

CONSOLIDATED BALANCE SHEET

		(Rs. In 000s)		
		As of September 30,	As of March 31,	
	Schedule	2002	2001	2002
SOURCES OF FUNDS				
Shareholders' funds				
Share Capital	1	464,992	464,875	464,931
Share application money pending allotment (refer note 11)		6,516	-	2,399
Reserves and Surplus	2	29,937,420	22,021,541	25,460,163
		30,408,928	22,486,416	25,927,493
Loan Funds				
Secured loans	3	510,115	216,457	254,872
Unsecured loans	4	61,197	53,358	60,563
Minority Interest		111,120	-	27,542
		682,432	269,815	342,977
Total		31,091,360	22,756,231	26,270,470
APPLICATION OF FUNDS				
Fixed Assets				
Goodwill on consolidation – refer note 1		3,727,397	-	12,670
Gross block	5	11,170,553	10,132,397	10,069,036
Less : Depreciation		5,624,541	4,623,287	4,770,280
<i>Net Block</i>		9,273,409	5,509,110	5,311,426
Capital work-in-progress and advances		1,358,835	1,633,275	1,164,327
		10,632,244	7,142,385	6,475,753
Investments	6	7,503,315	336,174	4,680,822
Deferred tax assets		440,609	141,258	421,803
Current assets, loans and advances				
Inventories	7	897,648	1,011,674	934,600
Sundry Debtors	8	7,687,792	5,700,121	6,546,160
Cash and Bank balances	9	5,028,701	4,221,825	3,031,909
Loans and advances	10	5,371,507	10,113,132	10,055,275
		18,985,648	21,046,752	20,567,944
Current liabilities and provisions				
Liabilities	11	5,945,937	5,401,164	5,223,455
Provisions	12	525,576	509,931	653,156
		6,471,513	5,911,095	5,876,611
Net Current Assets				
		12,514,135	15,135,657	14,691,333
Miscellaneous expenditure (to the extent not written off or adjusted)		1,057	757	759
Total		31,091,360	22,756,231	26,270,470
Significant accounting policies and notes to accounts	19			

As per our report attached

For and on behalf of the Board of Directors

For N.M. Rajji & Co.,
Chartered AccountantsJ.M.Gandhi
PartnerAzim Hasham Premji
Chairman and Managing DirectorN. Vaghul
DirectorB.C. Prabhakar
DirectorSuresh C. Senapaty
Corporate Executive Vice President -
FinanceSatish Menon
Corporate Vice President – Legal &
Company Secretary

Mumbai, October 18, 2002

Bangalore, October 18, 2002

CONSOLIDATED PROFIT AND LOSS ACCOUNT		(Rs. in 000s)		
	Schedule	Six months ended September 30,	Year ended March 31,	
		2002	2001	2002
INCOME				
Gross Sales and Services		19,922,992	16,789,723	35,032,098
Less: Excise Duty		351,397	313,142	627,012
Net Sales and Services		19,571,595	16,476,581	34,405,086
Other Income	13	671,501	747,347	1,558,236
		20,243,096	17,223,928	35,963,322
EXPENDITURE				
Cost of goods sold	14	12,470,886	10,336,741	20,831,431
Selling, general and administrative expenses	15	3,040,998	2,238,819	5,519,512
Interest	16	13,962	14,923	29,697
		15,525,846	12,590,483	26,380,640
PROFIT BEFORE TAXATION:				
Continuing Operations		4,885,606	4,684,445	9,707,309
Discontinuing Operations		(168,356)	(51,000)	(124,627)
Total		4,717,250	4,633,445	9,582,682
PROVISION FOR TAXATION: (refer note 8)				
Continuing Operations		610,812	345,746	773,492
Discontinuing Operations		(61,871)	(18,210)	(44,492)
Total		548,941	327,536	729,000
PROFIT FOR THE PERIOD BEFORE EXTRAORDINARY ITEMS:				
Continuing Operations		4,274,794	4,338,699	8,933,817
Discontinuing Operations		(106,485)	(32,790)	(80,135)
Total		4,168,309	4,305,909	8,853,682
Loss on discontinuance of ISPbusiness-refer note 5	18	(383,144)	-	-
Tax benefit on above		94,364	-	-
Net loss on discontinuance of ISP business		(288,780)	-	-
PROFIT FOR THE PERIOD BEFORE MINORITY INTEREST / EQUITY IN EARNINGS OF AFFILIATES:				
		3,879,529	4,305,909	8,853,682
Minority Interest		(23,591)	-	808
Equity in earnings / (losses) of affiliates		(210,933)	-	-
PROFIT FOR THE PERIOD		3,645,005	4,305,909	8,854,490
Earnings per share (in Rs.)				
Basic				
On profit for the period from continuing operations		18.49	18.78	38.65
On losses of discontinued ISP business		(0.46)	(0.14)	(0.35)
On extraordinary items		(1.25)	-	-
On equity in earnings of affiliates / minority interest		(1.01)	-	-
On profit for the period		15.77	18.64	38.30
Diluted				
On profit for the period from continuing operations		18.46	18.76	38.59
On losses of discontinued ISP business		(0.46)	(0.14)	(0.35)
On extraordinary items		(1.25)	-	-
On equity in earnings of affiliates / minority interest		(1.01)	-	-
On profit for the period		15.74	18.62	38.24
Number of shares				
Basic		231,171,372	231,021,983	231,132,500
Diluted		231,526,775	231,327,985	231,534,876

Significant accounting policies and notes to accounts 19

As per our report attached

For and on behalf of the Board of Directors

For N.M. Rajji & Co.,
Chartered AccountantsJ.M Gandhi
PartnerAzim Hasham Premji
Chairman and Managing DirectorN. Vaghul
DirectorB.C. Prabhakar
DirectorSuresh C. Senapaty
Corporate Executive Vice President -
FinanceSatish Menon
Corporate Vice President – Legal
& Company Secretary
Bangalore, October 18, 2002

Mumbai, October 18, 2002

(Rs. In 000s, except share numbers)

SCHEDULE 1 SHARE CAPITAL**Authorised**

375,000,000 (2002: 375,000,000; 2001: 375,000,000) Equity shares of Rs 2 each
 2,500,000 (2002: 2,500,000; 2001: 2,500,000) 10.25 % Redeemable Cumulative
 Preference Shares of Rs 100 each

	As of September 30, 2002	As of March 31, 2001	As of March 31, 2002
	750,000	750,000	750,000
	250,000	250,000	250,000
	1,000,000	1,000,000	1,000,000
Issued, subscribed and paid-up			
232,496,246 (2002: 232,465,689; 2001: 232,437,689) equity shares of Rs 2 each	464,992	464,875	464,931
	464,992	464,875	464,931

Notes:

- Of the above equity shares:
 - 226,905,825 equity shares (2002: 226,905,825; 2001: 226,905,825), have been allotted as fully paid bonus shares by capitalization of Share Premium of Rs. 32,639 and General Reserves of Rs 421,173.
 - 1,325,525 equity shares (2002: 1,325,525; 2001: 1,325,525) have been allotted as fully paid-up, pursuant to a scheme of amalgamation, without payment being received in cash.
 - 3,162,500 shares representing 3,162,500 American Depository Receipts issued during 2000-2001 pursuant to American Depository offering by the Company.
 - 177,396 (2002: 146,839; 2001: 4,670) equity share issued pursuant to Employee Stock Option Plan.

SCHEDULE 2 RESERVES AND SURPLUS

	As of April 1, 2002	Additions	Deductions	As of September, 30, 2002
Capital Reserves	9,500		-	9,500
	9,500			9,500
	9,500	-	-	9,500
Capital Redemption Reserve	250,038	-	-	250,038
	250,038			250,038
	250,038	-	-	250,038
Share Premium	6,386,235	33,133 (a)	-	6,419,368
	5,920,208	435,675		6,355,883
	5,920,208	466,027	-	6,386,235
Revaluation Reserve	-	-	-	-
	890,072		39,125	850,947
	890,072	-	890,072 (b)	-
Deferred Stock Compensation		4,401		4,401
	-	-	-	-
	-	-	-	-
Investment Allowance Reserve	-	-	-	-
	14,500		14,500	-
	14,500	-	14,500 (c)	-
Profit & Loss account		3,645,005		3,645,005
		4,305,909		4,305,909
General Reserve	18,814,390	794,718 (e)	-	19,609,108
	12,100,305	581,004	2,432,045	10,249,264
	12,100,305	9,146,130 (c)(e)	2,432,045 (d)	18,814,390
	25,460,163	4,477,257		29,937,420
	19,184,623	5,322,588	2,485,670	22,021,541
	19,184,623	9,612,157	3,336,617	25,460,163

Corresponding figures for 2001 and 2002 are given below current year's figures

- Rs. 33,133 (2002: 35,414; 2001: 5,062) pursuant to issue of shares under Employee Stock Option Plan Rs. Nil (2002: Rs. 430,613; 2001: Rs. 430,613) on account of amalgamation of Wipro Net Limited with Wipro Limited.
- Transfer to Profit and Loss account Rs. Nil (2002: Rs. 39,388; 2001: Rs. 26,101) and reduction on account of sale of revalued assets and other adjustments Rs. Nil (2002: Rs. Nil; 2001: Rs. 13,024). The net difference of Rs. 850,684 was adjusted against revaluation reserve as on March 31, 2002.
- Transfer to General Reserve Rs. Nil (2002: Rs. 14,500; 2001: Rs. 14,500)
- Deficit arising on account of amalgamation of Wipro Net Limited with Wipro Limited (refer note 5 of schedule 19).
- Additions to General Reserves includes:

	September 30, 2002	March 31, 2002	September 30, 2001
Accumulated losses of subsidiaries as on March 31, 2001		(99,274)	(99,274)
Write bank of diminution in value of investment in subsidiaries		108,196	108,196
Benefits arising on employee stock incentive plans		55,646	55,646
Deferred tax assets (net) as of March 31, 2001		47,647	31,581
Reserves of Wipro Equity Reward Trust as at March 31, 2001		470,355	470,355
Transfer from investment allowance reserve		14,500	14,500
Transfer from profit and loss account		8,549,060	-
Equity in earnings of affiliates as of March 31, 2002:			
Wipro GE medicals systems Ltd.	771,849		
Wipro ePeripherals Ltd.	22,869		
Total	794,718	9,146,130	581,004

WIPRO LIMITED

		(Rs. In 000s)		
	Note Reference	As of September 30,	As of March 31,	
		2002	2001	2002
SCHEDULE 3 SECURED LOANS				
From Banks				
Cash credit facility	a	460,240	85,683	204,997
External Commercial Borrowings	b	-	60,899	-
From Financial Institutions				
Asset Credit Scheme	c	48,200	68,200	48,200
Development loan from Government of Karnataka	d	1,675	1,675	1,675
		510,115	216,457	254,872

Notes:

- Secured by hypothecation of stock-in trade, book debts, stores and spares, and secured/to be secured by a second mortgage over certain immovable properties.
- Foreign currency loan secured by hypothecation of movable fixed assets in certain software development centers at Bangalore and specific plant and machinery of erstwhile Fluid Power unit.
- Secured by hypothecation of specific machinery / assets.
- Secured by a pari-passu second mortgage over immovable properties at Mysore and hypothecation of movable properties other than inventories, book debts and specific equipments referred to in Note a above.

	As of September 30,	As of March 31,	
	2002	2001	2002
SCHEDULE 4 UNSECURED LOANS			
Fixed Deposits	-	854	843
Other Loans and Advances			
Interest free loan from Government	59,947	51,254	58,470
Loans from state financial institutions	1,250	1,250	1,250
	61,197	53,358	60,563

SCHEDULE 5 FIXED ASSETS

Particulars	GROSS BLOCK				PROVISION FOR DEPRECIATION				NET BLOCK	
	As of April 1, 2002	Additions	Deductions / adjustments	As of Sept 30, 2002	As of April 1, 2001	Depreciation for the period	Deductions / adjustments	As of Sept 30, 2002	As of Sept 30, 2002	As of March 31, 2002
Land	584,916	28,789	-	613,705	5,510	1,769	-	7,279	606,426	579,406
Buildings	1,470,580	266,469	3,037	1,734,012	93,446	22,194	(24,084)	139,724	1,594,288	1,377,134
Railway siding	12	-	-	12	12	-	-	12	-	-
Plant and Machinery	6,299,405	927,696	262,305	6,964,796	3,869,116	784,577	126,967	4,526,726	2,438,070	2,430,289
Furniture fixture and equipment	1,280,868	88,692	10,405	1,359,155	601,525	114,324	(29)	715,878	643,277	679,343
Vehicles	420,843	91,400	25,782	486,461	189,832	45,151	11,249	223,734	262,727	231,011
Technical Know-how	10,378	-	-	10,378	9,949	214	-	10,163	215	429
Patents and trademark	2,034	-	-	2,034	890	135	-	1,025	1,009	1,144
Total	10,069,036	1,403,046	301,529	11,170,553	4,770,280	968,364	114,103	5,624,541	5,546,012	5,298,756

a. Land includes leasehold land Rs 9,978 (2002: 9,978; 2001 : Rs. 9,978)

b. Buildings:

i) Includes shares worth Rs 2 (2002: Rs.2 ; 2001: Rs. 2)

ii) Includes leasehold land / property Rs 4,241 (2002: Rs. 4,241; 2001: Rs. 4,241)

iii) Is net of depreciation during construction period.

WIPRO LIMITED
SCHEDULE 6 INVESTMENTS
(Rs. In 000s except share numbers and face value)
All shares are fully paid up unless otherwise stated

			As of September 30,		As of March 31,
			2002	2001	2002
	Number	Face value			
Investments - Long Term (at cost)					
Investment in Affiliates					
Wipro GE Medical Systems Ltd #			559,671	-	-
WeP Peripherals Ltd			118,715	-	-
			678,386	-	-
Investments in equity shares of other companies					
Quoted					
Trade Investments					
Dynumatic Technologies Ltd	3732	Rs 10	66	66	66
Rasoi Ltd	112	Rs 10	2	2	2
Mannesmann Rexorth (India) Ltd	50	Rs 10	1	1	1
Oswal Agro Mills Ltd	80	Rs 10	3	3	3
DCM Ltd (sold during the year)	31	Rs 10	-	1	1
DCM Shriram Industries Ltd	55	Rs 10	2	2	2
DCM Shriram Consolidated Ltd	41	Rs 10	2	2	2
Shriram Industrial Enterprises Ltd	74	Rs 10	1	1	1
Zensar Technologies Ltd. (sold during the year)	75	Rs 10	-	2	2
The National Radio and Electronics Co. Ltd. (sold during the year)	100	Rs 10	-	2	2
Hindustan Lever Ltd.	6,240	Rs 10	17	17	17
Hindustan Motors Ltd.	200	Rs 10	4	4	4
Tata Engineering and Locomotive Co. Ltd.	80	Rs 10	2	2	2
Ashok Leyland Ltd. (sold during the year)	50	Rs 10	-	1	1
Ambalal Sarabhai Enterprises Ltd.	42	Rs 10	1	1	1
Nestle India Ltd. (sold during the year)	300	Rs 10	-	4	4
Surya Roshni Ltd. (sold during the year)	87	Rs 10	-	4	4
Cadbury India Ltd. (sold during the year)	80	Rs 10	-	10	10
Hindustan Dor Oliver Ltd. (sold during the year)	50	Rs 10	-	5	5
KSB Pumps Ltd.	50	Rs 10	11	11	11
Britannia Industries Ltd.	150	Rs 10	24	24	24
Exide Industries Ltd.	200	Rs 10	15	15	15
Amrit Banaspati Co. Ltd.	100	Rs 10	8	8	8
Procter & Gamble India Ltd.	50	Rs 10	13	13	13
Crompton Greaves Ltd.	50	Rs 10	7	7	7
Phillips (India) Ltd.	100	Rs 10	13	13	13
Velvette International Pharma Products Ltd.	100	Rs 10	2	2	2
International Best Foods Ltd.	240	Rs 10	12	12	12
Dynumatic Technologies Ltd	100	Rs 10	1	1	1
HDFC Bank Ltd	100	Rs 10	1	1	1
			208	237	237
- Unquoted					
Wipro GE Medical Systems Ltd. #	4,900,000	Rs 10	-	49,000	49,000
Wipro Fluid Power Ltd	1,863,520	Rs. 10	-	18,635	-
Spectramind eServices Pvt. Ltd.	6,221,741	Rs 10	-	-	144,299
WeP Peripherals Limited	5,460,000	Rs 10	-	54,600	54,600
All Seasons Foods Ltd.	100	Rs. 10	2	2	2
Sylantro	1,00,000	US\$ 0.1	484	479	489
			486	122,716	248,390
Investments in preference shares / debentures of other Companies					
Unquoted					
Convertible preference shares in Wipro Fluid Power Ltd.	543,300	Rs. 100	-	54,330	-
12.5% unsecured convertible debentures of Wipro ePeripherals Ltd.	4,00,000	Rs. 100	-	40,000	40,000
Convertible preference shares in Spectramind eServices pvt. Ltd.	28,760,140	Rs. 10	-	-	215,701
			-	94,330	255,701
Other Investments (unquoted)					
Redeemable floating rate bonds of State Bank of India	2,500	Rs 1,000	2,500	2,500	2,500
Indira Vkas Patra			47,952	47,952	47,952
National Saving Certificates (held in custody by Andhra Pradesh Govt.)			8	-	-
Bonds of GE Capital Services India			-	68,439	-
			50,460	118,891	50,452
Investments – short term:					
in money market mutual funds					
Alliance Capital Mutual Fund (262,558 units redeemed during the period)	18,192,503		261,590	-	265,910
Pioneer ITI Mutual Fund (156,089 units redeemed during the period)	350,682		511,580	-	452,168
Prudential ICICI Mutual Fund (88,972,087 units redeemed during the period)	112,983,628		1,377,660	-	924,966
HDFC Mutual Fund (70,656,612 units redeemed during the period)	140,746,315		1,574,825	-	521,910
Standard Chartered Mutual Fund (31,336,790 units redeemed during the period)	57,510,863		647,630	-	230,320
Reliance Mutual Fund (53,665,259 units redeemed during the period)	47,552,497		675,740	-	505,064
Zurich India Mutual Fund (89,079,559 units redeemed during the period)	89,088,292		1,012,500	-	400,499
Templeton India Mutual Fund	15,246,412		221,570	-	98,842
Cholamandalam Mutual Fund (7,717,377 units redeemed during the period)	-		-	-	147,389
Kotak Mutual Fund (29,129,190 units redeemed during the period)	12,401,666		145,350	-	225,154
Birla Mutual Fund (35,080,267units redeemed during the period)	21,863,248		345,330	-	353,820
			6,773,775	-	4,126,042
Total			7,503,315	336,174	4,680,822

Notes :

Equity investments in this company carry certain restrictions on transfer of shares that are normally provided for in joint venture / venture funding Agreement.

(Rs. In 000s)

SCHEDULE 7 INVENTORIES

	As of September 30, 2002	As of March 31, 2001	As of March 31, 2002
Stores and Spares	34,485	41,955	31,425
Raw Materials	356,960	396,767	453,018
Stock-in-process	137,569	103,937	84,722
Finished goods	368,634	469,015	365,435
	897,648	1,011,674	934,600

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.

SCHEDULE 8 SUNDRY DEBTORS**(Unsecured)**

Over Six Months

Considered good

Considered doubtful

Others

Considered good

Considered doubtful

Less: Provision for doubtful debts

	669,742	632,516	686,166
	570,298	428,743	506,630
	1,240,040	1,061,259	1,192,796
	7,018,050	5,067,605	5,859,994
	375	100,463	5,737
	7,018,425	5,168,068	5,865,731
	570,673	529,206	512,367
	7,687,792	5,700,121	6,546,160

SCHEDULE 9 CASH AND BANK BALANCES**Cash and cheques on hand****Balances with scheduled banks**

On Current account

In Deposit account

Balances with other banks in current account

Midland Bank, U K

Wells Fargo, U S A

Nations Bank

Deutsche Bank

Societe General

Bank of America

Standard Chartered Bank

Shanghai C&S Bank

Bank of Scotland

Danske Bank

National City Bank

Southtrust Bank

Suntrust Bank

Hongkong & Shanghai Bank

Bank of Tokyo

First Chicago

Citibank

FCC National Bank

Chase Manhattan

Great Western Bank

	234,147	300,470	299,481
	926,751	776,988	588,229
	1,142,806	1,388,678	100,295
	105,908	32,632	146,146
	282,563	86,894	1,081,773
	-	-	97,627
	-	-	487,942
	145,140	260,591	198,324
	52,785	51,107	27,142
	339	-	-
	760	-	-
	145,140	-	-
	299,569	-	-
	628,940	-	-
	512,538	-	-
	483,800	-	-
	6,306	-	-
	61,184	-	-
	-	262,649	976
	-	535,920	1,949
	-	263,701	976
	-	262,170	1,025
	25	25	24
	5,028,701	4,221,825	3,031,909

Maximum balances during the year

Inkom Bank, Russia

Midland Bank, U K

Wells Fargo, U S A

Nations Bank

Deutsche Bank

Societe General

Bank of America

First Chicago

Citibank

FCC National Bank

Chase Manhattan

Great Western Bank

-
387,177
986,037
97,627
487,942
460,378
36,958
390,806
875,432
391,739
421,815
24

(Rs. In 000s)

SCHEDULE 10 LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received

	As of September 30, 2002	2001	As of March 31, 2002
Considered good	1,202,359	1,407,178	949,297
Considered doubtful	70,596	126,395	71,451
	1,272,955	1,533,573	1,020,748
Less: Provision for doubtful advances	70,596	126,395	71,451
	1,202,359	1,407,178	949,297
Certificate of deposits with foreign banks	1,317,032	4,684,076	5,287,219
Inter Corporate Deposits:			
GE Capital Services India	570,540	1,550,313	819,891
Citicorp Financial services Limited	35,335	-	-
ICICI Limited	-	1,379,100	1,245,200
	605,875	2,929,413	2,065,091
Other Deposits	600,099	551,791	549,089
Advance income-tax (net of provision)	505,685	292,186	243,485
Balances with excise and customs	8,207	12,699	38,821
Unbilled Services	1,132,250	235,789	922,273
	5,371,507	10,113,132	10,055,275

Note:

a) Other Deposits include Rs 25,000 (2002 :Rs. 25,000; 2001: 25,000) security deposits for premises with a firm in which a director is Interested

SCHEDULE 11 LIABILITIES

Sundry Creditors	2,229,974	2,181,748	2,268,027
Unclaimed dividends	1,588	1,674	1,588
Advances from customers	795,051	902,032	870,030
Other liabilities	2,658,735	2,315,241	2,083,509
Unbilled Services	260,307	-	-
Interest accrued but not due on loans	282	469	301
	5,945,937	5,401,164	5,223,455

SCHEDULE 12 PROVISIONS

Employee retirement benefits	525,576	509,931	408,990
Proposed dividend	-	-	232,466
Tax on proposed dividend	-	-	-
Other Provision	-	-	11,700
	525,576	509,931	653,156

SCHEDULE 13 OTHER INCOME

	Six months ended September 30, 2002	2001	Year ended March 31, 2002
Dividend from mutual funds	20,737	-	279,549
Dividend from companies	-	3,779	5,096
Interest on debt instruments	126,262	460,863	753,287
Rental Income	12,772	11,285	19,227
Profit on Sale of Investments	174,102	-	-
Profit on disposal of fixed assets	2,819	14,869	36,251
Difference in exchange	243,035	138,794	214,187
Brand fees	26,508	26,508	53,016
Royalty	5,000	-	39,344
Provision no longer required written back	21,494	47,672	115,354
Miscellaneous Income	38,772	43,577	42,925
	671,501	747,347	1,558,236

Notes : Tax deducted at source Rs. 49,282 (2002 : Rs. 130,897; 2001: 47,044)

(Rs. In 000s)

	Six months ended September 30,		Year ended March 31,
	2002	2001	2002
SCHEDULE 14 COST OF GOODS SOLD			
Raw materials, Finished and Process Stocks (refer - schedule 17)	3,867,118	3,679,771	7,952,910
Stores & Spares	83,179	195,258	184,958
Power and Fuel	171,533	173,437	322,164
Salaries, wages and bonus	2,099,490	1,945,090	3,503,398
Contribution to provident and other funds	82,572	70,852	133,716
Gratuity and pension	95,113	63,778	120,741
Workmen and Staff welfare	59,930	75,807	139,388
Insurance	11,449	10,609	16,797
Repairs to factory buildings	4,798	8,083	10,790
Repairs to Plant & Machinery	180,954	6,162	116,510
Rent	98,956	120,540	202,116
Rates & Taxes	16,463	7,075	11,933
Packing	44,216	32,445	15,436
Travelling and allowances	3,906,935	2,684,222	5,501,529
Depreciation	504,501	495,566	1,108,743
Technical fees	80,991	27,414	136,439
Miscellaneous	1,233,057	751,966	1,430,131
Less: Capitalized	(70,369)	(11,334)	(76,268)
	12,470,886	10,336,741	20,831,431

SCHEDULE 15 SELLING GENERAL AND ADMINISTRATIVE EXPENSES

Salaries, wages and bonus	597,775	438,492	1,059,461
Contribution to provident and other funds	19,188	12,718	34,934
Gratuity and pension	27,989	13,055	33,510
Workmen and Staff welfare	56,800	43,426	129,173
Insurance	2,979	1,472	6,108
Repairs to buildings	6,469	274	3,781
Rent	70,904	48,164	121,202
Rates and taxes	36,462	21,456	21,764
Carriage and freight	53,653	87,120	214,698
Commission on sales	25,336	(40,881)	489,688
Auditors' remuneration and expenses			
Audit fees	1,669	1,506	3,522
For certification including tax audit	-	-	969
Reimbursement of expenses	122	234	859
Advertisement and sales promotion	184,382	156,509	316,252
Loss on sale of fixed assets	2,392	742	10,648
Directors' fees	40	742	800
Depreciation	189,083	164,173	319,495
Travelling and allowances	1,113,188	699,399	1,577,051
Communication	131,958	90,180	112,765
Provision/write off of bad debts	102,120	204,658	265,224
Diminution in value of investments (mutual fund units)	-	-	163,147
Miscellaneous	418,489	295,380	634,461
	3,040,998	2,238,819	5,519,512

(Rs. In 000s)

SCHEDULE 16 INTERESTOn fixed loans
Other

Six months ended September 30,		Year ended March 31,
2002	2001	2002
3,425	5,030	9,124
10,537	9,893	20,573
13,962	14,923	29,697

SCHEDULE 17 RAW MATERIALS, FINISHED AND PROCESS STOCKS**Consumption of raw materials and bought out components**

Opening stocks	439,930	499,536	499,536
Add: Purchases	2,154,470	1,571,462	3,720,523
Less: Transfer on sale of undertaking	-	-	46,496
Less: Closing stocks	356,960	396,767	439,930
	2,237,440	1,674,231	3,733,633

Purchase of finished products for sale

1,685,724	1,970,187	4,206,410
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(Increase)/decrease in finished and process stocks

Opening stock	: In process	84,722	121,190	121,190
	: Finished products	365,435	487,115	487,115
Less: Transfer on sale of undertaking	: In Process	-	-	81,002
	: Finished Products	-	-	64,279
Less: Closing stocks	: In process	137,569	103,937	84,722
	: Finished products	368,634	469,015	365,435
		(56,046)	35,353	12,867

3,867,118	3,679,771	7,952,910
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SCHEDULE 18 NON - RECURRING / EXTRAORDINARY ITEMS

Loss of discontinued ISP business

383,144
383,144

SCHEDULE –19 SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

The preparation of consolidated financial statements in conformity with Indian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Basis of preparation of financial statements -

The accompanying consolidated financial statements have been prepared in accordance with Indian generally accepted accounting principles.

Principles of consolidation -

The consolidated financial statements include the financial statements of Wipro and all of its subsidiaries, which are more than 50% owned and controlled and its affiliates where the Company holds more than 20% control. All material inter-company accounts and transactions are eliminated on consolidation. The company accounts for investments by the equity method where its investment in the voting stock gives it the ability to exercise significant influence over the investee.

Revenue recognition

- Sales include applicable sales tax unless separately charged, export incentives, and are net of discounts.
- 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
 - Revenue from software development services includes revenue from time and material and fixed price contracts. Revenue from time and material contracts are recognized as related services are performed. With reference to fixed price contracts is recognized in accordance with percentage of completion method of accounting
- 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.

Fixed Assets and Depreciation

Fixed assets were revalued in March 1997. In January 2002 the revaluation reserves were reversed against the carrying value of fixed assets. Consequently, fixed assets are now stated at historical cost less depreciation.

Interest on borrowed money allocated to and utilized for fixed assets, pertaining to the period up to 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. In Wipro Inc, Entthink Inc and Wipro Japan KK depreciation is provided on Written Down Value method.

Investments

Long term Investments are stated at cost and short term investments are valued at lower of cost and net realizable value. Diminution in value is provided for where the management is of the opinion that the diminution is of permanent nature.

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. Cost is computed on weighted average basis.

Provision for retirement benefits

For employees covered under group gratuity scheme of LIC, gratuity charged to Profit and Loss account is on the basis of premium demanded by LIC. Provision for gratuity (for certain category of employees) and leave benefit for employee's is determined as per actuarial valuation at the year end. Defined contributions for provident fund and pension are charged to the Profit and Loss account based on contributions made in terms of applicable schemes, after netting off the amounts rendered surplus on account of employees separated from the Company.

WIPRO LIMITED

Deferred Tax

Tax expenses charged to Profit and Loss account is after considering deferred tax impact for the timing difference between accounting income and tax income.

Foreign currency transactions

Foreign currency transactions are recorded at the spot rate at the beginning of the concerned month. Year end balances of foreign currency assets and liabilities are restated at the closing rate/forward contract rate, as applicable. Resultant differences in respect of liabilities relating to acquisition of fixed assets are capitalized. Other differences on restatement or payment are adjusted to revenue account.

Forward premium in respect of forward exchange contracts are recognized over the life of the contract, except that premium relating to foreign currency loans for the acquisition of fixed assets are capitalized

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.

NOTES TO ACCOUNTS

For preparation of interim financial statements, the same policies, which have been followed in the most recent annual financial statements, have been followed.

1. Goodwill arising on account of acquisition of subsidiaries and affiliates is not being amortized. Goodwill in the balance sheet represents goodwill arising on acquisition of the following:

	(Rs. In 000s)
Wipro Fluid Power Limited	18,271
Spectramind e Services Private Limited	3,560,900
GE Medical Systems Information Technologies Limited	148,226
	<u>3,727,397</u>

2. Acquisition of Spectramind

In July 2002, the Company acquired controlling equity interest in Spectramind e Services Private Limited ("Spectramind"), a leading IT-enabled service provider in India providing remote processing services to large global corporations in the US, UK, Australia and other developed markets. The shares and warrants acquired, together with shares previously held by the Company, represent 89% of the outstanding shares of Spectramind. The aggregate purchase price for the acquisition, including the cost of acquisition of the shares previously held by the Company, was Rs. 4,176,552. In September 2002, the company acquired an additional 3% of the outstanding shares for Rs 169,638. The results of operations of Spectramind are consolidated in the Company's financial statements from July 1, 2002.

The Company has also entered into a call and put option arrangement with the management team and employees of Spectramind to acquire the unvested options. The put and call option can be exercised, at the fair market value, during the six month period commencing from 190 days from the date of exercise of the options.

The excess of consideration paid over the book value of assets acquired has been recognized as goodwill. The details of consideration paid, book value of assets acquired and goodwill arising from the acquisition is outlined below :

	(Rs. In 000s)
Cash and bank balances	160,615
Net current assets	692,961
Minority interest	(68,286)
Goodwill	3,560,900
	<u>4,346,190</u>

3. Acquisition of GE Medical Systems Information Technologies Limited (GEMSIT)

In August 2002, Wipro Limited acquired 60% equity interest in GE Medical Systems Information Technologies Limited (GEMSIT), an India based company engaged in the development of health care related software, and the technology rights in the business of GEMSIT from GE group for a consideration of Rs. 180,776.

Wipro has also entered into an agreement to acquire the 40% equity interest held by Citadel Health Limited for a consideration of US\$ 2 million. The transaction is subject to certain closing precedents and has not yet been consummated.

The excess of consideration paid over the book value of assets acquired has been recognized as goodwill. The details of consideration paid, book value of assets acquired and goodwill arising from the acquisition is outlined below:

	(Rs. In 000s)
Cash and bank balances	35,184
Current assets	19,066
Minority interest	(21,700)
Goodwill	148,226
	<u>180,776</u>

4. The company has a 49% equity interest in Wipro GE Medical Systems Limited (WGE), a joint venture with General Electric, USA. The joint venture agreement provides specific rights to the joint venture partners. The rights conferred to Wipro are primarily protective in nature. Therefore, in accordance with the guidance in Accounting Standard 27 "Financial Reporting of Investments in Joint Ventures" the investments in Wipro GE have been accounted for by equity method and not by proportionate consolidation method.

Investments in Wipro e Peripherals have been accounted for by equity method.

5. The Company was engaged in the business of providing corporate ISP services. Based on a review of this business, the company decided to discontinue the existing infrastructure based ISP business, but continue with the managed network and remote management services. Managed network and remote management services are currently being offered as part of total IT solutions. In June 2002, the management formally approved a plan to discontinue the infrastructure based corporate ISP services. The costs associated with the discontinuance including asset impairment charges and other exit costs have been reflected as extraordinary expenses.

The customers are being transitioned to an independent service provider. The consideration payable by the service provider to the Company is dependent on the occurrence of certain contingent events.

The total consideration received is Rs. 25 Mn and is adjusted against the extraordinary loss arising out of the same.

In addition deferred consideration is receivable based on revenue generated by transferred customers over one year period. Such consideration will be determined only at a future date and will be accounted on crystallization.

6. During fiscal 2002, the company acquired 1,791,385 shares, representing 8% of the equity capital of Wipro Net Limited (WNL). Consequent to this investment, WNL has become a fully owned subsidiary of the Company. The board of directors of both the companies decided to amalgamate WNL into the company with effect from April 2001. Accordingly, the Karnataka High Court approved the scheme of amalgamation. The scheme of amalgamation has been given effect to in the accounts of the Company for the year ended March 31, 2002, on the pooling of interest method. The share premium of WNL is credit to Wipro Limited. The deficit of Rs. 2,432,045 arising on amalgamation as detailed below was transferred to General Reserve:

		(Rs. In 000s)
Fixed Assets	433,507	
Net Current Assets	71,753	
Less: Loans	90,000	
Net Tangible assets as of March 31, 2001		415,260
Less: Investments in WNL by the Company		2,416,692
Less: Share premium		430,613
Deficit transferred to General Reserve		2,432,045

7. Deferred tax comprise of:

	(Rs. In 000s)
Deferred tax assets:	
Allowance for doubtful debts	81,037
Property plant and equipment	97,867
Employee stock incentive plan	61,695
Accrued expenses	43,877
Business losses carried forward	156,133
	440,609

8. Provision for taxation comprises of following:

- Rs. 215,098 (2002: Rs. 388,837; 2001: Rs. 108,861) in respect of foreign taxes, net of deferred tax of Rs. Nil (2002: Rs. 53,967; 2001: Rs. 53,967) and write back of provision of Rs. Nil (2002: 87,189; 2001: Rs. 35,307) in respect of earlier year
- Rs. 237,979 (2002: 337,163; 2001: Rs. 217,175) in respect of Indian Income Tax, net of tax benefit from discontinued business of Rs. 156,235, net of deferred tax expense of Rs. 87,189 (2002: Rs. 236,120; 2001: Rs. Nil) and write back of provision of Rs.64,000 (2002: Rs. 19,921; 2001: Rs. 34,000) in respect of earlier years.
- Rs.1,500 (2002: Rs. 3,000; 2001: Rs. 1,500) in respect of Wealth Tax.

9. The details of subsidiaries and affiliates are as follows -

a) Name of the subsidiary	Country of Incorporation	% holding
Wipro Fluid Power Limited	India	98%
Wipro Inc	USA	100%
Enthink Inc	USA	- *
Wipro Japan KK	Japan	100%
Wipro Prosper Limited	India	100%
Wipro Trademarks holding Limited	India	100%
Wipro Welfare Limited	India	100%
Wipro Healthcare IT Limited	India	60%
Spectramind eServices Limited	India	92%
b) Wipro Equity Reward Trust	India	Fully controlled trust
c) Name of the affiliate		
Wipro GE Medical Systems Limited	India	49%
WeP Peripherals Limited	India	39.64%

* Fully owned by Wipro Inc.

10. Diluted EPS is calculated based on treasury stock method for ESOP outstanding.
11. Amount received from employees on exercise of stock option, pending allotment of shares is shown as share application money pending allotment.
12. Corresponding figures for previous periods presented have been regrouped, where necessary, to confirm to this period classification. Current period figures are not comparable with the previous period figures to the extent of WeP Peripherals Limited and Wipro GE Medical Systems Limited which are consolidated as per Accounting Standard 23 in the current period

CASH FLOW STATEMENT

(Rs. In 000s)

	Six months ended September 30,		Year ended March 31,
	2002	2001	2002
Cash flows from operating activities:			
Profit before tax from continuing operations	4,651,082	4,633,445	9,707,309
Adjustments to reconcile Net profit before tax and non recurring items to net cash provided by operating activities:			
Depreciation and amortization	655,577	660,434	1,378,945
Foreign currency translation gains	(243,035)	(167,153)	(119,637)
Loss of discontinued operations		-	(124,627)
Minority interest	23,591	-	-
Equity in earnings of affiliates	259,933	-	-
Retirement benefits provision	44,291	105,030	(6,413)
Others		-	(12,676)
Interest on borrowings	13,962	14,923	28,941
Dividend / interest	(321,101)	(460,569)	(873,941)
Loss / (Gain) on sale of property, plant and equipment	(2,819)	(14,869)	(25,603)
Operating cash flow before changes in working capital	5,081,481	4,771,241	9,952,298
Trade and other receivable	(691,259)	546,689	(236,983)
Loans and advances	(371,871)	(181,079)	(745,340)
Inventories (other than stock-in-trade land)	36,952	140,857	217,929
Trade and other payables	156,964	551,240	519,631
Net cash provided by operations	4,212,267	5,828,948	9,707,535
Direct taxes paid	(782,251)	(593,580)	(1,155,393)
Net cash provided by continuing operations	3,430,016	5,235,368	8,552,142
Net cash provided by discontinuing operations	45,071	-	-
Net cash provided by operations	3,475,087	5,235,368	8,552,142
Cash flows from investing activities:			
Expenditure on property, plant and equipment (including advances)	(959,863)	(1,399,155)	(2,433,022)
Proceeds from sale of property, plant and equipment	46,658	40,193	194,650
Purchase of investments	(7,660,923)	(1,224,599)	(5,709,805)
Inter Corporate deposits placed / matured	1,459,216	(1,877,413)	(963,300)
Certificate of Deposits with foreign banks	3,970,187	(1,357,968)	(1,961,111)
Sale / maturities on Investments	5,013,220	77,026	145,468
Payment for acquisition, net of cash acquired	(3,947,117)	-	-
Dividend received	20,737	3,779	284,645
Interest received	300,364	456,790	560,355
Net cash used in investing activities	(1,757,521)	(5,281,347)	(9,882,120)
Cash flows from financing activities:			
Proceeds from exercise of Stock Option Plan grants	33,194	5,071	35,479
Share application money pending allotment	4,117	-	-
Dividends paid	-	(128,071)	(128,071)
Proceeds from issuance / (repayment) of borrowings	241,915	(197,561)	(133,886)
Net cash provided by/(used in) financing activities	279,226	(320,561)	(226,478)
Net increase/ (decrease) in cash and cash equivalents during the year	1,996,792	(366,540)	(1,556,456)
Cash and cash equivalents at the beginning of the period	3,031,909	4,588,365	4,588,365
Cash and cash equivalents at the end of the period	5,028,701	4,221,825	3,031,909

Notes:

Figures for previous periods presented, have been regrouped wherever necessary, to confirm to this period classification.

For and on behalf of the Board of Directors

Azim Hasham Premji
Chairman and Managing Director

N. Vaghul
Director

B.C. Prabhakar
Director

Suresh C. Senapaty
Corporate Executive
Vice President - Finance

Satish Menon
Corporate Vice President –
Legal & Company Secretary

Bangalore, October 18, 2002

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Wipro Limited – consolidated for the six months period ended September 30, 2002. This statement is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company for the six month period ended September 30, 2002, covered by our report of even dated.

For N M Rajji & Co.,
Chartered Accountants

J M Gandhi
Partner

Mumbai, October 18, 2002.
