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
ECO ACTION AT WIPRO

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

Certain statements in this Annual Report are based on management's current expectation & forecasts and may be considered as foward-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
Appropriations				
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 Eduction 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 Limted ("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 represent-ing 9,000,000 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 of the years 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	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	ii. Employees holding 5% or more of the total number of options granted during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	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 instrinsic 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

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
14.	Weighted average exercise prices and weighted average fair values of options separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Not applicable as these pertain to options granted before June 30, 2003	Not applicable as these pertain to options granted before June 30, 2003	Not applicable as these pertain to options granted before June 30, 2003	Exercise price Rs. 2/- per option. Fair value Rs. 432 as on March 31, 2008	Exercise price Rs. 2/- per option. Fair value Rs. 432 as on March 31, 2008	Exercise price $ equivalent of Rs. 2/- per option. Fair value $ 11.53 as on March 31, 2008	Not applicable as no options are granted under this plan
15.	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information : (a) risk free interest rate (b) expected life (c) expected volatility (d) expected dividends and (e) the price of the underlying share in market at the time of option grant	Not applicable as these pertain to options granted before June 30, 2003	Not applicable as these pertain to options granted before June 30, 2003	Not applicable as these pertain to options granted before June 30, 2003	Since these options were granted at a nominal exercise price, intrinsic value on the date of grant approximates the fair value of options	Since these options were granted at a nominal exercise price, intrinsic value on the date of grant approximates the fair value of options	Since these options were granted at a nominal exercise price, intrinsic value on the date of grant approximates the fair value of options	Not applicable as no options are granted under this plan

* As per the Plan, Options/RSUs lapse only on termination of the Plan. If an Option/RSU expires or becomes unexercisable without having been exercised in full, such options shall become available for future grant under the Plan.

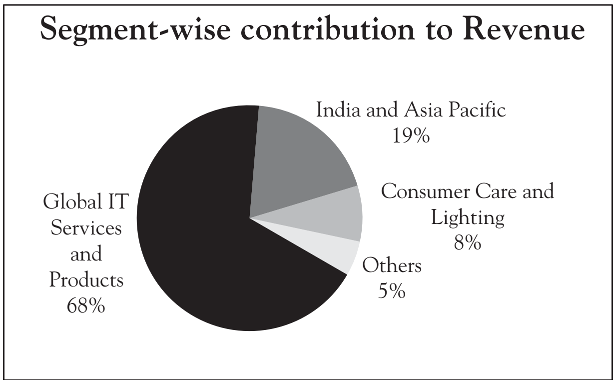
@ Options and RSU Plans were modified in terms of approval of the members of the Company during the Annual General Meeting held on July 18, 2007.

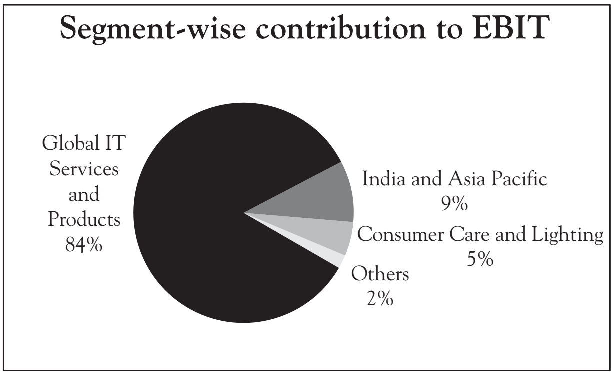
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of Financial Condition and Results of Operation

I. Segment-wise performance

Segment-wise contributions in 2007-08





We began our operations in 1946 and were initially engaged in manufacture of Hydrogenerated vegetable oil. We later diversified into consumer care products. Today our Consumer Care and Lighting business with a CAGR (Compounded Annual Growth Rate) of 30% (excluding acquisitions) is among the fastest growing businesses in its segment. In 1975 we diversified into Hydraulics engineering. Today we are among the largest third party manufacturers of hydraulics cylinders globally. The results of this business are reported under 'Others' Segment in the segment information.

We began our IT business in 1980 and today are a leading global information technology services company. We provide a comprehensive range of IT services, software solutions and research and development services in the areas of hardware and software design to leading companies worldwide. We use our development centers located in India and around the world, quality processes and global resource pool to provide cost effective IT solutions and deliver time-to-time and time-to-development advantages to our clients. We also provide business process outsourcing services.

In the subsequent sections of this report, we will report for each of our business Segment separately, the industry structure and developments, opportunities and threats, and risks and concerns.

Over the last six decades, we have emerged as a multi-business entity with leadership position in every business we are in.

II. Industry Overview

IT Services and Products

The shift in the role of IT from merely supporting business to transforming business, which is driving productivity gains and creating new business models, has increased the importance of IT to the success of companies worldwide. The ability to design, develop, implement, and maintain advanced technology platforms and solutions to address business and customer needs has become a competitive advantage and a priority for corporations worldwide.

According to the Worldwide Services Spending Forecast, a report published by International Data Corporation, or IDC, in February 2008, total spend on IT services in 2007 was estimated at USD 495 billion, a growth of 6% over last year. Outsourcing was the fastest growth segment in 2007, estimated to have grown by 7.4%. Looking ahead for 2008, Forrester Global IT 2008 Market Outlook predicts that IT spends in US, the largest market for Indian IT firms, would slowdown from 6.2% growth in 2007 to 2.8% growth in 2008. However, for a three year period of 2007-10, IDC in a report estimates that worldwide IT services spends would grow to USD 588 billion by 2010 reflecting a CAGR of 6%.

According to NASSCOM Strategic Review Report 2008 the offshore IT spending during the period 2006-11 would grow at a CAGR of 17%. Further, according to this report the IT and ITES exports of India in fiscal 2008 was USD 40 billion, a growth of 29% over previous year. Key factors contributing to the growth of India-based IT services are :

- India-based IT companies have proven their ability to deliver IT services that satisfy the requirements of international clients who expect the highest quality standards. According to NASSCOM's Strategic Review Report 2007, India-based centers (both Indian firms as well as MNC owned captives) constitute the largest number of quality certifications achieved by any single country. As of December 2007, over 480 Indian companies had acquired quality certifications with 86 companies certified at SEI CMM level 5.

  India has a large, highly skilled English-speaking labour pool that is available at a relatively low labor cost. According to NASSCOM Strategic Review Report 2008, the Indian IT industry employed nearly 1,996,000 software professionals as of 2007-08, making it one of the largest employers in the services industry. According to the same report, India has the largest pool of suitable off-shore talent – accounting for 28% of the suitable pool available across all offshore destinations.

- With the time differential between India and its largest market, the United States, Indian companies are able to provide a combination of onsite and offshore services on a 24-hour basis on specific projects.

- The Indian IT industry has been the primary beneficiary of the rapid transformation of the telecom sector since it was deregulated to allow private participation, with the cost of international connectivity declining rapidly and service level quality improving significantly.
- India based sourcing offers significant cost advantages in terms of accessing highly skilled talent at lower wage costs and productivity gains that can be derived from having a very competent employee base. According to NASSCOM's Strategic Review 2007, the cost advantage achievable from outsourcing to India is unlikely to go away due to an absolute cost advantage vis-à-vis other key markets and the prospect of further reductions in infrastructure and overhead costs.

BPO Services

India is a leading destination for BPO services. The proven track record and client relationships of established Indian IT services companies, favourable wage differentials, availability of a large, high quality, English speaking talent pool and a regulatory environment more friendly to investment are facilitating India's emergence as a global outsourcing hub. According to IDC, worldwide BPO spend is estimated to increase from $ 421 billion in 2006 to $ 677 billion in 2011, representing a CAGR of 10%.

India and AsiaPac IT Services and Products

According to NASSCOM strategic review 2008, the market for IT services and products in India is estimated to grow by 43% in USD terms in 2008.

The hardware market is estimated to account for 53% of the domestic IT industry, growing at about 44% in 2008.

The IT services market is estimated to account for 37% of the domestic IT industry. The growth in IT services market is estimated to be around 44% in USD terms. The key verticals driving the growth of IT services market are retail, BFSI, telecom and manufacturing. The domestic IT packaged software market is expected to account for 10% of the domestic IT market.

Consumer Care and Lighting

The consumer care market that we address includes personal care products, soaps, toiletries, infant care products, modular switch lights and modular office furniture. Our Santoor brand is the third biggest soap brand in India. The market for soaps in India is dominated by established players like Hindustan Unilever (a subsidiary of Unilever). We have a strong brand presence in a niche segment and have significant market share in select regions in India. We have strong presence in the markets for personal care products in south east Asia.

AC Nielsen estimates suggest that India is amongst the fastest growing geographies for FMCG, with a 2007 growth rate of 14% for the non-food segment, largely led by price increases. This market is estimated to grow at a CAGR of 10.0% for the period 2007-2011. The household and personal care FMCG market in other Asian countries we operate in including Malaysia, Vietnam, Indonesia are expected to grow at a CAGR of 7.0% for the period 2007-2011.

We expect to increase our market share organically in our identified geographies. In addition we continue to look at acquiring established brands which complement our brand presence and distribution strengths.

Others

In the 'Others' segment, Wipro Infrastructure Engineering (WIN) is the key business. We sell hydraulic cylinders and truck tipping systems that are used in variety of earth moving, material handling, mining and construction equipments.

India, in the recent years, is witnessing significantly higher investments in infrastructure activities. This has contributed to WIN growing revenue organically at CAGR of 39% over the last 3 years.

III. Opportunities and threats

Global IT services and products

The nature of IT outsourcing has evolved over the years. Global Companies are looking at outsourcing their entire IT backend to free up time and resource to focus on their core operations. Indian IT Companies are now an integral part of this IT strategy. As a de-risking strategy companies have moved over to multi-vendor IT outsourcing from sole sourcing, this has opened up opportunities for Indian IT Companies to participate in large multi-million dollar deals. Global Companies are expanding their outsourcing activities to leverage the high quality, cost competitive IT services from India.

Technology companies are increasingly outsourcing their software development and research activities to reduce the cycle time for introducing new products and services. These companies are now outsourcing a larger portion of their IT activities, including core software research and development activities, to offshore locations to access skilled resources at lower costs.

We believe that India is a premier destination for outsourcing IT services. According to NASSCOM's strategic review 2007, the Indian IT-BPO sector would achieve USD 60 billion in export revenues by FY 2010. Key factors supporting this projection are the growing impact of technology led innovation, the increasing demand for global sourcing and gradually evolving socio-political attitudes.

We believe our strong brand, our robust quality process and our access to skilled talent base at lower costs of providing services places us in a unique position to take advantage of the trend towards outsourcing IT services.

We believe that our global delivery model allows us to provide services on a best shore basis. Customers benefit from round the clock execution schedules, quality control measures and best in class resources pooled in across geographies for high quality delivery and risk management practices to ensure uninterrupted services.

Risk factor

We have included a separate section on our Enterprise risk management practices on pages 19 and 20. Some of the key risks impacting our IT Services business are discussed in the following paragraphs.

Continued appreciation of Indian rupee would adversely impact our profitability since our revenues are derived in various currencies while our costs are primarily in Indian rupees. Further the continued wage increase in India would affect our cost structure and impact our profitability.

Intense competition for the limited 'quality' talent and skilled professionals required to perform the services we offer is a significant threat, looking ahead.

Ability to attract and retain skilled professionals in the face of increasing demand for these resources, coupled with wage increases locally may affect our cost structure and impact our growth prospects. Large multinational IT services companies have expanded their operations in India affecting our ability to attract and retain talent.

We manage mission critical IT infrastructure/applications and therefore maintaining stable communication links with our clients is imperative. Breakdown in telecommunication links, geopolitical disturbances or natural disaster could temporarily impact our ability to service customers. This could adversely affect the customer decision to procure IT services from India or increase the nature and scope of services sourced from India.

These risks are broadly country risks. At an organisational level, we have a well-defined business contingency plan and disaster recovery plan to address these unforeseen events and minimise the impact on services delivered from our development centers based in India or abroad.

Indian IT Services

For the last several years, India has achieved healthy economic growth rates in the range 7.5-8%. The growth has been contributed by robust services sector performance as well as cyclically strong manufacturing output. Increased revenue and profitability growth has created opportunities for companies to invest in IT infrastructure and related services. Some sectors such as Telecom service providers, Banking, Retail and IT/ITES require significantly higher per capita IT investment, which has further enhanced the acceleration in the market for these services and products.

Similarly, the customers in Middle East, where IT investments hitherto were in the nascent stage, have increasingly stepped up their spend on harnessing higher automation and digitisation.

As the leading system integration company we are uniquely positioned to benefit from the enhanced traction in the market place. More than 25 years of experience in the domestic IT market, quality processes, scalable resourcing engine and best-in-class technical knowledge create for us a unique differentiation in the industry.

Our track record of selling and servicing high-end IT products give us an additional edge in undertaking setting up of Greenfield IT infrastructure and then maintaining it over its life cycle.

Going forward, the key risk in our products business is in our partners directly accessing the customers.

In the services segment, the key risk is the inability to source right-skilled employees and retaining them.

India is being viewed as a key market among the emerging economies. Several multinational IT Companies and Indian IT Services companies are focusing on the Indian markets. This could affect our growth and profitability.

Consumer care and lighting

We are among the top 5 companies with a Pan-India Sales and Distribution Infrastructure, which enables us to effectively penetrate fast growing Indian market.

We have constantly expanded our brand portfolio by entering newer categories. We have successfully built brands both organically and through acquisition. Each brand in our Brand basket has a distinctive positioning, catered to and addressing a specific consumer need.

Through Unza acquisition we have established presence in the markets for personal care products in South East Asia. We have introduced select brands of Unza in India to establish presence in the fast growing market for personal care products.

India has been going through a virtuous cycle over the past several years in which increased consumer urban per-capita income and aspiration levels/standard of living have among other things, led to increased propensity to consumer spends. Any slowdown in economic growth rates or saturation of urban demand coupled with a volatile monsoon could hamper our ability to grow and maintain profitability.

Others

One of the biggest beneficiaries of the current uptrend in the Indian economy has been the physical infrastructure sector. Increased focus by the Government to invest and rectify inadequate roads, railways and other physical infrastructure has led to higher planned spends on these fronts. We, as one of the largest player in this segment are well positioned to take advantage of the growth driven by infrastructure spends.

Through our acquisition of Hydrauto in Sweden, we are also well placed to participate in the increase spending on infrastructure in Europe and adjoining regions.

While we believe the secular trend of increased spending on infrastructure in India is well in place, any slowdown in Indian economic growth rates or slowdown due to excess supply of commercial or residential real estate could indirectly translate in to lower growth for our customers and in turn reduce our growth prospects.

IV. Outlook

During the financial year ending March 2008, we grew our Revenues by 34% to Rs. 203,970 million and Profit After Tax (PAT) by 12% to Rs. 32,829 million. Over the last decade, we have grown our Revenues at the CAGR of 31% and PAT at the CAGR of 41%.

We have followed a practice of providing only revenue guidance for our largest business segment, namely, Global IT Services and Products. The guidance is provided at the release of every quarterly earnings when detailed Revenue outlook for the succeeding quarter is shared. Over the years, the Company has consistently exceeded its quarterly Revenue guidance.

Along with our Annual result announcement, on April 18, 2008, we provided our most recent quarterly guidance. Revenue from our combined IT Services business segment for the quarter ending June 30, 2008 is likely to be around $1,060 million.

On a more generic note, given the current economic and industry environment, prospects in all our business segments look attractive and we look forward to 2008-09 and beyond with sustained excitement.

V. *Risks and Concerns*

In the previous sections, we have discussed some of the key risks impacting our business. The risks relating to our company, the industry we operate in and country specific risks are dealt with in greater detail in the annual report on Form 20-F filed with Securities and Exchange Commission, USA. The report is also available on our website : www.wipro.com.

VI. *Internal Control systems and their adequacy*

We have presence across multiple countries, and a large number of employees, suppliers and other partners collaborate to provide solutions to our customer needs. Robust internal controls and scalable processes are imperative to manage this global scale of operations.

Our listing on the New York Stock Exchange (NYSE) provided us an opportunity to get our independent auditors assess and certify our internal controls primarily in the areas impacting financial reporting. For the companies listed in the United States of America, the Public Company Accounting Reform and Investor Protection Act of 2002, more popularly known as the Sarbanes–Oxley Act requires :

1. Management to establish, maintain, assess and report on effectiveness of internal controls over financial reporting and;
2. Independent auditors to opine on effectiveness of internal controls over financial reporting.

We adopted the COSO framework (Framework suggested by Company of Sponsoring Trade way Organisation) for evaluating internal controls. COSO identifies five layers of internal controls, namely, Control Environment, Risk Assessment, Control Activity, Information and Communication and Monitoring. Information Technology controls were documented, assessed and tested under the COBIT framework.

The entire evaluation of internal controls was carried out by a central team reporting into the Chief Financial Officer.

We have obtained a clean and unqualified report from our independent auditors on the effectiveness of our internal controls.

VII. *Discussion on financial performance with respect to operational performance*

1. Authorised share capital

The Company has an authorised share capital of Rs. 3,550 million comprising 1,650 million equity shares of Rs. 2/- each and 25 million 10.25% redeemable cumulative preference shares of Rs. 10/- each as of March 31, 2008.

2. Paid up share capital

The Company has a paid-up capital of Rs. 2,923 million, an increase of Rs. 5 million during this year.

3. Equity Shares

The Company has instituted various Employee Stock Option Plans (ESOP). These options vest with the employees over a specified period subject to employee fulfilling certain conditions. Upon vesting, the employees are eligible to apply and secure allotment of the Company's equity shares at a price determined on the date of grant of options. During the year, 2.5 million shares were allotted on exercise of the options under various Employee Stock Option Plans instituted by the Company.

4. Reserves and Surplus

A . Securities premium account

Addition to securities premium account comprises of premium received on exercise of stock options, amounting to Rs. 843 million.

B. Restricted Stock Units

The Company has granted total 13 million restricted stock units under the Wipro Restricted Stock Unit Plan, 2004, 4 million restricted stock units under the Wipro Restricted Stock Unit Plan, 2005 and 3 million restricted stock units under the Wipro ADS Restricted Stock Unit Plan, 2004.

During the year ended March 31, 2008 the Company has charged to profit and loss account Rs. 1,166 million of deferred compensation cost as employee compensation. The cumulative charge to profit and loss account would be treated as share premium on allotment of shares.

5. Secured Loans

Secured loans have increased by Rs. 583 million, primarily due to loans in the acquired entities.

6. Unsecured Loans

Unsecured loans have increased by Rs. 40,440 million. The increase is mainly due to Packing Credit loan of USD 320 million and External commercial borrowing of USD 350 million availed during the current year. These loans were availed partly to finance acquisitions during the current year and to ensure specified level of cash balance to manage operations and pursue strategic acquisition opportunities. Unsecured loans added on acquisition during the current year is Rs. 4,053 million.

7. Fixed Assets

A. Goodwill on consolidation

The excess of consideration paid over the book value of assets acquired has been recognised as goodwill in accordance with Accounting Standard (AS) 21 on 'Consolidated Financial Statements'. Goodwill arising on account of acquisition of subsidiaries and affiliates is not being amortised but is reviewed periodically for impairment. If the carrying value of the goodwill exceeds its fair value, goodwill is considered to be impaired and the impairment is charged to the income statement for the year.

Goodwill has increased by Rs. 32,732 million during the year mainly arising from acquisitions in Global IT Services and Products and Consumer Care and Lighting segment. This is after adjustment of foreign exchange movement during the current year.

B. *Additions to Fixed Assets*

During the year, the Company invested Rs. 22,172 million on Fixed Assets. The unit-wise spends are outlined below :

(Rs. in Million)

Business Unit	2008
IT Services	17,506
BPO Services	712
Global IT Services and Products	18,218
India and AsiaPac IT Services and Products	358
Consumer Care and Lighting	3,098
Others	498
	22,172

We have added 24,877 seats during the current financial year and 35,836 seats are under construction as on March, 2008.

C. *Depreciation*

The Company has provided depreciation either at the rates specified in Schedule XIV of the Companies Act, 1956, or at commercial rates which are higher than the rates specified in Schedule XIV. Depreciation as a percentage of sales remained at 3% in fiscal year 2008.

8. Investments

Purchase of Investments during the year

Surplus cash generated by operations are invested in short-term mutual funds and term deposits with financial institutions. The internal investment norms restrict investments to only those mutual funds which have corpus in excess of a specific threshold and the investment is limited to 20% of the corpus of the fund. Further, we place deposits only with those institutions having a specified credit rating and we have internal limits of maximum deposit that can be placed with financial institutions. Investments in units of liquid mutual funds have decreased from Rs. 31,839 million in fiscal 2007 to Rs. 14,305 million in fiscal 2008, mainly due to utilisation of fund to finance acquisitions made during the year.

9. Inventories

Inventories mainly comprise computers and spares of India and AsiaPac IT Services and Products and raw material and finished stocks of Wipro Consumer Care and Lighting and Wipro Infrastructure Engineering (WIN). Inventories have increased from Rs. 4,150 million as on March 31, 2007 to Rs. 6,664 million as on March 31, 2008.

Inventory in Consumer Care and Lighting segment has gone up by Rs. 1,312 million mainly due to Rs. 921 million of inventories of Unza, the entity acquired in August, 2007. Inventory of Wipro Infrastructure Engineering Limited has gone up by Rs. 529 million primarily due to higher procurement lead time of critical raw materials like tubes. Inventory of India and AsiaPac IT services increased by Rs. 468 million primarily due to inventory maintained towards the end of the year against pending orders. During the current year, we have introduced predictable Execution Model (Predix) to avoid stock outs and ensure timely delivery.

10. Sundry Debtors

Sundry Debtors (net of provision) for the current year is at Rs. 40,453 million against Rs. 29,007 million in the previous year. Segment-wise break-up of sundry debtors is outlined below :

(Rs. in Million)

Business Unit	2008	2007	Increase (%)
Global IT Services and Products	26,688	21,488	24
India and AsiaPac IT Services and Products	10,097	5,573	81
Consumer Care and Lighting	2,246	723	211
Others	1,422	1,223	16
Total	40,453	29,007	39

In Global IT Services and Products, revenues for the quarter ended March, 31, 2008 have increased by 26% over the revenues for the corresponding quarter in the previous year. Sundry debtors represent 67 days of sales against 69 days in previous year.

In India and AsiaPac IT Services and Products, sundry debtors have increased primarily due to 41% increase in revenues for the quarter ended March 31, 2008 over corresponding quarter in the previous year and increase in days of sales outstanding from 71 days in fiscal 2007 to 95 days in fiscal 2008.

In Consumer Care and Lighting, sundry debtors have increased primarily due to 111% increase in revenues (including acquisition) during the quarter ended March 31, 2008 over corresponding quarter in previous year. Debtors increased by Rs. 1,457 million due to acquisition of Unza during the current year.

Provision for doubtful debts has decreased from Rs 1,388 million to Rs. 1,096 million in fiscal 2008.

11. Cash and Bank Balances

Cash and bank balances have increased from Rs. 19,822 million to Rs. 39,270 million, an increase by Rs. 19,448 million. Cash and bank balances includes proceeds of USD 350 million from ECB received on March 31, 2008.

12. Loans and advances

(Rs. in Million)

Particulars	2008	2007	Increase (%)
Advances recoverable	11,021	5,158	113
Unbilled revenue	8,514	5,096	67
Others	10,075	7,200	40
Total	29,610	17,454	70

- Increase in 'advances recoverable in cash or in kind' is primarily due to increase in cost deferrals of Rs. 1,192 million which is partially offset by advances from customer included in unearned revenues, increase in advance to suppliers by Rs. 649 million, increase in employee advances by Rs. 618 million and Rs. 846 million of advances in the entities acquired during the year.
- Unbilled revenue has increased on account of increase in revenues from Fixed Price Projects from 22% in the previous year to 28% in the current year in IT Services and 23% increase in revenues from BPO services where certain customers are billed after the end of the month. This is offset by advances received from customers which is included in unearned revenues.
- Increase of Rs. 2,875 million in 'Others' is mainly due to Rs. 2,386 million of payment of advance tax and Rs. 42 million of advances recorded in acquisitions.

13. Current Liabilities and Provisions

A. *Current Liabilities*

(Rs. in Million)

Particulars	2008	2007	Increase (%)
Sundry Creditors	13,082	10,202	28
Advances from customers	1,642	1,369	20
Unearned revenues	4,269	1,761	-
Other Liabilities	20,893	13,776	52
Unpaid interim dividends	4	7,242	-
Total	39,890	34,350	16

Sundry Creditors represent the amount payable to vendors for supply of goods and services. Increase in Global IT Services and Products by Rs. 858 million was primarily on account of acquisitions – Rs. 140 million and purchase of capital items for new facilities and deferred payment for certain products purchased during the current year.

Sundry creditors of India and AsiaPac IT Services and Products, Consumer Care and Lighting have increased by Rs. 1,192 million, Rs. 975 million respectively.

Other liabilities comprise amounts due for operational expenses. Other liabilities have increased by Rs. 7,117 million from Rs. 13,776 million to Rs. 20,893 million. Other liabilities of Global IT Services and Products have increased by Rs. 5,159 million in fiscal 2008. The increase in other liabilities is mainly towards subcontracting expenses, pass through costs, administrative expenses, withholding taxes, incentives, quarterly linked performance bonus, onsite reimbursements etc. This increase is in line with increase in employee base, infrastructure and business.

Unpaid dividend of Rs. 7,238 million is reported under current liabilities in the previous year.

B. *Provisions*

(Rs. in Million)

Particulars	2008	2007	Increase %
Employee retirement benefits	2,737	2,118	29
Warranty provision	941	831	13
Provision for tax	4,013	3,106	29
Proposed Dividend	5,846	1,459	-
Tax on proposed dividend	993	519	-
Total	14,530	8,033	81

- Provisions of Rs. 2,737 million for employee retirement benefit represent Company's liability towards employee leave encashment and gratuity.
- Warranty provision increased by Rs. 110 million primarily in India and AsiaPac Services and Products, in line with the growth in revenues.
- For fiscal 2008, the Directors of the Company have proposed a cash dividend of Rs. 4/- per share on equity shares in addition to interim dividend of Rs. 2/- per share paid during the year.

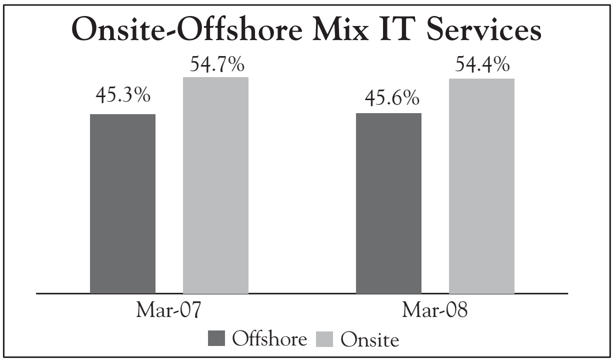
Revenue

Global IT Services and Products segment

Our Global IT Services and Products segment Revenue was Rs. 136,417 million. Rs. 119,556 million was from IT Services, Rs. 11,570 million from BPO Services and the balance Rs. 5,291 million from acquisitions made during the current year.

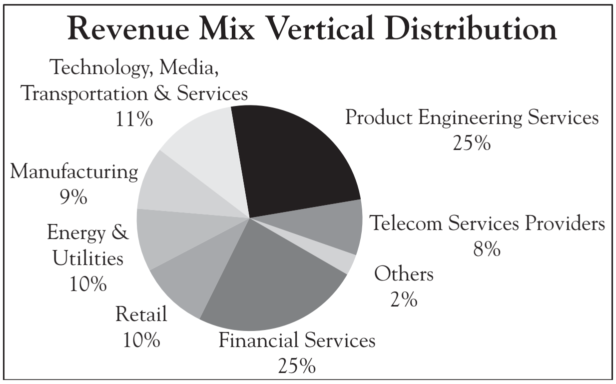
During the current year, we realised 54.4% of revenue from work done in locations outside India ("Onsite") and remaining 45.6% of revenue was realised from the work performed from our development centers in India ("Offshore").

Onsite-Offshore mix



Approximately 27.5% of our IT Services Revenues were from Fixed Priced Projects ("FPP"). In FPP, we undertake to complete project within agreed timeline for a given scope of work. The economic gains or losses realised from completing the project earlier or later than initially projected timelines accrues to us. Percentage of FPP in the previous year was lower at 22.3%.

Revenue Mix Vertical Distribution

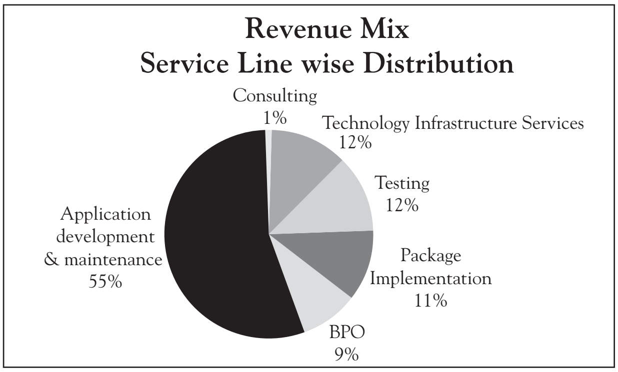


In the current year, 43% of our Global IT Services and Products Revenues is derived from our Enterprise Solutions Business a small increase over the previous year, 33% from Technology Business a reduction of 2% over the previous year and 25% of Revenues from Financial Solutions Business an increase of 2% over the previous year.

In the current year, energy and utilities, financial services, retail, grew ahead of Company average.

Our Enterprise Solutions Business serves customers in all the other industry segments, principal being Retail, Manufacturing, Energy & Utilities, Technology, Media, Transportation (TMTS) and Healthcare Services. Our Technology Business provides product engineering services to product companies across the globe. It also provides enterprise IT services offering to Telecom Service Providers industry. Our Financial Solutions Business provides IT services to customers in Financial Services industry - namely, Banking, Securities and Insurance.

Revenue Mix Service Line wise Distribution



We continued to expand and grow our Services portfolio. For the current financial year, we derived 12% of Revenues from Technology Infrastructure Services an increase of 1% from previous year, 12% from Testing Services an increase of 1% from previous year, 11% from Package Implementation Services at the same level as previous year, 9% from BPO an increase of 1% from the previous year, 55% from Application Development & Maintenance (ADM) a reduction of 3% over the previous year and 1% Consulting Services, which was at the same level in the previous year.

Based on geographical destination, 63% of our revenue came from the Americas a decrease of 1% over the previous year, 32% from Europe an increase of 1% over the previous year. Revenue from Japan at 3% was at the same level as in the previous year. Rest of the World contributed 2% of revenue, same as of last year.

Our investment in Europe have yielded a good result with superior growth rates.

The contribution of our top customer and top 5 customers was at the same level as in the previous year. Our top customer contributed 3% of revenue, top 5 customers 13% of revenue and the top 10 customers accounted for 24% of the revenue, an decline of 1% over previous year.

Revenue contributed by the customers added during the year was at 2%. This compares with 3% during the previous year.

Indian IT Services and Products segment

During the current year we grew our Indian IT Services and Products segment Revenues by 51%.

We grew across the board. Revenue from Personal Computers was 54% higher than in the previous year, Enterprise Products grew 42% and our Services grew 48%. We created strong foundation in key accounts with 50% growth.

Consumer Care and Lighting segment

Revenues of our Consumer Care and Lighting segment grew by 86% in the current year over the previous year, mainly due to acquisition of Unza during the current year. Excluding this acquisition we grew by 27% during the year.

Our revenue CAGR during last 3 years in this business has been 30% excluding acquisition during the year. Our flagship brand 'Santoor' is now India's 3rd largest soap brand by value.

Others segment

In this segment, Wipro Infrastructure Engineering (WIN) is the largest contributor. Revenues from WIN grew 35% during the current year over the previous year.

Acquisitions

Details of the key acquisitions made by your Company during the year ended March 31, 2008 are as follows :

Sl. No.	Acquired entity	Acquired during	Nature of business
Global IT Services and Products			
1.	Infocrossing Inc.	Sep 07	Engaged in IT infrastructure management, enterprise solution & business process outsourcing
Consumer Care and Lighting			
2.	Unza Holdings	Aug 07	Personal care products

Costs

Global IT Services and Products segment

In our Global IT Services and Products Business segment, manpower cost accounts for approximately 54% of the Revenues. Other major costs included Sub-contracted manpower cost, depreciation and employee-travel cost.

The operational drivers for these costs are Utilisation of employees, Onsite: Offshore composition and the composition of experience profile of employees called 'Bulge-mix'.

During the current year gross Utilisation was 67% compared to 64% an year ago. Our Offshore mix is 45%, same as of previous year. As of March 31, 2008 approximately 47% of our employees had less than 3 years of work-experience, as compared to 45% as of March 31, 2007.

Indian IT Services and Products segment

In our India and AsiaPac Services and Products segment, material cost as a percentage of revenue was at approximately 63%, employee cost constituted approximately 17% and Sub-contracted manpower cost constitutes approximately 4%.

Consumer Care and Lighting segment

In our Consumer Care and Lighting segment, the largest cost is material and manufacturing cost, accounting for 52% of the Revenues. Other key costs include advertising and sales promotion at 11% of Revenues and manpower cost at 9% of the Revenues.

Others segment

In this segment WIN is the largest component. For WIN the largest cost component is raw materials, accounting for approximately 54% of the Revenues, Material and manufacturing cost taken together accounts for 59% of the Revenues. Other key costs include manpower cost at 5% of Revenues and cost of sub-contracted processes at 28% of the Revenues.

Margins

Global IT Services and Products segment

The gross margin was 32% for the current year, a drop of 3% from the previous year. The gross margins declined primarily due to impact of rupee appreciation, compensation increase to offshore and onsite resources and acquisitions which had lower gross margins.

At the Operating Margin (Profit before interest and tax) level the margins declined by 2% in the current year to 22%.

Indian IT Services and Products segment

In this segment our gross margins for the current year was 23% an increase of 1% compared to the earlier year. This increase was primarily due to increase in gross margins from services partially offset by decline in gross margins from products. Operating Margins during the year were at 8%, a decrease of 0.3% compared to previous year.

Consumer Care and Lighting segment

Our gross margin for this year was at 41% for this segment compared to 35% in the previous year. The increase is primarily due to acquisitions of Unza which has higher gross margin. Operating Margins for the current year was at 12% at the same level compared to the previous year.

Others segment

Operating Margins of our Wipro Infrastructure Engineering business for the current year was 9%, same as of the previous year.

VIII. Liquidity and interest rate risk

As of March 31, 2008, we had cash and bank balances of Rs. 39,270 million, investments in liquid and short-term mutual funds of Rs.14,317 million and unused lines of credit in various currencies of approximately Rs. 22,450 million from our bankers for working capital requirements.

This cash is retained in the business to ensure specified level of cash balance to manage operations and pursue strategic acquisition opportunities. Our investment policy is to protect capital and focus on liquidity while determining the class of instruments to invest in. We primarily invest in debt mutual funds and deposits with financial institutions.

IX. Material developments in Human resources/Industrial Relations front, including number of people employed

We had over one lakh employees as of March 31, 2008.

In our Global IT Services and Products Business segment, we had 82,122 employees, comprising 61,844 employees in IT Services and 20,278 employees in BPO. We added 14,304 employees, comprising of 11,490 additions in IT services and 2,814 additions in BPO.

Attrition for the year in our Global IT Services and Products Business Segment was 18.5% compared with 17.4% last year. Voluntary attrition stood at 16.3% compared with 15.8% last year, while involuntary attrition was 2.2% compared with 1.6% last year. The increase in attrition was in-line with the industry-wide trends, primarily due to increased demand for skilled resources.

Compensation/People practices

We have continued to develop innovative methods for accessing and attracting skilled professionals. We recently launched an initiative - Mission 10x targeting improvement in employability of engineering graduates by promoting systemic changes to the current curriculum and teaching methods. In February, 2007 we were awarded Dale Carnegie Global Leadership Award in recognition of our emphasis on developing human resources, innovation and organisational creativity.

We have designed our compensation to attract and retain top quality talent and motivate higher levels of performance. We have pioneered the concept of employee stock purchase program, we also have portion of compenstion linked to performance of the business unit to which the employee belongs. We periodically reward high performers with long-term incentives in the form of restircted stock units (RSU). RSU is a powerful retention tool and aligns employees with the long-term goals of the Company.

RISK MANAGEMENT INITIATIVES

Risk Management Initiatives

"Often the difference between a successful man and a failure is not one's better abilities or ideas but the courage that one has to bet on his ideas, to take a calculated risk — and act." *- Maxwell Maltz*

In Wipro, Risk Management is the pursuit of *"Finding the risk, before the risk finds us"*. The formal system of risk management, initiated in 2005, has now, reached a 'defined' level of maturity.

The global economic outlook has changed significantly since the calendar year beginning. Sub-prime crisis in the financial services sector, galloping oil prices and globally escalating food prices are triggering a chain reaction. This poses challenges while at the same time, opening up newer opportunities.

Gartner's prediction for 2008 identifies the top issues facing the IT industry. "Green" IT, consumerisation of IT, and the emergence of new acquisition and delivery models for IT systems and services top the list. Our Risk Management team is aligned to supporting the business initiatives for changing times.

Risk Management Team

In Wipro, responsibility for risk management resides at all levels, starting from the Leadership and extending across the organisation - with each business, functional and operational manager.

Our Risk management initiative is coordinated by an Enterprise Risk Management team, led by the Chief Risk Officer.

Strategic Business units have embedded risk management system with dedicated risk officers for localised sensing and response to the business flows.

Business Heads are responsible for the identification of risk and selecting the risk-reward option in their businesses which are subjected to a robust and effective review.

Risk Management Process Overview

Risk is inherent in any business activity and cannot be completely eliminated without eliminating the rewards too. Our approach to risk management is to optimise the risk reward balance by building competence and leverage the opportunity.

Risk management incorporates an integrated group-wide approach to identify, assess, measure, manage, and monitor the risks to which our businesses are exposed.

We believe there are three basic questions every organisation must continuously pose to itself :

1. What are the worst things that can happen to us?
2. How likely are they to happen?
3. Are we taking the right and adequate steps to prevent them?

We answer these questions though the process of "Enterprise Risk Management (ERM)" to identify the Wipro Top 10 Risk that we face.

Wipro Top 10 Risk

At the core of Wipro Enterprise Risk Management is the 'Wipro Top 10 Risks Approach'. The Risk management team facilitates the business leaders in capturing the Top 10 Risks for the company following the six step process.

- Discussions with process owners
- External Sources & Competitors analysis

- Identifying Probability & Impact for risk inventory

- Brainstorming for mitigation plan
- Identifying risk owner

- BU leaders debate each risk to arrive at BU Top 10

- Roll up of BU level risks
- Understanding dependencies and gross effects to arrive at Top 10 Risks

- Driving management attention for mitigation plan and residual risk treatment

Exposure to a risk may have multiple impact points. We categorise the Risks into five types :

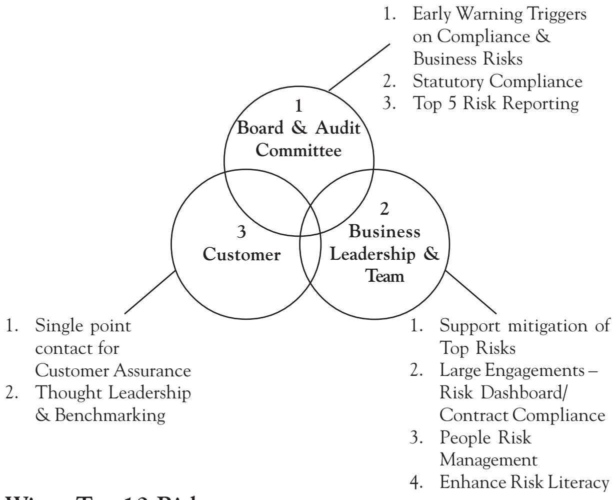
- **Strategic risks :** exposures that fundamentally impact the competitive position of the industry in general or a company in particular
- **Financial risks :** exposures that primarily and directly impact the profitability.
- **Operational risks :** exposures that primarily impact customer satisfaction and operational efficiency.
- **Compliance risks :** exposures that initially attract penalties and subsequently restrict flexibility of operations.
- **Reporting risks :** exposures that affect the credibility of the organization with stakeholders.

At a Strategic Level risk management focuses its attention to:

1. Providing re-assurance to our customer.
2. Partnering Business in Growth by optimising risks, literacy & Engagement of employees.
3. Enabling Board of Directors/Audit Committee to achieve superior governance practices.

In pursuit of these objectives, we engage through a three legged framework that covers the Board and Audit committee, Business and Leadership team and Customers. Wipro Risk Management Framework is aligned to and is based on COSO model.

Risk Management Framework



Wipro Top 10 Risks

For focused mitigation, we have divided our Top 10 risks into business and corporate level risks.

Sl. No.	Risks Top 5 BU Level Risks
1.	People supply chain risk – including Loss of Talent or entry of non-competent/non-ethical workforce
2.	Large Project Delivery Risk – non-adherence to contract commitments, SLA Penalties, Liquidated Damages
3.	Business Continuity Management Risks – Disruption in business due to unexpected disasters/Lack of preparedness
4.	Security Risks – including Physical Security threats, information security threats, Data Privacy (DP) violations and intellectual Property (IP) infringement
5.	Growth & Sales Risks – including Markets Strategy, Pricing Models or Deal sizing and recession
	Top 5 Corporate Level Risks
6.	Integration and growth risk of Acquired companies
7.	Employee Safety, Health and environmental risks
8.	Currency and Interest rate fluctuation and its impact on operating margin
9.	Compliance Risk – non-adherence to local laws in the global operations scenario
10.	Taxation Impact in different countries – including VAT, ESOP Taxation and direct taxes

Note : Sequence of risks is not in the order of importance.

Key Risk Management Activities of the year

The 4-E Approach

We follow the '4E' approach in Risk Management. We Engage, Educate, Enable and Enforce. We engage with stakeholders, educate them through training and awareness, enable action through processes and deploying technological tools and thereupon enforce control measures.

We take a three dimensional view on risk management :

Customer eye – re-assurance on governance and compliance
Business eye – optimisation and early warning triggers
Employee eye – enhance risk-literacy

1. Customer eye

Today, the IT industry is in the throes of momentous change and the landscape is getting revolutionised through globalisation, expanding market coupled with increasingly stringent regulatory and statutory controls.

When outsourcing, Customers are no longer looking only at cost competitiveness, technical expertise, productivity of talent pool and quality of service delivery. They are increasingly concerned about Outsourced Vendor's compliance capability in the business-critical areas of data protection (data privacy), protection of Intellectual Property Rights (IPR protection), and Business Continuity Planning (BCP).

2. Business eye

Our projects use a risk and quality system that is seamlessly integrated into Wipro project management methods and safeguards successful implementation.

Optimisation and generating early warning triggers are the crucial business objectives of risk team.

During the year we have taken steps toward instituting a structured risk assessment procedure. Frameworks were successfully used for unearthing risks in engagements by review of Master Service Agreements and Request for Proposal's (RFP).

Efforts were directed towards Service Level Agreements (SLA) in Technology & Infrastructure Services (TIS) business. Monitoring and standardisation of SLA's brought in substantial cost saving and process improvements.

IT industry has been facing the risk of fake CV candidates for quite some time now. Risk management initiative to develop a stringent and effective framework has helped to bring the systemic changes in the recruitment process raising the quality of hire and avoiding futile spend on re-hiring.

Wipro is in the forefront of leading the industry wide movement against the evil of bad hire.

3. Employee Eye

We continue to have our thrust on risk literacy. We believe that risk literacy leads to engagement of employees which in turn leads to effective risk management.

We organised a Risk Seminar bringing industry experts on single platform to share their views with our employees and discuss challenges ahead on risk management.

We conducted workshops and training programs to spread risk culture across the organisation and launched a BFSI (Banking, Financial Services and Insurance) specific risk portal.

To obtain exhaustive set of risks, we undertook a representative Survey and Risk Identification ("Risk Finder") exercise. The exercise covered all business units, verticals, service offerings, support groups and subsidiaries. The results gave us a deeper view of the risks facing Wipro, as seen by the employees. The results were collated and the probability and impact-magnitude assessment was completed.

Risk Management is a continuous journey of process maturity while focusing beyond meeting statutory/regulatory requirements and delivering on business excellence.

Spirit of Wipro ERM system

Risk Management driving Assurance & Peace of Mind

- ***For the Customer***
- ***For the Management***
- ***For the Other Stakeholders***

Going beyond Statutory & Regulatory requirements.

REPORT OF CORPORATE GOVERNANCE 2007-08

Progress is measured not by the distance travelled, but the distance travelled in the right direction. The word governance is derived from the Greek word *kybernan* which means 'to steer or pilot a ship'. Governance therefore has a critical role in determining the right direction.

In the corporate world, the primary responsibility for governance is in the hands of the Board of Directors, who set the direction for the Company within the charter selected by the shareholders. The management in alignment with the Board of Directors accelerates the pace of movement.

Our good governance practices have been in place since our inception in 1940s. We were among the early adopters of the concept of Audit Committee. We have an audit committee since 1986. We have also been presenting consolidated financial information at Wipro corporation level from 1983-since the time we established a subsidiary.

Our consistent performance over the last six decades is a result of our tangible value proposition combined with good corporate governance practices.

Wipro has four layers Corporate Governance structure, namely,

1. Governance by Shareholders,
2. Governance by Board of Directors,
3. Governance by Sub-committee of Board of Directors, and
4. Governance of the management process

FIRST LAYER : GOVERNANCE BY SHAREHOLDERS

Annual General Meeting

Annual General meeting for the year 2007-08 is scheduled on **July 17, 2008, at 4.30 p.m**. The meeting will be conducted at **Wipro campus, Cafetaria Hall, EC-3, Ground Floor, Opp. Tower 8, No. 72, Keonics Electronics City, Hosur Road, Bangalore - 561 229.**

For those of you, who cannot make it to the meeting, please remember that you can appoint a proxy to represent you in the meeting. For this you need to fill in a proxy form and send it to us. The last date for receipt of proxy forms by us is July 15, 2008, before 4.30 p.m.

Annual General Meetings and other General Body Meeting of earlier years

For the year **2006-07,** we had our Annual General Meeting on July 18, 2007, at 4.30.p.m. The meeting was held at Wipro's Campus, Cafeteria Hall EC-3, Ground Floor, Opp. Tower 8, No. 72, Keonics Electronic City, Hosur Road, Bangalore - 561 229. Apart from other usual business, the following resolutions were passed (all were Special Resolutions):

- Re-appointment of Mr. Azim H. Premji as Chairman and Managing Director of the Company as well as the payment of salary, commission and perquisites.
- Appointment of Mr. Rishad Premji, son of Mr. Azim Premji, Chairman of the Company, to hold an Office or Place of Profit as the Business Manager.
- Amendments to the Wipro Employee Stock Option Plans/ RSU Plans.
- Approval for introduction of Wipro Restricted Stock Unit Plan 2007.

On the same date at the same venue we had a **Court Convened Extraordinary General Meeting**. In this meeting the schemes of Amalgamation for merger of Wipro Infrastructure Engineering Limited, Wipro Healthcare IT Limited and Quantech Global Services Limited with Wipro Limited; and the schemes of amalgamation for merger of Mpact Technology Services India Private Limited, mPower Software Services (India) Private Limited, cMango India Private Limited with Wipro Limited was taken up and approved.

For the year **2005-06,** we had our Annual General Meeting on July 18, 2006, at 4.30.p.m. The meeting was held at Wipro's Campus, Cafeteria Hall EC-3, Ground Floor, Opp. Tower 8, No. 72, Keonics Electronic City, Hosur Road, Bangalore - 561 229. Apart from other usual business, the following two resolutions were passed :

- Appointment of Mr. Bill Owens as the Director of the Company.
- Authorisation for payment of remuneration to Non-Executive Directors by way of commission for a period of five years commencing from April 01, 2007 (Special Resolution).

For the year **2004-05**, we had our Annual General Meeting on July 21, 2005, at 4.30 p.m. The meeting was held at Doddakannelli, Sarjapur Road, Bangalore. Apart from other usual business, the following four resolutions were passed (last three being Special Resolutions):

- Appointment of BSR & Co. as Auditors in place of N M Raiji & Co.
- Amendment to the Articles of Association of the Company pursuant to increase in the Authorised Share Capital.
- Approval for issue of shares pursuant to Restricted Stock unit Plan 2005 linked to Equity Shares.
- Capitalisation of General Reserve and Issue of Bonus Shares.

On the same date at the same venue we had a **Court Convened Extraordinary General Meeting**. In this meeting the scheme of Amalgamation of Wipro BPO Solutions Limited with Wipro Limited; Spectramind Limited, Berumda and Spectramind Limited, Mauritius, with Wipro Limited was taken up.

Financial Calendar

Our tentative calendar for declaration of results for the financial year 2008-09 is given below :

Table 1 : Calendar for Reporting

Quarter ending	Release of results
For the quarter ending June 30, 2008	Third week of July 2008
For the quarter and half year ending September 30, 2008	Third week of October 2008
For the quarter and nine months ending December 31, 2008	Third week of January 2009
For the year ending March 31, 2009	Third week of April 2009

Interim Dividend

Your Board of Directors declared an Interim Dividend of Rs. 2/- per share on equity shares of Rs.2 each on October 19, 2007.

Record Date for Interim Dividend

The record date for the purpose of payment of Interim Dividend was fixed as October 26, 2007, and the Interim Dividend was paid to our shareholders who were on the Register of Members as at the closing hours of October 26, 2007.

Final Dividend

Your Board of Directors has recommended a Final Dividend of Rs. 4/- per share on equity shares of Rs.2/- each.

Date of Book closure

Our Register of members and share transfer books will remain closed from July 1, 2008 to July 17, 2008 (both days inclusive) to determine the entitlement of shareholders to receive the final Dividend as may be declared for the year ended March 31, 2008.

Final Dividend Payment Date

Dividend on equity shares as recommended by the Directors for the year ended March 31, 2008, when declared at the meeting, will be paid on or before August 16, 2008;

(i) to those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with M/s. Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company on or before June 30, 2008.

(ii) In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the opening hours on July 1, 2008.

Electronic Clearing Service (ECS) facility

The dividend remittance to shareholders happens predominantly through ECS as per the locations approved by RBI from time to time. We had covered about 75% of payment of Dividend through ECS during the year ended March 31, 2008. Company will also continue to explore the possibility of remitting the dividend electronically using ECS details.

1. If you are located at any of the ECS centers and have not registered your ECS, please arrange to forward your ECS mandate to your Depository Participant if the shares are held in demat mode, or to the Company/Registrars, if the shares are held in physical form, immediately.
2. Even if you are not located at the above ECS centres, please register your ECS (as stated in point 1 above), as the Company and its bankers will make best endeavours to remit dividend electronically by other electronic modes.
3. If your bank particulars have changed for any reason, please arrange to register the ECS with the revised bank particulars.

The Company will continue to use the ECS mandate for remittance of dividend either through ECS or other electronic modes failing which the bank details will be printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time.

Special Resolution passed through the Postal Ballot Procedure

During the financial year 2007-08, there was no Special Resolution through postal ballot procedure. For the financial year 2008-09, resolutions for approval through the Postal Ballot mechanism has been sent separately, as per applicable Postal Ballot Rules .

Awards and Rating

The Company has been awarded the highest rating of Stakeholder Value and Corporate Governance Rating Practices 1 (called SVG 1) by the Indian rating agency ICRA, an associate of Moody's. This rating implies that the Company is ranked in the Highest Category on the composite parameters of stakeholder value creation, management and Corporate Governance practices.

ICRA has assigned LAAA (pronounced as L Triple A) rating to Wipro's long-term credit. This is the highest credit quality rating assigned by ICRA.

The Company has been awarded the National Award for Excellence in Corporate Governance by the Institute of Company Secretaries of India in the year 2004.

Means of Communication with Shareholders/Analysts

We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts, employees and the society at large.

Our Audit Committee reviews the earnings press releases, SEC filings and annual and quarterly reports of the Company, before they are presented to the Board of Directors for their approval for release.

Our news releases and presentations made at investor conferences and to analysts are posted on the Company's website at www.wipro.com/investors

Our quarterly results are published in widely circulated national newspapers such as The Business Standard and the local daily Samyuktha Karnataka. The Quarterly Results, Shareholding Pattern and Annual Report of the Company are also posted on SEBI's website : www.sebiedifar.nic.in

Apart from this, we also intimate the stock exchanges of information on any latest developments like acquisitions, customer wins and all other material information.

Table 2 : Communication of Results

Means of communications	Number of times
Earnings Calls	10
Publication of results	4
Analysts meet	2

Listing on Stock Exchanges, Stock Codes, International Securities Identification Number (ISIN) and Cusip Number for ADRs

Your Company's shares are listed in the following exchanges as of March 31, 2008 and the stock codes are :

Table 3 : Stock codes

Equity shares	Stock Codes
Bombay Stock Exchange Limited (BSE)	507685
National Stock Exchange of India Limited (NSE)	Wipro
American Depository Receipts	
New York Stock Exchange (NYSE)	WIT

Notes :

1. Listing fees for the year 2008-09 has been paid to the Indian Stock Exchanges.
2. Listing fees to NYSE for the calendar year 2008 has been paid.
3. The stock code on Reuters is WIPR.BO and on Bloomberg is WPRO:IN

International Securities Identification Number (ISIN)

ISIN is an identification number for traded scrip. This number needs to be quoted in each transaction relating to the dematerialised equity shares of the Company. Our ISIN number for our equity shares is **INE075A01022.**

CUSIP Number for American Depository Shares

The Committee on Uniform Security Identification Procedures (CUSIP) of the American Bankers Association has developed a unique numbering system for American Depository Shares. This number identifies a security and its issuer and is recognized globally by organisations adhering to standards issued by the International Securities Organisation. Cusip number for our American Depository Scrip is 97651M109.

Date of Incorporation and Name of the Company

The Company was incorporated on December 29, 1945 under the name Western India Vegetable Products Limited. Subsequently, the name of the Company was changed to Wipro Products Limited in the year 1977 and then to Wipro Limited in the year 1984.

Corporate Identity Number (CIN)

Our Corporate Identity Number (CIN), allotted by Ministry of Company Affairs, Government of India is **L99999KA1945PLC020800,** and our Company Registration Number is 20800.

Share Transfer System

Your Board has delegated the power of share transfer to Registrar and Share Transfer Agents for processing of share transfers to Karvy Computershare Pvt. Ltd, Registrars of the Company at the address given below. The turnaround time for completion of transfer of shares in physical form is generally less than 7 days from the date of receipt, if the documents are clear in all respects.

We have internally fixed turnaround times for closing the queries/ complaints within 7 days of receipt from the shareholders.

Address for correspondence

All correspondence relating to the shares of the Company should be addressed to Karvy at the address given below :

Karvy Computershare Private Ltd.
Karvy House
Karvy Computer Share Private Limited
Unit : Wipro Limited,
Plot No : 17-24, Vittal Rao Nagar,
Madhapur,
Hyderabad - 500 081.
Tel. : 040 23420815
Fax : 040 23420814
Email Id: mahender@karvy.com
jayaramanvk@karvy.com
Contact person : Mr. V. K. Jayaraman or Mr. R. Mahender Reddy

Shareholder grievance can also be sent through e-mail to the following designated e-mail id : mailmanager@karvy.com quoting the Company name Wipro Limited.

Overseas depository for ADSs

JP Morgan Chase Bank
60, Wall Street
New York, NY 10260
Tel. : +1 212 648 3208
Fax : +1 212 648 5576

Indian custodian for ADSs

ICICI Bank Limited
Bandra-Kurla Complex,
Mumbai 400 051
Tel. : +91 22 26531414
Fax : +91 22 26531165

Web-based Query Redressal System

Members may utilise this new facility extended by the Registrars & Transfer Agents for redressal of their queries.

Please visit **http://karisma.karvy.com** and click on "investors" option for query registration. By logging on through free identity registration. Investor can submit the query in the "QUERIES" option provided on the web-site, which would give the grievance registration number. For accessing the status/response to your query, please use the same grievance registration number at the option "VIEW REPLY" after 24 hours. The investors can continue to seek clarifications relating to their queries till they are satisfied.

Contact Information

Shareholders can also send their correspondence to the Company with respect to their shares, dividend, request for annual reports and shareholder grievance and the contact details are provided below :

Mr. V. Ramachandran, Company Secretary,Wipro Limited, Doddakanneli, Sarjapur Road, Bangalore 560 035 Tel. : +91 80 28440011 (Extn. 6185)Fax : +91 80 28440051 E-mail : ramachandran.venkatesan@wipro.com

Mr. G. Kothandaraman, Manager-Secretarial & Compliance, Wipro Limited, Doddakannelli, Sarjapur Road, Bangalore 560 035 Tel. : +91 80 28440011 (Extn. 6183)Fax : +91 80 28440051 E-mail : kothandaraman.gopal@wipro.com

Analysts can reach our Investor Relations Team for any queries and clarification on financial related matters :

Mr. Rajendra Kumar Shreemal, Vice President & Corporate Treasurer, Wipro Limited, Doddakannelli, Sarjapur Road, Bangalore 560 035 Tel. : +91 80 28440011 (Extn. 6184)Fax : +91 80 28440051 E-mail : rajendra.shreemal@wipro.com

Mr. R. Sridhar, CFO & Investor Relations, Americas & Europe Wipro Limited, East Brunswick Tower, 2 New Jersey US Tel. : +1 650-316-3537 E-mail : sridhar.ramasubbu@wipro.com

Description of voting rights

All our shares carry voting rights on a *pari-passu* basis.

***Table 4* : Distribution of Shareholding and categories of Shareholders**

	March 31, 2008				March 31, 2007			
Category	**No. of share-holders**	**%**	**No. of shares**	**% to total equity shares**	No. of share-holders	%	No. of shares	% to total equity shares
0 - 5000	**228,578**	**98.13**	**19,749,421**	**1.35**	192,819	97.49	18,452,463	1.26
5001 - 10000	**1,801**	**0.77**	**6,582,974**	**0.45**	2,034	1.03	7,445,172	0.51
10001 - 20000	**1,144**	**0.49**	**8,086,210**	**0.55**	1,343	0.68	9,450,277	0.65
20001 - 30000	**439**	**0.19**	**5,431,257**	**0.37**	490	0.25	6,037,207	0.41
30001 - 40000	**257**	**0.11**	**4,501,626**	**0.31**	283	0.14	4,967,361	0.34
40001 - 50000	**125**	**0.05**	**2,800,338**	**0.19**	139	0.07	3,110,493	0.21
50001 - 100000	**214**	**0.10**	**7,311,099**	**0.50**	227	0.11	7,611,466	0.52
100001 and above	**365**	**0.16**	**1406,990,395**	**96.28**	439	0.23	1,401,925,211	96.10
Total	**232,923**	**100.00**	**1461,453,320**	**100.00**	197,774	100.00	1,458,999,650	100.00

Shareholding pattern of the Company as on 31st March, 2008.

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(A)	**Shareholding of Promoter and Promoter Group**					
1.	**Indian**					
(a)	Individuals/Hindu Undivided Family	4	57,457,660	57,158,460	4.00	3.93
(b)	Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate (Promoter in his capacity as Director of Private Limited Companies)	3	128,137,800	128,137,800	8.91	8.77
(d)	Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil
(e)	Any Other — Partnership firms (Promoter in his capacity as partner of Partnership firms)	3	975,520,800	975,520,800	67.83	66.75
	Sub-Total (A)(1)	**10**	**1,161,116,260**	**1,160,817,060**	**80.73**	**79.45**
2.	**Foreign**					
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	Nil	Nil	Nil	Nil	Nil
(b)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil
(d)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A)(2)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**10**	**1,161,116,260**	**1,160,817,060**	**80.73**	**79.45**
(B)	**Public Shareholding**					
1.	**Institutions**					
(a)	Mutual Funds/UTI	51	5,557,514	5,557,514	0.39	0.38
(b)	Financial Institutions/Banks	36	13,441,526	13,441,526	0.93	0.92
(c)	Central Government/State Government(s)	Nil	Nil	Nil	Nil	
(d)	Venture Capital Funds	Nil	Nil	Nil	Nil	
(e)	Insurance Companies	3	16,943,742	16,943,742	1.18	1.16
(f)	Foreign Institutional Investors (exclusive of ADR)	145	76,526,027	76,526,027	5.32	5.24
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	
(h)	Any Other (specify)	Nil	Nil	Nil	Nil	
	Sub-Total (B)(1)	**235**	**112,468,809**	**112,468,809**	**7.82**	**7.70**
2.	**Non-institutions**					
(a)	Bodies Corporate*	2,027	35,403,676	24,959,374	2.46	2.49
(b)	Individuals -					
(c)	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	226,010	46,731,008	44,735,651	3.25	3.20
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	218	57,052,335	37,921,855	3.97	3.90
	Any Other (specify)					
	(i) Non resident Indians	3,966	16,959,859	6,626,059	1.18	1.16
	(ii) Trusts***	21	7,966,469	7,966,469	0.55	0.55
	(iii) Non-Executive Directors and Relatives**	2	23,000	23,000	0.00	0.00
	(iv) Clearing Members	433	491,094	491,094	0.03	0.03
	Sub-Total (B)(2)	**232,677**	**164,627,441**	**122,723,502**	**11.45**	**11.34**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**232,912**	**277,096,250**	**235,192,311**	**19.27**	**18.96**
	TOTAL (A)+(B)	**232,922**	**1,438,212,510**	**1,396,009,371**	**100.00**	**98.41**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	1	23,240,810	23,240,810	1.62	1.59
	GRAND TOTAL (A)+(B)+(C)	**232,923**	**1,461,453,320**	**1,419,250,181**		**100**

Dematerialisation of shares and liquidity

About 97% of outstanding equity has been dematerialised upto March 31, 2008.

* Out of the 35,403,676 equity shares, 8,316,000 equity shares are held by Azim Premji Foundation (I) Pvt. Ltd. Mr. Premji is also the Promoter Director of Azim Premji Foundation (I) Pvt. Ltd. Mr. Premji disclaims any beneficial interest in these shares. As such these shares are not reflected under "Promoter Category".

** The shareholding comprises of 23,000 shares held by Non Executive Director and relatives. These directors not being Promoter Directors and in as much as they do not exercise any significant control over the Company, they are classified under "Any Other" category.

*** Out of 7,966,469 shares held by Trusts. 7,937,640 equity shares are held by Wipro Equity Reward Trust, for the benefit of employees. Outstanding stock options/RSUs exercisable into shares are shown in Annexure 'B' to the Directors' Report.

SECOND LAYER : GOVERNANCE BY THE BOARD OF DIRECTORS

As of March 31, 2008, we had six non-executive Directors and one executive Director cum Chairman of our Board. All the six non-executive directors are independent directors i.e. independent of management and free from any business or other relationship that could materially influence their judgement. All the independent directors satisfy the criteria of independence as defined under listing agreement with Indian Stock Exchanges and New York Stock Exchange Corporate Governance standards. None of the Directors are related to each other. The profile of our Directors is given below as of March 31, 2008.

Azim H. Premji has been Chairman of the Board since September, 1968. Mr. Premji holds a Bachelor of Science degree in Electrical Engineering from Stanford University, U.S.A.

Dr. Ashok Ganguly has served as a Director on our Board since 1999. Dr. Ganguly currently serves as the Chairman of First Source Solutions Limited and ABP Pvt. Ltd. (Ananda Bazar Patrika Group) and has been on the Central Board of the Reserve Bank of India since November 2000. Dr. Ganguly also serves as a Non-Executive Director of Mahindra & Mahindra, ICICI Knowledge Park, Tata AIG Life Insurance Co. Ltd. and a Director of the Advisory Board of Microsoft Corporation (India) Pvt. Ltd and Hemogenomics Pvt. Ltd. Dr. Ganguly is also the Chairman of the Compensation and Board Governance Committee of First Source Solutions Limited. He is a member of the Prime Minister's Council on Trade and Industry as well as the Investment Commission and the India-USA CEO Council, set up jointly by the Prime Minister of India and the President of the USA. He is also a member of the National Knowledge Commission to the Prime Minister. He is a former member of the Board of British Airways Plc (1996-2005) and Unilever Plc/NVC (1990-1997).

B.C. Prabhakar has served as a Director on our Board since February 1997. He is a practicing lawyer since April 1970. Mr. Prabhakar holds a B.A. in Political Science and Sociology and an LL.B. from Mysore University. Mr. B C Prabhakar serves as a Non-Executive Director of Automotive Axles Limited and 3M India Limited. Mr. Prabhakar is a member of the Audit Committee of Automotive Axles Limited and 3M India Limited.

Dr. Jagdish N. Sheth has served as a Director on our Board since January 1999. He is a professor at Emory University since July 1991. Dr. Sheth is also on the Boards of Innovolt Inc., Adayana Inc., Shasun Chemicals and Drugs Limited and Shasun Pharma Solutions Limited. Dr. Sheth holds a B.Com from Madras University, an M.B.A. and a Ph.D in Behavioral Sciences from the University of Pittsburgh.

Narayanan Vaghul has served as a Director on our Board since June 1997. He is the Chairman of the Board of ICICI Bank Limited since September 1985. Mr. Vaghul is also on the Boards of Mahindra and Mahindra Ltd., Mahindra World City Developers Limited, Nicholas Piramal India Ltd., Hemogenomics Pvt. Ltd., Himatsingka Seide Limited, Asset Reconstruction Company India Limited, Air India Engineering Services Limited, Azim Premji Foundation, Air India Air Transport Services Limited, Apollo Hospitals Enterprise Limited, IAL Airport Services Limited and National Aviation Company of India Limited. Mr. Vaghul is also the Chairman of the Compensation Committee of Mahindra and Mahindra Limited, ICICI Bank Limited and Nicholas Piramal India Ltd., and is a member of the Compensation Committee of Apollo Hospitals Enterprise Ltd. and Mahindra World City Developers Ltd. Mr. Vaghul holds Bachelor in Commerce in Banking from Madras University. Mr. N. Vaghul is also a member of the Audit Committee in Nicholas Piramal India Limited and Mahindra World City Developers Limited. Mr N. Vaghul is also the lead Independent Director of our Company.

Priya Mohan Sinha has served as a Director on our Board since January, 2002. He has served as the Chairman of PepsiCo India Holdings Limited and President of Pepsi Foods Limited since July 1992. From October 1981 to November 1992, he was on the Executive Board of Directors of Hindustan Lever Limited (currently Hindustan Unilever Limited). From 1981 to 1985 he also served as Sales Director of Hindustan Lever Limited (currently Hindustan Unilever Limited). Currently, he is also on the Boards of ICICI Bank Limited, Bata India Limited, Indian Oil Corporation Limited, Lafarge India Pvt. Limited. Mr. Sinha holds a Bachelor of Arts from Patna University and he has also attended Advanced Management Program in the Sloan School of Management, Massachusetts Institute of Technology. Mr. Sinha is also the Chairman of the Nomination, Governance and Compensation Committee, and member of Audit Committee of Bata India Limited. He is on the Credit and Governance and Compensation Committee of ICICI Bank Ltd. He is also the Chairman of the Marketing and Strategy Committee of Indian Oil Corporation Limited.

Mr. Bill Owens has served as a Director on our Board since July, 2006. He has held senior leadership positions at large multinational corporations. From April 2004 to November 2005, Mr. Owens served as Chief Executive Officer and Vice Chairman of the Board of Directors of Nortel Networks Corporation, a networking communications company. From August 1998 to April 2004, Mr. Owens served as Chairman of the Board of Directors and Chief Executive Officer of Teledesic LLC, a satellite communications company. From June 1996 to August 1998, Mr. Owens served as President, Chief Operating Officer and Vice Chairman of the Board of Directors of Science Applications International Corporation (SAIC), a research and engineering firm. Presently, Mr. Owens serves as a member of the Board of Directors of Polycom Inc., a media communications company; Daimler Chrysler AG, an automotive company; Embarq, Intelius and Force 10. Mr. Owens holds a M.B.A. (Honors) degree from George Washington University, a B.S. in Mathematics from the U.S. Naval Academy and a B.A. and M.A. in Politics, Philosophy and Economics from Oxford University.

All our Directors inform the Board every year about the Board membership and Board Committee membership they occupy in other companies including Chairmanships of such company's Board/Committee. They notify us of any change as and when they take place. These disclosures are placed at the board meeting.

New Directors appointment

On April 18, 2008, our Board of Directors have inducted the following Senior Management personnel into the Board of

Directors with effect from April 18, 2008 :

Mr. Suresh C. Senapaty – Chief Financial Officer & Director

Mr. Girish S. Paranjpe – Joint CEO, IT Business and Director

Mr. Suresh Vaswani – Joint CEO, IT Business and Director

Information flow to the Board Members

We present our annual Strategic Plan and Operating Plans of our businesses to the Board for their review, inputs and approval. Similarly, our quarterly financial statements and annual financial statements are first presented to the audit committee and subsequently to the Board of Directors for their approval. In addition specific cases of acquisitions, important managerial decisions, and statutory matters are presented to the Board and Committees for their approval.

As a process in most cases information to directors is submitted along with the agenda papers well in advance of the Board meeting. In some instances documents are tabled during the course of the Board meetings or the appropriate Committees of the Board.

We schedule meetings of our business heads and functional heads with the Directors prior to the Board meeting dates. These meetings facilitate Directors to provide their inputs and suggestions on various strategic and operational matters directly to the business and functional heads. Meeting with directors enthuse and motivate our business leaders.

Board Meetings

We decide on the board meeting dates in consultation with Board Governance & Compensation Committee and all our directors. Once approved by the Board Governance & Compensation Committee, the schedules of the Board meeting and Board Committee meetings are communicated in advance to the Directors to enable them to schedule their meetings.

Our Board met five times in the financial year 2007-08, on April 19-20, 2007, July 18-19, 2007, July 28,2007, October 18-19, 2007 and January 16-18, 2008. Maximum interval between any two meetings was three months and one day.

Our Board meetings are normally scheduled for two days.

Agenda for the Board Meeting is sent to all the Board members for their feedback and upon their approval, final agenda is sent to all the Directors.

Post-meeting follow-up system

After the board meetings, we have a formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub-committees of the Board.

Disclosure of materially significant related party transactions

Mr. Rishad Premji, son of Mr. Azim Premji, Chairman has accepted employment in the Company. The appointment has been approved by the shareholders and the Central Government. The Company has transferred a property to the controlling shareholder, for a consideration of Rs. 155 million, determined by an independent appraiser. The fair value was determined through independent appraisal. None of the Non-Executive Directors have any pecuniary material relationship or transaction with the Company for the year ended March 31, 2008, and have given undertakings to that effect.

In the opinion of the Board, the material transactions during the year 2007-08 between the holding company and its subsidiaries have been done at arms length.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters. Transactions with related parties, as per requirements of Accounting Standard (AS) 18, are disclosed elsewhere in this Annual Report and they are not in conflict with the interest of the Company at large.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of the Stock Exchange and SEBI on matters related to Capital Markets, as applicable.

Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee

The Company has adopted an Ombuds process which is a channel for receiving and redressing employees' complaints. The details are provided in the section titled compliance with non-mandatory requirements of this report. No personnel of the Company were denied access to the Audit Committee.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

Your Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the Non-mandatory requirements is given at the end of the Report.

Directors' shareholding in the company

Table 6 provides details of equity shares held by each of the Directors in their individual name and with their relatives, as on March 31, 2008

Table 6 :

Name	No. of Equity Shares held
Azim H. Premji	57,457,660
N. Vaghul	Nil
Ashok S. Ganguly	Nil
P. M. Sinha	20,000
Jagdish N. Sheth	Nil
B. C. Prabhakar	3,000
Bill Owens	Nil

Particulars of Directors proposed for re-appointment

Dr. Ashok S. Ganguly and Mr. P. M. Sinha, retire by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment. The Board Governance and Compensation Committee and the Board of Directors have recommended their re-appointment for consideration of the Shareholders.

Particulars of Directors proposed for 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.

Brief resumes of the Directors proposed for appointment/ re-appointment at the ensuing Annual General Meeting are provided as an Annexure to the Notice convening the Annual General Meeting sent to the members alongwith this report.

Remuneration Policy and criteria of making payments Directors

Board Governance and Compensation Committee recommends the remuneration, including the commission based on the net profits of the Company for the Chairman and Managing Director. This is then approved by the Board. Prior approval of shareholders are obtained in case of remuneration to non-executive directors.

The remuneration paid to Chairman and Managing Director is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance, and macro economic review on remuneration packages of CEOs of other organisations. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals/Business Executives. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees and commission as approved by the Board and shareholders. The commission is limited to a sum payable as approved by the Board subject to the condition that cumulatively it shall not exceed 1% of the net profits of the Company for all Independent Non-Executive Directors in aggregate for one financial year.

The remuneration by way of commission paid to the independent non-executive directors is determined based on the industry benchmarks.

Details of Remuneration to all Directors

Table 7 provides the remuneration paid to the Directors for the services rendered during the financial year 2007-08.

No stock options were granted to any of the Non-Executive Directors during the year 2007-08. Executive Directors are not entitled to any severance fee.

Table 7 : Remuneration paid during the financial year 2007-08 to Directors on the Board as on March 31, 2008 (Rs.)

	Azim H. Premji	N. Vaghul	Dr. Ashok S. Ganguly	P. M. Sinha	Dr. Jagdish N. Sheth*	B. C. Prabhakar	Bill Owens*
Relationship with other Directors	None	None	None	None	None	None	None
Salary	3,000,000	-	-	-	-	-	-
Allowances	1,310,184	-	-	-	-	-	-
Commission	5,107,396	1,400,000	1,200,000	1,000,000	2,001,000	600,000	2,401,200
Other Annual Compensation	2,054,615	-	-	-	-	-	-
Deferred benefits	1,676,646	-	-	-	-	-	-
Sitting fees	-	140,000	80,000	130,000	40,000	150,000	40,000
Notice period	Upto 6 months	-	-	-	-	-	-

* Figures mentioned are rupee equivalent – as amounts payable in $.

Table 8 : Key Information pertaining to Directors as on March 31, 2008

	Azim H. Premji	N. Vaghul	B. C. Prabhakar	Dr. Jagdish N. Sheth	Dr. Ashok S. Ganguly	P. M. Sinha	Bill Owens
Category	Promoter Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Date of appointment	01.09.1968	09.06.1997	20.02.1997	01.01.1999	01.01.1999	01.01.2002	01.07.2006
Directorship in other companies	11	12	2	1	8	4	-
Chairmanship in Committees of Board of other companies	-	3	-	-	3	3	-
Membership in Committees of Board of other companies	-	4	2	1	4	4	-
No. of Board meetings attended	5	5	5	4	4	4	4
Attendance at the last AGM held on July 18, 2007	Yes	Yes	Yes	Yes	Yes	Yes	Yes

- This does not include foreign companies and companies under Section 25 of the Companies Act, 1956.
- None of the Directors of our Company were members in more than 10 committees nor acted as chairman of more than five committees across all companies in which they were Directors.

THIRD LAYER : GOVERNANCE BY THE SUB-COMMITTEE OF THE BOARD OF DIRECTORS

Our Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board either for information or approval. We have the three sub-committees of the Board.

1. Audit Committee
2. Board Governance and Compensation Committee
3. Administrative/Shareholders' Grievance Committee

Audit Committee

Audit Committee reports to the Board of Directors and is primarily responsible for :

- Auditing and accounting matters, including recommending the appointment of our independent auditors to the shareholders.
- Integrity of the Company's financial statements, the scope of the annual audits, and fees to be paid to the independent auditors.
- Review of performance of the Company's Internal Audit function, Independent Auditors and accounting practices.
- Review of related party transactions, functioning of Whistle Blower mechanism, and
- Implementation of the applicable provisions of the Sarbanes Oxley Act, 2002 including review on the internal control mechanism for certification under Section 404 of the Sarbanes Oxley Act, 2002.

The Chairman of the Audit Committee is present at the Annual General Meeting. The detailed charter of the Committee is posted at our website and available at www.wipro.com/investors

All members of our Audit Committee are Independent Non-Executive Directors and financially literate. The Chairman of our Audit Committee has the accounting or related financial management expertise.

Statutory Auditors as well as Internal Auditors always have independent meetings with the Audit Committee and also participate in the Audit Committee meetings.

Our CFO & Director and other Corporate Officers make periodic presentations to the Audit Committee on various issues.

Our Audit Committee met six times during the financial year on – April 18, 2007, May 18, 2007 (through teleconference) July 17, 2007, October 17, 2007, January 16, 2008 and February 26, 2008. The Committee took note of the certification under Section 404 of the Sarbanes Oxley Act, 2002 in its meeting held on May 18, 2007 through teleconference and reviewed the progress on Internal Control mechanisms at its meeting held on February 26, 2008. The composition of the Audit Committee and their attendance are given in Table 9.

Table 9

Name	Position	Number of meetings attended*
N. Vaghul	Chairman	6
P. M. Sinha	Member	6
B. C. Prabhakar	Member	6

* Including meeting on May 18, 2007 held through teleconference.

Risk Management

A summary of Enterprise Risk Management initiatives is given on Pages No. 19 and 20 of the Annual Report.

Management Development

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 the Annual Report.

Board Governance and Compensation Committee

The primary responsibilities of the Board Governance and Compensation Committee are :

- Determine and approve salaries, benefits and stock option grants to Senior Management employees and Directors of your Company.
- Act as Administrator of the Company's Employee Stock Option Plans drawn up from time to time.
- Develop and recommend to the Board Corporate Governance Guidelines applicable to the Company.
- Evaluation of the Board on a continuing basis including an assessment of the effectiveness of the full Board, operations of the Board Committees and contributions of individual directors.
- Lay down policies and procedures to assess the requirements for induction of new members on the Board.

The detailed charter of this Committee is posted on our website and available at www.wipro.com/investors

Our Executive Vice President-Human Resources makes periodic presentations to the Board Governance and Compensation Committee on compensation reviews and performance linked compensation recommendations. Generally we seek to pay competitive salaries in all countries in which we operate.

All members of the Board Governance and Compensation Committee are Independent Non-Executive Directors. This Committee of the Board met four times on – April 18, 2007, July 17, 2007, October 17, 2007 and January 16, 2008 during the financial year 2007-08. The Chairman of the Board Governance and Compensation Committee was present at the Annual General Meeting held on July 18, 2007 The composition of the Board Governance and Compensation Committee and their attendance are given in Table 10.

Table 10

Name	Position	Number of meetings attended
Dr. Ashok S. Ganguly	Chairman	4
P. M. Sinha	Member	4
N. Vaghul	Member	4

Shareholders & Investors Grievance Committee

The Shareholders'/Investors' Grievance & Administrative Committee is responsible for resolving investor's complaints pertaining to share transfers, non receipt of annual reports, Dividend payments, issue of duplicate share certificates, transmission of shares and other related complaints.

In addition to above, this Committee is also empowered to oversee administrative matters like opening/closure of Company's Bank accounts, grant and revocation of general, specific and banking powers of attorney, consider and approve allotment of equity shares pursuant to exercise of stock options, setting up branch offices and other administrative matters as may be required from time to time, etc.

The Chairman of the Committee is an independent non executive director.

The Administrative and Shareholders Grievance Committee met six times in the financial year on – April 20, 2007, July 18, 2007, October 8, 2007, January 10, 2008, February 26, 2008 and March 23, 2008. The composition of the Administrative and Shareholders Grievance Committee and their attendance are given in Table 11.

Table 11

Name	Position	Number of meetings attended
B. C. Prabhakar	Chairman	6
Azim H. Premji	Member	6

The status on the shareholder queries and complaints we received during the financial year, and our response to the complaints and the current status of pending queries if any, is Tabulated in Table 12.

Table 12

Description	Received	Replied	Pending
Non receipt of Securities	13	13	0
Non receipt of annual reports	26	26	0
Correction/Revalidation of Dividend Warrants	627	627	0
SEBI/Stock Exchange Complaints	7	7	0
Non Receipt of Dividend Warrant	415	415	0
Total	**1,088**	**1,088**	

There are certain pending cases relating to disputes over title to shares in which the Company has been made a party. However, these cases are not material in nature.

Mr. V. Ramachandran, Company Secretary is our Compliance Officer as per the requirements of the Listing Agreement.

Secretarial Audit

A qualified practicing Company Secretary has carried out secretarial audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialised shares held with NSDL and CDSL.

Compliance

The certificate dated May 26, 2008 obtained from Mr. V. Sreedharan, Practicing Company Secretary is given at page no. 39 of the annual report.

Unclaimed Dividends

Under the Companies Act, 1956, Dividends that are unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund administered by the Central Government.

We give below a table providing the dates of declaration of Dividend since 2000-01 and the corresponding dates when unclaimed Dividends are due to be transferred to the Central Government. The unclaimed amount since 2000-01 as of March 31, 2008 is also provided in the Table 13 given below :

Table 13

Financial Year	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Unclaimed amount (Rs.)	Due date for transfer to Investor Education and Protection Fund
2000-2001	July 19, 2001	July 18, 2008	88,824	August 17, 2008
2001-2002	July 18, 2002	July 17, 2009	1,995,675	August 16, 2009
2002-2003	July 17, 2003	July 16, 2010	137,118	August 15, 2010
2003-2004	June 11, 2004	June 10, 2011	1,813,435	July 9, 2011
2004-2005	July 21, 2005	July 20, 2012	1,149,675	August 19, 2011
2005-2006	July 18, 2006	July 17, 2013	3,185,710	August 16, 2013
2006-2007 (Interim Dividend)	March 23, 2007	March 22, 2014	2,323,285	April 21, 2014
2006-2007 (Final Dividend)	July 18, 2007	July 17, 2014	1,168,268	August 16, 2014
2007-2008 (Interim Dividend)	October 19, 2007	October 18, 2014	2,996,518	November 17, 2014

Separate letters will be sent to the Shareholders who are yet to encash the Dividend indicating that Dividend yet to be encashed by the concerned shareholder and the amount remaining unpaid will be transferred as per the above dates. Members are requested to utilise this opportunity and get in touch with Company's Registrar and Share Transfer Agent, M/s. Karvy Computershare Pvt. Limited, Hyderabad for encashing the unclaimed Dividend standing to the credit of their account.

After completion of seven years as per the above table, no claims shall lie against the said Fund or the Company for the amounts of Dividend so transferred nor shall any payment be made in respect of such claims.

FOURTH LAYER : GOVERNANCE OF THE MANAGEMENT PROCESS

Code of Business Conduct and Ethics

In 1983, we articulated 'Wipro Beliefs' consisting of six statements. The core belief was integrity and was articulated as

- "Our individual and Company relationship should be governed by the highest standard of conduct and integrity".

Over years, this articulation has evolved in form but remained constant in substance. Today we articulate it as Code of Business Conduct and Ethics.

In our Company, the Board of Directors and all employees have a responsibility to understand and follow the Code of Business Conduct. All employees are expected to perform their work with honesty and integrity. Wipro's Code of Business Conduct reflects general principles to guide employees in making ethical decisions. This code is also applicable to our representatives. The Code outlines fundamental ethical considerations as well as specific considerations that need to be maintained for professional conduct. This Code has been displayed on the Company's website www.wipro.com/investors

Further, compliance to Code of Business Conduct and Ethics (COBC) is monitored through the following process :

a) Our employees are annually required to go through the training and awareness modules created on COBC and understand the principles of each of the Policies briefed under COBC.

b) Randomly selected employees are tested on the compliance effectiveness of the Policies covered under COBC; this primarily enables the Company to analyse the gaps and create training/awareness modules to address the same.

c) Annually group discussions are held with select employees to understand the grey areas in compliance to further refine the code.

The Chairman has affirmed to the Board of Directors that this Code of Business Conduct and Ethics has been complied by the Board members and Senior Management personnel.

Ombudsman process

We have adopted an Ombudsman process which is the channel for receiving and redressing employees' complaints. Under this policy, we encourage our employees to report fraudulent financial or other concerns, any conduct that results in violation of the Company's Code of Business Conduct and Ethics, to management (on an anonymous basis, if employees so desire).

Likewise, under this policy, we have prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation. No individual in the Company has been denied access to the Audit Committee or its Chairman.

Mechanism followed under Ombudsman process is appropriately communicated within the Company across all levels and has been displayed on Wipro's intranet and on Wipro's website at www.wipro.com/investors

The Audit Committee periodically reviews the functioning of the Ombudsprocess.

Compliance Committee

We have a Compliance Committee which considers matters relating to Wipro's Code of Business Conduct, Ombuds process, Code for Prevention of Insider Trading and other applicable statutory matters. The Compliance Committee consists of Chairman, Chief Financial Officer & Director, Executive Vice President - Human Resources, Vice President - Legal and General Counsel, Chief Risk Officer and Vice President - Internal Audit. During the financial year 2007-08, the Compliance Committee met four times and its findings are presented to the Audit Committee for its review and consideration.

Compliance with adoption of mandatory requirements

We have complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

Compliance on matters related to capital markets

We have complied with the requirements of the Stock Exchange and SEBI on matters related to Capital Markets, as applicable.

Compliance report on Non-mandatory requirements under Clause 49

1. **The Board - Chairman's Office and tenure of Independent Directors**

   The Chairman of Wipro is an Executive Director and this provision is not applicable to Wipro.

   Some of our independent directors have completed a tenure exceeding a period of nine years on the Board of Directors of the Company.

   Company has prescribed Corporate Governance guidelines and ensures that the person who is being appointed as an Independent Director has the requisite qualification and experience which would be of use to the Company and which, in the opinion of the Company, would enable him to contribute effectively to the Company in his capacity as an Independent Director.

2. **Remuneration Committee**

   The Board of Directors constituted a Board Governance and Compensation Committee, which is entirely composed of independent directors. The Committee also discharges the duties and responsibilities as described under non-mandatory requirements of Clause 49. The details of the Board Governance and Compensation Committee and its powers have been discussed in this section of the Annual Report.

3. **Shareholders rights**

   We display our quarterly and half yearly results on our web site, www.wipro.com/financials.htm and also publish our results in widely circulated newspapers. We did not send half yearly results to the shareholders in the financial year 2007-08.

4. **Audit Qualifications**

   The Auditors have not qualified the financial statements of the Company.

5. **Training of Board Members**

   Periodic training is given to the Directors.

6. **Mechanism for evaluation : Independent Board members**

   In line with our corporate governance guidelines, all Board members are evaluated on an annual basis. This evaluation is led by the Chairman of the Board Governance and Compensation Committee with specific focus on the performance and effective functioning of the Board as a whole and Committees of the Board and report the recommendation to the Board. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

7. **Whistle Blower Policy**

   The details of the Ombudsman process and its functions have been discussed earlier in this section.

Disclosures by the Management

During the year 2007-08, there have been no transactions of material nature entered into by the Company with the Management or their relatives that may have a potential conflict with interest of the Company.

Transactions with the companies in which Wipro's directors are interested are recorded in the Register under Section 301 of the Companies Act, 1956.

Code for prevention of Insider Trading

We have comprehensive guidelines on preventing insider trading in line with the SEBI guidelines on prevention of Insider Trading.

NYSE Corporate Governance Listing Standards

The Company has made this disclosure in its website

www.wipro.com/investors and has filed the same with the New York Stock Exchange (NYSE).

Declaration as required under Clause 49 (I)(D)(ii) of the Stock Exchange Listing Agreement

All Directors and senior management personnel of the Company have affirmed compliance with Wipro's Code of Business Conduct and Ethics for the financial year ended March 31, 2008.

Sd/-

Azim H. Premji

Date : June 19, 2008 Chairman

Share Price during the year

The performance of our stock in the financial year is tabulated in Table 14.

Table 14 : Stock price in the financial year 2007-08

		Price traded - Wipro								S&P CNX Index			
		High				Low				High		Low	
	Monthly volume	Date	Price	Volume	Vs prev month high %	Date	Price	Volume	Vs prev month low %	Index	Vs prev month high %	Index	Vs prev month low %
April	25,115,183	20-Apr-07	605	3,294,873	99.2	2-Apr-07	515	1,400,645	97.6	4218	108.0	3617	102.0
May	22,930,710	4-May-07	635	875,411	104.9	25-May-07	524	1,097,486	101.7	4307	102.1	3981	110.1
June	17,025,762	14-Jun-07	627	381,881	98.8	26-Jun-07	505	479,453	96.4	4363	101.3	4101	103.0
July	20,302,574	26-Jul-07	532	1,902,131	84.8	30-Jul-07	486	490,265	96.2	4648	106.5	4304	105.0
August	23,358,308	3-Aug-07	510	1,432,865	95.6	22-Aug-07	435	1,213,964	89.5	4533	97.5	4002	93.0
September	21,501,238	4-Sep-07	488	811,544	95.7	21-Sep-07	425	2,010,712	97.7	5056	111.5	4452	111.2
October	29,389,043	30-Oct-07	516	834,403	105.9	1-Oct-07	445	1,221,135	104.7	5976	118.2	5001	112.3
November	14,063,687	1-Nov-07	513	597,469	99.3	27-Nov-07	426	423,231	95.7	6012	100.6	5394	107.9
December	15,478,549	27-Dec-07	552	1,363,063	107.6	7-Dec-07	450	487,003	105.6	6185	102.9	5676	105.2
January	19,129,007	1-Jan-08	529	335,561	95.7	22-Jan-08	324	1,760,024	72.0	6357	102.8	4448	82.5
February	12,326,608	4-Feb-08	474	861,394	89.6	5-Feb-08	375	314,383	115.7	5545	87.2	4804	108.0
March	16,312,288	28-Mar-08	459	975,703	96.9	17-Mar-08	348	122,594	92.8	5223	94.2	4468	93.0

Graph 1 : Wipro share price movements in NSE compared with S&P CNX Nifty

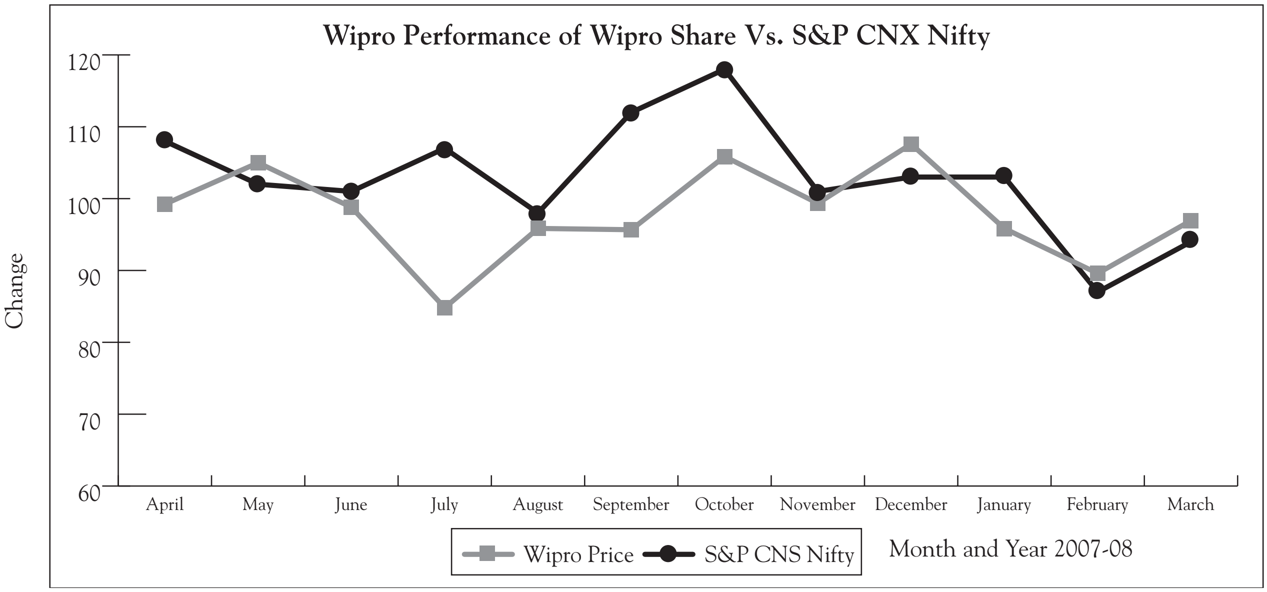
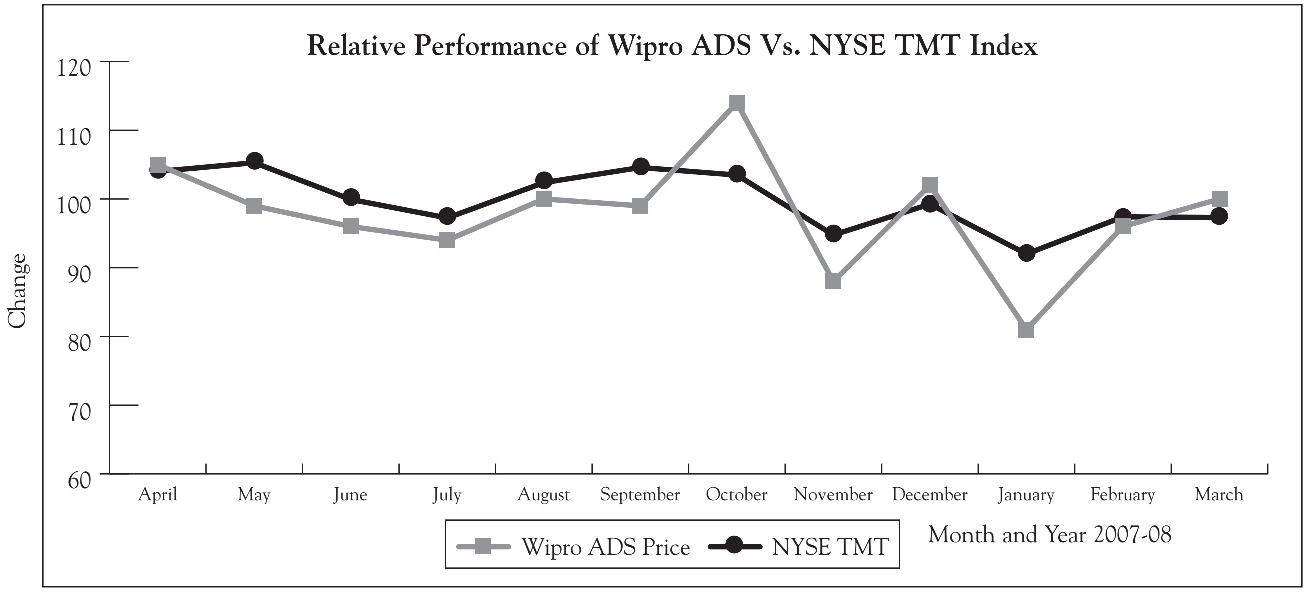


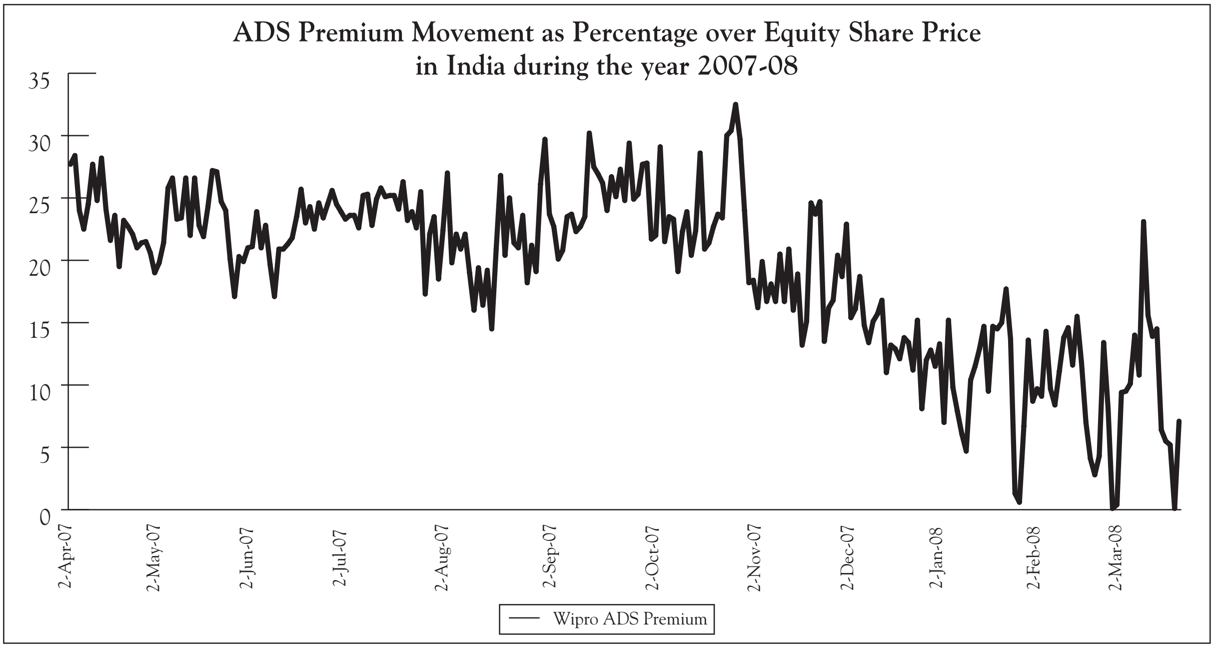
Table 15 : ADS Share price during financial year 2007-08

	Wipro ADS (in USD)		NYSE - TMT	
	Close	Vs prev month %	Close	Vs prev month high
April	16.51	105	6668	104
May	16.27	99	7020	105
June	15.55	96	7015	100
July	14.60	94	6822	97
August	14.63	100	6984	102
September	14.44	99	7304	105
October	16.47	114	7558	103
November	14.50	88	7162	95
December	14.84	102	7109	99
January	12.08	81	6540	92
February	11.54	96	6369	97
March	11.53	100	6198	97

Graph 2 : Wipro ADS price movements in NYSE compared with TMT Index



Graph 3 : Wipro ADS premium over Equity share price in NSE during the year 2007-08



Other Information

Table 16 : Share Capital History

History of IPO/ Private Placement/ Bonus Issues/ Stock Split/ Allotment of Shares pursuant to Exercise of Stock Options

Type of Issue	Year of Issue	Bonus Shares/ Stock split ratio	Face Value of Shares (Rs.)	Shares Allotted		No. of Shares Total	Total paid-up Capital (Rs.)
				Number	Nominal Value		
IPO	1946		100/-	17,000	1,700,000	17,000	1,700,000
Bonus issue	1971		100/-	5,667	566,700	22,667	2,266,700
Bonus issue	1980	1:1	100/-	22,667	2,266,700	45,334	4,533,400
Bonus issue	1985	1:1	100/-	45,334	4,533,400	90,668	9,066,800
Issue of shares to Wipro Equity Reward Trust	1985		100/-	1,500	1,50,000	92,168	9,216,800
Bonus issue	1987	1:1	100/-	92,168	9,216,800	184,336	18,433,600
Stock split	1990	10:1	10/-			1,843,360	18,433,600
Bonus issue	1990	1:1	10/-	1,843,360	18,433,600	3,686,720	36,867,200
Bonus issue	1992	1:1	10/-	3,686,720	36,867,200	7,373,440	73,734,400
Issue of shares pursuant to merger of Wipro Infotech Limited and Wipro Systems Limited with the Company	1995		10/-	265,105	2,651,050	7,638,545	76,385,450
Bonus issue	1995	1:1	10/-	7,638,545	76,385,450	15,277,090	152,770,900
Bonus issue	1997	2:1	10/-	30,554,180	305,541,800	45,831,270	458,312,700
Stock split	1999	5:1	2/-			229,156,350	458,312,700
ADR	2000	1:1	$41.375	3,162,500	6,325,000	232,318,850	464,637,700

Type of Issue	Year of Issue	Bonus Shares/ Stock split ratio	Face Value of Shares (Rs.)	Shares Allotted		No. of Shares Total	Total paid-up Capital (Rs.)
				Number	Nominal Value		
Allotment of equity shares pursuant to exercise of stock options	On various dated (Upto the record date for issue of bonus shares in the year 2004)		2/-	496,780	993,560	232,815,630	465,631,260
Bonus	2004	2:1	2/-	465,631,260	931,262,520	698,446,890	1,396,893,780
Allotment of equity shares pursuant to exercise of stock options	On various dates (Upto March, 31, 2005)		2/-	5,123,632	10,247,264	703,570,522	1,407,141,044
Allotment of equity shares pursuant to exercise of stock options	On various dates (Upto the record date for issue of bonus shares in the year 2005		2/-	2,323,052	4,646,104	705,893,574	1,411,787,148
Bonus	2005	1:1	2/-	705,893,574	1,411,787,148	1,411,787,148	2,823,574,296
Allotment of equity shares pursuant to exercise of stock options	On various dates (Upto March 31, 2006)		2/-	13,967,119	27,934,238	1,425,754,267	2,851,508,534
Allotment of Equity Shares pursuant to exercise of stock options	On various dates upto March 31, 2007		2/-	33,245,383	66,490,766	1,458,999,650	2,917,999,300
Allotment of Equity Shares pursuant to exercise of stock options	On various dates upto March 31, 2008		2/-	2,453,670	4,907,340	1,461,453,320	2,922,906,640

Table 17 : Software Development Facilities and Plant Locations

The details of our Software Development Facilities are provided below :

Sl. No.	Address	City
1	3rd, 4th, 5th and 6th Floor, S. B. Towers, 88, M. G. Road	Bangalore 560 001
2	4th Floor, Creater Block, Information Technology Park Limited, Whitefield	Bangalore 560 066
3	K-312, Koramangala Industrial Layout, V Block, (K-1) Koramangala	Bangalore 560 095
4	No. 8, 7th Main, 1st Block, (K-2) Koramangala	Bangalore 560 095
5	271-271A, Sri Ganesh ComplexHosur Main Road, (M-1) Madiwala	Bangalore 560 068
6	26, Sri Chamundi Complex, (M-2), Bommanahalli, Hosur Main Road	Bangalore 560 068
7	No. 1, 2, 3, 4, 54/1 and 54/3, Survey No. 201/C, Madivala, Hosur Main Road	Bangalore 560 068
8	No. 319/1, (Adea Building) Bomanahalli, Hosur Main Road	Bangalore 560 068
9	2nd, 3rd, 4th Floor, Sigma Tech Park, Beta Towers, No. 7 Whitefield Main Road	Bangalore 560 066
10	Electronics City-1, 2, 3 and 4, Keonics Electronic City, Hosur Road	Bangalore 560 100
11	No. 92, (Siri Building) 2nd Main Road, Keonics Electronic City	Bangalore 560 100
12	3rd Floor, Ahmed Plaza, No. 38/1&2, Bertenna Agrahara, Hosur Main Road	Bangalore 560 100
13	608-610, Carlton Towers, No. 1 Airport Road	Bangalore 560 001
14	1st Floor, (EMC) Subramanya Arcade, Tower B, Bennergatha Road	Bangalore 560 076
15	EC SEZ, Keonics, Electronic City	Bangalore 560 100
16	Sarjapur SEZ, Doddakannelli, Sarjapur Road	Bangalore 560 035
17	111, (CDC-1) Mount Road, Guindy	Chennai 600 032
18	105, (Sterling Building) Mount Road, Guindy	Chennai 600 032
19	475A, Shollinganallur, Old Mahabalipuram Road (two facilities)	Chennai 600 019
20	ETL SEZ, No. 12, Second Floor, Thuraipakkam	Chennai 600 119
21	ELCOT SEZ, Sy. No. 602/3, Sholinganallur Village, Tambaram Taluk, Kancheepuram District	Chennai 600 119
22	INFOPARK SEZ, Kusumagiri, Kakkanad, Cochin	Cochin 682 037
23	Infotech Park, SDF Building, 4th Floor, Kusumagiri, Kakkanad	Cochin 682 030
24	Infotech Park, 4th Floor, Vismaya Building, Kakkanad	Cochin 682 030
25	Technopolis, CSEZ, 2nd Floor, Kakkanad	Cochin 682 037
26	1-8-448, Lakshmi Buildings, S. P. Road, Begumpet	Hyderabad 500 003
27	Survey No. 64, Serilingampali Mandal, Madhapur	Hyderabad 500 033
28	3rd and 4th Floor, 1-8-343, Queens Plaza, S. P. Road	Hyderabad 500 003
29	S. No. 203/1, Manikonda Jagir Village, Rajendranagar Mandal, RR District	Hyderabad 500 019
30	Wipro SEZ, S. No. 203/1, Manikonda Jagir Village, Rajendranagar Mandal, RR District	Hyderabad 500 019
31	Plot No. 2, MIDC, Rajeev Gandhi Infotech Park-1, Hingewadi (two facilities)	Pune 411 027
32	Wipro SEZ, Plot No.31, MIDC, Rajeev Gandhi Infotech Park-2, Hingewadi	Pune 411 027
33	146/147, Mettagalli Industrial Area, Mettagalli	Mysore 570 016
34	No. 480-481, Udyog Vihar, Phase-III, Gurgoan	Haryana 122 015
35	Plot No. 1, 7, 8 & 9, Block-DM, Sector-V, Saltlake	Kolkata 700 091
36	Plot No. 2 (P), IDCO Info City, Industrial Estate Chandaka	Bhubaneswar 751 022
37	2nd , 3rd, 4th Floor, Spectra Building, Hiranandani Garderns, Powai (WBPO)	Mumbai 400 076
38	3rd Floor CIDCO Building, Belapur Railway Station Complex (WBPO)	Navi Mumbai 400 614
39	237, 238 and 239 Okhla Industrial Estate, Phase-III (WBPO)	New Delhi 100 020
40	Wipro SEZ, Plot No. 2, 3 & 4, Knowledge Park, Greater Noida, UP	Greater Noida

Sl. No.	Address	City
41	SDF No. E-13 & 14, Noida SEZ	Noida 682 037
42	185, Kings Court, Kings Road, Reading RG 14 EX	United Kingdom
43	Chrysler Building, 6th Floor, 1 Riverside Drive West, Windsor ONN5A5K4	Canada
44	Web Campus, Kaistrasse, 101 Kiel 24114	Germany
45	Frykdalsbacken 12-14, Stockholm	Sweden
46	C/o. Trust Corporation, Splaiul Independentei, Near 319C, Sector 6, Bucharest	Romania
47	Yokohama Landmark Tower 9F # 911A, Minato-Mirai, Nishi-ku, Yokohama, Kanagawa	Japan
48	Unit 1518, Building 1, Shanghai Pudong Software Part, Shanghai	China
49	Unit A202, Information Center, Zhongguancun Software Park, Hai Dian District, Beijing	China
50	Level-6, 80, George Street, Paramatta	NSW, Australia
51	P O Box No.12, Dist. Jalgaon	Amalner 425 401
52	L-8, MIDC, Waluj	Aurangabad 431 136
53	A-28, Thattanchavady Industrial Estate	Pondicherry 560 058
54	120/1, Vellancheri,	Guduvanchery 603 202
55	Plot No. 4, Anthrasanahalli Industrial Area	Tumkur 572 106
56	9A/10B, Peenya Industrial Area	Bangalore
57	Plot No. 226C/226D, Industrial Development Area, APIIC, Andhra Pradesh	Hindupur 515 211
58	Plot C-1, SIPCOT Industrial Park, Irrungattukottai, Sriperumbadur Taluk, Kancheepuram Dist.	Chennai 602 105.
59	Plot No. 5, Industrial Area Katha, Bhatoli Kalan, P.O. Baddi, Tehsil Nalagarh	Solan

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of Wipro Limited

I have examined all the relevant records of Wipro Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the financial year ended March 31, 2008. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Listing Agreement. However, with regards to Sl. No. (1) of Annexure 1D of Non-Mandatory requirement, some of the independent Directors have completed a tenure of 9 years and as regards Sl. No. (3), the Company has displayed its quarterly and half yearly results on its web site and published the results in widely circulated newspapers, instead of sending the half yearly results to each household of the shareholders in the financial year 2007-08.

(V. Sreedharan)

Bangalore, May 26, 2008

Practising Company Secretary
FCS 2347; C.P. No. 833

AUDITORS' REPORT ON ABRIDGED FINANCIAL STATEMENTS
To the Members of WIPRO LIMITED

We have examined the abridged balance sheet of Wipro Limited ("the Company") as at 31 March 2008, the abridged profit and loss account and the cash flow statement for the year ended on that date, together with the notes thereon.

These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the accounts of the Company for the year ended 31 March 2008 prepared in accordance with Schedule VI to the Companies Act, 1956 and covered by our report dated April 18, 2008 to the members of the Company which report is attached. In our report dated April 18, 2008, without qualifying our opinion, we drew attention to Note 10 of the Notes to Accounts that has been reproduced as Note 2 of the Notes to the Abridged Accounts.

for **BSR & Co.**
Chartered Accountants

Zubin Shekary
Partner
Membership No.: 48814

Bangalore
June 12, 2008

AUDITORS' REPORT

To the Members of WIPRO LIMITED

We have audited the attached balance sheet of Wipro Limited ("the Company") as at 31 March 2008 and the profit and loss account and cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Without qualifying our opinion, we draw attention to Note 10 of the Notes to Accounts that relates to an alternative interpretation of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended. If the Company were to amortize the cost on an accelerated basis, profit before taxes for the year ended March 31, 2008 would have been lower by Rs. 218 million. Similarly, the profit before taxes for the year ended March 31, 2007 would have been lower by Rs. 348 million.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors Report) Amendment Order, 2004 ("the Order"), issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 ("the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. Further to our comments in paragraph 1 above, we report that:

   a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   d) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   e) on the basis of written representations received from the directors as on 31 March 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31 March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and

   f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2008;

      ii. in the case of the profit and loss account, of the profit of the Company for the year ended on that date; and

      iii. in the case of cash flow statement, of the cash flows for the year ended on that date.

for **BSR & Co.**
Chartered Accountants

Zubin Shekary
Partner
Membership No.: 48814

Bangalore
18 April 2008

Annexure referred to in our report to the members of Wipro Limited ("the Company") for the year ended 31 March 2008

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the phased programme of verification, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

   c) The fixed assets disposed of during the year were not substantial, and therefore, do not affect the going concern assumption.

2. a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

   b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) The Company maintains proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and the book records were not material.

3. According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) of the Order is not applicable.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regards to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

5. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956.

6. The Company has not accepted any deposits from the public.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for maintenance of cost records in respect of Vanaspati, Toilet soaps, Lighting products and Mini computers/Microprocessor based system and Data communication system and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has been generally regular in depositing the undisputed statutory dues including Provident Fund, Income tax, Sales tax, Excise duty, Wealth tax, Investor Education and Protection Fund, Customs duty, Service tax, Entry tax, Cess and other applicable statutory dues with the appropriate authorities.

   According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Wealth tax, Sales tax, Excise duty, Customs duty, Service tax, Entry tax and other applicable statutory dues were outstanding as at 31 March 2008 for a period of more than six months from the date they became payable. There were no dues on account of cess under Section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

b) Following are the details of the disputed Income tax, Wealth tax, Excise duty, Customs duty and Sales tax that have not been paid to the concerned authorities :

Name of the Statute	Nature of dues	Amount unpaid (Rs. Mn)	Assessment year	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7	2004-05	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	30	1989-90 to 2004-05	Assistant Commissioner of Customs and Excise/Deputy Commissioner of Customs and Excise
	Excise duty	63	1986-87 to 2004-05	CESTAT (Tribunal)/Commissioner of Customs and Excise (Appeals)/ Settlement Commission
Customs Act, 1957	Customs duty	85	1992-93 to 2005-06	Assistant commissioner of Customs and Excise/CESTAT
	Customs Duty	40	1990-91 to 1998-99	Supreme Court
Sales Tax Act, 1956	Sales Tax	176	1986-87 to 2005-06	First Appellate Authority
	Sales Tax	38	1987-88 to 2005-06	Tribunal/Deputy Commissioner of Sales Tax/Assistant Commissioner of Sales Tax/Assistant Appellate Commissioner

In respect of income-tax demands aggregating Rs. 11,127 million for the financial years ended 31 March 2001, 2002, 2003 and 2004, primarily on account of denial of deduction claimed by the Company under Section 10A of the Income-tax Act, 1961, the Company has received favourable orders from the appellate authorities vacating the demands for these years. As of 31 March 2008, the income-tax authorities have preferred appeals against these orders.

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of any dues to any financial institution or bank.
12. In our opinion and according to the explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the explanations given to us, the Company is not a chit fund/nidhi/mutual benefit fund/ society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been used for long term investment.
18. According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(xviii) of the Order is not applicable.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues.
21. According to the information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the course of audit.

for **BSR & Co.**
Chartered Accountants

Zubin Shekary
Partner
Membership No.: 48814

Bangalore
18 April 2008

Statement Containing Salient Features of Balance Sheet and Profit and Loss Account etc., as per Section 219(1)(b)(iv)

ABRIDGED BALANCE SHEET

(Rs. in Million)

	As at March 31,	
	2008	2007
I. SOURCES OF FUNDS		
(1) Shareholders' funds		
(a) Capital		
Equity	2,923	2,918
(b) Share application money pending allotment	40	35
(c) Shares issuable	540	-
(d) Reserves and surplus		
(i) Capital reserve	1,144	10
(ii) Securities premium account	25,373	24,530
(iii) Restricted stock units reserve	1,817	922
(iv) Revenue reserves	85,367	64,789
(v) Unrealised gains on cash flow hedges, net	(1,097)	-
(2) Loan funds		
(a) Secured loans (other than debentures)	40	232
(b) Unsecured loans	38,184	2,148
Total of (1) & (2)	154,331	95,584
II. APPLICATION OF FUNDS		
(1) Goodwill	427	86
(2) Fixed Assets		
(a) Net block (Original cost less depreciation)	22,395	16,373
(b) Capital work-in-progress	13,350	9,895
(3) Investments		
(a) Investment in subsidiary companies – Unquoted	30,442	11,988
(b) Others		
(i) Quoted	14,211	31,146
(ii) Unquoted	348	353
(4) Deferred tax asset (Net)	517	466
(5) (I) Current assets, loans and advances		
(a) Inventories	4,481	2,404
(b) Sundry debtors	36,466	25,439
(c) Cash and bank balances	37,321	18,492
(d) Loans and advances		
(i) To subsidiary companies	16,196	2,278
(ii) To others	25,600	14,988
Less :		
(II) Current liabilities and provisions		
(a) Current liabilities	33,616	30,672
(b) Provisions	13,807	7,652
Net current assets (I - II)	72,641	25,277
Total of (1) to (5)	154,331	95,584

As per our report attached

for BSR & Co.,
Chartered Accountants

Zubin Shekary
Partner
Membership No. 48814

Bangalore
June 12, 2008

For and on behalf of the Board of Directors

Azim Premji
Chairman

B. C. Prabhakar
Director

Suresh C. Senapaty
Chief Financial Officer & Director

Girish S. Paranjpe
Joint CEO, IT Business & Director

Suresh Vaswani
Joint CEO, IT Business & Director

V. Ramachandran
Company Secretary

ABRIDGED PROFIT AND LOSS ACCOUNT

(Rs. in Million except share data)

		For the year ended March 31,	
		2008	2007
I.	**INCOME**		
	- Sales/services rendered (refer Annexure)	176,581	137,585
	- Excise duty	(1,655)	(746)
	NET SALES/SERVICES	174,926	136,839
	- Dividend	1,403	1,671
	- Interest	1,411	402
	- Other income	455	614
	Total	178,195	139,526
II.	**EXPENDITURE**		
	Cost of goods consumed/sold		
	(i) Opening stock	2,175	1,312
	(ii) Purchases	31,393	19,753
	Less : Closing stock	(4,045)	(2,175)
	Manufacturing expenses	2,998	1,205
	Selling expenses	5,321	4,274
	Salaries, wages and other employee benefits	74,079	57,645
	Managerial remuneration	12	37
	Interest	1,168	72
	Depreciation	4,560	3,598
	Auditor's remuneration	11	9
	Provisions for doubtful debts	246	267
	Other expenses	25,580	21,967
	Total	143,498	107,764
III.	**PROFIT BEFORE TAX (I-II)**	34,697	31,762
IV.	**PROVISION FOR TAXATION**	4,064	3,341
V.	**PROFIT AFTER TAX**	30,633	28,421
VI.	**DIVIDEND ON EQUITY SHARES:**		
	- Interim dividend	2,919	7,278
	- Proposed dividend	5,846	1,459
	- Tax on dividend	1,489	1,268
VII.	**TRANSFER TO RESERVES/SURPLUS**	20,379	18,416
	EARNINGS PER SHARE – EPS		
	Equity shares of par value Rs. 2/- each		
	Basic *(in Rs.)*	21.11	19.92
	Diluted *(in Rs.)*	21.01	19.72
	Number of shares for calculating EPS		
	Basic	1,451,127,719	1,426,966,318
	Diluted	1,458,239,060	1,441,469,652

As per our report attached

for BSR & Co.,
Chartered Accountants

Zubin Shekary
Partner
Membership No. 48814

Bangalore
June 12, 2008

For and on behalf of the Board of Directors

Azim Premji
Chairman

B. C. Prabhakar
Director

Suresh C. Senapaty
Chief Financial Officer & Director

Girish S. Paranjpe
Joint CEO, IT Business & Director

Suresh Vaswani
Joint CEO, IT Business & Director

V. Ramachandran
Company Secretary

ABRIDGED CASH FLOW STATEMENT

(Rs. in Million)

		Year ended March 31,	
		2008	2007
A.	**Cash flows from operating activities :**		
	Profit before tax	**34,697**	31,762
	Adjustments :		
	Depreciation and amortisation	**4,560**	3,598
	Amortisation of stock compensation	**1,101**	1,005
	Unrealised exchange differences - net	**(595)**	457
	Interest on borrowings	**1,168**	72
	Dividend/interest - net	**(2,814)**	(2,073)
	Profit on sale of investments	**(769)**	(658)
	Gain on sale of fixed assets	**(172)**	(10)
	Working capital changes :		
	Trade and other receivable	**(12,577)**	(5,969)
	Loans and advances	**(18,460)**	(2,395)
	Inventories	**(1,215)**	(917)
	Trade and other payables	**7,409**	5,725
	Net cash generated from operations	**12,333**	30,597
	Direct taxes paid	**(5,174)**	(3,851)
	Net cash generated by operating activities	**7,159**	26,746
B.	**Cash flows from investing activities :**		
	Acquisition of property, fixed assets plant and equipment (including advances)	**(12,874)**	(12,247)
	Proceeds from sale of fixed assets	**355**	92
	Purchase of investments	**(231,656)**	(123,595)
	Proceeds on sale/from maturities on investments	**250,013**	122,360
	Intercorporate deposits	**-**	(500)
	Payments towards acquistions	**(464)**	
	Investment in subsidiaries	**(19,151)**	(7,002)
	Dividend/interest income received	**2,502**	2,073
	Net cash used in investing activities	**(11,275)**	(18,819)
C.	**Cash flows from financing activities :**		
	Proceeds from exercise of employee stock option	**541**	9,458
	Share application money pending allotment	**40**	35
	Interest paid on borrowings	**(803)**	(72)
	Dividends paid (including distribution tax)	**(12,668)**	(8,914)
	Repayment of borrowings/loans	**(192)**	(5,780)
	Proceeds of borrowings/loans	**35,991**	7,658
	Net cash generated by financing activities	**22,909**	2,385
	Net increase in cash and cash equivalents during the period	**18,793**	10,312
	Cash acquired upon amalgamation	**70**	
	Cash and cash equivalents at the beginning of the period	**18,492**	8,230
	Effect of translation of cash balance	**(34)**	(50)
	Cash and cash equivalents at the end of the period *	**37,321**	18,492

* Includes Rs. 7,278 Million in a restricted designated bank account for payment of interim dividend
Net assets of Rs. 1,530 million acquired pursuant to the scheme of amalgamation [refer note 20(6)] has been considered as a non cash transaction.

As per our report attached

for BSR & Co.,
Chartered Accountants

Zubin Shekary
Partner
Membership No. 48814

Bangalore
June 12, 2008

For and on behalf of the Board of Directors

Azim Premji
Chairman

B. C. Prabhakar
Director

Suresh C. Senapaty
Chief Financial Officer & Director

Girish S. Paranjpe
Joint CEO, IT Business & Director

Suresh Vaswani
Joint CEO, IT Business & Director

V. Ramachandran
Company Secretary

NOTES TO ABRIDGED ACCOUNTS

1. The Company has designated forward contracts and options to hedge highly probable forecasted transactions based on the principles set out in International Accounting Standard (IAS 39) on Financial Instruments : Recognition and Measurement. Until March 31, 2007, the exchange differences on the forward contracts and gain/loss on such options were recognised in the profit and loss account in the periods in which the forecasted transactions are expected to occur.

   Effective April 1, 2007, based on the recognition and measurement principles set out in the Accounting Standard (AS) 30 on Financial Instruments : Recognition and Measurement, the changes in the derivative fair values relating to forward contracts and options that are designated as effective cash flow hedges are recognised directly in the shareholders' funds until the hedged transactions occur. Upon occurrence of the hedged transaction the amounts recognised in the shareholders' funds would be reclassified into the profit and loss account along with the underlying hedged forecasted transactions. In addition, the Company also designated forward contracts as hedges of equity investments in foreign subsidiaries. As equity investments in foreign subsidiaries are stated at historical cost, in the standalone financial statements, these forward contracts are not eligible for hedge accounting in the standalone financial statements. Consequently, the changes in the fair value of such forward contracts amounting to a loss of Rs. 495 Million have been recognised in profit and loss account in the standalone financial statements.

   As of March 31, 2007, the Company had forward/option contracts to sell USD 87 Million and as of March 31, 2008, the Company has forward/option contracts to sell USD 2,497 Million, GBP 84 Million, Euro 24 Million and JPY 7,682 Million relating to highly probable forecasted transactions. In addition, the Company had forward contracts to sell USD 281 Million and EUR 65 Million as of March 31, 2008 relating to net investments in non-integral foreign operations. As of March 31, 2008 the Company has recognized mark-to-market losses of Rs. 1,097 Million relating to forward contracts/options that are designated as effective cash flow hedges.

   As of March 31, 2007, the Company had undesignated forward/option contracts to sell USD 165 Million, GBP 123 Million, Euro 23 Million and as of March 31, 2008, the Company had undesignated forward/option contracts to sell USD 414 Million, GBP 58 Million and EUR 39 Million. The mark-to-market gain/(losses) on such contracts have been recognized in the profit and loss account. (Note 4 in the Notes to Accounts of the annual parent financial statements).

2. The Company has been granting restricted stock units (RSUs) since October 2004. The RSUs generally vest in a graded manner over a five year period. The stock compensation cost is computed under the intrinsic value method and amortised on a straight line basis over the total vesting period of five years.

   For the year ended March 31, 2008, the Company has recorded stock compensation expense of Rs. 1,101 Million. The Company has been advised by external counsel that the straight line amortisation over the total vesting period complies with the SEBI Employee Stock Option Scheme Guidelines 1999, as amended. However, an alternative interpretation of the SEBI guidelines could result in amortisation of the cost on an accelerated basis. If the Company were to amortise cost on an accelerated basis, profit after taxation for the year ended March 31, 2007 and 2008 would have been lower by Rs. 348 Million and lower by Rs.218 Million respectively .This would effectively increase the profit after taxation in later periods by similar amounts. (Note 10(i) in the Notes to Accounts of the annual parent financial statements.)

3. The Company had received tax demands from the Indian income tax authorities for the financial years ended March 31, 2001, 2002, 2003 and 2004 aggregating to Rs. 11,127 Million (including interest of Rs. 1,503 Million). The tax demand was primarily on account of denial of deduction claimed by the Company under Section 10A of the Income Tax Act, 1961, in respect of profits earned by its undertakings in Software Technology Park at Bangalore. The Company had appealed against these demands. In March 2006, the first appellate authority vacated the tax demands for the years ended March 31, 2001 and 2002.

   In March 2007 and July 2007, the first Income tax appellate authority upheld the deductions claimed by the Company under Section 10A of the Act, which vacates a substantial portion of the demand for the years ended March 31, 2003 and 2004.

   The income tax authorities have filed an appeal against the above order.

   Considering the facts and nature of disallowance and the order of the appellate authority upholding the claims of the Company for earlier years, the Company believes that the final outcome of the above disputes should be in favour of the Company and there should not be any material impact on the financial statements. (Note 11 in the Notes to Accounts of the annual parent financial statements.)

4. In September 2007, the Company through its subsidiaries acquired 100% equity of Infocrossing, Inc. (Infocrossing), a US-based provider of IT infrastructure management, enterprise application and business process outsourcing services for a purchase consideration of USD 436 Million. This acquisition of Infocrossing broadens the data center and mainframe capabilities to uniquely position the Company in the remote infrastructure management space.

In August 2007, the Company through its subsidiaries acquired 100 % equity of Unza Holdings. (Unza), a Singapore-based FMCG for purchase consideration of USD 246 Million. Unza is one of South East Asia's, largest independent manufacturer and marketer of personal care products, and has operations in over 40 countries. This acquisition would significantly increase the Company's market size and provide significant synergy in terms of access of common vendors, formulation and brands. (Note 5 in the Notes to Accounts of the annual parent financial statements.)

5. Pursuant to the scheme of amalgamation approved by the Honourable High Courts of Karnataka and Andhra Pradesh, Wipro Infrastructure Engineering Limited ('WIN'), Quantech Global Services Limited ('Quantech') and Wipro Healthcare IT Limited ('WHCIT'), wholly owned subsidiaries of the Company, have been merged with the Company with retrospective effect from April 1, 2007, the Appointed Date. In accordance with the scheme of amalgamation approved by the courts, the excess of net assets acquired over carrying value of investments in WIN of Rs. 1,134 Million has been credited to capital reserves of Wipro Limited. The excess of the investment carrying value over net asset acquired for WHCIT and Quantech of Rs. 259 Million has been debited to general reserve of Wipro Limited.

Had the scheme, not prescribed this treatment, an amount of Rs. 281 Million would have been credited to securities premium account and Rs. 853 Million to General reserve as required by the method prescribed by Accounting Standard 14 on Accounting for Amalgamation issued by the Institute of Chartered Accountants of India.

Pursuant to the scheme of amalgamation approved by the Honourable High Court of Karnataka and High Court of Judicature at Bombay, the Company has merged mPower Software Services India Private Limited ('mPower'), mPact Technology Service Private Limited ('mPact') and cMango India Private Limited ('cMango') with the Company retrospectively from April 1, 2007, the Appointed Date. mPower, mPact and cMango were fully held by Wipro Inc., which in turn is a wholly owned subsidiary of the Company. Pursuant to the scheme of amalgamation, the Company will issue 968,803 fully-paid equity shares with a market value as on April 1, 2007 of Rs. 540 Million as consideration to a controlled trust for the benefit of Wipro Inc. The excess of net assets acquired over consideration paid amounting to Rs. 91 Million has been recognised in general reserve of Wipro Limited. (Note 6 in the Notes to Accounts of the annual parent financial statements.)

6. Estimated amount of contracts remaining to be executed on capital accounts and contingent liabilities

Particulars	As of March 31,	
	2008	2007
Estimated amount of contracts remaining to be executed on Capital account and not provided for	**7,166**	2,854
Contingent liabilities in respect of :		
(a) Disputed demands for excise duty, customs duty, income tax, sales tax and other matters.	**333**	2,942
(b) Performance and financial guarantees given by the Banks on behalf of the Company	**3,751**	3,013

(Note 14 in the Notes to Accounts of the annual parent financial statements)

7. The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and hence disclosure regarding :

a) Amount due and outstanding to suppliers as at the end of the accounting year;

b) Interest paid during the year;

c) Interest payable at the end of the accounting year;

d) Interest accrued and unpaid at the end of the accounting year, has not been provided.

The Company is making efforts to get the confirmations from the suppliers as regards their status under the act. (Note 16 in the Notes to Accounts of the annual parent financial statement).

8. The list of subsidiaries, associates, trust and entities controlled by directors is given below. (Note 21 in the Notes to Accounts of the annual parent financial statements.)

Direct Subsidiaries	**Step Subsidiaries**		**Country of Incorporation**
Wipro Inc.			USA
	Enthink Inc.		USA
	Infocrossing Inc		USA
		Infocrossing EAS, Inc.	USA
		Infocrossing Services, Inc.	USA
		Infocrossing West, Inc. (A)	USA
		Infocrossing Healthcare Services, Inc.	USA
		Infocrossing, LLC, (A)	USA
		Infocrossing iConnection, Inc.	USA
cMango Pte. Limited			Singapore
Wipro Japan KK			Japan
Wipro Shanghai Limited			China
Wipro Trademarks Holding Limited			India
	Cygnus Negri Investments Private Limited		India
Wipro Travel Services Limited			India
Wipro Consumer Care Limited			India
Wipro Holdings (Mauritius) Limited			Mauritius
	Wipro Holdings UK Limited		UK
		Wipro Technologies UK Limited	UK
		BVPENTE Beteiligungsverwaltung GmbH	Austria
		New Logic Technologies GmbH	Austria
		NewLogic Technologies SARL	France
		3D Networks FZ-LLC	Dubai
		3D Networks (UK) Limited	UK
Wipro Cyprus Private Limited			Cyprus
	Wipro Technologies S.A DE C.V		Mexico
	Wipro BPO Philippines Ltd. Inc.		Philippines
	Wipro Holdings Hungary Korlátolt Felelõsségû Társaság		Hungary
	Wipro Arabia Limited (a)		Dubai
	RetailBox BV		Netherlands
		Enabler Informatica SA	Portugal
		Enabler France SAS	France
		Enabler UK Ltd.	UK
		Enabler Brasil Ltd.	Brazil
		Enabler & Retail Consult GmbH	Germany
		Wipro Technologies Limited, Russia	Russia

Direct Subsidiaries	Step Subsidiaries		Country of Incorporation
	Wipro Technologies OY (formerly Saraware OY)		Finland
	Wipro Infrastructure Engineering AB (formerly Hydrauto Group AB)		Sweden
		Wipro Infrastructure Engineering OY (formerly Hydrauto OY Ab Pernion)	Finland
		Hydrauto Celka San ve Tic	Turkey
	Wipro Technologies SRL		Romania
	Wipro Singapore Pte. Limited		Singapore
		Unza Holdings Limited (A)	Singapore
		Wipro Technocentre (Singapore) Pte. Limited	Singapore
Wipro Australia Pty. Limited			Australia
3D Networks Pte. Limited			Singapore
Planet PSG Pte. Limited			Singapore
	Planet PSG SDN BHD		Malaysia
Spectramind Inc.			USA
Wipro Chandrika Limited (b)			India
WMNETSERV Limited			Cyprus
	WMNETSERV (UK) Ltd.		UK
	WMNETSERV INC.		USA

All the above subsidiaries are 100% held by the Company except the following :

a) 66.67% held in Wipro Arabia Limited

b) 90% held in Wipro Chandrika Limited

(A) Step Subsidiary details of Infocrossing West, Inc., Infocrossing, LLC, and Unza Holdings Limited are as follows :

Step Subsidiaries	**Step Subsidiaries**		**Country of Incorporation**
Infocrossing Services West, Inc.			USA
Infocrossing Services Southeast, Inc.			USA
Unza Company Pte. Ltd.			Singapore
Unza Indochina Pte. Ltd.			Singapore
	Unza Vietnam Co. Ltd.		Vietnam
Unza Cathay Ltd.			Hong Kong
Unza China Ltd.			Hong Kong
	Dongguan Unza Consumer Products Ltd.		China
PT Unza Vitalis			Indonesia
Unza Thailand Limited			Thailand
Unza Overseas Ltd.			British virgin islands
Unza Africa Limited			Nigeria
Unza Middle East Ltd.			British virgin islands
Unza International Limited			British virgin islands
Positive Equity Sdn Bhd			Malaysia
Unza Nusantara Sdn Bhd			Malaysia
	Unza Holdings Sdn Bhd		Malaysia
	Unza Malaysia Sdn Bhd		Malaysia
		UAA Sdn Bhd	Malaysia
	Manufacturing Services Sdn Bhd		Malaysia
		Shubido Pacific Sdn Bhd	Malaysia
	Gervas Corporation Sdn Bhd		Malaysia
		Gervas (B) Sdn Bhd	Malaysia
	Formapac Sdn Bhd		Malaysia

Name of the Related Party	**Nature**	**% of holding**	**Country of Incorporation**
Wipro Equity Reward Trust	Trust	Fully controlled trust	India
Wipro GE Healthcare Private Limited	Associate	49%	India
Azim Premji Foundation	Entity controlled by Director		
Hasham Premji (partnership firm)	Entity controlled by Director		
Azim Premji	Chairman and Managing Director		
Rishad Premji	Relative of the director		

During the year ended March 31, 2008 a relative of the Chairman of the Company, has been appointed to an office or place of profit after obtaining special resolution of the shareholders. The Company has obtained the approval of the Central Government under Section 314(1B) of the Companies Act, 1956.

The Company has the following related party transactions :

Transaction/Balances	Subsidiaries/Trusts		Associates		Entities controlled by Directors		Directors/Key Management Personnel	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
Sales of services	**2,445**	2,576						
Sale of goods	**153**	19	**19**	34	**4**	3		
Purchase of services	**656**	621	**1**			1		
Purchase of fixed assets				194				
Others	**7**	7						
Payments to non-executive directors :								
Dr. Ashok Ganguly							**1**	1
Narayan Vaghul							**1**	2
Dr. Jagdish N. Sheth							**2**	2
P. M. Sinha							**1**	1
B. C. Prabhakar							**1**	1
Bill Owens							**3**	3
Payments to key management personnel and their relatives							**14**	37
Balances as on March 31,								
Receivables	**17,764**	2,092	**40**	5				
Payables	**549**	87		40				

The following are the significant transactions during the year ended March 31, 2008 and 2007 :

Name of the entity	Sale of services		Sale of goods		Purchase of services		Purchase of fixed services	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
Wipro Inc.	**2,078**	2,449			**101**	107		
Wipro Infrastructure Engineering Limited				15				
Wipro Japan KK					**228**	200		
Wipro Shanghai					**105**	96		
Wipro Technologies UK Limited					**15**	166		
3D Networks (UK) Ltd.			**153**	4				
Wipro GE Healthcare Private Limited			**19**	29				
WeP Peripherals Limited*				5				194

Name of the entity	Sale of services		Sale of goods		Purchase of services		Purchase of fixed services	
	2008	2007	2008	2007	2008	2007	2008	2007
Azim Premji Foundation				3		1		
WMNETSERV Limited	211							
Enabler Informatica SA	60				153			
NewLogic Technologies SARL					54	21		

* WeP Peripherals ceased to be an associate with effect from January 1, 2007. Transactions with WeP Peripherals are given above till the date the same ceased to be an associate.

9. As at March 31, 2007 and 2006, the aggregate market value of quoted investments are Rs. 14,702 Million and Rs. 31,715 Million respectively.

10. The following are the details on licensed and installed capacity (Note (i) & (ii) in Additional Information Pursuant to the provisions of Part II of Schedule VI in the Notes to Accounts of the annual parent financial statements).

i) Licensed/ registered/ installed capacities

	Unit	Licensed Capacity**		Installed capacity @	
		March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
Vanaspati/Hydrogenated oils	T P A *	NA	NA	45,000	45,000
Toilet Soaps	T P A *	NA	NA	60,930	60,930
Leather shoe uppers	000s	NA	NA	750	750
Fatty acids	T P A *	NA	NA	68,650	20,000
Glycerine	T P A *	NA	NA	1,800	1,800
General lighting systems lamps	000s	NA	NA	112,700	80,000
Tube light shells	000s	NA	NA	-	12,694
Fluorescent tube lights	000s	NA	NA	28,300	10,694
Compact flourescent lamps	000s	NA	NA	14,050	7,400
Mini computers/micro processor based systems and data communication systems	N P A #	NA	NA	391,200	180,000
Hydraulic and Pneumatic tubes	N P A #	NA	NA	609,120	-
Tipping Gear systems	N P A #	NA	NA	35,000	-

@ Installed capacities are as per certificate given by management on which auditors have relied.

* TPA indicates tons per annum

\# NPA indicates nos. per annum

** The Company is exempt from the licensing provisions of the Industries (Development Regulation) Act, 1951.

ii) Production

	Unit	March 31, 2008	March 31, 2007
		Quantity	Quantity
Mini computers/micro processor based systems and data communication systems	Nos.	**204,696**	162,007
Toilet soaps	Tons	**47,796**	42,425
Vanaspati/hydrogenated oils	Tons	**5,233**	5,721
Shoe uppers	000s	**214**	206
Fluorescent tube lights	000s	**8,543**	9,753
Fatty acids	Tons	**28,951**	22,834
Glycerine	Tons	**789**	882
Hydraulic and pneumatic tubes	Nos.	**457,824**	-
Tipping Gear systems	Nos.	**27,064**	-

11. **Important Ratios**

Ratio	2008	2007
Sales to total assets ratio	**0.87**	1.03
Operating profit/capital employed ratio	**21%**	30%
Return on net worth	**26%**	30%
PAT to sales ratio	**18%**	21%

Annexure

Salient features of additional information on the profit and loss account for the year ended March 31, 2008 and 2007

The details of sales in quantity and value are given below :

Particulars	**Unit**	**March 31, 2008**		March 31, 2007	
		Quantity	**Rs. in Mn.**	Quantity	Rs. in Mn.
Software Services			**125,697**		99,284
Mini computer/micro processor based System and data communication Systems	**Nos.**	**204,899**	**23,319**	155,363	15,283
IT Enabled Services			**10,581**		9,391
Toilet soaps*	**Tons**	**46,437**	**5,023**	42,437	4,000
Lighting Products**			**3,371**		2,709
Others			**8,590**		6,918
Total			**176,581**		1,37,585
Less : Excise Duty			**1,655**		746
Total			**174,926**		1,36,839

* Including Samples and shortage.

** It is not practicable to give quantitative information in the absence of common expressible unit.

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	20800	State Code	08
Balance Sheet Date	31st March 2008		

II. Capital raised during the year (Rs. in Million)

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Issue of shares on exercise of Employee Stock Options	454.40
American Depository Offering	121.15

III. Position of mobilisation of and deployment of funds (Rs. in Million)

Total Liabilities	154,331	**Total Assets**	154,331
Sources of funds		**Application of Funds**	
Paid-up capital	2,923	Goodwill	427
Share application money pending allotment	40	Net Fixed Assets	35,745
Share issuable	540	Investments	45,001
Reserves and Surplus	112,604	Deferred tax assets	517
Secured Loans	40	Net Current Assets	72,641
Unsecured Loans	38,184		

IV. Performance of the Company (Rs. in Million)

Turnover	178,195
Total Expenditure	143,498
Profit before Tax	34,697
Profit after Tax	30,633
Earnings per share (basic)	21.11
Dividend	300%

V. Generic names of three principal products/services of the Company (as per monetary terms)

i) Item code no (ITC Code) 84713010
Product description Personal Computer

ii) Item code no (ITC Code) 85249113
Product description I.T. Software

iii) Item code no (ITC Code) 15162011
Product description Vegetable fats and oils (Edible Grade)

For and on behalf of the Board of Directors

Azim Premji *Chairman*	**B. C. Prabhakar** *Director*	**Dr. Jagdish N. Sheth** *Director*	**Suresh C. Senapaty** *Chief Financial Officer & Director*
	Girish S. Paranjpe *Joint CEO, IT Business Director*	**Suresh Vaswani** *Joint CEO, IT Business Director*	**V. Ramachandran** *Company Secretary*

Bangalore
April 18, 2008

AUDITORS' REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WIPRO LIMITED AND ITS SUBSIDIARIES

We have audited the attached consolidated balance sheet of Wipro Limited ('the Company') and subsidiaries (collectively called 'the Wipro Group') as at March 31, 2008, the consolidated profit and loss account and the consolidated cash flow statement for the quarter and year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements, as specified in Rule 3 of the Companies (Accounting Standards) Rules, 2006.

Without qualifying our opinion, we draw attention to Note 11 of the Notes to Accounts that relates to an alternative interpretation of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended. If the Company were to amortise the cost on an accelerated basis, profit after taxation for the quarter and year ended March 31, 2008 would have been lower by Rs. 41 million and Rs. 231 million respectively. Similarly, profit after taxation for the quarter and year ended March 31, 2007 would have been lower by Rs. 83 million and Rs. 348 million respectively.

In our opinion and to the best of our information and acccording to the explanations given to us, the said accounts give a true and fair view in confirmity with the accounting principles generally accepted in India :

(a) in the case of the consolidated balance sheet, of the state of affairs of the Wipro Group as at March 31, 2008;

(b) in the case of the consolidated profit and loss account, of the profit of the Wipro Group for the quarter and year ended on that date; and

(c) in the case of the consolidated cash flow statement, of the cash flows of the Wipro Group for the quarter and year ended on that date.

for **BSR & Co.**
Chartered Accountants

Zubin Shekary
Partner
Membership No. 48814

Bangalore
April 18, 2008

CONSOLIDATED BALANCE SHEET

(Rs. in Million)

			As of March 31,	
SOURCES OF FUNDS	**Schedule**		**2008**	**2007**
Shareholders' Funds				
Share capital	1		**2,923**	2,918
Shares issuable (Refer Note 19(6)(ii))		**540**		
Shares issuable to controlled trust (Refer Note 19(6)(ii))		**(540)**	**-**	-
Share application money pending allotment			**40**	35
Reserves and surplus	2		**113,991**	93,042
			116,954	95,995
Loan Funds				
Secured loans	3		**2,072**	1,489
Unsecured loans	4		**42,778**	2,338
			44,850	3,827
Minority Interest			**116**	30
			161,920	99,852
APPLICATION OF FUNDS				
Fixed Assets				
Goodwill [Refer Note 19{5 & 6(i),(ii),(iii)}]			**42,209**	9,477
Gross block	5		**56,280**	37,287
Less : Accumulated depreciation			**28,067**	18,993
Net block			**28,213**	18,294
Capital work-in-progress and advances			**13,370**	10,191
			83,792	37,962
Investments	6		**16,022**	33,249
Deferred Tax Asset (Net)			**529**	591
Current Assets, Loans and Advances				
Inventories	7		**6,664**	4,150
Sundry debtors	8		**40,453**	29,007
Cash and bank balances	9		**39,270**	19,822
Loans and advances	10		**29,610**	17,454
			115,997	70,433
Less : Current Liabilities and Provisions				
Liabilities	11		**39,890**	34,350
Provisions	12		**14,530**	8,033
			54,420	42,383
Net Current Assets			**61,577**	28,050
			161,920	99,852
Notes to Accounts	19			

The schedules referred to above form an integral part of the consolidated balance sheet

As per our report attached

for BSR & Co.,
Chartered Accountants

Zubin Shekary
Partner
Membership No. 48814

Bangalore
April 18, 2008

For and on behalf of the Board of Directors

Azim Premji
Chairman

B. C. Prabhakar
Director

Dr. Jagdish N. Sheth
Director

Suresh C. Senapaty
Chief Financial Officer & Director

Girish S. Paranjpe
Joint CEO, IT Business Director

Suresh Vaswani
Joint CEO, IT Business Director

V. Ramachandran
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rs. in Million except share data)

	Schedule	Year ended March 31, 2008	2007
INCOME			
Gross sales and services		201,451	151,330
Less : Excise duty		1,655	1,348
Net sales and services		199,796	149,982
Other income	13	4,174	2,732
		203,970	152,714
EXPENDITURE			
Cost of sales and services	14	140,244	102,420
Selling and marketing expenses	15	14,216	9,547
General and administrative expenses	16	10,750	7,635
Interest	17	1,690	124
		166,900	119,726
PROFIT BEFORE TAXATION		37,070	32,988
Provision for taxation including fringe benefit tax		4,550	3,868
PROFIT BEFORE MINORITY INTEREST/ SHARE IN EARNINGS OF ASSOCIATES		32,520	29,120
Minority interest		(24)	6
Share in earnings of associates		333	295
PROFIT FOR THE PERIOD		32,829	29,421
Appropriations			
Interim dividend		2,919	7,238
Proposed dividend		5,846	1,459
Tax on dividend		1,489	1,268
TRANSFER TO GENERAL RESERVE		22,575	19,456
EARNINGS PER SHARE - EPS			
Equity shares of par value Rs. 2/- each			
Basic *(in Rs.)*		22.62	20.62
Diluted *(in Rs.)*		22.51	20.41
Number of shares for calculating EPS			
Basic (Refer Note 19(14))		1,451,127,719	1,426,966,318
Diluted (Refer Note 19(14))		1,458,239,060	1,441,469,652
Notes to Accounts	19		

The schedules referred to above form an integral part of the consolidated profit and loss account

As per our report attached

for BSR & Co.,
Chartered Accountants

Zubin Shekary
Partner
Membership No. 48814

Bangalore
April 18, 2008

For and on behalf of the Board of Directors

Azim Premji
Chairman

B. C. Prabhakar
Director

Dr. Jagdish N. Sheth
Director

Suresh C. Senapaty
Chief Financial Officer & Director

Girish S. Paranjpe
Joint CEO, IT Business Director

Suresh Vaswani
Joint CEO, IT Business Director

V. Ramachandran
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

(Rs. in Million)

		Year ended March 31,	
		2008	2007
A.	**Cash flows from operating activities:**		
	Profit before tax	**37,070**	32,988
	Adjustments :		
	Depreciation and amortization	**5,359**	3,978
	Amortisation of stock compensation	**1,166**	1,078
	Unrealised exchange differences - net	**(595)**	457
	Interest on borrowings	**1,690**	125
	Dividend/interest - net	**(2,802)**	(2,118)
	(Profit)/Loss on sale of investments	**(771)**	(588)
	Gain on sale of fixed assets	**(174)**	(10)
	Working capital changes :		
	Trade and other receivable	**(11,885)**	(7,358)
	Loans and advances	**(5,157)**	(283)
	Inventories	**(1,565)**	(1,120)
	Trade and other payables	**6,182**	5,156
	Net cash generated from operations	**28,518**	32,305
	Direct taxes paid	**(5,459)**	(4,252)
	Net cash generated by operating activities	**23,059**	28,053
B.	**Cash flows from investing activities :**		
	Acquisition of property, fixed assets plant and equipment (including advances)	**(14,226)**	(13,005)
	Proceeds from sale of fixed assets	**479**	149
	Purchase of investments	**(231,684)**	(123,579)
	Proceeds on sale/from maturities on investments	**250,013**	122,042
	Intercorporate deposit	**150**	(650)
	Net payment for acquisition of businesses	**(32,790)**	(6,608)
	Dividend/interest income received	**2,490**	2,118
	Net cash generated by/(used in) investing activities	**(25,568)**	(19,533)
C.	**Cash flows from financing activities :**		
	Proceeds from exercise of employee stock option	**541**	9,458
	Share application money pending allotment	**40**	35
	Interest paid on borrowings	**(1,690)**	(125)
	Dividends paid (including distribution tax)	**(12,632)**	(8,875)
	Repayment of borrowings/loans	**(74,970)**	(5,915)
	Proceeds of borrowings/loans	**110,641**	7,882
	Proceeds from issuance of shares by subsidiary	**55**	35
	Net cash generated by/(used in) financing activities	**21,985**	2,495
	Net (decrease)/increase in cash and cash equivalents during the period	**19,476**	11,015
	Cash and cash equivalents at the beginning of the period	**19,822**	8,858
	Effect of translation of cash balance	**(28)**	(51)
	Cash and cash equivalents at the end of the period	**39,270**	19,822

As per our report attached

for BSR & Co.,
Chartered Accountants

Zubin Shekary
Partner
Membership No. 48814

Bangalore
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Joint CEO, IT Business Director

V. Ramachandran
Company Secretary

CONSOLIDATED BALANCE SHEET

(Rs. in Million, except share data)

	As of March 31, 2008	As of March 31, 2007
SCHEDULE 1 SHARE CAPITAL		
Authorised capital		
1,650,000,000 (2007: 1,650,000,000) equity shares of Rs. 2 each	3,300	3,300
25,000,000 (2007: 25,000,000) 10.25% redeemable cumulative preference shares of Rs. 10 each	250	250
	3,550	3,550
Issued, subscribed and paid-up capital		
1,461,453,320 (2007: 1,458,999,650) equity shares of Rs. 2 each [Refer Note 19 (2)]	2,923	2,918
	2,923	2,918

	As of March 31, 2008	As of March 31, 2007
SCHEDULE 2 RESERVES AND SURPLUS		
Capital reserve		
Balance brought forward from previous period	47	47
Additions during the year (Refer Note 19(6)(i))	1,097	-
	1,144	47
Securities premium account		
Balance brought forward from previous period	24,530	14,378
Add : Exercise of stock options by employees	843	10,152
	25,373	24,530
Translation reserve		
Balance brought forward from previous period	(247)	(111)
Movement during the period	237	(136)
	(10)	(247)
Restricted stock units reserve		
Employee Stock Options Outstanding	5,023	5,273
Less : Deferred Employee Compensation Expense	3,206	4,351
	1,817	922
General reserve		
Balance brought forward from previous period	67,790	48,357
Additions [Refer Note 19 (3)]	18,974	19,433
	86,764	67,790
Unrealised gains/(losses) on cash flow hedges, net	(1,097)	-
Summary of reserves and surplus		
Balance brought forward from previous period	93,042	63,202
Additions	22,046	29,976
Deletions	(1,097)	(136)
	113,991	93,042

CONSOLIDATED BALANCE SHEET

(Rs. in Million)

	As of March 31,	
	2008	2007
SCHEDULE 3 SECURED LOANS		
Term loans[1]	513	674
Cash credit facilities[1]	535	791
Finance lease obligation	1,024	24
	2,072	1,489

[1] Term loans and cash credit facility are secured by hypothecation of stock-in-trade, book debts, immovable/movable properties and other assets.

(Rs. in Million)

	As of March 31,	
	2008	2007
SCHEDULE 4 UNSECURED LOANS		
External Commercial Borrowings	14,070	-
Borrowing from banks	28,368	2,240
Loan from financial institutions	245	52
Interest free loan from State Governments	41	46
Others	54	-
	42,778	2,338

CONSOLIDATED BALANCE SHEET

SCHEDULE 5 FIXED ASSETS

(Rs. in Million)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on April 1, 2007	Additions[2]	Deductions/ Adjustments[3]	**As on March 31, 2008**	As on April 1, 2007	Depreciation for the period	Deductions/ Adjustments[2]	**As on March 31, 2008**	**As on March 31, 2008**	As on March 31, 2007
(a) Tangible fixed assets										
Land (including leasehold)	2,170	614	40	**2,744**	2	1	5	**8**	**2,736**	2,168
Buildings	6,198	3,865	63	**10,000**	669	181	388	**1,238**	**8,762**	5,529
Plant & machinery[4]	21,125	10,100	196	**31,029**	14,072	3,929	2,161	**20,162**	**10,867**	7,053
Furniture, fixture and equipments	4,180	3,216	94	**7,302**	2,806	695	867	**4,368**	**2,934**	1,374
Vehicles	1,830	996	260	**2,566**	989	456	(29)	**1,416**	**1,150**	841
(b) Intangible fixed assets										
Technical know-how	330	29	-	**359**	329	2	14	**345**	**14**	1
Patents, trade marks and rights	1,454	909	83	**2,280**	126	95	309	**530**	**1,750**	1,328
	37,287	19,729	736	**56,280**	18,993	5,359	3,715	**28,067**	**28,213**	18,294
Previous year - March 31, 2007	24,816	12,743	272	37,287	12,910	3,979	2,104	18,993	18,294	

[2] Additions include Gross Block of Rs. 8,106 million and adjustments include Accumulated depreciation of Rs. 3,951 million in respect of assets of entities acquired during the period.

[3] Adjustments include effect of foreign exchange translation.

[4] Plant and machinery includes computers and computer software.

CONSOLIDATED BALANCE SHEET *(Rs. in Million)*

	As of March 31, 2008	As of March 31, 2007
SCHEDULE 6 INVESTMENTS		
Investments Long Term - unquoted		
Investment in Associates		
Wipro GE Medical Systems Private Limited[5]	1,343	1,043
	1,343	1,043
Other Investments - unquoted	362	364
Current Investments - quoted		
Investments in Indian money market mutual funds	14,317	31,842
	14,317	31,842
	16,022	33,249

[5] Equity investments in this company carry certain restrictions on transfer of shares that are normally provided for in shareholders' agreements.

	2008	2007
SCHEDULE 7 INVENTORIES		
Finished goods	2,181	1,777
Raw materials	2,950	1,584
Stock in process	1,078	491
Stores and spares	455	298
	6,664	4,150

	2008	2007
SCHEDULE 8 SUNDRY DEBTORS		
(Unsecured)		
Debts outstanding for a period exceeding six months		
Considered good	3,109	919
Considered doubtful	1,096	1,388
	4,205	2,307
Other debts		
Considered good	37,344	28,088
Considered doubtful	-	-
	41,549	30,395
Less : Provision for doubtful debts	1,096	1,388
	40,453	29,007

CONSOLIDATED BALANCE SHEET

(Rs. in Million)

	As of March 31, 2008	As of March 31, 2007
SCHEDULE 9 CASH AND BANK BALANCES		
Balances with bank :		
In current account[6]	10,209	16,784
In deposit account	28,078	2,355
Cash and cheques on hand	983	683
	39,270	19,822

[6] Balance as on March 31, 2007 includes Rs. 7,278 million in a restricted designated bank account for payment of interim dividend for the period ended March 31, 2007.

	2008	2007
SCHEDULE 10 LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good		
- Prepaid expenses	2,800	1,739
- Advance to suppliers/expenses	1,402	753
- Employee travel & other advances	1,503	885
- Others	5,316	1,781
	11,021	5,158
Considered doubtful	169	194
	11,190	5,352
Less : Provision for doubtful advances	169	194
	11,021	5,158
Other deposits	1,911	1,613
Advance income tax	7,116	4,730
Inter corporate deposit	500	650
Balances with excise and customs	548	207
Unbilled revenue	8,514	5,096
	29,610	17,454
SCHEDULE 11 LIABILITIES		
Acquisition related liabilities	207	-
Accrued expenses and statutory liabilities	20,686	13,776
Sundry creditors	13,082	10,202
Unearned revenues	4,269	1,761
Advances from customers	1,642	1,369
Unclaimed dividends	4	4
Unpaid interim dividends	-	7,238
	39,890	34,350
SCHEDULE 12 PROVISIONS		
Employee retirement benefits	2,737	2,118
Warranty provision	941	831
Provision for tax	4,013	3,106
Proposed dividend	5,846	1,459
Tax on dividend	993	519
	14,530	8,033

CONSOLIDATED PROFIT & LOSS ACCOUNT

(Rs. in Million)

	Year ended March 31, 2008	2007
SCHEDULE 13 OTHER INCOME		
Dividend on mutual fund units	1,428	1,686
Profit on sale of investments	771	588
Interest on debt instruments and others	1,576	432
Exchange differences - net	(423)	(231)
Miscellaneous income	822	257
	4,174	2,732

	Year ended March 31, 2008	2007
SCHEDULE 14 COST OF SALES AND SERVICES		
Employee compensation costs	70,655	54,239
Raw materials, finished and process stocks (Refer Schedule 18)	36,263	23,182
Sub contracting/ technical fees/ third party application	10,911	6,677
Travel	5,010	5,084
Depreciation	4,965	3,696
Communication	1,970	1,620
Repairs	2,686	2,645
Power and fuel	1,532	1,062
Outsourced technical services	1,109	842
Rent	1,286	1,009
Stores and spares	946	676
Insurance	238	186
Rates and taxes	137	198
Miscellaneous	2,536	1,304
	140,244	102,420

	Year ended March 31, 2008	2007
SCHEDULE 15 SELLING AND MARKETING EXPENSES		
Employee compensation costs	7,045	4,728
Advertisement and sales promotion	2,385	1,400
Travel	1,023	790
Carriage and freight	1,137	885
Commission on sales	585	275
Rent	470	326
Communication	349	294
Conveyance	136	111
Depreciation	245	190
Repairs to buildings	79	60
Insurance	35	25
Rates and taxes	34	26
Miscellaneous expenses	693	437
	14,216	9,547

CONSOLIDATED PROFIT & LOSS ACCOUNT

(Rs. in Million)

		Year ended March 31,	
		2008	2007
SCHEDULE 16 GENERAL AND ADMINISTRATIVE EXPENSES			
Employee compensation costs		5,026	3,430
Travel		1,198	909
Repairs and mantainance		565	321
Provision for bad debts		289	294
Manpower outside services		223	142
Depreciation		148	93
Rates and taxes		57	63
Insurance		81	57
Rent		124	77
Auditors' remuneration			
Audit fees		24	13
For certification including tax audit		2	1
Out of pocket expenses		2	1
Miscellaneous expenses		3,011	2,234
		10,750	7,635
SCHEDULE 17 INTEREST			
Cash credit and others[7]		1,690	124

[7] Includes Rs. 79 million and Rs. 365 million for the quarter ended and year ended March 31, 2008 (2007 : Nil) of interest borne by Wipro Equity Reward Trust in respect of loans availed by employees from third party financial institutions/bank in March 2007 for the exercise of vested employee stock options.

		2008	2007
SCHEDULE 18 RAW MATERIALS, FINISHED AND PROCESSED STOCKS			
Consumption of raw materials and bought out components :			
Opening stocks		1,584	692
Add : Stock taken over on acquisition		380	651
Add : Purchases		18,076	11,701
Less : Closing stocks		2,950	1,584
		17,090	11,460
Purchase of finished products for sale		19,576	12,471
(Increase)/Decrease in finished and process stocks :			
Opening stock	: In process	491	289
	: Finished products	1,777	886
Stock taken over on acquisition	: In process	8	194
	: Finished products	580	150
Less : Closing stock	: In process	1,078	491
	: Finished products	2,181	1,777
		(403)	(749)
		36,263	23,182

Index of Notes to Accounts

SCHEDULE 19 – NOTES TO ACCOUNTS

Company overview

Wipro Limited (Wipro), together with its subsidiaries and associates (collectively, the Company or the group) is a leading India based provider of IT Services and Products, including Business Process Outsourcing (BPO) services, globally. Further, Wipro has other businesses such as India and AsiaPac IT Services and Products and Consumer Care and Lighting. Wipro is headquartered in Bangalore, India.

1. Significant accounting policies

i. Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under Section 211(3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India.

ii. Principles of consolidation

The consolidated financial statements include the financial statements of Wipro and all its subsidiaries, which are more than 50% owned or controlled.

The financial statements of the parent company and its majority owned/controlled subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all inter-company balances/transactions and resulting unrealized gain/loss.

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

iii. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates.

iv. Goodwill

Goodwill arising on consolidation/acquisition of assets is not amortised. It is tested for impairment on a periodic basis and written-off if found impaired.

v. Fixed assets, intangible assets and work-in-progress

Fixed assets are stated at historical cost less accumulated depreciation.

Interest on borrowed money allocated to and utilised for qualifying fixed assets, pertaining to the period up to the date of capitalization is capitalised. Assets acquired on direct finance lease are capitalised at the gross value and interest thereon is charged to profit and loss account.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortisation.

Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date and the cost of fixed assets not ready for use before such date are disclosed under capital work-in-progress. Lease payments under operating lease are recognised as an expense in the profit and loss account.

Payments for leasehold land are amortised over the period of lease.

vi. Investments

Long term investments (other than investment in associate) are stated at cost less provision for diminution in the value of such investments. Diminution in value is provided for where the management is of the opinion that the diminution is of other than temporary nature. Short term investments are valued at lower of cost and net realizable value.

Investment in associate is accounted under the equity method.

vii. Inventories

Finished goods are valued at cost or net realizable value, whichever is lower. Other inventories are valued at cost less provision for obsolescence. Small value tools and consumables are charged to consumption on purchase. Cost is determined using weighted average method.

viii. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

ix. Revenue recognition

Services:

Revenue from Software development services comprises revenue from time and material and fixed-price contracts. Revenue from time and material contracts is recognised as related services are performed. Revenue from fixed-price, fixed-time frame contracts is generally recognised in accordance with the "Percentage of Completion" method.

Revenues from BPO services are derived from both time-based and unit-priced contracts. Revenue is recognised as the related services are performed, in accordance with the specific terms of the contract with the customers.

Revenue from application maintenance services is recognised over the period of the contract.

Revenue from customer training, support and other services is recognised as the related services are performed.

Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' included in loans and advances represent cost and earnings in excess of billings as at the balance sheet date. 'Unearned revenues' included in current liabilities represent billing in excess of revenue recognised.

Products:

Revenue from sale of products is recognised, in accordance with the sales contract, on dispatch from the factories/ warehouse of the Company. Revenues from product sales are shown as net of excise duty, sales tax separately charged and applicable discounts.

Others:

Agency commission is accrued when shipment of consignment is dispatched by the principal.

Profit on sale of investments is recorded upon transfer of title by the Company. It is determined as the difference between the sales price and the then carrying amount of the investment.

Interest is recognised using the time-proportion method, based on rates implicit in the transaction.

Dividend income is recognised where the Company's right to receive dividend is established.

Export incentives are accounted on accrual basis and include estimated realizable values/benefits from special import licenses and advance licenses.

Other income is recognised on accrual basis.

x. Warranty cost

The Company accrues the estimated cost of warranties at the time when the revenue is recognised. The accruals are based on the Company's historical experience of material usage and service delivery costs.

xi. Foreign currency transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the average rate for the month.

Transaction:

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realised is recognised in the profit and loss account.

Translation:

Monetary foreign currency assets and liabilities at period-end are translated at the closing rate. The difference arising from the translation is recognised in the profit and loss account.

Derivative instruments 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 and option contracts, where the counterparty is a bank.

Since March 2004, based on the principles set out in International Accounting Standard (IAS 39) on Financial Instruments' the Company has designated forward contracts and options to hedge highly probable forecasted transactions as cash flow hedges. The exchange differences relating to these forward contracts and gains/losses on such options were being recognised in the period in which the forecasted transactions were expected to occur. The exchange differences relating to forward contracts/options, other than designated forward contracts/options, were recognised in the profit and loss account as they arose.

Effective April 1, 2007, based on the recognition and measurement principles set out in the Accounting Standard (AS) 30 on Financial Instruments: Recognition and Measurement, the changes in the fair values of forward contracts and options designated as cash flow hedges are recognised directly in shareholders' funds and are reclassified into the profit and loss account upon the occurrence of the hedged transaction. The gains/losses on forward contracts and options designated as cash flow hedges are included along with the underlying hedged forecasted transactions. The changes in fair value relating to the ineffective portion of the cash flow hedges and forward contracts/options not designated as cash flow hedges are recognised in the profit and loss account as they arise. The Company has also designated forward contracts and options as hedges of net investment in non-integral foreign operation. The portion of the changes in fair value of forward contracts and options that is determined to be an effective hedge is recognised in shareholders' fund and would be recognised in profit and loss account on the disposal of foreign operation. The portion of the changes in fair value of forward contracts and options that is determined to be an ineffective hedge is recognised in the profit and loss account.

The Institute of Chartered Accountants of India (ICAI) has recently issued an announcement "Accounting for Derivatives" on accounting for derivatives and early adoption of AS 30. The Company has already been applying the principles of AS 30 in accounting for derivative instruments and the announcement did not have any impact on the Company.

Integral operations:

In respect of integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the profit and loss account are translated at the average exchange rate during the period. The differences arising out of the translation are recognised in the profit and loss account.

Non-integral operations:

In respect of non-integral operations, assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the profit and loss account are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to translation reserve.

xii. Depreciation and amortisation

Depreciation is provided on straight line method at rates not lower than rates specified in Schedule XIV to the Companies Act, 1956. In some cases, assets are depreciated at the rates which are higher than Schedule XIV rates to reflect the economic life of asset. Management estimates the useful life of various assets as follows:

Nature of asset	Life of asset
Building	30 - 60 years
Plant and machinery	5 - 21 years
Office equipment	3 - 10 years
Vehicles	4 years
Furniture and fixtures	3 - 10 years
Data processing equipment and software	2 - 6 years

Fixed assets individually costing Rs. 5,000/- or less are depreciated at 100%.

Assets under capital lease are amortised over their estimated useful life or the lease term, whichever is lower. Intangible assets are amortised over their estimated useful life. For various brands acquired by the Company, the estimated useful life has been determined ranging between 20 to 25 years based on expected life, performance, market share, niche focus and longevity of the brand. Accordingly, such intangible assets are being amortised over the determined useful life.

xiii. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset including goodwill may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. In respect of goodwill the impairment loss will be reversed only when it was caused by specific external events and their effects have been reversed by subsequent external events.

xiv. Provision for retirement benefits

Provident fund:

Employees receive benefits from a provident fund. The employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's salary. A portion of the contribution is made to the provident fund trust managed by the Company, while the remainder of the contribution is made to the Government's provident fund.

Compensated absences:

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

Gratuity:

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to gratuity plan is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial gain or loss is recognised immediately in the statement of profit and loss as income or expense. The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India (LIC).

Superannuation:

Apart from being covered under the Gratuity Plan described above, the employees of the Company also participate in a defined contribution plan maintained by the Company. This plan is administered by the LIC & ICICI Prudential Insurance Company Limited. The Company makes annual contributions based on a specified percentage of each covered employee's salary.

xv. Employee stock options

The Company determines the compensation cost based on the intrinsic value method. The compensation cost is amortised on a straight line basis over the vesting period.

xvi. Research and development

Revenue expenditure on research and development is charged to profit and loss account and capital expenditure is shown as addition to fixed assets.

xvii. Income tax & Fringe benefit tax

Income tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements by each entity in the Company.

Deferred taxes are recognised in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using FIFO method.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment/ substantive enactment date.

Deferred tax assets on timing differences are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

Fringe benefit tax:

The Fringe Benefit Tax (FBT) is accounted for in accordance with the guidance note on accounting for fringe benefits tax issued by the ICAI. The provision for FBT is reported under income taxes.

xviii. Earnings per share

Basic:

The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

Diluted:

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

xix. Cash flow statement

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

NOTES TO ACCOUNTS

2. The following are the details for 1,461,453,320 (2007 : 1,458,999,650) equity shares as of March 31, 2008.

No. of shares	Description
1,398,430,659	Equity shares/American Depository Receipts (ADRs) (2007 : 1,398,430,659) have been allotted as fully paid bonus shares/ADRs by capitalisation of Securities premium account and Capital redemption reserve
1,325,525	Equity shares (2007 : 1,325,525) have been allotted as fully paid-up, pursuant to a scheme of amalgamation, without payment being received in cash
3,162,500	Equity shares (2007 : 3,162,500) representing American Depository Receipts issued during 2000-2001 pursuant to American Depository offering by the Company
57,609,636	Equity shares (2007 : 55,155,966) issued pursuant to Employee Stock Option Plan

3. Note on Reserves :

i) Restricted stock units reserve includes Deferred Employee Compensation, which represents future charge to profit and loss account and employee stock options outstanding to be treated as securities premium at the time of allotment of shares.

ii) Additions to General Reserve include:

(Rs. in Million)

Particulars	For the year ended March 31, 2008	2007
Transfer from Profit and Loss Account	**22,575**	19,456
Dividend distributed to Wipro Equity Reward Trust	-	40
Additional dividend paid for the previous year	-	(36)
Adjustment on account of amalgamation (Refer Note 19[6(i),(ii),(iii)])	**(3,601)**	-
Transition liability for employee benefits	-	(27)
	18,974	19,433

4. The Company designated forward contracts and options to hedge highly probable forecasted transactions based on the principles set out in International Accounting Standard (IAS 39) on Financial Instrument : Recognition and

Measurement. Until March 31, 2007, the exchange differences on the forward contracts and gain/loss on such options were recognised in the profit and loss account in the periods in which the forecasted transactions were expected to occur.

Effective April 1, 2007, based on the recognition and measurement principles set out in the Accounting Standard (AS) 30 on Financial Instruments : Recognition and Measurement, the changes in the derivative fair values relating to forward contracts and options that are designated as effective cash flow hedges are recognised directly in shareholders' funds until the hedged transactions occur. Upon occurrence of the hedged transactions the amounts recognised in the shareholders' funds would be reclassified into the profit and loss account along with the underlying hedged forecasted transactions. During the year ended March 31, 2008 the Company has reclassified net exchange gains of Rs. 951 million along with the underlying hedged forecasted transaction. In addition, the Company also designates forward contracts as hedges of the net investment in non-integral foreign operations. The changes in the derivative fair values relating to forward contracts and options that are designated as net investments in non-integral foreign operations have been recognised directly in shareholders' funds within translation reserve. The gains/losses in shareholders' funds would be transferred to profit and loss account upon the disposal of non-integral foreign operations.

As of March 31, 2007, the Company had forward/option contracts to sell USD 87 million and as of March 31, 2008, the Company had forward/option contracts to sell USD 2,497 million, GBP 84 million, EUR 24 million and JPY 7,682 million relating to highly probable forecasted transactions. In addition, the Company had forward contracts to sell USD 281 million and EUR 65 million as of March 31, 2008 relating to net investments in non-integral foreign operations. As of March 31, 2008, the Company has recognised mark-to-market losses of Rs. 1,097 million relating to forward contracts/options that are designated as effective cash flow hedges and mark-to-market losses of Rs. 495 million relating to forward contracts/options that are designated as net investments in non-integral foreign operations in shareholders' funds.

As of March 31, 2007, the Company had undesignated forward contracts/option contracts to sell USD 165 million, GBP 123 million and EUR 23 million and as of March 31, 2008, the Company had undesignated forward contracts/option contracts to sell USD 414 million, GBP 58 million and EUR 39 million. The mark-to-market gain/(losses) on such contracts have been recognised in the profit and loss account.

5. Acquisitions

(i) In September 2007, the Company acquired Infocrossing, Inc. (Infocrossing), a US-based provider of IT infrastructure management, enterprise application and business process outsourcing services for a purchase consideration of USD 436 million (including direct cost of acquisition of USD 5 million). The acquisition was conducted by means of a tender offer for all of the outstanding shares of Infocrossing. This acquisition broadens the data center and mainframe capabilities to uniquely position the Company in the remote infrastructure management space.

The purchase consideration has been allocated on a preliminary basis based on managements' estimates and goodwill of Rs. 22,406 million has been recorded. The Company is in the process of making final determination of the carrying value of assets and liabilities, which may result in changes in the carrying value of net assets recorded.

(ii) In August 2007, the Company acquired Unza Holdings (Unza), a Singapore-based FMCG firm for a purchase consideration of USD 246 million (including direct cost of acquisition of USD 1 million). Unza is one of South East Asia's, largest independent manufacturer and marketer of personal care products, and has operations in over 40 countries. Unza has an excellent product range and a large portfolio of strong brands catering to Asian consumers. This acquisition would significantly increase the Company's market size and provide significant synergy in terms of access of common vendors, formulation and brands.

The purchase consideration has been allocated on a preliminary basis based on managements' estimates and goodwill of Rs. 10,338 million has been recorded. The Company is in the process of making final determination of the carrying value of assets and liabilities, which may result in changes in the carrying value of net assets recorded.

The contribution of the subsidiaries acquired during the year is as under :

(Rs. in Million)

Name of the subsidiary	Revenue	Profit before tax	Net Assets
Infocrossing Inc.	5,183	296	1,414
Unza Group	4,836	504	638
	10,019	**800**	**2,327**

6. Merger of certain subsidiaries

(i) Pursuant to the scheme of amalgamation approved by the Honourable High Courts of Karnataka and Andhra Pradesh, Wipro Infrastructure Engineering Limited ('WIN'), Quantech Global Services Limited ('Quantech') and Wipro Healthcare IT Limited ('WHCIT'), wholly owned subsidiaries of the Company, have been merged with the Company with retrospective effect from April 1, 2007, the Appointed Date. In accordance with the scheme of amalgamation approved by the courts, the excess of net assets acquired over carrying value of investments in WIN of Rs. 1,134 million has been credited to capital reserves of Wipro Limited. In the consolidated financial statements, this resulted in a transfer of Rs. 1,097 million to capital reserves.

The excess of the investment carrying value over net asset acquired for WHCIT and Quantech of Rs. 256 million has been debited to general reserve of Wipro Limited. In the consolidated financial statements, goodwill relating to WHCIT and Quantech of Rs. 227 million has been debited to general reserve, consequent to the amalgamation.

(ii) Pursuant to the scheme of amalgamation approved by the Honourable High Court of Karnataka and High Court of Judicature at Bombay, the Company has merged mPower Software Services India Private Limited ('mPower'), mPact Technology Services Private Limited ('mPact') and cMango India Private Limited ('cMango') with the Company retrospectively from April 1, 2007, the Appointed Date. mPower, mPact and cMango were fully held by Wipro Inc., which in turn is a wholly owned subsidiary of the Company. Pursuant to the scheme of amalgamation, the Company will issue 968,803 fully-paid equity shares with a market value as on April 1, 2007 of Rs. 540 million as consideration to a controlled trust for the benefit of Wipro Inc. The excess of net assets acquired over consideration paid amounting to Rs. 91 million has been recognised in general reserve of Wipro Limited. In the consolidated financial statements, the goodwill arising on consolidation of the amalgamated companies amounting to Rs. 993 million has been adjusted against general reserves, consequent to the merger.

(iii) In the terms of the scheme of amalgamation filed with and endorsed by the State of Delaware, USA, cMango Inc. and Quantech Global Services LLC amalgamated with Wipro Inc. with effect from June 1, 2007 and May 1, 2007 respectively. These amalgamation have been accounted as 'amalgamation in the nature of merger' in accordance with Accounting Standard (AS) 14, Accounting for Amalgamation and goodwill amounting to Rs. 1,376 million has been adjusted against the general reserve of the Company.

(iv) The Company has merged its following, fully owned subsidiaries into Hydrauto Group AB with retrospective effect from April 1, 2007

a) Hydrauto Medium Cylinders Skellefteas AB

b) Hydrauto Engineering AB

c) Hydrauto Light Cylinders Bispgarden AB

d) Hydrauto Light Cylinders Ostersund AB

e) Hydrauto Big Cylinders Ljungby AB

f) Hydrauto Logistics AB

7. Assets given on finance leases

The Company provides lease financing for the traded and manufactured products primarily through finance leases. The finance lease portfolio contains only the normal collection risk with no important uncertainties with respect to future costs. These receivables are generally due in monthly, quarterly or semi-annual instalments over periods ranging from 3 to 5 years.

The components of finance lease receivables are as follows :

(Rs. in Million)

Particulars	**As of March 31,**	
	2008	2007
Gross investment in lease	**836**	465
Not later than one year	**197**	125
Later than one year and not later than five years	**555**	307
Unguaranteed residual values	**84**	33
Unearned finance income	**(171)**	(81)
Net investment in finance receivables	**665**	384

Present value of minimum lease receivables for each of the five succeeding fiscal years and thereafter are as follows :

(Rs. in Million)

Particulars	**As of March 31,**	
	2008	2007
Present value of minimum lease payments receivables	**604**	350
Not later than one year	**181**	113
Later than one year and not later than five years	**423**	237

8. Assets taken on lease

Finance leases :

The following is a schedule by year of present value of future minimum lease payment under capital leases, together with the value of the minimum lease payments as of March 31, 2008.

(Rs. in Million)

Particulars	**As of March 31,**
	2008
Present value of minimum lease payments:	
Not later than one year	**323**
Later than one year and not later than five years	**629**
Thereafter	**72**
Total present value of minimum lease payments	**1,024**
Add : Amount representing interest	**199**
Total value of minimum lease payments	**1,223**

Operating leases :

The Company leases office and residential facilities under cancellable and non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases are Rs. 1,880 million and Rs. 1,412 million during the years ended March 31, 2008 and 2007 respectively.

Details of contractual payments under non-cancelable leases are given below :

(Rs. in Million)

Particulars	**As of March 31,**	
	2008	2007
Not later than one year	**773**	395
Later than one year and not later than five years	**2,433**	1,270
Thereafter	**2,826**	906
Total	**6,032**	2,571

9. The Company has a 49% equity interest in Wipro GE Healthcare Private Limited (Wipro GE), an entity in which General Electric, USA holds the majority equity interest. The shareholders agreement provides specific rights to the two shareholders. Management believes that these specific rights do not confer joint control as defined in Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures". Consequently, Wipro GE is not considered as a joint venture and consolidation of financial statements is carried out as per the equity method in terms of Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

10. **Employee benefit plans**

Gratuity : In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering certain categories of employees. The Grauity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). Under this plan, the settlement obigation remains with the Company, although the Life Insurance Corporation of India adminsters the plan and determines the contribution premium required to be paid by the Company.

(Rs. in Million)

Change in the benefit obligation	**As of March 31,**	
	2008	2007
Projected Benefit Obligation (PBO) at the beginning of the year	**1,121**	757
Service cost	**281**	193
Interest cost	**83**	55
Benefits paid	**(135)**	(77)
Actuarial loss/(gain)	**165**	193
PBO at the end of the year	**1,515**	1,121

(Rs. in Million)

Change in plan assets	**As of March 31,**	
	2008	2007
Fair value of plan assets at the beginning of the year	**727**	656
Expected return on plan assets	**52**	51
Employer contributions	**550**	89
Benefits paid	**(135)**	(77)
Actuarial Loss/(Gain)	**50**	8
Fair value of plan assets at the end of the year	**1,244**	727
Present value of unfunded obligation	**(271)**	(394)
Recognised liability	**(271)**	(394)

The Company has invested the plan assets with the Life Insurance Corporation of India. Expected rate of return on the plan asset has been determined scientifically considering the current and expected plan asset allocation, historical rate of return earned by the Company, current market trend and the expected return on the plan assets. Expected contribution to the fund during the year ending March 31, 2009 is Rs. 127 million.

Net gratuity cost for the year ended March 31, 2008 and 2007 are as follows :

(Rs. in Million)

Particulars	**For the year ended March 31,**	
	2008	2007
Service cost	**282**	193
Interest cost	**82**	55
Expected return on plan assets	**(52)**	(50)
Actuarial loss/(gain)	**115**	179
Net gratuity cost	**427**	377

The weighted average actuarial assumptions used to determine benefit obligations and net periodic gratuity cost are :

Assumptions	**As of March 31,**	
	2008	2007
Discount rate	**7.75%**	8.10%
Rate of increase in compensation levels	**7%**	7%
Rate of return on plan assets	**7.50%**	7.5%

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Superannuation : Apart from being covered under the gratutiy plan, the employees of the Company also participate in a defined contribution plan maintained by the Company. This plan is administered by the LIC & ICICI. The Company makes annual contributions based on a specified percentage of each covered employee's salary.

Provident fund (PF) : In addition to the above, all employees receive benefits from a provident fund. The employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's salary. A portion of the contribution is made to the provident fund trust established by the Company, while the remainder of the contribution is made to the Government's provident fund. For the year ended March 31, 2008, the Company contributed Rs. 1,326 million to PF and other employee welfare funds.

The interest rate payable by the trust to the beneficiaries is regulated by the statutory authorities. The Company has an obligation to make good the shortfall, if any, between the returns from its investments and the administered rate.

The Guidance on implementing (AS) 15, Employee Benefits issued by the Accounting Standards Board (ASB) provides that exempt provident funds which require employers to meet the interest shortfall are in effect defined benefit plans. The Company's actuary has informed that it is currently not practicable to actuarially determine the interest shortfall obligation. The computation of liability and disclosure in accordance with the provisions of AS 15 cannot be implemented due to the inability on the part of the actuary to measure it.

11. Employee stock option

(i) The Company has been granting restricted stock units (RSUs) since October 2004. The RSUs generally vest in a graded manner over a five year period. The stock compensation cost is computed under the intrinsic value method and amortised on a straight line basis over the total vesting period of five years.

For the year ended March 31, 2008 the Company has recorded stock compensation expense of Rs. 1,166 million.

The Company has been advised by external counsel that the straight line amortisation over the total vesting period complies with the SEBI Employee Stock Option Scheme Guidelines 1999, as amended. However, an alternative interpretation of the SEBI guidelines could result in amortisation of the cost on an accelerated basis. If the Company were to amortise the cost on an accelerated basis, profit after taxation for the quarter and year March 31, 2008 would have been lower by Rs. 41 million and Rs. 231 million respectively. Similarly, profit after taxation for the quarter and year ended March 31, 2007 would have been lower by Rs. 83 million and Rs. 348 million respectively. This would effectively increase/decrease, as the case may be, the profit after taxation in later periods by similar amounts.

(ii) The Company has instituted various Employee Stock Option Plans. The compensation committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment fo certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options. The particulars of options granted under various plans are tabulated below. (The numbers of shares in the table below are adjusted for any stock splits and bonus shares issues).

Activity under Stock Option plans

Particulars	Year ended March 31, 2008	
	Shares	Wt. average exercise price
Outstanding at the beginning of the year	3,511,408	317
Granted	-	-
Exercised	1,712,077	332
Forfeited and lapsed	570,699	367
Outstanding at the end of the year	1,228,632	264
Exercisable at the end of the year	1,228,632	264

Activity under Resricted Stock Option plans

Particulars	Year ended March 31, 2008	
	Shares	Wt. average exercise price
Outstanding at the beginning of the year	12,498,194	2
Granted	746,686	2
Exercised	741,591	2
Forfeited and lapsed	917,890	2
Outstanding at the end of the year	11,585,399	2
Exercisable at the end of the year	1,330,107	2

The following table provides details in respect of range of exercise price and weighted average remaining contratual life (in months) for the options outstanding as at March 31, 2008.

Range of exercise price	Shares	Wt. average remaining life
Rs. 2	11,585,399	43.11
Rs. 172-255	12,840	10.49
Rs. 265-396	1,207,087	13.91
$ 3.46-5.01	6,006	14.89
$ 5.82-6.90	2,699	11.93

(iii) The Finance Act, 2007 has introduced Fringe Benefit Tax (FBT) on employe stock options. The difference between the fair value of the underlying share on the date of vesting and the exercise price paid by the employee is subject to FBT. The Company recovers such tax from the employee. During the year ended March 31, 2008 the Company has recognised FBT liability and related recovery of Rs. 81 million arising from the exercise of stock options. The Company's obligation to pay FBT arises only upon the exercise the stock options.

12. The Company had received tax demands from the Indian income tax authorities for the financial years ended March 31, 2001, 2002, 2003 and 2004 aggregating to Rs. 11,127 million (including interest of Rs. 1,503 million). The tax demand was primarily on account of denial of deduction claimed by the Company under Section 10A of the Income Tax Act, 1961, in respect of profits earned by its undertakings in Software Technology Park at Bangalore. The Company had appealed against these demands. In March 2006, the first appellate authority vacated the tax demands for the years ended March 31, 2001 and 2002. The income tax authorities have filed an appeal against the above order.

In March 2007 and July 2007, the first Income tax appellate authority upheld the deductions claimed by the Company under Seciton 10A of the Act, which vacates a substantial portion of the demand for the years ended March 31, 2003 and 2004.

Considering the facts and nature of disallowance and the order of the appellate authority upholding the claims of the Company for earlier years, the Company believes that the final outcome of the above disputes should be in favour of the Company and there should not be any material impact on the financial statements.

13. Product warranty expenses are accrued based on the Company's historical experience of material usage and service delivery costs.

(Rs. in Million)

Particulars	For the year ended March 31,	
	2008	2007
Provision at the beginning of the year	**831**	719
Additions during the year	**944**	862
Utilised during the year	**(834)**	(750)
Provision at the end of the year	**941**	831

14. The working for computation of equity shares used in calculating basic and diluted earnings per share is set out below :

Particulars	For the year ended March 31,	
	2008	2007
Weighted average equity shares outstanding	**1,459,089,479**	1,434,928,078
Share held by a controlled trust	**(7,961,760)**	(7,961,760)
Weighted average equity shares for computing basic EPS	**1,451,127,719**	1,426,966,318
Dilutive impact of employee sotck options	**7,111,341**	14,503,334
Weighted average equity shares for computing diluted EPS	**1,458,239,060**	1,441,469,652
Net income considered for computing diluted EPS (Rs. in Million)	**32,829**	29,421

15. The list of subsidiaries is given below :

Direct Subsidiaries	Step Subsidiaries		Country of Incorporation
Wipro Inc.			USA
	Enthink Inc.		USA
	Infocrossing Inc.		USA
		Infocrossing EAS, Inc.	USA
		Infocrossing Services, Inc.	USA
		Infocrossing West, Inc. (A)	USA
		Infocrossing Healthcare Services, Inc.	USA
		Infocrossing, LLC (A)	USA
		Infocrossing iConnection, Inc.	USA
cMango Pte. Limited			Singapore
Wipro Japan KK			Japan
Wipro Shanghai Limited			China

Direct Subsidiaries	Step Subsidiaries		Country of Incorporation
Wipro Trademarks Holding Limited			India
	Cygnus Negri Investments Private Limited		India
Wipro Travel Services Limited			India
Wipro Consumer Care Limited			India
Wipro Holdings (Mauritius) Limited			Mauritius
	Wipro Holdings UK Limited		UK
		Wipro Technologies UK Limited	UK
		BVPENTE Beteiligungsverwaltung GmbH	Austria
		New Logic Technologies GmbH	Austria
		New Logic Technologies SARL	France
		3D Networks FZ-LLC	Dubai
		3D Networks (UK) Limited	UK
Wipro Cyprus Private Limited			Cyprus
	Wipro Technologies S.A DE C.V		Mexico
	Wipro BPO Philippines LTD. Inc.		Philippines
	Wipro Holdings Hungary Korlátolt Felelõsségû Társaság		Hungary
	Wipro Arabia Limited [(a)]		Dubai
	RetailBox BV		Netherlands
		Enabler Informatica SA	Portugal
		Enabler France SAS	France
		Enabler UK Ltd.	UK
		Enabler Brasil Ltd.	Brazil
		Enabler & Retail Consult GmbH	Germany
		Wipro Technologies Limited, Russia	Russia
	Wipro Technologies OY (formerly Saraware OY)		Finland
	Wipro Infrastructure Engineering AB (formerly Hydrauto Group AB)		Sweden
		Wipro Infrastructure Engineering OY (formerly Hydrauto OY Ab Pernion)	Finland
		Hydrauto Celka San ve Tic	Turkey

Direct Subsidiaries	Step Subsidiaries		Country of Incorporation
	Wipro Technologies SRL		Romania
	Wipro Singapore Pte. Limited		Singapore
		Unza Holdings Limited [A]	Singapore
		Wipro Technocentre (Singapore) Pte. Limited	Singapore
Wipro Australia Pty. Limited			Australia
3D Networks Pte. Limited			Singapore
Planet PSG Pte. Limited			Singapore
	Planet PSG SDN BHD		Malaysia
Spectramind Inc.			USA
Wipro Chandrika Limited [b]			India
WMNETSERV Limited			Cyprus
	WMNETSERV (UK) Ltd.		UK
	WMNETSERV INC.		USA

All the above subsidiaries are 100% held by the Company except the following:

a) 66.67% held in Wipro Arabia Limited

b) 90% held in Wipro Chandrika Limited

[A] Step Subsidiary details of Infocrossing West, Inc., Infocrossing, LLC, and Unza Holdings Limited are as follows :

Step Subsidiaries	Step Subsidiaries		Country of Incorporation
Infocrossing West, Inc.			USA
	Infocrossing Services West, Inc.		USA
Infocrossing, LLC			USA
	Infocrossing Services Southeast, Inc.		USA
Unza Company Pte. Ltd.			Singapore
Unza Indochina Pte. Ltd.			Singapore
	Unza Vietnam Co. Ltd.		Vietnam
Unza Cathay Ltd.			Hong Kong
Unza China Ltd.			Hong Kong
	Dongguan Unza Consumer Products Ltd.		China
PT Unza Vitalis			Indonesia
Unza Thailand Limited			Thailand
Unza Overseas Ltd.			British virgin islands
Unza Africa Limited			Nigeria
Unza Middle East Ltd.			British virgin islands
Unza International Limited			British virgin islands
Positive Equity Sdn Bhd			Malaysia

Step Subsidiaries	Step Subsidiaries		Country of Incorporation
Unza Nusantara Sdn Bhd			Malaysia
	Unza Holdings Sdn Bhd		Malaysia
	Unza Malaysia Sdn Bhd		Malaysia
		UAA Sdn Bhd	Malaysia
	Manufacturing Services Sdn Bhd		Malaysia
		Shubido Pacific Sdn Bhd	Malaysia
	Gervas Corporation Sdn Bhd		Malaysia
		Gervas (B) Sdn Bhd	Malaysia
	Formapac Sdn Bhd		Malaysia

16. Related party relationships and transactions

The related parties are :

Name of the entity	Nature	% of holding	Country of Incorporation
Wipro Equity Reward Trust	Trust	Fully controlled trust	India
Wipro GE Healthcare Private Limited	Associate	49%	India
Azim Premji Foundation	Entity controlled by director		
Hasham Premji (partnership firm)	Entity controlled by director		
Azim Premji	Chairman and Managing Director		
Rishad Premji	Relative of the director		

During the year ended March 31, 2008 a relative of the Chairman of the Company, has been appointed to an office or place of profit after obtaining special resolution of the shareholders. The Company has obtained the approval of the Central Government under Section 314(1B) of the Companies Act, 1957.

The Company has the following related party transactions:

(Rs. in Million)

Sr. No.	Transaction/Balances	Associates		Entities controlled by Directors		Non-Executive Directors/ Key Management Personnel	
		2008	2007	**2008**	2007	**2008**	2007
1	Sale of goods	**19**	34	**4**	3		
2	Purchase of services	**1**			1		
3	Purchase of fixed assets		194				
4	**Payments to non-executive directors :**						
	Dr. Ashok Ganguly					**1**	1
	Narayan Vaghul					**1**	2
	Dr. Jagdish N. Sheth					**2**	2
	P. M. Sinha					**1**	1
	B. C. Prabhakar					**1**	1
	Bill Owens					**3**	3
5	**Payments to key management personnel**					**18**	37
6	**Balances as on March 31,**						
	Receivables	**40**	5				
	Payables		40				

The following are the significant transactions during the year ended March 31, 2008 and 2007:

(Rs. in Million)

	Sale of goods		Purchase of fixed assets	
	2008	2007	**2008**	2007
Wipro GE Healthcare Private Limited	**19**	29		
WeP Peripherals Limited *		5		194

* WeP Peripherals ceased to be an associate with effect from January 1, 2007. Transactions with WeP Peripherals are given above till the date the same ceased to be an associate.

17. Estimated amount of contracts remaining to be executed on capital accounts and contingent liabilities:

(Rs. in Million)

Particulars	As at March 31, **2008**	2007
Estimated amount of contracts remaining to be executed on Capital account and not provided for	**7,266**	2,854
Contingent liabilities in respect of :		
a) Disputed demands for excise duty, customs duty, income tax, sales tax and other matters	**333**	171
b) Performance and financial guarantees given by the Banks on behalf of the Company	**4,392**	3,013

18. Borrowings

During the year ended March 31, 2008, the Company entered into an arrangement with a consortium of banks to obtain External Commercial Borrowings (ECB). Pursuant to this arrangement the Company has availed ECB of approximately 35 billion Yen repayable in full in March 2013. The ECB is an unsecured borrowing and the Company is subject to certain customary restrictions on additional borrowings and quantum of payments for acquisitions in a financial year.

19. Income Tax

The provision for taxation includes tax liability in India on the Company's worldwide income. The tax has been computed on the worldwide income as reduced by the various deductions and exemptions provided by the Income tax act in India (Act) and the tax credit in India for the tax liabilities payable in foreign countries.

Most of the Company's operations are through units in Software Technology Parks ('STPs'). Income from STPs is eligible for 100% deduction for the earlier of 10 years commencing from the fiscal year in which the unit commences operations or March 31, 2009. The Company also has operations in Special Economic Zones (SEZ's). Income from SEZ's are eligible for 100% deduction for the first 5 years, 50% deduction for the next 5 years and 50% deduction for another 5 years subject to fulfilling certain conditions.

Pursuant to the amendments in the Act, the Company has calculated its tax liability after considering the provisions of law relating to Minimum Alternate Tax (MAT). As per the Act, any excess of MAT paid over the normal tax payable can be carried forward and set off against the future tax liabilities and accordingly the same is disclosed under 'Loans and Advances' in the balance sheet as of March 31, 2008.

i) Provision for tax has been allocated as follows :

(Rs. in Million)

Particulars	For the year ended March 31, **2008**	2007
Net Current tax*	**4,194**	3,533
Deferred tax	**62**	90
Fringe benefit tax	**294**	245
Total income taxes	**4,550**	3,868

* Current tax provision includes reversal of tax provision in respect of earlier periods no longer required amounting to Rs. 529 million for the year ended March 31, 2008 (2007 : Rs. 847 million) and Rs. (48) million for the quarter ended March 31, 2008 (2007 : Rs. 614 million).

ii) The components of the net deferred tax asset are as follows :

(Rs. in Million)

Particulars	**As of March 31,**	
	2008	2007
Fixed assets – depreciation differential	**(375)**	(47)
Accrued expenses and liabilities	**514**	295
Allowances for doubtful debts	**194**	217
Amortisable goodwill	**(472)**	(85)
Carry – forward business losses	**164**	210
Disqualified disposition of stock options	**444**	-
Others	**60**	-
Net – deferred tax assets	**529**	590

20. The segment information for the year ended March 31, 2008 and 2007 is as follows :

(Rs. in Million)

Particulars	Year ended March 31,		
	2008	2007	Growth %
Revenues			
IT Services	119,556	101,454	18%
Acquisitions	5,291	-	-
BPO Services	11,570	9,389	23%
Global IT Services and Products	**136,417**	**110,843**	**23%**
India and AsiaPac IT Services and Products	37,456	24,783	51%
Consumer Care and Lighting	15,207	8,160	86%
Others	11,691	7,022	66%
Eliminations	(1,196)	(1,057)	-
TOTAL	199,575	149,751	33%
Profit before Interest and Tax - PBIT			
IT Services	26,483	24,782	7%
Acquisitions	381	-	-
BPO Services	2,538	2,157	18%
Global IT Services and Products	**29,402**	**26,939**	**9%**
India and AsiaPac IT Services and Products	3,115	2,139	46%
Consumer Care and Lighting	1,900	1,006	89%
Others	770	322	139%
TOTAL	35,187	30,406	16%
Interest, (Net) and Other non-operating income	1,883	2,582	-
Profit Before Tax	37,070	32,988	12%
Income Tax expense including Fringe Benefit Tax	(4,550)	(3,868)	18%
Profit before Share in earnings of Associates and minority interest	**32,520**	**29,120**	**12%**
Share in earnings of associaties	333	295	-
Minority interest	(24)	6	-
PROFIT AFTER TAX	32,829	29,421	12%
Operating Margin			
IT Services	22%	24%	
Acquisitions	7%	-	
BPO Services	22%	23%	
Global IT Services and Products	**22%**	**24%**	
India and AsiaPac IT Services and Products	8%	9%	
Consumer Care and Lighting	12%	12%	
TOTAL	18%	20%	
CAPITAL EMPLOYED			
IT Services	54,532	46,454	
Acquisitions	26,395	-	
BPO Services	2,797	2,493	
Global IT Services and Products	**83,724**	**48,947**	
India and AsiaPac IT Services and Products	10,245	5,363	
Consumer Care and Lighting	17,292	2,957	
Others	50,659	42,582	
TOTAL	161,920	99,849	
CAPITAL EMPLOYED COMPOSITION			
IT Services	34%	47%	
Acquisitions	16%	-	
BPO Services	2%	2%	
Global IT Services and Products	**52%**	**49%**	
India and AsiaPac IT Services and Products	6%	5%	
Consumer Care and Lighting	11%	3%	
Others	31%	43%	
TOTAL	100%	100%	
RETURN ON AVERAGE CAPITAL EMPLOYED			
IT Services	52%	64%	
Acquisitions	3%	-	
BPO Services	96%	49%	
Global IT Services and Products	**44%**	**63%**	
India and AsiaPac IT Services and Products	40%	55%	
Consumer Care and Lighting	19%	48%	
TOTAL	27%	36%	

Notes to Segment Report

a) The segment report of Wipro Limited and its consolidated subsidiaries and associates has been prepared in accordance with the Accounting Standard (AS) 17 "Segment Reporting" issued by The Institute of Chartered Accountants of India.

b) Segment revenue includes certain exchange differences which are reported in other income, in the financial statements. PBIT for the quarter and year ended March 31, 2008 includes certain operating other income of Rs. 38 million and Rs. 409 million in Global IT Services and Products, Rs. 20 million and Rs. 63 million in India and AsiaPac IT Services and Products, Rs. 26 million and Rs. 71 million in Consumer Care and Lighting and Rs. 35 million and Rs. 281 million in Others which is not included in segment revenue.

c) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

d) PBIT for the quarter and year ended March 31, 2008 is after considering restricted stock unit amortisation of Rs. 291 million and Rs. 1,166 million (2007 : Rs. 42 million and 1078 million). PBIT of Global IT Services and Products for the quarter and year ended March 31, 2008 is after considering restricted stock unit amortisation of Rs. 243 million and Rs. 996 million (2007 : Rs. 30 million and Rs. 936 million).

e) Capital employed of segments is net of current liabilities which is as follows :

(Rs. in Million)

Name of the Segment	As of March 31,	
	2008	2007
Global IT Services and Products	20,705	18,656
India and AsiaPac IT Services and Products	9,751	7,601
Consumer Care and Lighting	3,382	1,537
Others	20,582	14,589
	54,420	42,383

f) Capital employed of 'Others' includes cash and cash equivalents including liquid mutual funds of Rs. 42,933 million (2007 : Rs. 42,652 million).

g) The Company has four geographic segments : India, USA, Europe 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 :

(Rs. in Million)

Geography	Year ended March 31,			
	2008	%	2007	%
India	48,847	24%	31,115	21%
USA	87,439	44%	72,702	49%
Europe	48,259	24%	36,972	25%
Rest of the World	15,030	8%	8,962	6%
Total	199,575	100%	149,751	100%

h) For the purpose of reporting, business segments are considered as primary segments and geographic segments are considered as secondary segments.

i) The acquisitions, made by Global IT Services and Products, consummated during the year ended March 31, 2006 and 2007 were reported separately in the segment report. The acquisitions have now been completely integrated into Global IT Services and Products and hence not reported separately in the segment report. Segment information for the previous periods has accordingly been reclassified on a comparable basis.

j) The Company designated forward contracts and options to hedge highly probable forecasted transactions based on the principles set out in International Accounting Standard (IAS 39) on Financial Instruments : Recognition and Measurement. Until March 31, 2007, the exchange differences on the forward contracts and gain/loss on such options were recognised in the profit and loss account in the periods in which the forecasted transactions were expected to occur.

Effective April 1, 2007, based on the recognition and measurement principles set out in the Accounting Standard (AS) 30 on Financial Instruments : Recognition and Measurement, the changes in the derivative fair values relating to forward contracts and options that are designated as effective cash flow hedges are recognised directly in shareholders' funds until the hedged transactions occur. Upon occurrence of the hedged transactions the amounts recognised in the shareholders' funds would be reclassified into the profit and loss account along with the underlying hedged forecasted transactions. During the year ended March 31, 2008 the Company has reclassified net exchange gains of Rs. 951 million along with the underlying hedged forecasted transaction. In addition, the Company also designates forward contracts as hedges of the net investment in non-integral foreign operations. The changes in the derivative fair values relating to forward contracts and options that are designated as net investments in non-integral foreign operations have been recognised directly in shareholders' funds within translation reserve. The gains/losses in shareholders' funds would be transferred to profit and loss account upon the disposal of non-integral foreign operations.

As of March 31, 2007, the Company had forward/option contracts to sell USD 87 million and as of March 31, 2008, the Company had forward/option contracts to sell USD 2,497 million, GBP 84 million, EUR 24 million and JPY 7,682 million relating to highly probable forecasted transactions. In addition, the Company had forward contracts to sell USD 281 million and EUR 65 million as of March 31, 2008 relating to net investments in non-integral foreign operations. As of March 31, 2008, the Company has recognised mark-to-market losses of Rs 1,097 million relating to forward contracts/options that are designated as effective cash flow hedges and mark-to-market losses of Rs 495 million relating to forward contracts/ options that are designated as net investments in non-integral foreign operations in shareholders' funds.

As of March 31, 2007, the Company had undesignated forward contracts/option contracts to sell USD 165 million, GBP 123 million and EUR 23 million and as of March 31, 2008, the Company had undesignated forward contracts/option contracts to sell USD 414 million, GBP 58 million and EUR 39 million. The mark-to-market gain/(losses) on such contracts have been recognised in the profit and loss account.

21. Corresponding figures for previous periods presented have been regrouped, where necessary, to confirm to the current period classification.

Pursuant to the exemption by the Department of Company affairs, Government of India, the Company is presenting summary financial information about individual subsidiaries as at March 31, 2008. The detailed financial statements, directors' report and auditors' report of the individual subsidiaries are available for inspection at the registered office of the Company. Upon written request from a shareholder we will arrange to deliver copies of the financial statement, directors' report and auditors' report for the individual subsidiaries.

The information relating to individual subsidiaries published in the previous annual report included information about certain subsidiaries at the respective group level. We have now presented the information relating to all our subsidiaries as at March 31, 2007, at the individual entity level.

Information relating to Subsidiaries as at March 31, 2007

Rs. in Million

Sr. No.	Name of the Subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities [excl. (2) & (3)]	% of Holding	Sales & Other Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (incl. dividend tax)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Wipro Infrastructure Engineering Limited	452	1,146	2,556	958	100%	4,030	581	197	384	-
2	Wipro Inc.	3,848	(270)	4,962	1,384	100%	4,470	397	11	386	-
3	Enthink Inc. (a)	105	(97)	17	8	100%	-	(1)	-	(1)	-
4	Wipro Japan KK	10	49	89	31	100%	200	26	1	25	-
5	Wipro Chandrika Limited	10	(85)	243	319	90%	-	(31)	-	(31)	-
6	Wipro Trademarks Holding Limited	1	23	174	150	100%	5	5	1	4	-
7	Wipro Travel Services Limited	1	14	76	62	100%	21	4	1	2	-
8	Wipro HealthCare IT Limited	34	(7)	101	75	100%	66	(28)	9	(37)	-
9	Spectramind Inc.	76	(29)	298	251	100%	211	22	-	22	-
10	Wipro Holdings (Mauritius) Limited	1,358	(3)	1,356	1	100%	-	(1)	-	(1)	-
11	Wipro Holdings (UK) Limited (b)	1,355	3	1,363	6	100%	2	2	-	2	-
12	Wipro Technologies UK Limited (c)	132	(110)	124	102	100%	135	81	2	79	-
13	Wipro Consumer Care Limited	1	(2)	1	2	100%	-	-	-	-	-
14	Cygnus Negri Investments Private Limited (d)	1	3	6	2	100%	-	-	-	-	-
15	Wipro Shanghai Limited	9	(14)	126	131	100%	242	21	-	21	-
16	MPower Software Services (India) Private Limited (e)	1	79	85	5	100%	8	5	1	4	-
17	MPact Technologies Services Private Limited (f)	1	529	632	102	100%	759	351	1	350	-
18	BVPENTE Beteiligungsverwaltung GmbH	2	1,038	1,109	69	100%	-	(1)	-	(1)	-
19	New Logic Technologies AG	1,144	(1,341)	449	646	100%	823	(351)	81	(432)	-
20	NewLogic Technologies SARL	-	59	275	216	100%	541	19	-	19	-
21	cMango Inc.	30	(60)	149	-	100%	457	(11)	(4)	(6)	-
22	cMango India	-	(6)	19	25	100%	19	(4)	-	(4)	-
23	cMango Pte Limited	-	21	25	4	100%	26	13	3	11	-
24	Wipro Cyprus Private Limited	2	4,910	5,036	123	100%	-	1	-	1	-
25	Wipro Technologies SRL	60	(13)	146	100	100%	-	(13)	-	(13)	-
26	Retail Box BV	4	327	333	2	100%	-	(4)	-	(4)	-
27	Enabler Infomatics SA	3	431	774	340	100%	1,043	151	39	111	-
28	Enabler Brasil Ltd.	10	17	77	49	100%	176	10	7	3	-
29	Enabler & Retail Consult Gmbh.	1	(24)	44	67	100%	83	(48)	(3)	(45)	-
30	Enabler France SAS	2	(17)	66	80	100%	128	(13)	(4)	(9)	-
31	Enbler UK Ltd.	-	180	313	133	100%	709	108	40	68	-
32	Wmnetserv UK Limited	9	(6)	37	35	100%	31	(6)	-	(6)	-
33	Wmnetserv Limited	111	39	177	27	100%	4	(24)	-	(24)	-
34	Quantech Global Services LLC	-	(272)	159	431	100%	337	(28)	-	(28)	-
35	Quantech Global Services Ltd.	1	13	142	128	100%	287	(37)	(3)	(40)	-
36	Wipro Technologies OY (formerly Saraware OY)	4	95	725	625	100%	1,001	72	(16)	88	-
37	Wipro Australia Pty Limited	1	-	1	-	100%	-	-	-	-	
38	3D Networks Pte Limited	807	(97)	823	114	100%	482	53	-	53	-
39	3D Networks (UK) Limited	7	(2)	16	11	100%	14	3	-	3	-
40	3D Networks FZ-LLC	1	13	58	45	100%	32	3	-	3	-
41	Planet PSG Pte Limited	42	(25)	52	35	100%	12	(10)	-	(10)	-
42	Planet PSG Sdn Bhd	-	(4)	15	19	100%	13	9	-	9	-
43	Hydrauto Medium cylinders Skelleftteas AB	156	(94)	847	785	100%	1,125	(41)	-	(41)	-
44	Hydrauto Engineering AB	2	(1)	19	19	100%	50	(4)	-	(4)	-
45	Hydrauto Light Cylinders Bispgarden AB	25	27	184	132	100%	223	14	-	14	-
46	Hydrauto Light Cylinders Ostersund AB	3	110	242	129	100%	215	10	-	10	-
47	Hydrauto Big Cylinders Ljungby AB	19	95	377	263	100%	528	27	1	26	-
48	Hydrauto Logistics AB	1	(7)	12	19	100%	29	(5)	-	(5)	-
49	Hydrauto Oy Ab Pernion	88	20	725	617	100%	759	(9)	(2)	(6)	-
50	Hydrauto Celka San ve Tic (l)	-	-	-	-	100%	-	-	-	-	-
51	WMNETSERV Inc (l)	-	-	-	-	100%	-	-	-	-	-
52	NewLogic Technologies Inc. (l)	-	-	-	-	100%	-	-	-	-	-
53	NewLogic Technologies S.A. (l)	-	-	-	-	100%	-	-	-	-	-

a) Majority owned by Wipro Inc.
b) Fully owned by Wipro Holdings (Mauritius) Limited
c) Fully owned by Wipro Holdings (UK) Limited
d) Fully owned by Wipro Trademarks Holdings Limited
e) Fully owned by Mpower Inc.
f) 51% held by Mpower Inc. & 49% held by Wipro Inc.
g) Fully owned by Wipro Holdings (UK) Limited
h) Fully owned by BVPENTE Beteiligungsverwaltung GmbH
i) Fully ovned by New Logic Technologies AG
j) Fully ovned by New Logic Technologies AG
k) Fully ovned by New Logic Technologies AG
l) These entities are not operative

Information relating to Subsidiaries as at March 31, 2008

Rs. in Million

Sr. No.	Name of the Subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities [excl. (2) & (3)]	% of Holding	Sales & Other Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (incl. dividend tax)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Wipro Inc.	12,874	(2,509)	26,518	16,153	100%	4,341	(385)	120	(505)	-
2	Enthink Inc. (a)	105	(94)	11	-	100%	-	-	-	-	-
3	Wipro Japan KK	10	56	87	21	100%	228	13	5	8	-
4	Wipro Chandrika Limited	10	(116)	229	335	90%	-	(31)	-	(31)	-
5	Wipro Trademarks Holding Limited	1	26	29	2	100%	5	5	2	3	-
6	Wipro Travel Services Limited	1	17	50	32	100%	28	6	3	3	-
7	Spectramind Inc.	84	(105)	394	415	100%	1	(57)	-	(57)	-
8	Wipro Holdings (Mauritius) Limited	1,357	(3)	1,356	2	100%	-	(1)	-	(1)	-
9	Wipro Holdings (UK) Limited (b)	1,355	24	1,644	265	100%	245	29	7	21	-
10	Wipro Technologies UK Limited (c)	132	(107)	297	273	100%	20	6	3	3	-
11	Wipro Consumer Care Limited	1	(2)	1	2	100%	-	-	-	-	-
12	Cygnus Negri Investments Private Limited (d)	1	3	6	2	100%	1	-	-	-	-
13	Wipro Shanghai Limited	9	(6)	187	184	100%	238	7	-	7	-
14	BVPENTE Beteiligungsverwaltung GmbH	2	1,286	1,298	10	100%	-	(2)	-	(2)	
15	New Logic Technologies AG	1,144	(954)	957	767	100%	1,080	374	-	374	-
16	NewLogic Technologies SARL	-	(386)	287	673	100%	107	(428)	2	(430)	-
17	cMango Pte Limited	-	18	29	10	100%	2	(3)	-	(3)	-
18	Wipro Cyprus Private Limited	5	15,039	30,639	15,594	100%	-	(179)	-	(179)	-
19	Wipro Technologies SRL	60	(76)	136	152	100%	34	(52)	-	(52)	-
20	Retail Box BV	4	327	332	-	100%	-	(1)	-	(1)	-
21	Enabler Infomatics SA	3	660	1,105	442	100%	1,637	254	76	178	-
22	Enabler Brasil Ltd.	10	28	116	78	100%	278	15	7	8	-
23	Enabler & Retail Consult Gmbh.	1	(74)	36	109	100%	99	(43)	-	(43)	-
24	Enabler France SAS	2	(54)	107	159	100%	121	(26)	6	(32)	-
25	Enbler UK Ltd.	-	213	300	87	100%	867	62	17	45	-
26	WMNETSERV UK Limited	9	5	105	91	100%	278	12	-	12	-
27	WMNETSERV Limited	1	(25)	65	89	100%	23	(65)	-	(65)	-
28	Wipro Technologies OY (formerly Saraware OY)	4	167	653	482	100%	828	55	5	50	-
29	3D Networks FZ-LLC	1	12	86	74	100%	-	-	-	-	-
30	3D Networks (UK) Limited	7	(0)	26	19	100%	12	3	1	2	-
31	3D Networks Pte Limited	807	(132)	1,369	695	100%	1,311	92	18	74	-
32	Planet PSG Pte Limited	42	(34)	49	42	100%	33	(9)	-	(9)	-
33	Planet PSG Sdn Bhd	-	(10)	12	22	100%	5	(5)	-	(5)	-
34	Wipro Infrastructure Engineering Oy (formerly Hydrauto Oy Ab Pernion)	88	114	839	637	100%	1,907	80	5	76	-
35	Wipro Infrastructure Engineering AB (formerly Hydrauto Group Ab)	48	491	2,179	1,640	100%	5,148	42	2	39	-
36	Infocrossing EAS, Inc.	-	477	507	30	100%	688	(22)	-	(22)	-
37	Infocrossing Inc	10	(4,297)	10,018	14,306	100%	1,254	(4,196)	(317)	(3,879)	-
38	Infocrossing Services, Inc.	-	1,749	1,750	1	100%	403	47	-	47	-
39	Infocrossing Healthcare Services, Inc.	-	4,298	4,500	202	100%	2,413	456	-	456	-
40	Infocrossing, LLC	-	4,990	5,732	742	100%	5,518	456	-	456	-
41	Infocrossing iConnection, Inc.	-	62	188	126	100%	127	(19)	-	(19)	-
42	Infocrossing Services Southeast, Inc.	-	1,072	1,072	-	100%	137	(16)	-	(16)	-
43	Infocrossing West, Inc.	-	(689)	1,934	2,624	100%	636	(159)	-	(159)	-
44	Infocrossing Services West, Inc.	-	2,585	2,586	1	100%	951	177	-	177	-
45	Unza Cathay Limited	56	22	158	80	100%	361	13	1	11	-
46	Unza Overseas Ltd	-	48	57	9	100%	118	-	-	-	-
47	Unza Middle East Ltd	-	63	134	71	100%	359	12	-	12	-

48	Unza Africa Limited	-	4	29	25	100%	155	5	1	4	-
49	Unza China Limited	114	13	161	34	100%	22	15	-	15	-
50	Dongguan Unza Consumer Products Ltd	329	(35)	811	517	100%	1,311	(35)	(4)	(31)	-
51	Unza Thailand Limited	34	(84)	17	67	100%	39	(14)	-	(14)	-
52	Unza Company Pte Ltd	57	(49)	87	79	100%	239	(3)	(1)	(2)	-
53	Unza Indochina Pte Ltd	86	147	243	11	100%	143	97	9	89	-
54	Unza Vietnam Company Limited	26	210	391	155	100%	967	158	49	109	-
55	PT Unza Vitalis	239	30	803	535	100%	951	48	15	33	-
56	Unza International Limited	441	1,160	1,616	16	100%	109	73	-	73	-
57	Unza Nusantara sdn Bhd	1,192	815	4,087	2,080	100%	471	154	40	114	-
58	Positive Equity Sdn Bhd	-	-	-	-	100%	-	-	-	-	-
59	Unza Malaysia Sdn Bhd	55	276	1,039	708	100%	2,779	235	56	179	-
60	UAA Sdn Bhd	2	178	893	712	100%	2,866	39	9	29	-
61	Manufacturing Services Sdn Bhd	4	180	518	333	100%	1,518	55	10	45	-
62	Shubido Pacific Sdn Bhd	47	37	118	34	51%	145	23	5	18	17
63	Formapac Sdn Bhd	36	104	300	160	100%	480	10	4	6	-
64	Gervas Corporation Sdn Bhd	19	5	147	124	100%	782	(10)	-	(10)	-
65	Gervas (B) Sdn Bhd	-	17	19	2	100%	22	-	-	-	-
66	Unza Holdings Sdn Bhd	-	2,370	2,370	-	100%	-	-	-	-	-
67	Unza Holding Ltd	1,489	(264)	4,576	3,351	100%	161	(18)	-	(18)	-
68	Wipro Technologies S.A DE C. V	41	(3)	127	89	100%	71	(3)	-	(3)	-
69	Wipro Singapore Pte Limited	10,711	-	10,768	57	100%	1	-	-	-	-
70	Wipro Australia Pty Limited	1	4	29	25	100%	25	4	-	4	-
71	Wipro Arabia Limited	164	101	449	183	100%	543	111	6	105	-
72	Wipro Holdings Hungary Korlatolt Felel.sseg. Tarsasag	14,058	409	14,496	28	100%	442	439	30	409	-
73	Wipro Technocentre (Singapore) Pte Limited	54	34	121	33	100%	262	27	(1)	28	-
74	Wipro BPO Philippines Ltd. Inc	91	(5)	87	1	100%	-	(9)	-	(9)	-
75	Wipro Technologies Limited, Russia (e)	-	-	-	-	100%	-	-	-	-	-
76	Hydrauto Celka San ve Tic (f)	-	-	-	-	100%	-	-	-	-	-
77	WMNETSERV Inc (f)	-	-	-	-	100%	-	-	-	-	-

a) Majority owned by Wipro Inc.
b) Fully owned by Wipro Holdings (Mauritius) Limited
c) Fully owned by Wipro Holdings (UK) Limited
d) Fully owned by Wipro Trademarks Holding Limited
e) Wipro Technologies Russia was registered during the year and is yet to commence operations.
f) Hydrauto Celka San ve Tic and WMNETSERV are not operative.

REPORT OF AUDIT COMMITTEE

The Board of Directors and Stockholders of Wipro Limited

In connection with the March 31, 2008 consolidated financial statements prepared under United States Generally Accepted Accounting Principles, the Audit Committee : (1) reviewed and discussed the consolidated financial statements with management; (2) discussed with the auditors the matters required by Statement on Auditing Standards No. 114, and the Sarbanes-Oxley Act of 2002; and (3) reviewed and discussed with the auditors the matters required by NYSE Listing Standards. Based upon these reviews and discussions, the Audit Committee recommended to the board of directors that the audited consolidated financial statements be included in the Annual Report on Form 20-F to be filed with the Securities and Exchange Commission of the United States of America.

Bangalore, India	**N. Vaghul**	**P. M. Sinha**	**B. C. Prabhakar**
May 27, 2008	Chairman	Member	Member

INTERNAL CONTROL OVER FINANCIAL REPORTING

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting of the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

The company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management concluded that the Company's internal control over financial reporting was effective as of March 31, 2008.

Management's assessment does not include an assessment of the internal control over financial reporting of two entities acquired during the year ended March 31, 2008, Infocrossing Inc. and subsidiaries (Infocrossing) and Unza Holdings Limited and subsidiaries (Unza), associated with total assets amounting Rs. 10,604 million and total revenues amounting Rs. 9,986 million included in the consolidated financial statements of the Company as of and for the year ended March 31, 2008 respectively.

Our independent registered public accounting firm, KPMG, has audited the consolidated financial statements in this annual report on Form 20-F, and as part of their audit, has issued their report, included herein, on the effectiveness of our internal control over financial reporting as of March 31, 2008.

	Azim H. Premji	**S.C. Senapaty**
Bangalore, India	*Chairman &*	*Chief Financial Officer &*
May 27, 2008	*Chief Executive Officer*	*Director*

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Wipro Limited

We have audited Wipro Limited and subsidiaries' (the "Company") internal control over financial reporting as of March 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The management of the Company is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2008, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company acquired Infocrossing Inc. and subsidiaries (Infocrossing) and Unza Holdings Limited and subsidiaries (Unza) during the year ended March 31, 2008 and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of March 31, 2008, Infocrossing and Unza's internal control over financial reporting associated with total assets of Rs. 10,604 million and total revenues of Rs. 9,986 million included in the consolidated financial statements of the Company as of and for the year ended March 31, 2008. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Infocrossing and Unza.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of March 31, 2008 and 2007, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended March 31, 2008, and our report dated May 27, 2008 expressed an unqualified opinion on those consolidated financial statements.

KPMG
Bangalore, India
May 27, 2008

REPORT OF MANAGEMENT ON CONSOLIDATED FINANCIAL STATEMENTS

Management of Wipro is responsible for the integrity and objectivity of the consolidated financial statements and related notes. The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and include amounts based on judgments and estimates by management. Management is also responsible for the accuracy of the related data in the annual report and its consistency with the financial statements.

Management maintains internal control systems designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and properly recorded, and accounting records are adequate for preparation of financial statements and other financial information. These are reviewed at regular intervals to ascertain their adequacy and effectiveness.

In addition to the system of internal controls, the Company has articulated its vision and core values which permeate all its activities. It also has corporate policies to ensure highest standards of integrity in all business transactions, eliminate possible conflicts of interest, ensure compliance with laws, and protect confidentiality of proprietary information. These are reviewed at periodic intervals.

The consolidated financial statements have been audited by the Company's independent registered public accounting firm, KPMG. Their responsibility is to audit these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and express their opinion on the fairness of presentation of the statements.

The Audit Committee of the board comprised entirely of independent directors conducts an ongoing appraisal of the independence and performance of the Company's internal and external auditors and monitors the integrity of Company's financial statements. The Audit Committee meets several times during the year with management, internal auditors and the independent registered public accounting firm to discuss audit activities, internal controls and financial reporting matters.

	Azim H. Premji	**S.C. Senapaty**
Bangalore, India	*Chairman &*	*Chief Financial Officer &*
May 27, 2008	*Chief Executive Officer*	*Director*

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Wipro Limited

We have audited the accompanying consolidated balance sheets of Wipro Limited and subsidiaries (the Company) as of March 31, 2008 and 2007, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended March 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2008 and 2007, and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 2008, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of March 31, 2008, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated May 27, 2008 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

KPMG
Bangalore, India
May 27, 2008

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

	As of March 31,		
	2007	2008	2008 Convenience translation into US $ (Unaudited)
ASSETS			
Current assets :			
Cash and cash equivalents (Note 4)	Rs. 12,412	39,270	$ 981
Restricted cash (Note 16)	7,238	-	-
Investments in liquid and short-term mutual funds (Note 8)	32,410	14,808	370
Accounts receivable, net of allowances (Note 5)	28,083	38,908	972
Unbilled revenue	5,096	8,305	208
Inventories (Note 6)	4,150	7,172	179
Deferred income taxes (Note 21)	382	790	20
Other current assets (Note 7)	10,502	19,092	477
Total current assets	100,273	128,345	3,207
Property, plant and equipment, net (Note 9)	26,541	39,822	995
Investments in affiliates (Note 13)	1,242	1,343	34
Investment securities	357	355	9
Deferred income taxes (Note 21)	49	-	-
Intangible assets, net (Note 10)	2,663	12,480	312
Goodwill (Note 3, 10)	12,706	38,943	973
Other assets (Note 7)	2,253	3,214	80
Total assets	Rs. 146,084	Rs. 224,502	$ 5,610
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities :			
Short-term borrowings (Note 15)	Rs. 2,893	28,804	$ 720
Current portion of long-term debt (Note 15)	328	406	10
Current portion of obligations under capital leases (Note 9)	7	323	8
Accounts payable	9,519	13,082	327
Accrued expenses	5,139	8,110	203
Accrued employee costs	5,187	5,160	129
Advances from customers	1,315	2,136	53
Unearned revenue	1,818	4,162	104
Other current liabilities (Note 11)	16,623	12,519	313
Total current liabilities	42,829	74,702	1,867
Long-term debt, excluding current portion (Note 15)	536	14,522	363
Obligations under capital leases, excluding current portion (Note 9)	17	701	18
Deferred income taxes (Note 21)	464	2,098	52
Other liabilities (Note 11)	770	3,011	75
Total liabilities	44,616	95,034	2,375
Minority interest	-	114	3
Stockholders' equity :			
Equity shares at Rs. 2 par value : 1,650,000,000 shares authorized; Issued and outstanding : 1,458,999,650 and 1,461,453,320 shares as of March 31, 2007 and 2008 (Note 16, 17)	2,918	2,923	73
Additional paid-in capital (Note 22)	24,508	26,441	661
Accumulated other comprehensive income/(loss)	94	(1,076)	(27)
Retained earnings (Note 18)	73,948	101,066	2,525
Equity shares held by a controlled Trust : 7,961,760 shares as of March 31, 2007 and 2008 (Note 22)	-	-	-
Total stockholders' equity	101,468	129,354	3,235
Total liabilities and stockholders' equity	Rs. 146,084	Rs. 224,502	$ 5,610

See accompanying notes to the consolidated financial statements.

WIPRO LIMITED AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

(in millions, except share and per share data)

	Year ended March 31,			
	2006	2007	2008	2008 Convenience translation into US $ (Unaudited)
Revenues :				
Global IT Services and Products				
IT Services and Products	Rs. 73,061	Rs. 101,509	Rs. 124,599	3,113
BPO Services	7,664	9,413	11,588	290
India and AsiaPac IT Services and Products				
Services	6,097	8,368	12,031	301
Products	10,380	15,520	22,497	562
Consumer Care and Lighting	5,625	7,558	14,639	366
Others	3,280	7,063	12,074	302
Total	106,107	149,431	197,428	4,933
Cost of revenues :				
Global IT Services and Products				
IT Services and Products	46,986	66,818	85,865	2,146
BPO Services	5,810	6,173	7,674	192
India and AsiaPac IT Services and Products				
Services	3,549	4,612	6,749	169
Products	9,286	13,943	19,864	496
Consumer Care and Lighting	3,556	4,905	8,683	217
Others	2,460	5,749	9,996	249
Total	71,647	102,200	138,831	3,469
Gross profit	34,460	47,231	58,597	1,464
Operating expenses :				
Selling and marketing expenses	(6,764)	(9,173)	(13,807)	(345)
General and administrative expenses	(5,239)	(7,639)	(10,820)	(270)
Research and development expenses	(202)	(268)	(405)	(10)
Amortization of intangible assets (Note 10)	(64)	(269)	(616)	(15)
Foreign exchange gains/(losses), net	(208)	(197)	125	3
Others, net	70	221	640	16
Operating income	22,053	29,906	33,714	842
Other income, net (Note 19)	1,196	2,628	2,167	54
Equity in earnings/(losses) of affiliates (Note 13)	288	318	257	6
Income before income taxes, minority interest and cumulative effect of change in accounting principle	23,537	32,852	36,138	903
Income taxes (Note 21)	(3,265)	(3,723)	(3,873)	(97)
Minority interest	(1)	-	(24)	(1)
Income before cumulative effect of change in accounting principle	20,271	29,129	32,241	806
Cumulative effect of change in accounting principle (Note 2)	-	39	-	-
Net income	Rs. 20,271	Rs. 29,168	Rs. 32,241	$ 806
Earnings per equity share : (Note 23)				
Basic				
Income before cumulative effect of change in accounting principle	14.41	20.42	22.23	0.56
Cumulative effect of change in accounting principle	-	0.03	-	-
Net income	14.41	20.45	22.23	0.56
Diluted				
Income before cumulative effect of change in accounting principle	14.24	20.17	22.16	0.55
Cumulative effect of change in accounting principle	-	0.03	-	-
Net income	14.24	20.20	22.16	0.55
Weighted-average number of equity shares used in computing earnings per equity share :				
Basic	1,406,505,974	1,426,709,163	1,450,604,615	
Diluted	1,423,679,230	1,444,467,557	1,454,780,607	

See accompanying notes to the consolidated financial statements

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

	Equity Shares		Additional			Accumulated		Equity Shares held by a Controlled Trust		Total
	No. of Shares	Amount	Paid in Capital	Deferred Stock Compensation	Comprehensive Income	Other Comprehensive Income/(loss)	Retained Earnings	No. of Shares	Amount	Stockholders' Equity
Balance as of March 31, 2005	1,407,141,044	Rs. 1,407	Rs. 13,273	Rs. (3,185)	-	Rs. 96	Rs. 45,138	(7,893,060)	Rs. -	Rs. 56,729
Cash dividends (Note 16)	-	-	-	-	-	-	(3,998)	-	-	(3,998)
Issuance of equity shares on exercise of options (Note 22)	18,613,223	33	4,671	-	-	-	-	-	-	4,704
Stock split effected in the form of stock dividend (Note 17)	-	1,412	(1,161)	-	-	-	(251)	-	-	-
Equity shares granted to employees by Trust	-	-	-	-	-	-	-	24,000	-	-
Reversal related to employee stock incentive plan, net of issuances (Note 22)	-	-	(331)	299	-	-	-	-	-	(32)
Amortization of compensation related to employee stock incentive plan.	-	-	-	684	-	-	-	-	-	684
Excess income tax benefit related to employee stock incentive plan	-	-	69	-	-	-	-	-	-	69
Comprehensive income										
Net income	-	-	-	-	Rs. 20,270	-	20,270	-	-	20,270
Other comprehensive income/(loss)										
Translation adjustments	-	-	-	-	20	-	-	-	-	-
Unrealized gain/(loss) on investment securities, net (net of tax effect of Rs. 115)	-	-	-	-	229	-	-	-	-	-
Unrealized gain/(loss) on cash flow hedging derivatives, net (Note 14)	-	-	-	-	89	-	-	-	-	-
Total other comprehensive income/(loss)	-	-	-	-	338	338	-	-	-	338
Comprehensive income	-	-	-	-	Rs. 20,608	-	-	-	-	-
Balance as of March 31, 2006	1,425,754,267	Rs. 2,852	Rs. 16,521	Rs. (2,202)	-	Rs. 434	Rs. 61,161	(7,869,060)	Rs. -	Rs. 78,764
Cash dividends (Note 16)	-	-	-	-	-	-	(16,382)	-	-	(16,382)
Elimination of deferred stock compensation balance on adoption of SFAS No. 123 (R) (Note 2)	-	-	(2,202)	2,202	-	-	-	-	-	-
Cumulative effect of change in accounting principle (Note 2)	-	-	(39)	-	-	-	-	-	-	(39)
Issuance of equity shares on exercise of options (Note 22)	32,095,328	64	8,830	-	-	-	-	-	-	8,894
Issuance of equity shares on exercise of options through non-recourse note (Note 22)	1,150,055	2	(2)	-	-	-	-	-	-	-
Equity shares forfeited, net of issuance by Trust	-	-	-	-	-	-	-	(92,700)	-	-
Compensation cost related to employee stock incentive plan	-	-	1,336	-	-	-	-	-	-	1,336
Excess income tax benefit related to employees stock incentive plan.	-	-	65	-	-	-	-	-	-	65
Comprehensive income										
Net income	-	-	-	-	Rs. 29,169	-	29,169	-	-	29,169
Other comprehensive income/(loss)										
Translation adjustments	-	-	-	-	(131)	-	-	-	-	-
Unrealized gain on investment securities, net (net of tax effect of Rs. 25)	-	-	-	-	45	-	-	-	-	-
Unrealized gain/(loss) on cash flow hedging derivatives, net (Note 14)	-	-	-	-	(130)	-	-	-	-	-
Total other comprehensive income/(loss)	-	-	-	-	(216)	(216)	-	-	-	(216)
Comprehensive income	-	-	-	-	Rs. 28,953	-	-	-	-	-
Adjustment to initially apply SFAS No. 158 (net of tax effect of Rs. 18)	-	-	-	-	-	(124)	-	-	-	(124)
Balance as of March 31, 2007	1,458,999,650	Rs. 2,918	Rs. 24,508	Rs. -	-	Rs. 94	Rs. 73,948	(7,961,760)	Rs. -	Rs. 101,468
Cash dividends (Note 16)	-	-	-	-	-	-	(5,123)	-	-	(5,123)
Issuance of equity shares on exercise of options (Note 22)	2,453,670	5	687	-	-	-	-	-	-	692
Compensation cost related to employee stock incentive plan	-	-	1,076	-	-	-	-	-	-	1,076
Gain on sale of long-lived assets to the controlling shareholder, (net of tax effect Rs. 52)	-	-	102	-	-	-	-	-	-	102
Excess income tax benefit related to employees stock incentive plan	-	-	68	-	-	-	-	-	-	68
Comprehensive income										
Net income	-	-	-	-	32,241	-	32,241	-	-	32,241
Other comprehensive income/(loss)										
Translation adjustments	-	-	-	-	110	-	-	-	-	-
Unrecognized actuarial gain/(loss), net (net of tax effect of Rs. (17))	-	-	-	-	(59)	-	-	-	-	-
Unrealized gain/(loss) on investment securities, net (net of tax effect of Rs. (25))	-	-	-	-	(52)	-	-	-	-	-
Unrealized gain/(loss) on cash flow hedging derivatives, net (Note 14)	-	-	-	-	(1,169)	-	-	-	-	-
Total other comprehensive income/(loss)	-	-	-	-	(1,170)	(1,170)	-	-	-	(1,170)
Comprehensive income	-	-	-	-	31,071	-	-	-	-	-
Balance as of March 31, 2008	1,461,453,320	Rs. 2,923	Rs. 26,441	Rs. -	-	Rs. (1,076)	Rs. 101,066	(7,961,760)	Rs. -	Rs. 129,354
Balance as of March 31, 2008 ($) (Unaudited)	-	$ 73	$ 661	$ -	-	$ (27)	$ 2,525	-	$ -	$ 3,232

See accompanying notes to the consolidated financial statements

WIPRO LIMITED AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year ended March 31,			
	2006	2007	2008	2008 Convenience translation into US $ (Unaudited)
Cash flows from operating activities :				
Net income	Rs. 20,271	Rs. 29,168	Rs. 32,241	$ 806
Adjustments to reconcile net income to net cash provided by operating activities :				
Gain on sale of property, plant and equipment	(8)	(10)	(20)	(1)
Cumulative effect of change in accounting principle	-	(39)	-	-
Depreciation and amortization	3,195	4,309	6,067	152
Deferred tax expense/(benefit)	15	(29)	(409)	(10)
Unrealized exchange gain/(loss)	75	470	(596)	(15)
Gain on sale of investment securities, net	(238)	(549)	(771)	(19)
Stock based compensation	652	1,336	1,076	27
Excess income tax benefit related to employee stock incentive plan	69	-	-	-
Equity in earnings of affiliates	(288)	(318)	(257)	(6)
Minority interest	1	-	24	1
Changes in operating assets and liabilities :				
Accounts receivable	(5,363)	(6,167)	(7,720)	(193)
Unbilled revenue	(1,596)	(760)	(3,208)	(80)
Inventories	(295)	(1,060)	(1,842)	(46)
Other assets	(2,284)	(2,152)	(7,738)	(194)
Accounts payable	28	1,497	2,211	55
Accrued expenses and employee costs	3,991	893	4,157	104
Advances from customers and unearned revenue	337	1,384	3,153	79
Other liabilities	1,630	2,188	(1,773)	(45)
Net cash provided by operating activities	20,192	30,161	24,595	615

	Year ended March 31,			
	2006	2007	2008	2008 Convenience translation into US $ (Unaudited)
Cash flows from investing activities :				
Expenditure on property, plant and equipment	(7,486)	(11,392)	(14,674)	(367)
Proceeds from sale of property, plant and equipment	113	149	479	12
Dividends received from affiliates	14	-	-	-
Purchase of investments	(58,707)	(123,726)	(231,684)	(5,789)
Proceeds from sale of investments	52,043	121,542	250,013	6,247
Investments in interest-bearing deposits	(500)	(250)	(500)	(12)
Redemption of interest-bearing deposits	-	100	650	16
Payment for acquisitions, net of cash acquired	(2,777)	(7,800)	(32,789)	(819)
Net cash used in investing activities	(17,300)	(21,377)	(28,505)	(712)
Cash flows from financing activities :				
Proceeds from issuance of equity shares	4,767	8,894	692	17
Proceeds from issuance of equity shares by a subsidiary	-	-	55	1
Proceeds/(repayment) from/of short-term borrowings from banks, net	(196)	1,825	21,370	534
Proceeds from long-term debt	-	147	15,087	377
Repayment of long-term debt and capital lease obligation	(268)	-	(1,081)	(27)
Payment of cash dividends	(3,998)	(8,873)	(5,393)	(135)
Movement in restricted cash relating to cash dividends	-	(7,238)	-	-
Excess income tax benefit related to employee stock incentive plan	-	65	68	2
Net cash provided by/(used in) financing activities	305	(5,180)	30,798	770
Effect of exchange rate changes on cash	(10)	(50)	(30)	(1)
Net increase in cash and cash equivalents during the year	3,197	3,604	26,888	672
Cash and cash equivalents at the beginning of the year	5,671	8,858	12,412	310
Cash and cash equivalents at the end of the year	Rs. 8,858	Rs. 12,412	Rs. 39,270	981
Supplementary information :				
Cash paid for interest	Rs. 35	Rs. 125	Rs. 1,440	$ 36
Cash paid for taxes	4,543	4,252	5,459	136
Property, plant and equipment acquired under capital lease obligation	-	1	124	3

See accompanying notes to the consolidated financial statements

Index of Notes to Accounts

WIPRO LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions, except share data and where otherwise stated)

1. Overview

Wipro Limited (Wipro), together with its subsidiaries (collectively, the Company) is a leading India based provider of IT Services and Products, including Business Process Outsourcing (BPO) services, globally. Further, Wipro has other businesses such as India and AsiaPac IT Services and Products and Consumer Care and Lighting. Wipro is headquartered in Bangalore, India.

2. Significant Accounting Policies

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Basis of preparation of financial statements. The accompanying consolidated financial statements of the Company have been prepared in accordance with U.S. GAAP.

Functional currency and exchange rate translation. The functional currency of Wipro and its domestic subsidiaries is the Indian rupee, the national currency of India. The functional currency of Wipro's foreign subsidiaries is determined based on an evaluation of the individual and collective economic factors as discussed in Statement of Financial Accounting Standard (SFAS) No. 52, Foreign Currency Translation. The assets and liabilities of subsidiaries that have local functional currency are translated into Indian rupees at the exchange rate in effect at the balance sheet date. Revenue and expense accounts are translated at monthly weighted-average exchange rate for the respective periods. The gains or losses resulting from such translation are reported as a separate component of stockholders' equity under accumulated other comprehensive income.

Foreign currency transactions are translated into the functional currency at the rates of exchange prevailing on the date of respective transactions. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rates prevailing on the balance sheet date. The resulting exchange gains/(losses) are included in the statement of income. Such gains/(losses) relating to debt denominated in foreign currency are included in Other income, net. All other exchange gains/(losses) are reported in comprehensive income/(loss) as a component of Operating income.

Convenience translation. The accompanying consolidated financial statements have been reported in Indian rupees, the national currency of India. Solely for the convenience of the readers, the financial statements as of and for the year ended March 31, 2008, have been translated into US dollars at the noon buying rate in New York City on March 31, 2008, for cable transfers in Indian rupees, as certified for customs purposes by the Federal Reserve Bank of New York of $ 1 = Rs. 40.02. 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.

Principles of consolidation. The consolidated financial statements include the financial statements of Wipro and all of its subsidiaries, which are more than 50% owned and controlled. All inter-company accounts and transactions are eliminated on consolidation. The Company accounts for investments by the equity method where its investment in the voting stock gives it the ability to exercise significant influence over the investee.

Cash equivalents. The Company considers investments in highly liquid instruments that are purchased with remaining maturities, of three months or less to be cash equivalents.

Revenue recognition. Revenue from services, as rendered, are recognized when persuasive evidence of an arrangement exists, the sales price is fixed or determinable and collectibility is reasonably assured. Revenues from software development services comprise revenues from time-and-material and fixed-price contracts. Revenue on time-and-material contracts is recognized as the related services are performed. Revenue from fixed-price, fixed-time frame contracts is recognized in accordance with the percentage of completion method. Guidance has been drawn from the Accounting Standards Executive Committee's conclusion in paragraph 95 of Statement of Position (SOP) 97-2, Software Revenue Recognition, to account for revenue from fixed price arrangements for software development and related services in conformity with SOP 81-1, Accounting for Performance of Construction-Type and Certain Production-Type Contracts. The input (cost expended) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. Maintenance revenue is recognized ratably over the term of the agreement. Revenue from other services is recognized as the related service is performed, generally using the proportionate completion method.

Revenue from sale of third-party software products is recognized in accordance with SOP 97-2, Software Revenue Recognition. In multiple element software arrangements, revenue is allocated to each element based on fair value. The fair value of elements within the scope of SOP 97-2 is determined using Vendor-Specific Objective Evidence (VSOE). In the absence of VSOE for all elements, the residual method is used where VSOE exists for all the undelivered elements. Where VSOE of the undelivered element cannot be determined, revenue for the delivered elements is deferred until the undelivered elements are delivered. If sufficient VSOE does not exist to allocate revenue to the elements and Post-Contract Customer Support (PCS) is the only undelivered element, the entire arrangement fee is recognized ratably over the PCS term.

Revenues from BPO Services are derived from both time-based and unit-priced contracts. Revenue is recognized as the related services are performed, in accordance with the specific terms of the contract with the customers. Revenue and costs attributable to certain process transition activities are deferred where such activities do not represent the culmination of a separate earnings process. Such revenue and related costs are recognized ratably over the period in which the related services are performed. Deferred costs are limited to the amount of deferred revenues.

Revenue from sale of products is recognized when persuasive evidence of an arrangement exists, the product has been delivered in accordance with sales contract, the sales price is fixed or determinable and collectibility is reasonably assured.

For all revenue arrangements with multiple deliverables, based on the guidance in EITF Issue No. 00-21 the Company recognizes revenues on the delivered products or services only if :

- The revenue recognition criteria applicable to the unit of accounting is met;
- The delivered element has value to the customer on a standalone basis. The delivered unit will have value on a standalone basis if it is being sold separately by other vendors or the customer could resell the deliverable on a standalone basis;
- There is objective and reliable evidence of the fair value of the undelivered item(s); and
- If the arrangement includes a general right of return relative to the delivered item, delivery or performance of the undelivered item(s) is considered probable and substantially in control of the Company.

The arrangement consideration is allocated to the units of accounting based on their fair values. The revenue recognized for the delivered items is limited to the amount that is not contingent upon the delivery or performance of the undelivered items.

In certain cases, the application of the contingent revenue provisions of EITF Issue No. 00-21 could result in recognizing a loss on the delivered element. In such cases, the cost recognized is limited to the amount of non-contingent revenues recognized and the balance costs are recorded as an asset and are reviewed for impairment based on the estimated net cash flows to be received for future deliverables under the contract. These costs are subsequently recognized on recognition of the revenue allocable to the remaining deliverables.

Revenues are shown net of excise duty, sales tax, value added tax, service tax and applicable discounts and allowances.

Recurring operating costs are expensed as incurred. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Company periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized. Costs that are incurred for a specific anticipated software development services contract and that will result in no future benefits unless the contract is obtained are not included in contract costs. However, such costs are deferred only if the cost can be directly associated with a specific anticipated contract and the recoverability from that contract is deemed to be probable.

When the Company receives advance payments from customers for sale of products or provision of services, such payments are reported as advances from customers until all conditions for revenue recognition are met.

The Company accounts for volume discounts and pricing incentives to customers using the guidance in EITF Issue 01-09, Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products). The discount terms in the Company's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Company recognizes discount obligations as a reduction of revenue based on the ratable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount. The Company recognizes the liability based on its estimate of the customer's future purchases. If the Company cannot reasonably estimate the customer's future purchases, then the liability is recorded based on the maximum potential level of discount. The Company recognizes changes in the estimated amount of obligations for discounts using a cumulative catch-up adjustment.

Warranty costs. The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.

Shipping and handling costs. Shipping and handling costs are included in selling and marketing expenses.

Inventories. Inventories are stated at the lower of cost and market value. Cost is determined using the weighted-average method for all categories of inventories.

Investment securities. The Company classifies its debt and equity securities in one of the three categories : trading, held-to-maturity or available-for-sale, at the time of purchase and re-evaluates such classifications as of each balance sheet date. Trading and available-for-sale securities are recorded at fair value. Held-to-maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts. Unrealized holding gains and losses on trading securities are included in income. Temporary unrealized holding gains and losses, net of the related tax effect, on available-for-sale securities are excluded from income and are reported as a part of other comprehensive income/(loss) in stockholders' equity until realized. Realized gains and losses from the sale of trading and available-for-sale securities are determined on a first-in-first out basis and are included in income. A decline in the fair value of any available-for-sale or held-to-maturity security below cost that is deemed to be other than temporary results in a reduction in carrying amount to fair value with a charge to the income statement. Fair value for mutual fund units is based on published per unit value, which is the basis for current transactions. Non-readily marketable equity securities for which there is no readily determinable fair value are recorded at cost, subject to an impairment charge to the income statement for any other than temporary decline in value.

Investments in affiliates. The Company's equity in the earnings/(losses) of affiliates is included in the statement of income and the Company's share of net assets of affiliates is included in the balance sheet.

Shares issued by subsidiary/affiliate. The issuance of stock by a subsidiary/affiliate to third parties reduces the proportionate ownership interest in the investee. Unless the issuance of such stock is part of a broader corporate reorganization or unless realization is not assured, the Company recognizes a gain or loss, equal to the difference between the issuance price per share and the Company's carrying amount per share. Such gain or loss is recognized in the statement of income when the transaction occurs.

Property, plant and equipment. Property, plant and equipment are stated at cost. The Company depreciates property, plant and equipment over the estimated useful life using the straight-line method. Assets under capital lease and leasehold improvements are amortized over the shorter of estimated useful life or the related lease term. The estimated useful lives of assets are as follows :

Buildings	30 to 60 years
Plant and machinery	2 to 21 years
Computer equipment	2 to 6 years
Furniture, fixtures and equipment	3 to 10 years
Vehicles	4 years
Computer software	2 to 6 years

Software for internal use is primarily acquired from third-party vendors and is in ready to use condition. Costs for acquiring this software are capitalized and subsequent costs are charged to the statement of income. The capitalized costs are amortized on a straight-line basis over the estimated useful life of the software.

Deposits paid towards the acquisition of property, plant and equipment outstanding as of each balance sheet date and the cost of property, plant and equipment not ready for use before such date are disclosed under capital work-in-progress. The interest cost incurred for funding an asset during its construction period is capitalized based on the actual investment in the asset and the average cost of funds. The capitalized interest is included in the cost of the relevant asset and is depreciated over the estimated useful life of the asset.

Business combinations, goodwill and intangible assets. In accordance with SFAS No. 141, Business Combinations, the Company uses the purchase method of accounting for all business combinations consummated after June 30, 2001. Intangible assets acquired in a business combination are recognized and reported apart from goodwill if they meet the criteria specified in SFAS No. 141. Any purchase price allocated to an assembled workforce is not accounted separately.

In accordance with SFAS No. 142, Goodwill and Other Intangible Assets, all assets and liabilities of the acquired business including goodwill are assigned to the reporting units. The Company does not amortize goodwill but instead tests goodwill for impairment at least annually, using a two step impairment process.

The fair value of the reporting unit is first compared to its carrying value. The fair value of reporting units is determined using the income approach. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not impaired. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then the implied fair value of the reporting unit's goodwill is compared with the carrying value of the reporting unit's goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, then an impairment loss equal to the difference is recorded.

The Company amortizes intangible assets over their estimated useful lives unless such lives are determined to be indefinite. Amortizable intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. Intangible assets with indefinite lives are tested at least annually for impairment and written down to the fair value as required. The estimated useful lives of the amortizable intangible assets are as follows :

Customer-related intangibles	2 to 5 years
Marketing-related intangibles	2 to 30 years
Technology-based intangibles	5 years

Start-up costs. Cost of start-up activities including organization costs are expensed as incurred.

Research and development. Revenue expenditure on research and development is expensed as incurred. Capital expenditure incurred on equipment and facilities that are acquired or constructed for research and development activities and having alternative future uses, is capitalized as tangible assets when acquired or constructed. Software product development costs are expensed as incurred until technological feasibility is achieved.

Impairment or disposal of long-lived assets. Long-lived assets, including certain identifiable intangible assets, to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value.

The Company measures long-lived assets held-for-sale, at the lower of carrying amount or fair value, less costs to sell.

Earnings per share. In accordance with SFAS No. 128, Earnings Per Share, basic earnings per share is computed using the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted-average number of common and dilutive common equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

Dividends. Final dividend on the common stock is recorded as a liability on the date of declaration by the stockholders. Interim dividends are recorded as a liability on the date of declaration by the board of directors.

Income taxes. Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized. Excess income tax benefit on exercise of employee stock options is credited to additional paid-in capital. The Company recognizes penalties and interest related to unrecognized tax benefits as a component of other income, net.

The Company adopted FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109 (FIN 48) on April 1, 2007. FIN 48 clarifies the accounting and reporting for uncertainties in income tax law. This Interpretation prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions considered or to be considered in income tax returns. Refer Note 21 for additional information relating to impact of adoption of FIN 48.

Stock-based compensation. Effective April 1, 2006, the Company adopted SFAS No. 123 (revised 2004), Share-Based Payment, (SFAS No. 123 (R)), which requires the measurement and recognition of compensation expense for all stock-based payment awards based on the grant-date fair value of those awards. The Company adopted SFAS No. 123(R) using the modified prospective application method. Under this approach, the Company has recognized compensation expense for share-based payment awards granted prior to, but not yet vested as of April 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123.

Under APB Opinion No. 25, the Company had a policy of recognizing the effect of forfeitures only as they occurred. Accordingly, as required by SFAS No. 123 (R), on April 1, 2006, the Company estimated the number of outstanding instruments, which are not expected to vest and recognized a gain of Rs. 39 representing the reversal of compensation cost for such instruments previously recognized in statement of income as cumulative effect of changes in accounting principle. For awards with a graded-vesting schedule, if vesting is based only on a service condition, the Company recognizes the compensation cost on a straight-line basis over the requisite service period of the entire award.

Had compensation cost, for the year ended March 31, 2006, been determined in a manner consistent with the fair value approach described in SFAS No. 123, the Company's net income and earnings per share as reported would have been reduced to the pro-forma amounts indicated below :

	Year ended March 31, 2006
Net income, as reported	Rs. 20,271
Add : Stock-based employee compensation expense included in reported net income, net of tax effects	619
Less : Stock-based employee compensation expense determined under fair value based method, net of tax effects	(1,191)
Pro forma net income	Rs. 19,699
Earnings per share : Basic	
As reported	14.41
Pro forma	14.01
Earnings per share : Diluted	
As reported	14.24
Pro forma	13.87

The Company has granted 55,500, 7,050,766 and 746,686 options under Restricted Stock Unit Plans, at a nominal exercise price of Rs. 2 per share, during the years ended March 31, 2006, 2007 and 2008. Since these options have been granted at a nominal exercise price, the value on the date of grant approximates the fair value of the underlying stock.

Derivatives and hedge accounting. The Company purchases forward foreign exchange contracts/option contracts (derivatives) to mitigate the risk of changes in foreign exchange rates on accounts receivable and forecasted cash flows denominated in certain foreign currencies. The strategy also includes purchase of series of short-term forward foreign exchange contracts which are replaced with successive new contracts up to the period in which the forecasted transactions are expected to occur (roll-over hedging). The Company also designates zero-cost collars, which qualify as net purchased options, to hedge the exposure to variability in expected future foreign currency cash inflows.

In accordance with SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended, the Company recognizes all derivatives as assets or liabilities measured at their fair value, regardless of the purpose or intent of holding them. In respect of derivatives designated and effective as cash flow hedges, gains or losses resulting from changes in the fair value are deferred and recorded as a component of accumulated other comprehensive income within stockholder's equity until the hedged transaction occurs and are then recognized in the consolidated statements of income along with the hedged item. The Company assesses hedge effectiveness based on overall change in fair value of derivative instrument. However, for derivatives acquired pursuant to roll-over hedging strategy, the forward premium/discount points are excluded from assessing hedge effectiveness.

Changes in fair value for derivatives not designated as hedging derivatives and ineffective portion of the hedging instruments are recognized in consolidated statements of income of each period and are reported within foreign exchange gains/(losses), net under operating expenses.

In respect of derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, the Company, prospectively, discontinues hedge accounting with respect to that derivative.

The Company also designates foreign currency forward contracts and net purchased options as hedges of net investments in foreign operations. The effective portion of the hedge is recognized in translation adjustments in other comprehensive income and transferred to consolidated statement of income upon sale or disposal of the foreign operation.

Reclassifications. Certain amounts in the prior years' consolidated financial statements and notes have been reclassified to confirm to the current year's presentation.

Recent accounting pronouncements

SFAS No. 157. In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements (SFAS No. 157). SFAS No. 157 will become effective for the Company, commencing the fiscal year beginning April 1, 2008, except for certain non-financial assets and non-financed liabilities that are not recognized or disclosed at fair value in the financial statements on a recurring basis. For such non-financial assets and non-financial liabilities, SFAS No. 157 is applicable for the Company commencing April 1, 2009. SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements; however, it does not require any new fair value measurements. The Company is currently evaluating the impact of the adoption of SFAS No. 157 on its consolidated financial statements.

SFAS No. 159. In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (SFAS No. 159). This statement permits entities to choose to measure eligible financial instruments and certain other items at fair value on a instrument-by-instrument basis, that are otherwise not permitted to be accounted for at fair value under other generally accepted accounting principles. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS No. 159 is effective for the Company, commencing fiscal year beginning April 1, 2008. The Company has evaluated the impact of this statement and believes that adoption of SFAS No. 159, prospectively, on April 1, 2008, will not have a material effect on its consolidated financial statements.

SFAS No. 141R. In December 2007, the FASB issued SFAS No. 141 (revised 2007), Business Combinations (SFAS No. 141R), which is a revision of SFAS No. 141, Business Combinations. This statement establishes principles and requirements for how an acquirer : recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The Company will be required to apply this new standard prospectively to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after December 15, 2008. Early adoption is prohibited. The Company is currently evaluating the impact of the adoption of SFAS No. 141R on its consolidated financial statements.

SFAS No. 160. In December 2007, the FASB issued SFAS No. 160, Non-controlling Interests in Consolidated Financial Statements (SFAS No. 160 (an amendment of ARB No. 51)).

SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the non-controlling interest, changes in a parent's ownership interest and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. SFAS No. 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. The Company will be required to adopt this new standard for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company is currently evaluating the impact of the adoption of SFAS No. 160 on its consolidated financial statements.

SFAS No. 161 : In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities – An Amendment of FASB Statement No. 133 (SFAS No. 161). SFAS No. 161 requires enhanced disclosures on derivative and hedging activities by requiring objectives to be disclosed for using derivative instruments in terms of underlying risk and accounting designation. This statement requires disclosures on the need of using derivative instruments, accounting of derivative instruments and related hedged items, if any, under SFAS No. 133 and the effect of such instruments and related hedge items, if any, on the financial position, financial performance and cash flows. The Company will be required to adopt this new statement for fiscal years beginning after November 15, 2008. The Company is currently evaluating the impact of the adoption of SFAS No. 161 on its consolidated financial statements.

SFAS No. 162 : In May 2008, the FASB issued SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles. The new standard is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles (GAAP) for non-governmental entities. SFAS No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board ("PCAOB") amendments to AU Section 411, The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles. The Company does not expect the adoption of SFAS No. 162 to have a material impact on its consolidated financial statements.

3. Acquisitions

Fiscal 2008 acquisitions

Unza Holdings Limited

On July 30, 2007, the Company acquired 100% of the equity of Unza Holdings Limited and subsidiaries ('Unza'). Unza is an independent manufacturer and marketer of personal care products in South East Asia. Unza markets a wide portfolio of personal care and detergent brands in several countries. The consideration (including direct acquisition costs) included a cash payment of Rs. 9,273 and a deferred payment of Rs. 981, which was subsequently paid during the year.

The Company believes that this acquisition would strengthen the Company's brand portfolio and market presence in South East Asia and provide synergy in terms of access to common vendors, formulation and brands.

The purchase price has been preliminarily allocated to the acquired assets and liabilities as follows :

Description	Fair value
Cash and cash equivalents	Rs. 619
Property, plant and equipment	1,310
Marketing-related intangibles	7,691
Goodwill	4,484
Other assets	2,275
Short-term borrowings and long-term debt	(2,747)
Deferred income taxes, net	(1,407)
Other liabilities	(1,971)
Total	**Rs. 10,254**

The majority of marketing-related intangibles relate to brands. The Company has made a preliminary assessment to identify brands, which have indefinite life, and those, which have determinable life based on a number of factors, including the competitive environment, market share, brand history and macro-economic environment of the countries in which the brands are sold. Marketing-related intangibles include intangibles of Rs. 4,873 million, which management has preliminarily assessed to have an indefinite life. The weighted average useful life of determinable life intangibles amounting Rs. 2,818 is preliminarily assessed to be 30 years.

Infocrossing Inc.

On September 20, 2007, the Company acquired Infocrossing Inc. and subsidiaries (‘Infocrossing’). The acquisition was conducted by means of a tender offer for all the outstanding shares of Infocrossing. Infocrossing is a U.S.-based IT infrastructure management, enterprise application and business process outsourcing services provider. The total consideration (including direct acquisition costs) amounted to Rs. 17,640.

The Company believes that the acquisition of Infocrossing broadens the Company’s data center and mainframe capabilities and strengthens its competitive positioning in offering infrastructure management services.

As of the date of acquisition, Infocrossing had net operating losses, which are available for carry- forward and set-off against taxable profits in the future. The Company believes that it is more likely than not that approximately US $ 71 of net operating losses will be available for carry-forward and set-off against taxable income in the future. Accordingly, in the preliminary purchase price allocation, the Company has recorded deferred tax assets of US $ 31 representing the tax benefits that can be availed.

In addition, pursuant to the terms of an indenture agreement, the convertible debt of Infocrossing has been cancelled on acquisition. Liabilities assumed upon acquisition include Rs. 4,278 payable to the holders of convertible debt. Further, pursuant to the terms of the stock option plan, all the outstanding stock options of Infocrossing have been cancelled. Liabilities assumed upon acquisition include Rs. 823 payable to the stock option holders. These liabilities have been paid during the year.

The purchase price has been preliminary allocated to the acquired assets and liabilities as follows :

Description	**Fair value**
Cash and cash equivalents	Rs. 775
Property, plant and equipment	2,038
Customer-related intangibles	2,425
Goodwill	21,113
Other assets	1,987
Short-term borrowings and long-term debt	(5,326)
Deferred income taxes, net	(214)
Other liabilities	(5,158)
Total	**Rs. 17,640**

The weighted average useful life of customer-related intangibles has been preliminarily assessed to be 7 years.

Unaudited pro forma financial information

The following table provides pro forma results of operations for the year ended March 31, 2007 and 2008 as if Unza and Infocrossing had been acquired as of the beginning of each of the fiscal years presented. The pro forma results include certain purchase accounting adjustments such as the estimated changes in depreciation and amortization expense on acquired tangible and intangible assets. The pro forma results exclude effects of certain material non-recurring charges of Rs. 1,717 incurred solely in connection with the acquisition transaction (transaction costs incurred by the acquiree, payments relating to employment contracts of key employees on change of control and write-off of unamortized discount on convertible debt extinguished on acquisition). The proforma amounts are not necessarily indicative of the results that would have occurred if the acquisitions had occurred on dates indicated or that may result in the future.

(in million)

	Year ended March 31,	
	2007	**2008**
Revenue	Rs. 166,993	**Rs. 204,279**
Net income	29,911	**32,206**
Basic net income per share	20.96	**22.20**
Diluted net income per share	20.71	**22.14**

Others

During the year ended March 31, 2008, the Company has paid Rs. 292 towards earn-out determined on achievement of specific financial metrics for Retail Box B.V. and Saraware Oy, acquisitions consummated in prior years.

During the year ended March 31, 2008, the Company acquired 100% of the equity of OKI Techno Centre Singapore Pte. Limited (OKI) and a substantial portion of business of Aquatech Industries (India) Private Limited (Aquatech), a manufacturer of water treatment plants. The consideration (including direct acquisition costs) includes a cash payment of Rs. 52 and Rs. 434 respectively. The purchase price has been allocated on a preliminary basis to the acquired assets and liabilities and goodwill of Rs. 25 and Rs. 342 respectively has been recorded.

For the acquisitions consummated during the year, the purchase consideration has been allocated on a preliminary basis based on management’s estimates. The Company is in the process of making a final determination of the carrying value of assets and liabilities, which may result in changes in the carrying value of net assets recorded. Finalization of the purchase price allocation may result in certain adjustments to the above allocation.

Fiscal 2007 and 2006 Acquisitions

A summary of the acquisitions completed in the fiscal 2007 and 2006 is given below :

Name of entity and effective date of acquisition	**Nature of business**	**Management's assessment of business rationale**
India, Middle East and SAARC operations of 3D Networks and Planet PSG ('3D Group') (November 2006)	Business communication solutions include consulting, voice, data and converged solutions, and managed services.	Complements the Company's existing practice capabilities and differentiates the Company as a comprehensive IT Solutions provider across segments.
Hydrauto Group AB ('Hydrauto Group') (November 2006)	Production, marketing and development of customized hydraulic cylinders solution.	Provides an entry into European markets, access to customer base and complementary engineering skills.
Quantech Global Services LLC and Quantech Global Services Ltd. ('Quantech') (July 2006)	Computer Aided Design and Engineering Services.	Strengthens Company's presence in the mechanical engineering design and analysis services sector.
RetailBox B.V. and subsidiaries ('Enabler Group') (June 2006)	Software development services, implementation and support of IS systems for retail industry.	Expansion of the Company's range of IT solution services (including Oracle retail implementation, digital supply chain, business optimization and integration.) and expand domain expertise.
Saraware Oy ('Saraware') (June 2006)	Providing design and engineering services to telecom industry.	Expansion of presence in the engineering services space in Finland and the Nordic region.
Business of North-West Switchgear Limited ('North-West') (May 2006)	Manufacturer and distributor of switches, sockets and miniature circuit breakers.	Expansion of the presence in electrical product segment.
cMango Inc. and subsidiaries ('cMango Group') (April 2006)	Business management service solutions.	Expansion of operations in the Business Management Services sector and access to customers in the Business Management services sector.
mPower Software Services Inc. and its subsidiaries ('mPower Group') (December 2005)	IT services in payments service sector.	Expansion of domain expertise in payment service sector.
BVPENTE Beteiligungsverwaltung GmbH and its subsidiaries ('New Logic Group') (December 2005)	Semiconductor Intellectual Property (IP) cores and complete system on chip solutions with digital, analog mixed signal and Radio Frequency (RF) design services.	Expansion of strong domain expertise in semi conductor Intellectual Property (IP) cores and complete system-on-chip solutions with digital, analog mixed signal and Radio Frequency (RF) design services.

The total purchase price has been allocated to the acquired assets and liabilities as follows :

Name of entity	Purchase consideration	Net assets	Deferred tax liabilities	Intangible assets	Goodwill
3D Group	Rs. 904	Rs. 508	Rs. (46)	Rs. 72	Rs. 370
Hydrauto Group	1,412	498	(123)	136	901
Quantech	281	(230)	(16)	46	481
Enabler Group	2,442	389	(104)	284	1,873
Saraware	1,116	187	(89)	338	680
North-West	1,132	34	-	1,098	-
cMango Group	884	(23)	(46)	78	875
mPower Group	1,275	185	(178)	513	755
New Logic Group	1,225	307	(53)	213	758
Total	**Rs. 10,671**	**Rs. 1,855**	**Rs. (655)**	**Rs. 2,778**	**Rs. 6,693**

On finalization of preliminary purchase price allocations, the Company did not record any significant adjustment.

4. Cash and Cash Equivalents

Cash and cash equivalents as of March 31, 2007 and 2008 comprise of cash, cash on deposit with banks and highly liquid investments.

5. Accounts Receivable

Accounts receivable are stated net of allowance for doubtful accounts. The Company maintains an allowance for doubtful accounts based on financial condition of its customers and ageing of the accounts receivable. Accounts receivable are generally not collateralized. The activity in the allowance for doubtful accounts receivable is given below :

	Year ended March 31,		
	2006	2007	2008
Balance at the beginning of the year	Rs. 989	Rs. 1,258	**Rs. 1,388**
Additional provision during the year, net of collections	275	280	**289**
Bad debts charged to provision	(6)	(150)	**(581)**
Balance at the end of the year	Rs. 1,258	Rs. 1,388	**Rs. 1,096**

6. Inventories

Inventories consist of the following :

	As of March 31,	
	2007	2008
Stores and spare parts	Rs. 298	**Rs. 455**
Raw materials and components	1,584	**2,950**
Work-in-process	491	**1,078**
Finished goods	1,777	**2,689**
	Rs. 4,150	**Rs. 7,172**

7. Other Assets

Other assets consist of the following :

	As of March 31,	
	2007	2008
Prepaid expenses	Rs. 1,049	**Rs. 2,800**
Prepaid rentals for leasehold land	597	**645**
Due from officers and employees	884	**1,503**
Advances to suppliers	712	**1,373**
Balances with statutory authorities	207	**548**
Deposits	1,591	**1,889**
Interest-bearing deposits with corporates	650	**500**
Advance income taxes	4,844	**6,990**
Deferred contract costs	707	**2,864**
Derivative asset	379	**1,002**
Others	1,135	**2,192**
	12,755	**22,306**
Less : Current assets	(10,502)	**(19,092)**
	Rs. 2,253	**Rs. 3,214**

Sales-type leases

Others include receivables on account of sales-type leases and are generally due in monthly, quarterly or semiannually installments over period ranging from 3 to 5 years

Details of sales-type leases are given below :

	As of March 31, 2007	As of March 31, 2008
Gross finance receivables	Rs. 437	Rs. 323
Unguaranteed residual value	28	84
Unearned income	(81)	(79)
Net investment in finance receivables	Rs. 384	Rs. 328

At March 31, 2008, minimum lease receivable for each of the five succeeding fiscal years are as follows :

Year ending March 31,	Amount
2009	Rs. 54
2010	42
2011	128
2012	70
2013	29
Total	Rs. 323

8. Investments in liquid and short-term mutual funds

Investments in liquid and short-term mutual funds consist of the following :

	As of March 31, 2007			As of March 31, 2008		
	Carrying value	Gross unrealized holding gains	Fair value	Carrying value	Gross unrealized holding gains	Fair Value
Available-for-sale : Investment in liquid and short-term mutual funds	Rs. 31,842	Rs. 568	Rs. 32,410	Rs. 14,317	Rs. 491	Rs. 14,808

Dividends from available-for-sale securities during the years ended March 31, 2006, 2007 and 2008 were Rs. 863, Rs. 1,686 and Rs. 1,428 respectively and are included in other income.

9. Property, Plant and Equipment

Property, plant and equipment consist of the following :

	As of March 31, 2007	As of March 31, 2008
Land	Rs. 1,571	Rs. 2,127
Buildings	6,096	9,679
Plant and machinery	6,644	13,327
Furniture, fixtures and equipment	3,934	6,853
Computer equipment	9,959	10,518
Vehicles	1,821	2,417
Computer software for internal use	2,831	2,916
Capital work-in-progress	10,189	13,544
	43,045	61,381
Accumulated depreciation and amortization	(16,504)	(21,559)
	Rs. 26,541	Rs. 39,822

Depreciation expense for the years ended March 31, 2006, 2007 and 2008 is Rs. 3,101, Rs. 3,931 and Rs. 5,343 respectively. This includes Rs. 206, Rs. 400 and Rs. 752 as depreciation of capitalized internal use software, during the years ended March 31, 2006, 2007 and 2008, respectively.

Property, plant and equipment, net, include assets held under capital leases which consist of the following :

	As of March 31, 2007	As of March 31, 2008
Plant and Machinery	Rs. 84	Rs. 201
Computer equipment	-	2,045
	84	2,246
Accumulated depreciation and amortization	(35)	1,145
	Rs. 49	Rs. 1,101

Depreciation expense in respect of these assets was Rs. Nil, Rs. 5 and Rs. 170 for the years ended March 31, 2006, 2007 and 2008 respectively.

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of March 31, 2008

Year ending March 31,		**Amount**
2009	Rs.	401
2010		304
2011		219
2012		114
2013		72
Thereafter		113
Total minimum lease payments		1,223
Less : Amount representing interest		199
Present value of net minimum lease payments	Rs.	1,024
Less : Current portion of obligation under capital leases	Rs.	323
Obligations under capital leases, excluding current portion	Rs.	701

10. Goodwill and other Intangible Assets

The Company's intangible assets acquired either individually or in a business combination consists of the following :

	As of March 31,											
	2007						**2008**					
		Gross carrying amount		Accumulated amortization		Net		**Gross carrying amount**		**Accumulated amortization**		**Net**
Technology-based intangibles	Rs.	130	Rs.	71	Rs.	59	**Rs.**	**130**	**Rs.**	**103**	**Rs.**	**27**
Customer-related intangibles		2,147		937		1,210		**4,585**		**1,518**		**3,067**
Marketing-related intangibles*		1,481		79		1,402		**9,172**		**190**		**8,982**
Effect of translation adjustment		(8)		-		(8)		**464**		**60**		**404**
	Rs.	3,750	Rs.	1,087	Rs.	2,663	**Rs.**	**14,351**	**Rs.**	**1,871**	**Rs.**	**12,480**

* Gross carrying amount for marketing-related intangibles include indefinite life intangible asset of Rs. 4,873 as of March 31, 2008.

The estimated amortization expense for intangible assets for the five succeeding years is set out below :

Year ending March 31,	**Amount**
2009	Rs. 885
2010	800
2011	607
2012	481
2013	481
Total	Rs. 3,254

The movement in goodwill balance is given below :

	As of March 31,	
	2007	**2008**
Balance at the beginning of the year	Rs. 7,481	Rs. 12,706
Goodwill relating to acquisitions (Note 3, 13)	5,393	26,270
Adjustment relating to finalization of purchase price allocation	(104)	(215)
Tax benefit allocated to goodwill	(14)	(51)
Effect of translation adjustments	(50)	233
Balance at the end of the year	Rs. 12,706	Rs. 38,943

Goodwill as of March 31, 2007 and 2008 has been allocated to the following reportable segments :

Segment	As of March 31,	
	2007	**2008**
IT Services and Products	Rs. 6,503	**Rs. 27,884**
BPO Services	3,982	**3,982**
India and AsiaPac IT Services and Products	1,045	**1,084**
Consumer Care and Lighting	-	**4,641**
Others	1,176	**1,352**
Total	Rs. 12,706	**Rs. 38,943**

11. Other Liabilities

Other liabilities consist of the following :

	As of March 31,	
	2007	**2008**
Income taxes payable	Rs. 3,179	Rs. 4,013
Statutory dues and other taxes payable	3,758	5,267
Dividends payable	7,238	-
Warranty obligations	742	924
Derivative liability	110	2,571
Liability for retirement benefits	492	479
Others	1,874	2,276
	17,393	15,530
Less : Current liabilities	16,623	12,519
	Rs. 770	Rs. 3,011

The activity in warranty obligations is given below :

	Year ended March 31,		
	2006	2007	**2008**
Balance at the beginning of the year	Rs. 361	Rs. 665	**Rs. 742**
Additional provision during the year	601	827	**1,016**
Reduction due to payments	(297)	(750)	**(834)**
Balance at the end of the year	Rs. 665	Rs. 742	**Rs. 924**

12. Operating Leases

The Company leases office and residential facilities under cancelable and non-cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases were Rs. 849, Rs. 1,412 and Rs. 1,880 for the years ended March 31, 2006, 2007 and 2008, respectively.

Details of contractual payments under non-cancelable leases are given below :

Year ending March 31,	Amount
2009	Rs. 773
2010	706
2011	641
2012	575
2013	511
Thereafter	2,826
Total	**Rs. 6,032**

Prepaid rentals for leasehold land included under Other assets, represent leases obtained for a period of 60 years and 90 years. The prepaid expense is being charged over the lease term and is included under other assets.

13. 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 March 31, 2007 and 2008, was Rs. 1,120 and Rs. 1,343 respectively. The Company's equity in the income of Wipro GE for year ended March 31, 2006, 2007 and 2008 was Rs. 259, Rs. 302 and Rs. 257 respectively.

Wipro GE had received tax demands for the financial year ended March 31, 2001, 2002, 2003 and 2004 aggregating to Rs. 976, including interest. The tax demands were primarily on account of transfer pricing adjustments and denial of export benefits and tax holiday benefits claimed by Wipro GE under Indian Income Tax Act, 1961 (the Act). Wipro GE has appealed against the said demands before the first appellate authority. The first appellate authority has vacated the tax demands for the years ended March 31, 2001, 2002, 2003 and 2004. The income tax authorities have filed an appeal for the year ended March 31, 2001, 2002, 2003 and 2004.

Considering the facts and nature of disallowance and the order of the appellate authority upholding the claims of Wipro GE, Wipro GE believes that the final outcome of the disputes should be in favour of Wipro GE and will not have any material adverse effect on the financial position and results of operations. The range of loss due to this contingency is between zero and the amount to which the demand is raised.

W M NetServ

The Company had accounted for its 80.1% ownership interest in W M NetServ by the equity method as the minority shareholder in the investee had substantive participative rights as specified in EITF Issue No. 96-16, Investor's Accounting for an Investee when the investor has a majority of the voting interest but the minority shareholder or shareholders have certain approval or veto rights. The carrying value of the equity investment in W M NetServ as of March 31, 2007 was Rs. 122. During the year ended March 31, 2008, the Company purchased the minority interest of 19.9% in W M NetServ for a cash consideration of Rs. 13 and recorded goodwill of Rs. 14. Subsequent to the acquisition, the financial statements of W M NetServ are consolidated.

14. Financial Instruments and Concentration of Risk

Concentration of risk. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, investments in liquid and short-term mutual funds, other investments securities, derivative financial instruments, accounts receivable and corporate deposits. The Company's funds are invested with financial institutions and commercial corporations with high investment grade credit ratings. Limits have been established by the Company as to the maximum amount of cash that may be invested with any such single entity. To reduce its credit risk, the Company performs ongoing credit evaluations of customers. No single customer accounted for 10% or more of the accounts receivable as of March 31, 2007 and 2008 and revenues for the years ended March 31, 2006, 2007 and 2008.

Derivative financial instruments. The Company is exposed to foreign currency fluctuations on foreign currency assets/liabilities, forecasted cash flows denominated in foreign currency and net investments in foreign operations. The Company follows established risk management policies, including the use of derivatives to hedge foreign currency assets/liabilities, foreign currency forecasted cash flows and net investments in foreign operations. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material. A majority of the forward foreign exchange/option contracts mature between one to twelve months and the forecasted transactions are expected to occur during the same period.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding :

	As of March 31,			
	2007		2008	
Forward contracts				
Sell	$	345	$	2,775
	€	16	€	105
	£	88	£	61
Buy	$	185	$	435
	¥	-	¥	7,580
Net purchased options (to sell)	$	36	$	641
	€	13	€	24
	£	-	£	84
	¥	-	¥	7,682

In connection with cash flow hedges, the Company has recorded Rs. 202, Rs. 72 and Rs. (1,097) of net gains/(losses) as a component of accumulated other comprehensive income within stockholders' equity as at March 31, 2006, 2007 and 2008, respectively. The Company has also recorded Rs. 496 million of losses relating to effective portion of hedges of net investments in foreign operations in other comprehensive income, within translation reserve.

The following table summarizes activity in the accumulated other comprehensive income/(loss) within stockholders' equity related to all derivatives classified as cash flow hedges during the years ended March 31, 2006, 2007 and 2008.

	Year ended March 31,					
	2006		2007		2008	
Balance as at the beginning of the year	Rs.	113	Rs.	202	Rs.	72
Net gains reclassified into net income on occurrence of hedged transactions		(114)		(202)		(72)
Changes in fair value of effective portion of outstanding derivatives		202		72		(1,097)
Unrealized gain/(losses) on cash flow hedging derivatives, net		89		(130)		(1,169)
Balance as at the end of the year	Rs.	202	Rs.	72	**Rs.**	**(1,097)**

As of March 31, 2007 and 2008 there were no significant gains or losses on derivative transactions or portions thereof that have become ineffective as hedges, or associated with an underlying exposure that did not occur.

15. Debt

Short -term borrowings from banks primarily consist of lines of credit of approximately Rs. 19,638, US$ 565 and RM (Malaysian Ringgit) 260 from bankers primarily for working capital requirements. Out of these, as of March 31, 2008, the Company has unutilized lines of credit aggregating Rs. 6,457, US $ 350 and RM 83 respectively. Additionally, the Company has various other lines of credit in various other currencies equivalent to Rs. 3,781, of which Rs. 1,018 is unutilized as of March 31, 2008. Significant portion of the aforementioned lines of credit are revolving credit facilities and floating rate foreign currency loans, renewable quarterly. These facilities generally bear interest at LIBOR plus a margin of 30 to 80 basis points.

The Company has non-fund based revolving credit facilities in various currencies equivalent to Rs. 7,621 for operational requirements that can be used for the issuance of letters of credit and bank guarantees. As of March 31, 2008, an amount of Rs. 2,634 was unutilized out of these non-fund based facilities.

A summary of long- term debt is as follows :

Currency	As of March 31, 2007		As of March 31, 2008			
	Foreign currency	Indian Rupee	**Foreign currency**	**Indian Rupee**	**Interest rate**	**Final maturity**
Unsecured external commercial borrowing						
Japanese Yen	-	Rs. -	35,016	Rs. 14,070	1.37%	2013
Unsecured term loan						
Indian Rupee	-	-	245	245	6.05%	2013
Euro	8	463	3	186	2.5%- 5.22%	2010
Secured term loan						
Swedish Krona	65	401	63	427	5.32%	2012
		864		14,928		
Less : Current portion		328		406		
Long-term debt, less current portion		Rs. 536		Rs. 14,522		

Principal payments required on long-term debt in each of the next five fiscal years ending March 31 are as follows :

Year ending March 31,	Amount
2009	Rs. 406
2010	215
2011	106
2012	71
2013	14,130
Total	**Rs. 14,928**

The unsecured external commercial borrowing contains certain restrictive covenants that limit future borrowings and payments towards acquisitions in a financial year and requires the Company to maintain specified levels of working capital and operating results. The terms of the other secured and unsecured debt and borrowings also contain certain restrictive covenants primarily requiring the Company to maintain certain financial ratios. As of March 31, 2008, the Company has met all the relevant covenants.

A portion of the above short-term borrowings and long-term debt aggregating to Rs. 969 are secured by inventories, accounts receivable and certain property, plant and equipment.

Interest expense was Rs. 35, Rs. 125 and Rs. 1,440 for the year ended March 31, 2006, 2007 and 2008 respectively. Interest capitalized by the Company was Rs. Nil, Rs. Nil and Rs. 419 for the year ended March 31, 2006, 2007 and 2008 respectively.

16. Equity Shares and Dividends

Currently, the Company has only one class of equity shares. For all matters submitted to vote in the shareholders meeting, every holder of equity shares, as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held.

The authorized capital of the Company is 1,650,000,000 equity shares of Rs. 2 each at par value as of March 31, 2008.

The Company paid cash dividends of Rs. 3,998, Rs. 8,129 and Rs. 5,123 during the years ended March 31, 2006, 2007 and 2008 respectively. The dividends per share were Rs. 2.50, Rs. 5 and Rs. 3 during the years ended March 31, 2006, 2007 and 2008, respectively. Additionally, in March 2007, the Board of Directors of the Company approved an additional cash dividend of Rs. 5 per share totaling Rs. 8,253. In accordance with Indian regulations, an amount equivalent to the additional cash dividend, net of taxes, amounting to Rs. 7,238 was transferred to a specific bank account pending payment to the shareholders as of March 31, 2007. The balance in this bank account could only be used to pay the specified dividend, was not available for general use and was accordingly reflected as restricted cash in the consolidated balance sheet. The additional cash dividend was paid during the year ended March 31, 2008.

17. Stock Dividend

In July 2005, the members of the Company approved a stock dividend, effective August 24, 2005, in the ratio of

1 additional equity shares or ADS for every equity share or ADS held. Accordingly, the Company issued 705,893,574 additional shares and has transferred an amount of Rs. 1,161 from additional paid-in capital and Rs. 251 from retained earnings, to equity shares. The allocation between additional paid-in capital and retained earnings is in line with the local statutory accounts. Share and per share data for all periods reported have been adjusted to reflect the stock split effected in the form of stock dividend. In accordance with the shareholder's approval, capitalization of additional paid-in capital and retained earnings aggregating Rs. 1,412 has been recorded in the year ended March 31, 2006.

18. Retained Earnings

Retained earnings as of March 31, 2007 and 2008, include Rs. 1,046 and Rs. 1,294 respectively, of undistributed earnings in equity of affiliates.

19. Other Income, Net

Other income consists of the following :

	Year ended March 31,		
	2006	2007	**2008**
Interest income	Rs. 198	Rs. 683	**Rs. 1,505**
Interest expense	(35)	(261)	**(1,064)**
Dividend income	863	1,686	**1,428**
Gain/(loss) on sale of liquid and short-term mutual funds	238	549	**771**
Foreign exchange gains/(losses), net	(80)	(39)	**(496)**
Others	12	10	**23**
	Rs. 1,196	Rs. 2,628	**Rs. 2,167**

20. Shipping and Handling Costs

Selling and marketing expenses for the years ended March 31, 2006, 2007 and 2008, include shipping and handling costs of Rs. 555, Rs. 807 and Rs. 1,039 respectively.

21. Income Taxes

Income taxes have been allocated as follows :

	Year ended March 31,		
	2006	2007	**2008**
Income from continuing operations	Rs. 3,265	Rs. 3,723	**Rs. 3,873**
Stockholders equity for :			
Income tax benefits relating to employee stock incentive plans	(69)	(65)	**(68)**
Gain on sale of long-lived asset to the controlling shareholder	-	-	**52**
Adjustments to initially apply SFAS No. 158	-	(18)	**-**
Unrecognized actuarial (gain)/loss	-	-	**(17)**
Unrealized gains/(loss) on investment securities, net	115	25	**(25)**
Tax benefit allocated to goodwill	-	(14)	**(51)**
Total income taxes	Rs. 3,311	Rs. 3,651	**Rs. 3,764**

Income taxes relating to continuing operations consist of the following :

	Year ended March 31,		
	2006	2007	**2008**
Current taxes			
Domestic	Rs. 1,605	Rs. 1,575	**Rs. 2,641**
Foreign	1,645	2,177	**1,641**
	Rs. 3,250	Rs. 3,752	**Rs. 4,282**
Deferred taxes			
Domestic	(8)	(1)	**(319)**
Foreign	23	(28)	**(90)**
	15	(29)	**(409)**
Total income tax expense	Rs. 3,265	Rs. 3,723	**Rs. 3,873**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate is as follows :

	Year ended March 31,		
	2006	2007	2008
Income before taxes and minority interest	Rs. 23,537	Rs. 32,852	Rs. 36,138
Enacted income tax rate in India	33.66%	33.66%	33.99%
Computed expected tax expense	7,923	11,058	12,283
Effect of :			
Income exempt from tax	(5,322)	(7,948)	(8,450)
Basis differences that will reverse during the tax holiday period	291	526	21
Income taxed at higher/(lower) rates	230	125	(50)
Income taxes relating to prior years	(175)	(702)	(530)
Effect of change in tax rates	17	-	5
Changes in valuation allowances	29	7	138
Expenses disallowed for tax purposes	304	647	391
Others, net	(32)	10	17
Total income tax expense	Rs. 3,265	Rs. 3,723	Rs. 3,783

A substantial portion of the profits of the Company's India operations are exempt from Indian income taxes being profits attributable to export operations and profits from undertakings situated in Software Technology and Hardware Technology Parks. Under the tax holiday, the taxpayer can utilize an exemption from income taxes for a period of any ten consecutive years. The tax holidays on all facilities under Software Technology and Hardware Technology Parks were scheduled to expire in stages with mandated maximum expiry period of March 31, 2009. However, on May 10, 2008, the Finance Act, 2008 extended the availability of the 10-year tax holiday by a period of one year such that the tax holiday will now be available until the earlier of fiscal year 2010 or ten years after the commencement of a tax holiday for an individul undertaking. Additionally, under the Special Economic Zone Act, 2005 scheme, units in designated special economic zones which being providing service on or after April 1, 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. Profits from certain other undertakings are also eligible for preferential tax treatment. In addition, dividend income from certain category of investments is exempt from tax.

The aggregate rupee and per share (basic) effects of these tax exemptions, are Rs. 5,322 and Rs. 3.79 per share for the year ended March 31, 2006, Rs. 7,948 and Rs. 5.57 per share for the year ended March 31, 2007 and Rs. 8,450 and Rs. 5.82 per share for the year ended March 31, 2008.

The components of the net deferred tax asset are as follows :

	As of March 31,	
	2007	2008
Deferred tax assets		
Allowance for doubtful accounts	Rs. 217	Rs. 193
Accrued expenses and liabilities	295	553
Carry-forward business losses	1,020	2,224
Minimum alternate tax	-	126
Deferred income	69	309
Others	19	35
Total gross deferred tax assets	1,620	3,440
Less : valuation allowance	(531)	(619)
Net deferred tax assets	Rs. 1,089	Rs. 2,821
Deferred tax liabilities		
Property, plant and equipment	Rs. 80	Rs. 419
Intangible assets	560	2,760
Amortizable goodwill	85	472
Unrealized gains on Investments in liquid and short-term funds	200	175
Undistributed earnings in equity of affiliates	197	246
Others	-	57
Total gross deferred tax liability	Rs. 1,122	Rs. 4,129
Net deferred tax assets/(liabilities)	Rs. (33)	Rs. (1,308)

In assessing the realizability of remaining deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences and loss carry-forwards become deductible or utilizable. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences and loss carry-forwards utilizable, net of the existing valuation allowances at March 31, 2008. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Pursuant to the changes in the Indian income tax laws, Minimum Alternate Tax (MAT) has been extended to income in respect of which deduction is claimed under section 10A and 10B; consequently, the Company have calculated our tax liability for current domestic taxes ater considering MAT. The excess tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future tax liabilities computed under normal tax provisions. The Company was required to pay MAT during fiscal 2008 and, accordingly, a deferred tax asset of Rs. 126 million has been recognized on the balance sheet as of March 31, 2008, which can be carried forward for a period of 7 years.

Upon acquisition of certain subsidiaries, the Company was entitled to utilize tax benefits of Rs. 1,479. Based on projections of future taxable income and tax planning strategies, the management believes that the Company will be able to realize tax benefits only to the extent of Rs.1,056 million. Consequently, the Company has recorded a valuation allowance for the remaining amount on the date of acquisition.

The tax loss carry forwards of Rs. 6,155 as of March 31, 2008 relates to foreign subsidiaries. Approximately, Rs. 2,309 of these tax loss carry forward is not currently subject to expiration dates. The remainder, approximately Rs. 3,846, expires in various years through fiscal 2028.

The net increase in valuation allowance of Rs. 88 million for the period ended March 31, 2008 is primarily on account of an increase in the operating losses of certain subsidiaries.

The income before income taxes, minority interest and cumulative effect of change in accounting principle for each of the fiscal years 2006, 2007 and 2008 is primarily from domestic entities.

The Company indefinitely reinvests eligible earnings of foreign subsidiaries, and accordingly, has not recorded any deferred taxes in relation to such undistributed earning of its foreign subsidiaries. It is impracticable to determine the undistributed earning and the additional taxes payable when these earnings are remitted.

The Company is subject to a 15% branch profit tax in the U.S. to the extent the net profit during the fiscal year attributable to its U.S. branch are greater than the increase in the net assets of the U.S. branch during the fiscal year, computed in accordance with the Internal Revenue Code. As of March 31, 2008, the U.S. branch's net assets amounted to approximately $ 203. The Company has not triggered the branch profit tax and intends to maintain the current level of its net assets in the U.S. as is consistent with its business plan. Accordingly, a provision for branch profit tax has not been recorded as of March 31, 2008.

Effective April 1, 2007, the Company adopted Financial Accounting Standards Board Interpretation 48, Accounting for Uncertainty in Income Taxes - An Interpretation of Statement of Financial Accounting Standards No. 109 (FIN 48). The adoption of FIN 48 did not have any impact on the retained earnings or provision for taxation as of April 1, 2007.

A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows :

Particulars	**Amount**
Balance as at April 1, 2007	Rs. 3,378
Increases related to current year tax positions	1,442
Increases related to prior year tax positions	135
Decreases related to prior years tax positions	(253)
Reductions related to lapsing of statutes of limitation	(162)
Impact of foreign currency translation	(109)
Balance as on March 31, 2008	Rs. 4,431

The unrecognized tax benefits increased by Rs. 1,577 during the year ended March 31, 2008 primarily due to non-recognition of certain credits in computation of minimum alternate tax eligible for deferral and set-off against regular income taxes in the future and transfer pricing matters in certain foreign jurisdictions. The unrecognized tax benefits decreased by Rs. 415 during the year ended March 31, 2008 due to reversal of tax provision upon settlement of tax assessment by the tax authorities in a particular tax jurisdiction, expiry of statute of limitation and revision of tax accruals relating to transfer pricing.

The Companies' total unrecognized tax benefits, if recognized, would reduce the tax provisions by Rs. 3,345 and Rs. 4,410 as of April 1, 2007 and March 31, 2008, respectively, and thereby would effect the Company's effective tax rate. Additionally, consistent with the provisions of FIN 48, the Company reclassified Rs. 1,643 of income tax liabilities as of April 1, 2007 from current to non-current liabilities because payment is not anticipated within one year of the balance sheet date. These non-current income-tax liabilities are recorded as other liabilities in the consolidated financial statements.

Although it is difficult to anticipate the final outcome on timing of resolution of any particular uncertain tax position, the Company believes that the total amount of unrecognized tax benefits will be decreased by Rs. 200 during the next 12 months due to expiry of statue of limitation.

It is a Company policy to include any penalties and interest related to income taxes as a component of other income, net. As of April 1, 2007 and as of March 31, 2008, the Company had provisions of Rs. 114 and Rs. 313 respectively on account of accrued interest and penalties related to uncertain tax positions. Interest and penalties included in Other income, net were Rs. 199 for the year ended March 31, 2008.

A listing of open tax years for major jurisdictions is given below. Additionally, certain uncertain tax positions relate to earlier years, which are currently under dispute with the tax authorities.

Jurisdiction	Open tax years
India	2003-04 to 2006-07
United States – federal taxes	2003-04 to 2006-07
United States – state taxes	2001-02 to 2006-07
United Kingdom	2001-02 to 2006-07
Japan	2001-02 to 2006-07
Canada	1999-00 to 2006-07

22. Employee Stock Incentive Plans

Wipro Equity Reward Trust (WERT). In 1984, the Company established a controlled trust called the WERT. Under this plan, the WERT would purchase shares of Wipro out of funds borrowed from Wipro. The Company's Compensation Committee would recommend to the WERT, officers and key employees, to whom the WERT will grant shares from its holding. The shares have been granted at a nominal price. Such shares would be held by the employees subject to vesting conditions. The shares held by the WERT are reported as a reduction from stockholders' equity.

The movement in the shares held by the WERT is given below :

	Year ended March 31,		
	2006	2007	**2008**
Shares held at the beginning of the year	7,893,060	7,869,060	**7,961,760**
Shares granted to employees	(24,000)	-	-
Grants forfeited by employees	-	92,700	-
Shares held at the end of the year	7,869,060	7,961,760	**7,961,760**

Wipro Employee Stock Option plan and Restricted Stock Unit Option Plan. A summary of general terms of grants under stock option plans and restricted stock unit plans are as follows :

Name of Plan	Authorized Shares	Range of Exercise Prices
Wipro Employee Stock Option Plan 1999 (1999 Plan)	30,000,000	Rs. 171 – 458
Wipro Employee Stock Option Plan 2000 (2000 Plan)	150,000,000	Rs. 171 - 458
Stock Option Plan (2000 ADS Plan)	9,000,000	$ 3 –7
Wipro Restricted Stock Unit Plan (WRSUP 2004 plan)	12,000,000	Rs. 2
Wipro ADS Restricted Stock Unit Option Plan (WARSUP 2004 plan)	12,000,000	$ 0.04
Wipro employee Restricted Stock Unit Option Plan 2005 (WSRUP 2005 plan)	12,000,000	Rs. 2
Wipro employee Restricted Stock Unit Option Plan 2007 (WSRUP 2007 plan)	10,000,000	Rs. 2

Employees covered under the stock option plans and restricted stock unit option plans (collectively stock option plans) are granted an option to purchase shares of the Company at the respective exercise prices, subject to requirement of vesting conditions (generally service conditions). These options generally vests over a period of five years from the date of grant. Upon vesting, the employees can acquire one equity share for every option. The maximum contractual term for aforementioned stock option plans is generally ten years.

The following table summarizes stock option activity :

			Year ended March 31,							
			2006			2007			2008	
	Range of Exercise Prices		Number	Weighted Average Exercise Price		Number	Weighted Average Exercise Price		**Number**	**Weighted Average Exercise Price**
Outstanding at the beginning of the year......	Rs.	171-458	52,696,149	Rs.	299	34,317,113	Rs.	310	2,955,319	Rs. 333
	$	3-7	2,435,250	$	6	1,447,742	$	6	556,089	$ 6
	Rs.	2	9,519,656	Rs.	2	7,598,174	Rs.	2	10,946,864	Rs. 2
	$	0.04	1,536,100	$	0.04	1,000,720	$	0.04	1,551,330	$ 0.04
Granted.....................	Rs.	171-458	-		-	-		-	-	-
	$	3-7	-		-	-		-	-	-
	Rs.	2	55,500	Rs.	2	6,132,636	Rs.	2	81,300	Rs. 2
	$	0.04	-		-	918,130	$	0.04	665,386	$ 0.04
Exercised..................	Rs.	171-458	(16,422,865)	Rs.	273	(30,120,192)	Rs.	308	(1,211,880)	Rs. 374
	$	3-7	(759,508)	$	6	(891,653)	$	6	(500,199)	$ 6
	Rs.	2	(1,282,410)	Rs.	2	(2,036,918)	Rs.	2	(574,051)	Rs. 2
	$	0.04	(148,440)	$	0.04	(196,620)	$	0.04	(167,540)	$ 0.04
Forfeited and lapsed.......	Rs.	171-458	(1,956,171)	Rs.	323	(1,241,602)	Rs.	283	(523,513)	Rs. 400
	$	3-7	(228,000)	$	5	-		-	(47,184)	$ 7
	Rs.	2	(694,572)	Rs.	2	(747,028)	Rs.	2	(753,950)	Rs. 2
	$	0.04	(386,940)	$	0.04	(170,900)	$	0.04	(163,940)	$ 0.04
Outstanding at the end of the year.....................	Rs.	171-458	34,317,113	Rs.	310	2,955,319	Rs.	333	1,219,926	Rs. 264
	$	3-7	1,447,742	$	6	556,089	$	6	8,706	$ 5
	Rs.	2	7,598,174	Rs.	2	10,946,864	Rs.	2	9,700,163	Rs. 2
	$	0.04	1,000,720	$	0.04	1,551,330	$	0.04	1,885,236	$ 0.04

The following table summarizes information about stock options outstanding as of March 31, 2008

	Options Outstanding			Options Exercisable		
Range of Exercise Prices	**Numbers**	**Weighted Average Remaining Life (Months)**	**Weighted Average Exercise Price**	**Numbers**	**Weighted Average Remaining Life (Months)**	**Weighted Average Exercise Price**
171 – 458	1,219,926	14	264	1,219,926	14	264
$ 3 –7	8,706	14	5	8,706	14	5
Rs. 2	9,700,163	42	2	1,200,507	29	2
$ 0.04	1,885,236	51	$ 0.04	129,600	29	$ 0.04

The weighted-average grant-date fair value of options granted during the years 2006, 2007 and 2008 was Rs. 458, Rs. 512 and Rs. 578, for each option respectively.

The total intrinsic value of stock options exercised during the years ended March 31, 2006, 2007, and 2008, was Rs. 2,991, Rs. 9,578, and Rs.713 respectively. As of March 31, 2008 stock option outstanding and exercisable had an aggregate intrinsic value of Rs. 3,742 and Rs. 516 respectively. As of December 31, 2007, the unamortized stock compensation expense under the stock option plans is Rs. 3,115 and the same is expected to be amortized over a weighted average period of approximately 3.05 years.

Total stock compensation cost recognized under the employee stock incentive plans is Rs. 652, Rs. 1,336 and Rs. 1,076 during the year ended March 31, 2006, 2007 and 2008 respectively. The compensation cost has been allocated to cost of revenues and operating expenses as follows :

	Year ended March 31,		
	2006	2007	**2008**
Cost of revenues	Rs. 437	Rs. 1,044	**Rs. 840**
Selling and marketing expenses	75	169	**137**
General and administrative expenses	140	123	**99**
	Rs. 652	Rs. 1,336	**Rs. 1,076**

During the year ended March 31, 2008, the Indian Income Tax Act was amended to levy a tax titled Fringe Benefit Tax (FBT) on employee stock options. FBT is assessed on all stock options that are exercised on or after April 1, 2007, and is based on the intrinsic value of the stock options on the vesting date. However, the FBT liability is triggered only if the options are exercised. Consistent with the guidance in EITF Issue No. 00-16, Recognition and Measurement of Employer Payroll Taxes on Employee Stock Based Compensation, the Company records the FBT expense when the stock option is exercised since the FBT liability is triggered only subsequent to exercise. The tax laws permit the employer to recover the FBT from the employee as the tax relates to benefits accruing to the employee. The Company has modified its employee stock option plans to recover the FBT from the employees. The recovery of FBT from the employees is directly linked to the exercise of the stock option and is recorded as an additional component of the exercise price of the options based on the guidance previously provided by Issue 15 of EITF Issue No. 00-23, Issues Related to the Accounting for Stock Compensation under APB Opinion No. 25 and FASB Interpretation No. 44. The FBT expense and recovery recorded in the year ended March 31, 2007 and 2008 was not material.

Modification of Employee Stock Incentive Plans

During the year ended March 31, 2007, through a short-term inducement offer, the Company agreed to an arrangement whereby if certain vested options were exercised within the offer period through financing by an independent third-party financial institution, the Company would bear the interest obligation relating to this financing. The loan by the third-party financial institution is with no recourse to the Company. 11,879,065 options were exercised during the offer period. The Company has accounted for this arrangement as a short-term inducement resulting in modification accounting. Accordingly, incremental compensation cost of Rs. 86 had been recorded during the year ended March 31, 2007. During the year ended March 31, 2008, the Company has revised the estimates of its interest obligation relating to the non-recourse financing and has accordingly recorded an additional compensation expense of Rs. 261.

Additionally, as a part of this arrangement 1,150,055 other vested options were exercised by certain employees through a non-recourse interest free loan aggregating Rs. 326 by a controlled trust, during the year ended March 31, 2007. Even though this transaction does not represent an exercise for accounting purpose, to reflect the legal nature of shares issued, an amount of Rs. 2/-, equivalent to the par value of shares issued has been transferred from additional paid-in capital to common stock.

23. Earnings Per Share

A reconciliation of net income and equity shares used in the computation of basic and diluted earnings per equity share is set out below :

	Year ended March 31,		
	2006	2007	**2008**
Earnings			
Net income	Rs. 20,271	Rs. 29,168	**Rs. 32,241**
Equity shares			
Weighted average number of equity shares outstanding	1,406,505,974	1,426,709,163	**1,450,604,615**
Effect of dilutive equivalent shares-stock options	17,173,256	17,758,394	**4,175,992**
Weighted average number of equity shares and equivalent shares outstanding	1,423,679,230	1,444,467,557	**1,454,780,607**

Shares held by the controlled WERT have been reduced from the equity shares outstanding and shares held by employees subject to vesting conditions have been included in outstanding equity shares for computing basic and diluted earnings per share as per the treasury stock method in accordance with SFAS No. 128, Earnings per Share. Similarly, shares exercised through a non-recourse loan by the WERT, have been reduced from the equity shares outstanding.

24. Employee Benefit Plans

Gratuity. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Company, although the Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the Company.

Effective March 31, 2007, the Company adopted SFAS No. 158, which required the recognition in pension obligations and accumulated other comprehensive income of actuarial gains or losses, prior service costs or credits and transition assets or obligations that had previously been deferred under the reporting requirements of SFAS No. 87, SFAS No. 106 and SFAS No. 132(R). As a result of the adoption, the Company recorded Rs. 124 as a reduction of the March 31, 2007 retained earnings.

Obligations and Funded Status

	As of March 31,	
	2007	2008
Change in the benefit obligation		
Projected Benefit Obligation (PBO) at the beginning of the year	Rs. 756	**Rs. 1,027**
Service cost	193	**258**
Interest cost	55	**89**
Benefits paid	(77)	**(135)**
Actuarial loss/(gain)	100	**142**
PBO at the end of the year	1,027	**1,381**
Change in plan assets		
Fair value of plan assets at the beginning of the year	656	**727**
Actual return on plan assets	59	**104**
Employer contributions	89	**554**
Benefits paid	(77)	**(135)**
Plan assets at the end of the year	727	**1,250**
Funded status	(300)	**(131)**

Following is the summary of amounts in accumulated other comprehensive income/(loss) as of March 31, 2007 and 2008 that have not yet been recognized in the consolidated statements of income as components of net gratuity cost :

	Year ended March 31,	
	2007	2008
Net actuarial loss	Rs. 138	**Rs. 217**
Net prior service cost	3	-
Net transitional obligation	1	-
Total accumulated other comprehensive income	Rs. 142	**Rs. 217**

Net gratuity cost for the years ended March 31, 2006, 2007 and 2008 included :

	Year ended March 31,		
	2006	2007	2008
Service cost	Rs. 164	Rs. 193	**Rs. 258**
Interest cost	46	55	**89**
Expected return on assets	(31)	(42)	**(54)**
Amortization of transition liabilities/ actuarial loss	10	(4)	**13**
Adjustments[1]	-	(78)	-
Net gratuity cost	Rs. 189	Rs. 124	**Rs. 306**

[1] Till March 31, 2006 for a certain category of employees, the Company previously recorded and disclosed a defined benefit plan as a defined contribution plan. During the year ended March 31, 2007, the Company recorded an adjustment of Rs. 78 as a credit to the income statement to record this plan as a defined benefit plan. The impact of this adjustment is not material to the income statement, accrued liability/(prepaid asset) and the overall financial statement presentation.

The weighted average actuarial assumptions used to determine benefit obligations are :

	As of March 31,	
	2007	2008
Discount rate	9.6%	**9.35%**
Rate of increase in compensation levels	7%	**7%**
Rate of return on plan assets	7.5%	**7.5%**

The weighted average actuarial assumptions used to determine net periodic gratuity cost are :

	Year ended March 31,		
	2006	2007	2008
Discount rate	8%	8%	**9.6%**
Rate of increase in compensation levels	7%	7%	**7%**
Rate of return on plan assets	7%	7%	**7. 5%**

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The Company estimates the long-term return on plan assets based on the average rate of return expected to prevail over the next 15 to 20 years in the types of investments held. As of March 31, 2006, 2007 and 2008, a significant portion of the plan assets were invested in debt securities.

Accumulated benefit obligation was Rs. 738 and Rs. 988 as of March 31, 2007 and 2008 respectively.

Expected contribution to the fund for the year ending March 31, 2009	Rs.	124
Expected benefit payments from the fund for the year ending March 31 :		
2009	Rs.	270
2010		255
2011		294
2012		357
2013		432
Thereafter		2,105
Total	**Rs.**	**3,713**

The expected benefits are based on the same assumptions used to measure the Company's benefit obligations as of March 31, 2008.

Superannuation. Apart from being covered under the Gratuity Plan described above, the senior officers of the Company also participate in a defined contribution plan maintained by the Company. This plan is administered by the LIC and ICICI. The Company makes annual contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions.

Provident fund. In addition to the above benefits, all employees receive benefits from a provident fund, a defined contribution plan. The employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's salary. A portion of the contribution is made to the provident fund trust established by the Company, while the remainder of the contribution is made to the Government's provident fund.

The Company contributed Rs. 1,036, Rs. 1,407 and Rs. 2,383 to various defined contribution and benefit plans during the years ended March 31, 2006, 2007 and 2008 respectively as follows :

	Year ended March 31,		
	2006	2007	2008
Defined contribution	Rs. 984	Rs. 1,318	**Rs. 1,829**
Defined benefit	52	89	**554**
Total	Rs. 1,036	Rs. 1,407	**Rs. 2,383**

25. Related parties

During the year ended March 31, 2008, the Company transferred a property to its controlling shareholder, qualifying as transaction where common control exists, for a consideration of Rs. 155. The difference between the consideration received and the carrying value of the property has been recorded as a capital contribution in additional paid-in-capital.

26. Sale of financial assets

From time to time, in the normal course of business, the Company transfers accounts receivables, net investment in sales-type finance receivables and employee advances (financials assets) to banks. Under the terms of the arrangements, the Company surrenders control over the financial assets and accordingly the transfers are recorded as sale of financial assets. The sale of financial assets may be with or without recourse. Under arrangements with recourse, the Company is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with the banks. Additionally, the Company retains servicing responsibility for the transferred financial assets. Gains and losses on sale of financial assets are recorded at the time of sale based on the carrying value of the financial assets, fair value of servicing liability and recourse obligations. During the years ended March 31, 2006, 2007 and 2008, the Company transferred financial assets of Rs. 259, Rs. 480 and Rs. 1,625 respectively, under such arrangements and has included the proceeds in net cash provided by operating activities in the consolidated statements of cash flows. This transfer resulted in loss of Rs. 9, Rs. 9 and Rs. 41 for the years ended March 31, 2006, 2007 and 2008 respectively, which is included in general and administrative expense. As at March 31, 2007 and 2008, the maximum amounts of recourse obligation in respect of the transferred financial assets are Rs. 48 and Rs. Nil respectively.

27. Commitments and Contingencies

Capital commitments. As of March 31, 2007 and 2008, the Company had committed to spend approximately Rs. 3,432 and Rs. 7,266 respectively, under agreements to purchase property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Other commitments. The Company's Indian operations have been established as a Software Technology Park Unit under a plan formulated by the Government of India. As per the plan, the Company's India operations have export obligations to the extent of 1.5 times the employee costs for the year on an annual basis and 5 times the amount of foreign exchange released for capital goods imported, over a five year period. The consequence of not meeting this commitment in the future, would be a retrospective levy of import duty on certain computer hardware previously imported duty free. As of March 31, 2008, the Company has met all commitments required under the plan.

As of March 31, 2007 and 2008, the Company had contractual obligations to spend approximately Rs. 3,160 and Rs. 3,256 respectively; under purchase obligations which include commitments to purchase goods or services of either a fixed or minimum quantity that meet certain criteria.

Guarantees. As of March 31, 2007 and 2008, performance and financial guarantees provided by banks on behalf of the Company to the Indian Government, customers and certain other agencies amount to approximately Rs. 3,013 and Rs.4,392 respectively, as part of the bank line of credit.

Contingencies and lawsuits The Company had received tax demands from the Indian income tax authorities for the financial years ended March 31, 2001, 2002, 2003 and 2004 aggregating to Rs. 11,127 (including interest of Rs. 1,503). The tax demand was primarily on account of denial of deduction claimed by the Company under Section 10A of the Income Tax Act, 1961, in respect of profits earned by its undertakings in Software Technology Park at Bangalore. The Company had appealed against these demands. The first appellate authority has upheld the deduction claimed by the Company under Section 10A of the act, which vacates a substantial portion of the demand for the year ended March 31, 2001, 2002, 2003 and 2004. The income tax authorities have filed an appeal against the above orders.

Considering the facts and nature of disallowance and the order of the appellate authority upholding the claims of the Company for earlier years, the Company believes that the final outcome of the above disputes should be in favour of the Company and there should not be any material impact on the financial statements.

28. Segment Information

The Company is currently organized by segments, including Global IT Services and Products (comprising of IT Services and BPO Services segments), India and AsiaPac IT Services and Products, Consumer Care and Lighting and 'Others'.

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 management believes that return on capital employed is considered appropriate for evaluating the performance of its operating segments. Return on capital employed is calculated as operating income divided by the average of the capital employed at the beginning and at the end of the period. Capital employed includes total assets of the respective segments less all liabilities, except for short-term borrowings, long-term debt and obligations under capital leases.

Operating segments with similar economic characteristics and complying with other aggregation criteria specified in SFAS No. 131 have been combined to form the Company's reportable segments. Consequently, IT Services and BPO services qualify as reportable segments under Global IT Services and Products.

Until March 31, 2007, the operations of certain acquired entities were reviewed by the CODM separately and were accordingly reported separately as 'Acquisitions'. During the year ended March 31, 2008, the Company integrated these acquired entities under the IT Services segment and accordingly the CODM no longer reviews separate information relating to these acquired entities.

Similarly, acquisitions relating to the Global IT Services and Products segment made during the year ended March 31, 2008, include Infocrossing. The operations of Infocrossing, a component of Global IT Services and Products, are currently being reviewed by the CODM separately and have accordingly been reported separately as 'Acquisitions'.

The IT Services segment provides research and development services for hardware and software design to technology and telecommunication companies, software application development services to corporate enterprises. The BPO services segment provides 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 and Asian 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. Additionally, fringe benefit tax, which is an expenditure related tax, incurred by the Company is not allocated to individual segments and is reported as a reconciling item.

Subsequent to March 31, 2008, the Company modified its organization structure relating to its Global IT Service & Products, and India and AsiaPac IT Service and Products segment. These organization changes may change the composition of the Company's operating and reportable segments. Segment information provided below is based on the organization structure and reportable segments that was in place as of March 31, 2008. The Company is currently in the process of determining its new operating and reportable segments based on the revised organization structure. Segment information will be presented on the revised basis in the consolidated financial statements for the quarter ended June 30, 2008.

Information on reportable segments is as follows :

	Year ended March 31, 2006							
	Global IT Services and Products			India and AsiaPac IT Services and Products	Consumer Care and Lighting	Others	Reconciling Items	Entity Total
	IT Services	BPO Services	Total					
Revenues	73,061	7,664	80,725	16,477	5,625	3,280	-	106,107
Exchange rate fluctuations	(174)	(38)	(212)	(2)	-	5	209	-
Total revenues	72,887	7,626	80,513	16,475	5,625	3,285	209	106,107
Cost of revenues	(46,986)	(5,810)	(52,796)	(12,835)	(3,556)	(2,460)	-	(71,647)
Selling and marketing expenses	(3,893)	(49)	(3,942)	(1,392)	(1,160)	(236)	(34)	(6,764)
General and administrative expenses	(3,392)	(752)	(4,144)	(841)	(102)	(113)	(39)	(5,239)
Research and development expenses	(202)	-	(202)	-	-	-	-	(202)
Amortization of intangible assets	(26)	(5)	(31)	(12)	(21)	-	-	(64)
Exchange rate fluctuations	-	-	-	-	-	-	(208)	(208)
Others, net	11	-	11	9	13	11	26	70
Operating income of segment (1)	18,399	1,010	19,409	1,404	799	487	(46)	22,053
Total assets of segment	43,404	11,427	54,831	8,972	2,345	3,454	33,226	102,828
Capital employed opening	21,290	8,122	29,412	2,895	936	2,172	22,410	57,825
Capital employed closing	30,828	10,338	41,166	3,774	1,310	2,833	30,387	79,470
Average capital employed	26,059	9,230	35,289	3,335	1,123	2,503	26,397	68,647
Return on capital employed	71%	11%	55%	42%	71%	-	-	-
Accounts receivable	15,106	849	15,955	3,350	563	723	-	20,591
Cash and cash equivalents and investments in liquid and short-term mutual funds	5,247	4,098	9,345	241	178	368	29,042	39,174
Depreciation……..………………………..	2,188	624	2,812	117	82	59	31	3,101

	Year ended March 31, 2007							
	Global IT Services and Products			India and AsiaPac IT Services and Products	Consumer Care and Lighting	Others	Reconciling Items	Entity Total
	IT Services	BPO Services	Total					
Revenues	101,508	9,413	110,921	23,888	7,559	7,063	-	149,431
Exchange rate fluctuations	(155)	(24)	(179)	(25)	4	3	197	-
Total revenues	101,353	9,389	110,742	23,863	7,563	7,066	197	149,431
Cost of revenues	(66,817)	(6,173)	(72,990)	(18,555)	(4,905)	(5,748)	-	(102,200)
Selling and marketing expenses	(5,000)	(100)	(5,100)	(2,068)	(1,483)	(477)	(45)	(9,173)
General and administrative expenses	(4,742)	(983)	(5,725)	(1,198)	(120)	(501)	(95)	(7,639)
Research and development expenses	(268)	-	(268)	-	-	-	-	(268)
Amortization of intangible assets	(220)	(5)	(225)	(32)	(5)	(7)	-	(269)
Exchange rate fluctuations	-	-	-	-	-	-	(197)	(197)
Others, net	93	-	94	29	17	51	29	220
Operating income of segment (1)	24,399	2,128	26,527	2,039	1,067	384	(111)	29,906
Total assets of segment	64,881	7,816	72,697	13,209	4,677	7,742	48,443	146,767
Capital employed opening	30,828	10,337	41,165	3,774	1,310	2,833	30,387	79,469
Capital employed closing	47,661	6,456	54,117	5,718	3,094	5,659	36,661	105,249
Average capital employed	39,245	8,397	47,642	4,746	2,201	4,246	33,524	92,359
Return on capital employed	62%	25%	56%	43%	49%	-	-	-
Accounts receivable	20,371	1,097	21,468	4,671	723	1,221	-	28,083
Cash and cash equivalents and investments in liquid and short-term mutual funds	8,593	421	9,014	888	358	251	34,312	44,823
Depreciation	2,888	617	3,505	168	103	139	16	3,931

	Year ended March 31, 2008								
	Global IT Services and Products								
	IT Services	Acquisitions	BPO Services	Total	India and AsiaPac IT Services and Products	Consumer Care and Lighting	Others	Reconciling Items	Entity Total
Revenues.	119,308	5,291	11,588	136,187	34,528	14,639	12,074	-	197,428
Exchange rate fluctuations	108	-	(18)	90	74	(20)	(19)	(125)	-
Total revenues	119,416	5,291	11,570	136,277	34,602	14,619	12,055	(125)	197,428
Cost of revenues	(81,406)	(4,388)	(7,661)	(93,455)	(26,583)	(8,681)	(9,913)	(199)	(138,831)
Selling and marketing expenses	(5,769)	(247)	(179)	(6,195)	(3,670)	(3,222)	(632)	(88)	(13,807)
General and administrative expenses	(6,079)	(336)	(1,167)	(7,582)	(1,624)	(816)	(704)	(94)	(10,820)
Research and development expenses	(405)	-	-	(405)	-	-	-	-	(405)
Amortization of intangible assets	(236)	(183)	(5)	(424)	(47)	(111)	(35)	-	(616)
Exchange rate fluctuations	-	-	-	-	-	-	-	125	125
Others, net	401	-	-	401	62	52	106	18	640
Operating income of segment (1)	25,922	136	2,558	28,617	2,740	1,841	877	(363)	33,714
Total assets of segment	80,802	28,748	8,835	118,385	20,494	23,137	16,250	46,603	224,900
Capital employed opening	47,661	-	6,456	54,117	5,718	3,094	5,659	36,662	105,249
Capital employed closing	61,894	20,629	6,753	89,276	11,397	19,308	6,990	48,219	174,190
Average capital employed	54,777	10,315	6,605	71,696	8,057	11,201	6,324	42,440	139,720
Return on capital employed	47%	1%	39%	40%	34%	16%	-	-	24%
Accounts receivable	24,294	947	1,447	26,688	8,553	2,246	1,422	-	38,908
Cash and cash equivalents and investments in liquid and short-term mutual funds.	20,966	62	264	21,292	811	735	104	31,137	54,078
Depreciation	3,616	354	625	4,595	223	198	308	19	5,343

Operating income of segments is after recognition of stock compensation expense arising from the grant of options :

Segments	2006	2007	2008
IT Services	Rs. 528	Rs. 1,151	**Rs. 899**
BPO Services	23	49	**32**
India and AsiaPac IT Services and Products	40	80	**76**
Consumer Care and Lighting	9	23	**42**
Others	17	13	**5**
Reconciling items	35	20	**22**
Total	Rs. 652	Rs. 1,336	**Rs. 1,076**

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

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

	Year ended March 31,		
	2006	2007	2008
India	Rs. 21,804	Rs. 30,650	**Rs. 46,891**
United States	53,481	72,846	**87,552**
Europe	24,310	36,972	**48,259**
Rest of the world	6,512	8,963	**14,726**
	Rs.106,107	Rs.149,431	**Rs. 197,428**

29. Fair Value of Financial Instruments

The fair value of the Company's current assets and current liabilities approximate their carrying value because of their short-term maturity. Such financial instruments are classified as current and are expected to be liquidated within the next twelve months. A substantial portion of the Company's long-term debt has been recently contracted at floating rate of interest which reset at short intervals. Accordingly, carrying value of such debt approximates fair value as of March 31, 2008.

Our Global Presence

Americas

United States of America
Canada
Brazil
Mexico

Europe

UK
Germany
France
Sweden
Netherlands
Finland
Switzerland
Romania
Portugal
Austria
Italy
Spain

Middle East

United Arab Emirates
Saudi Arabia
Qatar
Bahrain
Oman
Kuwait
Egypt

Asia Pacific

India
Japan
China
Australia
Singapore
Malaysia
Taiwan
Hong Kong
New Zealand
Philippines
Vietnam
Indonesia
Thailand

▲ Head Quarters - India

REGISTERED AND CORPORATE OFFICE:

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Indicative Map, not to scale.

Wipro Limited

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