



Wipro's PAT for year ended March 2001 grows by 122%
Wipro Technologies revenue grows 70% with margin expansion of 6% yoy

Bangalore, April 20, 2001 –Wipro Limited today announced its audited results approved by the Board of Directors for the year ended March 2001. Revenue for the twelve-month period grew by 35% year on year to Rs.30.9 billion and the Profit after Tax before extraordinary gain of Rs.16 million grew by 122% to Rs.6.66 billion. The Board of Directors have recommended a dividend of Rs. 0.50 per share, subject to the approval of shareholders in the Annual General Meeting.

Wipro Technologies, the Global IT Services business, accounted for 57% of the revenue and 82% of the Profit before Interest and Tax. Wipro Technologies grew its revenue by 70% for the twelve-month period to Rs.17.69 billion and Profit before Interest and Tax by 110% to Rs.6.06 billion. Operating Margin to Sales increased by 6% to 34% for the year from 28% for the previous year. We added 3287 people in the year ended March 2001. Our gross utilization at 66% remained unchanged.

Wipro's Technology Solutions (R&D Services) contributed 50% of the Software revenue for the year, up from 46% for the year ended March 2000. In the year ended March 2001, the proportion of revenues from America declined to 64% from 70% for the previous year. Europe increased from 24% to 29% and Japan increased from 5% to 6%.

Wipro Infotech, the Indian IT Services and Products business recorded revenues of Rs. 8.5 billion, accounting for 27% of the total revenue. Wipro Infotech grew its Profit before Interest and Tax by 85% to Rs. 803 million, contributing 11% of Profit before Interest and Tax for the company. Increase in the proportion of high end enterprise products in Products category, Solutions and Services segment revenue at 19% to the total revenue, productivity improvements and spin-off of its peripherals business in September 2000, resulted in the Operating Margin expanding from 5% in March 2000 to 9.5% for the year ended March 2001. For the quarter ended March 2001, the Operating Margin was 13.7% compared to 10.8% for the quarter ended December 2000.

Wipro Consumer Care and Lighting business recorded revenue of Rs.3.3 billion with Profit before Interest and Tax of Rs. 477 million, contributing 11% of total revenue and 6% of Profit before Interest and Tax for the year. Growth in revenue of Lighting Products was

17% and toilet soaps (Santoor, Milk and Roses, Wipro Active, Wipro Shikakai and Wipro Baby Soft) was 14% over the previous year, being significantly higher than the industry average.

Profit after Tax computed in accordance with US GAAP for the twelve-month period ended March 2001 was Rs.6.46 billion a growth of 82% over the profits for the corresponding twelve-month period ended March 2000. Excluding the one time gain of Rs.412 m resulting from the issuance of stock by affiliate Wipro Net in 2000, the growth in Profit after Tax was 106% for the year over the previous year.

The net difference between profits computed in accordance with Indian GAAP and US GAAP is primarily due to accounting for deferred stock compensation expenses, amortization of goodwill, accounting for results of investments in subsidiaries/associate companies - Wipro GE Medical Systems, Wipro Net Ltd and Netcracker Limited and interest provision on differential treatment for sale of investment by Wipro in 1999-2000.

For the year ended March 2001, the return on capital employed in Wipro Technologies was 124%, Wipro Infotech was 105%, Consumer Care and Lighting was 71%. At the Company level the return was 56%.

Commenting on the results, Azim Premji, Chairman of Wipro, said: "Industry data for the year is not available as of now. Based on our estimate of industry performance, we believe that we have grown ahead of the industry in all our strategic business segments and we have achieved operating margins comparable to the best in the industry. Looking forward, predicting the future is not a science any one has perfected. We anticipate that we will grow ahead of the growth rates for Indian software exports."

Performance details of Wipro Technologies for the quarter ended March 2001

Wipro Technologies, which represents Wipro's Global IT Services business, increased its operating margin from 34.7% during the quarter ended December 2000 to 35.4% for the quarter ended March 31,2001. The margin expansion has been due to sequential growth in pricing of 6% onsite and 7% for offshore and increase in offshore revenue by 2%. This was partially offset by utilization drop of 1%.

Wipro's Technology Solutions (R&D Services) contributed 54% of the Software revenue while Enterprise Solutions contributed 41% and the remaining 5%, was contributed by Global Support for the fourth quarter. For the fourth quarter, R&D Services comprised of Telecom and Inter-networking practice contributing 31% of the revenue, Embedded Systems and Internet Access practice contributing 20%, the balance 3% was from Telecom & Internet Service Provider practice. In the Enterprise Solutions, Electronic Commerce accounted for 18% of the revenue, ERP 3%, Data warehousing 2% and the balance 18% coming from application development and maintenance.

The number of customers with annualized run rate of over \$1 million increased from 67 in the previous quarter to 76 in the current quarter. Customers with annualized run rate in excess of \$5 million increased to 22 in the current from 19 in the previous quarter.

32 new accounts were added in the quarter. New customers added in 2000-01 contributed 15% of the revenue for the quarter.

Revenue from America was 61%, Europe 31% and Japan 7% with the balance from the rest of the world. The mix for financial year 2000 was America 70%, Europe 24% and Japan 5% with the balance from the rest of the world.

Wipro Technologies' largest customer accounted for 9% of the revenue in the quarter, compared to 15% in the year ended March 2000. Top 5 and Top 10 customers accounted for 27% and 43% for the quarter respectively. For the year ended March 2000 they accounted for 39% and 53% respectively.

Off shore projects as a percentage of revenue was 50% for the quarter up from 47% for the year ended March 2000. Fixed price projects were at 16% of the revenue for the quarter up from 13% for the year ended March 2000.

In quarter ended March 2001, 444 employees were recruited bringing the total number of employees in Wipro Technologies as of March, 2001 to 9934. This compares with 255 employees recruited in the quarter ended March 2000.

Wipro Limited results computed under the Indian GAAP and US GAAP along with individual business segment reports are available in the Investor Relations section at www.wipro.com.

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WIPRO LIMITED

SEGMENT WISE BUSINESS PERFORMANCE FOR THE YEAR ENDED MARCH 31, 2001
In Rupees Million

	Global IT Services	Indian IT Services & Products	Consumer Care & Lighting	Others	Wipro Limited
Revenue	17,690	8,481	3,305	1,446	30,922
% of total revenue	57%	27%	11%	5%	100%
Growth	70%	3%	2%	27%	35%
Profit before Depreciation Interest and Tax	6,753	897	541	202	8,393
% of total PDBIT	80%	11%	6%	3%	100%
Growth	100%	78%	(1%)		90%
Profit before interest and tax	6,057	803	477	77	7,414
% of total PBIT	82%	11%	6%	1%	100%
Growth	110%	85%	-	-	99%
Operating margin	34%	9.5%	14%		24%
Interest (income) / expense - net					(241)
Profit before tax					7,655
Growth					118%
Profit after tax before extraordinary gain / (charge)					6,663
Growth					122%
Other Information					
Net fixed assets (at cost)	3,501	305	456	872	5,134
Trade receivables	3,540	1,954	159	524	6,177
Cash balances / investments	566	251	196	9,465	10,478
Other assets	812	911	437	607	2,767
Current liabilities	(1,533)	(2,585)	(358)	(870)	(5,346)
Capital employed	6,886	836	890	10,598	19,210
% of total capital employed	36	4	5	55	100
Depreciation	696	94	64	125	979
Return on average capital employed	124%	105%	71%		56%

1. In conformance with Accounting Standard 17 on Segment reporting issued by the Institute of Chartered Accountants of India, corresponding figures of Revenues, Profit before Depreciation, Interest and taxes and Profit before Interest and Taxes, for the year ended March 31, 2000, have been restated to exclude interest income earned on inter segment lending and other investments.

2. Effective September 1, 2000 Peripherals Services division (PSD), engaged in the business of manufacture, sales and trading in Computer Peripherals, was spun off into a new legal entity Wipro e-Peripherals. Indian IT services and products includes financials of PSD for the five month period in the current year and for the entire period in the previous year
3. Others represents Wipro Fluid Power, Wipro Biomed, and Corporate Services including spends on Wipro Brand identity and Six Sigma initiative.
4. For the year 2000-01, Rs. 16 million gain on transfer of business is recognized as extraordinary gain

WIPRO LIMITED

**SEGMENT WISE BUSINESS PERFORMANCE FOR THE THREE MONTH PERIOD ENDED
MARCH 31, 2001**

In Rupees Million

	Global IT Services	Indian IT Services & Products	Consumer Care & Lighting	Others	Wipro Limited
Revenue	5,171	2,776	826	615	9,388
% of total revenue	55%	30%	8%	7%	100%
Growth	46%	(2%)	(5%)	100%	24%
Profit before Depreciation Interest and Tax	2,064	410	151	136	2,761
% of total PBDIT	75%	15%	5%	5%	100%
Growth	72%	41%	(7%)		75%
Profit before interest and tax	1,830	380	130	107	2,447
% of total PBIT	75%	16%	5%	4%	100%
Growth	76%	47%	(10%)		83%
Operating margin	35%	13.7%	16%		26%
Interest (income) / expense - net					(107)
Profit before tax					2,554
% Growth					97%
Profit after tax					2,159
% Growth					124%

WIPRO LIMITED
Audited Financial Statements for 2000-2001

	Three months ended March 31,		In rupees million Year ended March 31,	
	2001	2000	2001	2000
Sales & services	9,212	7,391	30,539	22,736
Other income	176	37	383	185
Total revenues	9,388	7,428	30,922	22,921
Purchase of finished goods for sale	1,444	383	4,494	4,076
Consumption of raw materials	1,115	2,441	3,735	4,419
Staff cost	1,173	793	4,218	2,567
Travelling and allowances	1,639	1,189	6,032	4,187
Other expenditure	1,256	1,012	4,050	3,252
Total expenses	6,627	5,818	22,529	18,501
Operating profits	2,761	1,610	8,393	4,420
Interest expense / (income) - net	(107)	61	(241)	214
Depreciation	314	242	979	699
Profit before taxation and non-recurring/extraordinary items	2,554	1,307	7,655	3,507
Provision for taxation	395	331	992	501
Profit after taxation but before non-recurring/extraordinary items (refer note 4 & 5)	2,159	976	6,663	3,006
Extraordinary/non-recurring gain /(loss)	16	(108)	16	(523)
Profit for the year / period	2,175	868	6,679	2,483
Paid-up equity share capital	465	458	465	458
Reserve excluding revaluation reserves	18,285	5,834	18,285	5,834
<u>Dividend</u>				
Equity shares		69	116	69
Preference shares		26	18	26
<u>Dividend per share (in Rs.)</u>				
Equity		0.30	0.50	0.30
Preference		10.25	7.20	10.25
<u>Earnings per share (on Profit before non-recurring / extraordinary items)(in Rs.)</u>				
Basic	9.29	3.79	28.90	10.84
Diluted	9.22	3.77	28.66	10.80

Notes :

1. The above financial results were approved by the Board of Directors of the Company at its meeting held on April 20, 2001. There are no qualifications in the report issued for these periods by the auditors.
2. The Board of Directors at their meeting also proposed a final dividend of Re. 0.50 per share subject to the approval of the share holders at the Annual General Meeting to be held in July 2001. The register of members and share transfer books will remain closed from July 3, 2001 to July 19, 2001, both days inclusive. The Annual General Meeting of the Company has been scheduled for July 19, 2001.
3. During the year, with effect from 1st September 2000, the company transferred the business of manufacturing and distribution of Computer Peripherals to Wipro e-Peripherals Limited (WeP) for a consideration of Rs. 271 Mn received by way of - 5,460,000 equity shares of Rs. 10 each in Wipro e-Peripherals Limited, 1,000,000 12.5% unsecured Non convertible debentures of Rs. 100 each in WeP and cash of Rs. 116 Mn. The transaction resulted in a gain of Rs. 16 Mn which has been shown as extraordinary item.

4. In the year ended March 31, 2000, the Company sold 4,694,795 equity shares in Wipro Net Limited (WNL) resulting in an extraordinary income of Rs. 1,095 Mn. 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. The price band for the remaining period is Rs. 658 to Rs. 700.
5. In the year ended March 31, 2000, 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 Mn Convertible Preference shares of Rs.200 Mn and Redeemable Preference shares of Rs.300Mn 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. 810 Mn. Following the di-vestment, 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 provided for diminution in the value of such investments aggregating Rs. 701 Mn. In December 2000 the Company sold off all its investments in Wipro Finance Limited except for Rs. 300 Mn of redeemable preference shares in Wipro Finance Limited.

6. For computing basic EPS for the year, shares outstanding has been weighted for the period lapsed since issued. For computing diluted EPS, treasury stock method has been used in respect of employees stock option outstanding.

Place : Bangalore
Date : April 20, 2001

By order of the board

Azim H Premji
Chairman and Managing Director