
AUDITORS' REPORT

To the members of WIPRO LIMITED

We have audited the attached Balance Sheet of Wipro Limited as at March 31, 2000 and also the annexed Profit & Loss Account for the year ended on that date, and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far appears from our examination of the books.
3. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Profit and Loss Account and Balance Sheet dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said account, read together with the notes thereon give information required by the Companies Act, 1956, in the manner so required and
 - a) give a true and fair view of the state of affairs of the Company as at March 31, 2000; in case of the Balance Sheet and
 - b) subject to withdrawal of Rs. 52 Million from capital reserve to offset the impact on Profit and Loss Account of reduction in the carrying value of stock - in - trade (land) (refer Note 2 of Schedule 18), give a true and fair view of the Profit for the year ended on that date in case of the Profit & Loss Account.
6. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that:
 - (i) The Company has maintained proper records showing quantitative details and the situation of its fixed assets. A major portion of fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of fixed assets by the management is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancy has been noticed between the book records and the assets physically verified.
 - (ii) None of the fixed assets of the Company have been revalued during the year.
 - (iii) Stocks of finished goods, stores, spare parts and raw materials other than with the third parties have been physically verified by the management at reasonable intervals. There is a process of obtaining confirmation in respect of stores with third parties.
 - (iv) In our opinion and according to the information and explanations given to us, the procedures for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (v) The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
 - (vi) In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.
 - (vii) The company has not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management as defined under Section 370(1-B) of the Companies Act, 1956.
 - (viii) The Company has granted unsecured interest free/interest-bearing loans to its subsidiaries which are listed in the register maintained under Section 301 of the Companies Act, 1956. The terms and conditions of such loans are, prima facie, not prejudicial to the interest of the Company.
 - (ix) In respect of loans and advances in the nature of loans given by the Company, the parties/employees have generally repaid the principal amount and interest as per terms, wherever stipulated.
 - (x) The Company has adequate internal control procedures commensurate with its size and nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
 - (xi) The Company has transactions for sale of goods, materials and services with its joint venture/subsidiary companies, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party. As per the information and explanations given to us, certain transactions are of special nature, for which either the comparative market prices are not available or comparison with market prices is not practicable. Other transactions with such parties have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which the transaction for similar

goods, materials or services have been made with the other parties.

- (xii) As explained to us, the Company has a regular procedure for determination of unserviceable or damaged stores and raw-material. In our opinion adequate provision has been made in the accounts for the estimated loss on the items so determined.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and directives issued by the Reserve Bank of India with regard to the deposits accepted from the public.
- (xiv) In our opinion, the Company has maintained reasonable records for the sale and disposal of realisable by-products and scrap.
- (xv) The Company has a system of internal audit which is commensurate with its size and nature of business.
- (xvi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of Cost records in respect of the Vanaspati, Soaps and Lighting products under Section 209(1)(d) of the Companies Act, 1956 and are of opinion that, prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (xvii) The Company has been generally regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities, except that in a few cases there were minor delays in depositing the dues.
- (xviii) There are no undisputed amounts in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which, as at the Balance Sheet date, were outstanding for a period of more than six months from the date they become payable.
- (xix) On the basis of our examination of the books of account and the information and explanations given to us, there are no personal expenses which have been charged to the revenue account other than those incurred in terms of contractual obligations or in accordance with generally accepted business practice.
- (xx) The Company is not a sick industrial Company within the meaning of Section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xxi) In respect of service activities, the Company has a reasonable system, commensurate with its size and nature of business for:
 - a) recording receipts, issues and consumption of materials and allocating materials consumed to the relative jobs/projects.
 - b) allocating man-hours utilised to the respective jobs/projects.
 - c) authorisation at appropriate levels and an adequate system of internal control on issue of stores and allocation of stores and manpower to jobs/projects.
- (xxii) The business activity carried on by the Company includes letting out immovable property on rental basis. For such activities, maintenance of records of materials, stores, man-hours etc., is not considered necessary.
- (xxiii) As regards the trading activity of the Company during the year, damaged goods were determined and suitable value adjustment was made in the books of account.

For N.M. Raiji & Co
Chartered Accountants

J.M. Gandhi
Partner

Place : Bangalore
Date : April 26, 2000

BALANCE SHEET AS AT MARCH 31, 2000

	Schedule	Rs.000s	Year ended Mar 31, 2000 Rs.000s	Year ended Mar 31, 1999 Rs.000s
SOURCES OF FUNDS				
Shareholders' funds				
Share capital	1	708,313		708,313
Reserves and surplus	2	6,994,576	7,702,889	4,762,458
				5,470,771
Loan funds				
Secured loans	3	492,319		2,784,395
Unsecured loans	4	86,669		26,304
			578,988	2,810,699
			8,281,877	8,281,470
APPLICATION OF FUNDS				
Fixed assets	5			
Gross block		6,757,891		5,615,301
Less : Depreciation		2,928,679		2,330,326
Net block			3,829,212	3,284,975
Capital work-in-progress and advances			708,824	859,290
			4,538,036	4,144,265
Investments	6		446,298	625,449
Current assets, loans and advances				
Inventories	7	1,340,159		1,368,418
Sundry debtors	8	4,469,381		3,154,306
Cash and bank balances	9	747,290		367,379
Loans and advances	10	1,226,562		1,783,199
			7,783,392	6,673,302
Less : Current liabilities and provisions				
Liabilities	11	4,047,587		2,864,327
Provisions	12	438,262		297,219
			4,485,849	3,161,546
Net Current Assets			3,297,543	3,511,756
			8,281,877	8,281,470
Significant Accounting policies and Notes to Accounts	18			

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED MARCH 31, 2000**INCOME**

Sales and services		23,723,880	18,308,448
Other income	13	270,064	222,394
		23,993,944	18,530,842

EXPENDITURE

Raw materials, finished goods and process stocks	14	8,625,323	8,247,500
Manufacturing, administrative and marketing expenses	15	10,142,403	7,080,978
Excise duty		864,922	491,136
Interest	16	286,682	355,877
Depreciation - Net (Refer note 6)		698,543	645,299
		20,617,873	16,820,790
Less : Capitalised (Refer Note 13)		130,606	54,283
		20,487,267	16,766,507

PROFIT BEFORE TAXATION AND NON-RECURRING ITEMS

Provision for taxation (Refer Note 14)		3,506,677	1,764,335
		501,000	62,000

PROFIT AFTER TAX BEFORE NON-RECURRING ITEM

Non-recurring / extraordinary items	17	3,005,677	1,702,335
		523,091	580,900
PROFIT FOR THE PERIOD		2,482,586	1,121,435

Appropriations

Interim dividend on Preference shares		25,625	6,459
Interim Dividend on Equity Shares (Refer note 17)		68,747	-
Proposed dividend on equity / preference shares		-	69,870
Corporate dividend tax		10,392	7,633
Transfer to general reserve		2,377,820	1,037,473

Significant Accounting policies and Notes to Accounts

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As per our report attached

For N M Raiji & Co.
Chartered Accountants

J M Gandhi
Partner

Bangalore, April 26, 2000

Suresh C Senapaty
(Corporate Executive Vice President-Finance)

Satish Menon
(Company Secretary and Corporate Counsel)

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman and Managing Director)

Hamir K Vissanji (Director)
N Vaghul (Director)

Bangalore, April 26, 2000

SCHEDULE 1 SHARE CAPITAL**Authorised**

	Year ended Mar 31, 2000 Rs.000s	Year ended Mar 31, 1999 Rs.000s
235,000,000 Equity Shares of Rs 2 each (1999 : 46,000,000 equity shares of Rs 10 each)	470,000	460,000
2,500,000 (1999 : 2,500,000) 10.25 % Redeemable Cumulative Preference Shares of Rs 100 each.	250,000	250,000
	720,000	710,000

Issued, subscribed and paid-up

229,156,350 equity shares of Rs 2 each (1999 : 45,831,270 equity shares of Rs 10 each)	458,313	458,313
2,500,000 (1999 : 2,500,000) 10.25 % Redeemable Cumulative Preference Shares of Rs 100 each.	250,000	250,000
	708,313	708,313

Notes:

- The par value of the equity shares have been reduced from Rs 10 to Rs 2
- Of the above equity shares :
 - 226,905,825 equity shares of Rs 2 (1999 : 45,381,165 equity shares of Rs 10 each), have been allotted as fully paid bonus shares by capitalisation of Share Premium of Rs 32,639 and General Reserves of Rs 421,173
 - 1,325,525 equity shares of Rs 2 (1999 : 2,65,105 equity shares of Rs 10 each) have been allotted as fully paid-up, pursuant to a scheme of amalgamation, without payment being received in cash
- Preference shares are redeemable at par in December 2000.

SCHEDULE 2 RESERVES AND SURPLUS

	01/04/1999 Rs.000s	Additions Rs.000s	Deductions Rs.000s	31/03/00 Rs.000s
Capital Reserve	166,047	-	52,000 (b)	114,047
	248,297	750 (a)	83,000	166,047
Capital Redemption Reserve	38	-	-	38
	38	-	-	38
Revaluation Reserve	1,110,455	-	63,345 (c)	1,047,110
	1,170,894	-	60,439	1,110,455
Debenture Redemption Reserve	6,666	-	6,666 (d)	-
	16,666	-	10,000	6,666
Investment Allowance Reserve	15,022	-	522 (d)	14,500
	29,244	-	14,222	15,022
General Reserve	3,464,230	2,385,008 (e)	30,357 (f)	5,818,881
	2,402,535	1,061,695	-	3,464,230
	4,762,458	2,385,008	152,890	6,994,576
	3,867,674	1,062,445	167,661	4,762,458

Previous year's figures are given below current year's figures.

- Capital subsidies received
- Transfer to Profit and Loss account Rs 52,000 (1999 : Rs 83,000).
- Transfer to Profit and Loss account Rs 45,546 (1999 : Rs 60,161) and reduction on account of sale of revalued assets and other adjustments Rs 17,799 (1999 : Rs 277)
- Transfers to General reserve.
- Transfer from Profit and Loss account Rs 2,377,820 (1999 : Rs 1,037,473), Debenture Redemption Reserve Rs. 6,666 (1999 : Rs 10,000) and Investment Allowance Reserve Rs 522 (1999 : Rs 14,222)
- Deficit arising on account of amalgamation of Wipro Computers Limited with Wipro Limited reduced from general reserve (refer note 7)

		Rs.000s	Year ended Mar 31, 2000 Rs.000s	Year ended Mar 31,1999 Rs.000s
SCHEDULE 3 SECURED LOANS				
Debentures	Notes			
From Banks	a		-	13,333
Line of Credit from Consortium of Banks	b		96,091	1,573,746
External Commercial Borrowings (Refer Note 9)	c		269,453	413,227
From financial institutions				
Asset credit scheme	d	88,200		109,378
Term loans	e	36,900		658,357
Bills discounting facility - SIDBI	f	-		14,472
			125,100	782,207
Development loan from the Government of Karnataka	g		1,675	1,675
Others	h		-	207
			492,319	2,784,395

Notes :

- a. i. Rs.20,000 14% non-convertible debentures redeemable in three equal annual instalments which commenced on May 6,1997 and 5 % premium paid on May 6, 1998. The above debentures are secured/to be secured by a pari passu charge on certain fixed assets of the Company.
- ii. Rs.20,000 18.5% non-convertible debentures redeemable in three equal annual instalments which commenced on March 23, 1998 and 5% premium paid on March 23, 2000. The debentures are secured/to be secured by second charge on the movable and immovable assets of the Company except book debts.
- b. Secured by hypothecation of stock-in-trade, book debts, stores and spares, and secured/to be further secured by a second mortgage over certain immovable properties. Includes Rs Nil (1999 : Rs. 23,293) foreign currency loan secured by first charge over the collections from overseas clients and charge on current assets.
- c. Foreign currency loan secured by hypothecation of movable fixed assets in certain software development centres at Bangalore and specific plant and machinery of Fluid Power unit.
- d. Secured by hypothecation of specific machinery/assets.
- e. i. Rs. Nil (1999 : Rs 57,878) secured by first mortgage on immovable properties and hypothecation of movable assets except book debts of the Lighting unit;
- ii. Rs Nil (1999 : Rs. 8,579) secured by a first mortgage on immovable properties and hypothecation of movable fixed assets of the plant at Hindupur;
- iii. Rs. Nil (1999 : Rs. 25,000) secured by hypothecation of movable fixed assets in certain software development centres at Bangalore and Hyderabad;
- iv. Rs. 16,600 (1999 : Rs. 31,600) secured/to be secured by a pari passu second mortgage on all immovable properties;
- v. Rs. 20,300 (1999 : Rs. 35,300) secured by a first charge on certain movable properties at Bangalore;
- vi. Rs. Nil (1999 : Rs 500,000) secured by a pari passu charge on immovable and movable properties at the lighting unit and a first charge on immovable and movable properties both present and future of certain software development centres.
- f. Secured/to be secured by pari passu second mortgage on immovable properties at Mysore and Aurangabad;
- g. 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 b above.
- h. Secured by hypothecation of motor cars.

		Rs.000s	Year ended Mar 31, 2000 Rs.000s	Year ended Mar 31,1999 Rs.000s
SCHEDULE 4 UNSECURED LOANS				
Fixed Deposits			886	891
Short term loans and advances				
From banks		-		21
Others		49,692		-
			49,692	21
Other loans and advances				
Interest free loan from Government		34,841		24,142
Loans from state financial institutions		1,250		1,250
			36,091	25,392
			86,669	26,304

SCHEDULE 5 FIXED ASSETS

Particulars	GROSS BLOCK			PROVISION FOR DEPRECIATION			NET BLOCK	
	Value as on April 1, 1999	Additions during the year	Deductions/ Adjustments during the year	Value as on March 31, 2000	At April 1, 1999	Depreciation for 1999-2000	As at Mar 31, 2000	As at Mar 31, 1999
Land	291,694	85,542	0	377,336	301	51	376,984	291,362
Buildings	1,081,749	235,762	17,016	1,300,495	107,616	24,822	1,168,663	974,133
Railway siding	4,000	-	-	4,000	3,199	400	401	801
Plant & Machinery	3,623,026	723,322	149,134	4,197,214	1,952,360	573,047	1,794,589	1,670,666
Furniture, Fixture and Equipments	454,076	205,765	8,127	651,714	161,443	102,445	274,865	272,833
Vehicles	155,531	76,068	13,870	217,729	83,990	40,073	110,736	71,541
Technical know-how	5,205	4,177	-	9,382	1,397	3,250	106,091	3,808
Patents and trade marks	21	-	-	21	20	1	4,735	-
Previous year	5,615,301	1,330,736	188,147	5,757,891	2,330,326	744,089	3,829,212	3,284,975
	4,911,054	1,021,353	317,106	5,615,301	1,730,915	705,463	3,284,976	3,171,139

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 at on the basis of market values, present condition and balance expected useful life of the asset. Where relevant, the 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	Net block	Revalued Net Block
Land	123,532	-	123,532	166,037
Buildings (including tenancy rights)	685,341	37,541	647,800	791,004
Railway sidings	3,968	2,368	1,000	1,000
Plant & Machinery	771,697	945,576	526,121	1,644,994
Furniture, fixtures and equipments	-	-	-	128,543
Vehicles	-	-	-	84,405
Patents & Trade marks	(7,302)	(7,360)	58	1
Technical know-how	-	-	-	2,806
Total	1,577,256	278,745	1,298,511	2,818,882

b. Additions to Gross Block and deductions / adjustments of depreciation block include Rs 28,270 and Rs 10,643 respectively of assets of Wipro Computers Limited taken over on amalgamation (refer note 7).

c. Land includes leasehold land Rs 11,817 (1999 : Rs 11,817)

d. Buildings:

i. Includes shares worth Rs. 2 (1999 : Rs 2) in co-operative house societies

ii. Includes leasehold land property Rs. 4,241 (1999 : Rs 4,241)

iii. Is net of depreciation during construction period

Gross block includes assets acquired on hire purchase Rs 13,195 (1999 : Rs 13,195)

e. Additions include Rs. 10,774 (1999 : Rs 51,847) being difference in exchange / forward contract premium on foreign currency borrowings for acquisition of fixed assets.

f. Depreciation charged to profit and loss account is net of Rs 45,546 (1999 : Rs 60,161) transferred from revaluation reserve.

g. Deduction / adjustment in gross block includes Rs 23,721 (1999 : Rs 12,821) pertaining to revalued amount on sale / discard / adjustment by adjusting revaluation reserve.

h. Deduction / adjustment in provision for depreciation includes Rs 5,922 (1999 : Rs 12,544) pertaining to revalued depreciation amount on sale / discard / adjustment by adjusting revaluation reserve.

i. During the year the Consumer Care group of the Company acquired glass manufacturing unit at Mysore. The Company has already taken possession of the fixed assets, however its ownership (Gross value of Rs. 52,500) is yet to be transferred, so the Company of the seller landlords are yet to release charge over those assets. The factory and other licences are also yet to be transferred in the name of the Company.

SCHEDULE 6 INVESTMENTS

(Long term - at cost)

All shares are fully paid up

Investments in subsidiary companies

Unquoted

Equity shares

	Number	Face value In Rupees	Year ended Mar 31, 2000 Rs.000s	Year ended Mar 31,1999 Rs.000s
Wipro Prosper Ltd (formerly Inlec Investment Ltd)	200	10	2	2
Wipro Trademark Holdings Ltd (formerly Wipro Investment Ltd)	200	10	2	2
Wipro Computers Ltd (formerly Wipro Acer Ltd)(refer note 7)			-	82,500
Wipro Inc, USA	992	US \$ 2500	105,940	105,940
Wipro Japan KK, Japan	650	50,000 Japanese Yen	9,738	9,738
Wipro Net Limited (note a, b) (4,694,795 shares sold during the year)	10,524,385	10	105,244	152,192
Wipro Welfare Limited (Formerly Wipro Factors Ltd.)	66,171	10	662	662
			221,588	351,036

Preference Shares

9% Cumulative redeemable preference shares in

Wipro Trademark Holdings Ltd (formerly Wipro Investment Ltd)	1,800	10	18	18
			18	18

Investments in equity shares of other companies**Quoted****Trade investments**

Dynatomic Technologies Ltd	100	10	1	1
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Other investments

HDFC Bank Ltd	100	10	1	1
Kashyap Radiant Systems Ltd (note c)	500,000	10	5,000	-
			5,002	2

Unquoted

Wipro GE Medical Systems Ltd (note a)	4,900,000	10	49,000	49,000
Wipro Finance Ltd (note d) (46,142,857 shares acquired and 48,314,144 shares sold during the year)	48,304,901	10	559,805	650,000
			608,805	699,000

Investment in Preference shares of other Companies

Unquoted

11 % Cumulative convertible preference shares in Wipro Finance Ltd (note d)			-	250,000
Fully Convertible Preference Shares in Wipro Finance Ltd (note d)	2,500,000	100	321,600	
Redeemable Preference shares	2,000,000	100	200,000	
Convertible Preference Shares	3,000,000	100	300,000	
			821,600	250,000

Other Investments**Unquoted**

Redeemable floating interest rate bonds of State Bank of India	2,500	1000	2,500	2,500
Units of Unit Trust of India [repurchase price (1999 : Rs 4,835)]	302,654	10	-	3,793
Bonds of GE Capital Service India Ltd (Refer note 9) [maturity value Rs. 329,500]			276,386	-

Less : Provision for diminution in value of investments

Aggregate book value of quoted investments	5,002	2
Aggregate book value of unquoted investments (net of provision)	441,296	625,447
Aggregate market value of quoted investments	7,531	9

- Notes : a Equity investments in Joint Venture companies carry certain restrictions on transfer of shares that are normally provided in joint venture agreements.
- b Though the Company holds 47 % of equity in Wipro Net Limited, it has been treated as a subsidiary of the Company, by virtue of the provisions of section 4 (1)(a) of the Companies Act, 1956.
- c Shares carry restriction on its sale upto 18 months period from the date of purchase. During this period selling party has a 'Put Option' to buy the shares from the Company at a predetermined price ranging from Rs. 15 to Rs. 20 per share. The lowest Put Option price is considered as market value.
- d Erstwhile subsidiary of the Company.

	Rs 000s	Year ended Mar 31, 2000 Rs.000s	Year ended Mar 31,1999 Rs.000s
SCHEDULE 7 INVENTORIES			
Stores and spares		42,914	67,656
Raw materials		497,545	491,956
Stock-in-process		92,970	100,376
Finished goods		581,730	531,430
Stock-in-trade : Land #		125,000	177,000
		1,340,159	1,368,418

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	258,667	392,924
Considered doubtful	196,603	277,841
	455,270	670,765

Less : Provision for doubtful debts	196,603	277,841
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Others, considered good

258,667	392,924
4,210,714	2,761,382
4,469,381	3,154,306

SCHEDULE 9 CASH AND BANK BALANCES

Cash and cheques on hand		304,316	217,745
Balances with scheduled banks			
On current account	265,012		52,252
In deposit account	2,254		7,674
		267,266	59,926

Balances with other banks in current account

Washington Mutual Bank, U.S.A.	-	7,388
Inkom Bank, Russia	60	60
Bank of America, U.S.A.	-	-
Midland Bank, U.K.	35,872	25,944
Wells Fargo, U.S.A.	139,763	55,578
Nations Bank	13	13
Bank of Montreal	-	725
Great Western Bank	-	-
		175,708
		747,290

Maximum balance during the year:

Washington Mutual Bank, U.S.A.	-	Rs. 51,375 (1999 : Rs. 60,514)
Inkom Bank, Russia	-	Rs. 60 (1999 : Rs. 60)
Bank of America, U.S.A.	-	Rs. Nil (1999 : Rs. 4,522)
Midland Bank, U.K.	-	Rs. 100,263 (1999 : Rs. 50,476)
Wells Fargo, U.S.A.	-	Rs. 762,866 (1999 : Rs. 210,516)
Nations Bank	-	Rs. 13 (1999 : Rs 13)
Bank of Montreal	-	Rs. 27,162 (1999 : Rs. 4,522)
Great Western Bank	-	Rs. Nil (1999 : Rs.42,062)

	Rs.000s	Year ended Mar 31, 2000 Rs.000s	Year ended Mar 31, 1999 Rs.000s
SCHEDULE 10 LOANS AND ADVANCES			
(Unsecured, considered good unless otherwise stated)			
Advances and loans to subsidiaries		1,375	464,881
Advances recoverable in cash or in kind or for value to be received			
Considered good	764,237		767,636
Considered doubtful	55,616		55,120
	819,853		822,756
Less : Provision for doubtful advances	55,616		55,120
		764,237	767,636
Interest receivable		15,735	-
Advance income-tax (net of provision)		-	196,650
Balances with excise and customs		73,390	26,216
Deposits		371,825	327,816
		1,226,562	1,783,199

Notes:

- a Deposits include Rs. 25,000 (1999 : Rs. 25,000) security deposit for premises with a firm in which a Director is interested.
- b Advances include Rs nil (1999 : Rs 405) being advance against commission due to directors. Maximum amount outstanding during the year Rs. Nil.
- c Includes Inter Corporate Deposits Placed Rs 100,000 (1999 : Rs Nil)

SCHEDULE 11 LIABILITIES

Acceptances	12,601	153,965
Sundry creditors	1,359,768	1,349,029
Unclaimed dividend	406	634
Advances from customers	850,958	523,217
Other liabilities	1,430,661	815,651
Balance due to Subsidiary Companies	3,787	-
Interest accrued but not due on loans	1,423	21,831
Other Deposits	387,983	-
	4,047,587	2,864,327

SCHEDULE 12 PROVISIONS

Employee retirement benefits	265,915	206,920
Others	10,045	13,443
Interim Dividend payable	69,870	-
Proposed Dividend	-	69,870
Provision for taxation on proposed dividend	7,686	6,986
Provision for taxes (less payments)	84,746	-
	438,262	297,219

SCHEDULE 13 OTHER INCOME

Dividend (gross)	(a)	14,720	19,725
Interest on bonds/deposits/loans (gross)		-	7
Other interest (gross)	(b)	72,225	40,464
Rental income		18,770	17,012
Profit on sale of Investments		681	-
Profit on sale of fixed assets		16,737	5,094
Income from bills discounting		-	3,354
Miscellaneous income		146,931	136,738
		270,064	222,394

Notes :

- a. Tax deducted at source Rs. Nil (1999 : Rs. 11).
- b. Tax deducted at source Rs. 14,300 (1999 : Rs. 5,515).

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SCHEDULE - 18

SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

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

Revenue recognition

- Sales include applicable excise duty and 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 employees 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

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 each month. Year end balances of foreign currency assets and liabilities are restated at the closing rate/forward contract rate, as applicable; resultant differences on liabilities relating to acquisition of fixed assets are capitalized and on other assets and liabilities 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.

Class of Asset	Depreciation rate applied	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 equipments	19.00	4.75
Vehicles	24.00	9.50

- ii) Depreciation at 100% have been provided on assets costing less than Rs. 5.
- iii) Depreciation on assets other than Data processing equipment and software, which was hitherto provided upto 95% of the cost, has now been provided upto the total cost. As a result of this, depreciation for the year is higher by Rs. 28,154 and profit for the year is lower by an equivalent amount.
2. In the earlier year, 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. During the year, there is a further reduction of Rs. 52,000 in the value of said land compared to carrying value at the beginning of the year. This reduction in value is recognized in the Profit and Loss account and an equivalent amount is drawn from the Capital Reserve created on the conversion, to offset the impact of such reduction on the Profit and Loss account.
3. Estimated amount of contracts remaining to be executed on Capital account and not provided for is Rs. 160,034 (1999 : 478,061)
4. Contingent liabilities in respect of :
- i) Claims against the Company not acknowledged as debts Rs. 8,892 (1999 : Rs. 5,185).
- ii) Guarantees given on behalf of erstwhile subsidiary Rs. 8,625 (1999 : Rs. 154,875); loans outstanding against these guarantees Rs. 2,400 (1999 : 140,957). These are fully secured by cash deposit placed with the Company.
- iii) Guarantees given by Banks on behalf of the Company Rs.449,585.
- iv) Disputed demands for excise, customs, income tax, sales tax and other matters Rs. 189,860 (1999 : Rs. 371,459).
5. During the year-end the company has made provision for excise/customs duty on goods manufactured/imported but not cleared. Such provision was hitherto not made. However, there is no impact on profit for the year on account of this change.
6. Depreciation for the year has been provided on revalued amount. However, depreciation provided on the increase in the value on account of revaluation has been drawn from revaluation reserve created on such revaluation. Depreciation charged to Profit and Loss account is net of Rs.45,546 (1999 : Rs. 60,161) drawn from revaluation reserve.
7. i) During the year, the Company acquired 6,749,955 equity shares of Wipro Acer Limited held by Acer Computer International Inc, Hong Kong, pursuant to which Wipro Acer Limited became a wholly-owned subsidiary of the Company. The name of Wipro Acer Limited was subsequently changed to Wipro Computers Limited.
- ii) Pursuant to the scheme of amalgamation of Wipro Computers Limited (WCL) with the company approved by the Honorable Karnataka High Court, the entire undertaking including all assets and liabilities of WCL were transferred to the company with effect from April 1, 1999. The scheme has been accordingly been given effect to in this accounts. The amalgamation has been accounted for under the pooling of interest method in the manner specified in the scheme and is enumerated below:

		Rupees
Net Fixed Assets		17,733
Current Assets		<u>553,651</u>
		571,384
Less : Current Liabilities	432,645	
Loan funds	<u>19,097</u>	<u>451,742</u>
		119,642
Less: Investments of the company in Equity shares of WCL extinguished on amalgamation		<u>149,999</u>
Deficit on amalgamation adjusted from General Reserve		<u>30,357</u>

8. Net gain of Rs 37,252 (1999 : Rs. 52,059) arising on account of exchange differences from transactions in foreign currency is included in Other Income.

9. The Company has an external commercial borrowing (ECB) of USD 6,150 ('000s) equivalent to Rs. 269,453. During the year, the Company entered into an arrangement for the structured repayment of this loan with a bank (Counter party). As per the arrangement, the Company made an investment in deep discount bonds of a 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. The excess of the amount invested over the rupee equivalent is amortised over the balance tenure of the ECB.
10. During the year, 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 has a put option and the Company has call option for a specified period, within a price band of Rs. 575 to Rs. 700 per share.
11. During the year, the Company carried out a comprehensive review of the financial position of Wipro Finance Limited, the erstwhile subsidiary of the Company. On the basis of its review, the Company infused an additional equity of Rs. 450,000, Convertible Preference shares of Rs. 200,000 and Redeemable Preference shares of Rs.300,000, to discharge all its obligations. To focus on its core business, the Company divested significant portion of its holding in Wipro Finance Limited, resulting in an extraordinary loss of Rs. 809,839. Following the divestment, Wipro Finance Limited ceases to be a subsidiary of the Company. Further, realisability of the remaining investments in Wipro Finance Limited, in the opinion of the management, is estimated to be negligible. The Company has, therefore, provided for diminution in the value of such investments aggregating Rs. 700,505.
12. In July 1999, the Company introduced Wipro Employee Stock Option Plan - 1999. Under this plan, 5,000,000 shares have been set aside for issue to eligible employees of the Company. The Compensation Committee of the Board evaluates the performance and other criteria of employees and approves the grant of Options. The Options vest with the employees over the 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 option.
- During the year, under this plan, the Company issued Options for 2,411,650 shares (net of forfeitures).
13. Amount capitalised comprised following revenue expenditure of a capital nature incurred during the year.

	Year ended Mar 31, 2000	Year ended Mar 31, 1999
Raw material, finished goods (including Manufactured products) and process stock	130,606	54,283
14. Provision for taxation comprises of following:		
(i) Rs.169,175 (1999 : Rs. 60,000) in respect of foreign taxes, including Rs. 18,600 in respect of earlier years,		
(ii) Rs. 328,825 (1999 : Rs. Nil) in respect of Indian Income Tax including Rs.50,000 in respect of previous years.		
(iii) Rs. 3,000 (1999 : Rs 2,000) in respect of Wealth Tax.		
15. Sundry creditors include an amount of Rs 27,843 being amount payable to suppliers, who are small scale industrial undertakings (SSI) as defined under the Industrial (Development and Regulation) Act, 1951, exceeding Rs. 100 in aggregate and outstanding for a period in excess of 30 days as at the date of Balance Sheet. The list of such SSIs is attached.		
16. Computation of net profit in accordance with Section 198 read with Section 349 of the Companies Act, 1956.		
	March 31, 2000	March 31, 1999
Profit before taxation	3,506,675	1,764,335
Add : Depreciation as per accounts*	-	645,299
Managerial Remuneration	68,515	19,836
Loss on disposal of assets*	-	459
Provision for doubtful debts/advances	137,544	158,836
Profit on sale of fixed assets As per Section 349 (3)(d)*	-	4,531
	206,059	828,960
Less : Depreciation under Section 350 *	-	538,736
Profit on sale of fixed assets*	-	5,094
Loss on sale of Fixed assets as per Section 349(3)(d)*	-	51
Bad debts adjusted against provision	218,286	69,982
Amount drawn from Capital Reserve (including earlier year Rs.83,000)	135,000	-
	353,286	613,863
Net Profit for Section 198 of the Companies Act, 1956	3,359,448	1,979,432

	March 31, 2000	March 31, 1999
Commission payable		
@ 0.4% of the above profits to the Chairman and Managing Director	28,799	10,385
@ 0.3% pro rata to a Vice Chairman and		
@ 0.1 % each for two Vice Chairmen and		
@0.1% pro rata to a Vice Chairman		
Managerial remuneration comprises :		
Salary and allowance (including joining bonus for one Vice Chairman)	32,189	3,615
Commission	28,799	10,385
Contribution to Provident Fund	745	348
Pension Contribution	4,284	2,590
Perquisites	2,498	2,898
	68,515	19,836

*For the year 1999-00, net profit is computed on book depreciation which is not lower than depreciation computed under Section 350 of the Companies Act, 1956.

17. On April 24, 2000 the board of directors of the Company have declared an interim dividend on equity shares of 15 % for the year ended March 31, 2000. The same has been provided for in the financial statements for the year ended March 31, 2000.
18. Previous year's figures have been regrouped to confirm to this year's classification wherever necessary. On March 31, 1999 the Company spun off its communication services business into a fully owned subsidiary, Wipro Net Limited and pursuant to the order of the High court of Karnataka, Wipro Computers Limited has been amalgamated with Wipro Limited effective April 1, 1999. In view of the above, current year's figures are not strictly comparable with those of the previous year.

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.
i) Licenced/registered/installed capacities

	Unit	Registered capacity		Installed capacity @	
		Mar 31, 2000	Mar 31, 1999	Mar 31, 2000	Mar 31, 1999
Vanaspati/hydrogenated oils	T.P.A *	144,000	144,000	56,250	56,250
Refined oil	T.P.A *	22,813	22,813	18,250	18,250
Oxygen gas	Million cubic metres p.a	1.625	1.625	1.625	1.625
Laundry soaps	Tons Per Month \$	175	175	-	-
Hydraulic and pneumatic equipment	N P A #	40,000	40,000	40,000	40,000
Tipping gear systems	N P A #	2,000	2,000	2,000	2,000
Toilet soaps	T.P.A *	42,750	42,750	28,000	28,000
Leather shoe uppers, leather shoes and allied articles	Pairs / Nos p.a. in lakhs	750	750	750	750
Fatty acids	T.P.A *	20,000	20,000	20,000	20,000
Glycerine	T.P.A *	2,000	2,000	1,800	1,800
GLS lamps	000s	50,000	50,000	50,000	50,000
TL Shells	000s	12,694		12,694	
Fluorescent tubelights	000s	8,139	8,139	8,139	8,139
Mini computers/micro processor based systems and data communication systems	Ex-factory turnover in million Rupees Per annum	2,700	2,700	2,700	2,700
Serial printers	Ex-factory turnover in million Rupees Per annum	400	400	400	400
Micro processor based computers and peripherals	N P A #	8,500	8,500	72,500	8,500
Computers and communication boards	N P A #	8,500	8,500	8,500	8,500
Computer software (domestic)	Rupees in million	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

\$ on per shift basis

ii) Production and Sales

	Unit	Production		Sales			
		Mar 31, 2000 Quantity #	Mar 31, 1999 Rs.000s	Mar 31, 2000 Quantity #	Mar 31, 2000 Rs.000s	Mar 31, 1999 Quantity #	Mar 31, 1999 Rs.000s
Software services		-			10,265,507		6,218,825
Mini computers/micro processor based systems and data communication systems	Nos	56,866	4,630	73,067	4,473,070	39,325	3,885,176
Serial printers	Nos	92,940	90,085	171,615	2,325,725	125,570	1,538,593
Toilet soaps	Tons	20,474	19,392	19,818	1,563,184	19,240	1,415,906
Processing and service charges			-		759,849		672,815
Vanaspati/hydrogenated oils	Tons	23,522	32,788	23,945	831,439	32,691	1,509,601
Lighting products	000s	&	-		772,060		696,628
Hydraulic and pneumatic equipment	Nos	47,561	32,983	45,791	600,909	35,506	440,128
Tipping gear systems	Nos	4,289	1,809	4,289	154,018	2,318	81,346
Shoe uppers and full shoes (pairs)	000s	520	357	521	136,388	357	114,056
Fatty acids	Tons	23,550	\$ 13,948	\$ 997	30,297	6,470	40,850
Glycerine	Tons	4,060	% 570	% 304	18,858	354	12,771
Reagent kits / Spares of analytical instruments	Nos	9,470	4,426	34,247	256,117	21,229	165,837
Spares/components for tippers/cylinders			&		97,224		71,902
Agency commission		-			123,547		95,601
Storage device / Upgrades					932,849		876,070
Software Products					221,080		192,560
Miscellaneous sales		- &			161,759		279,782
					<u>23,723,880</u>		<u>18,308,447</u>

includes samples and shortages

\$ Includes 11,271 tons (1999 : 7658) used for own consumption

% includes 3,724 tons (1999 : 197) used for own consumption

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

iii) Closing Stocks

	Unit	Mar 31, 2000		Mar 31, 1999	
		Quantity	Rs.000s	Quantity	Rs.000s
Mini computers/micro processor based systems*	Nos	828	133,892	551	65,996
and data communication systems*	Nos	11,552	132,758	13,279	246,546
Serial printers*	Tons	1,282	58,908	627	25,348
Toilet soaps	Tons	466	13,710	889	33,173
Vanaspati/hydrogenated oils	-	-	44,448	-	50,011
Lighting Products*	Nos	3,697	62,002	1,927	39,732
Hydraulic and pneumatic equipment	000s	5	396	6	854
Shoe uppers and full shoes (pairs)	Tons	71	2,058	60	1,611
Fatty acids	Tons	78	3,422	87	3,493
Glycerine			67,308		19,985
Others			518,902		486,749
Closing stock of traded goods					
Reagent Kits/Spares of					
Analytical instruments	Nos	19,394	52,286	9,981	36,637
Others			10,542		8,043
			581,730		531,429

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

iv) Purchases for trading

	Unit	Mar 31, 2000		Mar 31, 1999	
		Quantity	Rs.000s	Quantity	Rs.000s
Computer units/printers	Nos.	92,520	3,474,196	75,933	4,334,364
Lighting products*	-	-	245,589	-	235,714
Reagent kits/Spares of analytical instruments	Nos.	34,190	203,372	19,409	125,876
Spares/ Components for tippers/cylinders*			35,357	-	33,558
Others*			119,631	-	174,552
			4,078,145		4,904,064

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

v) Raw materials consumed

	Unit	Mar 31, 2000		Mar 31, 1999	
		Quantity	Rs.000s	Quantity	Rs.000s
Components for Computers	#		2,822,992		1,300,543
Oils and fats	Tons	46,924	850,988	47,083	1,479,190
Components for cylinders	#		318,902		234,086
Tinplates	Tons	513	19,053	781	29,965
Components for lighting products	#	-	226,690		210,526
Leather	Sq.ft.(000s)	585	85,795	391	73,518
Others	#		225,210		208,530
			4,549,630		3,536,358

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

vi) Value of imported and indigenous materials consumed

	Mar 31, 2000		Mar 31, 1999	
	%	Rs.000s	%	Rs.000s
Raw materials				
Imported	43	1,937,078	18	620,317
Indigenous	57	2,612,552	82	2,916,041
	100	4,549,630	100	3,536,358
Stores and spares				
Imported	5	13,647	4	8,198
Indigenous	95	236,082	96	183,406
	100	249,729	100	191,604

	Mar 31, 2000	Mar 31, 1999
	Rs.000s	Rs.000s
vii) Value of imports on CIF basis		
(does not include value of imported items locally purchased)		
Raw materials, components and peripherals	4,142,917	1,279,694
Stores and spares	243,324	101,134
Capital goods	22,249	276,246
Others	151,881	182,359
	<u>4,560,371</u>	<u>1,839,433</u>
viii) Expenditure in foreign currency		
Travelling	3,287,164	1,565,746
Interest	25,341	34,036
Royalty	100,198	19,540
Professional fees	28,676	93,937
Others	272,461	515,814
	<u>3,713,840</u>	<u>2,229,073</u>
ix) Earnings in foreign exchange		
Export of goods on F.O.B. basis	149,244	115,919
Services	10,185,559	6,292,396
Agency commission	169,158	108,651
Others	1,780	7,641
	<u>10,505,740</u>	<u>6,524,607</u>

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE
i. Registration Details

Registration No.	20800	State Code	08
Balance Sheet date	March 31, 2000		

ii. Capital raised during the year (Rs 000s)

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private placement	Nil

iii. Position of mobilisation of and deployment of funds (Rs 000s)

Total liabilities	8,281,877	Total Assets	8,281,877
Sources of funds		Application of funds	
Paid-up Capital	708,313	Net fixed assets	4,538,036
Reserves and Surplus	6,994,576	Investments	446,298
Secured Loans	492,319	Net current assets	3,297,543
Unsecured Loans	86,669	Miscellaneous expenditure	-
		Accumulated losses	-

iv. Performance of the Company (Rs 000s)

Turnover	23,993,944
Total expenditure	20,487,267
Profit before tax	3,506,677
Profit for the year	2,482,586
Earnings per share	10.83
Dividend	15%

v. Generic names of three principal products/services of the Company (as per monetary terms)

i) Item code no (ITC Code)	84714900.10
Product description	Computer systems including personal computers and units thereof
ii) Item code no (ITC Code)	85245309.10
Product description	Computer software
iii) Item code no (ITC Code)	15162009.10
Product description	Hydrogenated vegetable oils

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman and Managing Director)

Suresh C Senapaty
(Corporate Executive Vice President -Finance)

Hamir K. Vissanji (Director)

Satish Menon
(Company Secretary and Corporate Counsel)

N Vaghul (Director)

Bangalore, April 26, 2000

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2000

	Rs.000s	Mar 31, 2000 Rs.000s	Mar 31, 1999 Rs.000s
A. Cash flow from operating activities			
Net profit before tax and nonrecurring items		3,506,677	1,764,335
Adjustments for:			
Depreciation	698,543		645,299
Foreign currency translation gains	(59,306)		(80,882)
Retirement benefits provision	58,995		59,332
Interest on borrowings	286,682		355,877
Dividend/interest/bills discounting income	(86,944)		(63,550)
Profit on sale of investments	(681)		-
Profit on sale of fixed assets (net)	(7,725)		(4,635)
		<u>889,564</u>	<u>911,441</u>
Operating profit before working capital changes		4,396,241	2,675,776
Adjustments for :			
Trade and other receivables	(489,512)		(732,330)
Inventories (Other than Stock in Trade : Land)	211,494		106,600
Trade and other payables	767,625		539,410
		<u>489,607</u>	<u>(86,320)</u>
Cash generated from operations		4,885,848	2,589,456
Direct taxes paid		(219,604)	(121,815)
NET CASH FROM OPERATING ACTIVITIES		<u>4,666,244</u>	<u>2,467,640</u>
B. Cash flow from investing activities			
Purchase of fixed assets / advance for purchase of fixed assets		(1,198,136)	(1,440,487)
Sale/disposal of fixed assets		67,935	206,415
Purchase of investments		(1,640,128)	(767,658)
Inter Corporate Deposits Placed		(100,000)	-
Sale on Investments		1,146,870	-
Dividends received		14,720	19,725
Interest received/bills discounting income		72,225	43,825
NET CASH (USED) IN INVESTING ACTIVITIES		<u>(1,636,515)</u>	<u>(1,938,180)</u>
C. Cash flow from financing activities			
Capital subsidy received		-	750
Proceeds from issue of Preference Shares		-	250,000
Proceeds from / (Repayments of) borrowings		(2,250,808)	(378,366)
Interest paid		(307,090)	(344,886)
Dividend paid		(94,372)	(75,094)
Corporate Tax on Dividend		(9,692)	(7,633)
NET CASH (USED) IN FINANCING ACTIVITIES		<u>(2,661,962)</u>	<u>(555,229)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		<u>367,767</u>	<u>(25,769)</u>
CASH AND CASH EQUIVALENTS AS AT APRIL 1, 1999		<u>379,523</u>	<u>393,148</u>
CASH AND CASH EQUIVALENTS AS AT MARCH 31, 2000		<u>747,290</u>	<u>367,379</u>

Notes

- 1 Cash and Cash equivalents as at April 1st 1999 include Rs. 12,144 of the erstwhile Wipro Computers Limited taken over on Amalgamation
- 2 Purchase of investment include additional investments of Rs. 1,291,243 made in erstwhile subsidiary Wipro Finance Limited and acquisition of shares held by Acer Computer International in erstwhile Wipro Computers Limited of Rs. 67,500.
- 3 Proceeds from sale of investments include consideration received on part divestment of equity holding in Wipro Net Limited of Rs. 1,142,396.
- 4 Previous years figures have been regrouped to conform to this year's classification.

Suresh C Senapaty
 (Corporate Executive Vice President-Finance)
Satish Menon
 (Company Secretary and Corporate Counsel)

For and on behalf of the Board of Directors
Azim Hasham Premji (Chairman and Managing Director)

Hamir K Vissanji (Director)
N Vaghul (Director)

Bangalore, April 26, 2000

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Wipro Limited for the year ended March 31, 2000. The statement has been prepared by the Company in accordance with the requirement under Clause 32 of the Listing Agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company for the year ended March 31, 2000.

For N M Rajji & Co.
 Chartered Accountants
J M Gandhi
 Partner

Bangalore, April 26, 2000

ANNEXURE TO THE DIRECTORS' REPORT
FORM A
DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

			1999-2000	1998-99
1 Electricity				
a) Purchased				
Unit	KWH		15,240,891	16,356,898
Total amount	Rs.		66,756,118	71,344,095
Rate/Unit	Rs.		4.38	4.36
b) Own generation				
Through diesel generator				
Unit	KWH		1,133,477	933,962
Unit/litre of diesel oil	Units		2.73	5
Cost/Unit	Rs.		6.34	4.64
2 Coal *(including coconut shells)				
Quantity	Tonnes		15,608.19	17,038
Total cost	Rs.		24,338,385	26,540,401
Average rate	Rs.		1,559.33	1,557.71
3 Furnace oil				
Quantity - LDO	Lts.		2,179,516	1,479,870
Total cost	Rs.		23,075,786	13,471,519
Average rate	Rs.		10.59	9.10
Quantity - H.S.D	Lts.		-	207,000
Total cost	Lts.		-	1,619,994
Average rate	Rs.		-	7.83
4 L.P.G.				
Quantity	Kgs.		767,232	479,480
Total cost	Rs.		11,276,897	4,817,255
Average rate	Rs.		14.7	10.05

B. CONSUMPTION PER UNIT PRODUCTION

Vanapati (KWH/Tonne)	Electricity (Litres/Tonne)	Liquid diesel oil (Tonnes/Tonne)	Coal
1999-2000	163.88	10.63	0.37
1998-99	179.63	9.10	0.29
G.L.S. (KWH/1000 GLS)	Electricity (Litres/Tonne)	Liquid diesel oil (KG/1000 GLS)	L.P.G.
1999-2000	25.77		6.44
1998-99	27.36	-	6.77
F.T.L. (KWH/1000 FTL)	Electricity (Litres/Tonne)	Liquid diesel oil (KG/1000 FTL)	L.P.G.
1999-2000	255.30		27.67
1998-99	280.48	-	35.79
F.C.L. (KWH/1000 FCL)	Electricity (Litres/Tonne)	Liquid diesel oil (KG/1000 FCL)	L.P.G.
1999-2000	-	-	-
1998-99	1728.23	-	490.19

SSI Dues exceeding Rs 100,000 in aggregate and outstanding for a period in excess of 30 days as at the date of Balance Sheet - 31.3.2000 .

SI No	Supplier	Total dues (Rs. 000s)	SI No	Supplier	Total dues (Rs. 000s)
1	Atco Controls (India) Pvt Ltd	169	18	Micro Pack	110
2	Everlite Industries	1148	19	Prachi Industries	159
3	Everlite Corporation	3882	20	Bangalore Wood Packers	543
4	Glostar Electricals Private Ltd	349	21	Kalpa Engineering	405
5	Infocontrol Systems India	432	22	Pishey Industries	181
6	Karthik's	648	23	Rollon Bearings	397
7	Mercury lamps Private Ltd	556	24	S.S.Enterprises	320
8	Maharashtra Industries	745	25	South India Auto Engg Works	386
9	Prospect Industries	2000	26	Sujatha Wood Industries	298
10	Pal Technology Pvt Ltd	162	27	Vijay Spherodicals	873
11	R C Industries	2568	28	AvonData Cables P Ltd	844
12	Regal Luminaries	785	29	Fixwell Sales P Ltd	111
13	Sandesh Electricals	685	30	Lakshmi Electric Co	150
14	Superstars	4983	31	Neulite Products	975
15	Silver Light	123	32	Periwal Industrial Mouldings Ltd	687
16	Unilux	1848	33	Vasu Comtek Pvt Ltd	177
17	Khosala Engineering pvt Ltd	143		Total	27843

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 AS AT MARCH 31, 2000

in Rs 000s

Name of the Subsidiary Company	Financial year ending of the Subsidiary	Number of shares held	Extent of holding	For Financial Year of the Subsidiary		For Previous Financial Years since it became a Subsidiary	
				Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Accounts of Holding Company (Except to the extent dealt with in F)	Profits/(losses) so far it concerns the members of the Holding Company and dealt with in the books of Accounts of Holding Company	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Accounts of Holding Company (Except to the extent dealt with in H)	Profits/(losses) so far it concerns the members of the Holding Company and dealt with in the books of Accounts of Holding Company
A	B	C	D	E	F	G	H
Wipro Inc, USA	March 31, 2000	992	100%	(5,448)	(108,122)	N A	N A
Enthink Inc, USA *	March 31, 2000	0	0%	(78,158)	Nil	(61,308)	N A
Wipro Japan KK, Japan	March 31, 2000	650	100%	7,712	Nil	1,715	N A
Wipro Net Limited (formerly Wipro Securities Limited) #	March 31, 2000	10524385	47%	(82,301)	Nil	Nil	Nil
Wipro Prosper Limited (formerly Inlec Investment Limited)	March 31, 2000	200	100%	2	Nil	1,087	Nil
Wipro Trademarks Holding Limited (formerly Wipro Investment Ltd.)	March 31, 2000	200	100%	(175)	Nil	(8)	Nil
Wipro Welfare Limited (formerly Wipro Factors Limited)	March 31, 2000	66171	100%	Nil	Nil	Nil	Nil

* Wipro Inc., USA hold all the shares in Enthink Inc.

Wipro Net Limited is considered as a subsidiary of the company by virtue of provisions of Section 4 (i)(a) of the Companies Act, 1956.

RECONCILIATION OF PROFITS BETWEEN INDIAN GAAP AND US GAAP

In Rs mn

Notes	For the year ended March 31,		
	2000	1999	1998
<i>Profits before extraordinary / non - recurring items</i>			
per Indian GAAP	3,006	1,702	1,079
Extraordinary / non-recurring items, net	(524)	(581)	(222)
Profit for the year per Indian GAAP	2,482	1,121	857
Adjustments to reconcile profits for the year as per Indian GAAP with Net Income per US GAAP :			
Stock compensation expense	A (89)	(30)	(23)
Deferred income taxes	B (19)	(116)	(46)
Consolidation of subsidiaries	C (72)	(46)	19
Share in Profits of affiliates	D 5	76	63
Others	E 127	(7)	(42)
Permanent diminution and losses on sale of investments in Wipro Finance already recorded in previous periods	F 1,512	581	100
Gain on transfer of certain securities	G (1,013)	-	-
Permanent diminution in Wipro Inc already recorded in previous periods	H 134	-	-
Gain on direct issue of shares by Wipro Net	I 266	-	-
Income from continuing operations per US GAAP	3,333	1,579	928
Losses from discontinued operations	J -	(690)	(626)
Income tax benefits on sale of 50% interest in discontinued business	K 219	-	-
Net Income as per US GAAP (Refer US GAAP Financials sent separately as annexure to the Annual Report)	3,552	889	302

Notes:

- A. Under US GAAP, compensation cost is recognized for shares granted to employees at a price below the quoted market price on the date of the grant. Such compensation cost is amortized over the vesting period. Accordingly, Wipro has recorded compensation expense for shares granted to employees from the Wipro Equity Reward Trust set up in 1984. No such accounting is required under Indian GAAP.
- B. Under US GAAP, income taxes are accounted using the asset liability method. This method requires recognition of future tax consequences of temporary differences between the book - base and the tax - base of assets and liabilities and operating loss carry-forwards. Under Indian GAAP income taxes are accounted using the taxes payable method and the impact of temporary differences is not currently recognized.
- C. Under US GAAP, the financial statements of all subsidiaries, which are more than 50% owned and controlled, are consolidated with the financial statements of the parent. Accordingly, Wipro has consolidated the financial statements of subsidiaries such as Wipro Computers Limited, Wipro Inc., En Think Inc., Wipro Prosper Limited, Wipro Welfare Limited, Wipro Trademarks Holding Limited and Wipro Japan KK. Consolidation of subsidiaries is not permitted under Indian GAAP and dividends are recognized when declared.
- D. Under US GAAP, the financial statements of affiliates (entities where the investor has the ability to exercise significant influence) are accounted by the equity method whereby the share of the investor in the profits/losses of the investee are recorded in the year such profits are earned or losses incurred. Accordingly, Wipro has recorded its share of profits/losses of Wipro GE Medical Systems Limited and Wipro Net Limited. Under Indian GAAP, dividends are recognized when declared.
- E. The accounting for capitalization of interest and capitalization of exchange rate fluctuations differs under US GAAP and Indian GAAP. These and other accounting differences are included as Others.

- F. Under US GAAP, the financial statements of Wipro Finance a majority-owned subsidiary were consolidated. Through this consolidation process, losses of Wipro Finance were recorded in the financial statements of Wipro, as incurred. Cumulative losses recognized in US GAAP upto fiscal '99 has completely eroded the total investments in Wipro Finance Limited.

However Under Indian GAAP, the losses are not separately recorded and a permanent diminution was recorded subsequently. The excess of book value of investments over cumulative provision for diminution on loss and sale of investments has been recognized in fiscal 2000.

- G. During fiscal 2000 the company transferred shares in Wipro Net to a financial institution. The terms of the transfer provide Wipro with a call option and the transferee with a put option. Further, the transferee is restricted from selling the shares during the period of the option. Under US GAAP, this transfer is not recorded as a sale and accordingly, the profit recorded on this sale under Indian GAAP is reversed.
- H. Under US GAAP, the financial statements of Wipro Inc. a majority-owned subsidiary were consolidated. Through this consolidation process, losses of Wipro Inc. were recorded in the financial statements of Wipro, as incurred. Under Indian GAAP, the losses are not separately recorded and a permanent diminution was recorded subsequently. Accordingly, losses recognized under US GAAP in prior periods, have been recorded under Indian GAAP in fiscal 2000.
- I. In fiscal 2000, Wipro Net, an affiliate issued shares to the KPN Group. The issue price per share was in excess of Wipro's carrying value per share. Thus the issuance resulted in an increase in the carrying value of Wipro's investment in Wipro Net. The Company has elected to record this increase through the income statement under US GAAP. No gain arises under Indian GAAP, as the equity method of accounting is not applied.
- J. This represents the impact of consolidation of losses of Wipro Finance. As the Company has exited the financial services business, the results of operations of Wipro Finance are reported as discontinued operations. As explained earlier consolidation is not permitted under Indian GAAP.
- K. This represents the income tax benefit arising on sale of the 50% interest in Wipro Finance. As deferred taxes are not recognized under Indian GAAP, no such gain is recorded.

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Net Limited for the year ended March 31, 2000.

Financial results

The first year of operation of the Company was 1999 - 2000

Rs. in mns
2000

Sales and other Income	169.60
Loss for the year	(174.75)

The Company has launched Internet services for the corporate market during 1999-00. The same has been received well in the market.

Fixed Deposits

The Company has not accepted any fixed deposits from the public during the year under review.

Joint venture

The Company has entered into a Joint venture agreement with KPN Mauritius Holding on December 7, 1999. KPN had invested during the year in 7,173,130 equity shares of the company at a price of Rs. 70/- per equity share (inclusive of premium of Rs. 60/- per equity share)

Directors

Mr. S R Gopalan has resigned from the Directorship of the Company during the year. Mr. Suresh C Senapaty and Mr. Dileep Ranjekar, had resigned as Director of the Company during the year. Mr. Hans van Moorsel, Mr. Rob Langazel, Mr TK Kurien and Mr. Wilbert Stikkelbroek, Alternate Director to Mr. Rob Langazel have been appointed as additional Directors, under section 260 of the Companies Act, 1956, during the year. They retire in the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Auditors

The auditors M/s. N M Rajji retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment.

Personnel

Information as per section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in the Annexure forming part of this report.

Conservation of Energy Technology Absorption, Research and Development/ Foreign Exchange Earnings and Outgoings:

- a) Foreign exchange outgo on account of interest and finance charges, foreign travel, repayment of loan is Rs.9.48 Mns.
- b) The Company has nothing else to report on the particulars required under Section 217(1)(e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Acknowledgements

The Directors thank the Company's customers, suppliers, bankers, and shareholders for their consistent support to the Company. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

For and on behalf of the Board

Place : Bangalore

Date: April 26, 2000

Azim H Premji

Chairman

AUDITORS' REPORT

To the Members of Wipro net limited

We have audited the attached Balance Sheet of Wipro Net Limited as at March 31, 2000 and also the annexed Profit & Loss account for the year ended on that date, and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of account.
4. In our opinion, the Balance Sheet and Profit & Loss account dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said account, read together with the notes thereon give information required by the Companies Act, 1956, in the manner so required and give a true and fair view of the
 - a) state of affairs of the Company as at March 31, 2000; in case of the Balance Sheet and
 - b) loss for the year ended on that date, in case of Profit & Loss Account.
6. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that:
 - (i) The Company has maintained proper records showing quantitative details and the situation of its fixed assets. Most of the assets have been physically verified during the year by the Management. No material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable.

- (ii) None of the fixed assets of the Company have been revalued during the year.
- (iii) The Company has during the year written off the inventory and hence the same has not been valued.
- (iv) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or from the Companies under the same management as defined under sub section (1B) of Section 370 of the Companies Act, 1956.
- (v) The Company has not granted any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or from the Companies under the same management as defined under sub section (1B) of Section 370 of the Companies Act, 1956.
- (vi) The Company has not granted any loans or advances in the nature of loans other than to employees.
- (vii) The Company has adequate internal control procedures commensurate with its size and nature of its business for the purchase and sale of assets.
- (viii) In our opinion and according to the information and explanations given to us, the transactions of purchases of goods and sale of goods and services made from/to parties entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more have been made at prices which are reasonable having regard to the nature of the transactions.
- (ix) The unserviceable stock has been determined and the same has been properly dealt with in the books of account.
- (x) The Company has an internal audit system which is commensurate with its size and nature of the business.
- (xi) The Company has been regular in depositing Provident Fund dues with the appropriate authorities. The Employees State Insurance Scheme is not applicable to the Company.
- (xii) There are no undisputed amounts in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which, as at the Balance Sheet date, were outstanding for a period of more than six months from the date they become payable.
- (xiii) On the basis of our examination of the books of account and the information and explanations given to us, there are no personal expenses which have been charged to the revenue account other than those incurred in terms of service contract obligations with employees and accepted business practices.
- (xiv) The Company is not a Sick Industrial Company within the meaning of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xv) On account of the nature of service activities, allocation of material and manpower to the different customers is not applicable.
- (xvi) In our opinion, as the Company does not hold any inventory, clauses (iv), (v) (xiv) and (xvi) of the said Order are not applicable. Further, clause (xiii) of the said order is not applicable as the Company has not accepted any deposit from the public under section 58A of the Companies Act, 1956.

For N.M. Rajji & Co
Chartered Accountants

J.M. Gandhi
Partner

Place: Bangalore
Date : April 26, 2000

BALANCE SHEET AS AT MARCH 31, 2000

	Sch	As at March 31, 2000 Rupees	As at March 31, 1999 Rupees
SOURCES OF FUNDS :			
Shareholders' funds			
Share capital	1	223,923,120	152,191,800
Reserves and surplus	2	255,866,150	-
Total		479,789,270	152,191,800
APPLICATION OF FUNDS :			
Fixed assets			
Gross block	3	167,206,281	142,993,435
Less : Depreciation		36,220,936	-
Net block		130,985,346	142,993,435
Capital work-in-progress and advances		78,864,171	3,710,382
		209,849,516	146,703,817
Investments		30,865,197	-
Current assets, loans and advances			
Inventories		-	935,791
Sundry debtors	4	29,242,373	34,270,585
Cash and bank balances	5	50,056,337	460,306
Loans and advances	6	275,060,510	22,705,775
		354,359,220	58,372,457
Less : Current liabilities and provisions			
Liabilities	7	112,178,663	54,356,652
Provisions	8	3,106,000	-
		115,284,663	54,356,652
Net current assets		239,074,556	4,015,805
Pre Operative Expenses		-	1,472,178
Total		479,789,270	152,191,800

Significant Accounting Policies 11

As per our report attached

For and on behalf of Board of Directors

For N.M.Raiji & Co.

Chartered Accountants

J.M.Gandhi

Partner

Arun K. Thiagarajan
(Director)**Hans Van Moorsel**
(Director)**V. Ganesh**(Chief Financial Officer &
Company Secretary)

Bangalore : April 26, 2000

Bangalore : April 26, 2000

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2000

	Sch	As at March 31, 2000 Rupees
INCOME		
Sales		152,001,275
Other income	9	17,602,666
Total		169,603,941
EXPENDITURE :		
Operational, administrative and marketing expenses	10	297,602,317
Depreciation		41,703,700
Interest (other than on fixed period loans)		3,572,958
Sub-total		342,878,974
LOSS BEFORE EXTRAORDINARY ITEMS		(173,275,034)
Pre-operative expenses written off		1,472,178
PROFIT/(LOSS) AFTER EXTRAORDINARY ITEMS		(174,747,212)
PROFIT/(LOSS) BEFORE TAXATION		(174,747,212)
PROFIT/(LOSS) AFTER TAXATION		(174,747,212)
Balance brought forward		-
Balance carried to balance sheet		(174,747,212)
Significant Accounting Policies	11	

	As at March 31, 2000 Rupees	As at March 31, 1999 Rupees		As at March 31, 2000 Rupees	As at March 31, 1999 Rupees
SCHEDULE 1 SHARE CAPITAL			SCHEDULE 1 Contd.		
Authorised			(15,219,180 shares of Rs. 10 each have been allotted for consideration other than cash)		
28,000,000 equity shares of Rs. 10 each	<u>280,000,000</u>	<u>280,000,000</u>		<u>223,923,120</u>	<u>152,191,800</u>
(1999 : 28,000,000 equity shares of Rs. 10 each)					
Issued, subscribed and paid-up			SCHEDULE 2 RESERVES & SURPLUS		
22,392,312 equity shares of Rs. 10 each	<u>223,923,120</u>	<u>152,191,800</u>	Share Premium	<u>430,613,361</u>	-
(1999: 15,219,180 equity shares of Rs. 10 each)			Profit and Loss Account	<u>(174,747,212)</u>	-
				<u>255,866,150</u>	-

SCHEDULE 3 - FIXED ASSETS

DESCRIPTION	GROSS BLOCK AS AT 01-Apr-99	ADDITIONS DURING 1999-00	DEDUCTIONS DURING THE YEAR	GROSS BLOCK AS AT 31-Mar-00	DEPRECIATION FOR THE YEAR 1999-00	Accumulated Depreciation Reversal on Assets Disposed	Accumulated Depreciation 31-Mar-00	NET BLOCK AS AT 31-Mar-00	NET BLOCK AS AT 31-Mar-99
PLANT									
& MACHINERY	135,914,195	58,402,135	35,974,257	158,342,073	39,478,420	5,307,439	34,170,981	124,171,092	135,914,195
FURNITURES									
& FIXTURES	5,073,810	203,410		5,277,220	1,380,791		1,380,791	3,896,428	5,073,810
VEHICLES	2,005,430	2,475,092	893,528	3,586,988	844,489	175,326	669,163	2,917,825	2,005,430
TOTAL	142,993,435	61,080,637	36,867,785	167,206,281	41,703,700	5,482,764	36,220,936	130,985,346	142,993,435

Notes:

Deductions represent assets discarded on withdrawal of X. 400 services and Sale of Cars

	As at March 31, 2000 Rupees	As at March 31, 1999 Rupees		As at March 31, 2000 Rupees	As at March 31, 1999 Rupees
SCHEDULE 4 SUNDRY DEBTORS			SCHEDULE 5 CASH AND BANK BALANCES		
(Unsecured, unless otherwise stated)					
Over six months			Cash and cheques on hand	<u>298,225</u>	103,183
Considered good	-	34,270,585	Balances with scheduled banks		
Considered doubtful	<u>18,190,278</u>	<u>7,406,901</u>	In current account	<u>4,158,112</u>	357,123
	<u>18,190,278</u>	41,677,486	In Fixed Deposit	<u>45,600,000</u>	
Less : Provision for doubtful debts	<u>18,190,278</u>	<u>7,406,901</u>	Sub-Total	<u>49,758,112</u>	<u>357,123</u>
Sub-Total	-	34,270,585	Total	<u>50,056,337</u>	<u>460,306</u>
Others			SCHEDULE 6 LOANS AND ADVANCES		
considered good	<u>29,242,373</u>	-	(Unsecured, considered good unless otherwise stated)		
Considered doubtful	<u>4,267,099</u>	-			
	<u>33,509,473</u>	-	Advances recoverable in cash or in kind or for value to be received	<u>38,249,424</u>	22,703,275
Less : Provision for doubtful debts	<u>4,267,099</u>		Inter Corporate Deposit	<u>210,000,000</u>	-
Sub-Total	<u>29,242,373</u>		Sundry deposits	<u>26,811,086</u>	2,500
Total	<u>29,242,373</u>	34,270,585	Total	<u>275,060,510</u>	<u>22,705,775</u>

	As at March 31, 2000 Rupees	As at March 31, 1999 Rupees
SCHEDULE 7 LIABILITIES		
Sundry creditors	-	
Due to small scale industries	-	
Others	39,889,313	49,650,802
Income received in advance	1,157,983	-
Other liabilities	71,131,367	4,705,850
Total	112,178,663	54,356,652
SCHEDULE 8 PROVISIONS		
Retirement Benefits	3,106,000	-
Total	3,106,000	-
SCHEDULE 9 OTHER INCOME		
Interest on deposits with companies (TDS Rs. 2,261,253)	12,150,236	-
Exchange Rate Fluctuation	6,202	
Miscellaneous income (rent received)	5,446,226	-
Total	17,602,666	-
SCHEDULE 10 OPERATING, ADMINISTRATIVE AND MARKETING EXPENSES		
Stores and spares consumed	2,603,123	-
Power and fuel	2,732,099	-
Salaries, wages and bonus	30,178,012	-
Contribution to provident and other funds	2,325,291	-
Gratuity	584,000	-
Workmen and staff welfare	3,671,265	-
Insurance	337,212	-
Rent	18,041,871	-
Rates and taxes	969,008	-
Carriage and freight	34,030	-
Loss on sale / discarding of fixed assets	30,677,473	-
Auditors remuneration and expenses		
Audit fees	200,000	-
Commission	2,774,819	-
Advertisement and sales promotion	13,164,714	-
Travelling	11,075,100	-
Conveyance Local	2,587,629	-
Office maintenance	1,866,991	-
Provision for doubtful debts	15,050,476	-
Maintenance Contracts	17,586,594	-
Communication	96,362,886	-
Manpower outside services	2,553,261	-
Staff recruitment	5,643,442	-
Consultancy Charges	31,599,177	-
Miscellaneous	4,983,845	-
Total	297,602,317	-

SCHEDULE 11: NOTES TO THE ACCOUNTS**1) Accounting Policy:****Accounting convention**

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

Revenue recognition

Revenue from provision of services is recognised over the period in which such services are rendered.

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 years' premium demanded by LIC. Provision for gratuity (for certain category of employees) and leave benefit for employees' is determined as per actuarial valuation at the year end. Defined contributions for provident fund and pension are charged to Profit and Loss account based on contributions made in terms of applicable schemes.

Fixed assets

Fixed assets are stated at the cost of acquisition. Direct costs are capitalised until the assets are ready to be put to use. Interest on borrowed money allocated to and utilised for acquiring fixed assets, pertaining to the period upto the date of capitalisation is capitalised.

Depreciation

Depreciation on fixed assets is provided using the straight-line method, based on the useful lives of the assets as estimated by the management. Depreciation on assets purchased/sold during the year is provided from the month of purchase/sale. Individual assets costing less than Rs. 5000/- are depreciated in full during the year of acquisition.

Depreciation rates for various categories of fixed assets are given below:

	As per Books	As per Sch XIV
Plant and Machinery	50%/33%/20%	4.75%
Electrical Installations	19%	4.75%
Computers	50%	16.21%
Furniture & fixtures	19%	6.33%
Office equipments	19%	4.77%
Vehicles	24%	9.50%

Foreign Currency transactions

Foreign currency transactions are recorded at the rate of exchange as per the Bill of Entry filed for clearing the goods. Year end balances of foreign currency assets and liabilities are rein-

stated at the closing rate/forward contract rate, as applicable; resultant differences on liabilities relating to acquisition of fixed assets are capitalised and on other assets and liabilities are adjusted to revenue account.

Inventory:

Autodialers given on rental for Efax customers are written off in the books as and when issued to the customer.

2. Commitment and Contingencies

A) Contract Pending to be executed on capital Account amounted to Rs. 2,316.82 Lakhs (Prior Year Nil)

B) Unexpired Bank Guarantees as on 31st March, 2000 amounted to Rs. 200 Lakh (Prior year Nil)

3. Managerial Remuneration:

	Year ended Period ended	
	31.03.2000	31.03.1999
	(Rs. In Lakhs)	(Rs. In Lakhs)

Salary to Managing Director (Gross)	3.73	Nil
Perquisites	2.25	Nil
Contributions to PF and Other Funds	0.60	Nil

The Remuneration paid to the Managing Director is subject to approval of Central Government, which is required to be obtained under section 309 of Companies Act, 1956. The Company is in the process of making an application to Central Government in this regard.

4. Auditors Remuneration

Statutory Audit	2.00	Nil
-----------------	------	-----

5. Expenditure in Foreign Currency

Travel	8.60	Nil
Maintenance Contracts	36.47	
Training	22.07	
Others	27.24	

6. Value of Imports on CIF Basis

Software Imported	138.20	Nil
Fixed Assets Acquired	13.48	Nil

7. Earnings in Foreign Currency: NIL

8. Inventories

Inventories are valued at cost, after adjustment of value on account of obsolescence.

9. Income Tax

No Provision for Taxation has been made during the period as the Company has incurred a loss.

10. Prior Year Comparatives

As the company has commenced operations during the year, there are no previous years' figures for Profit and Loss Account,

Previous years' figures have been regrouped/recast, wherever necessary to conform to the current years' conformation.

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Inc for the year ended March 31, 2000.

Financial results:	Amount in Rs. mns	
	2000	1999
Sales and services	21.34	Nil
Profit before tax	(5.45)	(0.12)
Profit after tax	(5.45)	(0.12)
Extraordinary items/Prior period items	108.12	Nil
Profit for the year	(113.57)	

Operations:

Wipro Inc. is a wholly owned subsidiary of Wipro Limited, incorporated with an object of investing in various technology segments in USA. Wipro Inc. which has an authorised capital of US \$ 2.50 Mns and paid up capital of US\$ 2.50 Mns has till date invested in one subsidiary - Enthink Inc., and is a minority investor in Sylantro Inc..

EnThink Inc. has shown a loss for the second year in succession, and is undergoing restructuring, so as to improve cost efficiency of its operations.

Directors:

Mr A Soota, resigned as a Director of the Company with effect from August 7, 1999. Mr Azim H Premji, Mr Suresh C Senapaty, Mr Dileep Ranjekar and Mr Girish S Paranjpe retire by rotation and offer themselves for re-appointment. Mr Vivek Paul was appointed as Director of the Company with effect from October 1, 1999, and offers himself for re-appointment.

Auditors:

The Auditors, M/s N M Raiji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

On behalf of the Board

Place: Bangalore

Date : April 26, 2000

Vivek Paul

Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Wipro Inc as at March 31, 2000 and also the annexed Profit & Loss Account for the year ended on that date, and report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion, proper books of accounts as required by law have been kept by the Company so far appears from our examination of the books.
- The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- In our opinion and to the best of our information and according to the explanations given to us, the said account, read together with the notes thereon give information required by the Companies Act, 1956, in the manner so required and give a true and fair view of the
 - state of affairs of the Company as at March 31, 2000; in case of the Balance Sheet and
 - loss for the year ended on that date, in case of Profit & Loss Account.
- As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that :
 - The Company has not granted any loans or advances in the nature of loans.
 - The Company is yet to introduce a system of internal audit.
 - On the basis of our examination of the books of account and the information and explanations given to us, there are no personal expenses which have been charged to the revenue account other than those incurred in terms of service contract obligations with employees and accepted business practices.
 - In our opinion, clauses of Manufacturing and Other Companies (Au-

ditors' Report) Order, 1988, numbering (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xvi), (xvii), (xviii) and (xx) are not applicable for the current year.

For N.M. Raiji & Co

Chartered Accountants

J.M. Gandhi

Partner

Place: Bangalore

Date: April 26, 2000

BALANCE SHEET AS AT 31ST MARCH, 2000

		31st March 2000 Rs. 000s	31st March 1999 Rs. 000s
Sources of Funds:			
Shareholder's Funds			
Share Capital	1	1,05,940	1,05,940
Translation Reserve		2,998	9
Total		1,08,938	1,05,949
Application of Funds:			
Investments		1,08,558	1,05,102
Less: Provision for diminution in value of investments		1,08,122	-
Net		436	1,05,102
Current Assets, Loans and Advances:			
Sundry Debtors	3	1,967	-
Cash and Bank Balances	4	3,193	682
Loans and Advances		5,160	682
Less: Current Liabilities and Provisions			
Liabilities	5	10,405	10
Net Current Assets		(5,245)	672
Miscellaneous Expenditure (To the Extent not Written off/Adjusted)		54	52
Debit Balance in P & L Account	2	1,13,693	123
Total		1,08,938	1,05,949

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2000

		31st March 2000 Rs. 000s	31st March 1999 Rs. 000s
Income:			
Sales and Services	6	21,337	-
Total		21,337	-
Expenditure:			
Admin & Marketing Expenses	7	26,760	113
Audit Fees		25	10
Depreciation			
Total		26,785	123
LOSS BEFORE TAXATION		(5,448)	(123)
Provision for Taxation			
LOSS FOR THE YEAR		(5,448)	(123)
LOSS FOR THE PERIOD		(5,448)	(123)
Provision for Diminution in value of investments		1,08,122	
BALANCE CARRIED TO BALANCE SHEET		(1,13,570)	(123)

Note: Negative Figures are shown in Parenthesis

As per our Report attached

For and on behalf of the
Board of Directors

For N.M. Raiji & Co.
Chartered Accountants

Vivek Paul
(Director)

J.M. Gandhi
Partner

Girish S. Paranjpe
(Director)

Bangalore, April 26, 2000

SCHEDULE 1 SHARE CAPITAL

	31st March 2000 Rs. 000s	31st March 1999 Rs. 000s
Authorised:		
Issued Subscribed and paid-up	1,05,940	1,05,940
1000 Equity Shares of USD 2500 each		
Total	1,05,940	1,05,940

**SCHEDULE 2 DEBIT BALANCE
IN PROFIT & LOSS ACCOUNT**

Balance Brought Forward	(123)	
Transfer from Profit & Loss A/c	(1,13,570)	(123)
Total	(1,13,693)	(123)

SCHEDULE 3 SUNDRY DEBTORS

(Unsecured)		
Over six months		
Others considered good	1,967	
Less: Provision		
Total	1,967	

SCHEDULE 4 CASH AND BANK BALANCES

Cash		
Balances with other Banks		
Wells Fargo	3,193	682
Total	3,193	682

Note: Maximum Balance during the year is USD 000s 219 (Rs. 000's 9,463)

SCHEDULE 5 LIABILITIES

Trade Payables	10,335	
Outstanding Liabilities	70	10
Total	10,405	10

SCHEDULE 6 SALES AND SERVICE FEE INCOME

Sales	21,337	
Service Fee		
Other Income		
Total	21,337	

SCHEDULE 7 ADMIN. & MARKETING EXPENSES

Rates and taxes	143	
Professional & Consultancy Charges	26,602	
Bank Charges	1	113
Miscellaneous	14	
Total	26,760	113

NOTES TO ACCOUNTS:

- The Company is a 100% Subsidiary of Wipro Limited. The accounts have been prepared and audited for the purpose of attachment to the accounts of the holding Company to comply with the provisions of the Indian Companies Act.
- For the Purpose of conversion of the local currency (USD) in to Indian Currency (Indian Rupees) the exchange rate applied is as per para 2 of the accounting policies.
- The Accounts for the previous period pertain to the period from July 9, 1998 to March 31, 1999 and hence are not strictly comparable to the accounts for the year 1999-2000.

ACCOUNTING POLICIES:

- Accounts are maintained on accrual basis. The transactions are in local currency, which has been converted for reporting in Indian Currency on the following basis.
- Conversion into Indian Rupees:**

For the purpose of the accounts during the period all Income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end conversion is being debited or credited to Translation Reserve.

The equity Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as "Reserve and Surplus".

3. Revenue Recognition:

The Company is a Holding company mainly intended for investments in various related business segments and is also doing Software Services. Revenue on time and materials basis is accounted on the basis of the period for which the services are rendered. Service fee is accounted on accrual basis.

4. Investments:

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

5. Corporate Tax:

Since Wipro Inc has reported a loss, no corporate tax provision has been made.

6. Related Transaction:

The related transaction includes the billing raised by the holding company of Rs. 26.60 Mln.

DIRECTORS' REPORT

The Directors present the Annual Report of Enthink Inc for the year ended March 31, 2000.

Financial results:

	Amount in Rs.mns	
	2000	1999
Sales and services	78.89	34.34
Profit before tax	(78.15)	(61.30)
Profit after tax	(78.15)	(61.30)

Operations:

Enthink Inc. is a wholly owned subsidiary of Wipro Inc. and a leading provider of ready-for-use communication technologies to enable companies building Intelligent Internet applications. Enthink Inc. which has an authorised and paid up capital of US \$ 2.48 Mns, develops and sells Semiconductor and Software based Intellectual Property, and provides Integration Services for enabling makers of Internet applications, to release their products faster.

The market that the company has been operating in has not grown as expected, and the cost of development, combined with the state of the market, have led to a loss for the second year of operation. The Board is implementing restructuring plans to improve cost efficiency.

Directors:

Mr A Soota, resigned as a Director of the Company with effect from August 7, 1999. Mr Suresh C Senapaty and Mr Girish S Paranjpe retire by rotation and being eligible, offer themselves for re-appointment. Mr Vivek Paul was appointed as Director of the Company with effect from October 1, 1999, and offers himself for reappointment.

Auditors:

The Auditors, M/s N M Rajji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

On behalf of the Board

Place: Bangalore
Date : April 26, 2000

Vivek Paul
Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Enthink Inc as at March 31, 2000 and also the annexed Profit & Loss Account for the year ended on that date, and report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion, proper books of accounts as required by law have been kept by the Company so far appears from our examination of the books.
- The Balance Sheet and Profit & Loss Account dealt with by this report is in agreement with the books of account.
- In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- In our opinion and to the best of our information and according to the explanations given to us, the said account, read together with the notes thereon give information required by the Companies Act, 1956, in the manner so required and give a true and fair view of the
 - state of affairs of the Company as at March 31, 2000; in case of the Balance Sheet and
 - loss for the year ended on that date, in case of Profit & Loss Account.
- As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that:
 - The Company has maintained proper records to show full particulars including quantitative details of its fixed assets. The fixed assets have not been physically verified by the Management during the year.
 - None of the fixed assets have been revalued during the Year
 - The Company has not granted any loans or advances in the nature of loans or advances other than to employees.
 - In our opinion there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase and sale of assets and services.

- The Company is yet to introduce a system of internal audit.
- On the basis of our examination of the books of account and the information and explanation given to us, there are no personal expenses which have been charged to the revenue account other than those incurred in terms of service contract obligations with employees and accepted business practices.
- In respect of service activities:
 - there are no materials used for the project.
 - the Company has a reasonable system, commensurate with its size and nature of business for allocating man hours utilised to the respective jobs/projects.
- In our opinion, clauses of Manufacturing and Other Companies (Auditors' Report) Order, 1988, numbering (iii), (iv), (v), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xvi), (xvii), (xviii) and (xx) are not applicable for the current year.

For N.M. Rajji & Co.
Chartered Accountants

Place: Bangalore
Date : April 26, 2000

J.M. Gandhi
Partner

BALANCE SHEET AS AT MARCH 31, 2000

		As at March 31, 2000	As at March 31, 1999
	Schedule	Rs. 000's	Rs. 000's
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	105,254	105,102
Reserves and Surplus			
Translation Reserve		580	(40)
Total		<u>105,834</u>	<u>105,063</u>

Application of Funds:

Fixed Assets			
Gross Block	3	22,317	21,175
Less: Depreciation		10,370	3,531
Net Block		<u>11,947</u>	<u>17,644</u>

Current Assets, Loans and Advances:

Sundry Debtors	4	10,184	13,266
Cash and Bank Balances	5	21,579	45,783
Loans and Advances	6	528	2,750
		<u>32,292</u>	<u>61,800</u>
Less: Current Liabilities and Provisions			
Liabilities	7	77,859	35,677
Provisions	8	-	-
		<u>77,859</u>	<u>35,677</u>
Net Current Assets		<u>(45,567)</u>	<u>26,123</u>
Debit Balance in P & L Account	2	139,454	61,296
Total		<u>105,834</u>	<u>105,063</u>

As per our Report attached For and on behalf of the Board of Directors

For N.M. Rajji & Co.,
Chartered Accountants

Suresh C. Senapaty
(Director)

J.M. Gandhi
Partner

Girish Paranjpe
(Director)

Place: Bangalore
Date : April 26, 2000

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2000

	Schedule	Year to Date	As at March 31, 2000 Rs. 000's	As at March 31, 1999 Rs. 000's
INCOME				
Sales and Service	9		78,888	34,336
Total		0	78,888	34,336
EXPENDITURE:				
Admin & Marketing Expenses	10		150,284	92,091
Audit Fees			25	10
Depreciation		0	6,737	3,531
Total		0	157,046	95,632
LOSS BEFORE TAXATION		0	(78,158)	(61,296)
Provision for Taxation		0	0	0
LOSS FOR THE PERIOD		0	(78,158)	(61,296)
BALANCE CARRIED TO BALANCE SHEET		0	(78,158)	(61,296)

As per our Report attached For and on behalf of the Board of Directors

For N.M. Raiji & Co.,
Chartered Accountants Suresh C. Senapaty (Director)

J.M. Gandhi
Partner Girish S. Paranjpe (Director)
Bangalore, April 26, 2000 Bangalore, April 26, 2000

SCHEDULE 1 SHARE CAPITAL

	31st March 2000 Rs. 000's	31st March 1999 Rs. 000's
Authorised		
Issued, Subscribed and paid up Preference Shares - 6000000 @ US\$ 0.40 each and Common Shares - 1669540 @ US\$ 0.05 each	105,254	105,102
Total	105,254	105,102

SCHEDULE 2 RESERVES AND SURPLUS

General Reserve	61,296	-
Profit and Loss Account - 1998-99	78,158	61,296
Profit and Loss Account - 1999-00		
Total	139,454	61,296

SCHEDULE 3 FIXED ASSETS

	Value as on April 1, 1999	Additions during the year	Deletions during the year	Value as on March 31, 2000	Prov. For Dep. as on April 1999	Depre. during the year	Accu. Dep. as on 31.03.00	Net Book Value as on 31.3.00
Computers	21,175	1,072	-	22,247	3,531	6,821	10,353	11,893
Office Equipment	-	37	-	37	-	11	11	26
Furniture	-	34	-	34	-	6	6	27
Total	21,175	1,143	-	22,318	3,531	6,838	10,370	11,946

Note:

- Additions to Fixed Assets includes Translation Reserve of Rs. 624 Thousand
- Depreciation for the year includes Translation reserve of Rs. 101 Thousand

SCHEDULE 4 SUNDRY DEBTORS

	31st March 2000 Rs. 000's	31st March 1999 Rs. 000's
(Unsecured)		
Over Six months	1,999	-
Others considered good	8,730	13,266
Less: Provision	545	-
Total	10,184	13,266

SCHEDULE 5 CASH AND BANK BALANCES

Cash	-	-
Balances with other Banks		
Bank of Tokyo	340	-
Wells Fargo	21,239	45,783
Total	21,579	45,783

SCHEDULE 6 LOANS AND ADVANCES

Consumption tax paid	-	-
Sundry Deposits	327	2,750
Deposits - House	-	-
Deposits - Office	-	-
Telephone rights	-	-
House Rights	-	-
Advances & Loans	-	-
Travel Advances	87	-
Salary Advance	113	-
Prepaid Expenses	-	-
Advance Tax Paid	-	-
Tax Deducted at Source	-	-
Intercompany	-	-
Total	527	2,750

SCHEDULE 7 LIABILITIES

Trade Payables	70,036	35,677
Salary & incentives	-	-
Withholding-tax	-	-
Social Insurance	-	-
Intercompany	-	-
Outstanding Liabilities	7,823	-
Total	77,859	35,677

SCHEDULE 8 PROVISIONS

Provision for corporate tax	-	-
Total	-	-

SCHEDULE 9 SALES AND SERVICE FEE INCOME

Sales	77,334	34,080
Service fee	-	-
Other Income	1,555	256
Total	78,889	34,336

SCHEDULE 10 ADMIN & MARKETING EXPENSES

Stores and spares consumed	344	7,210
Power and Fuel	-	-
Salaries, wages and bonus	52,080	15,544
Contribution to provident and other funds	-	-
Gratuity and pension	-	-
Workmen and staff welfare	64	93
Insurance	88	-
Printing / stationery & Photocopying	199	342
Repairs to building	-	-
Repairs to machinery	84	4,019
Rent	7,229	-
Equipment Rental	3,516	-
Rates and Taxes	516	1,847
Carriage and freight	-	-
Brokerage and commission	5,236	9,281

Advertisement and sales promotion	4,566	1,044	out of the year end conversion is being debited or credited to Trans-
Directors' fees	-	-	lation Reserve.
Loss on disposal of assets	-	-	The equity Share Capital is carried forward at the rate of Exchange
Travelling	8,245	6,061	
Communications	1,225	761	
Books & Periodicals	864	328	
Professional & Consultancy Charges	62,653	45,244	
Bank Charges	56	-	
Training/Conference & Seminar	2,032	200	
Provision/write off of bad debts/advances	540	-	
Entertainment	360	-	
Miscellaneous	363	83	
Exchange Rate Fluctuation A/c	24	-	
Total	150,284	92,091	

NOTES

1. The Company is a 100% Subsidiary of the Indian Company namely Wipro Ltd. The accounts have been prepared and audited for the purpose of attachment to the accounts of the holding Company to comply with the provisions of the Indian Companies Act.
2. For the Purpose of Conversion of the Local currency (US Dollars) in to Indian Currency (Indian Rupees) the exchange rate applied is as per para 2 of the accounting policies.

ACCOUNTING POLICIES:

1. Accounts are maintained on accrual basis. The transactions are in local currency which has been converted for reporting in Indian Currency on the following basis.
2. **Conversion in to Indian Rupees:**
For the purpose of the accounts during the period all income and expense items are converted at the average rate of the exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Japan KK for the year ended March 31, 2000.

Financial results:	Amount in Rs. mns	
	2000	1999
Sales and services	120	54
Profit before tax	13	3
Profit after tax	8	2

Operations:

Wipro Japan KK is a wholly owned subsidiary of Wipro Limited pursuing the marketing of services provided by Wipro Limited. Wipro Japan KK has an authorised capital of Yen 90 Mns and a paid-up capital of Yen 32.50 Mns.

The Company has been successful in increasing revenues and profits significantly.

Directors:

Mr A Soota, resigned as a Director of the Company with effect from August 7, 1999. Mr Girish S Paranjpe retires by rotation and offers himself for re-appointment. Mr Vivek Paul was appointed as Director of the Company with effect from October 1, 1999, and offers himself for reappointment.

Auditors:

The Auditors, M/s N M Rajji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

On behalf of the Board

Place: Bangalore
Date : April 26, 2000

Vivek Paul
Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Wipro Japan KK as at March 31, 2000 and also the annexed Profit & Loss Account for the year ended on that date, and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far appears from our examination of the books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report is in agreement with the books of account.
4. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to

the explanations given to us, the said account, read together with the notes thereon give information required by the Companies Act, 1956, in the manner so required and give a true and fair view of the

- a) state of affairs of the Company as at March 31, 2000; in case of the Balance Sheet and
- b) profit for the year ended on that date, in case of Profit & Loss Account.

6. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that:

- (i) The Company has maintained proper records to show full particulars including quantitative details of fixed assets. The fixed assets have not been physically verified by the Management during the year.
- (ii) None of the fixed assets have been revalued during the year.
- (iii) The Company has not granted any loans or advances in the nature of loans and advances other than to employees, who have generally repaid the principal amounts and interest as per the terms, wherever stipulated.
- (iv) In our opinion there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase and sale of assets and services.
- (v) A review of internal control systems and procedures was conducted by internal audit department of Wipro Limited the parent company.
- (vi) On the basis of our examination of the books of account and the information and explanations given to us, there are no personal expenses which have been charged to the revenue account other than those incurred in terms of service contract obligations with employees or accepted business practices.
- (vii) In respect of service activities:
 - a) there are no materials used in the project.
 - b) the Company has a reasonable system, commensurate with its size and nature of business for allocating man hours utilised to the respective jobs/projects.
- (viii) In our opinion, clauses of Manufacturing and Other Companies (Auditors' Report) Order, 1988, numbering (iii), (iv), (v), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xvi), (xvii), (xviii) and (xx) are not applicable for the current year.

For N.M. Rajji & Co
Chartered Accountants

J.M. Gandhi
Partner

Place: Bangalore
Date: April 26, 2000

BALANCE SHEET AS AT MARCH 31, 2000

		As at March 31, 2000 Schedule Rs. 000's	As at March 31, 1999 Rs. 000's
SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	1	9,738	9,738
Reserves and Surplus	2	9,427	1,715
Translation Reserve		5,224	2,024
		<u>24,389</u>	<u>13,477</u>
Application of Funds:			
Fixed Assets			
Gross Block	3	7,206	4,801
Less: Depreciation		2,798	769
Net Block		4,408	4,032
Current Assets, Loans and Advances:			
Sundry Debtors	4	29,470	7,029
Cash and Bank Balances	5	6,397	1,842
Loans and Advances	6	7,738	4,181
		43,605	13,052
Less: Current Liabilities and provisions			
Liabilities	7	17,879	1,978
Provisions	8	5,745	1,629
		23,624	3,607
Net Current Assets		19,981	9,445
		<u>24,389</u>	<u>13,477</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2000

		As at March 31, 2000 Schedule Rs. 000's	As at March 31, 1999 Rs. 000's
INCOME			
Sales and Service	9	119,891	54,223
		<u>119,891</u>	<u>54,223</u>
Expenditure:			
Software Service Charges		52,421	13,843
Admin & Marketing Expenses	10	52,330	36,389
Audit Fees		25	10
Depreciation		1,658	769
		106,434	51,011
PROFIT BEFORE TAXATION		13,457	3,212
Provision for Taxation		5,745	1,497
PROFIT AFTER TAXATION		7,712	1,715
PROFIT FOR THE PERIOD		7,712	1,715
BALANCE CARRIED TO BALANCE SHEET		7,712	1,715

As per our Report attached For and on behalf of the Board of Directors

For N.M. Raiji & Co.,
Chartered Accountants **Vivek Paul** (Director)

J.M. Gandhi
Partner **Girish S. Paranjpe** (Director)

Bangalore, April 26, 2000

SCHEDULE 1 SHARE CAPITAL

	31st March 2000 Rs. 000's	31st March 1999 Rs. 000's
Authorised		
Issued, Subscribed and paid up		
650 Equity shares of Jap. Yen 50,000 each	9,738	9,738
	<u>9,738</u>	<u>9,738</u>

SCHEDULE 2 RESERVES AND SURPLUS

General Reserve:		
Profit and Loss Account - 1998-99	1,715	-
Profit and Loss Account - 1999-00	7,712	1,715
	<u>9,427</u>	<u>1,715</u>

SCHEDULE 3 FIXED ASSETS

	Value as on April 1, 1999	Additions during the year	Deletions during the year	Value as on March 31 2000	Prov For Dep as on April 1999	Depre during the year	Ded/Adj during the year	Accu Dep as on 31.03.00	Net Book Value as on 31.3.00
Computers	1,275	1,129	-	2,404	190	663	-	853	1,551
Office Equipment	2,026	947	-	2,973	460	978	-	1,438	1,536
Furniture	1,500	329	-	1,829	119	388	-	507	1,322
Total	4,801	2,405	-	7,206	769	2,029	-	2,798	4,409

Note:

Additions to Fixed Assets include Translation Reserve as follows:

Computers: 216, Office Equipment: 896, Furniture: 253

Depreciation for the year includes Translation Reserve as follows:

Computers: 52, Office Equipment: 287, Furniture: 32

SCHEDULE 4 SUNDRY DEBTORS

	31st March 2000 Rs. 000's	31st March 1999 Rs. 000's
(Unsecured)		
Over six months		
Others considered good	29,470	7,029
	<u>29,470</u>	<u>7,029</u>

SCHEDULE 5 CASH AND BANK BALANCES

Cash	127	27
Balances with other Banks		
Tokyo Mitsubishi Bank, Shin Akasaka Branch	6,261	1,815
TMB Ohi Branch - USD A/c	9	-
	<u>6,397</u>	<u>1,842</u>

SCHEDULE 6 LOANS AND ADVANCES

Consumption tax paid	1,018	1,083
Sundry Deposits	-	3,098
Deposits - House	3,203	-
Deposits - Office	1,822	-
Telephone rights	73	-
House Rights	65	-

Advances & Loans	-	-
Travel Advances	45	-
Salary Advance	83	-
Prepaid Expenses	499	-
Advance Tax Paid	929	-
Tax Deducted at Source	1	-
	<u>7,738</u>	<u>4,181</u>

SCHEDULE 7 LIABILITIES

Consumption Tax	5,157	766
Salary & incentives	3,176	392
Withholding-tax	185	83
Social Insurance	242	182
Intercompany	7,536	-
Outstanding Liabilities	1,583	555
	<u>17,879</u>	<u>1,978</u>



DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Trademarks Holding Limited for the year ended March 31, 2000.

Financial results

The Profit and Loss account shows a loss of Rs.175080/- for the year.

Change in the name of the Company

The Board of Directors of your Company have approved the change in name of the Company from Wipro Investment Limited to Wipro Trademarks Holding Limited during the year.

Directors

Mr Azim H Premji resigned as a Director of the Company with effect from April 26, 2000. The Directors place on record their appreciation of the valuable advice and guidance given by him while he was a Director of the Company.

Mr. Satish Menon, was appointed as an Additional Director of the Company with effect from April 26, 2000. In accordance with the provisions of Section 260 of the Companies Act, 1956, he retires at the ensuing Annual General Meeting and offers himself for re-appointment.

Auditors

The Auditors, M/s N M Raiji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

Personnel

The Company has no employees in the category specified under Section 217 (2A) of the Companies Act, 1956.

Conservation of Energy/Technology Absorption, Research and Development / Foreign Exchange Earnings and Outgoings

The Company has nothing to report on the particulars required under Section 217(1)(a) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

On behalf of the Board of Directors

Suresh C. Senapaty
Chairman

Bangalore, April 26, 2000

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Wipro Trademarks Holding Limited (Formerly known as Wipro Investment Limited) as at March 31, 2000 and also the annexed Profit & Loss Account for the year ended on that date, and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far appears from our examination of the books.
3. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Profit and Loss Account and Balance Sheet dealt with by this report are in compliance with the Accounting Standards

referred to in Section 211(3C) of the Companies Act, 1956.

5. In our opinion and to the best of our information and according to the explanations given to us, the said account, read together with the notes thereon give information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - a) In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2000; and
 - b) In the case of the Profit and Loss Account of the loss for the year ended on that date.
6. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that:
 - (i) The Company is an investment company. It owns fixed assets in the form of TradeMarks which are not physically verifiable. The Company has not revalued its fixed assets. The Company does not have any employees. Hence, in our opinion no comments under paragraph 4 of the Order are called for in the case of items (iii), (iv), (v), (vi), (ix), (x), (xi), (xii), (xiv), (xv), (xvi), (xx) of clause (A) and item (iii) of clause D.
 - (ii) The Company has taken interest free loans from the holding company and from the companies, listed in the register maintained under Section 370 (1B) of the Companies Act, 1956. The terms and conditions of the loan are not prima facie prejudicial to the interest of the Company.
 - (iii) The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under Section 301 or the Companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
 - (iv) The Company has not given any loans or advances in the nature of loan.
 - (v) Directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the Rules framed thereunder are not applicable as the Company has not accepted deposits.
 - (vi) We have no comments to offer under paragraph 4A(XV) of the Order regarding internal audit as paid up capital of the company is less than Rs. 2.5 million and the average annual turnover of the Company is less than the stipulated limit.
 - (vii) There is no undisputed amount payable as at March 31, 2000, in respect of income tax, customs and excise duties and sales tax.
 - (viii) No personal expenses have been charged to revenue account.
 - (ix) We have no comments to offer under paragraph 4D(ii) as the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - (x) During the year there were no securities held by the company.

For N.M. Raiji & Co
Chartered Accountants

J.M. Gandhi
Partner

Place: Bangalore
Date : April 26, 2000

**BALANCE SHEET AS AT MARCH 31, 2000**

		As at March 31, 2000 Rupees	As at March 31, 1999 Rupees
	Schedule		
SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	1	20,000	20,000
Loan funds			
Unsecured loan	2	690,000	690,000
		<u>710,000</u>	<u>710,000</u>
APPLICATION OF FUNDS			
Fixed Assets			
Trade marks		1,498,866	280,190
Less : Amortisation		379,083	186,140
		<u>1,119,783</u>	<u>94,050</u>
Current Assets, Loans and Advances	3	925,778	825,778
Less : Current Liabilities and Provisions	4	1,518,559	217,746
Net Current Assets		<u>(592,781)</u>	<u>608,032</u>
Profit & Loss Account		182,999	7,918
		<u>710,000</u>	<u>710,000</u>
Notes to accounts	5		

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2000

	2000 Rupees	1999 Rupees
INCOME		
Licence fees	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
EXPENDITURE		
Professional Charges	59,897	-
Miscellaneous Expenses	16,240	2,750
Amortisation	192,943	21,772
Auditor's remuneration		
Audit Fees	6,000	6,000
For Certification	-	-
For reimbursement	-	-
	<u>275,080</u>	<u>30,522</u>
Profit/(Loss) before taxation	<u>(175,080)</u>	69,478
Provision for taxation	-	7,296
Profit/(Loss) after taxation	<u>(175,080)</u>	62,182
Balance brought forward	(7,919)	(70,101)
Balance carried to Balance Sheet	<u>(182,999)</u>	<u>(7,919)</u>
Notes to accounts - Schedule	5	

As per our report attached For and on behalf of the Board of Directors

for **N M Rajji & Co.**
Chartered Accountants
Suresh C. Senapaty (Chairman)
J M Gandhi
Partner
Satish Menon (Director)
Bangalore, April 26, 2000 Bangalore, April 26, 2000

SCHEDULE 1 SHARE CAPITAL**Authorised**

8,000 equity shares of Rs. 10 each	80,000	80,000
2,000 9% cumulative redeemable preference shares of Rs.10 each	20,000	20,000
	<u>100,000</u>	<u>100,000</u>

Issued, Subscribed and Paid-up

200 equity shares of Rs. 10 each	2,000	2,000
1,800 9% cumulative redeemable preference share of Rs.10 each	18,000	18,000
	<u>20,000</u>	<u>20,000</u>

Notes :-

- All the above shares are held by Wipro Limited, the Holding Company.
- The preference shares are redeemable at par at any time before the expiry of ten years from the date of allotment, at the discretion of the Company.

SCHEDULE 2 UNSECURED LOAN

From Wipro Limited	600,000	600,000
From Inlec Investment Limited	90,000	90,000
	<u>690,000</u>	<u>690,000</u>

SCHEDULE 3 CURRENT ASSETS, LOAN AND ADVANCES

Debtors (unsecured and considered good) more than 6 months	25,000	25,000
Debtors receivable	100,000	-
Cash in hand	50	50
Balance with schedule bank in current account	200,728	200,728
Advances for purchase of shares	600,000	600,000
	<u>925,778</u>	<u>825,778</u>

SCHEDULE 4 CURRENT LIABILITIES AND PROVISIONS**CURRENT LIABILITIES**

Sundry Creditors	18,525	18,825
Amount due to holding Company	1,480,433	179,319
Provision for taxation	19,601	19,601
	<u>1,518,559</u>	<u>217,745</u>

SCHEDULE 5 NOTES TO ACCOUNTS

- Accounting policies :
Trade marks are amortised over the life of the trade mark
- Arrears of dividend on preference share (including shares already redeemed) not provided for Rs. 27,364 (1999 : Rs. 25,744)
- Additional information pursuant to part II of Schedule VI of the Companies Act, 1956 - Not Applicable
- The figures of the previous year have been regrouped, wherever necessary, to confirm to current years classification.

As per our report attached For and on behalf of the Board of Directors

for **N M Rajji & Co.**
Chartered Accountants
Suresh C. Senapaty (Chairman)
J M Gandhi
Partner
Satish Menon (Director)

Bangalore, April 26, 2000 Bangalore, April 26, 2000



ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	21795	State Code	08
Balance Sheet Date	31st March 2000		

II. Capital raised during the year

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private placement	Nil

III. Position of mobilisation of and deployment of funds (Rupees)

Total Liabilities	710,000	Total Assets	710,000
Sources of funds		Application of Funds	
Paid-up capital	20,000	Net Fixed Assets	1,119,783
Reserves and Surplus	Nil	Investments	Nil
Secured Loans	Nil	Net Current Assets	(592,781)
Unsecured Loans	690,000	Miscellaneous Expenditure	Nil
		Accumulated Losses	182,999

IV. Performance of the Company (Rupees)

Turnover	100,000
Total Expenditure	275,080
Profit before Tax	(175,080)
Profit after Tax	(175,080)
Earnings per share	(884)
Dividend	Nil

V. Generic names of three principal products/ services of the Company (as per monetary terms)

Not Applicable

for and on behalf of the Board of Directors

Suresh C. Senapaty (Chairman)**Satish Menon** (Director)

Bangalore, April 26, 2000

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Prosper Limited for the year ended March 31, 2000.

Financial results

The Profit and Loss account shows a profit of Rs 2251/- for the year.

Change in name of the Company

The Board of Directors of your Company have approved the change in name of the Company from Inlec Investment Limited to Wipro Prosper Limited during the year.

Directors

Mr Azim H Premji resigned as a Director of the Company with effect from April 26, 2000. The Directors place on record their appreciation of the valuable advice and guidance given by him while he was a Director of the Company.

Mr. Satish Menon, was appointed as an Additional Director of the Company with effect from April 26, 2000. In accordance with the provisions of Section 260 of the Companies Act, 1956, he retires at the ensuing Annual General Meeting and offers himself for re-appointment.

Auditors

The Auditors, M/s N M Rajji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

Personnel

The Company has no employees in the category specified under Section 217 (2A) of the Companies Act, 1956.

Conservation of Energy/Technology Absorption, Research and Development/ Foreign Exchange Earnings and Outgoings

The Company has nothing to report on the particulars required under Section 217(1)(a) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

On behalf of the Board of Directors

Suresh C. Senapaty

Chairman

Bangalore April 26, 2000

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Wipro Prosper Limited (Formerly known as Inlec Investment Limited) as at March 31, 2000 and also the annexed Profit & Loss Account for the year ended on that date, and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far appears from our examination of the books.
3. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Profit and Loss Account and Balance Sheet dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

5. In our opinion and to the best of our information and according to the explanations given to us, the said account, read together with the notes thereon give information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - a) In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2000; and
 - b) In the case of the Profit and Loss Account of the Profit for the year ended on that date.
6. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that:
 - (i) The Company is an investment company. It does not own any fixed assets nor does it have any employees. Hence, in our opinion no comments under paragraph 4 of the Order are called for in the case of items (i), (ii), (iii), (iv), (v), (vi), (ix), (x), (xi), (xii), (xiv), (xv), (xvii), (xx) of clause (A) and item (iii) of clause D.
 - (ii) The Company has taken interest free advances from the holding company for which repayment schedule is not stipulated. The terms and conditions of the loan are not prima facie prejudicial to the interest of the Company.
 - (iii) The Company has granted interest free loans to the Companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956, for which the repayment schedule is not stipulated. The Company has not granted any other loan to the Companies listed in the register maintained under Section 301 of the Companies Act, 1956.
 - (iv) As explained to us, the Company has not given any loans or advances in the nature of loan.
 - (v) Directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the Rules framed thereunder are not applicable as the Company has not accepted deposits.
 - (vi) We have no comments to offer under paragraph 4A(XV) of the Order regarding internal audit as paid up capital of the company is less than Rs. 2.5 million and the average annual turnover of the Company is less than the stipulated limit.
 - (vii) There is no undisputed amount payable as at March 31, 2000, in respect of income tax, customs and excise duties and sales tax.
 - (viii) No personal expenses have been charged to revenue account.
 - (ix) We have no comments to offer under paragraph 4D(ii) as the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - (x) The Company has maintained proper records of transactions and contracts in respect of the share and has also made timely entries therein. Except for certain shares referred to in note 2 to accounts, all the securities have been held by the Company in its own.

For N.M. Rajji & Co
Chartered Accountants

J.M. Gandhi
Partner

Place: Bangalore
Date: April 26, 2000

BALANCE SHEET AS AT MARCH 31, 2000

		As at March 31, 2000 Rupees	As at March 31, 1999 Rupees
SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	1	2,000	2,000
Reserves and Surplus	2	1,089,314	1,087,298
		<u>1,091,314</u>	<u>1,089,298</u>
APPLICATION OF FUNDS			
Fixed Assets		-	-
Investments	3	254,588	261,868
Current Assets, Loans and Advances	4	929,671	898,135
Less : Current liabilities and provisions	5	92,945	70,705
Net Current Assets		<u>836,726</u>	<u>827,430</u>
		<u>1,091,314</u>	<u>1,089,298</u>
Notes to accounts	6		

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2000

		As at March 31, 2000 Rupees	As at March 31, 1999 Rupees
INCOME			
Dividend - gross [tax deducted at source Rs. Nil; (1999 : Nil)]		22,460	9,450
Interest on debentures-gross [tax deducted at source Rs.484 (1999 : Rs.1,186)]		2,138	5,923
		<u>24,598</u>	<u>15,373</u>
EXPENDITURE			
Professional Charges		-	-
General Charges		16,347	2,760
Auditor's remuneration			
Audit Fees		6,000	6,000
For Certification		-	-
		<u>22,347</u>	<u>8,760</u>
Profit/(Loss) before taxation		<u>2,251</u>	<u>6,613</u>
Provision for taxation		236	694
Profit/(Loss) after taxation		<u>2,015</u>	<u>5,919</u>
Balance brought forward		704,298	698,379
		<u>706,313</u>	<u>704,298</u>
Proposed dividend (subject to deduction of tax)		-	-
Transfer to General Reserve		-	-
Balance carried to Balance Sheet		<u>706,313</u>	<u>704,298</u>

Notes to accounts - Schedule 6

As per our report attached For and on behalf of the Board of Directors

for N M Raiji & Co.

Chartered Accountants

Suresh C. Senapaty

(Chairman)

J M Gandhi

Partner

Satish Menon

(Director)

Bangalore, April 26, 2000

Bangalore, April 26,2000

SCHEDULE 1 SHARE CAPITAL

	2000 Rupees	1999 Rupees
Authorised		
8,000 equity shares of Rs. 10 each	80,000	80,000
2,000 9% cumulative redeemable preference shares of Rs. 10 each	20,000	20,000
	<u>100,000</u>	<u>100,000</u>
Issued, Subscribed and Paid-up		
200 equity shares of Rs. 10 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

All the above shares are held by Wipro Limited, the Holding Company

SCHEDULE 2 RESERVES AND SURPLUS

General Reserve		
As per last Balance Sheet	365,000	365,000
Add : Transfer from Profit and Loss account	-	-
	<u>365,000</u>	<u>365,000</u>
Capital Redemption Reserve	18,000	18,000
Profit and Loss account	<u>706,313</u>	<u>704,298</u>
	<u>1,089,313</u>	<u>1,087,298</u>

SCHEDULE 3 INVESTMENTS

(At Cost)

	Face Value Number	2000 Rupees	1999 Rupees
EQUITY SHARES			
A. Trade (Quoted)			
Dynamic Technologies Limited (Refer note No. 2)	3732	10 66,363	66,363
B. Non-Trade (Quoted)			
Rasoi Limited	112	10 1,750	1,750
Ponds (India) Limited	600	10 6,792	6,792
Mannesmann Rexroth (India) Limited	50	10 438	438
Oswal Agro Mills Limited	80	10 3,100	3,100
DCM Limited	31	10 675	675
DCM Shriram Industries Limited	55	10 1,696	1,696
DCM Shriram Consolidated Limited	51	10 2,276	2,276
Shriram Industrial Enterprises Limited	62	10 676	676
Fujitsu - ICIM Limited	75	10 1,625	1,625
The National Radio & Electronics Company Limited	150	10 2,565	2,565
Hindustan Lever Limited	174	10 10,788	10,788
Hindustan Motors Limited	200	10 4,250	4,250
Tata Engineering and Locomotive Company Limited	80	10 2,050	2,050
Ashok Lelyand Limited	50	10 1,475	1,475
Ambalal Sarabhai Enterprises Limited	42	10 409	409
Sarabhai Electronics Limited	8	10 78	78
Nestle India Limited	300	10 4,300	4,300
Surya Roshni Limited	87	10 4,750	4,750
Oswal Agro Furane Limited	30	10 300	300
Cadbury India Limited	80	10 10,425	10,425
Hindustan Dorr Oliver Limited	50	10 4,575	4,575
KSB Pumps Limited	100	10 11,425	11,425
Britannia Industries Limited (50 shares received as bonus)	150	10 23,450	23,450
Exide Industries Limited	200	10 14,500	14,500
Amrit Banaspati Company Limited	100	10 8,250	8,250
Procter & Gamble India Limited	50	10 12,700	12,700
Crompton Greaves Limited	5	100 6,600	6,600
Philips (India) Limited	100	10 12,750	12,750
Velvette International			
Pharma Products Limited	100	10 2,500	2,500

	Number	Face Value Rupees	2000 Rupees	1999 Rupees
Non-Trade (Unquoted)				
All Seasons Foods Limited	100	10	1,900	1,900
Investment in Debentures (Unquoted)				
14% secured redeemable non-convertible debentures of Corn Products (India) Limited	344	70	16,800	24,080
Investments held as Stock-in-Trade (Quoted) (at cost or market value whichever is lower) Corn Products Company (India) Limited	240	10	12,357	12,357
			254,588	261,868
Aggregate cost of quoted investments			235,888	235,888
Aggregate cost of unquoted investments			18,700	25,980
Market value of quoted investments			2,486,739	2,464,479

SCHEDULE 4 CURRENT ASSETS, LOAN AND ADVANCES

Balances with a scheduled bank in current account		374,283	342,995
Cash in hand		50	50
Loan		90,000	90,000
Dividend Receivable		-	-
Advances recoverable in cash or kind or for value to be received (Considered good)		445,750	445,750
Advance Income Tax (net of provision)		19,588	19,340
		929,671	898,135

SCHEDULE 5 CURRENT LIABILITIES AND PROVISIONS
CURRENT LIABILITIES

Sundry Creditors	26,330	26,630
Amount due to holding Company	66,615	44,075
	92,945	70,705

SCHEDULE 6 NOTES TO ACCOUNTS
1) Accounting Policies

Investments -
Investments are accounted at cost plus transfer charges. Diminution in value is provided for where the Management is of the opinion that the diminution is of a permanent nature.
Income on investments -
Income on investments is recognised on accrual basis

2) As at the date of audit, 3451 equity shares of Dynamatic Technologies Limited purchased by the Company has remained to be transferred in the name of the Company pending disposal of the appeal of the Company before the Hon'ble Madras High Court in this regard.
3) Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956 - Not Applicable
4) Figures of previous year have been regrouped, wherever necessary to confirm to current year's Classification.
**ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details			
Registration No.	21796	State Code	08
Balance Sheet Date	31st March 2000		
II. Capital raised during the year			
Public issue	Nil		
Rights issue	Nil		
Bonus issue	Nil		
Private placement	Nil		
III. Position of mobilisation of and deployment of funds (Rupees)			
Total Liabilities	1,091,314	Total Assets	1,091,314
Sources of funds		Application of Funds	
Paid-up capital	2,000	Net Fixed Assets	Nil
Reserves and Surplus	1,089,314	Investments	254,588
Secured Loans	Nil	Net Current Assets	836,726
Unsecured Loans	Nil	Miscellaneous Expenditure	Nil
		Accumulated Losses	Nil
IV. Performance of the Company (Rupees)			
Turnover	24,598		
Total Expenditure	22,347		
Profit before Tax	2,251		
Profit after Tax	2,015		
Earnings per share	10		
Dividend	-		
V. Generic names of three principal products/ services of the Company (as per monetary terms)			Not Applicable

for and on behalf of the Board of Directors

Suresh C. Senapaty (Chairman)

Satish Menon (Director)

Bangalore, April 26, 2000

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Welfare Limited for the year ended March 31, 2000.

Financial results

As the Company is yet to commence its operations, no Profit and Loss account is prepared. All expenditure incurred during the year has been classified as pre-operative expenses which now stands at Rs.675,620/-.

Change in name of the Company

The Board of Directors of your Company have approved the change in name of the Company from Wipro Factors Limited to Wipro Welfare Limited during the year.

Fixed deposits

The Company has not accepted any fixed deposits from the public during the year under review.

Directors

Mr Azim H Premji resigned as a Director of the Company with effect from April 26, 2000. The Directors place on record their appreciation of the valuable advice and guidance given by him while he was a Director of the Company.

Mr. Satish Menon, was appointed as an Additional Director of the Company with effect from April 26, 2000. In accordance with the provisions of Section 260 of the Companies Act, 1956, he retires at the ensuing Annual General Meeting and offers himself for re-appointment.

Auditors

The Board of Directors appointed M/s N M Rajji & Co. as auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment.

Personnel

The Company has no employees in the category specified under Section 217 (2A) of the Companies Act, 1956.

Conservation of Energy/Technology Absorption, Research and Development/Foreign Exchange Earnings and Outgoings

The Company has nothing to report on the particulars required under Section 217(1)(A) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

On behalf of the Board of Directors

Suresh C. Senapaty

Chairman

Bangalore, April 26, 2000

AUDITORS' REPORT

To the Members of Wipro Welfare Limited (Formerly known as Wipro Factors Limited)

We have audited the attached Balance Sheet of Wipro Welfare Limited (Formerly known as Wipro Factors Limited) as at March 31, 2000. No Profit & Loss account has been prepared as the Company has not commenced commercial activity. We report as follows:

- As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Companies Act, 1956, we annex hereto, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

- Further to our comments in the annexure referred to in paragraph 1 above:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- in our opinion, proper books of accounts as required by law have been kept by the Company so far appears from our examination of the books;
- The Balance Sheet dealt with by this report is in agreement with the books of account;
- In our opinion, the Balance Sheet dealt with by this report is in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view, in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2000.

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 of the Auditor's Report to the members of Wipro Welfare Limited (Formerly known as Wipro Factors Limited) for the year ended March 31, 2000.

- In our opinion, clauses of Manufacturing and Other Companies (Auditor's Report) Order, 1988, (i), (ii), (iii), (iv), (v), (vi), (ix), (x), (xi), (xii), (xiii), (xiv), (xvi), (xvii), (xix), and (xx) of para (A) and clauses (ii), (iii) and (iv) of para (D) of Manufacturing and Other Companies (Auditor's Report) Order are not applicable for the current year.
 - The Company has neither taken nor granted any loans, secured or unsecured, from /to companies, firms or other parties listed in the register maintained under Section 301 and / or from the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
 - The Company has not given any loans or advances in the nature of loans to any party.
 - In our opinion and according to the information and explanations given to us, no undisputed amounts in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as on March 31, 2000 for a period of more than six months from the date they became payable.

For N.M. Rajji & Co.
Chartered Accountants

J.M. Gandhi
Partner

Place: Bangalore
Date: April 26, 2000

BALANCE SHEET AS AT MARCH 31, 2000

		As at March 31, 2000 Rupees	As at March 31, 1999 Rupees
SOURCES OF FUNDS			
Shareholders' funds			
(a) Share Capital	1	661,710	661,710
(b) Advance against equity		2,500	2,500
		<u>664,210</u>	<u>664,210</u>
APPLICATION OF FUNDS			
Current Assets, Loans and Advances			
(a) Cash and bank balances	2	25,200	25,200
Less : Current Liabilities			
(a) Sundry creditors		36,610	30,610
(b) Audit fees payable		<u>-</u>	<u>6,000</u>
		<u>36,610</u>	<u>36,610</u>
Net Current Assets		<u>(11,410)</u>	<u>(11,410)</u>
Miscellaneous expenditure (to the extent not written off or adjusted)	3	675,620	675,620
		<u>664,210</u>	<u>664,210</u>
Notes to accounts	4		

As per our report attached For and on behalf of the
Board of Directors

for **N M Raiji & Co.**
Chartered Accountants

Suresh C. Senapaty (Chairman)

J M Gandhi

Satish Menon (Director)
Partner

Bangalore, April 26, 2000

Bangalore, April 26, 2000

SCHEDULE 1 SHARE CAPITAL

	2000 Rupees	1999 Rupees
Authorised		
10,000,000 equity shares of Rs. 10 each	100,000,000	100,000,000
Issued, Subscribed and Paid-up		
66,171 equity shares of Rs. 10 each	661,710	661,710
66,170 equity shares of Rs. 10 each held by Wipro Limited, the holding Company		

SCHEDULE 2 CASH AND BANK BALANCES

Cash on hand	200	200
Balance with schedule bank in current account	25,000	25,000
	<u>25,200</u>	<u>25,200</u>

SCHEDULE 3 MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Preliminary expenses	16,245	16,245
Pre-operative expenses		
Advertisement	79,339	79,339
Membership and subscription	19,134	19,134
Legal and professional charges	33,250	33,250
Printing and Stationery	3,980	3,980
Rate and Taxes	523,672	523,672
	<u>675,620</u>	<u>675,620</u>

SCHEDULE 4 NOTES TO ACCOUNTS

- The Company has not yet commenced its operations and hence no Profit and Loss account is Prepared. Expenditure incurred during the period is classified as pre-operative expenses.
- The accounts are prepared under the historical cost convention.
- Legal and professional charges includes

Auditors remuneration

Audit fees

6,000 6,000

6,000 6,000

As per our report attached

For and on behalf of the
Board of Directors

for **N M Raiji & Co.**

Chartered Accountants

Suresh C. Senapaty (Chairman)

J M Gandhi

Partner

Satish Menon

(Director)

Bangalore, April 26, 2000

Bangalore, April 26, 2000