

**WIPRO LIMITED**  
**BALANCE SHEET**  
( All figures in rupees thousands )

SOURCES OF FUNDS	Schedule	As of September 30,		As of March 31,
		2001	2000	2001
<b>Shareholders' funds</b>				
Share Capital	1	464,875	708,313	464,866
Share application money pending allotment (refer note 10)				2,345
Reserves and Surplus	2	21,469,037	9,556,573	19,184,623
		<b>21,933,912</b>	10,264,886	19,651,834
<b>Loan Funds</b>				
Secured loans	3	216,457	468,367	400,644
Unsecured loans	4	53,357	41,401	47,397
		<b>269,814</b>	509,768	448,041
<b>Total</b>		<b>22,203,726</b>	10,774,654	20,099,875

**APPLICATION OF FUNDS**

<b>Fixed Assets</b>				
Gross block	5	10,095,268	7,694,402	9,020,225
Less : Depreciation		4,592,912	3,212,906	3,793,678
<i>Net Block</i>		<b>5,502,356</b>	4,481,496	5,226,547
Capital work-in-progress and advances		1,633,275	570,177	797,958
		<b>7,135,631</b>	5,051,673	6,024,505
<b>Investments</b>	6	366,954	590,453	1,636,443
<b>Deferred tax assets</b>		93,276		
<b>Current assets, loans and advances</b>				
Inventories	7	1,011,673	1,199,533	1,152,530
Sundry Debtors	8	5,925,482	4,861,869	6,176,657
Cash and Bank balances	9	4,153,322	945,024	4,463,421
Loans and advances	10	9,737,161	2,687,712	5,992,691
		<b>20,827,638</b>	9,694,138	17,785,299
<b>Current liabilities and provisions</b>				
Liabilities	11	5,709,842	4,151,791	4,813,400
Provisions	12	509,931	409,819	532,972
		<b>6,219,773</b>	4,561,610	5,346,372
<b>Net Current Assets</b>				
		<b>14,607,865</b>	5,132,528	12,438,927
<b>Total</b>				
		<b>22,203,726</b>	10,774,654	20,099,875

Significant accounting policies and notes to accounts

19

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

J M Gandhi  
Partner

For and on behalf of the Board of Directors

Azim Hasham Premji ( Chairman and Managing Director )

B C Prabhakar ( Director )

N Vaghul (Director )

Suresh C Senapaty  
( Corporate Executive Vice President - Finance )

Satish Menon  
( Corporate Vice President- Legal & Company Secretary)  
Bangalore, October 18, 2001

Mumbai, October 18, 2001

**WIPRO LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
(in rupees thousands)

	Schedule	Six months ended		Year ended
		September 30,		March 31,
		2001	2000	2001
<b>INCOME</b>				
Sales and Services		<b>16,404,979</b>	13,589,159	30,539,090
Other Income	13	<b>747,347</b>	226,236	695,463
		<b>17,152,326</b>	13,815,395	31,234,553
<b>EXPENDITURE</b>				
Cost of goods sold	14	<b>10,023,397</b>	8,206,491	18,103,247
Selling, general and administrative expenses	15	<b>2,523,574</b>	2,640,624	5,406,929
Interest	16	<b>14,923</b>	34,789	68,890
		<b>12,561,894</b>	10,881,904	23,579,066
<b>PROFIT BEFORE TAXATION AND NON RECURRING / EXTRAORDINARY ITEMS</b>		<b>4,590,432</b>	2,933,491	7,655,487
Provision for taxation ( refer note 14)		<b>357,750</b>	316,475	992,000
<b>PROFIT AFTER TAX BEFORE NON-RECURRING / EXTRAORDINARY ITEMS</b>		<b>4,232,682</b>	2,617,016	6,663,487
Non recurring / extraordinary items	18	-	-	16,036
<b>PROFIT FOR THE PERIOD</b>		<b>4,232,682</b>	2,617,016	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
<b>Profit &amp; Loss balance carried forward</b>		<b>4,232,682</b>	2,617,016
<b>Transfer to general reserve</b>			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 )

B C Prabhakar ( Director )

N Vaghul (Director )

Suresh C Senapaty  
( Corporate Executive Vice President - Finance )

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

Mumbai, October 18, 2001

Bangalore, October 18,2001

**WIPRO LIMITED**  
( in rupees thousands, except share numbers)

SCHEDULE 1 SHARE CAPITAL	As of September 30,		As of
	2001	2000	March 31, 2001
<b>Authorised</b>			
375,000,000 Equity shares of Rs 2 each ( 2001 : 375,000,000 ; 2000 : 375,000,000 equity shares of Rs 2 each)	<b>750,000</b>	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	<b>250,000</b>	250,000	250,000
	<b>1,000,000</b>	1,000,000	1,000,000
<b>Issued, subscribed and paid-up</b>			
232,437,689 equity shares of Rs 2 each ( 2001 : 232,433,019 ; 2000 : 229,156,350)	<b>464,875</b>	458,313	464,866
Nil ( 2001 : Nil ; 2000 : 2,500,000 ) 10.25 % Redeemable Cumulative Preference Shares of Rs 100 each	-	250,000	-
	<b>464,875</b>	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) 4,670 ( 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 Sept 30, 2001
<b>Capital Reserves</b>	<b>9,500</b>			<b>9,500</b>
	114,047	750	-	114,797
	114,047	750	(a) 105,297	(b) 9,500
<b>Capital Redemption Reserve</b>	<b>250,038</b>			<b>250,038</b>
	38	-	-	38
	38	250,000	(c) -	250,038
<b>Share Premium</b>	<b>5,920,208</b>	<b>5,062</b>		<b>5,925,270</b>
	-	-	-	-
		5,920,208	(d) -	5,920,208
<b>Revaluation Reserve</b>	<b>890,072</b>		<b>39,126</b>	<b>(e) 850,946</b>
	1,047,110	-	55,769	991,341
	1,047,110	-	157,038	890,072
<b>Investment Allowance Reserve</b>	<b>14,500</b>		<b>14,500</b>	<b>(f) -</b>
	14,500	-	-	14,500
	14,500	-	-	14,500
<b>Profit &amp; Loss Account</b>		<b>4,232,682</b>		<b>4,232,682</b>
		2,617,016		2,617,016
<b>General Reserve</b>	<b>12,100,305</b>	<b>101,728</b>	<b>(i)(f) 2,001,432</b>	<b>(h) 10,200,601</b>
	5,818,881	-	-	5,818,881
	5,818,881	6,281,424	(g) -	12,100,305
	<b>19,184,623</b>	<b>4,339,472</b>	<b>2,055,058</b>	<b>21,469,037</b>
	6,994,576	2,617,766	55,769	9,556,573
<b>TOTAL</b>	<b>6,994,576</b>	<b>12,452,382</b>	<b>262,335</b>	<b>19,184,623</b>

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. 26,101 ( 2001: Rs. 58,843 ; 2000 : Rs. 24,820 ) and reduction on account of sale of revalued assets and other adjustments Rs.13,025 ( 2001 : Rs. 98,195 ; 2000 : Rs. 30,949)
- f) Transfer to General Reserve Rs. 14,500 ( 2001 : Rs. Nil; 2000 : Rs. Nil)
- g) Transfer from Profit and Loss account Rs Nil (2001 : Rs. 6,281,424 ; 2000 : Nil ) .
- h) Deficit arising on account of amalgamation of Wipro Net Limited with Wipro Limited ( refer note 6).
- i) 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 )

<b>SCHEDULE 3 SECURED LOANS</b>	Note Reference	<b>As of September 30,</b>		<b>As of March 31,</b>
		<b>2001</b>	<b>2000</b>	<b>2001</b>
<b>From banks</b>				
Cash Credit facility	a	<b>85,683</b>	146,894	203,187
<b>External Commercial Borrowings</b>	b	<b>60,899</b>	194,698	127,582
<b>From Financial Institutions</b>				
Asset Credit Scheme	c	<b>68,200</b>	88,200	68,200
Term Loans	d	-	36,900	-
<b>Development loan from Government of Karnataka</b>	e	<b>1,675</b>	1,675	1,675
		<b>216,457</b>	468,367	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 centers 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**

	<b>As of September 30,</b>		<b>As of</b>
	<b>2001</b>	2000	<b>March 31,</b>
			<b>2001</b>
<b>Fixed Deposits</b>	<b>854</b>	886	<b>886</b>
<b>Other Loans and Advances</b>			
Interest free loan from Government	<b>51,253</b>	39,265	<b>45,261</b>
Loans from state financial institutions	<b>1,250</b>	1,250	<b>1,250</b>
		<b>53,357</b>	<b>47,397</b>

**WIPRO LIMITED**  
( in rupees thousands)

**SCHEDULE 5 FIXED ASSETS**

Particulars	GROSS BLOCK				PROVISION FOR DEPRECIATION				NET BLOCK	
	As on April 1, 2001	Additions	Deductions / adjustments	As on Sept 30, 2001	As on April 1, 2001	Depreciation for the period	Deductions / adjustments	As on Sept 30, 2001	As on Sept 30, 2001	As on March 31, 2001
Land	513,285	5,580	10,302	508,563	241	15	-	256	508,307	513,044
Buildings	1,713,059	9,458	20,469	1,702,048	154,923	15,257	1,711	168,469	1,533,579	1,558,136
Railway siding	4,000	-	-	4,000	3,800	100	-	3,900	100	200
Plant and Machinery	5,453,816	961,215	14,199	6,400,832	3,078,388	540,333	(127,472)	3,746,193	2,654,639	2,375,428
Furniture fixture and equipment	1,016,421	89,669	4,515	1,101,575	405,258	90,757	(2,443)	498,458	603,117	611,163
Vehicles	316,568	72,358	13,752	375,174	148,881	34,412	10,080	173,213	201,961	167,687
Technical Know-how	3,076	-	-	3,076	2,187	236	-	2,423	653	889
Total	9,020,225	1,138,280	63,237	10,095,268	3,793,678	681,110	(118,124)	4,592,912	5,502,356	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
<b>Total</b>	<b>1,577,256</b>	<b>278,745</b>	<b>1,298,511</b>	<b>2,818,882</b>

- 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 9 )
- 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. 12,643 ( 2001 : Rs. 123,818 ; 2000 : Rs. 491 ) pertaining to increased value of revalued assets sold / discarded. The net amount of Rs. 13,025 ( 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 September 30,		As of
			2001	2000	March 31,
			2001	2000	2001
<b>Investments - Long Term ( at cost )</b>					
<b>Investments in subsidiary companies</b>					
<b>Unquoted</b>					
<b>Equity Shares</b>					
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
NerKracker Ltd	100	Rs 10	-	1	-
Wipro Welfare Ltd	66,171	Rs 10	662	662	662
			<b>139,674</b>	<b>221,589</b>	<b>1,332,134</b>
<b>Preference Shares</b>					
9 % cumulative redeemable preference shares held in Wipro Trademark Holdings Ltd	1,800	Rs 10	18	18	18
			<b>18</b>	<b>18</b>	<b>18</b>
<b>Investments in equity shares of other companies</b>					
<b>Quoted</b>					
<b>Trade Investments</b>					
Dynamatic Technologies Ltd	100	Rs 10	1	1	1
<b>Other Investments</b>					
HDFC Bank Ltd	100	Rs 10	1	1	1
Kashyap Radiant Systems Ltd	500,000	Rs 10	-	5,000	-
			<b>2</b>	<b>5,002</b>	<b>2</b>
<b>- Unquoted</b>					
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	54,600
Wipro Finance Limited		Rs 10	&	&	&
			<b>122,235</b>	<b>103,600</b>	<b>122,235</b>
<b>Investments in preference shares / debentures of other Companies</b>					
<b>Unquoted</b>					
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	100,000	40,000
			<b>94,330</b>	<b>100,000</b>	<b>94,330</b>
<b>Other Investments ( unquoted )</b>					
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	47,952
Bonds of GE Capital Services India Ltd ( refer note 11) ( maturity value Rs 75,500)			68,439	217,988	145,468
			<b>118,891</b>	<b>268,440</b>	<b>195,920</b>
			<b>475,150</b>	<b>698,649</b>	<b>1,744,639</b>
<b>TOTAL</b>			<b>108,196</b>	<b>108,196</b>	<b>108,196</b>
Less : Provision for diminution in value of investments, other than note &					
<b>TOTAL</b>			<b>366,954</b>	<b>590,453</b>	<b>1,636,443</b>
Aggregate book value of quoted investments			2	5,002	2
Aggregate book value of unquoted investments (net of provision )			366,952	585,451	1,636,441
Aggregate market value of quoted investments			23	7,527	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 September 30,		As of
	2001	2000	March 31,
	2001	2000	2001
Equity shares		559,805	-
Convertible preference shares		321,600	-
Convertible preference shares		-	-
Redeemable preference shares	300,000	300,000	300,000
	<b>300,000</b>	<b>1,181,405</b>	<b>300,000</b>
Less : Provision for diminution in value of investments	<b>300,000</b>	<b>1,181,405</b>	<b>300,000</b>

**WIPRO LIMITED**  
( in rupees thousands )

**SCHEDULE 7 INVENTORIES**

	As of September 30,		As of
	2001	2000	March 31, 2001
Stores and Spares	41,954	46,166	44,689
Raw Materials	396,767	474,902	499,536
Stock-in-process	103,937	166,081	121,190
Finished goods	469,015	387,384	487,115
Stock-in-trade land *	-	125,000	-
<b>TOTAL</b>	<b>1,011,673</b>	<b>1,199,533</b>	<b>1,152,530</b>

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**

Considered good  
Considered doubtful

**Others**

Considered good  
Considered doubtful

Less : Provision for doubtful debts

**TOTAL**

	As of September 30,		As of
	2001	2000	March 31, 2001
Considered good	622,089	368,982	448,945
Considered doubtful	405,368	324,124	292,593
	<b>1,027,457</b>	<b>693,106</b>	<b>741,538</b>
Considered good	5,303,393	4,492,887	5,727,712
Considered doubtful	100,463	-	5,291
	<b>5,403,856</b>	<b>4,492,887</b>	<b>5,733,003</b>
	<b>505,831</b>	<b>324,124</b>	<b>297,884</b>
	<b>5,925,482</b>	<b>4,861,869</b>	<b>6,176,657</b>

**SCHEDULE 9 CASH AND BANK BALANCES**

**Cash and cheques on hand**

**Balances with scheduled banks**

On Current account  
In Deposit account

**Balances with other banks in current account**

Inkom Bank, Russia  
Midland Bank, U K  
Wells Fargo, U S A  
Nations Bank  
Washington Mutual Bank, U S A  
Socite General  
Bank of America  
First Chicago  
Citibank  
FCC National Bank  
Chase Manhatten  
Great Western Bank

	As of September 30,		As of
	2001	2000	March 31, 2001
	300,418	228,249	661,678
On Current account	776,341	105,008	527,989
In Deposit account	1,388,678	112,207	84,091
Inkom Bank, Russia		60	43
Midland Bank, U K	32,632	73,560	52,122
Wells Fargo, U S A	19,091	425,484	597,294
Nations Bank			-
Washington Mutual Bank, U S A			-
Socite General	260,591		460,378
Bank of America	51,107	432	10
First Chicago	262,649		390,806
Citibank	535,920		875,432
FCC National Bank	263,701		391,739
Chase Manhatten	262,170		421,815
Great Western Bank	24	24	24
	<b>4,153,322</b>	<b>945,024</b>	<b>4,463,421</b>

Maximum balances during the year

Inkom Bank, Russia  
Midland Bank, U K  
Wells Fargo, U S A  
Nations Bank  
Washington Mutual Bank, U S A  
Socite General  
Bank of America  
First Chicago  
Citibank  
FCC National Bank  
Chase Manhatten  
Great Western Bank

43  
362,362  
770,615  
13  
-  
460,378  
10  
390,806  
875,432  
391,739  
421,815  
24

**WIPRO LIMITED**  
( in rupees thousands)

**SCHEDULE 10 LOANS AND ADVANCES**

( Unsecured, considered good unless otherwise stated)

	As of September 30,		As of
	2001	2000	March 31, 2001
Advances recoverable in cash or in kind or for value to be received			
Considered good	1,328,451	705,858	1,089,193
Considered doubtful	126,395	67,584	125,483
	<b>1,454,846</b>	<b>773,442</b>	<b>1,214,676</b>
Less : Provision for doubtful advances	<b>126,395</b>	67,584	125,483
	<b>1,328,451</b>	<b>705,858</b>	<b>1,089,193</b>
Inter Corporate Deposits :			
GE Capital Services India	1,550,313	670,000	367,500
ICICI Limited	1,379,100	783,000	684,500
Other Deposits	551,432	448,660	490,329
Certificate of deposits with foreign banks	4,684,076	-	3,326,108
Advance income-tax ( net of provision )	231,090	66,085	19,067
Balances with excise and customs	12,699	14,109	15,994
TOTAL	<b>9,737,161</b>	<b>2,687,712</b>	<b>5,992,691</b>

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 September 30,		As of
	2001	2000	March 31, 2001
Sundry Creditors	2,187,524	1,253,367	1,607,681
Unclaimed dividends	1,674	255	180
Advances from customers	901,584	692,928	847,732
Other liabilities	2,277,608	1,710,962	2,016,355
Interest accrued but not due on loans	469	39	469
Other deposits	340,983	494,240	340,983
	<b>5,709,842</b>	<b>4,151,791</b>	<b>4,813,400</b>

**SCHEDULE 12 PROVISIONS**

	As on September 30,		As on
	2001	2000	March 31, 2001
Employee retirement benefits	509,931	408,441	404,901
Proposed dividend	-	1,378	116,217
Tax on proposed dividend	-	-	11,854
	<b>509,931</b>	<b>409,819</b>	<b>532,972</b>

**SCHEDULE 13 OTHER INCOME**

	Six Months ended		Year ended
	September 30, 2001	2000	March 31, 2001
Dividend	3,779	7,353	31,853
Interest	460,863	54,696	313,005
Rental Income	11,285	7,267	15,610
Profit on Sale of Investments	-	-	4,000
Profit on disposal of fixed assets	14,869	34,209	49,162
Difference in exchange	138,794	93,904	86,399
Miscellaneous Income	117,757	28,807	195,434
	<b>747,347</b>	<b>226,236</b>	<b>695,463</b>

Notes : Tax deducted at source Rs. 47,044 ( 2001 : Rs. 65,183, 2000 :Rs. 9,020)



**WIPRO LIMITED**  
( in rupees thousands )

**SCHEDULE 14 COST OF GOODS SOLD**

	Six Months ended September 30,		Year ended March 31,
	2001	2000	2001
Raw materials, Finished and Process Stocks ( Refer - schedule 17)	3,679,771	3,832,354	8,206,916
Stores & Spares	195,259	94,631	174,555
Power and Fuel	181,182	163,387	310,441
Salaries, wages and bonus	1,834,410	1,106,117	2,733,429
Contribution to provident and other funds	67,249	39,273	103,362
Gratuity and pension	63,420	38,740	78,239
Workmen and Staff welfare	71,836	50,584	188,220
Insurance	9,109	4,787	6,660
Repairs to factory buildings	8,083	12,182	38,554
Repairs to Plant & Machinery	6,162	17,264	73,655
Rent	120,540	89,829	196,129
Rates & Taxes	7,075	7,412	13,450
Packing	9,529	28,598	28,669
Traveling and allowance	2,831,024	2,360,895	4,956,452
Depreciation	495,566	305,785	738,582
Miscellaneous	454,516	157,350	373,812
Less : Capitalised ( refer note 13 )	(11,334)	(102,697)	(117,878)
<b>TOTAL</b>	<b>10,023,397</b>	<b>8,206,491</b>	<b>18,103,247</b>

**SCHEDULE 15 SELLING GENERAL AND ADMINISTRATIVE EXPENSES**

	Six Months ended September 30,		Year ended March 31,
	2001	2000	2001
Salaries, wages and bonus	523,402	583,547	924,346
Contribution to provident and other funds	16,321	21,002	40,131
Gratuity and pension	13,413	18,486	27,609
Workmen and Staff welfare	47,397	76,150	123,640
Insurance	2,972	11,287	20,676
Repairs to buildings	274	749	4,596
Rent	46,180	44,440	80,889
Rates and taxes	20,117	85,367	90,141
Carriage and freight	110,036	98,202	223,745
Commission on sales	132,023	277,944	659,432
Auditors' remuneration and expenses			
Audit fees	1,500	1,500	3,150
For certification including tax audit	-	169	1,162
Reimbursement of expenses	234	386	508
Advertisement and sales promotion	156,509	259,130	471,824
Loss on sale of fixed assets	742	712	803
Directors' fees	742	84	922
Depreciation	159,443	95,399	240,841
Traveling and allowances	718,879	440,354	1,075,868
Communication	90,180	115,058	326,311
Provision/write off of bad debts	185,568	154,014	266,516
Miscellaneous	297,642	356,644	823,819
<b>TOTAL</b>	<b>2,523,574</b>	<b>2,640,624</b>	<b>5,406,929</b>



## **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. 241,376 ( 2001 : Rs. 400,280 ; 2000 : Rs. 238,212)
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. 280,980 ( 2001 : Rs. 221,060 ; 2000 : Rs. 127,120)
- iii) Guarantees given by Banks on behalf of the Company Rs. 1,079,558
5. Depreciation for the year has been provided on the revalued amount. However, depreciation of Rs. 26,101 ( 2001 : Rs. 58,843 ; 2000 : Rs. 24,820 ) 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 period, 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 October 19, 2001. The scheme of amalgamation has been given effect to in the accounts of the company for the period ended September 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 September 2001 the buyer exercised the put option at Rs. 680 per equity share.

- 9 With effect from 1<sup>st</sup> 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:

<b>Six month period ended September 30, 2001</b>				
	<b>Shares arising out of options</b>	<b>Range of exercise prices and grant date fair values</b>	<b>Weighted-average exercise price and grant date fair values</b>	<b>Weighted-average remaining contractual life</b>
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.....	(557,152)	1,086 to 1,853	1,471	—
Exercised during the period	(4,670)	1,086	1,086	—
Outstanding at the end of the period.....	<u>4,002,611</u>	<u>1,024 to 2,522</u>	<u>1,553</u>	<u>23 months</u>
Exercisable at the end of the period.....	<u>400,261</u>	<u>Rs. 1,024 to 1,853</u>	<u>Rs. 1,553</u>	<u>—</u>

Stock option activity under the 2000 Plan is as follows:

<b>Six month period ended September 30, 2001</b>				
	<b>Shares arising out of options</b>	<b>Range of exercise prices and grant date fair values</b>	<b>Weighted-average exercise price and grant date fair values</b>	<b>Weighted-average remaining contractual life</b>
Outstanding at the beginning of the period.....	3,214,350	Rs. 2,382 to 2,746	2,397	40 months
Granted during the period.....	93,244	Rs. 1,269 to 1,670	1,431	37 months
Forfeited during the period.....	(397,900)	Rs. 2,382	2,382	
Exercised during the period				
Outstanding at the end of the period.....	<u>2,909,694</u>	<u>Rs. 1,269 to 2,746</u>	<u>2,368</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:

<b>Six month period ended September 30, 2001</b>				
	<b>Shares arising out of options</b>	<b>Range of exercise prices and grant date fair values</b>	<b>Weighted-average exercise price and grant date fair values</b>	<b>Weighted-average remaining contractual life (months)</b>
Outstanding at the beginning of the period.....	264,750	\$ 41.375	\$ 41.375	37 months
Granted during the period.....	6,000	\$ 25.90 to 35.770	\$ 26.209	40 months
Forfeited during the period.....	—	—	—	—
Outstanding at the end of the period.....	<u>270,750</u>	<u>\$25.90 to \$41.375</u>	<u>\$ 41.039</u>	<u>31 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.

	Six months ended 30, <b>2001</b>	September 2000	Year ended March 31, 2001
Raw material, finished goods ( including manufactured products ) and process stock	<b>11,334</b>	70,029	104,461
Pre - Operative expenses			
Power and Fuel		31,653	10,995
Conveyance expenses		233	233
Professional expenses		782	2,189
<b>TOTAL</b>	<b>11,334</b>	102,697	117,878

14 Provision for taxation comprises of following:

- (i) Rs. 139,224 ( 2001 : Rs. 377,676 ; 2000 : Rs. 136,676) in respect of foreign taxes, net of deferred tax of Rs. 6,049 and write back of provision of Rs. 35,307 ( 2001 : Rs. 18,000 ; 2000 : Rs. Nil )in respect of earlier year
- (ii) Rs.217,026 ( 2001 : Rs. 611,324 ; 2000; Rs. 179,799 ) 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.1,500 ( 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 recognize timing difference in tax. As per the requirement of the standard, the effect of deferred tax upto March 31, 2001 has been worked out at Rs. 92,647 and has been adjusted from the balance in General Reserve. The Company has also created net deferred tax for the period of Rs. 20,000 on account of which the profit for the period is higher by the equivalent amount.

16. Deferred tax comprise of :

Deferred tax assets :	
Allowance for doubtful debts	57,070
Employee stock incentive plan	61,695
Deferred tax liability	
Less : Property, Plant and Equipment	25,489
	93,276

17. 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.

18. Corresponding figures for previous periods presented have been regrouped, where necessary, to confirm to this period classification. Current period figures are not comparable with the previous 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 1<sup>st</sup> 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 @		
		September 30, 2001	September 30, 2000	March 31, 2001	September 30, 2001	September 30, 2000	March 31, 2001
Vanaspati / 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
Tipping 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	8,139	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						
		Sept 30, 2001	Sept 30, 2000	March 31, 2001	September 30, 2001		September 30, 2000		March 31, 2001		
	Quantity #	Quantity #	Quantity #	Quantity	Rs 000	Quantity	Rs 000	Quantity	Rs 000		
Software services					10,282,984		7,577,262		17,540,755		
Mini computers/micro processor based Systems and data communication systems	Nos	27,758	24,899	62,779	27,667	2,683,589	25,086	2,821,910	62,321	6,368,530	
Serial printers	Nos	-	28,422	28,422			27,851	737,732	39,974	837,846	
Toilet soaps	Tons	10,356	11,424	23,274	10,484	713,494	12,004	863,259	23,853	1,738,022	
Toiletries						177,653		113,439		226,189	
Post sales support and related IT services						717,705		392,049		1,209,487	
e-mail and e-fax services						310,552					
Vanaspati/hydrogenated oils	Tons	7,311	7,261	16,098	7,078	231,039	7,178	233,368	15,918	488,464	
Lighting products	000s	&	&	&		455,869		426,529		902,785	
Hydraulic and pneumatic equipment	Nos	15,802	22,266	51,177	16,481	210,950	22,025	274,845	50,552	639,953	
Tipping gear systems	Nos	1,731	1,231	3,788	1,731	59,541	1,231	47,183	3,788	148,278	
Shoe uppers and full shoes ( pairs )	000s	237	186	511	234	65,752	189	45,195	508	144,901	
Fatty acids	Tons	12,012 \$	12,906 \$	13,104 \$				266	7,440	339	10,025
Glycerine %	Tons	291 %	196 %	426 %	304	19,348	186	15,096	459	32,076	
Reagent kits/ spares of analytical instruments	Nos	2,338	3,294	6,722	28,662	183,562	20,552	151,800	31,539	377,519	
Spares / components for cylinders / tippers	&					50,216		44,541		83,041	
Agency commission						90,245		128,252		346,216	
Software products						465,622		108,531		146,270	
Stock in trade Land										125,000	
<b>TOTAL</b>					<u>16,718,121</u>		<u>13,988,431</u>		<u>31,365,357</u>		
<b>Less: Excise Duty</b>					<u>313,142</u>		<u>399,272</u>		<u>826,267</u>		
<b>TOTAL</b>					<u>16,404,979</u>		<u>13,589,159</u>		<u>30,539,090</u>		

# includes samples and shortages

\$ includes 5,973 tons ( 2001 : 12,715 ; 2000 : 6,277 ) used for own consumption

% includes 7 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	September 30, 2001		September 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	647	134,606	641	134,998	556	165,771
Serial Printers *	Nos			22,283	5,256	-	-
Toilet Soaps	Tons	844	38,439	702	41,582	973	40,674
Vanaspati / hydrogenated oils	Tons	879	30,423	548	14,166	646	15,605
Lighting Products *			52,894		48,001		88,375
Hydraulic and pneumatic equipment	Nos	3,643	76,149	3,938	66,782	4,322	71,793
Shoe Uppers and full shoes (pairs)	000s	11	600	1	351	8	1,997
Fatty acids	Tons	188	3,925	157	3,144	121	109
Glycerine	Tons	25	1,190	89	5,842	45	2,711
Others			12,560				3,245
			<u>350,786</u>		<u>320,122</u>		<u>390,280</u>
<b>Closing Stock of traded goods</b>							
Reagent Kits/Spares of Analytical instruments	Nos	19,990	91,697	18,577	49,508	18,468	72,975
Others			26,532		17,754		23,860
			<u>469,015</u>		<u>387,384</u>		<u>487,115</u>

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

iv) **Purchases for trading**

	Unit	September 30, 2001		September 30, 2000		March 31, 2001	
		Quantity	Rs 000s	Quantity	Rs 000s	Quantity	Rs 000s
Computer units /printers	Nos	15,279	1,208,929	10,160	1,618,371	15,725	3,307,191
Lighting Products *			189,979		159,507		455,167
Reagent kits/Spares of analytical instruments	Nos	27,486	157,817	16,441	113,738	23,891	299,564
Spares/Components for tippers/cylinders*			16,612		19,926		35,218
Others*			396,850		70,561		396,564
			<u>1,970,187</u>		<u>1,982,103</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	September 30, 2001		September 30, 2000		March 31, 2001	
		Quantity	Rs 000s	Quantity	Rs 000s	Quantity	Rs 000s
Peripherals/ Components for computers	#		1,059,122		717,099		2,297,597
Oils and fats	Tons	11,047	229,378	11,450	226,733	32,117	548,277
Components for cylinders	#		122,113		145,833		327,633
Tinplates	Tons			133	4,557	41	1,484
Components for lighting products	#		84,155		96,854		176,439
Leather	Sq.ft. (000s)	281	47,074	204	31,764	538	59,388
Others	#		132,389		506,176		324,276
			<u>1,674,231</u>		<u>1,729,016</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**

	September 30, 2001		September 30, 2000		March 31, 2001	
	%	Rs. 000s	%	Rs 000s	%	Rs 000s
Raw Materials						
Imported	59	985,307	52	905,232	53	1,961,729
Indigenous	41	688,924	48	823,784	47	1,773,365
	<u>100</u>	<u>1,674,231</u>	<u>100</u>	<u>1,729,016</u>	<u>100</u>	<u>3,735,094</u>
Stores and Spares						
Imported	3	5,261	3	2,592	7	11,878
Indigenous	97	189,998	97	92,039	93	162,677
	<u>100</u>	<u>195,259</u>	<u>100</u>	<u>94,631</u>	<u>100</u>	<u>174,555</u>



**vii) Value of imports on CIF basis**

(does not include value of imported items locally purchased )

	<b>September 30, 2001</b>	September 30, 2000	March 31, 2001
Raw materials, components and peripherals	<b>796,845</b>	1,206,482	2,022,651
Stores and spares	<b>113,097</b>	110,339	218,763
Capital goods	<b>16,126</b>	136,043	366
Others		92,328	-
	<b>926,068</b>	<b>1,545,192</b>	<b>2,241,780</b>

**viii ) Expenditure in foreign currency**

	<b>September 30, 2001</b>	September 30, 2000	March 31, 2001
Travelling	<b>2,983,864</b>	2,136,143	5,572,870
Interest	-	-	-
Royalty	<b>129</b>	-	85,848
Professional fees	<b>16,007</b>	5,114	214,825
Others	<b>487,637</b>	82,762	214,591
	<b>3,487,637</b>	<b>2,224,019</b>	<b>6,088,134</b>

**ix ) Earnings in foreign exchange**

	<b>September 30, 2001</b>	September 30, 2000	March 31, 2001
Export of goods on F.O.B basis	<b>63,650</b>	46,232	143,297
Services	<b>10,709,505</b>	7,517,996	17,608,373
Interest on deposits / investments outside India	<b>106,736</b>		38,552
Agency commission	<b>96,601</b>	116,119	343,738
Others	-	614	-
	<b>10,976,492</b>	<b>7,680,961</b>	<b>18,133,960</b>

**WIPRO LIMITED**  
**CASH FLOW STATEMENT**  
(in rupees thousands)

	Six months ended		Year ended
	September 30,	2000	March 31,
	2001		2001
<b>Cash flows from operating activities:</b>			
Net profit before tax and non recurring items	4,590,432	2,933,491	7,655,487
Adjustments to reconcile Net profit before tax and non recurring items to net cash provided by operating activities:			
Depreciation and amortization	655,009	401,185	979,424
Foreign currency translation gains	(167,153)		(86,399)
Retirement benefits provision	105,030	142,526	138,986
Interest accrued on discount bonds			(27,345)
Interest on borrowings	14,923	34,788	68,890
Dividend / interest	(460,569)	(62,049)	(342,310)
Loss / (Gain) on sale of short-term investments			(4,000)
Loss / (Gain) on sale of property, plant and equipment	(14,869)	(33,498)	(49,162)
Realised Gain on sale of Stock-in-trade : Land			(105,297)
Operating cash flow before changes in working capital	4,722,803	3,416,443	8,228,274
Changes in operating assets and liabilities			
Trade and other receivable	535,354	(445,210)	(1,770,267)
Loans and advances	(180,081)		(401,062)
Inventories ( other than stock-in-trade land )	140,857	140,626	(51,958)
Trade and other payables	636,557	95,543	1,097,961
Net cash provided by operations	5,855,490	3,207,402	7,102,948
Direct taxes paid	(575,822)	(467,306)	(1,095,813)
<b>Non recurring / extraordinary items</b>			16,036
<b>Net cash provided by operating activities</b>	<b>5,279,668</b>	<b>2,740,096</b>	<b>6,023,171</b>
<b>Cash flows from investing activities:</b>			
Expenditure on property, plant and equipment ( including advances )	(1,397,077)	(1,083,614)	(2,772,425)
Proceeds from sale of property, plant and equipment	40,193	146,523	91,886
Purchase of investments	(1,224,229)	(214,052)	(1,231,465)
Inter Corporate deposits placed	(1,877,413)	(1,353,000)	(1,152,000)
Certificate of Deposits with foreign banks	(1,357,968)		(3,326,108)
Proceeds from sales and maturities of investments	77,026	80,552	243,000
Proceeds from divestment of Wipro e-Peripherals			116,281
Dividends received	3,779	7,353	31,853
Interest received	456,790	54,696	310,457
<b>Net cash used in investing activities</b>	<b>(5,278,899)</b>	<b>(2,361,542)</b>	<b>(7,688,521)</b>
<b>Cash flows from financing activities:</b>			
Capital subsidy received		750	750
Proceeds from American Depository Offering			5,802,774
Proceeds from exercise of Stock Option Plan grants	5,071		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	(178,227)	(69,220)	(130,947)
Interest on borrowings	(14,923)	(36,172)	(69,844)
Payment of cash dividends	(128,071)	(76,178)	(87,913)
Corporate tax on Dividend			(9,671)
Net cash provided by/( used in) financing activities	(316,150)	(180,820)	5,381,481
Net increase/ (decrease) in cash and cash equivalents during the year	(315,381)	197,734	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	4,153,322	945,024	4,463,421

Notes :

- i) Opening cash and bank balances include cash balances of Wipro Net Limited of Rs 5,282
- ii) 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)

B C Prabhakar ( Director)

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

N Vaghul (Director )

Bangalore, October 18, 2001.

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Wipro Limited for the Six months ended September 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 Six months ended September 30, 2001.

For N M Rajji & Co.,  
Chartered Accountants

J M Gandhi  
Partner

Mumbai, October 18, 2001