

**WIPRO LIMITED AND SUBSIDIARIES**

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
PREPARED IN ACCORDANCE WITH U.S. GAAP  
AS OF AND FOR THE  
THREE MONTHS AND NINE MONTHS ENDED DECEMBER 31, 2002 AND 2003**

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

	As of December 31,		
	2002	2003	2003
	(unaudited)	(unaudited)	Convenience translation into US\$ (unaudited)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents .....	Rs. 5,345,037	Rs. 1,801,088	\$ 39,541
Accounts receivable, net of allowances .....	6,863,680	9,393,845	206,231
Costs and earnings in excess of billings on contracts in progress .....	1,235,186	1,964,110	43,120
Inventories .....	1,463,127	1,517,314	33,311
Investments in liquid and short-term mutual funds .....	8,449,066	19,428,615	426,534
Other investment securities .....	529,841	-	-
Deferred income taxes .....	164,332	218,909	4,806
Property, plant and equipment held for sale (Note 4).....	34,186	-	-
Other current assets .....	2,096,457	2,872,262	63,057
Total current assets.....	26,180,912	37,196,143	816,600
Property, plant and equipment, net .....	6,825,451	8,628,179	189,421
Investments in affiliates (Note 5).....	630,689	524,127	11,507
Deferred income taxes .....	196,399	192,643	4,229
Intangible assets, net (Note 2).....	390,213	314,016	6,894
Goodwill (Note 2) .....	4,069,222	5,426,853	119,141
Purchase price pending allocation .....	1,038,222	-	-
Other assets .....	923,110	760,350	16,693
Total assets.....	<u>40,254,218</u>	<u>53,042,311</u>	<u>1,164,485</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Borrowings from banks .....	Rs. 60,544	Rs. 1,590,840	34,925
Current portion of long-term debt .....	20,000	28,200	619
Accounts payable.....	1,763,326	2,066,592	45,370
Accrued expenses .....	1,881,056	2,348,567	51,560
Accrued employee costs .....	1,079,044	2,367,489	51,975
Advances from customers.....	915,124	919,959	20,197
Other current liabilities .....	933,246	1,108,895	24,345
Total current liabilities .....	6,652,340	10,430,542	228,991
Long-term debt, excluding current portion .....	8,200	-	-
Other liabilities .....	202,123	280,720	6,163
Total liabilities .....	<u>6,862,663</u>	<u>10,711,262</u>	<u>235,154</u>
Minority interest .....	84,228	385,168	8,455
Stockholders' equity:			
Equity shares at Rs. 2 par value: 375,000,000 shares authorized; Issued and outstanding: 232,547,145 and 232,628,559 shares as of December 31, 2002 and 2003 .....	465,095	465,258	10,214
Additional paid-in capital .....	6,930,238	7,008,070	153,854
Deferred stock compensation .....	(74,842)	(12,315)	(270)
Accumulated other comprehensive income/(loss).....	(1,652)	(73,596)	(1,616)
Retained earnings .....	25,988,563	34,558,539	758,696
Equity shares held by a controlled Trust: 1,302,410 and 1,313,010 shares as of December 31, 2002 and 2003 .....	(75)	(75)	(2)
Total stockholders' equity .....	<u>33,307,327</u>	<u>41,945,881</u>	<u>920,876</u>
Total liabilities and stockholders' equity.....	<u>40,254,218</u>	<u>53,042,311</u>	<u>1,164,485</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Three months ended December 31,			Nine months ended December 31,		
	2002	2003	2003	2002	2003	2003
			Convenience translation into US\$			Convenience translation into US\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Revenues:</b>						
Global IT Services and Products.....						
Services.....	Rs. 8,022,463	Rs. 11,448,598	251,341	Rs. 21,513,346	Rs. 30,831,629	\$ 676,874
Products.....	18,921	24,340	534	145,183	86,744	1,904
India and AsiaPac IT Services and Products.....						
Services.....	563,653	860,053	18,882	1,585,000	2,118,279	46,504
Products.....	1,125,397	1,836,324	40,314	4,041,384	3,829,357	84,069
Consumer Care and Lighting.....	739,403	934,694	20,520	2,174,734	2,578,845	56,616
Others.....	401,071	517,353	11,359	1,114,233	1,374,636	30,180
Total.....	<u>10,870,908</u>	<u>15,621,362</u>	<u>342,950</u>	<u>30,573,880</u>	<u>40,819,490</u>	<u>896,147</u>
<b>Cost of revenues:</b>						
Global IT Services and Products.....						
Services.....	4,735,885	7,461,116	163,801	12,567,800	19,821,801	435,166
Products.....	15,995	15,585	342	102,065	57,525	1,263
India and AsiaPac IT Services and Products.....						
Services.....	290,013	463,016	10,165	819,542	1,132,832	24,870
Products.....	1,030,238	1,667,752	36,614	3,629,309	3,425,489	75,203
Consumer Care and Lighting.....	520,937	591,439	12,984	1,489,306	1,650,070	36,225
Others.....	261,536	364,937	8,012	809,388	976,243	21,432
Total.....	<u>6,854,604</u>	<u>10,563,845</u>	<u>231,918</u>	<u>19,417,410</u>	<u>27,063,960</u>	<u>594,159</u>
Gross profit.....	4,016,304	5,057,517	111,032	11,156,470	13,755,530	301,988
<b>Operating expenses:</b>						
Selling, general and administrative expenses.....	(1,660,710)	(2,175,965)	(47,771)	(4,395,797)	(6,351,151)	(139,433)
Research and development expenses.....	(42,147)	(56,669)	(1,244)	(119,779)	(168,306)	(3,695)
Amortization of intangible assets.....	(48,070)	(67,150)	(1,474)	(95,170)	(223,041)	(4,897)
Foreign exchange gains, net.....	81,278	25,322	556	321,235	201,160	4,416
Others, net.....	12,058	16,969	372	81,223	69,271	1,521
Operating income.....	2,358,713	2,800,024	61,471	6,948,182	7,283,463	159,900
Loss on direct issue of stock by subsidiary (Note 3).....	-	(30,001)	(659)	-	(206,000)	(4,523)
Other income, net.....	233,641	201,826	4,431	625,921	549,196	12,058
Equity in earnings/(losses) of affiliates (Note 5).....	(47,697)	42,941	943	(258,630)	(5,000)	(110)
Income before income taxes and minority interest.....	2,544,657	3,014,790	66,186	7,315,473	7,621,659	167,325
Income taxes.....	(337,051)	(333,597)	(7,324)	(876,724)	(850,656)	(18,675)
Minority interest.....	(18,046)	(17,942)	(393)	(30,101)	(33,299)	(731)
Income from continuing operations.....	2,189,560	2,663,251	58,469	6,408,648	6,737,704	147,919
<b>Discontinued operations</b>						
Loss from operations of the discontinued corporate Internet services division (including loss on disposal of Rs. 246,120 for the nine months ended December 31, 2002 and gain on disposal of Rs. 3,100 for the three months ended December 31, 2002) (Note 4).....	(11,918)	-	-	(563,185)	-	-
Income tax benefit (Note 4).....	2,977	-	-	158,979	-	-
Net income.....	<u>2,180,619</u>	<u>2,663,251</u>	<u>58,469</u>	<u>6,004,442</u>	<u>6,737,704</u>	<u>147,919</u>
<b>Earnings per equity share: Basic</b>						
Continuing operations.....	9.47	11.52	0.25	27.72	29.13	0.64
Discontinued operations.....	(0.04)	-	-	(1.75)	-	-
Net income.....	9.43	11.52	0.25	25.97	29.13	0.64
<b>Earnings per equity share: Diluted</b>						
Continuing operations.....	9.45	11.45	0.25	27.68	29.00	0.64
Discontinued operations.....	(0.04)	-	-	(1.75)	-	-
Net income.....	9.41	11.45	0.25	25.93	29.00	0.64
<b>Weighted average number of equity shares used in computing earnings per equity share:</b>						
Basic.....	231,217,558	231,280,301	231,280,301	231,186,761	231,267,396	231,267,396
Diluted.....	231,649,013	231,657,327	231,657,327	231,567,521	231,393,072	231,393,072

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Equity Shares		Additional	Deferred	Comprehensive	Accumulated	Retained	Equity Shares held by a		Total	
	No. of Shares	Amount	Paid in	Stock		Other		Controlled Trust	No. of Shares	Amount	Stockholders'
			Capital	Compensation		Comprehensive					
Balance as of March 31, 2003 .....	<u>232,563,992</u>	<u>Rs. 465,129</u>	<u>Rs. 6,946,629</u>	<u>Rs. (64,008)</u>		<u>Rs. 690</u>	<u>Rs. 28,083,196</u>	<u>(1,303,610)</u>	<u>Rs. (75)</u>	<u>Rs. 35,431,561</u>	
Cash dividends paid (unaudited).....	-	-	-	-	-	-	(262,361)	-	-	(262,361)	
Issuance of equity shares on exercise of options (unaudited).....	64,567	129	70,699	-	-	-	-	-	-	70,828	
Equity shares forfeited, net of issuance by trust (unaudited).....	-	-	-	-	-	-	-	(9,400)	-	-	
Compensation related to employee stock incentive plan, net of reversals (unaudited).....	-	-	(9,258)	1,105	-	-	-	-	-	(8,153)	
Amortization of compensation related to employee stock incentive plan, net of reversals (unaudited).....	-	-	-	50,588	-	-	-	-	-	50,588	
Comprehensive income											
Net income (unaudited).....	-	-	-	-	Rs. 6,737,704	-	6,737,704	-	-	6,737,704	
Other comprehensive income											
Translation adjustments (unaudited).....	-	-	-	-	(73,999)	(73,999)	-	-	-	(73,999)	
Unrealized gain/(loss) on investment securities, net (unaudited).....	-	-	-	-	(287)	(287)	-	-	-	(287)	
Total other comprehensive income (unaudited) Comprehensive income (unaudited).....					<u>(74,286)</u>	-	-	-	-	-	
					<u>Rs. 6,663,418</u>						
Balance as of December 31, 2003 (unaudited).....	<u>232,628,559</u>	<u>Rs. 465,258</u>	<u>Rs. 7,008,070</u>	<u>Rs. (12,315)</u>		<u>Rs. (73,596)</u>	<u>Rs. 34,558,539</u>	<u>(1,313,010)</u>	<u>Rs. (75)</u>	<u>Rs. 41,945,881</u>	
Balance as of December 31, 2003 (unaudited) (\$).....		<u>10,214</u>	<u>153,854</u>	<u>(270)</u>		<u>(1,616)</u>	<u>758,696</u>		<u>(2)</u>	<u>920,876</u>	

See accompanying notes to the unaudited condensed consolidated financial statements.

**WIPRO LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands, except share data)

	Nine months ended December 31,		
	2002	2003	2003 Convenience translation into US\$
	(unaudited)	(unaudited)	(unaudited)
Cash flows from operating activities:			
Net income.....	Rs. 6,004,442	Rs. 6,737,704	\$ 147,919
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss from discontinued operations.....	404,206	-	-
(Gain)/loss on sale of property, plant and equipment.....	(2,959)	5,250	115
Depreciation and amortization.....	1,163,474	1,618,452	35,531
Deferred tax charge / (benefit).....	(21,415)	(44,531)	(978)
Gain on sale of investment securities.....	(331,098)	-	-
Loss on direct issue of stock by affiliate.....	-	206,000	4,523
Amortization of deferred stock compensation.....	43,082	42,435	932
Equity in losses of affiliates.....	258,630	5,000	110
Minority interest.....	30,101	33,299	731
Changes in operating assets and liabilities:			
Accounts receivable.....	(573,004)	(1,339,616)	(29,410)
Costs and earnings in excess of billings on contracts in progress.....	(225,391)	(505,148)	(11,090)
Inventories.....	(60,981)	(67,816)	(1,489)
Other assets.....	(566,161)	(273,097)	(5,996)
Accounts payable.....	(570,567)	(398,287)	(8,744)
Accrued expenses and employee costs.....	1,278,816	2,027,594	44,515
Advances from customers.....	(160,539)	22,970	504
Other liabilities.....	(180,007)	418,515	9,188
Net cash provided by continuing operations.....	6,490,629	8,488,724	186,361
Net cash provided by discontinued operations.....	27,261	-	-
Net cash provided by operating activities.....	<u>6,517,890</u>	<u>8,488,724</u>	<u>186,361</u>
Cash flows from investing activities:			
Expenditure on property, plant and equipment.....	(1,555,405)	(2,737,989)	(60,110)
Proceeds from sale of property, plant and equipment.....	84,634	55,664	1,222
Dividends received from affiliates.....	49,000	4,942	108
Purchase of investments in liquid and short-term mutual funds.....	(29,905,825)	(20,105,212)	(441,387)
Proceeds from sale of liquid and short-term mutual funds.....	25,582,801	8,489,997	186,389
Purchase of other investment securities.....	(5,255,270)	-	-
Proceeds from sale and maturities of other investment securities.....	10,066,301	526,969	11,569
Redemption/maturity of inter-corporate deposits.....	1,828,853	277,722	6,097
Purchase of intangible assets.....	-	(50,000)	(1,098)
Payment for acquisitions, net of cash acquired.....	(5,035,940)	(458,250)	(10,060)
Net cash used in continuing operations.....	(4,140,851)	(13,996,157)	(307,270)
Net cash provided by discontinued operations.....	-	12,667	278
Net cash used in investing activities.....	<u>(4,140,851)</u>	<u>(13,983,490)</u>	<u>(306,992)</u>
Cash flows from financing activities:			
Proceeds from issuance of equity shares.....	88,515	70,828	1,555
Proceeds from issuance of equity shares by a subsidiary.....	-	145,869	3,202
Proceeds from / (repayments of) short-term borrowing from banks, net.....	(121,716)	1,082,321	23,762
Repayment of long-term debt.....	(17,493)	(20,000)	(439)
Payment of cash dividends.....	(232,466)	(262,361)	(5,760)
Net cash provided by/(used in) financing activities.....	<u>(283,160)</u>	<u>1,016,657</u>	<u>22,320</u>
Net increase/ (decrease) in cash and cash equivalents during the period....	2,093,879	(4,478,109)	(98,311)
Effect of exchange rate changes on cash.....	-	(3,817)	(84)
Cash and cash equivalents at the beginning of the period.....	3,251,158	6,283,014	137,936
Cash and cash equivalents at the end of the period.....	<u>Rs. 5,345,037</u>	<u>Rs. 1,801,088</u>	<u>\$ 39,541</u>
Supplementary information:			
Cash paid for interest.....	Rs. 18,232	Rs. 28,171	\$ 618
Cash paid for taxes.....	1,141,075	898,735	19,731

See accompanying notes to the condensed unaudited consolidated financial statements.

**WIPRO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(in thousands, 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, 2003.

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 period ended December 31, 2003 have been translated into United States dollars at the noon buying rate in New York City on December 31, 2003, for cable transfers in Indian rupees, as certified for customs purposes by the Federal Reserve Bank of New York of \$1= Rs. 45.55. 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 : ACQUISITIONS**

*Global energy practice (GEP)*

On December 31, 2002, Wipro acquired the global energy practice of American Management Systems for an aggregate consideration of Rs. 1,165,161.

The Company intends to leverage the domain expertise of the GEP team engaged in providing specialized IT services to clients in the energy and utilities sector. The Company believes that this acquisition enhances its ability to deliver end-to-end IT solutions primarily in the areas of design and maintenance of complex billing and settlement systems for energy markets and systems and enterprise application integration services.

The total purchase price has been allocated, based on management's estimates and independent appraisals, to the acquired assets and liabilities as follows:

<u>Description</u>	<u>Fair value</u>
	(unaudited)
Net tangible assets .....	Rs. 126,940
Customer-related intangibles...	98,000
Goodwill .....	<u>940,221</u>
Total	<u>Rs. 1,165,161</u>

The intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period.

*Nervewire Inc (Wipro Nervewire)*

In May 2003, Wipro acquired Wipro Nervewire, a Massachusetts-based business and IT consulting company serving customers in the financial services sector, for a consideration of Rs. 877,679. Through this acquisition, the Company intends to enhance its IT consulting capabilities by leveraging the domain expertise of Wipro Nervewire in providing strategy and business case development, business requirements definition, IT strategy and program management and systems development and integration services to customers in the financial services sector.

The total purchase price has been preliminarily allocated to the acquired assets and liabilities as follows:

<u>Description</u>	<u>Fair value</u>
	(unaudited)
Net tangible assets .....	Rs. 544,608
Customer-related intangibles ....	40,000
Goodwill .....	<u>293,071</u>
Total	<u>Rs. 877,679</u>

The purchase consideration has been allocated on a preliminary basis based on management's estimates and independent appraisals. However, certain independent appraiser's reports are yet to be received by the Company. Finalization of the purchase price allocation, which is expected to be completed in the next 3 months, may result in certain adjustments to the above allocation.

The intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period.

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

As of March 31, 2003, the Company held 100% of the outstanding equity shares of Wipro Spectramind Services Private Limited (Wipro Spectramind). As of March 31, 2003, Wipro Spectramind had 9,329,762 employee stock options outstanding under the Wipro Spectramind option plan. During the nine months ended December 31, 2003, 4,178,294 options vested and were exercised. 3,339,279 options were exercised at a weighted average exercise price of Rs. 29.41 and 839,015 options were exercised at a weighted average exercise price of Rs. 57 respectively.

As a result of the option exercise, the Company's ownership interest in Wipro Spectramind reduced to 93%. As the exercise price per option was less than the Company's carrying value per share, the exercise resulted in a decline in the carrying value of the Company's ownership interest by Rs. 206,000. In accordance with the accounting policy adopted by the Company, this decline in carrying value has been included in the statement of income as a loss on direct issue of stock by subsidiary.

Of the 4,178,294 shares arising out of these option exercises, 3,996,387 shares are covered by a share purchase feature that entitles the Company to repurchase these shares at fair value and also gives the employee the right to sell the shares back to the Company at fair value. The Company and the employee can exercise this repurchase right after six months from the date of option exercise.

**NOTE 4 : DISCONTINUED OPERATIONS**

The Company was involved in the corporate Internet services (ISP) business since 1999. For strategic reasons, the Company decided to concentrate on its core businesses and as a result in June 2002, the Company decided to exit this division and approved a formal plan of disposal. In accordance with the plan, the Company has sold the customer contracts, disposed the long-lived assets, settled the trade receivables and settled all outstanding vendor obligations, except certain claims relating to a particular vendor. The Company is in negotiations with this vendor for settling these claims.

Upon approval of the plan of disposal, the related long-lived assets were reported as held-for-sale and were measured at their fair value, less cost to sell, which was lower than their carrying amount. During the nine months ended December 31, 2002, the loss of Rs. 274,780 resulting from the write-down/sale of the long-lived assets was reported as a loss on disposal. Proceeds from sale of customer contracts aggregating Rs. 28,660 were reduced from the loss on disposal. The estimated liabilities with respect to settlement of the vendor obligations aggregating to Rs. 113,490 were reported as other exit costs.

The operations of the ISP division qualified as a component of an entity, being an asset group. As the operations and cash flows of the component were eliminated from the ongoing operations as a result of the disposal transaction and the Company did not have any significant continuing involvement in the operations of the component after the disposal, the results of operations of the ISP division were reported in discontinued operations during the nine months ended December 31, 2002.

The result of operations of the discontinued component comprise:

	<u>Nine months ended</u> <u>December 31,</u> <u>2002</u> (unaudited)
Revenue.....	Rs. 67,259
Operating costs.....	(270,834)
Other exit costs.....	(113,490)
Loss on disposal.....	(246,120)
Income tax benefit.....	<u>158,979</u>
Loss on discontinued operations.....	<u>Rs. 404,206</u>

## NOTE 5 : 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 December 31, 2002 and 2003, was Rs. 511,059 and Rs. 371,599 respectively. The Company's equity in the losses of Wipro GE for nine months ended December 31, 2002 and 2003 was Rs. 260,790 and Rs. 29,000 respectively.

### *WeP Peripherals*

The Company has accounted for its 39.7% and 40.5% interest as of December 31, 2002 and 2003 respectively, in WeP Peripherals by the equity method.

The carrying value of the equity investment in WeP Peripherals as of December 31, 2002 and 2003, was Rs.119,630 and Rs.152,528 respectively. The Company's equity in the income of WeP Peripherals for the nine months ended December 31, 2002 and 2003 was Rs. 2,160 and Rs. 24,000 respectively.

## NOTE 6: 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 (BPO) services to large global corporations.



In July 2002, the Company acquired Wipro Spectramind. The operations of Wipro Spectramind were initially organized as a new business segment named IT Enabled Services. This segment provided BPO services to large global corporations in the US, UK, Australia and other developed markets. From April 2003, the CODM evaluates Wipro Spectramind as an integral component of the Global IT Services and Products business segment. Consequently, from April 2003, Wipro Spectramind is included in the Global IT Services and Products segment.

With effect from April 1, 2003, the CODM evaluates all critical acquisitions separately for a period of time ranging from two to four quarters.

In May 2003, the Company acquired Wipro Nervewire, which provides business and IT consulting services to customers in the financial services sector. The operations of Wipro Nervewire, which is a component of Global IT Services and Products, were reviewed by the CODM separately and were accordingly reported separately. From October 2003, the CODM reviews the operations of Wipro Nervewire as an integral component of the Global IT Services and Products business segment. Consequently, from October 2003 the operations of Wipro Nervewire are not being reported separately.

In April 2002, the Company established a new business segment named HealthScience, to address the IT requirements of the emerging healthcare and life sciences market. The healthcare and life sciences sector clients of the Global IT Services and Products segment were transferred to the newly established HealthScience segment. Further, Wipro Biomed, a business segment which was previously reported in 'Others', became a part of the HealthScience segment. In April 2003, the Company reorganized the HealthScience business segment, whereby all components of the HealthScience segment, except Wipro Biomed, were integrated with Global IT Services and Products business segment. Subsequent to the reorganization, Wipro Biomed is being reported in 'Others'. Similarly, during the year ended March 31, 2003, certain other business segments previously reported in 'Others' were integrated with India and AsiaPac IT Services and Products segment.

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.

The results of operations for the discontinued ISP division were previously reported in 'Others'. The segment information presented excludes these results of operations, which are now reported outside of continuing operations.

'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:

**Nine months ended December 31, 2002 (unaudited)**

	<b>Gobal 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 (2)</b>	<b>Entity Total</b>
Revenues .....	Rs. 21,658,529	Rs. 5,626,384	Rs. 2,174,734	Rs. 1,114,233	Rs. -	Rs. 30,573,880
Exchange rate fluctuations .....	<u>337,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(337,292)</u>	<u>-</u>
Total revenues .....	21,995,821	5,626,384	2,174,734	1,114,233	(337,292)	30,573,880
Cost of revenues .....	(12,669,865)	(4,448,851)	(1,489,306)	(809,388)	-	(19,417,410)
Selling, general and administrative expenses .....	(2,857,890)	(963,080)	(371,505)	(176,231)	(27,091)	(4,395,797)
Research and development expenses .....	(119,779)	-	-	-	-	(119,779)
Amortization of intangible assets .....	(95,170)	-	-	-	-	(95,170)
Exchange rate fluctuations .....	-	-	-	-	321,235	321,235
Others, net.....	<u>8,322</u>	<u>49,269</u>	<u>6,004</u>	<u>12,746</u>	<u>4,882</u>	<u>81,223</u>
Operating income of segment	<b><u>Rs. 6,261,439</u></b>	<b><u>Rs. 263,722</u></b>	<b><u>Rs. 319,927</u></b>	<b><u>Rs. 141,360</u></b>	<b><u>Rs. (38,266)</u></b>	<b><u>Rs. 6,948,182</u></b>
Total assets of segment (3) .....	Rs. 18,537,301	Rs. 3,438,952	Rs. 1,031,288	Rs. 1,153,364	Rs.16,093,313	Rs.40,254,218
Capital employed (3).....	15,086,240	1,318,496	599,267	755,801	15,922,618	33,682,422
Return on capital employed (1),(3) .....	70%	31%	65%	16%	-	30%
Accounts receivable.....	4,923,742	1,396,401	162,213	381,324	-	6,863,680
Cash and cash equivalents and investments in liquid and short-term mutual funds .....	408,560	144,034	155,231	49,560	13,036,718	13,794,103
Depreciation.....	828,082	130,045	47,125	25,883	37,169	1,068,304

**Nine months ended December 31, 2003 (unaudited)**

	<b>Gobal 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 (2)</b>	<b>Entity Total</b>
Revenues .....	Rs. 30,918,373	Rs. 5,947,636	Rs. 2,578,845	Rs. 1,374,636	-	Rs. 40,819,490
Exchange rate fluctuations .....	<u>196,158</u>	<u>17,506</u>	<u>343</u>	<u>(3,617)</u>	<u>(210,390)</u>	<u>-</u>
Total revenues .....	31,114,531	5,965,142	2,579,188	1,371,019	(210,390)	40,819,490
Cost of revenues .....	(19,879,326)	(4,558,321)	(1,650,070)	(976,243)	-	(27,063,960)
Selling, general and administrative expenses .....	(4,519,255)	(1,054,991)	(517,611)	(184,065)	(75,229)	(6,351,151)
Research and development expenses .....	(168,306)	-	-	-	-	(168,306)
Amortization of intangible assets .....	(217,245)	-	(5,796)	-	-	(223,041)
Exchange rate fluctuations .....	-	-	-	-	201,160	201,160
Others, net.....	<u>9,717</u>	<u>28,107</u>	<u>5,098</u>	<u>9,578</u>	<u>16,771</u>	<u>69,271</u>
Operating income of segment	<b><u>6,340,116</u></b>	<b><u>379,937</u></b>	<b><u>410,809</u></b>	<b><u>220,289</u></b>	<b><u>(67,688)</u></b>	<b><u>7,283,463</u></b>
Total assets of segment (3) .....	25,083,669	4,072,153	1,078,645	1,415,335	21,392,509	53,042,311
Capital employed (3).....	19,754,826	1,636,237	524,551	1,020,658	21,294,537	44,230,809
Return on capital employed (1),(3) .....	44%	38%	92%	-	-	-
Accounts receivable.....	7,227,154	1,637,888	207,337	321,466	-	9,393,845
Cash and cash equivalents and investments in liquid and short-term mutual funds .....	1,177,275	226,145	180,460	443,424	19,202,399	21,229,703
Depreciation.....	1,175,560	105,668	49,633	28,771	35,779	1,395,411

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

(2) Reconciling items include assets of the discontinued ISP division.

(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. 656,240 as of December 31, 2002 and 2003 has been reported as a component of reconciling items.

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

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

	<b>Nine months ended December 31,</b>	
	<b>2002</b>	<b>2003</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
India.....	Rs. 8,693,309	Rs. 9,348,698
United States.....	14,257,272	22,130,859
Europe.....	6,107,150	7,696,736
Rest of the world.....	1,516,149	1,643,197
	<u>Rs. 30,573,880</u>	<u>Rs. 40,819,490</u>

#### **NOTE 7: RECLASSIFICATIONS**

As of December 31, 2002, and March 31, 2003, the Company held investments in liquid mutual funds aggregating Rs. 8,449,066 and Rs. 7,813,400 respectively, which were previously reported as cash equivalents. During the current period, the Company has reclassified these investments as a component of investments in liquid and short-term mutual funds. The reclassification had no impact on reported net income or stockholders' equity. The reclassification decreased the previously reported net cash provided by investing activities for the nine months ended December 31, 2002, by Rs. 4,323,024.