

**WIPRO LIMITED AND SUBSIDIARIES**

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
PREPARED IN ACCORDANCE WITH U.S. GAAP  
AS OF AND FOR THE  
THREE MONTHS AND NINE MONTHS ENDED DECEMBER 31, 2003 AND 2004**

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

	As of December 31,		
	2003	2004	2004
	(unaudited)	(unaudited)	(unaudited) Convenience translation into US\$
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents .....	Rs. 1,801.09	Rs. 3,214.59	\$ 74.29
Accounts receivable, net of allowances .....	9,393.85	13,142.60	303.73
Costs and earnings in excess of billings on contracts in progress.....	1,964.11	2,845.40	65.76
Inventories .....	1,517.31	1,619.02	37.42
Investments in liquid and short-term mutual funds.....	19,428.62	21,605.05	499.31
Deferred income taxes.....	218.90	343.21	7.93
Other current assets .....	<u>2,872.26</u>	<u>3,625.61</u>	<u>83.79</u>
Total current assets.....	37,196.14	46,395.48	1,072.23
Property, plant and equipment, net .....	8,628.18	12,250.57	283.12
Investments in affiliates (Note 4).....	524.13	744.06	17.20
Deferred income taxes.....	192.64	234.26	5.41
Intangible assets, net.....	314.02	379.75	8.78
Goodwill (Note 3).....	5,426.85	5,590.14	129.19
Other assets .....	760.35	662.54	15.31
Total assets.....	<u>Rs. 53,042.31</u>	<u>Rs. 66,256.80</u>	<u>\$ 1,531.24</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Borrowings from banks .....	Rs. 1,590.84	Rs. 513.08	11.86
Current portion of long-term debt .....	28.20	-	-
Accounts payable.....	2,066.59	3,247.65	75.06
Accrued expenses .....	2,348.57	3,740.45	86.44
Accrued employee costs .....	2,367.49	2,929.13	67.69
Advances from customers.....	919.96	1,242.15	28.71
Other current liabilities .....	<u>1,108.89</u>	<u>1,976.30</u>	<u>45.67</u>
Total current liabilities .....	10,430.54	13,648.76	315.43
Other liabilities .....	<u>280.72</u>	<u>577.41</u>	<u>13.34</u>
Total liabilities .....	<u>10,711.26</u>	<u>14,226.17</u>	<u>328.78</u>
Minority interest .....	385.17	518.83	11.99
Stockholders' equity:			
Equity shares at Rs. 2 par value: 750,000,000 shares authorized; Issued and outstanding: 697,885,677 and 702,120,931 shares as of December 31, 2003 and 2004 (Note 5).....	465.26	1,404.24	32.45
Additional paid-in capital .....	7,008.07	12,444.73	287.61
Deferred stock compensation .....	(12.32)	(3,235.89)	(74.78)
Accumulated other comprehensive income / (loss).....	(73.60)	233.03	5.39
Retained earnings .....	34,558.55	40,665.77	939.81
Equity shares held by a controlled Trust: 3,939,030 and 3,946,530 shares as of December 31, 2003 and 2004.....	<u>(0.08)</u>	<u>(0.08)</u>	<u>-</u>
Total stockholders' equity .....	<u>41,945.88</u>	<u>51,511.80</u>	<u>1,190.47</u>
Total liabilities and stockholders' equity .....	<u>Rs. 53,042.31</u>	<u>Rs. 66,256.80</u>	<u>\$ 1,531.24</u>

See accompanying notes to the unaudited condensed consolidated financial statements.



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

	Equity Shares		Additional	Deferred	Comprehensive	Accumulated	Retained	Equity Shares held by a		Total	
	No. of Shares	Amount	Paid in	Stock		Comprehensive		Earnings	Controlled Trust		Stockholders'
			Capital	Compensation		Income			Income / (loss)	No. of Shares	
Balance as of March 31, 2004 .....	<u>698,277,456</u>	<u>Rs. 465.52</u>	<u>Rs. 7,176.68</u>	<u>Rs. (9.88)</u>	-	<u>Rs. 918.64</u>	<u>Rs. 37,812.87</u>	<u>(3,943,530)</u>	<u>Rs.(0.08)</u>	<u>Rs. 46,363.75</u>	
Cash dividends paid (unaudited).....	-	-	-	-	-	-	(7,575.99)	-	-	(7,575.99)	
Issuance of equity shares on exercise of options (unaudited).....	3,843,475	7.46	1,866.60	-	-	-	-	-	-	1,874.06	
Equity shares forfeited, net of issuance by Trust (unaudited).....	-	-	-	-	-	-	-	(3,000)	-	-	
Stock split effected in the form of stock dividend (unaudited) (Note 5).....	-	931.26	-	-	-	-	(931.26)	-	-	-	
Compensation related to employee stock incentive plan, net of reversals (unaudited) (Note 6).....	-	-	3,401.45	(3,401.45)	-	-	-	-	-	-	
Amortization of compensation related to employee stock incentive plan (unaudited).....	-	-	-	175.44	-	-	-	-	-	175.44	
Comprehensive income											
Net income (unaudited).....	-	-	-	-	Rs. 11,360.15	-	11,360.15	-	-	11,360.15	
Other comprehensive income / (loss)											
Translation adjustments (unaudited) .....	-	-	-	-	19.62	-	-	-	-	-	
Unrealised gain on investment securities, net (unaudited).....	-	-	-	-	27.86	-	-	-	-	-	
Unrealized loss on cash flow hedging derivatives (unaudited).....	-	-	-	-	(733.09)	-	-	-	-	-	
Total other comprehensive income / (loss) (unaudited).....	-	-	-	-	<u>(685.61)</u>	(685.61)	-	-	-	(685.61)	
Comprehensive income (unaudited).....					<u>Rs. 10,674.54</u>						
Balance as of December 31, 2004 (unaudited).....	<u>702,120,931</u>	<u>Rs. 1,404.24</u>	<u>Rs. 12,444.73</u>	<u>Rs. (3,235.89)</u>		<u>Rs. 233.03</u>	<u>Rs. 40,665.77</u>	<u>(3,946,530)</u>	<u>Rs.(0.08)</u>	<u>Rs. 51,511.80</u>	
Balance as of December 31, 2004 (unaudited) (\$)		<u>\$ 32.45</u>	<u>\$ 287.61</u>	<u>\$ (74.78)</u>		<u>\$ 5.39</u>	<u>\$ 939.81</u>	<u>-</u>	<u>-</u>	<u>\$ 1,190.47</u>	

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Nine months ended December 31,		
	2003	2004	2004
	(unaudited)	(unaudited)	(unaudited)
			Convenience translation into US\$
Cash flows from operating activities:			
Net income.....	Rs. 6,737.70	Rs. 11,360.15	\$ 262.54
Adjustments to reconcile net income to net cash provided by operating activities:			
(Gain)/loss on sale of property, plant and equipment.....	5.25	(107.47)	(2.48)
Depreciation and amortization.....	1,618.45	1,862.92	43.05
Deferred tax benefit.....	(44.53)	(152.69)	(3.53)
Loss on direct issue of stock by affiliate.....	206.00	206.58	4.77
Amortization of deferred stock compensation.....	42.44	175.44	4.05
Equity in losses / (earnings) of affiliates.....	5.00	(132.90)	(3.07)
Minority interest.....	33.30	67.02	1.55
Changes in operating assets and liabilities:			
Accounts receivable.....	(1,339.61)	(2,169.66)	(50.14)
Costs and earnings in excess of billings on contracts in progress...	(505.15)	(745.56)	(17.23)
Inventories.....	(67.82)	(180.83)	(4.18)
Other assets.....	(273.10)	521.17	12.04
Accounts payable.....	(398.29)	515.07	11.90
Accrued expenses and employee costs.....	2,027.59	1,991.94	46.04
Advances from customers.....	22.97	279.40	6.46
Other liabilities.....	418.52	929.09	21.47
Net cash provided by operating activities.....	<u>8,488.72</u>	<u>14,419.67</u>	<u>333.25</u>
Cash flows from investing activities:			
Expenditure on property, plant and equipment.....	(2,737.99)	(4,925.27)	(113.83)
Proceeds from sale of property, plant and equipment.....	55.65	298.47	6.90
Dividends received from affiliates.....	4.94	8.40	0.19
Purchase of investments in liquid and short-term mutual funds.....	(20,105.21)	(50,995.00)	(1,178.53)
Proceeds from sale of liquid and short-term mutual funds.....	8,490.00	47,897.00	1,106.93
Proceeds from sale and maturities of other investment securities.....	526.98	-	-
Redemption/maturity of inter-corporate deposits.....	277.72	-	-
Purchase of intangible assets.....	(50.00)	(298.13)	(6.89)
Payment for acquisitions, net of cash acquired.....	(458.25)	(597.77)	(13.81)
Net cash used in continuing operations.....	(13,996.16)	(8,612.30)	(199.04)
Net cash provided by discontinued operations.....	12.67	-	-
Net cash used in investing activities.....	<u>(13,983.49)</u>	<u>(8,612.30)</u>	<u>(199.04)</u>
Cash flows from financing activities:			
Proceeds from issuance of equity shares.....	70.83	1,874.06	43.31
Proceeds from issuance of equity shares by a subsidiary.....	145.87	266.25	6.15
Proceeds from / (repayments of) short-term borrowing from banks, net.....	1,082.32	(456.25)	(10.54)
Repayment of long term debt.....	(20.00)	-	-
Payment of cash dividends.....	(262.36)	(7,575.99)	(175.09)
Net cash used in financing activities.....	<u>1,016.66</u>	<u>(5,891.93)</u>	<u>(136.17)</u>
Net decrease in cash and cash equivalents during the period.....	(4,478.11)	(84.56)	(1.95)
Effect of exchange rate changes on cash.....	(3.81)	1.99	0.05
Cash and cash equivalents at the beginning of the period.....	6,283.01	3,297.16	76.20
Cash and cash equivalents at the end of the period.....	<u>Rs. 1801.09</u>	<u>Rs. 3,214.59</u>	<u>\$ 74.29</u>
Supplementary information:			
Cash paid for interest.....	28.17	50.02	1.16
Cash paid for taxes.....	898.74	1,796.94	41.53

See accompanying notes to the unaudited condensed consolidated financial statements.

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

**NOTE 1: BASIS OF PRESENTATION**

The accompanying unaudited condensed consolidated financial statements of Wipro Limited ("Wipro" or the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information. In the opinion of management, all adjustments, which are of a normal recurring nature and necessary for a fair presentation, have been included. These financial statements should be read in conjunction with the consolidated financial statements and the related notes included in the Company's annual report on Form 20F for the year ended March 31, 2004.

The accompanying consolidated financial statements have been prepared in Indian rupees, the national currency of India. Solely for the convenience of the readers, the financial statements as of and for the three months and nine months ended December 31, 2004 have been translated into United States dollars at the noon buying rate in New York City on December 31, 2004, for cable transfers in Indian rupees, as certified for customs purposes by the Federal Reserve Bank of New York of \$1= Rs. 43.27. No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate. Until June 30, 2004, the unaudited condensed financial statements were being presented in rupees thousands. The unaudited condensed financial statements are now being presented in rupees millions.

**NOTE 2: DERIVATIVE AND HEDGE ACCOUNTING**

The Company is exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward exchange contracts, where the counterparty is a bank. The Company considers the risks of non performance by the counterparty as remote.

Forward contracts in respect of forecasted transactions, which meet the hedging criteria, are designated as cash flow hedges. Changes in the derivative fair values that are designated as effective cash flow hedges, under SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, are deferred and recorded as a component of accumulated other comprehensive income until the hedged transactions occur and are then recognized in the consolidated statements of income. The ineffective portion of a hedging derivative is immediately recognized in the consolidated statements of income.

The Company also acquires short term contracts as part of a plan to replace/roll-over maturing contracts with successive new contracts upto the period in which forecasted transaction is expected to occur. The effectiveness of the hedge is evaluated on the basis of changes in spot rate and accordingly the changes in the fair value of forward premium/discount is recognized in a manner similar to ineffective portion of a hedge. The gains/losses on the maturing contracts, arising from changes in the underlying spot rates, is recorded as a component of accumulated other comprehensive income until the hedged transactions occur and are then recognized in the consolidated statements of income.

As of December 31, 2004, a gain of Rs.325.88 relating to changes in fair value of forward contracts and gains/losses on the replacement/roll-over of maturing contracts, designated as hedge of forecasted transactions, is included as a component of other comprehensive income/loss within stockholders' equity.

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

As of March 31, 2004, the Company held approximately 93% of the outstanding equity shares of Wipro Spectramind Services Private Limited ("Wipro Spectramind"). The remaining shares were held by the employees.

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

As the exercise price per option was less than the Company's carrying value per share, the exercise resulted in a decline in the carrying value of the Company's ownership interest by Rs. 206.58. In accordance with the accounting policy adopted by the Company, this decline in carrying value has been included in the statement of income for the nine months ended December 31, 2004 as a loss on direct issue of stock by subsidiary.

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

During the nine months ended December 31, 2004, the Company acquired 4,008,681 shares from the employees for an aggregate consideration of Rs.597.77. The excess of consideration paid over the carrying value of minority interest acquired amounting to Rs. 168.90 has been recorded as goodwill.

As a result of the above transactions, as of December 31, 2004, the Company's ownership interest in Wipro Spectramind remains approximately at 93%.

#### **NOTE 4: INVESTMENTS IN AFFILIATES**

##### *Wipro GE Medical Systems ("Wipro GE")*

The Company has accounted for its 49% interest in Wipro GE by the equity method. The carrying value of the investment in Wipro GE as of December 31, 2003 and 2004 was Rs. 371.60 and Rs. 558.07, respectively. The Company's equity in the income/(losses) of Wipro GE for nine months ended December 31, 2003 and 2004 was (Rs. 29.00) and Rs. 101.61, respectively.

##### *WeP Peripherals*

The Company has accounted for its 40.5% interest as of December 31, 2003 and 2004, in WeP Peripherals by the equity method. The carrying value of the equity investment in WeP Peripherals as of December 31, 2003 and 2004, was Rs. 152.53 and Rs. 185.99 respectively. The Company's equity in the income of WeP Peripherals for the nine months ended December 31, 2003 and 2004 was Rs. 24.00 and Rs. 31.29 respectively. During the nine months ended December 31, 2003 and 2004 the Company received dividends of Rs. 4.94 and Rs. 8.40, respectively from WeP Peripherals.

#### **NOTE 5: STOCK DIVIDEND**

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

#### **NOTE 6 : RESTRICTED STOCK UNIT PLAN**

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

RSUs vest over a period of five years from the date of grant and upon vesting the employees have an option to acquire one equity share for every RSU. The RSUs are subject to forfeiture if the employee terminates employment before vesting. The excess of market price on the date of grant over the exercise price payable by the employees is recognized as deferred compensation cost and amortized over the vesting period.

During the nine months ended December 31, 2004, the Company granted 4,605,428 RSUs under the WRSUP 2004 plan and 766,550 RSUs under the WARSUP 2004 Plan. The deferred compensation cost of Rs. 3,401.45 arising from such grants will be amortized over the vesting period of five years.

During the nine months ended December 31, 2004 the Company has amortized Rs. 168.92 of deferred compensation cost.

#### **NOTE 7: CONTINGENCIES**

In March 2004, the Company received a demand from the tax authorities of Rs. 2,614.57, including interest, upon completion of their tax review for the financial year ended March 31, 2001. The tax demand is mainly on account of disallowances of deduction claimed by Company under section 10A of the Income Tax Act of India, 1961, which allows a tax holiday in respect of profits earned on some of the undertakings of the Company. As of March 31, 2004, the net exposure of the Company was Rs. 2,315.57. Management, including external counsel has concluded that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position or overall trends in results of operations.

#### **NOTE 8: SEGMENT INFORMATION**

The Company is organized by segments, including Global IT Services and Products, India and AsiaPac IT Services and Products, Consumer Care and Lighting and 'Others'. Each of the segments has a Vice Chairman/Chief Executive Officer who reports to the Chairman of the Company. The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by SFAS No. 131, Disclosure about Segments of an Enterprise and Related Information. The Chairman of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed.

The Global IT Services and Products segment provides research and development services for hardware and software design to technology and telecommunication companies, software application development services to corporate enterprises and Business Process Outsourcing services to large global corporations.

The India and AsiaPac IT Services and Products segment focuses primarily on addressing the IT and electronic commerce requirements of companies in India, MiddleEast and AsiaPacific region.

The Consumer Care and Lighting segment manufactures, distributes and sells soaps, toiletries, lighting products and hydrogenated cooking oils for the Indian market.

'Others' consist of business segments that do not meet the requirements individually for a reportable segment as defined in SFAS No. 131. Corporate activities such as treasury, legal and accounting, which do not qualify as operating segments under SFAS No. 131 have been considered as reconciling items.

Segment data for previous periods has been reclassified on a comparable basis.

Information on reportable segments is as follows:

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

	<b>Global IT Services and Products</b>	<b>India and AsiaPac IT Services and Products</b>	<b>Consumer Care and Lighting</b>	<b>Others</b>	<b>Reconciling Items</b>	<b>Entity Total</b>
Revenues.....	Rs. 30,918.37	Rs. 5,947.64	Rs. 2,578.85	Rs. 1,374.63	-	Rs. 40,819.49
Exchange rate fluctuations.....	<u>196.16</u>	<u>17.50</u>	<u>0.34</u>	<u>(3.62)</u>	<u>(210.38)</u>	<u>-</u>
Total revenues.....	31,114.53	5,965.14	2,579.19	1,371.01	(210.38)	40,819.49
Cost of revenues.....	(19,879.33)	(4,558.32)	(1,650.07)	(976.24)	-	(27,063.96)
Selling and marketing expenses..	(2,673.31)	(602.23)	(462.80)	(95.28)	(41.66)	(3,875.28)
General and administrative expenses.....	(1,845.88)	(452.82)	(54.81)	(88.78)	(33.58)	(2,475.87)
Research and development expenses.....	(168.30)	-	-	-	-	(168.30)
Amortization of intangible assets.....	(217.24)	-	(5.80)	-	-	(223.04)
Exchange rate fluctuations.....	-	-	-	-	201.16	201.16
Others, net.....	<u>9.71</u>	<u>28.10</u>	<u>5.10</u>	<u>9.58</u>	<u>16.77</u>	<u>69.26</u>
Operating income of segment	<b><u>Rs. 6,340.12</u></b>	<b><u>Rs. 379.93</u></b>	<b><u>Rs. 410.81</u></b>	<b><u>Rs. 220.29</u></b>	<b><u>Rs. (67.69)</u></b>	<b><u>Rs. 7,283.46</u></b>
Total assets of segment (2).....	Rs. 25,083.66	Rs. 4,072.15	Rs. 1,078.65	Rs. 1,415.34	Rs. 21,392.51	Rs. 53,042.31
Capital employed (2).....	19,754.82	1,636.24	524.55	1,020.66	21,294.54	44,230.81
Return on capital Employed (1),(2).....	44%	38%	92%	-	-	-
Accounts receivable.....	7,227.10	1,637.89	207.39	321.47	-	9,393.85
Cash and cash equivalents and investments in liquid and short-term mutual funds.....	1,177.28	226.15	180.46	443.42	19,202.40	21,229.71
Depreciation.....	1,175.56	105.67	49.63	28.77	35.78	1,395.41

**Nine months ended December 31, 2004 (unaudited)**

	<b>Global IT Services and Products</b>	<b>India and AsiaPac IT Services and Products</b>	<b>Consumer Care and Lighting</b>	<b>Others</b>	<b>Reconciling Items</b>	<b>Entity Total</b>
Revenues.....	Rs. 44,242.02	Rs. 8,893.37	Rs. 3,367.40	Rs. 1,892.02	-	Rs. 58,394.81
Exchange rate fluctuations.....	<u>(204.48)</u>	<u>(22.13)</u>	<u>0.59</u>	<u>(7.68)</u>	<u>233.70</u>	<u>-</u>
Total revenues.....	44,037.54	8,871.24	3,367.99	1,884.34	233.70	58,394.81
Cost of revenues.....	(27,946.44)	(6,872.12)	(2,160.12)	(1,290.96)	-	(38,269.64)
Selling and marketing expenses....	(2,368.00)	(828.80)	(654.61)	(131.98)	(19.29)	(4,002.68)
General and administrative expenses.....	(1,946.47)	(578.21)	(60.50)	(91.98)	(12.14)	(2,689.30)
Research and development expenses.....	(201.19)	-	-	-	-	(201.19)
Amortization of intangible assets.....	(109.00)	-	(13.02)	-	-	(122.02)
Exchange rate fluctuations.....	-	-	-	-	(287.45)	(287.45)
Others, net.....	<u>6.98</u>	<u>4.90</u>	<u>14.58</u>	<u>12.54</u>	<u>16.64</u>	<u>55.64</u>
Operating income of segment(1).....	<b><u>Rs. 11,473.42</u></b>	<b><u>Rs. 597.01</u></b>	<b><u>Rs. 494.32</u></b>	<b><u>Rs. 381.96</u></b>	<b><u>Rs. (68.54)</u></b>	<b><u>Rs. 12,878.17</u></b>
Total assets of segment (3).....	Rs. 34,609.45	Rs. 5,223.60	Rs. 1,561.86	Rs. 1,844.08	Rs. 23,017.81	Rs. 66,256.80
Capital employed (3).....	26,459.56	1,742.48	692.97	1,362.68	22,863.43	53,121.12
Return on capital employed (2),(3).....	62%	41%	100%	-	-	-
Accounts receivable.....	10,152.05	2,267.01	305.32	418.22	-	13,142.60
Cash and cash equivalents and investments in liquid and short-term mutual funds.....	3,651.71	177.86	82.58	568.84	20,338.65	24,819.64
Depreciation.....	1,540.67	69.89	59.47	34.60	36.27	1,740.90

- (1) Operating income from Global IT Services and Products for the nine months ended December 31, 2004 is after amortization of Rs. 151.18 of deferred stock compensation cost arising from the grant of RSUs.
- (2) Return on capital employed is computed based on the average of the capital employed at the beginning and at the end of the period.
- (3) The total assets, capital employed and return on capital employed for the India and AsiaPac IT Services and Products segment excludes the impact of certain acquisition-related goodwill relating to the segment. This goodwill of Rs. 656.24 as of December 31, 2003 and 2004 has been reported as a component of reconciling items.

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

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

	<b>Nine months ended December 31,</b>	
	<b>2003</b>	<b>2004</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
India.....	Rs. 9,348.70	Rs. 12,810.78
United States.....	22,130.86	30,468.37
Europe.....	7,696.74	11,878.24
Rest of the world.....	1,643.19	3,237.42
	<u>Rs. 40,819.49</u>	<u>Rs. 58,394.81</u>

#### **NOTE 9: RECLASSIFICATIONS**

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