

WIPRO LIMITED AND SUBSIDIARIES

**FINANCIAL STATEMENTS DERIVED FROM AUDITED CONSOLIDATED
FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH U.S. GAAP
AS OF AND FOR THE YEAR ENDED MARCH 31, 2005**

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

| | As of March 31, | | |
|---|----------------------|----------------------|---|
| | 2004 | 2005 | 2005 |
| | | | Convenience translation into US\$ (unaudited) |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | Rs. 3,297.16 | Rs. 5,670.76 | \$ 130.00 |
| Accounts receivable, net of allowances | 10,972.94 | 14,806.36 | 339.44 |
| Costs and earnings in excess of billings on contracts in progress..... | 2,099.84 | 2,739.65 | 62.81 |
| Inventories | 1,438.19 | 1,769.16 | 40.56 |
| Investments in liquid and short-term mutual funds..... | 18,479.05 | 22,957.59 | 526.31 |
| Deferred income taxes..... | 279.37 | 242.17 | 5.55 |
| Other current assets | 4,772.08 | 2,950.58 | 67.64 |
| Total current assets | 41,338.63 | 51,136.27 | 1,172.31 |
| Property, plant and equipment, net | 9,257.20 | 13,201.28 | 302.64 |
| Investments in affiliates (Note 4) | 619.56 | 769.24 | 17.64 |
| Deferred income taxes..... | 161.77 | 209.31 | 4.80 |
| Intangible assets, net..... | 222.86 | 363.11 | 8.32 |
| Goodwill (Note 3)..... | 5,368.70 | 5,614.98 | 128.72 |
| Other assets | 769.59 | 780.92 | 17.90 |
| Total assets..... | <u>Rs. 57,738.31</u> | <u>Rs. 72,075.11</u> | <u>\$ 1,652.34</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Borrowings from banks | Rs. 969.05 | Rs. 563.97 | \$ 12.93 |
| Accounts payable..... | 2,732.58 | 3,713.22 | 85.13 |
| Accrued expenses | 2,665.17 | 3,882.00 | 89.00 |
| Accrued employee costs..... | 2,012.47 | 3,112.94 | 71.36 |
| Advances from customers..... | 962.75 | 1,279.64 | 29.34 |
| Other current liabilities | 1,348.41 | 2,135.16 | 48.95 |
| Total current liabilities..... | 10,690.43 | 14,686.93 | 336.70 |
| Other liabilities | 276.21 | 126.20 | 2.89 |
| Total liabilities..... | 10,966.64 | 14,813.13 | 339.59 |
| Minority interest | 407.92 | 533.03 | 12.22 |
| Stockholders' equity: | | | |
| Equity shares at Rs. 2 par value: 750,000,000 shares authorized; Issued and outstanding: 698,277,456 and 703,570,522 shares as of March 31, 2004 and 2005 (Note 5)..... | 465.52 | 1,407.14 | 32.26 |
| Additional paid-in capital | 7,176.68 | 13,272.57 | 304.28 |
| Deferred stock compensation | (9.88) | (3,185.14) | (73.02) |
| Accumulated other comprehensive income / (loss)..... | 918.64 | 96.09 | 2.20 |
| Retained earnings | 37,812.87 | 45,138.37 | 1,034.81 |
| Equity shares held by a controlled Trust: 3,943,530 and 3,946,530 shares as of March 31, 2004 and 2005..... | (0.08) | (0.08) | - |
| Total stockholders' equity..... | 46,363.75 | 56,728.95 | 1,300.53 |
| Total liabilities and stockholders' equity..... | <u>Rs. 57,738.31</u> | <u>Rs. 72,075.11</u> | <u>\$ 1,652.34</u> |

See accompanying notes to the condensed consolidated financial statements.

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

| | Year ended March 31, | | |
|--|----------------------|----------------------|--|
| | 2004 | 2005 | 2005 |
| | | | Convenience translation into US\$ (unaudited) |
| Revenues: | | | |
| Global IT Services and Products | | | |
| Services..... | Rs. 43,343.44 | Rs. 60,549.52 | \$ 1388.11 |
| Products..... | 121.90 | 163.70 | 3.75 |
| India and AsiaPac IT Services and Products | | | |
| Services..... | 3,108.51 | 4,709.07 | 107.96 |
| Products..... | 6,304.75 | 8,694.10 | 199.31 |
| Consumer Care and Lighting..... | 3,567.44 | 4,555.38 | 104.43 |
| Others..... | <u>1,987.32</u> | <u>2,680.73</u> | <u>61.46</u> |
| Total..... | <u>58,433.36</u> | <u>81,352.50</u> | <u>1865.03</u> |
| Cost of revenues: | | | |
| Global IT Services and Products | | | |
| Services..... | 27,853.46 | 38,371.47 | 879.68 |
| Products..... | 77.63 | 148.85 | 3.41 |
| India and AsiaPac IT Services and Products | | | |
| Services..... | 1,661.00 | 2,679.35 | 61.42 |
| Products..... | 5,642.53 | 7,814.82 | 179.16 |
| Consumer Care and Lighting..... | 2,354.82 | 2,926.22 | 67.08 |
| Others..... | <u>1,410.50</u> | <u>1,914.06</u> | <u>43.88</u> |
| Total..... | <u>38,999.94</u> | <u>53,854.77</u> | <u>1234.63</u> |
| Gross profit..... | 19,433.42 | 27,497.73 | 630.39 |
| Operating expenses: | | | |
| Selling and marketing expenses..... | (5,278.39) | (5,466.26) | (125.32) |
| General and administrative expenses..... | (3,171.68) | (3,743.60) | (85.82) |
| Research and development expenses..... | (232.05) | (273.54) | (6.27) |
| Amortization of intangible assets..... | (308.23) | (140.29) | (3.22) |
| Foreign exchange gains/(losses), net..... | 377.56 | (92.12) | (2.11) |
| Others, net..... | <u>80.65</u> | <u>75.29</u> | <u>1.73</u> |
| Operating income..... | 10,901.28 | 17,857.21 | 409.38 |
| Loss on direct issue of stock by subsidiary (Note 3)..... | (206.00) | (206.58) | (4.74) |
| Other income, net..... | 868.21 | 798.82 | 18.31 |
| Equity in earnings of affiliates (Note 4)..... | <u>95.99</u> | <u>158.08</u> | <u>3.62</u> |
| Income before income taxes and minority interest..... | 11,659.48 | 18,607.53 | 426.58 |
| Income taxes..... | (1,611.39) | (2,693.57) | (61.75) |
| Minority interest..... | <u>(56.05)</u> | <u>(81.21)</u> | <u>(1.86)</u> |
| Net income..... | <u>Rs. 9,992.04</u> | <u>Rs. 15,832.75</u> | <u>\$ 362.97</u> |
| Earnings per equity share: | | | |
| Basic..... | 14.40 | 22.76 | 0.52 |
| Diluted..... | 14.39 | 22.58 | 0.52 |
| Weighted average number of equity shares used in computing earnings per equity share: | | | |
| Basic..... | 693,870,390 | 695,777,186 | 695,777,186 |
| Diluted..... | 694,545,321 | 699,923,391 | 699,923,391 |

See accompanying notes to the 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 | Deferred | Comprehensive | Accumulated | Retained | Equity Shares held by a | | Total | | |
|---|--------------------|---------------------|---------------------|-----------------------|----------------------|-------------------|----------------------|---|------------------|----------------------|--------|-------------------------|
| | No. of Shares | Amount | Paid in Capital | Stock Compensation | | Comprehensive | | Other Comprehensive Income / (loss) | Earnings | Controlled Trust | | Stockholders' Equity |
| | | | | | | | | | | No. of Shares | Amount | |
| Balance as of March 31, 2004 | <u>698,277,456</u> | <u>Rs. 465.52</u> | <u>Rs. 7,176.68</u> | <u>Rs. (9.88)</u> | - | <u>Rs. 918.64</u> | <u>Rs. 37,812.87</u> | <u>(3,943,530)</u> | <u>Rs.(0.08)</u> | <u>Rs. 46,363.75</u> | | |
| Cash dividends paid..... | - | - | - | - | - | - | (7,575.99) | - | - | (7,575.99) | | |
| Issuance of equity shares on exercise of options | 5,293,066 | 10.36 | 2,566.77 | - | - | - | - | - | - | 2,577.13 | | |
| Equity shares forfeited, net of issuance by Trust | - | - | - | - | - | - | - | (3,000) | - | - | | |
| Stock split effected in the form of stock dividend (Note 5)..... | - | 931.26 | - | - | - | - | (931.26) | - | - | - | | |
| Compensation related to employee stock incentive plan, net of reversals (Note 6)..... | - | - | 3,529.12 | (3,529.12) | - | - | - | - | - | - | | |
| Amortization of compensation related to employee stock incentive plan..... | - | - | - | 353.86 | - | - | - | - | - | 353.86 | | |
| Comprehensive income | | | | | | | | | | | | |
| Net income | - | - | - | - | Rs.15,832.75 | - | 15,832.75 | - | - | 15,832.75 | | |
| Other comprehensive income / (loss) | | | | | | | | | | | | |
| Translation adjustments..... | - | - | - | - | 29.69 | - | - | - | - | - | | |
| Unrealised gain on investment securities net | - | - | - | - | 92.92 | - | - | - | - | - | | |
| Unrealized loss on cash flow hedging derivatives | - | - | - | - | (945.16) | - | - | - | - | - | | |
| Total other comprehensive income / (loss) . | - | - | - | - | <u>(822.55)</u> | (822.55) | - | - | - | (822.55) | | |
| Comprehensive income | | | | | <u>Rs. 15,010.20</u> | | | | | | | |
| 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> | | |
| Balance as of March 31, 2005 (unaudited) (\$)..... | | <u>\$ 32.26</u> | <u>\$ 304.28</u> | <u>\$ (73.02)</u> | | <u>\$ 2.20</u> | <u>\$ 1,034.81</u> | <u>-</u> | <u>-</u> | <u>\$ 1,300.53</u> | | |

See accompanying notes to the condensed consolidated financial statements.

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

| | Year ended March 31, | | |
|---|----------------------|---------------------|--|
| | 2004 | 2005 | 2005 Convenience translation into US\$ (unaudited) |
| Cash flows from operating activities: | | | |
| Net income..... | Rs. 9,992.04 | Rs. 15,832.75 | \$ 362.97 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Gain on sale of property, plant and equipment..... | (107.00) | (108.82) | (2.49) |
| Depreciation and amortization..... | 2,280.08 | 2,578.25 | 59.11 |
| Deferred tax benefit..... | (76.22) | (83.05) | (1.90) |
| Loss on sale of investment securities..... | 2.07 | - | - |
| Loss on direct issue of stock by affiliate..... | 206.00 | 206.58 | 4.74 |
| Amortization of deferred stock compensation..... | 44.87 | 353.86 | 8.11 |
| Equity in earnings of affiliates..... | (95.99) | (158.08) | (3.62) |
| Minority interest..... | 56.05 | 81.21 | 1.86 |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable..... | (2,935.54) | (3,833.42) | (87.88) |
| Costs and earnings in excess of billings on contracts in progress.... | (640.87) | (639.81) | (14.67) |
| Inventories..... | 11.31 | (330.97) | (7.59) |
| Other assets..... | (877.76) | 856.35 | 19.63 |
| Accounts payable..... | 267.70 | 980.64 | 22.48 |
| Accrued expenses and employee costs..... | 1,989.17 | 2,317.30 | 53.12 |
| Advances from customers..... | 65.76 | 316.89 | 7.26 |
| Other liabilities..... | 633.52 | 636.76 | 14.60 |
| Net cash provided by operating activities..... | <u>10,815.19</u> | <u>19,006.44</u> | <u>435.73</u> |
| Cash flows from investing activities: | | | |
| Expenditure on property, plant and equipment..... | (4,134.67) | (6,612.81) | (151.60) |
| Proceeds from sale of property, plant and equipment..... | 122.83 | 322.00 | 7.38 |
| Dividends received from affiliates..... | 10.50 | 8.40 | 0.19 |
| Purchase of investments in liquid and short-term mutual funds..... | (18,546.15) | (70,698.67) | (1,620.79) |
| Proceeds from sale of liquid and short-term mutual funds..... | 7,894.99 | 66,383.54 | 1,521.86 |
| Proceeds from sale and maturities of other investment securities..... | 526.97 | - | - |
| Redemption/maturity of inter-corporate deposits..... | 285.80 | - | - |
| Purchase of intangible assets..... | (50.00) | (280.54) | (6.43) |
| Payment for acquisitions, net of cash acquired..... | (458.25) | (617.99) | (14.17) |
| Net cash used in continuing operations..... | <u>(14,347.98)</u> | <u>(11,496.07)</u> | <u>(263.55)</u> |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of equity shares..... | 239.70 | 2,577.13 | 59.08 |
| Proceeds from issuance of equity shares by a subsidiary..... | 145.87 | 266.25 | 6.10 |
| Proceeds from / (repayments of) short-term borrowing from banks, net..... | 460.53 | (405.08) | (9.29) |
| Repayment of long term debt..... | (28.20) | - | - |
| Payment of cash dividends..... | (262.36) | (7,575.99) | (173.68) |
| Net cash provided by / (used in) financing activities..... | <u>555.54</u> | <u>(5,137.69)</u> | <u>(117.78)</u> |
| Net decrease in cash and cash equivalents during the year..... | (2,977.25) | 2,372.68 | 54.39 |
| Effect of exchange rate changes on cash..... | (8.60) | 0.92 | 0.02 |
| Cash and cash equivalents at the beginning of the year..... | 6,283.01 | 3,297.16 | 75.59 |
| Cash and cash equivalents at the end of the year..... | <u>Rs. 3,297.16</u> | <u>Rs. 5,670.76</u> | <u>\$ 130.00</u> |
| Supplementary information: | | | |
| Cash paid for interest..... | 35.07 | 56.12 | 1.29 |
| Cash paid for taxes..... | 1,499.46 | 2,354.70 | 53.98 |

See accompanying notes to the condensed consolidated financial statements.

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

NOTE 1: BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements of Wipro Limited ("Wipro" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States.

The accompanying 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 year ended March 31, 2005 have been translated into United States dollars at the noon buying rate in New York City on March 31, 2005, for cable transfers in Indian rupees, as certified for customs purposes by the Federal Reserve Bank of New York of \$1= Rs. 43.62. 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 March 31, 2005, a gain of Rs.113.81 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, 2004, the Company held approximately 93% of the outstanding equity shares of Wipro BPO Solutions Limited ("Wipro BPO" formerly known as Wipro Spectramind Services Limited). The remaining shares were held by the employees.

As of March 31, 2004, Wipro BPO also had 4,745,731 employee stock options outstanding under the Wipro BPO option plan. During the year ended March 31, 2005, 4,637,375 options vested and were exercised at a price of Rs. 57. The remaining options were forfeited.

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. 206.58. In accordance with the

accounting policy adopted by the Company, this decline in carrying value has been included in the statement of income for the year ended March 31, 2005 as a loss on direct issue of stock by subsidiary.

The shares arising out of the option exercise 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.

During the year ended March 31, 2005, the Company acquired 4,147,561 shares from the employees for an aggregate consideration of Rs. 617.99. The excess of consideration paid over the carrying value of minority interest acquired amounting to Rs. 189.12 has been recorded as goodwill.

As a result of the above transactions, as of March 31, 2005, the Company's ownership interest in Wipro BPO remains approximately at 93%.

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 March 31, 2004 and 2005 was Rs. 456.46 and Rs. 582.41, respectively. The Company's equity in the income of Wipro GE for year ended March 31, 2004 and 2005 was Rs. 55.86 and Rs. 125.95, respectively.

WeP Peripherals

The Company has accounted for its 40.5% and 37.7% interest as of March 31, 2004 and 2005, respectively in WeP Peripherals by the equity method. The carrying value of the equity investment in WeP Peripherals as of March 31, 2004 and 2005, was Rs. 163.10 and Rs. 186.83 respectively. The Company's equity in the income of WeP Peripherals for the year ended March 31, 2004 and 2005 was Rs. 40.13 and Rs. 32.13 respectively. During the year ended March 31, 2004 and 2005 the Company received dividends of Rs. 10.50 and Rs. 8.40, respectively from WeP Peripherals.

NOTE 5: STOCK DIVIDEND

In June 2004, the members of the Company approved a stock dividend in the ratio of 2 additional equity shares or ADS for every equity share or ADS held. Accordingly, the Company has issued 465,631,260 additional shares and has transferred an amount of Rs. 931.26 from retained earnings to equity shares. Share and per share data for all periods reported have been adjusted to reflect the stock dividend.

NOTE 6 : RESTRICTED STOCK UNIT PLAN

In June 2004, the Company established an option plan titled Wipro Restricted Stock Unit Plan ("WRSUP 2004") and Wipro ADS Restricted Stock Unit Plan ("WARSUP 2004"). The Company is authorized to issue up to 6,000,000 Restricted Stock Units ("RSUs") to eligible employees under each plan.

RSUs vest over a period of five years from the date of grant and upon vesting the employees have an option to acquire one equity share for every RSU. The RSUs 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 and amortized over the vesting period.

During the year ended March 31, 2005, the Company granted 4,759,828 RSUs under the WRSUP 2004 plan and 768,050 RSUs under the WARSUP 2004 Plan. The deferred compensation cost of Rs. 3,529.12 arising from such grants will be amortized over the vesting period of five years.

During the year ended March 31, 2005 the Company has amortized Rs. 345.62 of deferred compensation cost.

NOTE 7: SECURITIZATIONS AND TRANSFERS OF RECEIVABLES

From time to time, in the normal course of business, the Company may securitize or sell employee advances and trade receivables to banks with limited or without recourse and/or discounts. The receivables are removed from the consolidated balance sheet at the time they are sold and the risk of loss has transferred to the purchaser. The Company retains servicing responsibility of the transferred receivable or advances. The value assigned to the retained interests in securitized trade receivables or employee advances is based on the relative fair values of the interest sold and servicing responsibility in the securitization. Gains or losses on the sale of the receivables or advances depend in part on the previous carrying amount of the financial assets involved in the transfer, allocated between the assets sold, servicing responsibility and recourse obligations based on their relative fair value at the date of transfer.

During the year ended March 31, 2005, the Company sold Rs. 737.80 of trade receivables and employee advances and recognized Rs. 42.03 of loss.

NOTE 8: 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. 2,616.60, 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 March 31, 2004 and March 31, 2005, the net exposure of the Company was Rs. 2,315.57 and Rs. 4,737.95, respectively.

NOTE 9: 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 year has been reclassified on a comparable basis.

Information on reportable segments is as follows:

Year ended March 31, 2004

| | Global IT Services and Products | India and AsiaPac IT Services and Products | Consumer Care and Lighting | Others | Reconciling Items | Entity Total |
|--|---------------------------------------|---|-------------------------------|-------------------|----------------------|----------------------|
| Revenues..... | Rs. 43,465.34 | Rs. 9,413.26 | Rs. 3,567.44 | Rs. 1,987.32 | - | Rs. 58,433.36 |
| Exchange rate fluctuations..... | 309.72 | 32.19 | 0.05 | (2.40) | (339.56) | - |
| Total revenues..... | 43,775.06 | 9,445.45 | 3,567.49 | 1,984.92 | (339.56) | 58,433.36 |
| Cost of revenues..... | (27,931.09) | (7,303.53) | (2,354.82) | (1,410.50) | - | (38,999.94) |
| Selling and marketing expenses.. | (3,520.08) | (919.04) | (595.78) | (218.34) | (25.15) | (5,278.39) |
| General and administrative expenses..... | (2,492.72) | (492.52) | (72.16) | (48.05) | (66.23) | (3,171.68) |
| Research and development expenses..... | (232.05) | - | - | - | - | (232.05) |
| Amortization of intangible assets..... | (299.54) | - | (8.69) | - | - | (308.23) |
| Exchange rate fluctuations..... | - | - | - | - | 377.56 | 377.56 |
| Others, net..... | 0.53 | 31.10 | 10.28 | (0.30) | 39.04 | 80.65 |
| Operating income of segment | <u>Rs. 9,300.11</u> | <u>Rs. 761.46</u> | <u>Rs. 546.32</u> | <u>Rs. 307.73</u> | <u>Rs. (14.34)</u> | <u>Rs. 10,901.28</u> |
| Total assets of segment (3)..... | Rs. 28,610.00 | Rs. 5,257.11 | Rs. 1,199.67 | Rs. 1,643.83 | Rs. 21,027.70 | Rs. 57,738.31 |
| Capital employed (3)..... | 23,183.87 | 2,113.27 | 622.19 | 1,195.78 | 20,901.82 | 48,016.93 |
| Return on capital Employed (2),(3)..... | 44% | 49% | 85% | - | - | - |
| Accounts receivable..... | 7,658.31 | 2,688.38 | 227.38 | 398.87 | - | 10,972.94 |
| Cash and cash equivalents and investments in liquid and short-term mutual funds..... | 2,598.92 | 168.24 | 167.30 | 502.94 | 18,338.81 | 21,776.21 |
| Depreciation..... | 1,686.50 | 131.81 | 67.36 | 38.28 | 47.90 | 1,971.85 |

Year ended March 31, 2005

| | Global IT Services and Products | India and AsiaPac IT Services and Products | Consumer Care and Lighting | Others | Reconciling Items | Entity Total |
|--|---------------------------------------|---|-------------------------------|-------------------|----------------------|----------------------|
| Revenues..... | Rs. 60,713.22 | Rs. 13,403.17 | Rs. 4,555.38 | Rs. 2,680.73 | - | Rs. 81,352.50 |
| Exchange rate fluctuations..... | (24.11) | (8.62) | (0.23) | (6.74) | 39.70 | - |
| Total revenues..... | 60,689.11 | 13,394.55 | 4,555.15 | 2,673.99 | 39.70 | 81,352.50 |
| Cost of revenues..... | (38,520.32) | (10,494.17) | (2,926.22) | (1,914.06) | - | (53,854.77) |
| Selling and marketing expenses... | (3,223.47) | (1,150.26) | (876.68) | (184.10) | (31.75) | (5,466.26) |
| General and administrative expenses..... | (2,739.10) | (787.66) | (82.26) | (126.93) | (7.65) | (3,743.60) |
| Research and development expenses..... | (273.54) | - | - | - | - | (273.54) |
| Amortization of intangible assets..... | (122.00) | - | (18.29) | - | - | (140.29) |
| Exchange rate fluctuations..... | - | - | - | - | (92.12) | (92.12) |
| Others, net..... | 14.56 | 7.21 | 19.11 | 17.54 | 16.87 | 75.29 |
| Operating income of segment(1)..... | <u>Rs. 15,825.24</u> | <u>Rs. 969.67</u> | <u>Rs. 670.81</u> | <u>Rs. 466.44</u> | <u>Rs. (74.95)</u> | <u>Rs. 17,857.21</u> |
| Total assets of segment (3)..... | Rs. 38,044.59 | Rs. 5,676.32 | Rs. 1,670.62 | Rs. 1,948.26 | Rs. 24,735.32 | Rs. 72,075.11 |
| Capital employed (3)..... | 29,411.85 | 1,594.54 | 936.44 | 1,403.21 | 24,606.37 | 57,952.41 |
| Return on capital employed (2),(3)..... | 60% | 52% | 86% | - | - | - |
| Accounts receivable..... | 11,743.03 | 2,292.42 | 263.66 | 507.25 | - | 14,806.36 |
| Cash and cash equivalents and investments in liquid and short-term mutual funds..... | 5,397.80 | 101.85 | 142.63 | 493.40 | 22,492.67 | 28,628.35 |
| Depreciation..... | 2,182.53 | 93.32 | 65.54 | 47.90 | 48.67 | 2,437.96 |

(1) Operating income from Global IT Services and Products for the year ended March 31, 2005 is after amortization of Rs. 310.17 of deferred stock compensation cost arising from the grant of RSUs.

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

(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 March 31, 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:

| | Year ended March 31, | |
|------------------------|-----------------------------|----------------------|
| | 2004 | 2005 |
| India..... | Rs. 14,782.65 | Rs. 19,349.64 |
| United States..... | 30,868.82 | 41,811.59 |
| Europe..... | 10,458.73 | 16,602.35 |
| Rest of the world..... | <u>2,323.16</u> | <u>3,588.92</u> |
| | <u>Rs. 58,433.36</u> | <u>Rs. 81,352.50</u> |

NOTE 9: RECLASSIFICATIONS

In March 31, 2004, the Company reported an aggregate amount of selling, general and administrative expenses. During the current year, the Company has reported selling and marketing expenses and general and administrative expenses separately. Amounts reported in prior years have been reclassified to conform to the current year presentation.