

*Ecological Sustainability
A defining force*



Annual Report 2007-08



Our Ecological Sustainability Vision

*Business cannot be built at the cost of ecology.
It is not sustainable.*

*Ecological Sustainability will increasingly be the
defining force for society and business globally.*

*Wipro believes Ecological Sustainability is the
right thing to do - in fact is the only way forward.*

*Eco Eye is our comprehensive program that
drives increasing ecological sustainability in all
our operations, as also areas of our influence.*

*We work on dimensions of carbon neutrality,
water balance, waste management
and bio-diversity.*

*The initiative attempts to engage with increasing
levels of intensity with all stakeholders - our own
employees, partners, suppliers, customers and
immediate communities...*



*Eco Eye is the "eye" through which
we attempt to see everything,
and act for ecological sustainability.*

Our Annual Report consists of two booklets. This booklet contains detailed Financial Statement and Corporate Governance report. The other booklet contains business overview, summarized version of Financial Statements and Corporate Governance Report.

Contents

	Page No.
Directors' Report	
Directors Report	2-5
Disclosures	
Energy Consumption	6
Stock Option Plans	7-9
Management's Discussion and Analysis	
Financial Condition and Results of Operation	10-18
Risk Management Initiatives	19-20
Corporate Governance Report	
Governance by Shareholders	21-24
Distribution of Shareholding	24-25
Governance by Board of Directors	26-29
Governance by Sub-committee of Board	30-31
Governance of Management Processes	32-33
Share Price during the year	34-35
Share Capital History	36-37
Plant Location	38-39
Corporate Governance Compliance Certificate	39
FINANCIAL INFORMATION	
Abridged Financial Statements - Wipro Limited (Parent entity)	
Auditors' Report	40-43
Financial Information	44-46
Notes to Accounts	47-54
Additional Information	55
Consolidated Financial Statements	
Auditors' Report	56
Financial Information	57-66
Index of Notes to Accounts	67
Information about Subsidiaries	85-87
Consolidated Financial Statements - US GAAP	
Report of Audit Committee	88
Report of Management on Internal Control over Financial Reporting	89
Auditors' Report on Internal Control over Financial Reporting	90
Report of Management on Consolidated Financial Statements	91
Auditors' Report on Consolidated Financial Statements	92
Financial Information	93-97
Index of Notes to Accounts	98

Certain statements in this Annual Report are based on management's current expectation & forecasts and may be considered as forward-looking statements. There are a number of risks, uncertainties and other factors that could cause actual results to be materially different from management's current expectation and forecasts.

DIRECTORS' REPORT

Dear Shareholders,

I am happy to present on behalf of the Board of Directors, the Directors' Report for the year ended March 31, 2008, along with the Balance Sheet and Profit and Loss Account for the year.

Financial Performance

Key aspects of your Company's consolidated financial performance for Wipro and its group companies and standalone financial results for Wipro Limited for the year 2007-08 are tabulated below :

(Rs. in Million)

	Consolidated		Parent	
	2008	2007	2008	2007
Sales and Other Income	203,970	152,714	178,195	139,526
Profit before Tax	37,070	32,988	34,697	31,762
Provision for Tax	4,550	3,868	4,064	3,341
Minority interest and equity in earnings/(losses) in affiliates	309	301	-	-
Profit for the year	32,829	29,421	30,633	28,421
<i>Appropriations</i>				
Interim Dividend	2,919	7,278	2,919	7,278
Proposed Dividend on equity shares	5,846	1,459	5,846	1,459
Corporate Tax on distributed dividend	1,489	1,268	1,489	1,268
Transfer to General Reserve	22,575	19,456	20,379	18,416

Amalgamation of Companies

The Scheme of Amalgamation for merger of Wipro Infrastructure Engineering Limited, Wipro Healthcare IT Limited, Quantech Global Services Limited (subsidiary companies) with Wipro Limited was approved during the financial year 2007-08 by the Honourable High Court of Karnataka and the Honourable High Court of Andhra Pradesh.

The Scheme of Amalgamation for merger of mPact Technology Services Private Limited, mPower Software Services (India) Private Limited and cMango India Private Limited (step subsidiary companies) with Wipro Limited was approved during the financial year 2007-08 by the Honourable High Court of Karnataka and the Honourable High Court of Bombay.

Pursuant to filing of certified copies of orders of the High Court of Karnataka, High Court of Bombay and High Court of Andhra Pradesh with the respective Offices of the Registrar of Companies, the above direct and step subsidiary companies of Wipro Limited are merged with Wipro Limited. The merger comes into effect from the Appointed

Date i.e. April 1, 2007. The Annual Report of Wipro Limited for the year 2007-08 has been prepared after giving effect to these amalgamations.

Subsidiary Companies

Your Company today is a global corporation having operations in more than 35 countries through more than 75 subsidiary companies, joint ventures and associate companies. Section 212 of the Companies Act, 1956, requires that we attach the Directors' Report, Balance Sheet and Profit and Loss Account of our subsidiary companies. We believe that the Consolidated Financial Statements present a more comprehensive picture rather than the standalone financial statements of Wipro Limited and each of its subsidiaries. We, therefore, applied to the Ministry of Corporate Affairs, Government of India and sought exemption from the requirement to present detailed financial statements of each subsidiary. The Ministry of Corporate Affairs, Government of India has granted the exemption. In compliance with the terms of the exemption we have presented in pages 85 through 87, summary financial information for each subsidiary. Summary financial information includes Share Capital, Reserves and

Surplus, Total Assets, Total Liabilities, our holding in the subsidiary, Sales and other income, profit before taxation, provision for taxation, profit after taxation and proposed dividend. As permitted by SEBI guidelines and Companies Act, 1956, we have included the abridged financial statements of Wipro Limited in this annual report. The detailed financial statements and audit reports of Wipro Limited and subsidiaries are available for inspection at the registered office of the Company and upon written request from a shareholder, we will arrange to deliver copies of the detailed financial statements.

Consolidated Results

Our Sales and other income for the current year grew by 34% to Rs. 203,970 million and our Profit for the year was Rs. 32,829 million, an increase of 12% over the previous year. Over the last 10 years, our Sales have grown at a Compounded Annual Growth Rate (CAGR) of 31% and Profit after Tax at 41%.

Dividend

Your Directors declared an Interim Dividend of Rs. 2 per equity share of Rs. 2 each on October 19, 2007. The record date for the purpose of payment of Interim Dividend was fixed as October 26, 2007 and was paid to our shareholders who were on the Register of Members as at the closing hours of October 26, 2007.

Your Directors have recommended a final Dividend of Rs. 4 per equity share of Rs. 2 each to be appropriated from the profits of the year 2007-08 subject to the approval of the shareholders at the ensuing Annual General Meeting. The Dividend will be paid in compliance with applicable regulations.

During the year 2007-08, unclaimed dividend of Rs. 54,725 was transferred to the Investor Education and Protection Fund, as required by the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

Acquisitions and Joint Ventures

We have continued to pursue the strategy of acquiring businesses which complement our service offerings, provide access to niche skill sets and expand our presence in select geographies. We have a dedicated team of professionals who identify businesses which meet our strategic requirements and are cultural fit to Wipro. The following businesses have joined the Wipro family during the year :

1. Acquired 100% shareholding in Unza Holdings Limited ("Unza"), a Singapore based Fast Moving

Consumer Goods (FMCG) company together with its subsidiaries for an all cash consideration of approximately USD 246 million. This transaction establishes our presence in market for personal care products in South East Asia. We have introduced some of these brands in India.

2. Acquired Infocrossing, Inc., a NASDAQ listed US-based provider of IT infrastructure management, enterprise application and business process outsourcing services, for an acquisition price of about USD 600 million in an all cash deal. This acquisition created one of the world leaders in end-to-end IT infrastructure management solutions.
3. We acquired OKI Techno Centre Singapore Pte. Ltd. (now called as Wipro Techno Centre Singapore Pte. Ltd.) in an all cash deal of USD 2.5 million. This acquisition facilitated a strategic partnership in the area of design services for the semiconductor market.
4. Wipro partnered with DAR Al-Riyadh Holding Co. Limited to form a joint venture namely Wipro Arabia Limited. The purpose of this Joint Venture is to provide software application development, implementation and maintenance services, systems integration and data storage services in the Kingdom of Saudi Arabia.

Wipro's R&D Activities : 2007-08

Wipro's R&D focus has been to strengthen the portfolio of Centers of Excellence (CoE) and Innovation projects. As part of this focus, over 600 people have been engaged across 60 CoEs and 40 Innovation projects. Our R&D efforts have contributed revenues of USD 368 million which is approximately 11% of our Global IT Services and Products revenue for the year.

At Wipro, we have institutionalised the spirit of Innovation through our corporate Innovation initiative which began in 2000. We are now deriving business value from these investments.

Apart from solutions that span across *Process, Delivery, Business and Technology* domains, we added portfolio of quantum innovation projects in financial year 2006-07 and in financial year 2007-08, we included talent supply chain management into the innovation initiative.

Process Innovation

We have pioneered the adoption of *Lean & Six Sigma* principles into software development life cycle. Lean techniques have been adopted in over 340 projects. This has resulted in 20-30% of productivity improvements and 15% saving in efforts involved and better schedule adherence.

Delivery Innovation

Innovations under this category include *Software Factory model & Global Command Centre (GCC)* for standardised delivery of Application Development and IT Infrastructure Management respectively.

Business Innovation

Innovations under this category include solution frameworks and methodologies to develop industry specific solutions. Examples in this portfolio are *Sub Daily Production Planning & Scheduling, Mobile Workforce Management, Warranty Management, Business Analytics* and *Platform BPO*.

Technology Innovation

Innovations under this category include solutions with high Intellectual Property (IP) component, which can be delivered as a service thus giving the benefit of "time to market" for the customers. *Examples include IP components for IEEE 1394, Wireless LAN (802.11a/b/g and the upcoming 802.11n), Bluetooth, Ultra Wide Band (UWB), Wireless USB, Analog/Mixed-Signal IP cores and DTV middleware.*

Supply Chain Innovation

These innovations are related to inputs which are brought into the organization. Within IT service context, talent is one of the key "inputs". Innovation under this category includes *Magnum Opus* and *Mission 10x*. *Magnum Opus* is a distributed cost effective model to nurture young university talent pool across India by using open source environment. It was launched in 2006-07. *Mission 10x* is one of the Quantum Innovation projects to increase the employability of engineering graduates by promoting systemic changes to current teaching-learning paradigm in higher education system in India. It was formally launched on Teachers Day – September 5, 2007.

Quantum Innovation

At present we have 8 Quantum Innovation projects out of which 4 were initiated in 2006-07. Of these 8 projects, 6 are in different stages of prototype while for the remaining 2, breakthrough propositions are being evolved.

Centers of Excellence (CoE)

The goal of a CoE is to create competencies in emerging areas of technologies & industry and incubate new practices for business growth. We currently manage 60 CoE's across different technologies and industry verticals. Some examples of the CoE topics are SOA (Service Oriented Architecture), Virtualisation, Unified Communication, SaaS (Software as a Service), Data Privacy & Protection, IMS (IP multimedia subsystem), Remote Patient Monitoring, Image Processing, Supply Chain, Retail In-Store, Retail Pharmacy, Automotive, Open Source and Gaming.

Patents

Wipro has been granted 40 registered patents and has 62 pending applications. This includes 33 registered patents and 51 patent applications of OKI Techno Centre Singapore Pte. Limited (now called as Wipro Techno Centre Singapore Pte. Ltd.) acquired during the year.

Corporate Governance

We believe Corporate Governance is at the heart of Stakeholder value creation. Our governance practices are described separately in pages 21 through 39 of this annual report. We have obtained a certification from a Practising Company Secretary on our compliance with Clause 49 of the listing agreement with Indian Stock Exchanges. This certificate is given in page 39.

Personnel

Our Company is presenting the abridged accounts under Section 219 of the Companies Act, 1956. Pursuant to the Rules and Forms read with Section 219 of the Companies Act, 1956, the particulars of employees as required by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employee) Rules, 1975) have not been provided. However, the particulars of employees as required by Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employee) Rules, 1975, are available for inspection at the Registered Office of the Company and upon written request from a shareholder, we will arrange to deliver these details.

Wipro Employee Stock Option Plans (WESOP)

Information relating to stock options program of the Company is provided in pages 7 through 9. The information is being provided in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme) and (Employee Stock Purchase Scheme)

Guidelines, 1999, as amended. No employee was issued Stock Option, during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

Foreign Exchange Earnings and Outgoings

During the year our Company earned foreign exchange of Rs. 128,852 million and used in foreign exchange of Rs. 52,028 million, including expenditure on materials imported, dividend.

Conservation of Energy

The information on Conservation of Energy required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is provided in page 6 of this annual report.

Directors'

a) Re-appointment

Articles of Association of the Company provide that at least two-thirds of our Directors shall be subject to retirement by rotation. One-third of these retiring Directors must retire from office at each Annual General Meeting of the shareholders. A retiring Director is eligible for re-election. **Dr. Ashok S. Ganguly and Mr. P. M. Sinha**, retire by rotation and being eligible offer themselves for reappointment at this Annual General Meeting. The Board Governance and Compensation Committee have recommended their re-appointment for consideration of the Shareholders.

b) Appointment

Mr. Suresh C. Senapaty, Mr. Girish S. Paranjpe and Mr. Suresh Vaswani were appointed as Additional Directors of the Company, in accordance with Section 260 of the Companies Act, 1956, by the Board of Directors at its meeting held on April 18, 2008, with effect from that date. These Additional Directors would hold office till the date of the Annual General Meeting of the Company scheduled to be held on July 17, 2008. The requisite notices together with necessary deposits have been received from members pursuant to Section 257 of the Companies Act, 1956 proposing the election of Mr. Suresh C. Senapaty, Mr. Girish S. Paranjpe and Mr. Suresh Vaswani as Directors of the Company at the ensuing Annual General Meeting of the Company.

Management's Discussion and Analysis Report

The Management's Discussion and Analysis on Company's performance – industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable are presented on pages 10 through 18 of this annual report.

Re-appointment of Statutory Auditor

The auditors, M/s. BSR & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have

confirmed their eligibility and willingness to accept office, if re-appointed. The proposal for their re-appointment is included in the notice for Annual General Meeting sent herewith.

Re-appointment of Cost Auditor

Pursuant to the direction from the Department of Corporate Affairs for appointment of Cost Auditors, your Board of Directors have re-appointed M/s. P. D. Dani & Co., as the Cost Auditor for the financial year ending March 31, 2009.

Fixed Deposits

We have not accepted any fixed deposits. Hence, there is no outstanding amount as on the Balance Sheet date.

Acknowledgements and Appreciation

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, financial institutions and Central and State Governments for their consistent support to the Company. The Directors also wish to place on record their appreciation of the hard work, dedication and commitment of the employees. The enthusiasm and unstinting efforts of the employees has enabled the Company to continue to be a leader in all its businesses.

Directors' Responsibility Statement

On behalf of the Directors, I confirm that :

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures are made from the same;
- b) We have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the period;
- c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) We have prepared the annual accounts on a going concern basis.

For and on behalf of the Board of Directors

Azim H. Premji
Chairman

Bangalore, June 19, 2008

ANNEXURE 'A' FORMING PART OF THE DIRECTORS' REPORT
Disclosure of Particulars under Section 217(1)(e) of the Companies Act, 1956
FORM A
A. DISCLOSURE OF PARTICULARS WITH RESPECT
TO CONSERVATION OF ENERGY

		2007-2008	2006-2007
Electricity			
a) Purchased			
Unit	KWH	13,095,941	13,682,879
Total Amount	Rs.	56,338,693	42,554,346
Rate/unit	Rs.	4.30	3.11
b) Own generation			
Through Diesel Generator			
Unit	KWH	906,745	968,276
Unit/litre of diesel	Units	3.02	2.84
Cost per unit	Rs.	10.38	13.18
Coal (including coconut shells)			
Quantity	Tones	3,333	7,085
Total Cost	Rs.	13,141,189	19,108,561
Av. Rate	Rs.	3,943	2,697
Furnace Oil			
Quantity FO	Ltrs.	3,101,420	1,809,943
Total Cost	Rs.	68,855,390	36,614,142
Av. Rate	Rs.	22.20	20.23
LPG			
Quantity	Kgs.	659,601	577,609
Total Cost	Rs.	23,416,392	17,851,664
Av. Rate	Rs.	35.50	30.91
H2 Gas			
Quantity	CMT	169,622	197,330
Total Cost	Rs.	5,510,025	7,313,727
Av. Rate	Rs.	32.48	37.06

B. CONSUMPTION PER UNIT PRODUCTION

Vanaspati	Electricity (KWH/Tonne)	Liquid Diesel Oil (Litres/Tonne)
2007/08	135.51	NA
2006/07	128.00	NA
General Lighting System	Electricity (KWH/000 nos.)	Liquid Diesel Oil (Litres/000 nos.)
2007/08	19.00	0.53
2006/07	16.65	0.50
Flourescent Tube Light	Electricity (KWH/000 nos.)	Liquid Diesel Oil (Litres/000 nos.)
2007/08	160.83	3.71
2006/07	149.62	2.61

ANNEXURE 'B' FORMING PART OF THE CORPORATE GOVERNANCE REPORT

Disclosure in compliance with Clause 12 of the SEBI (Employee Stock Option Scheme) and (Employee Stock Purchase Scheme) Guidelines, 1999, as amended

Sl. No.	Description	WESOP 1999	WESOP 2000	ADS 2000 Stock Option Plan	Wipro Restricted Stock Unit Plan 2004	Wipro Restricted Stock Unit Plan 2005	ADS Restricted Stock Unit Plan 2004	Wipro Restricted Stock Unit Plan 2007
1.	Total number of options under the Plan	30,000,000 (adjusted for the issue of bonus shares in the years 2004 and 2005)	150,000,000 (adjusted for the issue of bonus shares in the years 2004 and 2005)	9,000,000 ADS representing underlying equity shares (adjusted for the issue of bonus shares of the years 2004 and 2005)	12,000,000 (Adjusted for the issue of bonus shares 2004 and 2005)	12,000,000 (Adjusted for the issue of bonus shares of the year 2005)	12,000,000 ADS representing 12,000,000 underlying equity shares (adjusted for the issue of bonus shares of the years 2004 and 2005)	10,000,000
2.	Options/RsUs grants approved during the year	-	-	-	79,300	-	758,887	-
3.	Pricing formula	Fair market value i.e., the market price as defined by the Securities and Exchange Board of India	Fair market value i.e., the market price as defined by the Securities and Exchange Board of India	Exercise price being not less than 90% of the market price on the date of grant	Face value of the share	Face value of the share	Face value of the share	Face value of the share
4.	Options vested (as of March 31, 2008)	-	1,219,926	8,706	1,200,507	-	129,600	-
5.	Options exercised during the year	-	1,211,884	500,200	574,046	-	167,540	-
6.	Total number of shares arising as a result of exercise of option (as of March 31, 2008)	-	1,211,884	500,200	574,046	-	167,540	-
7.	Options lapsed/forfeited during the year *	-	523,514	47,185	486,740	267,210	163,940	-
8.	Variation of terms of options upto March 31, 2008@	-	-	-	-	-	-	-

Sl. No.	Description	WESOP 1999	WESOP 2000	ADS 2000 Stock Option Plan	Wipro Restricted Stock Unit Plan 2004	Wipro Restricted Stock Unit Plan 2005	ADS Restricted Stock Unit Plan 2004	Wipro Restricted Stock Unit Plan 2007
9.	Money realised by exercise of options during the year (Rs.)	-	453,256,717	120,819,245	1,148,102	-	335,080	-
10.	Total number of options in force at the end of the year (granted, vested and unexercised/unvested and unexercised)	-	1,219,926	8,706	6,518,489	3,181,674	1,885,236	-
11.	Employee wise details of options granted to : i. Senior Management during the year ii. Employees holding 5% or more of the total number of options granted during the year iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil	Nil	Nil	Nil	Nil	Nil
12.	Diluted Earnings per Share pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20	21.01	21.01	21.01	21.01	21.01	21.01	21.01
13.	Where the Company has calculated the employees compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company	Not applicable as these pertain to options granted prior to June 2003	Not applicable as these pertain to options granted prior to June 2003	Not applicable as these pertain to options granted prior to June 2003	Since these options were granted at a nominal exercise price, intrinsic value on the date of approximates the fair value of options	Since these options were granted at a nominal exercise price, intrinsic value on the date of approximates the fair value of options	Since these options were granted at a nominal exercise price, intrinsic value on the date of approximates the fair value of options	Not applicable as no options are granted under this Plan