

**WIPRO LIMITED AND SUBSIDIARIES**

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
PREPARED IN ACCORDANCE WITH U.S. GAAP  
AS OF AND FOR THE  
THREE MONTHS ENDED JUNE 30, 2004 AND 2005**

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

	As of June 30,		
	2004	2005	2005
	(unaudited)	(unaudited)	Convenience translation into US\$ (unaudited)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents .....	Rs. 3,080.27	Rs. 4,661.97	\$ 107.15
Accounts receivable, net of allowances .....	11,768.91	15,088.49	346.78
Costs and earnings in excess of billings on contracts in progress.....	2,745.77	2,941.73	67.61
Inventories .....	1,430.08	1,582.44	36.37
Investments in liquid and short-term mutual funds.....	13,238.26	27,195.94	625.05
Deferred income taxes.....	279.37	172.34	3.96
Other current assets .....	<u>2,903.75</u>	<u>2,952.70</u>	<u>67.86</u>
Total current assets.....	35,446.41	54,595.61	1,254.78
Property, plant and equipment, net .....	10,090.00	14,246.14	327.42
Investments in affiliates (Note 4).....	640.75	825.49	18.97
Deferred income taxes.....	183.75	253.89	5.84
Intangible assets, net.....	427.31	363.41	8.35
Goodwill (Note 3).....	5,508.94	5,914.54	135.94
Other assets .....	739.95	857.76	19.71
Total assets.....	<u>Rs. 53,037.11</u>	<u>Rs. 77,056.84</u>	<u>\$ 1,771.01</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Borrowings from banks .....	Rs. 219.91	Rs. 544.57	\$ 12.52
Accounts payable.....	2,734.41	2,944.33	67.67
Accrued expenses .....	3,142.84	4,366.98	100.37
Accrued employee costs .....	2,598.06	3,225.34	74.13
Advances from customers.....	1,048.00	1,430.81	32.88
Other current liabilities .....	<u>3,466.69</u>	<u>2,262.54</u>	<u>52.00</u>
Total current liabilities .....	13,209.91	14,774.57	339.57
Other liabilities .....	<u>322.14</u>	<u>253.49</u>	<u>5.83</u>
Total liabilities .....	<u>13,532.05</u>	<u>15,028.06</u>	<u>345.39</u>
Minority interest .....	363.32	-	-
Stockholders' equity:			
Equity shares at Rs. 2 par value: 750,000,000 shares authorized; issued and outstanding: 698,446,890 and 704,871,203 shares as of June 30, 2004 and 2005 (Note 5).....	1,396.89	1,409.74	32.40
Additional paid-in capital .....	7,239.09	13,821.02	317.65
Deferred stock compensation .....	(5.76)	(2,925.48)	(67.24)
Accumulated other comprehensive income/(loss).....	(2,048.39)	317.62	7.30
Retained earnings .....	32,559.99	49,405.96	1,135.51
Equity shares held by a controlled Trust: 3,943,530 and 3,934,530 shares as of June 30, 2004 and 2005.....	<u>(0.08)</u>	<u>(0.08)</u>	<u>-</u>
Total stockholders' equity .....	39,141.74	62,028.78	1,425.62
Total liabilities and stockholders' equity.....	<u>Rs. 53,037.11</u>	<u>Rs. 77,056.84</u>	<u>Rs. 1,771.01</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Three months ended June 30,		
	2004	2005	2005
	(unaudited)	(unaudited)	(unaudited)
			Convenience translation into US\$
Revenues:			
Global IT Services and Products			
Services.....	Rs. 13,537.87	Rs. 17,402.09	\$ 399.96
Products.....	-	27.78	0.64
India and AsiaPac IT Services and Products			
Services.....	938.43	1,422.61	32.70
Products.....	1,616.85	1,989.74	45.73
Consumer Care and Lighting.....	1,026.52	1,322.27	30.39
Others.....	<u>576.53</u>	<u>700.69</u>	<u>16.10</u>
Total.....	<u>17,696.20</u>	<u>22,865.18</u>	<u>525.52</u>
Cost of revenues:			
Global IT Services and Products			
Services.....	8,335.58	11,303.06	259.78
Products.....	-	12.05	0.28
India and AsiaPac IT Services and Products			
Services.....	547.40	850.41	19.55
Products.....	1,475.70	1,766.20	40.59
Consumer Care and Lighting.....	640.02	825.83	18.98
Others.....	<u>389.73</u>	<u>524.92</u>	<u>12.06</u>
Total.....	<u>11,388.43</u>	<u>15,282.47</u>	<u>351.24</u>
Gross profit.....	6,307.77	7,582.71	174.28
Operating expenses:			
Selling and marketing expenses.....	(1,301.14)	(1,640.05)	(37.69)
General and administrative expenses.....	(855.83)	(1,170.96)	(26.91)
Research and development expenses.....	(58.15)	(42.55)	(0.98)
Amortization of intangible assets.....	(49.63)	(14.54)	(0.33)
Foreign exchange losses, net.....	(467.93)	(148.23)	(3.41)
Others, net.....	<u>6.86</u>	<u>18.76</u>	<u>0.43</u>
Operating income.....	3,581.95	4,585.14	105.38
Other income, net.....	262.25	213.63	4.91
Equity in earnings of affiliates (Note 4).....	<u>29.60</u>	<u>56.25</u>	<u>1.29</u>
Income before income taxes and minority interest.....	3,873.80	4,855.02	111.58
Income taxes.....	(597.82)	(586.03)	(13.47)
Minority interest.....	<u>(21.61)</u>	<u>(1.40)</u>	<u>(0.03)</u>
Net income.....	<u>Rs. 3,254.37</u>	<u>Rs. 4,267.59</u>	<u>\$ 98.08</u>
Earnings per equity share:			
Basic.....	4.69	6.10	0.14
Diluted.....	4.67	6.05	0.14
Weighted average number of equity shares used in computing earnings per equity share:			
Basic.....	694,372,496	699,772,863	699,772,863
Diluted.....	695,652,503	705,432,690	705,432,690

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Equity shares		Additional paid in capital	Deferred stock compensation	Comprehensive income	Accumulated other Comprehensive income / (loss)	Retained earnings	Equity shares held by a		Total stockholders' equity
	Controlled Trust							No. of shares	Amount	
	No. of shares	Amount								
Balance as of March 31, 2005 .....	<u>703,570,522</u>	<u>Rs. 1,407.14</u>	<u>Rs.13,272.57</u>	<u>Rs. (3,185.14)</u>		<u>Rs. 96.09</u>	<u>Rs. 45,138.37</u>	<u>(3,946,530)</u>	<u>Rs.(0.08)</u>	<u>Rs. 56,728.95</u>
Issuance of equity shares on exercise of options (unaudited).....	1,300,681	2.60	633.35	-	-	-	-	-	-	635.95
Equity shares granted by Trust (unaudited)	-	-	-	-	-	-	-	12,000	-	-
Deferred Compensation related to employee stock incentive plan, net of reversals (unaudited) (Note 6).....	-	-	(84.90)	84.90	-	-	-	-	-	-
Amortization of compensation related to employee stock incentive plan (unaudited).....	-	-	-	174.76	-	-	-	-	-	174.76
Comprehensive income										
Net income (unaudited).....	-	-	-	-	Rs. 4,267.59	-	4,267.59	-	-	4,267.59
Other comprehensive income / (loss)										
Translation adjustments (unaudited).....	-	-	-	-	(4.59)	-	-	-	-	-
Unrealised gain on investment securities, net (unaudited).....	-	-	-	-	63.33	-	-	-	-	-
Unrealized gain on cash flow hedging derivatives (unaudited).....	-	-	-	-	<u>162.79</u>	-	-	-	-	-
Total other comprehensive income / (loss) (unaudited).....	-	-	-	-	<u>221.53</u>	221.53	-	-	-	221.53
Comprehensive income (unaudited).....					<u>Rs. 4,489.12</u>					
Balance as of June 30, 2005 (unaudited).....	<u>704,871,203</u>	<u>Rs. 1,409.74</u>	<u>Rs.13,821.02</u>	<u>Rs. (2,925.48)</u>		<u>Rs. 317.62</u>	<u>Rs. 49,405.96</u>	<u>(3,934,530)</u>	<u>Rs.(0.08)</u>	<u>Rs. 62,028.78</u>
Balance as of June 30, 2005 (unaudited) (\$).....		<u>\$ 32.40</u>	<u>\$ 317.65</u>	<u>\$ (67.24)</u>		<u>\$ 7.30</u>	<u>\$ 1,135.51</u>		<u>\$ -</u>	<u>\$ 1,425.62</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Three months ended June 30,		
	2004	2005	2005 Convenience translation into US\$
	(unaudited)	(unaudited)	(unaudited)
Cash flows from operating activities:			
Net income .....	Rs. 3,254.37	Rs. 4,267.59	\$ 98.08
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of property, plant and equipment .....	(88.27)	(3.43)	(0.08)
Depreciation and amortization .....	563.84	736.49	16.93
Deferred tax benefit .....	(32.56)	(19.66)	(0.45)
Amortization of deferred stock compensation .....	4.12	174.76	4.02
Equity in earnings of affiliates .....	(29.60)	(56.25)	(1.29)
Minority interest .....	21.61	1.40	0.03
Changes in operating assets and liabilities:			-
Accounts receivable .....	(795.98)	(282.13)	(6.48)
Costs and earnings in excess of billings on contracts in progress .....	(645.93)	(202.08)	(4.64)
Inventories .....	8.12	186.72	4.29
Other assets .....	269.56	(108.68)	(2.50)
Accounts payable .....	1.82	(768.89)	(17.67)
Accrued expenses and employee costs .....	1,063.27	597.38	13.73
Advances from customers .....	85.25	151.17	3.47
Other liabilities .....	718.81	254.40	5.85
Net cash provided by operating activities .....	<u>4,398.43</u>	<u>4,928.79</u>	<u>113.28</u>
Cash flows from investing activities:			
Expenditure on property, plant and equipment .....	(1,468.42)	(1,791.89)	(41.18)
Proceeds from sale of property, plant and equipment .....	219.92	25.08	0.58
Dividends received from affiliates .....	8.40	-	-
Purchase of investments in liquid and short-term mutual funds .....	(18,952.29)	(12,281.74)	(282.27)
Proceeds from sale of liquid and short-term mutual funds .....	24,193.42	8,346.38	191.83
Purchase of intangible assets .....	(271.66)	-	-
Payment for acquisitions, net of cash acquired .....	(84.00)	(852.00)	(19.58)
Net cash provided by/(used in) used in investing activities .....	<u>3,645.37</u>	<u>(6,554.28)</u>	<u>(150.64)</u>
Cash flows from financing activities:			
Proceeds from issuance of equity shares .....	62.52	635.95	14.62
Repayments of short-term borrowing from banks, net .....	(749.14)	(19.40)	(0.45)
Payment of cash dividends .....	(7,575.99)	-	-
Net cash provided by/(used in) financing activities .....	<u>(8,262.61)</u>	<u>616.55</u>	<u>14.17</u>
Net decrease in cash and cash equivalents during the period .....	(218.81)	(1,008.94)	(23.19)
Effect of exchange rate changes on cash .....	1.92	0.15	-
Cash and cash equivalents at the beginning of the period .....	3,297.16	5,670.76	130.33
Cash and cash equivalents at the end of the period .....	<u>Rs. 3,080.27</u>	<u>Rs. 4,661.97</u>	<u>\$ 107.15</u>
Supplementary information:			
Cash paid for interest .....	11.47	6.52	0.15
Cash paid for taxes .....	401.95	596.15	13.70

See accompanying notes to the unaudited condensed consolidated financial statements.

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

**NOTE 1: BASIS OF PRESENTATION**

The accompanying unaudited condensed consolidated financial statements of Wipro Limited ("Wipro" or the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information. In the opinion of management, all adjustments, which are of a normal recurring nature and necessary for a fair presentation, have been included. These financial statements should be read in conjunction with the consolidated financial statements and the related notes included in the Company's annual report on Form 20F for the year ended March 31, 2005.

The accompanying unaudited condensed consolidated financial statements have been prepared in Indian rupees, the national currency of India. Solely for the convenience of the readers, the financial statements as of and for the three months ended June 30, 2005 have been translated into United States dollars at the noon buying rate in New York City on June 30, 2005, for cable transfers in Indian rupees, as certified for customs purposes by the Federal Reserve Bank of New York of \$1= Rs. 43.51. No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate.

**NOTE 2: DERIVATIVE AND HEDGE ACCOUNTING**

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

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

The Company also acquires short term contracts as part of a plan to replace/roll-over maturing contracts with successive new contracts upto the period in which forecasted transaction is expected to occur. The effectiveness of the hedge is evaluated on the basis of changes in spot rate and accordingly the changes in the fair value of forward premium/discount is recognized in a manner similar to ineffective portion of a hedge. The gains/losses on the maturing contracts, arising from changes in the underlying spot rates, is recorded as a component of accumulated other comprehensive income until the hedged transactions occur and are then recognized in the consolidated statements of income.

As of June 30, 2005, a gain of Rs. 276.60 relating to changes in fair value of forward contracts and gains/losses on the replacement/roll-over of maturing contracts, designated as hedge of forecasted transactions, is included as a component of other comprehensive income/loss within stockholders' equity.

**NOTE 3: ACQUISITION OF OWNERSHIP INTEREST IN A SUBSIDIARY**

As of March 31, 2005, the Company held approximately 93% of the outstanding equity shares of Wipro BPO Solutions Limited ("Wipro BPO"). The remaining shares were held by the employee shareholders.

During the quarter ended June 30, 2005, the Company acquired the balance 7% of the equity shares from the employee shareholders at fair value for an aggregate consideration of Rs. 852.00. The step-acquisition resulted in goodwill of Rs. 304.14.

#### **NOTE 4: INVESTMENTS IN AFFILIATES**

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

The Company has accounted for its 49% interest in Wipro GE by the equity method. The carrying value of the investment in Wipro GE as of June 30, 2004 and 2005 was Rs. 478.05 and Rs. 636.16, respectively. The Company's equity in the income of Wipro GE for three months ended June 30, 2004 and 2005 was Rs. 21.60 and Rs. 53.75, respectively.

##### *WeP Peripherals*

The Company has accounted for its 40.5% and 37.7% interest as of June 30, 2004 and 2005, respectively in WeP Peripherals by the equity method. The carrying value of the equity investment in WeP Peripherals as of June 30, 2004 and 2005, was Rs. 162.70 and Rs. 189.33 respectively. The Company's equity in the income of WeP Peripherals for the three months ended June 30, 2004 and 2005 was Rs. 8.00 and Rs. 2.50 respectively.

#### **NOTE 5: STOCK DIVIDEND**

In July 2005, the members of the Company approved a stock dividend in the ratio of 1 additional equity shares or ADS for every equity share or ADS held. This would be effective from August 2005.

#### **NOTE 6 : RESTRICTED STOCK UNIT PLAN**

In June 2004, the Company established a rupee option plan titled Wipro Restricted Stock Unit Plan (WRSUP 2004) and a dollar option plan titled Wipro ADS Restricted Stock Unit Plan (WARSUP 2004). The Company is authorized to issue up to 6 million options to eligible employees under each plan. Options under the plan will be granted at a nominal exercise price (par value of the equity shares).

These options generally vest ratably at the end of each year over a period of five years from the date of grant. Upon vesting the employees can acquire one equity share for every option. The options are subject to forfeiture if the employee terminates employment before vesting. The excess of market price on the date of grant over the exercise price payable by the employees is recognized as deferred compensation cost. The Company has elected to amortize the deferred compensation cost on a straight-line basis over the vesting period.

As of June 30, 2005, the Company has 4,671,778 RSUs under the WRSUP 2004 plan and 720,450 RSUs outstanding under the WARSUP 2004 Plan. The deferred compensation cost of Rs. 3,433.80 arising from such grants is being amortized over the vesting period of five years.

During the three months ended June 30, 2005 the Company has amortized Rs. 164.70 of deferred compensation cost relating to these plans.

#### **NOTE 7: CONTINGENCIES**

In March 2004, the Company received a demand from the tax authorities of Rs. 2,614.57, including interest, upon completion of their tax review for the financial year ended March 31, 2001. The tax demand is mainly on account of disallowances of deduction claimed by Company under section 10A of the Income Tax Act of India, 1961, which allows a tax holiday in respect of profits earned on some of the undertakings of the Company. On similar grounds, in March 2005, the Company received a demand from the tax authorities of Rs. 2,617.15, including interest, upon completion of their tax review for the financial year ended March 31, 2002. Management, including external counsel has concluded that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position or overall trends in results of operations. As of June 30, 2004 and June 30, 2005, the net exposure of the Company was Rs. 2,315.57 and Rs. 4,737.95 respectively.

In June 2005, the Income Tax appellate Tribunal (ITAT) has upheld, for a different assessment years, certain income tax deductions claimed by the Company. Applying such principles to the other assessment year, the above

demand made by the tax authorities for the financial years ended March 31, 2001 and 2002, is expected to reduce by Rs. 2,159.38.

#### NOTE 8: 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 'Others'. 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 (CODM) as defined by SFAS No. 131, Disclosure about Segments of an Enterprise and Related Information. The Chairman of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed.

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

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

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

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

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

Information on reportable segments is as follows:

Three months ended June 30, 2004 (unaudited)						
	Global IT Services and Products	India and AsiaPac IT Services and Products	Consumer Care and Lighting	Others	Reconciling Items	Entity Total
Revenues.....	Rs. 13,537.87	Rs. 2,555.28	Rs. 1,026.52	Rs. 576.53	Rs. -	Rs. 17,696.20
Exchange rate fluctuations.....	(343.93)	(12.77)	(0.50)	(3.01)	360.21	-
Total revenues.....	13,193.94	2,542.51	1,026.02	573.52	360.21	17,696.20
Cost of revenues.....	(8,335.58)	(2,023.10)	(640.02)	(389.73)	-	(11,388.43)
Selling and marketing expenses..	(789.12)	(255.28)	(213.63)	(39.81)	(3.30)	(1,301.14)
General and administrative expenses.....	(635.49)	(161.07)	(21.75)	(32.25)	(5.27)	(855.83)
Research and development expenses.....	(58.15)	-	-	-	-	(58.15)
Amortization of intangible assets.....	(48.00)	-	(1.63)	-	-	(49.63)
Exchange rate fluctuations.....	-	-	-	-	(467.93)	(467.93)
Others, net.....	(2.20)	1.46	2.96	(0.36)	5.00	6.86
Operating income of segment	<u>Rs. 3,325.40</u>	<u>Rs. 104.52</u>	<u>Rs. 151.95</u>	<u>Rs. 111.37</u>	<u>Rs. (111.29)</u>	<u>Rs. 3,581.95</u>
Total assets of segment (2).....	Rs. 29,378.72	Rs. 5,092.29	Rs. 1,594.77	Rs. 1,738.56	Rs. 15,232.77	Rs. 53,037.11
Capital employed (2).....	20,028.52	2,188.14	858.36	1,210.10	15,762.27	40,047.39
Return on capital Employed (1),(2).....	62%	19%	82%	-	-	-
Accounts receivable.....	8,653.41	2,506.25	235.64	373.61	-	11,768.91
Cash and cash equivalents and investments in liquid and short-term mutual funds.....	1,829.65	385.23	193.28	620.83	13,289.54	16,318.53
Depreciation.....	449.48	26.05	17.01	9.70	11.97	514.21

Three months ended June 30, 2005 (unaudited)



	<b>Global IT Services and Products</b>	<b>India and AsiaPac IT Services and Products</b>	<b>Consumer Care and Lighting</b>	<b>Others</b>	<b>Reconciling Items</b>	<b>Entity Total</b>
Revenues.....	Rs. 17,429.87	Rs. 3,412.35	Rs. 1,322.27	Rs. 700.69	Rs. -	Rs. 22,865.18
Exchange rate fluctuations.....	<u>(142.31)</u>	<u>(8.84)</u>	<u>(0.87)</u>	<u>3.79</u>	<u>148.23</u>	<u>-</u>
Total revenues.....	17,287.56	3,403.51	1,321.40	704.48	148.23	22,865.18
Cost of revenues.....	(11,315.11)	(2,616.61)	(825.83)	(524.92)	-	(15,282.47)
Selling and marketing expenses....	(989.10)	(307.22)	(283.75)	(57.27)	(2.71)	(1,640.05)
General and administrative expenses.....	(871.06)	(223.15)	(23.75)	(26.89)	(26.11)	(1,170.96)
Research and development expenses.....	(42.55)	-	-	-	-	(42.55)
Amortization of intangible assets .....	(9.24)	-	(5.30)	-	-	(14.54)
Exchange rate fluctuations.....	-	-	-	-	(148.23)	(148.23)
Others, net.....	<u>7.68</u>	<u>1.11</u>	<u>3.05</u>	<u>3.35</u>	<u>3.57</u>	<u>18.76</u>
Operating income of segment(1).....	<u>Rs. 4,068.18</u>	<u>Rs. 257.64</u>	<u>Rs. 185.82</u>	<u>Rs. 98.75</u>	<u>Rs. (25.25)</u>	<u>Rs. 4,585.14</u>
Total assets of segment (3).....	Rs. 37,244.33	Rs. 5,645.33	Rs. 1,682.16	Rs. 2,122.04	Rs. 30,362.98	Rs. 77,056.84
Capital employed (3).....	28,252.54	2,164.94	737.66	1,498.52	30,174.88	62,828.54
Return on capital employed (2),(3) .....	56%	55%	89%	-	-	-
Accounts receivable.....	11,926.01	2,336.66	332.49	493.33	-	15,088.49
Cash and cash equivalents and investments in liquid and short-term mutual funds.....	4,132.33	135.60	60.75	536.68	26,992.55	31,857.91
Depreciation.....	656.51	24.76	16.58	12.93	11.17	721.95

(1) Operating income of Global IT Services and Products, India and AsiaPac IT Services and Products, Consumer Care and Lighting, Others and Reconciling Items is after Rs. 144.78, Rs. 11.14, Rs. 2.28, Rs. 5.23 and Rs. 11.33 respectively, of amortization of deferred stock compensation cost arising from the grant of options.

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

(3) The total assets, capital employed and return on capital employed for the India and AsiaPac IT Services and Products segment excludes the impact of certain acquisition-related goodwill relating to the segment. This goodwill of Rs. 656.24 as of June 30, 2004 and 2005 has been reported as a component of reconciling items.

The Company has four geographic segments: India, United States, Europe and Rest of the world.

Revenues from the geographic segments based on domicile of the customer are as follows:

	<b>Three months ended June 30,</b>	
	<b>2004</b>	<b>2005</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
India.....	Rs. 3,897.58	Rs. 5,318.59
United States.....	9,415.25	11,564.19
Europe.....	3,464.61	5,102.23
Rest of the world.....	<u>918.76</u>	<u>880.17</u>
	<u>Rs. 17,696.20</u>	<u>Rs. 22,865.18</u>