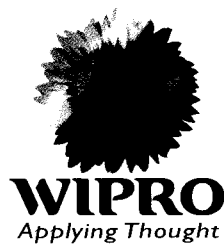


INTENSITY TO WIN



ANNUAL REPORT 2006-07

Winning is about making customers successful. Winning is about making all stakeholders successful. In business, Winning is not about 'Winning Against' but it's about 'Winning With'.

Intensity to Win is the burning desire to stretch and challenge our limits. It's the desire to realize and expand our potential. It's about continuous innovation and striving to be better every time. It's about excelling in everything we do. It's about multiplying forces as a team. No one wins 100% of the time, but those who have the Intensity to Win, win more often than not.

Intensity to Win is a Wipro Value

Wipro's Values are called Spirit of Wipro. Wipro is built on this foundation.

Spirit of Wipro

Intensity to Win

- ▶ Make customers successful
- ▶ Team, Innovate, Excel

Act with Sensitivity

- ▶ Respect for the individual
- ▶ Thoughtful and responsible

Unyielding Integrity

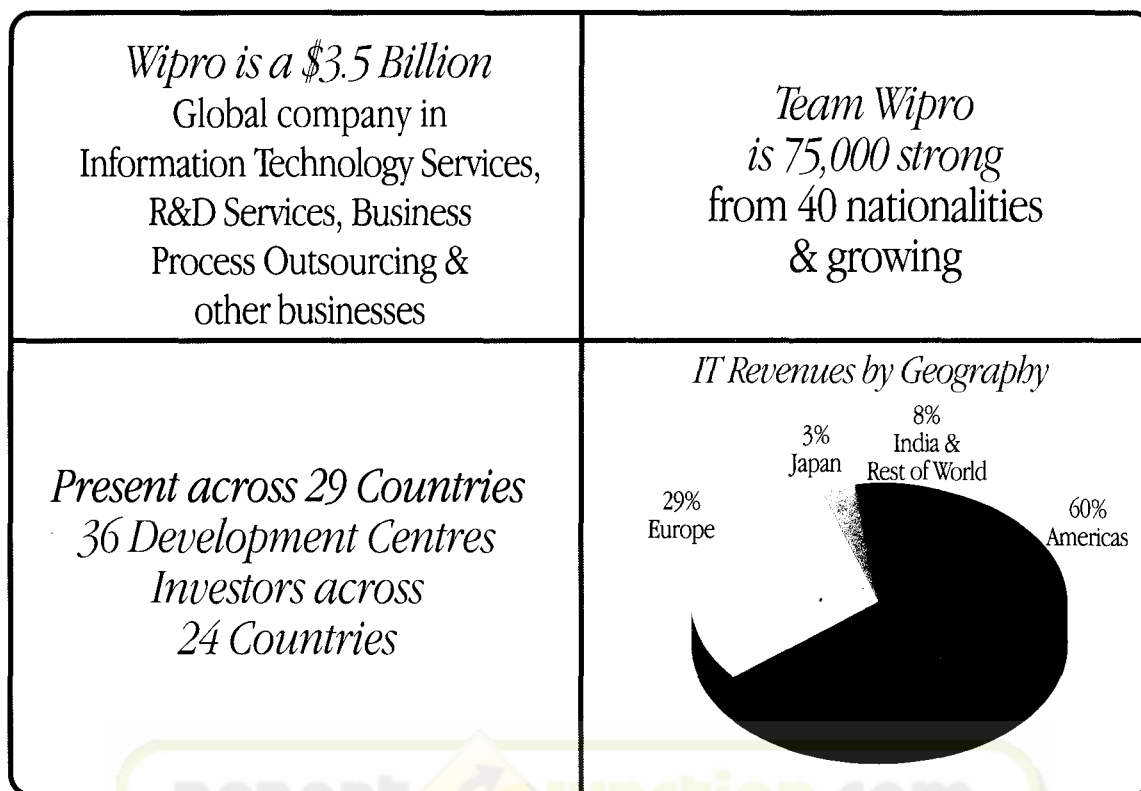
- ▶ Delivering on commitments
- ▶ Honesty and fairness in action



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Global scale



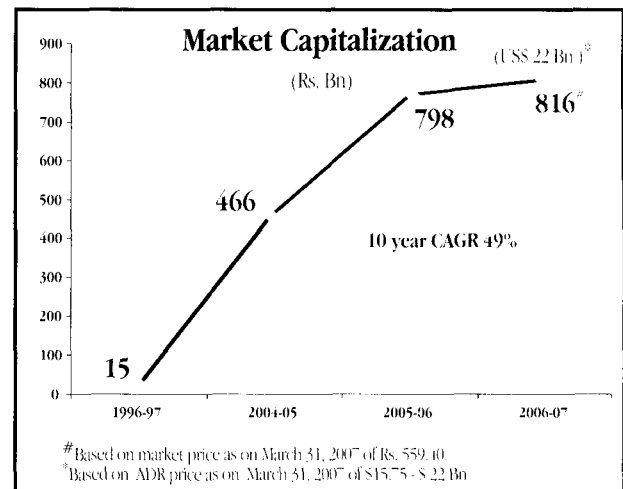
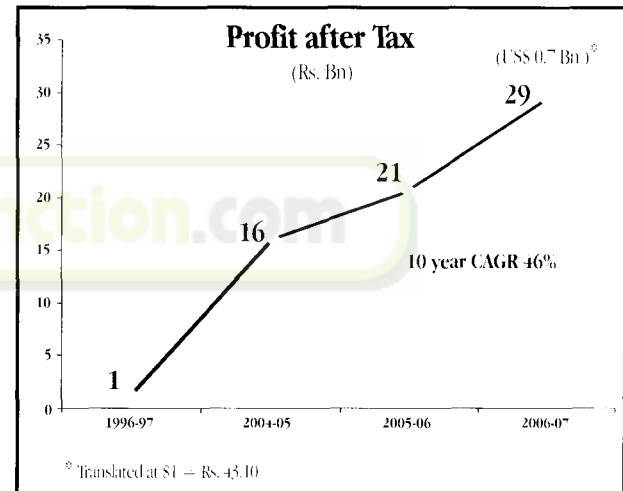
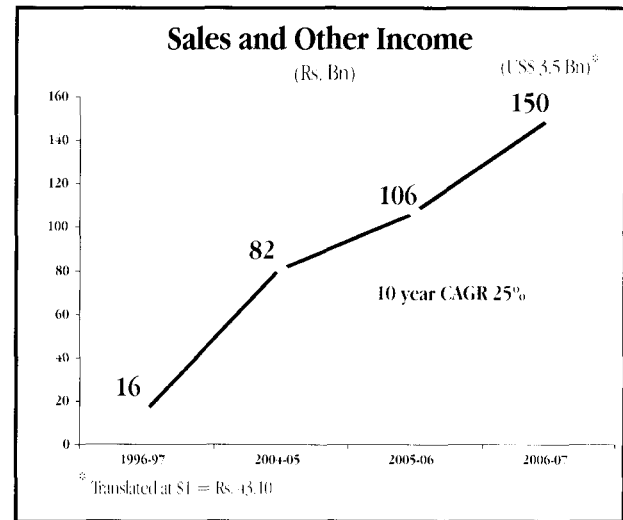
Acquisitions in 2006-07

	Quantech Global Services <small>IT Solutions for Engineering</small>	Saraware Oy <small>Automation, Robotics, Instrumentation, IT Solutions</small>	enabler <small>SOLUTIONS FOR RETAILING</small>	3D Networks <small>IT Solutions for Business</small>	HYDRAUTO <small>Engineering Solutions</small>	NORTHWEST <small>Engineering Solutions</small>
Company	Quantech Global Services, LLC & group companies	Saraware Oy	Enabler Informatica S.A. Group companies	3D Networks Pte Ltd	Hydrauto Engineering AB	Northwest Switchgear
Space	Automotive, Aerospace & Consumer Industries	Automotive, Aerospace & Consumer Industries	Oracle Retail Solutions	IT Solutions for Business	IT Solutions for Business	Manufacturing & Distribution of Switches
Benefits, Access to	CAD/CAE space, Mechanical Design Services	Local expertise in Next Gen Network Application	Local expertise in IT Consulting	Converged Solutions, and Managed Services	Hydraulic Cylinder Solutions for Excavators, Dumpers, Trucks	Switches, Buckets, Miniature Circuit Breakers

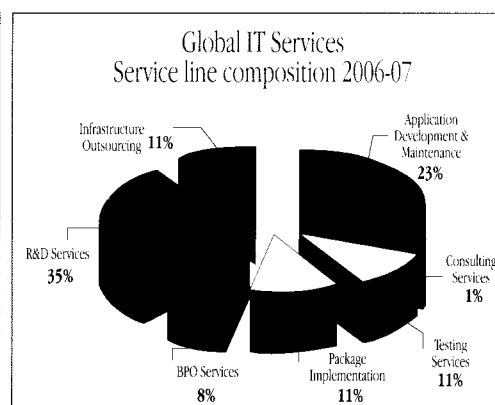
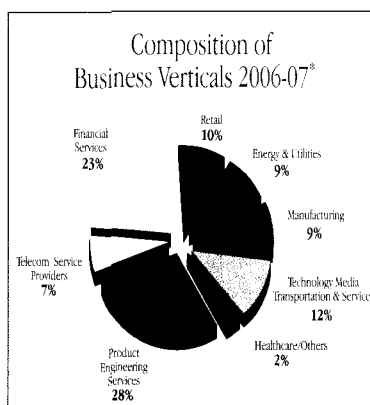
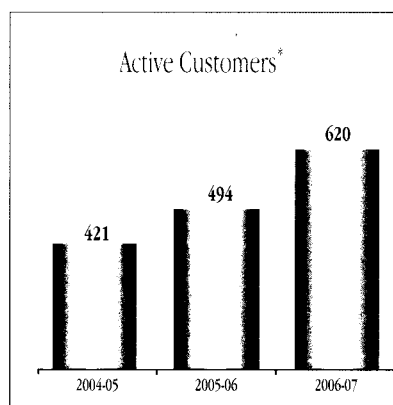
Industry in Numbers

A NASSCOM-McKinsey report estimates Offshore IT Services & BPO to be over US\$ 300 Billion opportunity with 10% of it being outsourced to India. If the current leadership is sustained, Indian Offshore IT & BPO sector can achieve US\$ 60 Billion in global revenues by 2010. An additional \$ 20 Billion can be achieved by extending leadership through a targeted expansion of the Offshore market.

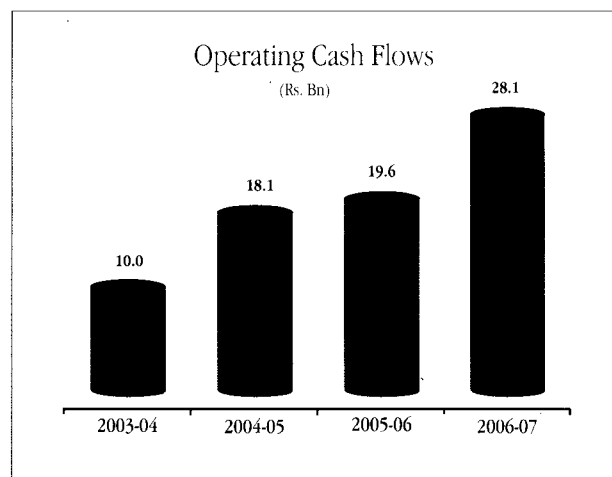
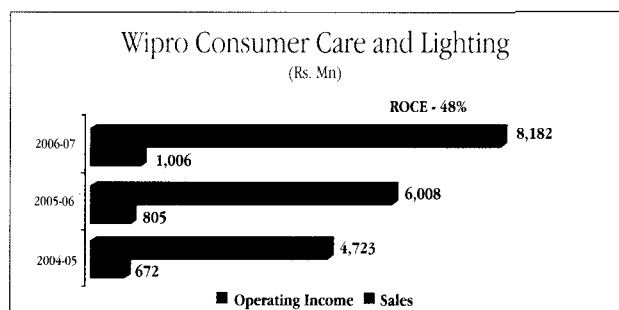
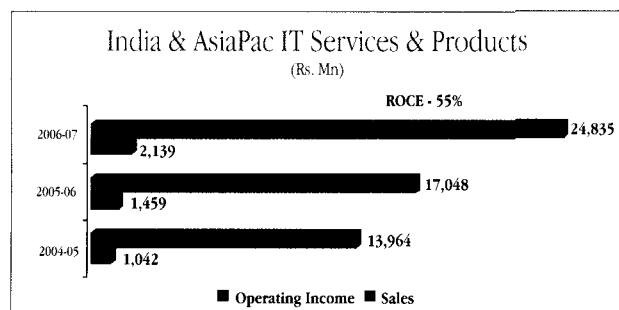
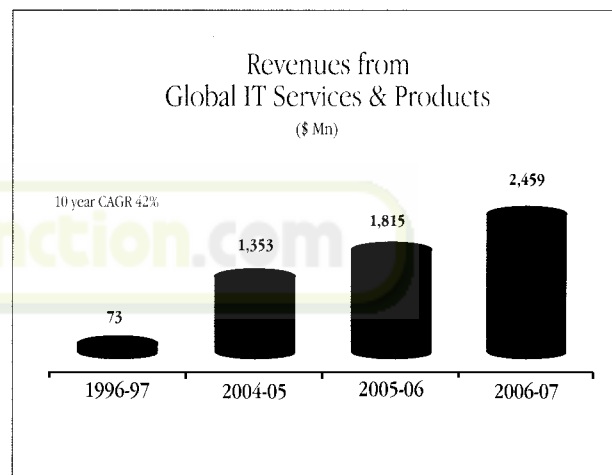
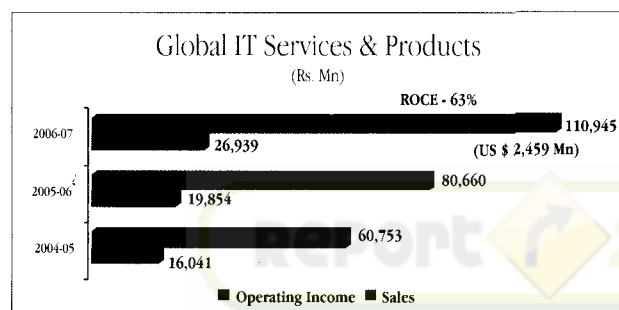
Wipro in Numbers



Wipro in Numbers



*For IT Services only



WIPRO LIMITED CONSOLIDATED SEGMENT WISE BUSINESS PERFORMANCE

Rs. in Million

Particulars	Year ended March 31			
	2005	2006	2007	% Growth over 2006
Segment Revenue				
IT Services	54,230	72,531	96,543	33%
Acquisitions	—	502	5,011	—
BPO Services	6,523	7,627	9,391	23%
Global IT Services and Products	60,753	80,660	110,915	38%
India & AsiaPac IT Services and Products	13,964	17,018	24,835	46%
Consumer Care and Lighting	4,723	6,008	8,182	36%
Others	2,258	2,512	6,046	—
TOTAL	81,698	106,258	150,008	41%
Profit before Interest and Tax - PBIT				
IT Services	14,835	18,751	24,570	31%
Acquisitions	—	45	212	—
BPO Services	1,206	1,058	2,157	104%
Global IT Services and Products	16,011	19,854	26,939	36%
India & AsiaPac IT Services and Products	1,042	1,459	2,139	47%
Consumer Care and Lighting	672	805	1,006	25%
Others	397	388	322	—
TOTAL	18,152	22,506	30,406	35%
Interest (net) and other income	796	1,272	2,582	103%
Profit Before Tax	18,918	23,778	32,988	39%
Income Tax expense including Fringe Benefit Tax	(2,750)	(3,391)	(3,868)	—
Profit Before Share in earnings of affiliates and minority interest	16,198	20,387	29,120	43%
Share in earnings of affiliates	175	288	295	—
Minority interest	(88)	(1)	6	—
PROFIT AFTER TAX	16,285	20,674	29,421	42%
Earning per share - EPS				
Equity Shares of par value Rs. 2/- each				
Basic (in Rs.)	11.70	14.70	20.62	
Diluted (in Rs.)	11.60	14.18	20.11	
Operating Margin				
IT Services	27%	26%	25%	
Acquisitions	—	9%	4%	
BPO Services	18%	14%	23%	
Global IT Services and Products	26%	25%	24%	
India & AsiaPac IT Services and Products	7%	9%	9%	
Consumer Care and Lighting	14%	13%	12%	
TOTAL	22%	21%	20%	
Return on Average Capital Employed				
IT Services	81%	76%	74%	
Acquisitions	—	3%	4%	
BPO Services	16%	14%	19%	
Global IT Services and Products	62%	59%	65%	
India & AsiaPac IT Services and Products	63%	77%	55%	
Consumer Care and Lighting	89%	76%	48%	
TOTAL	39%	37%	36%	

Notes : For notes to segmental report please refer page No. 111 of Annual Report - "Notes to Segment Report".



Letter to the Stakeholders



Dear Stakeholder,

Year ended March 31, 2007 was an eventful year. We made significant investments for tomorrow while reaping the harvest of our earlier investments. This year we crossed many, many milestones. Our Revenue for the year grew 41%, to exceed Rs.150 billion (US \$3.48 Bn*). Even more heartening is our Profit growth at 42%. Our Combined IT businesses crossed the \$3 billion Revenue mark. Our Global IT business crossed over Rs.100 billion (US \$2.46 Bn) of Revenues.

Every milestone that we cross, enthuses us to do more. But what gives us deep satisfaction is our consistent performance.

We believe that our consistency is a result of our strategic insights, the conviction to invest on those insights and the ability to rigorously execute and convert the insights to reality.

We have systematically and proactively identified opportunities for growth and invested in them, often ahead of time. We invest to build the future, to derive long term benefits, and we always, always balance this with delivering results "here and now". We have considered business a marathon that we must run in a series of sprints. Our Profit growth being in line with our Revenue growth reflects this balance and this belief.

This balanced approach to investment has created value for all our stakeholders - customers, employees, partners and shareholders.

Carpe Diem

To be successful in business you have to Seize the Day. Carpe Diem. And to be continuously successful in business, you have to Seize the Day - every day. The only way to make that happen is to play an active role in shaping tomorrow - and in anticipating tomorrow. So, when tomorrow comes - you are better positioned than anyone else, to Seize the Day - because you have shaped it in some measure and anticipated it in some measure.

Our sustained drive to invest strategically has been one of the key dimensions of our efforts to shape tomorrow. Innovation is another key dimension of these sustained efforts. Innovation harnesses the creative spark of our energized team, creating value for our customers. We make sure that our organizational processes and culture deeply embed Innovation in Wipro - making it sustainable, day after day.

*Based on an exchange rate of 43.10

Strategic Investments

This year we invested significantly in business acquisitions. Six companies joined the Wipro team. In addition we created two joint ventures. The intent behind all these investments is accelerating growth.

Three of the new businesses joined our Global IT Business, broadening our technical capabilities in specific areas and deepening our domain knowledge. These additions also expanded our customer base and increased our geographical footprint.

One of our Joint Venture addresses customers in the Telecom segment. The result is a new Service Line that leverages our strength of Telecom product knowledge with execution capabilities in the Technology Infrastructure space. Our Joint Venture in Saudi Arabia strengthens our presence in this increasingly important region of the world, and delivers a platform to take a larger share of the high growth Middle East market.

The addition of 3D Networks & Planet PSG to our India and Asia Pacific IT Business expands our customer offerings with a new product category and service line.

Likewise our acquisition of Northwest Switches in the Consumer Care and Lighting Business will enable us to penetrate into the high growth switches market.

Finally, with the addition of Hydrauto AB of Sweden to the Wipro team, we have emerged as the second largest player globally, amongst independent manufacturers of Hydraulic Cylinders. We now have a unique global foot print in our Infrastructure Engineering business with 9 factories across the world.

Business acquisition is only one part of our investment strategy to enhance our growth prospects and to shape a tomorrow for ourselves, though it is the more visible part. The lesser visible but the larger part of our investment, is in organically building business assets. Our focus in the last year has been and going forward will continue to be in:

- ▶ Account Management processes that increase the effectiveness of penetrating and mining key customer accounts by helping our customers be more successful.
- ▶ Consulting and Domain experts leading our customer acquisition process to enter the Accounts earlier and delivering better value to our customers.
- ▶ Geographical footprint expansion in Germany, Canada, Japan and Middle East that is likely to become the next growth engines.
- ▶ Increasing Global Delivery capabilities through centers in Beijing and Shanghai in China, Bucharest in Romania, Portugal and Brazil. Similarly in India, expanding to newer centers in cities like Bhubaneswar, Cochin, Greater Noida and Mysore to broad base our canvas.
- ▶ Enhancing team capability by doubling our per capita training spend. Significantly increased training Onsite in US, Europe, Japan and Middle East to complement the Offshore training initiatives in India.
- ▶ Transforming our BPO business from a call center business to an integrated solutions offering - where customers find end-to-end solutions for their business needs.

- ▶ Continuous leadership in Quality and Process Excellence. We significantly strengthened this with the launch of "Wipro Way", which integrates the learnings of our long Quality journey and the most effective principles of the entire range of Quality and Process concepts that we have used - Lean, Six Sigma, CMM, ISO and PCMM.

Innovation

Last few decades have seen more changes, in every aspect of business, than centuries preceding them. It is impossible to see the future but one thing is certain that going ahead, the pace and quantum of change will be far higher.

In such a rapidly evolving future, Innovation is the key driver of enhancing your own ability in shaping the future and sustaining competitive edge - so that you Seize not just the Day but even tomorrow.

Wipro has been a pioneer in fostering a culture of Innovation. This culture is manifested in small and big acts of Innovation of Wiproites every day. And it is also manifested in the rigorous Innovation initiatives that we run. We have more than 50 projects driven by these initiatives. During the year we launched 'Quantum Innovation'. Four Quantum Innovation projects were kicked-off. This initiative is to drive a quantum change in identified areas - by not just changing the rules of the game, but by changing the game itself. Two of these projects are focused on creating solutions for customers and the other two projects are focused on improving operational performance.

Our continued focus on Innovation has caught the attention of stakeholders and industry commentators.

Our Global Command Center won the India Innovation Award under the Business Innovation category. We were also the only Indian company to be profiled by Business Week as a part of the IN25 "Champions of Innovation". We applied for 13 patents during this year. In addition, we applied for more than 15 invention disclosures on behalf of our clients.

Even as we shape our today and tomorrow on the twin engines of Strategic Investments and Innovation, we realize that for Wipro to succeed and stay ahead, we will have to address other challenges as well. Among them are the challenges of maintaining organizational and quality culture. We added over 15000 members to our team last year, with people from different backgrounds and nationalities. At this pace, as we become more global, building an organizational edifice that is adequately rooted to absorb scale and to be nimble, the task is daunting. But Team Wipro is ready for it.

I believe Wipro is well prepared to Seize the Day - today and tomorrow. Our committed team, market leadership position, financial strength, and our values are the four wheels on which we will move ahead. I believe every Wiproite will build a Wipro that not only lasts but a Wipro that is built to lead.

I thank you all, our customers, our team and our partners for your continued trust, confidence, and support as we move to the next exciting phase in Wipro's history.

With warm regards,



Azim Premji
Chairman
April 30, 2007