



innovation is Wipro. innovation is instinct.
innovation is process. innovation is predetermined.
innovation is accident. innovation is methodical.
innovation is genius. innovations are shaped over
time. innovations strike overnight. innovation is
a series of stepping stones. innovation is the
sudden leap beyond logic. **Wipro is innovation.**



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Wipro Businesses

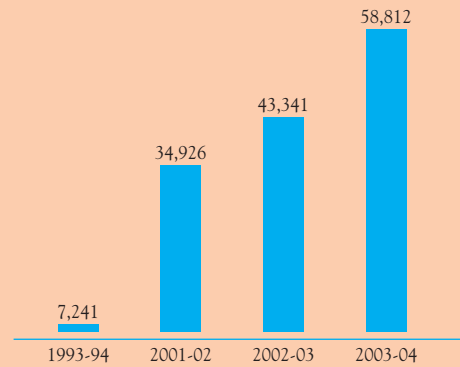
Inside Back Cover

Board of Directors

THE RESULTS AT A GLANCE

Sales and Other Income*

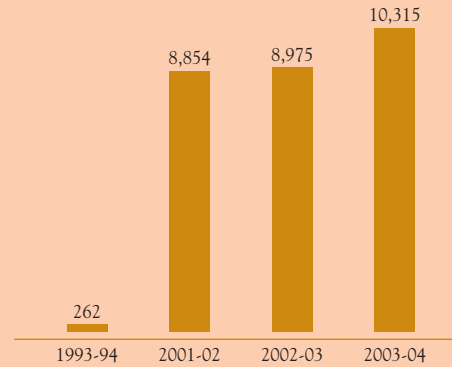
10 year CAGR 23%
Rs Mn



* From continuing operations

Profit after Tax*

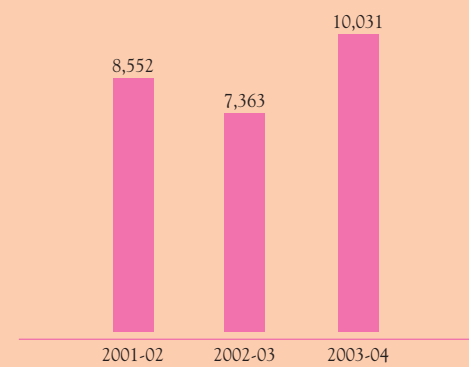
10 year CAGR 44%
Rs Mn



* From continuing operations

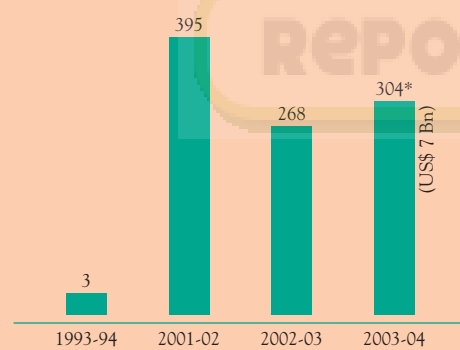
Operating Cash Flows

Rs Mn



Market Capitalization

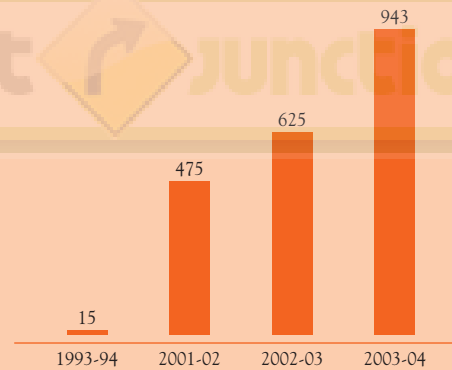
10 year CAGR 59%
Rs Bn



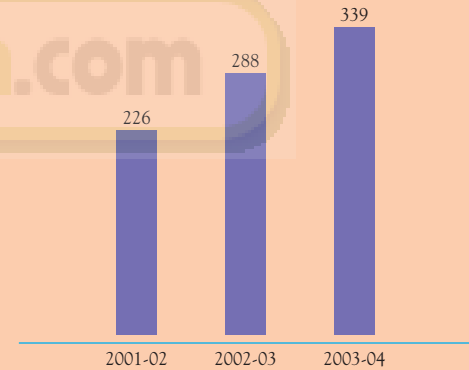
* Based on market price as on March 31, 2004 of Rs 1,359

Revenues from Global IT Services & Products

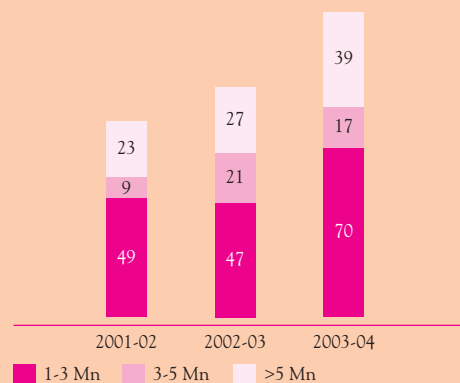
10 year CAGR 51%
\$ Mn



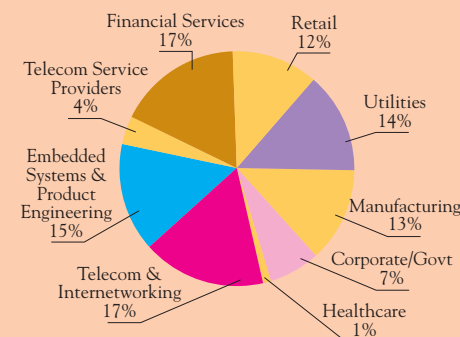
Number of Active Customers
IT Services



Number of Million \$ Customers
IT Services

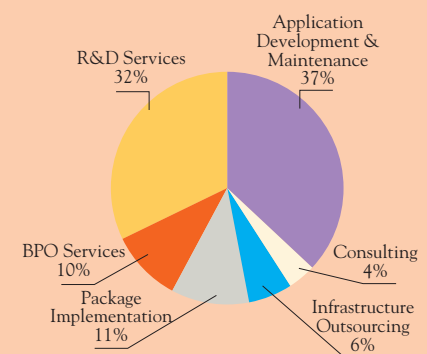


Composition of Business Verticals*
2003-04



* IT Services only

Global IT Services – Service Line Composition
2003-04



WIPRO LIMITED - CONSOLIDATED
AUDITED SEGMENT WISE BUSINESS PERFORMANCE FOR THE YEAR ENDED MARCH 31, 2004 (Rs. in Million)

Particulars	Year ended March 31		
	2004	2003	Growth %
Segment Revenue			
Global IT Services & Products	43,575	30,487	43%
India & AsiaPac IT Services & Products	9,762	8,395	16%
Consumer Care & Lighting	3,649	2,991	22%
Others	1,826	1,468	
Continuing Operations	58,812	43,341	36%
Discontinued ISP Business	-	42	
TOTAL	58,812	43,383	36%
Profit Before Interest and Tax (PBIT)			
Global IT Services & Products	9,539	8,451	13%
India & AsiaPac IT Services & Products	792	557	42%
Consumer Care & Lighting	551	436	26%
Others	277	240	
Continuing Operations	11,159	9,684	15%
Discontinued ISP Business	-	(182)	
TOTAL	11,159	9,502	17%
Interest / Other income*	873	634	
Profit Before Tax	12,032	10,136	19%
Income tax expense	(1,681)	(1,276)	
Profit before extraordinary items	10,351	8,860	17%
Discontinuance of ISP business	-	(263)	
Profit before equity in earnings / (losses) of Affiliates and minority interest	10,351	8,597	20%
Equity in earnings of affiliates	23	(355)	
Minority interest	(59)	(37)	
Profit After Tax	10,315	8,205	26%
Operating Margin			
Global IT Services & Products	22%	28%	
India & AsiaPac IT Services & Products	8%	7%	
Consumer Care & Lighting	15%	15%	
Continuing Operations	19%	22%	
TOTAL	19%	22%	
Capital Employed			
Global IT Services & Products	21,732	18,536	
India & AsiaPac IT Services & Products	1,941	1,075	
Consumer Care & Lighting	596	682	
Others	14,498	15,082	
Continuing Operations	38,767	35,375	
Discontinued ISP Business	-	(7)	
TOTAL	38,767	35,368	
Capital Employed Composition			
Global IT Services & Products	56%	52%	
India & AsiaPac IT Services & Products	5%	3%	
Consumer Care & Lighting	1%	2%	
Others	38%	43%	
TOTAL	100 %	100 %	
Return on average capital employed			
Global IT Services & Products	47%	62%	
India & AsiaPac IT Services & Products	53%	54%	
Consumer Care & Lighting	86%	60%	
Continuing Operations	30%	31%	
TOTAL	30%	31%	

* Other Income for the year ended 31st March 2004 includes profit on sale of land - Rs. 107 Mn

Note to segment report:

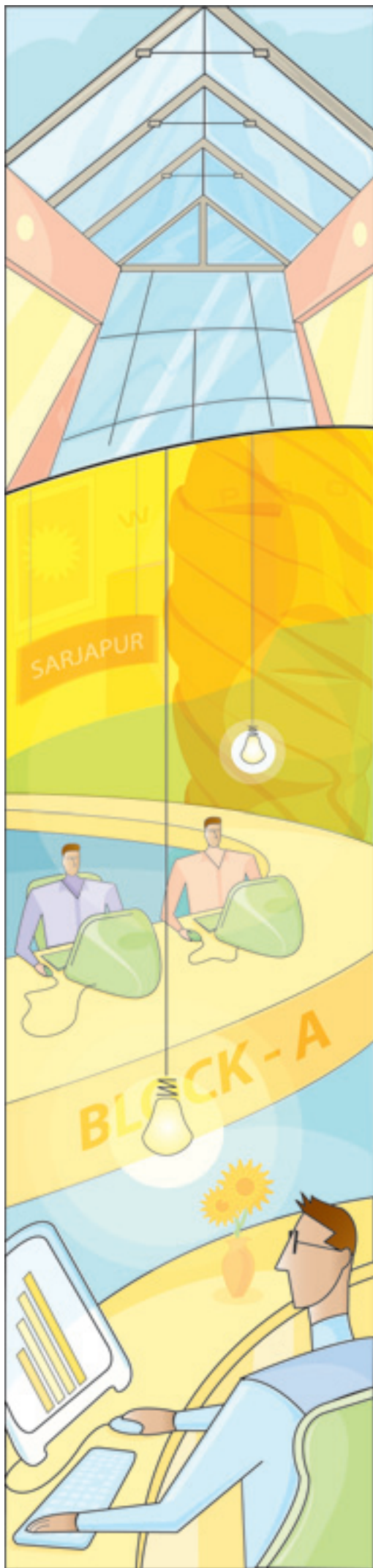
- The segment report of Wipro Limited and its consolidated subsidiaries and associates has been prepared in accordance with the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.
- The Company has three geographic segments: India, USA and Rest of the World. Significant portion of the segment assets are in India. Revenue from geographic segments based on domicile of the customers is outlined below:

Geography	March 31, 2004	%	(Rs. in Million)	
			March 31, 2003	%
India	15,205	26%	12,629	29%
USA	30,868	52%	19,637	45%
Rest of the World	12,739	22%	11,117	26%
Total	58,812	100%	43,383	100%

- For the purpose of reporting, business segments are considered as primary segment and geographic segments are considered as secondary segment.
- Effective April 1, 2003, Wipro Spectramind is included in the Global IT Services & Products segment. Wipro Nervewire, the business acquired in May 2003, is included in Global IT Services & Products segment.

In April 2003, the Company restructured the HealthScience business segment. The HealthScience business which addresses the IT requirement of clients in healthcare and life sciences sector and Wipro Healthcare IT, the Company acquired in August 2002, is a part of the Global IT Services & Products segment. Wipro Biomed, a business segment that was reported as part of the HealthScience segment has now been reported as part of Others. Segment data for previous periods has been reclassified to make it comparable.

- Refer Accounting convention in schedule 19 – Significant Accounting Policies and note no 6 in notes to accounts of Wipro Limited Consolidated on page numbers 96 and 98.



LETTER TO STAKEHOLDERS

Dear Stakeholder,

All through the 58 years of our existence, Wipro has believed that we must build an organization that wins - wins for our customer, wins for our employees, wins for our shareholder and wins for society. More importantly, we have believed that the organization we build must be able to win not just in today's environment but be prepared to face the challenges of tomorrow as well - for tomorrow is, but a couple of days away from yesterday. In this process there would be times when the short term sacrifices would have to be made for long term gains. Skeptics, who tend to view the future as an interminable extension of the present, see a secular decline in the fortunes of the company. The wise keep their faith.

"Keep the faith" is one of the most important lessons I have learnt in life.

It is just another way of saying "have confidence", but the words

"keep the faith" resonate far deeper, as they must when one refers to some absolutely fundamental issues. The most direct demonstration of the value of keeping the faith in an organization is in the context of people. As long as your business model is aligned with the interest of your customers and you have a team of people that is committed, you just have to keep the faith in them, empower them through thick and thin, and with full confidence that they will grow and deliver tangible business and financial results.

2003-04 was a year which demonstrated the value of keeping the faith for Wipro and all its stakeholders. Benefits of a focused strategy coupled with continuously improving execution began to reflect in our business results, which is why I think it was a defining year for Wipro.

- It was a year in which we surpassed the billion dollar mark in our IT business as well as at a

Corporation level

- Quarterly Revenues in our Global IT business grew at a compounded quarterly growth rate of 11%
- Our quarterly Net Income grew at a compounded quarterly growth rate of 12%
- We made one new acquisition in our Global IT business, and successfully drove synergies in all the acquisitions we have made so far

We ran the marathon, but kept winning the 400 meters dash too in the process. And we did that by keeping the faith.

We kept faith in our R&D business

Through the global technology down turn where some saw the R&D Services business as a drag on growth, we knew that this was one of our great strengths. We continued to invest in those businesses through the downturn.

The past year has demonstrated

that the R&D Services business is an outstanding growth driver for Wipro. It was particularly satisfying to see that our Telecom OEM practice, which bore the brunt of criticism during the slowdown, led our growth with a 53% year on year Revenue growth. Look beyond that and one sees that our faith in the mix of our business, as in the case of R&D Services, has been vindicated by robust growth in every business line, every geography and every service line. This mix of our businesses is indeed an inherent strength that we

will continue to nurture.

We kept faith in our inorganic strategy

We have always believed that inorganic growth must be an integral part of our strategy. We have put our money where our mouths are; and the result is that we are the largest third party BPO and ITES provider in India. The cultural benefits of working with a multi-cultural team from an organization standpoint have matched the synergy benefits



Azim H Premji, Chairman



Wipro Development Center at Reading , UK

Wipro Development Center at Electronic City, Bangalore, India

of our acquisitions from a customer standpoint. We continue to look for suitable acquisition opportunities that meet our norms of strategic, cultural and financial fit.

We kept faith in our Vision

This brings us to our belief in the Vision and strategy that we have pursued. A cornerstone of our Vision is to be amongst the Top 10 IT services companies in the world. To achieve this vision, we have pursued the strategy of becoming a

comprehensive solutions provider to all the IT needs of our customers.

We have invested in this strategy aggressively; the last year saw us moving significantly on this path. In our own small way we have driven a fundamental change in the competitive landscape in the world of Global IT services. On one hand we feel proud that we have been the arrowhead of this change, and on the other we are acutely aware that the competitive intensity is only increasing as all the incumbent global majors are moving towards

acquiring world-sourcing advantages.

Our continuous pursuit of creating higher customer value, combined with the ground level, nuts-and-bolts ability to execute our strategy gives us the confidence that we will achieve our Vision and continue to participate in driving a fundamental change in the competitive landscape.

We kept faith in our domestic businesses

The success of our India focused businesses and their significant

contribution to our growth during the year was a direct result of the inherent strengths of these businesses and our belief in them. The smart growth in Revenues in these businesses was accompanied by an improvement in the Operating Margins. What is happening in India today, happens rarely in the life of a nation. India is at a tipping point. With our leadership status in IT products and services in India, and successful consumer and industrial brands, we are positioned to leverage on this transformation and create substantial value. Our continuing investments will serve to increase this positive leverage.

We are certainly going through a period of very rapid change - across the world. This environment challenges us and simultaneously presents unprecedented opportunities. Wipro has to be different and change every day to meet these challenges and seize these

opportunities. "Keeping the faith" must be in tandem with these continuous changes in our organization.

For change and "keeping the faith" to work in tandem, we must ensure that both remain true to our Values and both create higher value for the customer. Experience tells us that it is not enough to pass these two tests initially and then rest on the results...one must measure and assess each action constantly against these criteria - that is the only possible insurance against getting lost.

As we prepare to build the next generation Wipro in the vast opportunities presented to us by this environment of rapid change, we are guided by four simple but powerful trends in the markets that we operate in.

1. No one is seduced by technology.

It is by now common wisdom that the fundamental structure of

the Global IT business is changing. Customers are prioritizing IT as a business investment, and therefore looking at each dollar of spend through the ruthless lens of return-on-investment. The challenge this throws to us is to partner our customers so that we help them succeed. Success means lower costs, higher revenues and end customers feeling happier. It is our constant endeavour to align our contribution to our customers on these parameters.

Our domain consultants with their broad experience, innate knowledge of business rhythms of customers and the technological possibilities, help customers make the right choices. Closer home,



within Wipro, every "new" idea that we invest in has to pass the filter of customer need. If it isn't going to add to the success of our customers, we aren't going to invest in it. As a corollary, where we believe that a technology will add value to our customers, we will invest - ahead of time.

2. Compression is real - in geography, in technology and in time.

The penetration of technology into the consumer market is exploding. The mobile phone in your hand is likely to be as powerful, sophisticated and more functional than a computer a few years ago. The so called "rural hinterland" of India or any of the other developing countries is becoming more "urban" every day...this socio-geographic compression is only accelerating. This very real compression is changing society and demands across the world. For us as service providers

to our customers, this compression and ensuing social trends are like a silent tsunami for business.

We are not waiting for this tsunami to devour our house. We have deliberately and systematically positioned ourselves to seize the opportunities that appear every day. Our strength of R&D Services takes us right inside the cell phone that you use, and the fully digital networked home that you will live in tomorrow. Our understanding of enterprise wide solutions helps our customers in dealing with their compressed time horizons. And our geographical footprint places us right in the heart of opportunity.

3. Global integration is not rhetoric.

It has happened. World Delivery Model - aided by dramatic improvements in communications technology - has made geography irrelevant. As pioneers of the Offshore Development Center concept, Wipro, in its own small

way, has been at the centre of this historic reshaping of the world. And we are proud of it.

And with the significant progress we have made in Remote Management in our Technology Infrastructure Services business, we are yet again on the threshold of a disruptive innovation that, we believe, is the next phase.

As everyone faces the reality of global integration in their own way, our confidence comes from more than 15 years of operating and delivering to customers on the World Delivery Model. This record is built on the platform of robust and highly scalable processes.

The true test of processes is in their practice, not in the certifications that they may generate. The strength of our Quality Initiatives is sustained at the level of organizational and individual practice - for that is what matters. The sustainability of Quality at every scale is driven by a rigor which

combines flexibility with consistency. Our new Six Sigma methodologies have driven this rigor to the level of practice.

4. Innovation is a necessity.

Innovation is necessary to satisfy new customer needs and create new Revenue streams. Innovation is necessary to stay ahead of competition - consistently.

Innovation is necessary to create higher value for customers. Innovation is the basis of both survival and success.

This year's Annual Report takes you through a journey of Innovation at Wipro. To my mind the most important principle in this journey is that the only thing that can limit Wipro is its ability to create value for customers. The only way to eliminate this limitation is to continuously run the engine of Innovation. To keep this engine cranking at the highest speed, one has to have a mindset that one has

not innovated enough. In Wipro, Innovation is always work-in-progress.

In 2003-04 Wipro was clearly a winner. The team that made this winning year possible was Team Wipro. This 32,000 strong team is spread across the world and across multiple businesses, yet bound deeply together by a common culture - at the core of which are our Values.

This team has also benefited from our thoroughly professional Board of Directors, consisting of leaders whose wealth of wisdom guides us in our journey constantly. Their contribution is substantial in this winning year, as always.

As the IT industry adjusts to the global new realities in 2004-05, the prospects for us are exciting but challenging as well. But challenge is something that Wiproites relish - for it kindles their passion to do what they are best at - building a Wipro that wins for its stakeholders. We will strive to live up to the faith

that you have kept in us. I thank you all for the confidence and trust you have in Wipro. I along with Team Wipro will endeavor to work to achieve the position of leadership that we desire, and you as stakeholders deserve.

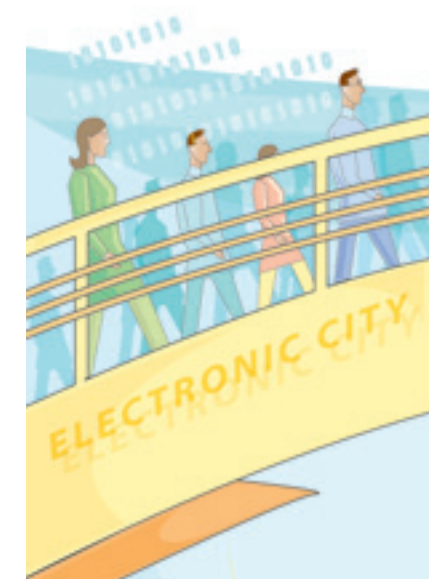
Very sincerely,



Azim H Premji

Chairman

April 30, 2004





VALUE CREATION

Innovation is the engine that creates value. Execution excellence is the engine that delivers value. To us these are two fundamental tenets. Equally, we believe that both these tenets have meaning only when seen as continuous pursuits. Every moment you have to strive to be innovative and every moment you have to execute to deliver.

It's this hot pursuit psyche that keeps the individual and the organization alive and growing. Having executed something to perfection yesterday has no meaning today as benchmarks keep moving upwards dramatically. Likewise, yesterday's innovation is

today's commodity.

Our Six Sigma process architecture helps us deliver excellence consistently. We had touched on this in our earlier Annual Reports. This year we focus on the Innovation engine at Wipro.

“Innovation is Wipro; Wipro is Innovation”

“Innovation is Wipro; Wipro is Innovation” is our statement of purpose. The challenge this pursuit presents to us every day is – how does one make Innovation “Purposeful”, “Ingrained” and “Deliberate” in our organization.

We recognize and nurture “Innovative Solutions” as one of the

four Wipro Values. We prioritize focus and resources guided by this Value. It is the basis of making

Innovation deliberate in the organization by emphasizing it at every level – in objectives of individuals and businesses, in communication, in planning and in almost every operating mechanism. This is because you cannot leave Innovation to chance.

Duality

Every thing about Innovation in an organization – including its successes and failures – is about managing the duality of organizational Innovation.

The duality is seemingly contradictory. The heart of





Wipro Development Center at Electronic City, Bangalore, India

The Wipro way of innovation is really about this deliberate sustained innovation.

A glimpse into some questions and exemplifiers.

If the purpose of innovation is to create higher value for our stakeholders, the challenge then is to be consistent and prolific till it becomes ingrained and remains ingrained. We conducted an internal

research to study Wipro's Innovation dynamics, and to understand what is required to take this to a higher order of value creation. This has thrown up an interesting conclusion.

We concluded that to keep the spirit of innovation alive, and to move to a higher innovation plane, it is critical to keep asking ourselves

some key questions repeatedly, and at all levels of the organization. This helps us sustain and brighten this force that flows through every nook and corner of Wipro.

We now present to you a glimpse into some of these questions-of-innovation and some of these exemplifiers.

Are we attracting the best talent and keeping the talent challenged and contemporary?

That we can only be as good as the talent that taps our keyboards is stating the obvious. This has spawned a series of innovations in compensation, development and bonding with the organisation.

Way back in 1983, the Wipro Equity Rewards Trust plan gave Wiproites the benefit of participating in wealth creation. The shadow stock option, along with the Quarterly Performance Linked Compensation (QPLC), a variable pay program, was the other innovative idea to align company performance with employee compensation.

However, the idea which really made us proud was Channel W, an intranet which binds all the Wiproites together (*See highlighted section on following page*). One of the reasons for the pride is the fact that we have taken this idea to several of our customers and have helped them implement it.

Innovation lies in the individual and in her sparks of creativity; but creativity without discipline does not "create".

Freedom to act differently is the first manifestation of Innovation; but without robust processes nothing can be scaled to a meaningful level in an organization. To make

Innovation ingrained, the challenge is to continuously harness the power of this duality; to make it a duality of strength, not of contradictions.

Innovation for its own sake leads to the wasteland of purposeless Innovation. At Wipro, we prevent any drifting by asking every step of the way if an Innovation is creating

Higher Value for our stakeholders.

This clarity of purpose is our beacon.

Innovation – the Wipro way

We have come to believe that while "Disruptive Innovation", in the nature of "Invention" will happen infrequently, "Incremental Innovation" can happen, and be made to happen, continuously.



Channel W – creating one world

Connecting and listening to people plays a major role in employee bonding. It ensures that the organizational culture is not diluted even while growing at a phenomenal speed.

A virtual campus knitting the global locations, Channel W provides information, education and entertainment. It allows regular interactions with Senior Management and has grown into a pulsating intranet community.

Channel W also provides value to employees by facilitating E-training. It enables employees to catch up with their learning and development needs at their own pace.

Keeping the talent contemporary is a large on-going process in Wipro. Our annual person-days of training effort exceeds 100,000. This includes the leadership development programs at all levels. However, we also realize the importance of continuously developing the talent from a relatively raw level. This led us to launch Wipro Academy for Software Excellence (WASE) in 1995 (See highlighted section).

Wipro Academy for Software Excellence (WASE)

The realization of the importance of acquiring and developing talent saw us launch Wipro Academy for Software Excellence (WASE), a successful initiative in talent development.

INITIATIVES IN PEOPLE PRACTICES

1970-1975

- Recruitment from premier campuses
- Beliefs articulated
- Performance Management process and performance linked compensation

1980-1985

- Employee Stock Award Program (WERT) launched

1985-1990

- Initiated in-house Leadership Development Program, leading to lifecycle development program
- Launch of Economic Value Add based Program (WERLP)

1990-1995

- Wipro Leaders' qualities (Competencies) articulated
- Comprehensive Employee Satisfaction Survey launched
- 360 degree feedback process introduced

1995-2000

- Talent development initiatives launched: WASE, Wipro University
- Launch of several processes such as Skip Level
- Competency dictionary introduced for the entire organization
- QPLC - Gain Sharing scheme launched

2000-2005

- Career Grouping introduced
- Assessed at World's First PCMM Level 5 Company
- Channel W-Virtual Campus

Launched in 1995, it has evolved with the changing needs of our business and today successfully creates software engineers out of bright science graduates. The M Tech degree conferred on them by BITS, Pilani, India's leading deemed university, effectively expands India's people power in technology.

The need for a programme like WASE was felt in early 1994 when UNIX was becoming popular. Every

engineer wanted to work on the new technology and Cobol, the old favourite, was fast losing sheen. This shift created a shortage of mainframe software professionals.

For us at Wipro, the only way to bridge the gap was to think innovatively. The first WASE batch saw 600 applicants, out of which 29 were selected. After two years of intensive training in software development, this

batch of newly-minted post-graduate employees came out in 1997.

Today, we have 977 WASEians, who have come out of seven batches since 1995. In 2003-2004 we launched two batches of WASE with an intake of 391.