Net cash provided by operations	2,349,869	1,092,431	7,102,948
Direct taxes paid	(190,126)	(235,415)	(1,095,813)
Non recurring / extraordinary items			16,036
Net cash provided by operating activities	2,159,743	857,016	6,023,171
Cash flows from investing activities:			
Expenditure on property, plant and equipment (including advances)	(649,514)	(433,044)	(2,772,425)
Proceeds from sale of property, plant and equipment	31,892	5,999	91,886
Purchase of investments	(1,224,229)		(1,231,465)
Inter Corporate deposits placed	(978,513)	(405,000)	(1,152,000)
Certificate of Deposits with foreign banks	(1,882,484)		(3,326,108)
Proceeds from sales and maturities of investments			243,000
Proceeds from divestment of Wipro e-Peripherals			116,281
Dividends received		7,350	31,853
Interest received	203,637		310,457
Net cash used in investing activities	(4,499,211)	(824,695)	(7,688,521)
Cash flows from financing activities:			
Capital subsidy received		750	750
Proceeds from American Depository Offering			5,802,774
Proceeds from exercise of Stock Option Plan grants	3,649		123,987
Share application monies received pending allotment			2,345
Proceeds from issue (redemption) of preference shares			(250,000)
Proceeds from issuance / (repayment) of borrowings	(71,533)	(31,639)	(130,947)
Interest on borrowings		(17,112)	(69,844)
Payment of cash dividends		(68,492)	(87,913)
Corporate tax on Dividend		(7,686)	(9,671)
Net cash provided by/(used in) financing activities	(67,884)	(124,179)	5,381,481
Net increase/ (decrease) in cash and cash equivalents during the year	(2,407,352)	(91,858)	3,716,131
Cash and cash equivalents at the beginning of the period	4,468,703	747,290	747,290
Cash and cash equivalents at the end of the period	2,061,351	655,432	4,463,421

Notes :

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

For and on behalf of the board of directors

Azim Hasham Premji (Chairman and managing director)

Suresh Senapaty
(Corporate Executive Vice President – Finance)

Hamir K Vissanji (Director)

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

N Vaghul (Director)
Bangalore, July 20, 2001.

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Wipro Limited for the three months ended June 30, 2001. This statement has been prepared by the company in accordance with the requirement under clause 32 of the listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company for the three months ended June 30, 2001.

For N M Rajji & Co.,
Chartered Accountants

J M Gandhi
Partner

Mumbai, July 20, 2001.

