

WIPRO LTD  
Form 20-F/A  
April 20, 2011

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 20-F/A  
(Amendment No. 1)**

(Mark One)

**Registration statement pursuant to section 12(b) or (g) of the Securities Exchange Act of 1934**

**Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the fiscal year ended March 31, 2010**

**Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Shell Company Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of event requiring this shell company report \_\_\_\_\_**

**Commission File Number 001-16139**

**WIPRO LIMITED**

(Exact name of Registrant as specified in its charter)

**Not Applicable**

(Translation of Registrant's name into English)

**Bangalore, Karnataka, India**

(Jurisdiction of incorporation or organization)

**Doddakannelli**

**Sarjapur Road**

**Bangalore, Karnataka 560035, India**

**+91-80-2844-0055**

(Address of principal executive offices)

**Suresh C. Senapaty, Chief Financial Officer and Director**

**Phone: +91 80 28440055; Fax: +91 80 28440104**

(Name, telephone, email and/or facsimile number and address of company contact person)

**Securities registered or to be registered pursuant to Section 12(b) of the Act:**

Title of each class  
**American Depositary Shares, each represented by  
one  
Equity Share, par value Rs. 2 per share.**

Name of each exchange on which registered  
**New York Stock Exchange**

**Securities registered or to be registered pursuant to Section 12(g) of the Act:**

**None**

(Title of Class)

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:**

**Not Applicable**

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 1,468,211,189 **Equity Shares.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act, 1934

Yes  No

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files)

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing

U.S. GAAP

International Financial Reporting

Other

Standards as issued by the

International

Accounting Standards Board

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes  No

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**EXPLANATORY NOTE**

The registrant hereby amends its Annual Report on Form 20-F for the year ended March 31, 2010 (the "Original Filing"), which was filed with the Securities and Exchange Commission (the "SEC") on November 12, 2010, to provide certain additional and enhanced disclosures to the following sections:

The risk factor entitled "If the Securities and Exchange Commission were to disagree with the conclusion of KPMG India and our Audit Committee that KPMG India is independent for purposes of its audit of Wipro, certain of our financial statements might have to be re-audited by a new independent registered public accounting firm;

Item 5 under the heading "Recent Developments" and the subheading "Audit Committee Investigation;

Item 5 under the heading "Recent Developments" and subheading "Findings and Conclusions;

Item 5 under the heading "Trend Information" and subheading "Goodwill Impairment Testing;

Item 6, under the heading "Compensation" and subheading "Director Compensation;

Item 6, under the heading "Compensation" and subheading "Executive Compensation;

Item 7, under the heading "Related Party Transactions;

Item 15, under the heading "Disclosure controls and procedures;

Item 15, under the heading "MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING;" and

Item 15, under the heading "Change in internal controls over financial reporting.

No other changes are made to the Original Filing.

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**RISK FACTORS**

This Annual Report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth in the following risk factors and elsewhere in this Annual Report. The following risk factors should be considered carefully in evaluating us and our business.

**Risks Related to our Company and our Industry**

**Our revenues and expenses are difficult to predict because they can fluctuate significantly given the nature of the markets in which we operate. This increases the likelihood that our results could fall below the expectation of market analysts, which could cause the market price of our equity shares and ADSs to decline.**

Our revenue historically has fluctuated and may fluctuate in the future depending on a number of factors, including:

the size, complexity, timing, pricing terms and profitability of significant projects or product orders;

changes in our pricing policies or those of our competitors;

the proportion of services we perform at our clients' sites rather than at our offshore facilities;

seasonal changes that affect the mix of services we provide to our clients or the relative proportion of services and product revenue;

seasonal changes that affect purchasing patterns among our consumers of desktops, notebooks, servers, communication devices, consumer care and other products;

unanticipated cancellations, contract terminations or deferral of projects or those occurring as a result of our clients reorganizing their operations;

the duration of tax holidays or exemptions and the availability of other Government of India incentives;

the effect of seasonal hiring patterns and the time we require to train and productively utilize our new employees;

unanticipated variations in the duration, size and scope of our projects, as well as changes in the corporate decision-making process of our clients;

currency exchange fluctuations; and

other economic and political factors.

A significant portion of our total operating expenses in our IT Services and IT Products business, particularly personnel and facilities, are fixed in advance of any particular quarter. As a result, unanticipated variations in the number and timing of our projects or employee utilization rates, in our IT Services business excluding Business Process Outsourcing (BPO) services, Indian IT services and Infocrossing, may cause significant variations in operating results in any particular quarter. (Utilization is the proportion of billed resources to total resources. Our total resources for the purpose of computing utilization include resources in administration and general support function excluding corporate activities)

Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indications of future performance. Thus, it is possible that in the future some of our periodic results of operations may be below the expectations of public market analysts and investors, and the market price of our equity shares and ADSs could decline.

Our profits attributable to equity holders increased by 18.50% for the year ended March 31, 2010, as compared to the year ended March 31, 2009. While the environment has improved significantly since the first half of the calendar year 2010, pricing remains competitive and clients remain focused on cost reduction and capital conservation. We are investing in developing capabilities in new technology areas and deepening our domain expertise. While we believe that we have a flexible business model which can mitigate this impact, we may not be able to sustain historical levels of profitability. In our Business Process Outsourcing or BPO business, we are diversifying our service offerings to reduce the proportion of revenues from customer interaction services. Continued attrition levels in our customer interaction services could adversely

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impact our operating margins. As a result, there can be no assurance that we will be able to sustain our historic levels of profitability.

**If we do not continue to improve our administrative, operational and financial personnel and systems to manage our growth, the value of our shareholders investment may be harmed.**

Until fiscal year 2009, we experienced significant growth in all our businesses. While growth rates were lower in fiscal 2010 compared to fiscal 2009, they have seen a strong uptick in second half of the year. However, we expect our growth to continue to place significant demands on our management and other resources. This will require us to continue to develop and improve our operational, financial and other internal controls, both in India and elsewhere. In particular, our continued growth will increase the challenges involved in:

recruiting and retaining sufficiently skilled technical, marketing and management personnel;

adhering to our high quality standards;

maintaining high levels of client satisfaction;

developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems; and

preserving our culture, values and entrepreneurial environment.

If we are unable to manage our growth effectively, the quality of our services and products may decline, and our ability to attract clients and skilled personnel may be negatively affected. These factors in turn could negatively affect the growth of our Global IT Services and Products business and harm the value of our shareholders investment.

**Intense competition in the market for IT and ITES services could adversely affect our cost advantages, and, as a result, decrease our revenues.**

The market for IT services is highly competitive. Our competitors include software companies, IT companies, systems consulting and integration firms, other technology companies and client in-house information services departments. We may also face competition from IT and ITES companies operating from emerging low cost destination like China, Philippines, Brazil, Romania, Poland, etc. Many of our competitors command significantly greater financial, technical and marketing resources and generate greater revenue than we do. We cannot be reasonably certain that we will be able to compete successfully against such competitors or that we will not lose our key employees or clients to such competitors. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as the availability of skilled resources, the price at which our competitors offer comparable services, and the extent of our competitors responsiveness to their clients needs.

**We may face difficulties in providing end-to-end business solutions for our clients that could cause clients to discontinue their work with us, which in turn could harm our business.**

We have been expanding the nature and scope of our engagements and have been adding new service offerings, such as IT consulting, business process management, systems integration and outsourcing of entire portions of IT infrastructure. The success of these service offerings is dependent, in part, upon continued demand for such services from our existing and new clients and our ability to meet this demand in a cost-competitive and effective manner. In addition, our ability to effectively offer a wider breadth of end-to-end business solutions depends on our ability to attract existing or new clients to these service offerings. To obtain engagements for such end-to-end solutions, we also are more likely to compete with large, well-established international consulting firms, resulting in increased compensation and marketing costs. Accordingly, we cannot be certain that our new service offerings will effectively meet client needs or that we will be able to attract existing and new clients to these service offerings.

The increased breadth of our service offerings may result in larger and more complex projects with our clients. This will require us to establish closer relationships with our clients and a thorough understanding of their operations. Our ability to establish such relationships will depend on a number of factors, including the proficiency of our IT professionals and our management personnel. Our failure to understand our client requirements or our failure to deliver services which meet the requirements specified by our clients could result in termination of client contracts,

and we could be liable to our clients for significant penalties or damages.

Larger projects may involve multiple engagements or stages, and there is a risk that a client may choose not to retain us for additional stages or may cancel or delay additional planned engagements. These terminations, cancellations or delays may result from the business or financial condition of our clients or the economy generally, as opposed to factors

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related to the quality of our services. Such cancellations or delays make it difficult to plan for project resource requirements, and inaccuracies in such resource planning may have a negative impact on our profitability.

**Our success depends in large part upon the ability of our management team and other highly skilled professionals. If we fail to retain and attract these personnel, our business may be unable to grow and our revenue could decline, which may decrease the value of our shareholders investment.**

The senior members of all our management team, including the continued efforts of our Chairman and Managing Director are critical to our success. Our ability to execute project engagements and to obtain new clients depend in large part on our ability to attract, train, motivate and retain highly skilled professionals, especially project managers, software engineers and other senior technical personnel. If we cannot hire and retain additional qualified personnel, our ability to bid on and obtain new projects and to continue to expand our business will be impaired and our revenue could decline. We believe that there is significant competition for professionals with the skills necessary to perform the services we offer. We may not be able to hire and retain enough skilled and experienced employees to replace those who leave. Additionally, we may not be able to re-deploy and retain our employees to keep pace with continuing changes in technology, evolving standards and changing client preferences. We are experiencing high employee attrition rates, in line with the industry, as the environment continues to improve and IT Companies start to hire more actively. Continued employee attrition rates in this business may adversely affect our revenues and profitability.

Changes in government policies may also affect our ability to hire, attract and retain personnel.

**Exchange rate fluctuations in various currencies in which we do business, could negatively impact our revenue and operating results.**

Our IT Services business is approximately 75% of our revenue. Our revenue from this business is derived from transactions in major world currencies while a significant portion of our costs are in Indian rupees. The exchange rate between the rupee and major world currencies has fluctuated significantly in recent years and may continue to fluctuate in the future. Appreciation of the rupee against the major world currencies can adversely affect our revenue and competitive positioning, and can adversely impact our gross margins. We generate around 35% of our IT Services revenues in Non- USD currencies and the exchange rate fluctuations between these currencies and the U.S. dollars can affect our revenues and growth expressed in USD terms. We enter into forward exchange and option contracts to minimize the impact of currency fluctuations on our revenues. However, volatility in exchange rate movement and/or sustained rupee appreciation will negatively impact our revenue and operating results.

A significant portion of our debt is in various foreign currencies. We also undertake hedging strategies to mitigate exposure of exchange rate risk relating to foreign currency borrowing including entering into cross-currency interest rate swaps. As mentioned above, the exchange rate between the rupee and major currencies of the world has fluctuated significantly in recent years and will likely continue to fluctuate in the future. Volatility in exchange rate movement and/or rupee depreciation may negatively impact our operating results.

**Our revenues are highly dependent on clients primarily located in the United States and Europe, as well as on clients concentrated in certain industries, and economic slowdowns or factors that affect the economic health of the United States, Europe or these industries may affect our business.**

We derive approximately 58% of our IT Services revenues from United States and 26% of our IT Services revenues from Europe. The recent crisis in the financial and credit markets in the United States, Europe and Asia have contributed significantly to a global economic slowdown, with the economies of the United States and Europe showing significant signs of weakness.

In an economic slowdown, our clients may reduce or postpone their technology spending significantly. Reduction in spending on IT services may lower the demand for our services and negatively affect our revenues and profitability.

Furthermore, any significant decrease in the growth of the industries on which we focus, or a significant consolidation in any such industry, may reduce the demand for our services and negatively affect our revenues and profitability.

**Our IT Services revenue depends to a large extent on a small number of clients, and our revenue could decline if we lose a major client.**

We currently derive, and believe that we will continue to derive, a significant portion of our IT Services revenue from a limited number of corporate clients. The loss of a major client or a significant reduction in the service performed for a major client could result in a reduction of our revenue. Our largest client for the years ended March 31, 2009 and 2010 accounted for 3% of our IT Services revenue. For the same periods, our ten largest clients accounted for 20% of our IT Services revenue. The volume of work we perform for specific clients may vary from year to year, particularly since we

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typically are not the sole outside service provider for our clients. Thus, any major client during one year may not provide the same level of revenue in a subsequent year.

There are a number of factors, other than our performance, that could cause the loss of a client and that may not be predictable. In certain cases, clients have reduced their spending on IT services due to a challenging economic environment and consequently have reduced their volume of business with us. If we were to lose one of our major clients or have a significantly lower volume of business with them, our revenue and profitability could be reduced. We continually strive to reduce our dependence on the revenue earned from services rendered to any one client.

### **Restrictions on immigration in the U.S. may affect our ability to compete for and provide services to clients in the United States, which could hamper our growth and cause our revenue to decline.**

Our employees who work onsite at client facilities or at our facilities in the United States on temporary or extended assignments typically must obtain visas. If U.S. immigration laws change and make it more difficult for us to obtain H-1B and L-1 visas for our employees, our ability to compete for and provide services to our clients in the United States could be impaired. In response to terrorist attacks in the United States, the U.S. Citizenship and Immigration Services has increased the level of scrutiny in granting visas and has decreased the number of its grants. These restrictions and any other changes in turn could hamper our growth and cause our revenue to decline.

A majority of our personnel in the United States hold H-1B visas or L-1 visas. An H-1B visa is a temporary work visa, which allows the employee to remain in the United States while he or she remains an employee of the sponsoring firm, and the L-1 visa is an intra-company transfer visa, which only allows the employee to remain in the United States temporarily. Although there is no limit to new L-1 petitions, there is a limit to the aggregate number of new H-1B petitions that the U.S. Citizenship and Immigration Services may approve in any government fiscal year. Beginning in fiscal year 2005, the U.S. Citizenship and Immigration Services have limited the number of H-1B visas that may be granted to 65,000 per year, a reduction from the 195,000 H-1B visas granted in each of the three years prior to 2004.

The L-1 and H-1B Visa Reform Act of 2004 further precludes foreign companies from obtaining L-1 visas for employees with specialized knowledge: (1) if such employees will be stationed primarily at the worksite of another company in the U.S. and the employee will not be controlled and supervised by his employer, or (2) if the placement is essentially an arrangement to provide labor for hire rather than in connection with the employee's specialized knowledge.

Immigration laws in the United States may also require us to meet certain minimum levels of compensation, and to comply with other legal requirements, including labor certifications, as a condition to obtaining or maintaining work visas for our technology professionals working in the United States.

Immigration laws in the United States and in other countries are subject to legislative changes, as well as to variations in standards of application and enforcement due to political forces and economic conditions. It is difficult to predict the political and economic events that could affect immigration laws, or the restrictive impact they could have on obtaining or monitoring work visas for our technology professionals.

Although we currently have sufficient personnel with valid H-1B visas, we cannot assure you that we will continue to be able to obtain any or a sufficient number of H-1B visas on the same time schedule as we have previously obtained, or at all.

### **Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violation of these regulations could harm our business.**

Because we provide services to clients throughout the world, we are subject to numerous, and sometimes conflicting, legal rules on matters as diverse as import/export controls, content requirements, trade restrictions, tariffs, taxation, sanctions, government affairs, internal and disclosure control obligations, data privacy and labor relations. Violations of these regulations in the conduct of our business could result in fines, criminal sanctions against us or our officers, prohibitions on doing business and damage to our reputation. Violations of these regulations in connection with the performance of our obligations to our clients also could result in liability for monetary damages, fines and/or criminal prosecution, unfavorable publicity, restrictions on our ability to process information and allegations by our clients that we have not performed our contractual obligations. Due to the varying degree of development of the legal systems of the countries in which we operate, local laws might be insufficient to protect our rights.

We have approximately 18,000 employees located outside India. We are subject to risks relating to compliance with a variety of national and local laws including multiple tax regimes, labour laws, employee health safety and wages and benefits. We may, from time to time, be subject to litigation or administrative actions resulting from claims against us by current or former employees individually or as part of class actions, including claims of wrongful terminations, discrimination, misclassification or other violations of labour law or other alleged conduct. Our failure to comply with

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applicable regulatory requirements could have a material adverse effect on our business, results of operations and financial condition.

**Legislation in certain countries in which we operate, including the United States, may restrict companies in those countries from outsourcing work to us.**

Recently, some countries and organizations have expressed concerns about a perceived association between offshore outsourcing and the loss of jobs domestically. With the growth of offshore outsourcing receiving increasing political and media attention, there have been concerted efforts to enact new legislation to restrict offshore outsourcing or impose disincentives on companies which have been outsourcing jobs. This may adversely impact our ability to do business in these jurisdictions and could adversely affect our revenues and operating profitability.

In addition, from time to time, there has been publicity about negative experiences associated with offshore outsourcing, such as theft and misappropriation of sensitive client data (including reports involving service providers in India). Our current or prospective clients may elect to perform certain services themselves or may be discouraged from transferring services from onshore to offshore providers to avoid negative perceptions that may be associated with using an offshore provider. Any slowdown or reversal of existing industry trends toward offshore outsourcing would seriously harm our ability to compete effectively with competitors that provide services from within the country in which our clients operate.

**We focus on high-growth industries, such as networking and communications. Any decrease in demand for technology in such industries may significantly decrease the demand for our services, which may impair our growth and cause our revenue to decline.**

Approximately 26% of our business is derived from clients in high growth industries who use our IT Services for networking and communications equipment. These industries have experienced periods of above normal growth and periods of contraction. Any significant decrease in the growth of these industries will decrease the demand for our services and could reduce our revenue.

**Our failure to complete fixed-price, fixed-timeframe contracts on budget and on time may negatively affect our profitability, which could decrease the value of our shareholders' investment.**

We offer a portion of our services on a fixed-price, fixed-time frame basis, rather than on a time-and-materials basis. Although we use specified software engineering processes and rely on our past project experience to reduce the risks associated with estimating, planning and performing fixed-price, fixed-timeframe projects, we bear the risk of cost overruns, completion delays and wage inflation in connection with these projects. If we fail to accurately estimate the resources and time required for a project, future rates of wage inflation and currency exchange rates, or if we fail to complete our contractual obligations within the contracted timeframe, our profitability may suffer.

**Disruptions in telecommunications could harm our service model, which could result in a reduction of our revenue.**

A significant element of our business strategy is to continue to leverage and expand our offshore development centers at Bangalore, Chennai, Hyderabad and Pune in India, as well as near shore development centers outside India. We believe that the use of a strategically located network of software development centers will provide us with cost advantages, the ability to attract highly skilled personnel in various regions of India and the world, the ability to service clients on a regional and global basis and the ability to provide services to our clients 24 hours a day, seven days a week. Part of our service model is to maintain active voice and data communications between our main offices in Bangalore, our clients' offices, and our other software development and support facilities. Although we maintain redundancy facilities and satellite communications links, any significant loss in our ability to transmit voice and data through satellite and telephone communications could result in a disruption in business, thereby hindering our performance or our ability to complete client projects on time. This, in turn, could lead to a reduction of our revenue.

**We may be liable to our clients for damages caused by disclosure of confidential information or system failures.**

We often have access to or are required to collect and store confidential client and customer data. Many of our client agreements do not limit our potential liability for breaches of confidentiality. If any person, including any of our employees, penetrates our network security or misappropriates sensitive data, we could be subject to significant liability from our clients or from our clients' customers for breaching contractual confidentiality provisions or privacy

laws. Unauthorized disclosure of sensitive or confidential client and customer data, whether through breach of our computer systems, systems failure or otherwise, could damage our reputation and cause us to lose clients.

**Table of Contents****We are investing substantial cash assets in new facilities and physical infrastructures and our profitability could be reduced if our business does not grow proportionately.**

We have invested substantially in construction or expansion of new software development facilities and physical infrastructure during fiscal year 2010 in anticipation of growth in our business. The total amount of investment made to purchase property, plant and equipment in fiscal year 2010 was Rs. 12,631 million (\$281 million). Additionally, as of March 31, 2010, we had contractual commitments of approximately Rs. 2,782 million (\$62 million) related to capital expenditures on construction or expansion of our software development facilities. We may encounter cost overruns or project delays in connection with new facilities. These expansions may increase our fixed costs. If we are unable to grow our business and revenues proportionately, our profitability will be reduced.

**Our international operations subject us to risks inherent in doing business on an international level that could harm our operating results.**

Currently, we have software development facilities in several countries around the world. The majority of our software development facilities are located in India. As we are in the process of scaling up our presence outside India through our strategic development centres, we are subject to additional risks related to our international expansion strategy, including risks related to complying with a wide variety of national and local laws, restrictions on the import and export of certain technologies and multiple and possibly overlapping tax structures. In addition, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations in general. We may also face difficulties integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture. Our international expansion plans may not be successful and we may not be able to compete effectively in other countries.

**Our business will suffer if we fail to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology and the industries on which we focus.**

The IT services market is characterized by rapid technological changes, evolving industry standards, changing client preferences and new product and service introductions. Our future success will depend on our ability to anticipate these advances and develop new product and service offerings to meet client needs. We may not be successful in anticipating or responding to these advances on a timely basis, or, if we do respond, the services or technologies we develop may not be successful in the marketplace. Further, products, services or technologies that are developed by our competitors may render our services non-competitive or obsolete.

**Most of our client contracts can typically be terminated without cause and with little or no notice or penalty, which could negatively impact our revenue and profitability.**

Our clients typically retain us on a non-exclusive, project-by-project basis. Most of our client contracts, including those that are on a fixed-price, fixed-time frame basis, can be terminated with or without cause, in as few as ninety days' notice and without termination-related penalties. Additionally, most of our contracts with clients are typically limited to discrete projects without any commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our clients, and there are a number of factors relating to our clients that are outside our control that might result in the termination of a project or the loss of a client, including:

- financial difficulties for a client;

- a change in strategic priorities, resulting in a reduced level of IT spending;

- a demand for price reductions; and

- a change in outsourcing strategy by moving more work to client in-house IT departments or to our competitors.

**We may engage in future acquisitions, investments, strategic partnerships or other ventures that may harm our performance, dilute our shareholders' ownership and cause us to incur debt or assume contingent liabilities.**

We have acquired and in the future may acquire or make investments in complementary businesses, technologies, services or products, or enter into strategic partnerships with parties who can provide access to those assets. For example, in December 2009, the Company acquired 100% of the equity of Lornamead FZE (an entity incorporated in Dubai) and Lornamead Personal Care Private Limited (an entity incorporated in India) from UK-based Lornamead Group Limited and operating in the personal care category marketing fragrance products, bath and shower products and skin care products. In the future, we may not identify suitable acquisition, investment or strategic partnership candidates, or if we do identify suitable candidates, we may not complete those transactions on terms commercially acceptable to us. We could have

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difficulty in assimilating the personnel, operations, technology and software of the acquired companies. In addition, the key personnel of an acquired company may decide not to work for us. If we make other types of acquisitions, we could have difficulty in integrating the acquired products, services or technologies into our operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. Changes in competition laws in India and abroad could also impact our acquisition plans.

**Some of our long-term client contracts contain benchmarking provisions which, if triggered could result in lower contractual revenues and profitability in the future.**

As the size and complexity of our client engagements increase, our clients may require further benchmarking provisions in our contracts with them. Benchmarking provisions allow a customer in certain circumstances to request a benchmark study prepared by an agreed upon third-party comparing our pricing, performance and efficiency gains for delivered contract services to that of an agreed upon list of other service providers for comparable services. Based on the results of the benchmark study and depending on the reasons for any unfavorable variance, we may be required to reduce the pricing for future services to be performed during the balance period of the contract, which could have an adverse impact on our revenues and profitability.

**We may be liable to our clients for damages caused by system failures, which could damage our reputation and cause us to lose customers.**

Many of our contracts involve projects that are critical to the operations of our clients' businesses and provide benefits that may be difficult to quantify. Any failure in a client's system could result in a claim for substantial damages against us, regardless of our responsibility for such failure. Although we attempt to limit our contractual liability for consequential damages in rendering our services, we cannot be assured that such limitations on liability will be enforceable in all cases, or that they will otherwise protect us from liability for damages. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could adversely affect our operating results.

**Customers may subject us to litigation to seek damages for deficient services or for violating intellectual property rights.**

Our customers may subject us to litigation and seek damages for losses caused by allegedly deficient services. Customers may also subject us to litigation and seek damages for violating or misusing intellectual property rights. Our inability to provide services at the contractually agreed service levels or inability to prevent violation or misuse of our customers' intellectual property could cause significant damage to our reputation and adversely affect our results of operations.

**Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance.**

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, new SEC regulations, New York Stock Exchange rules, Securities and Exchange Board of India rules and Indian stock market listing regulations, are creating uncertainty for companies like ours. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards.

In particular, continuing compliance with Section 404 of the Sarbanes-Oxley Act of 2002 and the related regulations regarding our required assessment of our internal controls over financial reporting requires the commitment of significant financial and managerial resources. With respect to our Form 20-F for the year ended March 31, 2010, our management has performed an assessment of the effectiveness of the internal control over financial reporting.

In connection with the audit of our consolidated financial statements for the year ended March 31, 2010, and as disclosed in our Form 6-K dated March 1, 2010, we discovered acts of embezzlement by one of our junior level employees during the period from November 2006 to December 2009. In response to the discovery of such acts of embezzlement, our Audit Committee conducted investigations to determine, among other things, the materiality of the

amounts embezzled, the design and implementation of internal control processes to detect and prevent similar misappropriations in the future and certain other issues including the appropriateness of certain accounting entries. Based on our review of the facts discovered during the investigations, we believe that the amounts embezzled were not material. See also Item 5 Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 15 Controls and Procedures for additional information pertaining to our Audit Committee investigations, the findings and impact of the financial statement misstatements and other adjustments identified during the investigations and our evaluation and remediation of the material weaknesses identified in our internal controls over financial reporting as of March 31, 2009.

We and our independent registered public accounting firm also identified the lack of internal controls that gave rise to this embezzlement and financial statement misstatements as material weaknesses in our internal control over financial reporting as of March 31, 2009. We have taken steps to address the underlying causes of the identified material weaknesses, primarily through the development and implementation of policies and controls, improved processes and documented procedures, the retention of third-party experts, and the hiring of additional accounting and finance personnel. The actions that we have taken were reviewed by our senior management with oversight by our Audit Committee. If we fail to remediate deficiencies in our control environment or are unable to implement and maintain effective internal control over financial reporting, we may be unable to accurately report our financial results, or report them within the timeframes required by law or exchange regulations. See Item 15 Controls and Procedures for additional information pertaining to our evaluation and remediation of the material weaknesses identified in our internal control over financial reporting as of March 31, 2009.

We are committed to maintaining high standards of corporate governance and public disclosure, and our efforts to comply with evolving laws, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. In addition, the new laws, regulations and standards regarding corporate governance may make it more difficult for us to obtain director and officer liability insurance. Further, our board members, chief executive officer and chief financial officer could face an increased risk of personal liability in connection with their performance of duties. As a result, we may face difficulties attracting and retaining qualified board members and executive officers, which could harm our business. If we fail to comply with new or changed laws or regulations and standards differ, our business and reputation may be harmed.

**If we fail to or are unable to implement and maintain effective internal controls over our financial reporting, the accuracy and timeliness of our financial reporting may be adversely affected.**

As we disclosed in our Form 6-K dated March 1, 2010, we discovered acts of embezzlement by one of our junior level employees during the period from November 2006 to December 2009. In response to the discovery of such acts of embezzlement, our Audit Committee conducted investigations to determine, among other things, the materiality of the amounts embezzled, the design and implementation of internal control processes to detect and prevent similar misappropriations in the future and certain other issues including the appropriateness of certain accounting entries. Based on our review of the facts discovered during the investigations, we believe that the amounts embezzled were not material. We have since recovered substantially all of the embezzled amounts. See also Item 5 Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information pertaining to our Audit Committee investigations and the findings and the impact of financial statement misstatements and other adjustments identified during the investigation.

We and our independent registered public accounting firm also identified the lack of internal controls that gave rise to this embezzlement and financial statement misstatements as material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. See also Item 15 Controls and Procedures for additional information pertaining to our evaluation and remediation of the material weaknesses identified in our internal controls over financial reporting as of March 31, 2009.

We have taken steps to address the underlying causes of the identified material weakness primarily through the development and implementation of policies and controls, improved process and documented procedures, the retention of third party experts, and the having of additional accounting and finance personnel. We believe that though we have remediated the identified material weaknesses of March 31, 2010, any future reoccurrence of these issues or

other material weaknesses or significant deficiencies may result in our inability to accurately report our financial results or report them within the timeframes required by law or exchange regulations. We cannot assure you that future additional material weaknesses or significant deficiencies will not exist or otherwise be discovered, a risk that is significantly increased in light of the complexity of our business and multinational operations. If material weaknesses or other significant deficiencies were to occur in future periods, our ability to accurately and timely report our financial position, results of operations or cash flows could be impaired, which could result in late filings of our annual and quarterly reports under the Exchange Act, restatements of our consolidated financial statements, a decline in our stock price, suspension or delisting of our ADSs on the New York Stock Exchange, or other material adverse effects on our business, reputation, results of operations, financial condition or liquidity. See also Item 5

Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 15 Controls and Procedures for additional information pertaining to our Audit Committee investigation, the findings and impact of the financial statement misstatements and other adjustments identified during the investigations and our evaluation and remediation of the material weaknesses identified in our internal controls over financial reporting as of March 31, 2009.

**Table of Contents****If we are unable to collect our receivables from or invoice our unbilled services to our clients, our results of operations and cash flows could be adversely affected.**

Our business depends on our ability to successfully obtain payment from our clients of the amounts they owe us for work performed. We evaluate the financial condition of our clients and usually bill and collect on relatively short cycles. We maintain provisions against receivables and unbilled services. Actual losses on client balances could differ from those that we currently anticipate and as a result we might need to adjust our provisions. There is no guarantee that we will accurately assess the creditworthiness of our clients. Timely collection of client balances also depends on our ability to complete our contractual commitments and bill and collect our contracted revenues. If we are unable to meet our contractual requirements, we might experience delays in collection of and/or be unable to collect our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience an increase in the time to bill and collect for our services, our cash flows could be adversely affected.

**If our pricing structures do not accurately anticipate the cost and complexity of performing our work, then our contracts could be unprofitable.**

We negotiate pricing terms with our clients utilizing a range of pricing structures and conditions. Depending on the particular contract, these include time-and-materials pricing, fixed-price pricing, and contracts with features of both of these pricing models. Our pricing is highly dependent on our internal forecasts and predictions about our projects and the marketplace, which might be based on limited data and could turn out to be inaccurate. If we do not accurately estimate the costs and timing for completing projects, our contracts could prove unprofitable for us or yield lower profit margins than anticipated. We could face greater risk when pricing our outsourcing contracts, as many of our outsourcing projects entail the coordination of operations and workforces in multiple locations, utilizing workforces with different skill sets and competencies and geographically distributed service centers. Furthermore, when outsourcing work we occasionally hire employees from our clients and assume responsibility for one or more of our clients' business processes. Our pricing, cost and profit margin estimates on outsourced work frequently include anticipated long-term cost savings from transformational and other initiatives that we expect to achieve and sustain over the life of the outsourcing contract. There is a risk that we will under price our contracts, fail to accurately estimate the costs of performing the work or fail to accurately assess the risks associated with potential contracts. In particular, any increased or unexpected costs, delays or failures to achieve anticipated cost savings, or unexpected risks we encounter in connection with the performance of this work, including those caused by factors outside our control, could make these contracts less profitable or unprofitable, which could have an adverse effect on our profit margin.

**Our profitability could suffer if we are not able to maintain favorable utilization rates.**

The cost of providing our services, including the utilization rate of our professionals, affects our profitability. If we are not able to maintain an appropriate utilization rate for our professionals, our profit margin and our profitability may suffer. Our utilization rates are affected by a number of factors, including:

- our ability to transition employees from completed projects to new assignments and to hire and assimilate new employees;

- our ability to forecast demand for our services and thereby maintain an appropriate headcount in each of our geographies and workforces;

- our ability to manage attrition; and

- our need to devote time and resources to training, professional development and other non-chargeable activities.

**Our work with government clients exposes us to additional risks inherent in the government contracting environment.**

Our clients include national, provincial, state and local governmental entities. Our government work carries various risks inherent in the government contracting process. These risks include, but are not limited to, the following:

Government entities often reserve the right to audit our contract costs, including allocated indirect costs, and conduct inquiries and investigations of our business practices with respect to our government contracts. If the client finds that the costs are not reimbursable, then we will not be allowed to bill for them, or the cost must be refunded to the client if it has already been paid to us. Findings from an audit also may result in our being required to prospectively adjust previously agreed rates for our work and may affect our future margins.

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If a government client discovers improper or illegal activities in the course of audits or investigations, we may become subject to various civil and criminal penalties and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions or debarment from doing business with other agencies of that government. The inherent limitations of internal controls may not prevent or detect all improper or illegal activities, regardless of their adequacy. Additionally, an allegation of improper activity, even if not proven, could result in adverse publicity and damage to our reputation and business.

Government contracts, and the proceedings surrounding them, are often subject to more extensive scrutiny and publicity than contracts with commercial clients. Negative publicity related to our government contracts, regardless of its accuracy, may further damage our business by affecting our ability to compete for new contracts.

Political and economic factors such as pending elections, changes in leadership among key executive or legislative decision makers, revisions to governmental tax policies and reduced tax revenues can affect the number and terms of new government contracts signed.

Terms and conditions of government contracts tend to be more onerous and are often more difficult to negotiate than those for commercial contracts

### **We are exposed to fluctuations in the market values of our investment portfolio.**

Recent turmoil in the financial markets has adversely affected economic activity in the United States and other regions of the world in which we do business. Deterioration of the credit as well as debt and capital markets could result in volatility of our investment earnings and impairments to our investment portfolio, which could negatively impact our financial condition and reported income.

### **We are exposed to fluctuations in the interest rates for our borrowings.**

Recent turmoil in the financial markets has caused and can cause the borrowings rate to go up in the future. Deterioration in the interest rates could negatively impact our financial condition and reported income.

### **Our financial condition and results of operations may be harmed if we do not successfully reduce market risks through the use of derivative financial instruments.**

Since we conduct operations throughout the world, a substantial portion of our assets, liabilities, revenues and expenses are denominated in various currencies other than the Indian rupee. Because our financial statements are denominated in India rupee, fluctuations in currency exchange rates, especially the U.S. dollar against the Indian rupee, could have a material impact on our reported results.

We also experience other market risks, including changes in interest rates of securities that we own. We may use derivative financial instruments to reduce certain of these risks. If our strategies to reduce market risks are not successful, our financial condition and operating results may be harmed.

### **Management's use of estimates may affect our income and financial position.**

To comply with IFRS, management is required to make many judgments, estimates, and assumptions. The facts and circumstances on which management bases these estimates and judgments, and management's judgment of the facts and circumstances, may change from time to time and this may result in significant changes in the estimates, with a negative impact on our assets or income. Current and future accounting pronouncements and other financial reporting standards may adversely affect the financial information we present. We regularly monitor our compliance with all of the financial reporting standards that are applicable to us and any new pronouncements that are relevant to us. Findings of our monitoring activity or new financial reporting standards may require us to change our internal accounting policies and to alter our operational policy so that it reflects new or amended financial reporting standards. We cannot exclude the possibility that this may have a material impact on our assets, income, or cash flows. For a summary of significant accounting policies, refer Note 3 of the Notes to the Consolidated Financial Statements section.

**If the Securities and Exchange Commission were to disagree with the conclusion of KPMG India and our Audit Committee that KPMG India is independent for purposes of its audit of Wipro, certain of our financial**

**statements might have to be re-audited by a new independent registered public accounting firm.**

As we disclosed in our Form 6-K dated March 1, 2010, we discovered acts of embezzlement by one of our junior level employees during the period from November 2006 to December 2009. In response to the discovery of such acts of embezzlement, our Audit Committee conducted an investigation to determine, among other things, the materiality of the amounts embezzled, the design and implementation of internal control processes to detect and prevent similar misappropriations in the future and certain other issues including the appropriateness of certain accounting entries. During the course of our investigation of this matter, our Audit Committee learned that this employee had engaged in a number of personal financial transactions, of relatively small value, with a junior member of KPMG India's audit team assigned to the Wipro audit engagement. KPMG India informs us that this audit engagement team member initially served in low level positions during the period from September 2006 through December 2009, was promoted to assistant manager in October 2007 and promoted to audit manager in October 2009, and remained in that position until he was removed from the audit team in December 2009. Additionally, KPMG India informs us that this audit engagement team member reported to an audit engagement senior manager who in turn reported to an audit engagement partner in his last position with KPMG India. After being advised of this information, our independent registered public accountants, KPMG India, commenced an internal investigation to determine the scope of the problem and to determine whether its independence with respect to Wipro had been impaired. KPMG India subsequently determined that neither the audit engagement team member or any other member of the KPMG India audit team assigned to the Wipro audit engagement were involved in the acts of embezzlement.

During the course of its investigation, KPMG India considered whether financial relationships, business transactions or loans existed between any members of KPMG India's audit engagement team and Wipro as well as other potential independence matters, including whether any other members of the KPMG India audit engagement team had dealings with any Wipro employees that would compromise KPMG India's independence from Wipro and took remedial measures to address issues identified. KPMG India concluded that it did not lack independence with respect to Wipro. Based on its review of the facts from KPMG India's investigation and discussions with its external advisors, our Audit Committee concurred with KPMG India's conclusion.

KPMG India voluntarily reported the results of its investigation, to the SEC. We have received a voluntary document request from the SEC's Division of Enforcement. The document request includes, among other things, issues relating to auditor independence. We are cooperating with the SEC's request. The outcome of the SEC's review of this matter is uncertain. A conclusion by the SEC that differs with the conclusions reached by KPMG India and our Audit Committee could have a material adverse effect on us and could, among other things, require us to retain new auditors and have our financial statements for one or more years re-audited.

**Risks Related to Investments in Indian Companies and International Operations Generally.**

We are incorporated in India, and a substantial portion of our assets and our employees are located in India. Consequently, our financial performance and the market price of our ADSs will be affected by political, social and economic developments affecting India, Government of India policies, including taxation and foreign investment policies, Government currency exchange control and changes in exchange rates and interest rates.

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**Wages in India have historically been lower than wages in the United States and Europe, which has been one of our competitive advantages. Wage increases in India may prevent us from sustaining this competitive advantage and may reduce our profit margins.**

Our wage costs in India have historically been significantly lower than wage costs in the United States and Europe for comparably skilled professionals, and this has been one of our competitive advantages. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. We may need to increase the levels of our employee compensation more rapidly than in the past to retain talent. Unless we are able to continue to increase the efficiency and productivity of our employees, over the long term, wage increases may reduce our profit margins. Furthermore, increases in the proportion of employees with lower experience, or source talent from other low cost locations, like Eastern Europe, China or South-East Asia could also negatively affect our profits.

**We would realize lower tax benefits if the special tax holiday scheme for units set up in special economic zones is substantially modified.**

The Government of India introduced a separate tax holiday scheme for units set up in special economic zones. Under this scheme, units in designated special economic zones which began providing services on or after April 1, 2005 will be eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50% of such profits or gains for a further five years.

Recently there have been demands by legislators and various political parties in India that the Government of India should actively regulate the development of special economic zones by private entities. There have also been demands to impose strict conditions which need to be complied with before an economic zone developed by a private entity is designated as special economic zone. If such regulations or conditions are imposed it would adversely impact our ability to set up new units in such designated special economic zones and avail ourselves of tax benefits.

**Our profit for the period would decrease if the Government of India imposes additional taxes or withdraws or reduces tax benefits or other incentives.**

Currently, we benefit from certain tax incentives under Indian tax laws. As a result of these incentives, our operations have not been subject to significant Indian tax liabilities. These tax incentives currently include a tax holiday from payment of Indian corporate income taxes for our Global IT Services and Products business operated from specially designated Software Technology Parks and Special Economic Zones in India and an income tax deduction of 100% for profits derived from exporting information technology services. As a result, a substantial portion of our pre-tax income has not been subject to significant tax in India in recent years.

The Finance Act, 2000 phases out the 10-year tax holiday available to Companies that export software from specially designated software technology parks, or STPs, in India such that the tax holiday is available only until the earlier of fiscal year 2009 or 10 years after the commencement of a company's undertaking. On May 10, 2008, the Finance Minister of India announced that the Government of India has extended the availability of the 10-year tax holiday by a period of one year such that the tax holiday will be available until the earlier of fiscal year 2010 or 10 years after the commencement of a company's undertaking. In July 2009, the Finance Act (No.2), 2009 again extended the availability of the 10-year tax holiday by a period of one year such that the tax holiday will be available until the earlier of fiscal year 2011 or 10 years after the commencement of a company's undertaking.

The Finance Act, 2007 has included income eligible for deductions under sections 10A and 10B of the Indian Income Tax Act (sections that provide tax holiday benefits) in the computation of book profits for the levy of a Minimum Alternative Tax, or MAT. The Finance Act, 2010 has increased the rate of MAT, effective April 1, 2010, to 19.93% (including a surcharge and education cess) on our book profits determined after including income eligible for deductions under Sections 10A and 10B of the Indian Income Tax Act. The Income Tax Act provides that the MAT paid over normal tax payable that could be carried forward can be adjusted against our tax liability over the next ten years. Although MAT paid by us can be set off against our future income tax liability, our cash flows could be adversely affected.

**In the event that the Government of India or the government of another country changes its tax policies in a manner that is adverse to us, our tax expense may materially increase, reducing our profitability.**

In recent years, the Government of India has introduced a tax on various services provided within India, including the maintenance and repair of software. In the Finance Act, 2008, the Government of India has included services provided in relation to information technology software under the ambit of a service tax, if it is in the course of or in furtherance of the business. Under this tax, service providers are required to pay a tax of 10% (excluding applicable education cess) on the value of services provided to customers. The Government of India may expand the services covered under the ambit of this tax to include various services provided by us. This tax, if expanded, could increase our expenses, and could adversely affect our operating margins and revenues. Although currently there is no material pending or

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threatened claims against us for service taxes, such claims may be asserted against us in the future. Defending these claims would be expensive and divert our attention and resources from operating our company.

We are subject to U.S. tax on income, taking into account corresponding deductions, attributable to the permanent establishment in the United States due to operation of our U.S. branch. Such tax is assessed at a rate of up to 35%. In addition, we are subject to a 15% Branch Profit Tax, or BPT, in the United States on the dividend equivalent amount as the term is defined under U.S. tax laws. Based on the net profits of our United States branch for fiscal 2010 and the net assets held as of March 31, 2010 and March 31, 2009, we are not currently subject to BPT. In the event that BPT is triggered, then such after-tax net profits not represented by an increase in net assets would be treated as a deemed distribution of accumulated profits and we would be liable to pay additional taxes on all such deemed distributions, thereby increasing our income tax expenses and affecting our profits negatively.

**We operate in jurisdictions that impose transfer pricing and other tax-related regulations on us, and any failure to comply could materially and adversely affect our profitability.**

We are required to comply with various transfer pricing regulations in India and other countries. Failure to comply with such regulations may impact our effective tax rates and consequently affect our net margins. Additionally, we operate in several countries and our failure to comply with the local tax regime may result in additional taxes, penalties and enforcement actions from such authorities. In the event that we do not properly comply with transfer pricing and tax-related regulations, our profitability may be adversely affected.

**Terrorist attacks or a war could adversely affect our business, results of operations and financial condition.**

Terrorist attacks, such as the attacks of September 11, 2001 in the United States, the attacks of July 7, 2005 in London, the attacks of June 30, 2007 in Glasgow, the attacks in November 2008 in Mumbai and other acts of violence or war, such as the continuing conflict in Iraq and Afghanistan, have the potential to directly impact our clients. To the extent that such attacks affect or involve the United States or Europe, our business may be significantly impacted, as the majority of our revenue is derived from clients located in the United States and Europe. In addition, such attacks may make travel more difficult, may make it more difficult to obtain work visas for many of our technology professionals who are required to work in the United States or Europe, and may effectively curtail our ability to deliver our services to our clients. Such obstacles to business may increase our expenses and negatively affect the results of our operations. Furthermore, any terrorist attacks in India could cause a disruption in the delivery of our services to our clients, and could have a negative impact on our business, personnel, assets and results of operations, and could cause our clients or potential clients to choose other vendors for the services we provide. Terrorist threats, attacks or war could also delay, postpone or cancel our clients' decisions to use our services.

**The markets in which we operate are subject to the risk of earthquakes, floods and other natural disasters.**

Some of the regions that we operate in are prone to earthquakes, flooding and other natural disasters. In the event that any of our business centers are affected by any such disasters, we may sustain damage to our operations and properties, suffer significant financial losses and be unable to complete our client engagements in a timely manner, if at all. Further, in the event of a natural disaster, we may also incur costs in redeploying personnel and property. In addition if there is a major earthquake, flood or other natural disaster in any of the locations in which our significant customers are located, we face the risk that our customers may incur losses, or sustained business interruption and/or loss which may materially impair their ability to continue their purchase of products or services from us. A major earthquake, flood or other natural disaster in the markets in which we operate could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**Regional conflicts in South Asia could adversely affect the Indian economy, disrupt our operations and cause our business to suffer.**

South Asia has from time to time experienced instances of civil unrest and hostilities among neighboring countries, including between India and Pakistan. In recent years there have been military confrontations between India and Pakistan that have occurred in the region of Kashmir and along the India-Pakistan border. The potential for hostilities between the two countries is high due to terrorist incidents in India and the aggravated geopolitical situation in the region. Both countries have initiated active measures to reduce hostilities. Military activity or terrorist attacks in

the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our equity shares and our ADSs, and on the market for our services.

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Since 1991, successive Indian Governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian Central and State Governments in the Indian economy as producers, consumers and regulators has remained significant. Although we believe that the process of economic liberalization will continue, the rate of economic liberalization could change, and specific laws and policies affecting technology companies, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

For instance in April 2007, the Government of India announced a number of changes in its policy relating to the Special Economic Zones ( SEZs ) including specifying a cap on land available for SEZs. The Government is also considering making changes in its SEZ policy. We currently have several facilities operating within SEZs and any adverse change in policy relating to SEZs could affect our profitability.

**Indian law limits our ability to raise capital outside India and may limit the ability of others to acquire us, which could prevent us from operating our business or entering into a transaction that is in the best interests of our shareholders.**

Indian law constrains our ability to raise capital outside of India through the issuance of equity or convertible debt securities. Generally, any foreign investment in, or an acquisition of, an Indian company requires approval from relevant Government authorities in India, including the Reserve Bank of India. However, subject to certain exceptions, the Government of India currently does not require prior approvals for IT companies such as ours. If we are required to seek the approval of the Government of India and the Government of India does not approve the investment or implements a limit on the foreign equity ownership of IT companies, our ability to seek and obtain additional equity investment by foreign investors will be limited. In addition, these restrictions, if applied to us, may prevent us from entering into a transaction, such as an acquisition by a non-Indian company, which would otherwise be beneficial for our company and the holders of our equity shares and ADSs.

**Our ability to acquire companies organized outside India depends on the approval of the Government of India. Our failure to obtain approval from the Government of India for acquisition of companies organized outside India may restrict our international growth, which could negatively affect our revenue.**

The Ministry of Finance of the Government of India and/or the Reserve Bank of India must approve our acquisition of any company organized outside of India or grant general or special permission for such acquisition. The Reserve Bank of India permits acquisitions of companies organized outside of India by an Indian party without approval in the following circumstances:

if the transaction consideration is paid in cash, up to 400% of the networth of the acquiring Company;

If the acquisition is funded with cash from the acquiring company's existing foreign currency accounts or with cash proceeds from the issue of ADRs/GDRs; or

if the transaction consideration is paid in stock (i.e., by issue of ADRs/GDRs), up to ten times the acquiring company's previous fiscal year's export earnings.

We cannot assure you that any required approval from the Reserve Bank of India and or the Ministry of Finance or any other Government agency can be obtained. Our failure to obtain such approvals from the Government of India for acquisitions of companies organized outside India may restrict our international growth, which could negatively affect our revenue.

**It may be difficult for you to enforce any judgment obtained in the United States against us, the selling shareholders or our affiliates.**

We are incorporated under the laws of India and many of our directors and executive officers, reside outside the United States. A substantial portion of our assets and the assets of many of these persons are located outside the

United States. As a result, you may be unable to effect service of process upon us outside of India or upon such persons outside their jurisdiction of residence. In addition, you may be unable to enforce against us in courts outside of India, or against these persons outside the jurisdiction of their residence, judgments obtained in courts of the United States, including judgments predicated solely upon the federal securities laws of the United States.

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We have been advised by our Indian counsel that the United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India under the Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

**The laws of India do not protect intellectual property rights to the same extent as those of the United States, and we may be unsuccessful in protecting our intellectual property rights. Unauthorized use of our intellectual property may result in development of technology, products or services which compete with our products. We may also be subject to third-party claims of intellectual property infringement.**

Our intellectual property rights are important to our business. We rely on a combination of copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. However, the laws of India do not protect proprietary rights to the same extent as laws in the United States. Therefore, our efforts to protect our intellectual property may not be adequate. Our competitors may independently develop similar technology or duplicate our products or services. Unauthorized parties may infringe upon or misappropriate our products, services or proprietary information.

The misappropriation or duplication of our intellectual property could disrupt our ongoing business, distract our management and employees, reduce our revenue and increase our expenses. We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly. As the number of patents, copyrights and other intellectual property rights in our industry increases, and as the coverage of these rights increases, we believe that companies in our industry will face more frequent infringement claims. Defending against these claims, even if not meritorious, could be expensive and divert our attention and resources from operating our company.

Although we believe that our intellectual property rights do not infringe on the intellectual property rights of any other party, infringement claims may be asserted against us in the future. If we become liable to third parties for infringing their intellectual property rights, we could be required to pay a substantial damage award and be forced to develop non-infringing technology, obtain a license or cease selling the applications or products that contain the infringing technology. We may be unable to develop non-infringing technology or to obtain a license on commercially reasonable terms, or at all.

**Risks Related to the ADSs**

**Sales of our equity shares may adversely affect the prices of our equity shares and the ADSs.**

Sales of substantial amounts of our equity shares, including sales by insiders, in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of our equity shares or our ADSs or our ability to raise capital through an offering of our securities. In the future, we may also sponsor the sale of shares currently held by some of our shareholders, or issue new shares. We can make no prediction as to the timing of any such sales or the effect, if any, that future sales of our equity shares, or the availability of our equity shares for future sale, will have on the market price of our equity shares or ADSs prevailing from time to time.

**An active or liquid trading market for our ADSs is not assured.**

An active, liquid trading market for our ADSs may not be maintained in the long term. Loss of liquidity could increase the price volatility of our ADSs.

**Indian law imposes foreign investment restrictions that limit a holder's ability to convert equity shares into ADSs, which may cause our ADSs to trade at a premium or discount to the market price of our equity shares.**

Under certain circumstances, the Reserve Bank of India must approve the sale of equity shares underlying ADSs by a non-resident of India to a resident of India. The Reserve Bank of India has given general permission to effect sales of existing shares or convertible debentures of an Indian company by a resident to a non-resident, subject to certain conditions, including the price at which the shares may be sold. Additionally, except under certain limited circumstances, if an investor seeks to convert the rupee proceeds from a sale of equity shares in India into foreign currency and then repatriate that foreign currency from India, he or she will have to obtain an additional Reserve Bank of India approval for

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each transaction. Required approval from the Reserve Bank of India or any other Government agency may not be obtained on terms which are favorable to a non-resident investor or at all.

Investors who exchange ADSs for the underlying equity shares and are not holders of record will be required to declare to us details of the holder of record, and the holder of record will be required to disclose the details of the beneficial owner. Any investor who fails to comply with this requirement may be liable for a fine of up to Rs. 1,000 for each day such failure continues. Such restrictions on foreign ownership of the underlying equity shares may cause our ADSs to trade at a premium or discount to the equity shares.

**An investor in our ADSs may not be able to exercise preemptive rights for additional shares and may thereby suffer dilution of his or her equity interest in us.**

Under the Indian Companies Act, a company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless such preemptive rights have been waived by three-fourths of the shares voting on the resolution to waive such rights. Holders of ADSs may be unable to exercise preemptive rights for equity shares underlying ADSs unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements of the Securities Act is available. We are not obligated to prepare and file such a registration statement and our decision to do so will depend on the costs and potential liabilities associated with any such registration statement, as well as the perceived benefits of enabling the holders of ADSs to exercise their preemptive rights, and any other factors we consider appropriate at the time. No assurance can be given that we would file a registration statement under these circumstances. If we issue any such securities in the future, such securities may be issued to the Depository, which may sell such securities for the benefit of the holders of the ADSs. There can be no assurance as to the value, if any; the Depository would receive upon the sale of such securities. To the extent that holders of ADSs are unable to exercise preemptive rights granted in respect of the equity shares represented by their ADSs, their proportional interests in us would be reduced.

**ADS holders may be restricted in their ability to exercise voting rights.**

At our request, the Depository will mail to you any notice of shareholders' meeting received from us along with information explaining how to instruct the Depository to exercise the voting rights of the securities represented by ADSs. If the Depository receives voting instructions from you in time, relating to matters that have been forwarded to you, it will endeavor to vote the securities represented by your ADSs in accordance with such voting instructions. However, the ability of the Depository to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure that you will receive voting materials in time to enable you to return voting instructions to the Depository in a timely manner. Securities for which no voting instructions have been received will not be voted. There may be other communications, notices or offerings that we only make to holders of our equity shares, which will not be forwarded to holders of ADSs. Accordingly, you may not be able to participate in all offerings, transactions or votes that are made available to holders of our equity shares.

**We may be classified as a passive foreign investment company, which could result in adverse United States federal income tax consequence to U.S. holders.**

Based on the current price of our ADSs and the composition of our income and assets, we do not believe that we are a passive foreign investment company, or PFIC, for United States federal income tax purposes for our current taxable year ended March 31, 2010. However, a separate determination must be made each year as to whether we are a PFIC (after the close of each taxable year). We cannot assure you that we will not be a PFIC for any future taxable year. If we were treated as a PFIC for any taxable year during which a United States holder held an equity share or an ADS, certain adverse United States federal income tax consequences could apply to the United States holder. See Taxation Material United States Federal Tax Consequences Passive foreign investment company.

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**Item 5. Operating and Financial Review and Prospects**

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

**Management's Discussion and Analysis of Financial Condition and Results of Operations**

**Introduction**

As discussed elsewhere in this report, in addition to historical information, this Annual Report on Form 20-F contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act ), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act ).

Forward-looking statements are not historical facts but instead represent our beliefs regarding future events, many of which are, by their nature, inherently uncertain and outside our control. As a result, the forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements, and reported results should not be viewed as an indication of future performance. For a discussion of some of the risks and important factors that could affect the firm's future results and financial condition, please see the sections entitled Risk Factors.

The forward-looking statements contained herein are identified by the use of terms and phrases such as anticipate , believe , could , estimate , expect , intend , may , plan , objectives , outlook , probably , project , will , and similar terms and phrases. Such forward-looking statements include, but are not limited to, all of the statements set forth above under the heading Forward-Looking Statements May Prove Inaccurate.

We wish to ensure that all forward-looking statements are accompanied by meaningful cautionary statements, so as to ensure to the fullest extent possible the protections of the safe harbor established in the Private Securities Litigation Reform Act of 1995. Accordingly, all forward-looking statements are qualified in their entirety by reference to, and are accompanied by, the discussion of certain important factors that could cause actual results to differ materially from those projected in such forward-looking statements in this report, including the section entitled Risk Factors and this section. We caution the reader that this list of important factors may not be exhaustive. We operate in rapidly changing businesses, and new risk factors emerge from time to time. We cannot predict every risk factor, nor can we assess the impact, if any, of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements.

**Table of Contents****Overview**

We are a leading global information technology, or IT, services company, headquartered in Bangalore, India. 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-market and time-to-development advantages to our clients. We also provide business process outsourcing, or BPO, services.

Our IT Products segment is a leader in the Indian IT market and focuses primarily on meeting requirements for IT products of companies in India and Middle East region.

We also have a notable presence in the markets for consumer products and lighting and infrastructure engineering.

**Recent Developments***Audit committee investigation*

As we disclosed in our Form 6-K dated March 1, 2010, we discovered acts of embezzlement by one of our junior level employees during the period from November 2006 to December 2009. In response to the discovery of such acts of embezzlement, our Audit Committee conducted an investigation through an internal investigation team to determine, among other things, the materiality of the amounts embezzled, the design and implementation of internal control processes to detect and prevent similar misappropriations in the future and certain other issues including the appropriateness of certain accounting entries. Based on our review of the facts discovered during the investigation, we believe that the amounts embezzled were not material. We have since recovered substantially all of the embezzled amounts.

As a result of the investigation of the embezzlement, our Audit Committee also commenced an external investigation, and engaged independent legal counsel and the forensic accountants they engaged, to evaluate certain issues that were discovered during the internal investigation, including the appropriateness of certain accounting entries pertaining to our exchange rate fluctuation and outstanding liability accounts. The Audit Committee reviewed evidence of possible intentional wrongful conduct which consisted of (i) the allegations by two former employees that they believed certain Company accounts were used for earnings management purposes, and (ii) a pattern of erroneous or undocumented accounting entries with an impact on profits in various quarterly periods. The Audit Committee investigation of this evidence involved (1) review of accounting entries, including period end entries, (2) key word analysis of electronic documents and emails from a range of former and current employees, and (3) in-depth interviews with current and former employees. Neither the documentary evidence nor the interview process revealed sufficient evidence to conclude there was earnings management, and the individuals who were interviewed denied that any earnings management practices had occurred. The Audit committee determined the evidence to be insufficient to support a conclusion of intentionally wrongful conduct for the following reasons: (a) the Audit Committee was unable to substantiate the claims of the two former employees because one died shortly after the events in question and the other former employee refused to cooperate with the Audit Committee investigation; (b) a review of relevant electronically stored information and e-mail communications did not disclose evidence of earnings management; and (c) interviews of twenty-three current or former employees disclosed no evidence of earnings management, and all individuals who were interviewed denied that any earnings management practices had occurred. The Audit Committee further determined that the amounts involved in the erroneous or undocumented accounting entries were not material in relation to the Company's financial statements, and coupled with the lack of evidence linking even low-value entries to earnings management, found a lack of persuasive evidence of wrongful intent indicative of earnings management. This investigation has since been concluded and the report of the independent legal counsel engaged to conduct the investigation was submitted to our Audit Committee on November 10, 2010. Our Audit Committee discussed and agreed with the findings and conclusions of this report.

*Findings and conclusions*

Based on its investigation, the Audit Committee concluded that, during the period from January 1, 2008 to December 31, 2009, there were certain accounting entries that were either erroneous, unsupported by documentation, or both, primarily in two accounts. However, our Audit Committee concluded there was insufficient evidence to

support a conclusion that any member of current management engaged in intentional wrongful conduct. These accounting entries have been corrected as of March 31, 2010.

Further, based on our review of the findings and conclusions made by the independent legal counsel and the forensic accountants they engaged, we believe that the impact of the misstatements identified during the investigations together with other uncorrected audit adjustments are not material, individually or in the aggregate, (based on assessments of both quantitative and qualitative factors) to our annual consolidated financial statements prepared under IFRS for the years ended March 31, 2010 and March 31, 2009 as reported in this Form 20-F. If we were to make these corrections to the consolidated financial statements in the respective annual periods, the profit before tax and profit after tax for the year ended March 31, 2010 reported in this Form-20F would have been higher by 1.0% and 2.1%, respectively. Similarly, the profit before tax and profit after tax for the year ended March 31, 2009 would have been higher by 1.9% and 1.5%, respectively. The impact on the operating income of our IT Services segment would have been 1.7% and 3.1% for the years ended March 31, 2010 and March 31, 2009, respectively. The impact has been computed based on the roll-over method prescribed under SAB 108.

Similarly, if we were to make these corrections to our financial statements prepared under U.S. GAAP for the fiscal year ended March 31, 2009, the reported profit before tax, profit after tax and operating income of our IT services segment would have been higher by 2.5%, 2.3% and 3.4%, respectively. We believe these misstatements are not material, individually or in the aggregate, (based on assessments of both quantitative and qualitative factors) to our annual consolidated financial statements prepared under U.S. GAAP for the year ended March 31, 2009. The impact has been computed based on the roll-over method prescribed under SAB 108.

We have also evaluated the impact of the above matters and the financial statement misstatements with respect to our condensed consolidated quarterly financial statements prepared under IFRS for all the quarterly periods during the years ended March 31, 2010 and March 31, 2009, as reported in our Form 6-Ks.

The impact of the financial statement misstatements identified during the investigations, together with other uncorrected audit adjustments resulted in an overstatement of the reported profit before tax by 2.2% in one quarterly period and understatement of the reported profit before tax ranging from 1.5% to 2.4% in the other quarterly periods during the fiscal year ended March 31, 2010. Additionally, the impact of the financial statement misstatements identified during the investigations, together with other uncorrected audit adjustments, resulted in an overstatement of the reported profit after tax by 1.8% in one quarterly period and understatement of reported profit after tax ranging from 1.1% to 3.1% in the other quarterly periods during the fiscal year ended March 31, 2010. The impact of the misstatements has been computed based on the roll-over method prescribed under SAB 108.

Similarly, the impact of the financial statement misstatements together with other uncorrected audit adjustments resulted in an over statement of the reported profit before tax by 1.8% in one quarterly period and understatement of the reported profit before tax ranging from 0.1% to 5.8% in the other quarterly periods during the fiscal year ended March 31, 2009. Additionally, the impact of the financial statements misstatement together with uncorrected audit adjustments resulted in an overstatement of the reported profit after tax ranging from 0.5% to 1.7% and understatement of the reported profit after tax ranging from 3.1% to 5.4% in the quarterly periods during fiscal year ended March 31, 2009. The impact of the misstatements has been computed based on the roll-over method prescribed under SAB 108.

The impact on our reported operating income of our IT Services segment resulted in an overstatement of 1.3% in one quarterly period and understatement ranging from 1.6% to 4.0% in the other quarterly periods during the fiscal year ended March 31, 2010. Similarly, the impact on our reported operating income of our IT Services segment resulted in an overstatement of 0.5% in one quarterly period and understatement ranging from 1.0% to 9.4% in the other quarterly periods during the fiscal year ended March 31, 2009. We have determined that these misstatements are not material based on assessments of quantitative and qualitative factors. We have therefore not made any corrections or adjustments to these condensed consolidated quarterly IFRS financial statements. The impact of the misstatements has been computed based on the roll-over method prescribed under SAB 108.

The impact of the resulting financial statement misstatements identified during the investigations, together with other uncorrected audit adjustments, resulted in an overstatement of the reported U.S. GAAP profit before tax by 4.9% in one quarterly period and understatement of the reported U.S. GAAP profit before tax ranging from 3.4% to 6.0% in the other quarterly periods during the fiscal year ended March 31, 2009. Additionally, the impact of the resulting financial statement misstatements identified during the investigations, together with other uncorrected audit

adjustments, resulted in an overstatement of the reported U.S. GAAP profit after tax by 5.3% in one quarterly period and understatement of the reported U.S. GAAP reported profit after tax ranging from 3.6% to 6.2% in the other quarterly periods during the fiscal year ended March 31, 2009. The impact on our reported U.S. GAAP operating income of our IT Services segment resulted in an overstatement of 4.1% in one quarterly period and understatement ranging from 4.7% to 7.7% in the other quarterly periods during the fiscal year ended March 31, 2009. We have determined that these misstatements are not material based on assessments of quantitative and qualitative factors. We have therefore not made any corrections or adjustments to these condensed consolidated quarterly U.S. GAAP financial statements. The impact of the misstatements has been computed based on the roll-over method prescribed under SAB 108.

We and our independent registered public accounting firm also identified the lack of internal controls that gave rise to the embezzlement and financial statement misstatements as material weaknesses in internal control over financial reporting. We have taken steps to remediate these material weaknesses as of March 31, 2010. See also Item 15

Controls and Procedures.

### Results of Operations

Our revenue and profit for the years ended March 31, 2009 and 2010 are provided below.

	<b>Wipro Limited and subsidiaries</b>		
	<b>Years ended March 31,</b>		<b>Year on</b>
	<b>2009</b>	<b>2010</b>	<b>Year</b>
	<b>(in millions except earnings</b>		<b>change</b>
	<b>per share data)</b>		
Revenue	Rs. 255,338	Rs. 271,241	6.23%
Cost of revenue	(180,215)	(186,299)	3.38%
Gross profit	75,123	84,942	13.07%
Selling and marketing expenses	(17,313)	(18,608)	7.48%
General and administrative expenses	(14,510)	(14,823)	2.16%
Operating income	43,300	51,511	18.96%
Profit attributable to equity holders	38,761	45,931	18.50% <sup>(1)</sup>
As a Percentage of Revenue:			
Selling and marketing expenses	6.78%	6.86%	(8) bps
General and administrative expenses	5.68%	5.46%	22 bps
Gross margins	29.42%	31.32%	190 bps
Operating Margin	16.96%	18.99%	203 bps
Earnings per share			
Basic	15.99	18.91	
Diluted	15.90	18.75	

<sup>(1)</sup> Our adjusted non-GAAP profit for the year ended March 31, 2010 is Rs. 45,862, an increase of 17.83% over the year ended March 31, 2009. See discussion below.

Our revenue and operating income by business segment expressed in terms of percentages are provided below for the years ended March 31, 2009 and 2010, respectively:

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	<b>Year ended March 31,</b>	
	<b>2009</b>	<b>2010</b>
	<b>(In Percentage)</b>	
<b>Revenue:</b>		
IT Services and Products		
IT Services	75	75
IT Products	13	14
Total	88	89
Consumer Care and Lighting	8	8
Others, including reconciling items	4	3
	100	100
<b>Operating Income:</b>		
IT Services and Products		
IT Services	93	92
IT Products	3	3
Total	96	95
Consumer Care and Lighting	6	6
Others, including reconciling items	(2)	(1)
	100	100

This Annual Report on Form 20-F contains, and future filings with the SEC may contain, non-GAAP financial measures within the meaning of Regulation G and Item 10(e) of Regulation S-K. Such non-GAAP financial measures are measures of our historical or future performance, financial position or cash flows that are adjusted to exclude or include amounts that are excluded or included, as the case may be, from the most directly comparable financial measure calculated and presented in accordance with IFRS.

The following table provides our adjusted profit for the year, which is a non-GAAP financial measure that excludes the impact of accelerated amortization in respect of stock options that vest in a graded manner. This non-GAAP financial measure is not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, the most directly comparable financial measure calculated in accordance with IFRS. In addition to this non-GAAP financial measure, readers should carefully review and evaluate our financial statements prepared in accordance with IFRS as well as the reconciliation of this non-GAAP financial measure with the most directly comparable IFRS financial measure.

A reconciliation of adjusted non-GAAP profit, which excludes the impact of accelerated amortization in respect of stock options that vest in a graded manner, with profit as calculated and presented in accordance with IFRS, is as follows:

	<b>Year ended March 31,</b>	
	<b>2009</b>	<b>2010</b>
Profit attributable to equity holders for the year as per IFRS	Rs. 38,761	Rs. 45,931
Adjustments:		
Accelerated amortization of stock options that vest in a graded manner	161	(69)
Adjusted non-GAAP profit	Rs. 38,922	Rs. 45,862

The Company believes that the presentation of this non-GAAP adjusted profit, when shown in conjunction with the corresponding IFRS measure, provides useful information to investors and management regarding financial and business trends relating to the Company's profit for the period. The Company considers a stock option award with a

graded vesting schedule to be a single award and not multiple stock option awards. Further, the Company considers the services of the employee in each year, covered by the stock option award to be equally valuable and accordingly believes that straight line amortization reflects the economic substance of the stock awards. However, under IFRS, the Company records the related stock compensation expenses on an accelerated basis. Therefore, we believe that making available an adjusted profit number that excludes the impact of accelerated amortization from profit provides useful supplemental information to both management and investors about our financial and business trends.

For our internal budgeting process, our management also uses financial statements that do not include the impact of accelerated amortization relating to stock options that vest in a graded manner. The management of the Company also uses non-GAAP adjusted profit, in addition to the corresponding IFRS measures, in reviewing our financial results.

A material limitation associated with the use of non-GAAP profit as compared to the IFRS measure of profit is that it does not include costs which are recurring in nature and may not be comparable with the calculation of profit for other companies in our industry. The Company compensates for these limitations by providing full disclosure of the effects

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of non-GAAP measures, by presenting the corresponding IFRS financial measure and by providing a reconciliation to the corresponding IFRS measure.

**Results of operations for the years ended March 31, 2010 and 2009**

- § Our total revenues increased by 6.23%. This was driven primarily by a 17%, 11% and 6% increase in revenue from our Consumer Care and Lighting, IT Products and IT Services business segments respectively. This increased revenue was partially offset by a decline in revenue from our Others segment, including reconciling items.
- § Our gross profit as percentage of our total revenue increased by 190 basis points (bps). This was primarily on account of an increase in gross profit as a percentage of revenue from our Consumer Care and Lighting segment by 374 bps, an increase in gross profit as a percentage of revenue from our IT Services segment by 179 bps and an increase in gross profit as a percentage of revenue from our IT Products segment by 72 bps. This increase was partially offset by a decline in gross profit as a percentage of revenue from our Others segment, including reconciling items.
- § Our selling and marketing expenses as a percentage of revenue increased marginally from 6.78% for the year ended March 31, 2009 to 6.86% for the year ended March 31, 2010. In absolute terms selling and marketing expenses increased by 7.48%, primarily due to an increase in the Consumer Care and Lighting segment. This increase was partially offset by a decline in the IT Products segment, IT Services segment and Others segment, including reconciling items.
- § Our general and administrative expenses as a percentage of revenue decreased from 5.68% for the year ended March 31, 2009 to 5.46% for the year ended March 31, 2010. In absolute terms general and administrative expenses increased by 2.16%, primarily due to increased expenses in the IT Services segment, IT Products segment and Consumer Care and Lighting segment. This increase was partially offset by a decline in the Others segment, including reconciling items.
- § As a result of the foregoing factors, our operating income increased by 18.96%, from Rs. 43,300 for the year ended March 31, 2009 to Rs. 51,511 for the year ended March 31, 2010.
- § Our finance expenses declined from Rs. 3,824 for the year ended March 31, 2009 to Rs. 991 for the year ended March 31, 2010. This is primarily due to lower interest rates on our loans and borrowings during the year ended March 31, 2010 as compared to year ended March 31, 2009.
- § Our finance and other income declined from Rs. 5,057 for the year ended March 31, 2009 to Rs. 4,360 for the year ended March 31, 2010. Our dividend income declined by Rs 823 during the year ended March 31, 2010 as compared to year ended March 31, 2009. This was partially offset by an increase of Rs 646 in the interest income during the same period.
- § Our income taxes increased by Rs. 3,259, from Rs. 6,035 for the year ended March 31, 2009 to Rs. 9,294 for the year ended March 31, 2010. Adjusted for tax write-backs our effective tax rate increased from 12.6% for the year ended March 31, 2009 to 16.9% for the year ended March 31, 2010. The increase is primarily attributable to increase in proportion of income subject to income taxes.
- § Our equity in earnings of affiliates for the years ended March 31, 2009 and 2010 was Rs. 362 and Rs. 530, respectively. Equity in earnings of affiliates primarily relates to the equity in earnings of Wipro GE.
- § As a result of the foregoing factors, our profit attributable to equity holders increased by Rs. 7,170, or 18.50%, from Rs. 38,761 for the year ended March 31, 2009 to Rs. 45,931 for the year ended March 31,

2010.

**Segment Analysis**

*IT Services*

We provide IT services to our customers located in various markets around the world. The range of IT services we provide includes IT consulting, custom application design, development, re-engineering and maintenance, systems integration, package implementation, technology infrastructure total outsourcing, testing services and research and development services in the areas of hardware and software design. We also provide business process outsourcing or BPO services. Our services offerings within the business process outsourcing area include customer interaction services, finance and accounting services and business process improvement services for repetitive processes.

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Our IT Services segment accounted for 75% of our total revenue for each of the years ended March 31, 2009 and 2010, respectively. Our IT Services segment accounted for 93% and 92% of our total operating income for the years ended March 31, 2009 and 2010, respectively.

	<b>Year ended March 31,</b>		<b>Year on</b>
	<b>2009</b>	<b>2010</b>	<b>Year</b>
			<b>change</b>
Revenue	Rs. 191,613	Rs. 202,490	5.68%
Gross profit	63,140	70,346	11.41%
Selling and marketing expenses	(10,672)	(10,492)	(1.69)%
General and administrative expenses	(12,271)	(12,446)	1.43%
Operating income	40,197	47,408	17.94%
<b>As a Percentage of Revenue:</b>			
Selling and marketing expenses	5.57%	5.18%	39 bps
General and administrative expenses	6.40%	6.15%	25 bps
Gross margin	32.95%	34.74%	179 bps
Operating margin	20.98%	23.41%	243 bps

In our segment reporting only, management has included the impact of exchange rate fluctuations in revenue. Excluding the impact of exchange rate fluctuations, revenue, as reported in our statements of income, is Rs. 193,009 and Rs. 202,990 for the years ended March 31, 2009 and 2010, respectively.

**Results of operations for the years ended March 31, 2010 and 2009**

§ Our revenue from IT Services increased by 5.68%. In USD terms our revenue increased by 1.55% from \$4,323 million to \$4,390 million. Our average USD/INR realization increased from Rs. 44.32 for the year ended March 31, 2009 to Rs. 46.12 for the year ended March 31, 2010.

This increase of 1.55% was primarily due to a 14% increase in revenue from healthcare and services, a 13% increase in revenue from energy and utilities services, a 11% increase in revenue from CMSP services, an 8% increase in revenue from retail and transportation services and a 2% increase in revenue from financial services. These increases were partially offset by an 19% decline in revenue from technology services and 13% decline from telecom services. In our IT Services segment, we added 121 new clients during the year ended March 31, 2010.

§ Our gross profit as a percentage of our revenue from our IT Services segment increased by 179 bps. The improvement in gross margin as percentage of revenue is primarily on account of improvement in average USD/INR realization and improvement in utilization rates during the year ended March 31, 2010 as compared to year ended March 31, 2009.

Our average utilization of billable employees improved from 69.1% for the year ended March 31, 2009 to 71.5% for the year ended March 31, 2010. Further, the onsite price realization improved approximately 3.68% during the year ended March 31, 2010. These increases were partially offset by a decline in off-shore price realization by approximately 1.42% and an increase in personnel cost due to increased compensation as part of our annual compensation review.

§ Selling and marketing expenses as a percentage of revenue from our IT Services segment declined from 5.57% for the year ended March 31, 2009 to 5.18% for the year ended March 31, 2010. This decline is primarily attributable to cost rationalization measures adopted by the company; for example we used video conferencing and virtual meeting tools to reduce our travel spends.

§ General and administrative expenses as a percentage of revenue from our IT Services segment declined from 6.40% for the year ended March 31, 2009 to 6.15% for the year ended March 31, 2010. This decline is primarily attributable to higher provision for doubtful debts during the year ended March 31, 2009 as compared to March 31, 2010.

§ As a result of the above, operating income of our IT Services segment increased by 17.94%.

*IT Products*

We leverage our strong distribution channel to sell a range of Wipro personal desktop computers, Wipro servers and Wipro notebooks. We are also a value added reseller of desktops, servers, notebooks, storage products, networking

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solution and packaged software. Our IT Products segment accounted for 13% and 14% of our total revenue for the years ended March 31, 2009 and 2010, respectively. Our IT Products segment accounted for 3% of our operating income for each of the years ended March 31, 2009 and 2010, respectively.

	<b>Year ended March 31,</b>		<b>Year on</b>
	<b>2009</b>	<b>2010</b>	<b>Year</b>
			<b>change</b>
Revenue	Rs. 34,277	Rs. 38,205	11.46%
Gross profit	3,391	4,054	19.55%
Selling and marketing expenses	(1,361)	(1,275)	(6.32)%
General and administrative expenses	(667)	(1,015)	52.17%
Operating income	1,363	1,764	29.42%
 As a Percentage of Revenue:			
Selling and marketing expenses	3.97%	3.34%	63 bps
General and administrative expenses	1.95%	2.66%	(71) bps
Gross margin	9.89%	10.61%	72 bps
Operating margin	3.98%	4.62%	64 bps

In our segment reporting only, management has included the impact of exchange rate fluctuations in revenue. Excluding the impact of exchange rate fluctuations, revenue, as reported in our statements of income, is Rs. 34,417 and Rs. 38,361 for the years ended March 31, 2009 and 2010, respectively.

**Results of operations for the years ended March 31, 2010 and 2009**

Our revenue from the IT Products segment increased by 11.46% primarily due to higher demand for IT Products in India and Middle East markets, for both traded and manufactured products.

Our gross profit as a percentage of our revenue of our IT products segment increased by 72 bps. Our gross margin as a percentage of revenue increased both in traded and manufactured product. This increase is primarily due to an increase in the proportion of revenues from outsourcing and system integration contracts, which are higher value added offerings.

Selling and marketing expenses as a percentage of revenue from our IT Products segment declined marginally from 3.97% for the year ended March 31, 2009 to 3.34% for the year ended March 31, 2010. In absolute terms selling and marketing expenses declined by Rs. 86.

General and administrative expenses as a percentage of revenue from our IT Products segment increased from 1.95% for the year ended March 31, 2009 to 2.66% for the year ended March 31, 2010. In absolute terms general and administrative expenses increased by Rs. 348.

As a result of the above, operating income of our IT products segment increased by 29.42%.

**Consumer Care and Lighting**

We leverage our brand name and distribution strengths to sustain a profitable presence in niche markets in the areas of soaps, toiletries and lighting products. With the acquisitions of Unza group and Yardley, we are increasing our presence in personal care products sector in south-east Asia and the Middle-East. Our Consumer Care and Lighting segment accounted for 8% of our revenue for each of the years ended March 31, 2009 and 2010, respectively. Our Consumer Care and Lighting segment accounted for 6% of our operating income for each of the years ended March 31, 2009 and 2010, respectively.

<b>Year ended March 31,</b>	<b>Year on</b>
<b>Year</b>	<b>Year</b>

	<b>2009</b>	<b>2010</b>	<b>change</b>
Revenue	Rs. 19,249	Rs. 22,584	17.33%
Gross profit	8,467	10,779	27.31%
Selling and marketing expenses	(4,750)	(6,492)	36.67%
General and administrative expenses	(1,125)	(1,207)	7.29%
Operating income	2,592	3,080	18.83%
As a Percentage of Revenue:			
Selling and marketing expenses	24.68%	28.75%	(407) bps
General and administrative expenses	5.84%	5.34%	50 bps
Gross margin	43.99%	47.73%	374 bps
Operating margin	13.47%	13.64%	17 bps

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In our segment reporting only, management has included the impact of exchange rate fluctuations in revenue. Excluding the impact of exchange rate fluctuations, revenue, as reported in our statements of income, is Rs. 19,303 and Rs. 22,591 for the years ended March 31, 2009 and 2010, respectively.

We have been in the consumer care business since 1945 and the lighting business since 1992. The consumer care business has historically generated surplus cash. Our strategy is to sustain operating margins, continue generating positive operating cash flows and increase the proportion of revenues from high margin products. With the acquisition of Unza and Yardley, our strategy is to sustain and expand our market share in south-east Asia and Middle-East and introduce premium personal care products of Unza and Yardley in the Indian markets.

**Results of operations for the years ended March 31, 2010 and 2009**

Our Consumer Care and Lighting revenue increased by 17.33%. This increase is attributable to an increase of approximately 16.16% in revenue from consumer products sold in Indian markets and an increase of approximately 14.34% in revenue from personal care products sold in south-east Asian markets. Further, our acquisition of Yardley contributed an additional 1.7% of our total revenue from the Consumer Care and Lighting segment.

The growth in revenues in Indian markets is primarily due to an increase in revenue from toilet soap products partially offset by a decline in revenues from lighting and furniture products.

Our gross profit as a percentage of our revenues from the Consumer Care and Lighting segment increased by 374 bps. The expansion in gross margins is primarily due to a decrease in major input costs and a change in the mix of products sold in favor of products which typically have higher gross margins in both Indian and South Asian markets.

Selling and marketing expense as a percentage of revenue from our Consumer Care and Lighting segment increased from 24.68% for the year ended March 31, 2009 to 28.75% for the year ended March 31, 2010. This increase is primarily due to higher brand promotion and advertisement spends in select geographies to further establish and expand our market base for our new personal care brands.

General and administrative expense as a percentage of revenue from our Consumer Care and Lighting segment declined from 5.84% for the year ended March 31, 2009 to 5.34% for the year ended March 31, 2010. In absolute terms general and administrative expenses increased by Rs. 82. This increase is primarily due to increased expenses incurred by our India operations.

As a result of the above, operating income from our Consumer Care and Lighting increased by 18.83%.

***Others, including reconciling items*****Results of operations for the years ended March 31, 2010 and 2009**

Revenue from our Others segment, including reconciling items, decreased by 21.93%, from Rs. 10,199 for the year ended March 31, 2009 to Rs. 7,962 for the year ended March 31, 2010. The decline in revenue is attributable to a slowdown in the global markets which has impacted the market for infrastructure engineering products in India and Europe.

Operating income/(loss) from our Others segment, including reconciling items, decreased from Rs. (852) for the year ended March 31, 2009 to Rs. (741) for the year ended March 31, 2010. This decrease is primarily due to the abolishment of the Fringe Benefit Tax in accordance with the Finance Act (No. 2), 2009. The FBT expense during the year ended March 31, 2009 was Rs. 412 recorded under reconciling items. The decrease was partially offset by higher losses in our hydraulic cylinders and tipping gear systems business during the year ended March 31, 2010, primarily due to contraction in the sales volume of the infrastructure engineering business due to the slowdown in the global market.



**Table of Contents****Acquisitions**

An active acquisition program is an important element of our corporate strategy. In the last two fiscal years, we have invested in the aggregate, over Rs. 8,500 to acquire companies including the acquisition of Citi Technology Services Limited. In December 2009, the Company acquired 100% of the equity of Lornamead FZE (an entity incorporated in Dubai) and Lornamead Personal Care Private Limited (an entity incorporated in India) from UK-based Lornamead Group Limited. Yardley is a strong heritage global brand that was established in approximately 1770 and operates in the personal care category marketing fragrance products, bath and shower products and skin care products. Typically, the significant majority of our integration activities related to an acquisition are substantially completed within three to six months after the closing of the acquisition.

We believe our acquisition program supports our long-term strategic direction, strengthens our competitive position, particularly in acquiring new domain expertise, expands our customer base, increases our ability to expand our service offerings and provide a greater scale to grow our earnings and increase stockholders' value. See Note 6 of our Notes to Consolidated Financial Statements for additional information related to our acquisitions.

We routinely review potential acquisitions. We currently expect to finance our acquisitions through cash generated from operations, cash and cash equivalents and investments in liquid and short-term mutual funds as of March 31, 2010. However, for strategic acquisitions, we could decide to or be required to obtain additional debt or equity financing. We cannot be certain that additional financing, if needed, will be available on favorable terms, or if at all.

**Foreign exchange gains / (losses), net**

Foreign exchange gains/(losses), net, comprise:

exchange differences arising from the translation or settlement of transactions in foreign currency, except for exchange differences on debt denominated in foreign currency (which are reported within finance expense, net); and

the changes in fair value for derivatives not designated as hedging derivatives and ineffective portion of the hedging instruments. For forward foreign exchange contracts which are designated and effective as cash flow hedges, the marked to market gains and losses are deferred and reported as a component of other comprehensive income in stockholders' equity and subsequently recorded in the income statement when the hedged transactions occur, along with the hedged items.

**Finance expense**

Our finance expense comprise interest expense on borrowings, impairment losses recognized on financial assets, gains / losses on translation or settlement of foreign currency borrowings and changes in fair value and gains / losses on settlement of related derivative instruments. Borrowing costs are recognized in the statement of income using the effective interest method.

**Finance and other income**

Our finance and other income comprises interest income on deposits, dividend income and gains on disposal of available-for-sale financial assets. Interest income is recognized using the effective interest method.

Dividend income is recognized when the right to receive payment is established.

**Equity in Earnings/Losses of Affiliates**

*Wipro GE Medical Systems Private Limited. (Wipro GE).* We hold a 49% equity interest in Wipro GE Medical Systems Private Limited, a venture in which General Electric, USA holds the balance of 51%.

**Income Taxes**

Our profit for the period earned from providing services at client premises outside India is subject to tax in the country where we perform the work. Most of our tax paid in countries other than India can be applied as a credit against our Indian tax liability to the extent that the same income is liable to tax in India.

Currently, we benefit from certain tax incentives under Indian tax laws. As a result of these incentives, our operations have not been subject to significant Indian tax liabilities. These tax incentives currently include a tax holiday from payment of Indian corporate income taxes for our businesses operating from specially designated Software Technology and Hardware Technology Parks and Special Economic Zones. We are currently also eligible

for exemptions from other taxes, including customs duties.

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*Software Technology and Hardware Technology Parks.* There is an income tax deduction of 100% for profits derived from exporting information technology services for the first ten years from the commencement of provision of services. Previously, the tax holiday for these parks was scheduled to expire in stages with a mandated maximum expiry period of March 31, 2010. The Finance (No. 2) Act, 2009 has 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 2011 or ten years after the commencement of a tax holiday for an individual undertaking.

*Special Economic Zone.* Under this scheme, units in designated special economic zones which begin providing services on or after April 1, 2005, will be eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50% of such profits or gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions.

As a result, a substantial portion of our pre-tax income has not been subject to a significant tax in India in recent years. When our tax holiday and income tax deduction exemptions expire or terminate, our costs will increase. Additionally, the Government of India could enact laws in the future, which could impair the tax incentives which benefit our business.

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 Indian income tax authority's 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 appeals filed by the Company for the above years to the first appellate authority were allowed in favour of the Company, thus deleting a substantial portion of the demand raised by the Income tax authorities. On further appeal filed by the income tax authorities, the second appellate authority upheld the claim of the Company for the years ended March 31, 2001, 2002, 2003 and 2004. In December 2008, the Company received, on similar grounds, an additional tax demand of Rs. 5,388 (including interest of Rs. 1,615) for the financial year ended March 31, 2005. The Company has filed an appeal against the said demand which is pending before the first appellate authority.

In December 2009, the Company received the draft assessment order, on similar grounds, with a demand of Rs. 6,757 (including interest of Rs. 2,050) for the financial year ended March 31, 2006. The Company filed an objection against the said order before the Dispute Resolution Panel, which has issued directions confirming the position of the assessing officer. Subsequently, the assessing officer passed the final assessment order raising a tax demand of Rs. 7,218 (including interest of Rs. 2,510). The Company will file an appeal against the said order before the tribunal within the time limit permitted under the statute.

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

Although we currently believe we will ultimately prevail in our appeals, the result of such appeals, and any subsequent appeals, cannot be predicted with certainty. Should we fail to prevail in our appeal, or any subsequent appeals, in any reporting period, the operating results of such reporting period could be materially adversely affected.

Pursuant to the changes in the Indian income tax laws, Minimum Alternate Tax (MAT) has been extended to income in respect of which a deduction is claimed under section 10A and 10B; consequently, we have calculated our domestic tax liability after considering MAT and accordingly, a deferred tax asset of Rs. 126 and Rs. 363 has been recognized in the statement of financial position as of March 31, 2009 and 2010, respectively. The excess tax paid under MAT provisions over and above normal tax liability can be carried forward for a period of ten years and set-off against future tax liabilities computed under normal tax provisions.

The Indian tax laws levy an additional income tax on companies called a Fringe Benefit Tax or FBT. Pursuant to this tax, companies are deemed to have provided fringe benefits to their employees if certain defined expenses and employee stock option expenses are incurred. These expenses, or a portion thereof, are deemed to be fringe benefits to the employees and subject a company to tax at a rate of 30%, exclusive of applicable surcharge and cess. The Finance Act (No.2), 2009 has abolished the levy of FBT. The perquisites provided to the employees are taxable as salary in the hands of employees.

**Liquidity and Capital Resources**

The Company's cash flow from its operating, investing and financing activities, as reflected in the Consolidated Statement of Cash Flows on page 100, is summarized in the table below:

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	<b>Year ended March 31,</b>		<b>Year on</b>
	<b>2009</b>	<b>2010</b>	<b>Year</b>
			<b>Change</b>
Net cash provided by/(used in) continuing operations:			
Operating activities	Rs. 36,099	Rs. 50,998	Rs. 14,899
Investing activities	(24,183)	(33,815)	(9,632)
Financing activities	(3,259)	(601)	2,658
Net change in cash and cash equivalents	8,657	16,582	7,925
Effect of exchange rate changes on cash and cash equivalent	663	(1,258)	(1,921)

As of March 31, 2010, we had cash and cash equivalent and short-term investments of Rs. 95,298. Cash and cash equivalent and short-term investments, net of debt was Rs. 32,787. In addition we have unused credit lines of Rs. 98,795. To utilize these lines of credit we require the consent of the lender and compliance with certain financial covenants. We have historically financed our working capital and capital expenditure through our operating cash flows and through bank debt, as required.

Cash provided by operating activities increased by Rs. 14,899, while profit for the year increased by Rs. 7,256 during the same period. The increase in cash provided by operating activities was primarily due to adjustment of Rs. 6,017 during the year ended March 31, 2010 as against (12,196) during the year ended March 31, 2009, on account of roll-over of cash flow hedges pursuant to our roll over hedging strategy and cash flows from net investment hedges. This was partially offset by an increase in the net other operating assets during the year ended March 31, 2010, which was mainly due to an increase in current receivables, attributable to an increase in number of receivable days in the IT Services segment from 60 days in March 2009 to 61 days in March 2010, and an increase in receivables in our IT Products business primarily due to sales growth. Receivable days as of a particular reporting date is the proportion of receivables, adjusted for unbilled and unearned revenue to the revenues for the respective fiscal quarter multiplied by 90.

Cash used in investing activities for the year ended March 31, 2010 was Rs. 33,815. Cash provided by operating activities was utilized for the net purchase of investments and inter-corporate deposits amounting to Rs. 20,921 and payment for acquisitions and earn-outs amounting to Rs. 4,399. We also purchased property, plant and equipment amounting to Rs. 12,631, which was primarily driven by the growth strategy of the Company.

Cash used in financing activities for the year ended March 31, 2010 was Rs. 601 as against Rs. 3,259 for the year ended March 31, 2009. This decrease is primarily due to increase in net proceeds from loans and borrowings amounting to Rs. 7,350. This was partially offset by payment of dividend amounting to Rs. 6,823.

On April 23, 2010, our Board proposed a cash dividend of Rs. 6 (\$0.13) per equity share and ADR. This proposal was approved by our shareholders at the Annual General Meeting held on July 22, 2010 and a dividend (including dividend tax thereon) amounting to approximately Rs. 10,070 has subsequently been paid.

We maintain a debt/borrowing level that we have established through consideration of a number of factors including cash flow expectations, cash required for operations and investment plans. We continually monitor our funding requirement and strategies are executed to maintain sufficient flexibility to access global funding sources, as needed. Please refer to Note 12 of our Notes to the Consolidated Financial Statements for more details on our borrowings.

As discussed above, cash generated from operations is our primary source of liquidity. We believe that our cash and cash equivalent along with cash generated from operations will be sufficient to meet our working capital requirements as well as repayment obligations in respect of debt / borrowings.

As of March 31, 2010, we had contractual commitments of Rs. 2,782 ( \$62) related to capital expenditures on construction or expansion of software development facilities, Rs. 8,269 ( \$184) related to non-cancelable operating lease obligations and Rs. 5,110 ( \$114) related to other purchase obligations. Plans to construct or expand our software development facilities are dictated by business requirements.

In relation to our acquisitions, a portion of the purchase consideration is payable upon achievement of specified earnings targets in future. We expect that our cash and cash equivalents, investments in liquid and short-term mutual

funds and the cash flows expected to be generated from our operations in future will generally be sufficient to fund the earn-out payments and our expansion plans.

In the normal course of business, we transfer accounts receivables, net investment in sale-type finance receivable and employee advances (financial assets). Please refer Note 15 of our Notes to Consolidated Financial Statements.

Our liquidity and capital requirements are affected by many factors, some of which are based on the normal ongoing operations of our businesses and some of which arise from uncertainties related to global economies and the

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markets that we target for our services. We cannot be certain that additional financing, if needed, will be available on favorable terms, if at all.

As of March 31, 2009 and 2010, our cash and cash equivalent were primarily held in Indian Rupees, U.S. Dollars, Pound Sterling, Euro, Japanese Yen and Saudi Riyals.

**Off-Balance Sheet Arrangements**

We have not entered into any off-balance sheet arrangements as defined by SEC Final Rule 67 (FR-67),

Disclosure in Management's Discussion and Analysis about Off-Balance Sheet Arrangements and Aggregate Contractual Obligations .

**Contractual obligations**

The table of future payments due under known contractual commitments as of March 31, 2010, aggregated by type of contractual obligation, is given below:

Particulars	Total contractual payment	Payments due in			2015-16 onwards
		2010-11	2011-13	2013-15	
Short-term borrowings	43,836	43,836			
Long-term debt	17,963	340	17,501	108	14
Obligations under capital leases	712	228	268	157	59
Estimated interest payment <sup>(1)</sup>	1,473	356	1,083	31	3
Capital commitments	2,782	2,782			
Non-cancelable operating lease obligation	8,269	1,396	2,593	1,726	2,554
Purchase obligations	5,110	5,110			
Other non-current liabilities <sup>(2)</sup>	266		266		

Our purchase obligations include all commitments to purchase goods or services of either a fixed or minimum quantity that meet any of the following criteria: (1) they are non-cancelable, or (2) we would incur a penalty if the agreement was terminated. If the obligation to purchase goods or services is non-cancelable, the entire value of the contract has been included in the above table. If the obligation is cancelable, but we would incur a penalty if cancelled, the amount of the penalty is included as a purchase obligation.

- (1) Interest payments for long-term fixed rate debts have been calculated based on applicable rates and payment dates. Interest payments on floating rate debt have been calculated based on the payment dates and implied forward interest rates as of March 31, 2010 for each relevant debt instrument.
- (2) Other non-current liabilities in the statement of financial position include Rs. 2,967 in respect of employee benefit obligation and Rs. 3,065 towards uncertain tax position. For these amounts the extent of the amount and timing of repayment/settlement is not reliably estimatable or determinable at present and accordingly have not been disclosed in the table above.

**Research and Development**

Research and Development investments in IT Services and Products business is directed towards developing solutions that have broad applications across various industry segments and developing expertise in emerging technologies. Over a period of two to three years Research and Development efforts in identified areas are focused on developing in-depth solutions, frameworks and applications.

Research and Development initiatives are executed through Centers of Excellence or CoE and the Innovation Initiative.

CoEs are designed to enable growth of an existing practice and/or create a new practice. CoEs focus on creating competencies in specific existing and emerging technologies and domains. CoEs create thought leadership by

publishing white papers and participating in industry forums. Currently, we have CoEs focusing on Wireless and Broadband Communication, Computing Platforms like Grid Computing, e-Biz technologies like Web services, Retail Supply chain management and other similar areas.

The Innovation Initiative is directed towards creating new solutions and intellectual property which potentially expand our service offerings. The Innovation Initiative covers the entire cycle of Idea Generation, Incubation and

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Successful Execution. We focus on Process Innovations, Delivery Innovations, Technology Innovations, Product Innovations and Business Innovations.

### **Trend Information**

*IT Services.* Recently, the Indian IT companies experienced opportunity in transforming business from merely support and maintenance business, driving productivity gains and helping create new business models. This has led to IT becoming a strategic differentiator for customers. The increasing acceptance of outsourcing and off-shoring of activities as an economic necessity has contributed to the continued growth in our revenue.

The recent financial and credit crisis has resulted in an economic slowdown in US and Europe. In an economic slowdown, our clients could reduce, postpone or defer decisions on IT spending and outsourcing. However, the economic slowdown is gradually easing and recovery has started in the US and around the world. According to advance estimates of Bureau of Economic Analysis, the US economy is estimated to grow by 3.2% in first quarter of 2010. We anticipate that IT spends will stabilize and grow over a period of time.

Worldwide IT spending is forecast to reach \$3.4 trillion in 2010, a 5.3% increase from IT spending of \$3.2 trillion in 2009, according to Gartner, Inc. The IT industry will continue to show steady growth with IT spending in 2011 projected to surpass \$3.5 trillion, a 4.2% increase from 2010.

We expect increased competition among IT companies, which may limit our ability to increase prices. We continually strive to differentiate ourselves from the competition by developing innovative service delivery models, adopting new pricing strategies and demonstrating our value proposition to clients to sustain prices and profits. We have also acquired businesses to augment our existing services and capabilities.

Gross profit as a percentage of revenues in our IT Services segment for the year ended March 31, 2010 is 34.74%. We anticipate difficulties in significantly improving our gross profits, among other things, due to the following reasons:

- Our limited ability to increase prices;

- Increases in salaries, a cost which accounts for a major part of our expense line; and

- The impact of exchange rate fluctuations on our rupee realizations

In response to the possible reduction in demand for IT services, pressure on gross margins and the increased competition from other IT services companies, we are focusing on;

- Investing in customer relationship teams to penetrate deeper and offer a wide range of services;

- strengthening our delivery model;

- developing cost containment initiatives and driving higher employee productivity;

- aligning our resources to expected demand; and

- increasing the utilization of our IT professionals.

*IT Products.* In our IT Products business segment, we have experienced pricing pressures due to increased competition among IT companies. Large multinational corporations like IBM, HP and Dell have identified India as a key focus area. Our gross margin in this business segment is also impacted by the proportion of our business derived from the sale of traded and manufactured products.

Our IT Products business segment is also subject to seasonal fluctuations. Our revenue in this business segment is driven by the capital expenditure budgets and spending patterns of our clients, who often delay or accelerate purchases in reaction to tax depreciation benefits on capital equipment.

*Consumer Care and Lighting.* Our Consumer Care and Lighting business segment is also subject to seasonal fluctuations. Our revenues in this segment are also subject to commodity price fluctuations.

Our quarterly revenue, operating income and profit for the period have varied significantly in the past and we expect that they are likely to vary in the future. You should not rely on our quarterly operating results as an indication

of future performance. Such quarterly fluctuations may have an impact on the price of our equity shares and ADSs.

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*Dividends.* Final dividends on common stock are recorded as a liability on the date of declaration by the stockholders and interim dividends are recorded as a liability on the date of declaration by the board of directors.

**New accounting standards not yet adopted**

In January 2008, the IASB issued the revised standards *IFRS 3, Business Combinations* ( *IFRS 3, (2008)* ) and *IAS 27 Consolidated and Separate Financial Statements* ( *IAS 27, (2008)* ). The revisions result in several changes in the accounting for business combinations. IFRS 3 and IAS 27 will be effective for fiscal years beginning on or after July 1, 2009, with early adoption permitted. Historically, we have rarely entered into business combinations in which we did not fully acquire the target. Should this history continue, the main impacts from applying the revised IFRS 3 (2008) and IAS 27 (2008) should be those resulting from changes (if any) in acquired income tax risks in accordance with IAS 12 as well as additional expenses resulting from the new guidance in the revised IFRS 3 (2008), under which acquisition-related expenses are no longer to be recorded as part of the purchase price in a business combination. The amount of these expenses mainly depends on the number and size of our future business combinations as well as the extent of use of third-party resources in the acquisition process.

In July 2008, the IASB issued an amendment to *IAS 39, Financial Instruments: Recognition and Measurement: Eligible Hedged Items* ( *IAS 39* ). The amendment addresses the designation of a one-sided risk in a hedged item in particular situations. The amendment applies to hedging relationships in the scope of IAS 39. The amendment is effective for fiscal years beginning on or after July 1, 2009. Earlier application is permitted. The adoption of this amendment will not have a material impact on the financial statements.

In April 2009, the IASB issued *Improvements to IFRSs – a collection of amendments to twelve International Financial Reporting Standards* as part of its program of annual improvements to its standards, which is intended to make necessary, but non-urgent, amendments to standards that will not be included as part of another major project. The latest amendments were included in exposure drafts of proposed amendments to IFRS published in October 2007, August 2008, and January 2009. The amendments resulting from this standard mainly have effective dates for annual periods beginning on or after April 1, 2010, although entities are permitted to adopt them earlier. We are currently determining the impact these amendments will have on our consolidated financial statements.

In November 2009, the IASB issued an amendment to IAS 24 (revised 2009) *Related Party Disclosures* (IAS 24). The purpose of the revision is to simplify the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The revision is effective for fiscal years beginning on or after January 1, 2011. Earlier application is permitted. We are currently determining the impact these amendments will have on our consolidated financial statements.

In November 2009, the IASB issued IFRS 9 *Financial Instruments* on the classification and measurement of financial assets. The new standard represents the first part of a three-part project to replace IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39) with IFRS 9 *Financial Instruments* (IFRS 9). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. IFRS 9 is effective for fiscal years beginning on or after January 1, 2013. Earlier application is permitted. We are currently determining the impact, these amendments will have on our consolidated financial statements.

**Exemptions to which we have availed in accordance with IFRS 1, First time adoption of IFRS****Exemptions from retrospective application**

For transition to IFRS our previous GAAP is considered as Indian GAAP. Following are the optional exemptions which we have opted.

- a. **Business combinations** – We have applied the exemption as provided in IFRS 1 towards non-application of IFRS 3, *Business Combinations* to business combinations consummated prior to April 1, 2008 (Transition Date). Accordingly, the business combinations prior to the transitions date have been accounted for as per Previous GAAP.
- b. **Share-based payment exemption** – We have applied the shared based payment exemption on application of IFRS 2, *Share based payment* , to only grants made after November 7, 2002, which remained unvested as of the

transition date.

- c. Borrowing costs We have capitalized the borrowing cost in respect of qualifying assets prior to the transition date.

**Table of Contents****Exceptions from retrospective application**

- a) **Hedge accounting** We followed the hedge accounting under Previous GAAP which is aligned to IFRS. Accordingly, this exception of not reflecting in its opening IFRS statement of financial position a hedging relationship of a type that does not qualify for hedge accounting under IAS 39, is not applicable to us.
- b) **Estimates exception** Upon an assessment of the estimates made under Previous GAAP, we concluded that there was no necessity to revise such estimates under IFRS, except where estimates were required by IFRS and not required by Previous GAAP.

**Critical accounting policies**

Critical accounting policies are defined as those that in our view are the most important for portrayal of the Company's financial condition and results and which place the most significant demands on management's judgment. For a detailed discussion on the application of these and other accounting policies, please refer to Note 3 to the Notes to Consolidated Financial Statements.

While preparing financial statements we make estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Such critical accounting estimates could change from period to period and have a material impact on the Company's results of operation, financial position and cash flows. Actual results may differ from estimates. Revision to accounting estimates are recognized in the period in which estimate is revised and future period affected.

**Revenue:**

We derive revenue primarily from:

- software development and maintenance services;
  - BPO services; and
  - Sale of IT and other products.
- a) **Services:** We recognize revenue when the significant terms of the arrangement are enforceable, services are being delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:
- (i) **Time and materials contracts:** Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.
  - (ii) **Fixed-price contracts:** Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the percentage-of-completion method. Percentage of completion is determined based on direct project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Costs which relate to future activity on the contract are recognized as contract work in progress. If we do not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the income statement in the period in which such losses become probable based on the current contract estimates.
- Unbilled revenues represent cost and earnings in excess of billings as at the end of the reporting period.  
Unearned revenues included in other current liabilities represent billing in excess of revenue recognized.
- (iii) **Maintenance contract:** Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method.
- b) **Products:** Revenue from products are recognized when:

- we have transferred the significant risks and rewards of ownership to the buyer;
- continuing managerial involvement usually associated with ownership and effective control have ceased;

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- amount of revenue can be measured reliably;
  - it is probable that economic benefits associated with the transaction will flow to the Company; and
  - costs incurred or to be incurred in respect of the transaction can be measured reliably.
- c) *Multiple element arrangements:* We allocate revenue to each separately identifiable component of the transaction based on the guidance in IAS 18. We allocate the arrangement consideration to separately identifiable components based on their relative fair values or on the residual method. Fair values are determined based on sale prices for the components when it is regularly sold separately, third-party prices for similar components or cost plus, an appropriate business-specific profit margin related to the relevant component.
- d) *Others:* The company accounts for volume discounts and pricing incentives to customers by reducing the amount of discount from the amount of revenue recognized at the time of sale.

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

Revenue includes excise duty and shipping and handling costs.

*Income tax:*

Income tax comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent it relates to items directly recognized in equity, in which case it is recognized in equity.

- a) *Current income tax:* As part of the process of preparing our consolidated financial statements we are required to estimate our income taxes in each of the jurisdictions in which we operate. We are subject to tax assessments in each of these jurisdictions. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Though we have considered all these issues in estimating our income taxes, there could be an unfavorable resolution of such issues that may affect results of our operations.

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

- b) *Deferred income tax:* We recognize deferred income tax using the balance sheet approach. Deferred tax is recognized on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. We recognize a deferred tax asset only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax loss carry forwards can be utilized.

The measurement of deferred tax assets involves judgment regarding the deductibility of costs not yet subject to taxation and estimates regarding sufficient future taxable income to enable utilization of unused tax losses in different tax jurisdictions. We consider the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. All deferred tax assets are subject to review of probable utilization.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

We recognize deferred income tax liabilities for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

- c) *Others:* In addition to the U.S. federal income tax at a rate of up to 35% arising from our income attributed to our U.S. branch, we are subject to a 15% branch profit tax in the United States on the dividend equivalent

amount as that term is defined under U.S. tax law. We have not triggered the branch profit tax and, consistent with our business plan, we intend to maintain the current level of our net assets in the United States.

Accordingly, we did not record a provision for branch profit tax as of March 31, 2010.

*Share based payment transaction:*

Our employees receive remuneration in the form of equity instruments, for rendering services over a defined vesting period. Equity instruments granted is measured by reference to the fair value of the instrument at the date of grant.

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Since these are granted at a nominal exercise price, the intrinsic value on the date of grant approximates the fair value. The expense is recorded by a compensating increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of respective tranches (accelerated amortization). The stock compensation expense is determined based on our estimate of equity instruments that will eventually vest.

In accounting for amortization of stock compensation, we estimate stock option forfeitures. Any revisions of our estimates could impact our results of operations and our financial position.

*Derivative financial instruments*

Although our functional currency is the Indian rupee, we transact a significant portion of our business in foreign currencies, particularly the U.S. dollar. The exchange rate between the rupee and the dollar has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of our operations are affected as the rupee fluctuates against the U.S. dollar. Our exchange rate risk primarily arises from our foreign currency revenues, cash balances, payables and debt. We enter into derivative instruments to primarily hedge our forecasted cash flows denominated in certain foreign currencies, foreign currency debt and net investment in overseas operations.

Changes in fair value of derivatives not designated as hedging derivatives and ineffective portion of the hedging instruments are recognized in consolidated statements of income of each period. We assess the hedge effectiveness at the end of each reporting period generally using the dollar offset method.

Hedge ineffectiveness could result from forecasted transactions not happening in the same amounts or in the same periods as forecasted or changes in the counterparty credit rating. Further, change in the basis of designating derivatives as hedges of forecasted transactions could alter the proportion of derivatives which are ineffective as hedges. Hedge ineffectiveness increases volatility of the consolidated statements of income since the changes in fair value of an ineffective portion of derivatives is immediately recognized in the consolidated statements of income.

As of March 31, 2010, 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.

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in statement of income when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

- a) *Cash flow hedges:* Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in statement of income. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity is transferred to statement of income upon the occurrence of the forecasted transaction.
- b) *Hedges of net investment in foreign operations:* We designate derivative financial instruments as hedges of net investments in foreign operations. We have also designated a combination of foreign currency denominated borrowings and related cross currency swaps as hedge of net investment in foreign operations. Changes in the fair value of the derivative hedging instrument and gains/losses on translation or settlement of foreign currency denominated borrowings designated as hedge of net investment in foreign operations are recognized directly in equity to the extent that the hedge is effective. The cumulative gain or loss previously recognized in equity is transferred to statement of income upon sale or disposal of the related net investment in foreign operation. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of income.
- c) *Others:* Changes in fair value for derivatives not designated as hedging derivatives are recognized in consolidated statements of income of each period.

*Business combination, goodwill and intangible assets:*

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. We exercise judgment in identifying whether an identifiable

intangible asset is to be recorded separately from goodwill. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition, based on information available at acquisition date and based on expectations and assumptions that are deemed reasonable by management.

- a) *Goodwill*: Goodwill is initially measured at cost being the excess of the cost of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If

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the cost of acquisition is less than the fair value of the net assets of the business acquired, the difference is recognized immediately in the income statement.

Goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The goodwill impairment test is performed at the level of cash-generating unit or groups of cash-generating units which represent the lowest level at which goodwill is monitored for internal management purposes.

We use market related information and estimates (generally risk adjusted discounted cash flows) to determine the fair values. Cash flow projection take into account past experience and represents management's best estimate about future developments. Key assumptions on which management has based its determination of fair value less costs to sell and value in use include estimated growth rates, weighted average cost of capital and tax rates. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment.

- b) *Intangible:* Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite lives are amortized over the estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and consumed. These estimates are reviewed at least at each financial year end. Intangible assets with indefinite lives are not amortized, but instead tested for impairment at least annually and written down to the fair value as required.

The estimated useful lives of the amortizable intangibles assets are as follows:

<b>Category</b>	<b>Useful life</b>
Customer-related intangibles	2 to 11 years
Marketing related intangibles	20 to 30 years

*Other estimates:*

We make estimates of the uncollectability of our accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

We provide for inventory obsolescence, excess inventory and inventories with carrying values in excess of market values based on our assessment of the future demands, market conditions and our specific inventory management initiatives. If market conditions and actual demands are less favorable than our estimates, additional inventory write-downs may be required. In all cases inventory is carried at the lower of historical cost or market value.

*Goodwill Impairment Testing*

We test goodwill for impairment annually in accordance with our procedure for determining the recoverable value of such assets. For the purpose of impairment testing, goodwill is allocated to cash generating unit ( CGU ) representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment. The recoverable amount of the CGU is the higher of its fair value less cost to sell (FVLCTS) and its value-in-use (VIU). The FVLCTS of the CGU is determined based on the market capitalization approach, using the turnover and earnings multiples derived from observed market data. The

VIU is determined based on discounted cash flow projections. Key assumptions used by us to determine the VIU includes:

- a. Estimated cash flows for five years based on formal/approved internal management budgets with extrapolation for the remaining period, wherever such budgets were shorter than 5 years period.

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- b. Terminal value arrived by extrapolating last forecasted year cash flows to perpetuity using long-term growth rates: 2%-6%. These long terms growth rates takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- c. The discount rates used are based on the our weighted average cost of capital as an approximation of the weighted average cost of capital of a comparable market participant, which are adjusted for specific country risks 10.5% to 15%.
- d. Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions. The after tax discount rate used ranges from 10.5% to 15.0%. The before tax discount rate is determined based on the value-in-use derived from the use of after tax assumptions, and ranges from 12.0% to 19.2%.

Based on the above, no impairment was identified as of March 31, 2010 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation s sensitivity to a change in the key parameters (Revenue growth, operating margin, discount rate and long term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU s recoverable amount would fall below its carrying amount

**Item 6. Directors, Senior Management and Employees****Directors and Senior Management**

Our directors and executive officers, their respective ages and positions as of September 30, 2010 were as follows:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Azim H. Premji	65	Chief Executive Officer, Chairman of the Board and Managing Director (designated as Chairman )
Dr. Ashok S Ganguly	75	Director
B.C. Prabhakar	67	Director
Dr. Jagdish N. Sheth	72	Director
Narayanan Vaghul	74	Director
William Arthur Owens	70	Director
P.M. Sinha	70	Director
Dr. Henning Kagermann	63	Director
Suresh C. Senapaty	53	CFO and Director
Suresh Vaswani	50	Joint CEO, IT Business and Director
Girish S Paranjpe	52	Joint CEO, IT Business and Director
Shyam Saran	64	Director
Anurag Behar	41	Chief sustainability officer
Vineet Agrawal	48	President, Wipro Consumer Care and Lighting
Pratik Kumar	44	Executive Vice President Human Resources and President Wipro Infrastructure Engineering
T K Kurien	50	President, Wipro Eco Energy
Martha Bejar	48	President, Global Sales & Operations, Wipro Technologies
S. Deb	52	Chief Global Delivery Officer, Wipro Technologies

**Azim H. Premji** has served as our Chief Executive Officer, Chairman of our Board of Directors and Managing Director (designated as Chairman) since September 1968. Mr. Premji holds a Bachelor of Science, or B.S. in Electrical Engineering from Stanford University, U.S.A.

**Dr. Ashok Ganguly** has served as a Director on our Board since 1999. He is the Chairman of our Board Governance & Nomination Committee and Compensation Committee. He is currently the Chairman of First Source Solutions Limited and ABP Pvt. Ltd (Ananda Bazar Patrika Group). Dr. Ganguly also currently serves as a

non-executive Director of Mahindra & Mahindra Limited, Tata AIG Life Insurance Co Ltd, Hemogenomics Pvt. Ltd, The Blackstone Group(Advisory), Dr. Reddy Laboratories Limited, and Director on the Advisory Board of Microsoft Corporation (India) Pvt. Ltd. Dr. Ganguly is also the Chairman of the Compensation and Board Governance Committee,

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Investors/Shareholders Grievances Committee of First Source Solutions Limited. He is also chairman of Research and Development Committee of Mahindra and Mahindra Ltd and Remuneration Committee of Tata AIG Life Insurance Company Limited. He is a member of the Prime Minister's Council on Trade and Industry and the India-USA CEO Council, set up by the Prime Minister of India and the President of the USA. Dr. Ganguly is a Rajya Sabha Member. He is a former member of the Board of British Airways Plc (1996-2005) and Unilever Plc/NV (1990-97); Dr. Ganguly was formerly Chairman of Hindustan Unilever Limited (1980-90). Dr. Ganguly was on the Central Board of Directors of the Reserve Bank of India (2000-2009). In 2006, Dr. Ganguly was awarded the CBE (Hon) by the United Kingdom. In 2008, Dr. Ganguly received the Economic Times Lifetime Achievement Award and, more recently, he was the recipient of the Padma Vibhushan, India's second highest civilian award during the year 2008-09.

**B.C. Prabhakar** has served as a Director on our Board since February 1997. He is been a practicing lawyer since April 1970. Mr. Prabhakar holds a B.A. in Political Science and Sociology and a BL. from Mysore University, India. Mr. Prabhakar serves as a non-executive Director of Automotive Axles Limited and 3M India Limited. He is also a member of the Audit, Risk and Compliance Committee and Chairman of the Administrative and Shareholder / Investor Grievances Committee.

**Dr. Jagdish N. Sheth** has served as a Director on our Board since January 1999. He has been a professor at Emory University since July 1991. Dr. Sheth is also on the Boards of Innovolt Inc and Safari Industries. Dr. Sheth holds a B. Com (Honors) from Madras University, a M.B.A. and a Ph.D in Behavioral Sciences from the University of Pittsburgh, U.S.A.

**Narayanan Vaghul** has served as a Director on our Board since June 1997. He is the Chairman of our Audit, Risk and Compliance Committee, member of the Board Governance & Nomination Committee and member of the Compensation Committee. He was the Chairman of the Board of ICICI Bank Limited from September 1985 till April 2009. Mr. Vaghul is also on the Boards of Mahindra and Mahindra Ltd., Mahindra World City Developers Limited, Piramal Healthcare Limited, and Apollo Hospitals Enterprise Limited. Mr. Vaghul is the Chairman of the Compensation Committee of Mahindra and Mahindra Limited and Nicholas Piramal India Limited. Mr. Vaghul is also the member of the Audit Committee in Nicholas Piramal India Limited. Mr. Vaghul is also the lead independent Director of our Company. Mr. Vaghul holds Bachelor (Honors) degree in Commerce from Madras University, Mr. Vaghul was the recipient of the Padma Bhushan, India's third highest civilian award during the year 2009-10. Mr. Vaghul also received the Economic Times Lifetime Achievement Award.

**William Arthur Owens** has served as a Director on our Board since July 1, 2006. He is also a member of Board Governance and Nomination Committee. 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, Intelius and Chairman of Century Link Inc, a media communications company. 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.

**Priya Mohan Sinha** has served as a Director on our Board since January 1, 2002. He is a member of our Audit, Risk and Compliance Committee, Board Governance & Nomination Committee and Compensation Committee. 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 Bata India Limited, Lafarge India Pvt. Limited. He was also the Chairman of Reckitt Coleman India Limited and Chairman of Stephan Chemicals India 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 of Bata India Limited. Mr. Sinha is also on the

Advisory Board of Rieter India.

**Dr. Henning Kagermann** has served as a Director on our Board since October 27, 2009. He has served as Chief Executive officer of SAP AG till 2009. He has been a member of SAP Executive Board since 1991. He is also President of Acatech (German Academy of Science and Technology) and currently a member of supervisory boards of Deutsche Bank AG, Munich Re, Deutsche Post and BMW Group in Germany. Dr. Henning Kagermann is extra-ordinary professor for Theoretical Physics at the Technical University Braunschweig, Germany and has received honorary doctorate from the university of Magdeburg, Germany.

**Suresh C. Senapaty** has served as our Chief Financial Officer and Director since April 2008 and served with us in other positions since April 1980. Mr. Senapaty holds a B. Com. from Utkal University in India, and is a Fellow Member

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of the Institute of Chartered Accountants of India. Mr. Senapaty is on the Boards of the following India subsidiary companies: Wipro Trademarks Holding Limited, Wipro Chandrika Limited, Wipro Travel Services Limited, Cygnus Negri Investments Private Limited, Wipro Technology Services Limited, Wipro Consumer Care Limited and Wipro GE Healthcare Private Limited. Mr. Senapaty is also the Chairman of the Audit Committee of Wipro Technology Services Limited.

**Suresh Vaswani** has served as Joint CEO, IT Business and Director since April 2008 and has served with us in other positions since June 1987. Mr. Vaswani holds a Bachelor of Technology, or B.Tech. from the Indian Institute of Technology, or IIT, Kharagpur, India and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad, India. He is a member of our Administrative/Shareholders & Investor Grievance Committee. He is also a director on the Board of our few overseas subsidiary companies.

**Girish S Paranjpe** has served as Joint CEO, IT Business and Director since April 2008 and has served with us in other positions since July 1990. Mr. Paranjpe holds a B.Com. from Bombay University, India and is a Fellow Member of Institute of Chartered Accountants of India and Institute of Cost and Works accountants of India. He is also a director on the Board of our few overseas subsidiary companies.

**Shyam Saran** has served as a Director on our Board since July 1, 2010. Mr. Saran is a career diplomat who has served in significant positions in the Indian government for over three decades. Mr. Saran belongs to the 1970 batch of Indian Foreign Service. Mr. Saran last served as special Envoy of the Prime Minister of India (October 2006 to March 2010) specializing in nuclear issues, and he also was the Indian Envoy on climate change. Prior to this appointment, Mr. Saran was the Foreign Secretary, Government of India (2004-2006). Mr. Saran also served as the Ambassador of India to Nepal, Indonesia, Myanmar and Mauritius. Mr. Saran's diplomatic stints have taken him to Indian missions in Geneva, Beijing and Tokyo. Mr. Saran has been a fellow of the United Nations Disarmament program in Geneva, Vienna and New York. Mr. Saran holds a Post Graduate degree in economics.

**Anurag Behar** has served as CEO of Wipro Infrastructure Engineering and in other positions since May 20, 2002. Mr. Anurag Behar holds a Masters Degree in Business Administration (MBA) from XLRI-Jamshedpur and Bachelors degree in Engineering from Regional Engineering College, Trichy.

**Vineet Agrawal** has served as President of Wipro Consumer Care and Lighting since July 2002 and has served with us in other positions since December 1985. Mr. Agrawal holds a B.Tech. from IIT, New Delhi, India and an M.B.A. from Bajaj Institute of Management Studies, Mumbai, India.

**Pratik Kumar** has served as our Executive Vice-President, Human Resources, since April 2002, and has served with us in other positions since November 1991. Mr. Pratik Kumar holds a B. A. from Delhi University and an M.B.A. from Xavier Labour Relations Institute (XLRI), Jamshedpur, India.

**T. K. Kurien** has served as President WCS, Global Programs & Strategic Initiative of Wipro since June 23, 2008 and has served with us in other positions since February 11, 2000. Mr. Kurien is a Chartered Accountant and holds a Bachelors Degree in Engineering.

**Martha Bejar** has served as President-Sales & Global Operations since July 1, 2009. Ms. Bejar has served earlier in Microsoft Corporation from June 2007 to June 2009 as Corporate Vice President for the Communications Sector at Microsoft. Ms. Bejar also served as President of Nortel's Caribbean and Latin America regions. Ms. Bejar is a Graduate from Harvard School of Business School Management Advance Program, and holds M.B.A Degree from Nova Southeastern University (USA) and BSIE from University of Miami (USA).

**S. Deb** has served as Chief Global Delivery Officer of Wipro since April 30, 2008 and has served with us in other positions since June 29, 1982. Mr. S Deb is a Management Graduate and holds M.B.A Degree from IIM Ahmedabad and B.Tech from IIT Kharagpur.

**Compensation****Director Compensation**

Our Board Governance and Compensation Committee determines and recommends to our Board of Directors the compensation payable to our directors. All board-level compensation is subject to approval by our shareholders. Each of our non-employee directors receives an attendance fee per meeting of \$444 during the current year for every Board and Committee meeting they attend. Our directors are reimbursed for travel and out-of-pocket expenses in connection with their attendance at Board and Committee meetings. Additionally, we also compensate non-employee

directors by way of commission, which is limited to a fixed sum payable as approved by the Board subject to a maximum of 1% of the net profits of the Company as approved by the shareholders. Service contracts with our directors provide for our standard retirement benefits that consist of a pension and gratuity which are offered to all of our employees, but no other benefits upon termination of employment.

In the fiscal year ended March 31, 2010, we paid an aggregate of \$0.43 million (Rs. 19.7 million) as commission to our non-employee directors.

**Table of Contents****Executive Compensation**

The annual compensation of our executive directors is approved by our Board Governance and Compensation Committee, within the parameters set by the shareholders at the shareholders meetings, and the annual compensation of our other executive officers is approved by our Board Governance and Compensation Committee. Remuneration of our executive officers, including our employee directors, consists of a fixed component, performance bonus and a variable performance linked incentive. The variable performance linked incentive portion is earned under our Quarterly Performance Linked Scheme. This is a variable pay program for all employees, including executive officers, which is deemed to be part of each employee's salary. Variable payouts are made to employees based on their department's or unit's performance and achievement levels. The profit targets for each department are set quarterly, and payment amounts vary between departments based on their profit targets and actual achievements. These payments are made on a quarterly basis for all employees except for certain members of senior management who receive payouts on an annual basis based on our overall corporate performance under an annual plan.

The following tables present the annual and long-term compensation earned, awarded or paid for services rendered to us for the fiscal year 2010 by our Executive Directors and members of our administrative, supervisory or management bodies. For the convenience of the readers, the amounts in the below table has been translated into U.S. dollars based on the certified foreign exchange rates published by Federal Reserve Board of New York on March 31, 2010, which was Rs. 44.95 per \$ 1.00.

Name	Annual Compensation (\$)				Long-term compensation (Deferred Benefit (3)&(4))
	Salary and allowances	Commission/ Incentives (1)	Housing (2)	Others	
Azim H. Premji	\$ 95,888	\$1,449,346	\$90,100	\$ 15,230	\$ 100,202
Suresh C. Senapaty	202,399	158,019		255,740	38,691
Pratik Kumar Vineet	184,194	135,191		223,303	25,296
Agrawal Suresh	198,735	135,235		3,583	36,721
Vaswani	257,276	186,017		172,542	43,299
Martha Bejar	416,167	354,631		370,000	27,602
Girish S. Paranjpe	237,612	174,962	12,627	2,618	42,586
S. Deb	140,676	99,779		192,103	24,911
T. K. Kurien	210,682	115,279		122,605	24,340
Anurag Behar	160,411	92,497		141,919	18,349

1. Azim H. Premji was paid commissions at the rate of 0.3% on incremental net profits of the Company over the previous year computed based on the method approved by the Board Governance and Compensation Committee and in accordance with the provisions of the Indian Companies Act, 1956. All other executives were paid incentives under a Quarterly Performance Linked Scheme based on achievement of pre-defined profit targets.
2. The value of housing perquisite accounts for more than 25% of the total value of all perquisites and personal benefits received in fiscal 2010.
- 3.

Deferred benefits are payable to employees by way of our contribution to the Provident Fund and Pension Fund. The Provided Fund is a statutory fund to which Wipro and our employees contribute every month. A lump sum payment on separation and a pension payment on attaining the age of superannuation are payable from the balance standing to the credit of the Fund, as per the Employee Provident Fund and Miscellaneous Provisions Act, 1952.

4. Under our pension plans, any pension that is payable to an employee is not computed on the basis of final compensation, but on the accumulated pension fund to the credit of the employee as the date of separation, death, disability or retirement. We annually contribute 15% of Mr. Premji's base salary and commission earned for that year to our pension fund for the benefit of Mr. Premji. For all other employees, we contribute 15% of their respective base salaries to our pension for their benefit. These contributions are included in this column.

We operate in numerous countries and compensation for our officers and employees may vary significantly from country to country. As a general matter, we seek to pay competitive salaries in all the countries in which we operate.

#### **Board Composition**

Our Articles of Association provide that the minimum number of directors on our board of directors shall be four and the maximum number shall be fifteen. As of September 30, 2010, we had twelve directors on our Board. Our Articles of Association provide that at least two-thirds of our directors shall be subject to retirement by rotation. One third of these directors must retire from office at each Annual General Meeting of the shareholders, but each retiring director is eligible for re-election at such meeting. Mr. N. Vaghul, Dr. Ganguly and Mr. P. M. Sinha each retired by rotation and were immediately re-elected at our Annual General Meeting of shareholders held on July 22, 2010. Dr. Henning Kagermann and Mr. Shyam Saran were also elected as retiring directors at such meeting. In addition to retiring directors, up to one third of our directors are non-retiring directors. Currently, Mr. Azim H. Premji is a non-retiring director.

The term and expiration date of each director is as follows:

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<b>Name</b>	<b>Expiration of current term of office</b>	<b>Term of office</b>
Azim H. Premji	July 30, 2011	2 years
Dr. Jagdish Sheth	Annual General Meeting 2012	Retirement by rotation
Dr. Ashok S. Ganguly	Annual General Meeting 2013	Retirement by rotation
B. C. Prabhakar	Annual General Meeting 2012	Retirement by rotation
N. Vaghul	Annual General Meeting 2013	Retirement by rotation
P. M. Sinha	Annual General Meeting 2013	Retirement by rotation
William Arthur Owens	Annual General Meeting 2012	Retirement by rotation
Shyam Saran	Annual General Meeting 2014	Retirement by rotation
Dr. Henning Kagermann	Annual General Meeting 2014	Retirement by rotation
Suresh C. Senapaty	April 17, 2013	5 years from the date of appointment
Girish S. Paranjpe	April 17, 2013	5 years from the date of appointment
Suresh Vaswani	April 17, 2013	5 years from the date of appointment

**Option Grants**

There were no option grants to our Chief Executive Officer, Chairman and Managing Director (designated as Chairman ) in the fiscal years 2009 and 2010. Details of options granted to other senior management executives as of September 30, 2010 are reported elsewhere in this Item 6 under the section titled Share Ownership.

**Option Exercises and Holdings**

Our Chairman did not exercise or hold any options during the period ended as September 30, 2010. The details of stock options held and exercised until September 30, 2010 with respect to other senior management executives are reported elsewhere in this Item 6 under the section titled Share Ownership.

**Terms of Employment Arrangements and Indemnification Agreements**

Under the Companies Act, our shareholders must approve the salary, bonus and benefits of all employee directors at a General Meeting of Shareholders. Each of our employee directors have signed an agreement containing the terms and conditions of employment, including a monthly salary, performance bonus and benefits including vacation, medical reimbursement and pension fund contributions. These agreements have varying terms ranging from a two to five year period, but either we or the employee director may generally terminate the agreement upon six months notice to the other party.

The terms of our employment arrangements with Azim H. Premji, Pratik Kumar, Suresh C. Senapaty, Martha Bejar, Suresh Vaswani, Anurag Behar, Girish S. Paranjpe, T.K. Kurien, S. Deb and Vineet Agrawal provide for up to a 180-day notice period, up to 21 days of leave per year in addition to statutory holidays, and an annual compensation review. Additionally, employees are required to relocate as we may determine, and to comply with confidentiality provisions.

We also have entered into agreements to indemnify our directors and officers for claims brought under any rule of law to the fullest extent permitted by applicable law. These agreements, among other things, indemnify our directors and officers for certain expenses, judgments, fines and settlement amounts incurred by any such person in any action or proceeding, including any action by or in the right of Wipro Limited, arising out of such person's services as our director or officer, including claims which are covered by the Insurance Policy on Directors and Officers' Liability Insurance taken by the Company.

**Board Committee Information*****Audit/Risk and Compliance Committee***

The Audit Committee of our Board of Directors, which was formed in 1987, reviews, acts on and reports to our Board of Directors with respect to various auditing and accounting matters. The primary responsibilities are:

Auditing and accounting matters, including recommending the appointment of our independent auditors to the shareholders,

Compliance with legal and statutory requirements,

Integrity of the Company's financial statements, discussing with the independent auditors the scope of the annual audits, and fees to be paid to the independent auditors,

Performance of the Company's Internal Audit function, Independent Auditors and accounting practices,

Review of related party transactions, functioning of Whistle Blower mechanism, and

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Implementation of the applicable provisions of the Sarbanes Oxley Act, 2002 including review on the progress of internal control mechanisms to prepare for certification under Section 404 of the Sarbanes Oxley Act, 2002.

All members of our Audit/Risk and Compliance Committee are independent non-executive directors and financially literate. The Chairman of our Audit/Risk and Compliance Committee has the accounting or related financial management expertise.

Independent Auditors as well as Internal Auditors always have independent meetings with the Audit/Risk and Compliance Committee and also participate in the Audit/Risk and Compliance Committee meetings.

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

The Audit/Risk and Compliance Committee is comprised of the following three non-executive directors:

Mr. N. Vaghul Chairman of the Audit Committee

Mr. P. M. Sinha and B. C. Prabhakar Members of the Audit Committee

Our Audit/Risk and Compliance Committee held seven meetings during our 2010 fiscal year. The charter of the Audit/Risk and Compliance Committee is available under the investor relations section on our website at [www.wipro.com](http://www.wipro.com).

***Board Governance and Nomination Committee***

In April 2009, the Board Governance and Compensation Committee was split into two separate committees and reconstituted as the Board Governance & Nomination Committee and the Compensation Committee. The charter of the Board Governance and Nomination Committee is available on our website under [www.wipro.com](http://www.wipro.com). The Board Governance & Nomination Committee is comprised of the following four non-executive directors:

Dr. Ashok S. Ganguly Chairman of the Board Governance and Nomination Committee

Mr. N. Vaghul, P.M. Sinha and Bill Owens Members of the Board Governance and Nomination Committee

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

Develop and recommend to the Board Corporate Governance Guidelines applicable to the Company,

Evaluate 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,

Implement policies and processes relating to corporate governance principles,

Ensure that appropriate procedures are in place to assess Board membership needs and Board effectiveness,

Review the Company's policies that relate to matters of Corporate Social Responsibility, including public issues of significance to the Company and its stakeholders,

Develop and recommending to the Board of Directors for its approval an annual evaluation process of the Board and its Committees, and

Formulate the Disclosure Policy, its review and approval of disclosures.

During the year 2009-10, our Board Governance and Nomination Committee held four meetings.

***Compensation Committee***

The members of the Compensation Committee are as follows:

Dr. Ashok S. Ganguly                      Chairman of the Board Governance and Compensation Committee

Mr. N. Vaghul and P.M. Sinha            Members of the Board Governance and Compensation Committee

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The charter of the Compensation Committee is available on our website under [www.wipro.com](http://www.wipro.com). The primary responsibilities of the Compensation Committee are:

Determine and approve salaries, benefits and stock option grants to senior management employees and Directors of our Company.

Approve and evaluate the compensation plans, policies and programs for Whole-time Directors and Senior Management.

Act as Administrator of the Company's Employee Stock Option Plans and Employee Stock Purchase Plans drawn up from time to time.

Our Executive Vice President-Human Resources makes periodic presentations to the Compensation Committee on compensation reviews and performance linked compensation recommendations. All members of the Compensation Committee are independent non-executive directors. During the year 2009-10, our Compensation Committee held four meetings.

### **Employees**

As of March 31, 2009 and 2010, we had over 90,000 and over 108,000 employees including our subsidiaries and over 70,000 and over 77,000 IT professionals, respectively. Highly trained and motivated people are critical to the success of our business. To achieve this, we focus on attracting and retaining the best people possible. A combination of strong brand name, a congenial working environment and competitive compensation programs enables us to attract and retain these talented people.

Our human resources department is centralized at our corporate headquarters in Bangalore and functions across all of our business segments. We have implemented corporate-wide recruiting, training, performance evaluation and compensation programs that are tailored to address the needs of each of our business segments.

Our relationship with employees and employee groups are based on mutual trust and respect and we continue to maintain the same spirit at all times. We continue to fulfill all requirements and commitments which could arise out of collective bargaining as required across various development centers and manufacturing facilities and other such agreements in specific geographies across Americas, Europe and Asia.

### **Recruiting**

We hire entry level graduates from both the top engineering and management universities in India, as well as more experienced lateral hires through employee referral programs, advertisements, placement consultants, our website postings and walk-ins. To facilitate employee growth within Wipro Limited, all new openings are first offered to our employees. The nature of work, skill sets requirements and experience levels are highlighted to the employees. Applicants undergo the regular recruitment process and, if selected, get assigned to their new roles.

### **Training**

Each of our new recruits must attend an eight week intensive training program when they begin working with us. New or recent graduates must also attend additional training programs that are tailored to their area of technology. We also have a mandatory continuing education program that requires each IT professional to attend at least 40 hours of continuing education classes to improve their understanding and competency of new technologies, as well as to develop leadership and personal self-development skills. We supplement our continuing education program for existing employees by sponsoring special programs at leading educational institutions, such as the Indian Institute of Management, Bangalore, Birla Institute of Technology and Science, Pilani, Symbiosis Institute of Business Management, Pune and others, to provide special skill set training in areas such as Business Skills and Project management to any of our IT professionals who choose to enroll and meet the eligibility criteria of these Institutes.

### **Performance Evaluations**

Employees receive written performance objectives that they develop in cooperation with their respective managers. They are measured against these criteria annually in a formal review process which includes self-reviews and reviews from peers, managers and subordinates.

**Table of Contents****Compensation**

We continually strive to provide our employees with competitive and innovative compensation packages. Our compensation packages include a combination of salary, stock options, pension, and health and disability insurance. We measure our compensation packages against industry standards and seek to match or exceed them. We adopted an employee stock purchase plan in 1984, employee stock option plan in 1999 and 2000 and restricted stock unit option plan in 2004, 2005, 2007. We have devised both business segment performance and individual performance linked incentive programs that we believe more accurately link performance to compensation for each employee. The variable performance linked incentive portion is earned under our Quarterly Performance Linked Scheme. This is a variable pay program for all employees, including executive officers, which is deemed to be part of each employee's salary. Variable payouts are made to employees based on their department's or unit's performance and achievement levels. The profit targets for each department are set quarterly, and payment amounts vary between departments based on their profit targets and actual achievements. These payments are made on a quarterly basis for all employees except for certain members of senior management who receive payouts on an annual basis based on our overall corporate performance under an annual plan.

**Share Ownership**

The following table sets forth, as of September 30, 2010, for each director and executive officer, the total number of equity shares, ADSs and vested and unexercised options to purchase equity shares and ADSs. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. All information with respect to the beneficial ownership of any principal shareholder has been furnished by such shareholder and, unless otherwise indicated below, we believe that persons named in the table has sole voting and sole investment power with respect to all the shares shown as beneficially owned, subject to community property laws, where applicable. The shares beneficially owned by the directors include the equity shares owned by their family members to which such directors disclaim beneficial ownership. The number of shares beneficially owned includes equity shares, equity shares underlying ADSs and the shares subject to vested options that are currently exercisable. For the convenience of the readers, the stock option grant price has been translated into U.S. dollars based on the certified foreign exchange rates published by Federal Reserve Board of New York on March 31, 2010, which was Rs. 44.95 per \$1.00. The share numbers and percentages listed below are based on 2,451,995,801 equity shares outstanding as of September 30, 2010.

Name	Equity Shares	Percentage	Equity	Exercise	Date of
	beneficially	of Total	Shares		
	owned	Equity	Underlying	Price(\$)	expiration
		Shares	Options		
		Outstanding	Granted		
Azim H. Premji <sup>(1)</sup>	1,935,110,430	78.91			
B. C. Prabhakar <sup>(2)</sup>	5,000	*			
Dr. Jagdish Sheth					
Dr. Ashok S Ganguly	1,666				
N. Vaghul					
P. M. Sinha <sup>(3)</sup>	33,333	*			
Suresh C. Senapaty	176,083	*	4,667	0.05	July 2012
			50,000	0.05	May 2014
Pratik Kumar	83,667	*	4,667	0.05	July 2012
			30,000	0.05	May 2014
			30,000	0.05	July 2016
Vineet Agrawal	229,699	*	4,667	0.05	July 2012
			40,000	0.05	May 2014
			40,000	0.05	July 2016

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Suresh Vaswani	170,612	*	4,667	0.05	July 2012
			50,000	0.05	May 2014
			60,000	10.87	May 2014
			50,000	0.05	July 2016
S. Deb	63,333	*	4,000	0.05	July 2012
			18,000	0.05	May 2014
			18,000	0.05	July 2016
Girish S. Paranjpe	140,000	*	4,667	0.05	July 2012
			50,000	0.05	May 2014
			60,000	10.87	May 2014
			50,000	0.05	July 2016
T. K. Kurien	141,012	*	4,000	0.05	July 2012
			50,000	0.05	May 2014
			30,000	0.05	July 2016
Martha Bejar		*	50,000	0.05	October 2015
			16,600	0.05	July 2016
Anurag Behar	26,766	*	3,333	0.05	July 2012
			20,000	0.05	May 2014
Dr. Henning Kagermann					
William Arthur Owens					
Shyam Saran					

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\* Represents less than 1% of the total equity shares outstanding as of September 30, 2010.

- (1) Includes 543,765,000 shares held by Hasham Traders (a partnership), of which Mr. Premji is a partner, 541,695,000 shares held by Prazim Traders (a partnership), of which Mr. Premji is a partner, 540,408,000 shares held by Zash Traders (a partnership), of which Mr. Premji is a partner, 63,771,666 shares held by Napean Trading Investment Co. Pvt. Ltd., of which Mr. Premji is a director, 85,023,666 shares held by Regal Investments Trading Co. Pvt. Ltd., of which Mr. Premji is a director, 64,767,666 shares held by Vidya Investment Trading Co. Pvt. Ltd., of which Mr. Premji is a director, 95,679,432 shares held jointly by Mr. Premji and members of his immediately family. In addition 10,843,333 shares are held by Azim Premji Foundation (I) Pvt. Ltd. Mr. Premji disclaims beneficial ownership of 10,843,333 shares held by Azim Premji Foundation (I) Pvt. Ltd.
- (2) The shares are jointly held with an immediate family member of Mr. Prabhakar.
- (3) The shares are jointly held with an immediate family member of Mr. P.M. Sinha.

**EMPLOYEE STOCK OPTION PLANS**

We have various employee stock options and restricted stock unit option plans (collectively referred to as stock option plans). Our stock option plans provide for grants of options to eligible employees and directors. Our stock option plans are administered by our Compensation Committee (the Committee) appointed by our Board of Directors. The committee has the sole power to determine the terms of the units granted, including the exercise price, selection of eligible employees and directors, the number of equity shares to be covered by each option, the vesting and exercise periods, and the form of consideration payable upon such exercise. In addition, the committee has the authority to amend, suspend or terminate the stock plan with the approval of the shareholders, provided that no such action may adversely affect the rights of any participant under the plan.

Our stock option plan generally does not allow for the transfer of options and only the optionee may exercise an option during his or her lifetime. The vesting period for the options under the plan(s) range from 12 months to not more than 84 months. An optionee generally must exercise any vested options within a prescribed period as per the respective stock option plans generally before termination date of the stock option plan. A participant must exercise any vested options prior to termination of the services with us and within a specified post-separation period generally within three months from the date of the separation. If an optionee's termination is due to death, disability or retirement, his or her option will fully vest and become exercisable.

The salient features of our stock plans are as follows:

<b>Name of Plan</b>	<b>Authorized Shares <sup>(1)</sup></b>	<b>Range of exercise prices</b>	<b>Effective date</b>	<b>Termination date</b>	<b>Other remarks</b>
1999 Employee Stock option Plan	30,000,000	Rs. 171 490	July 29, 1999	July 28, 2009	There are no stock options outstanding under this plan
Wipro Employee Stock Option Plan 2000 (2000 Plan)	150,000,000	Rs. 171 490	September 15, 2000	September 15, 2020	In the event of our merger with or into another corporation or a sale of substantially all of our assets, each option under this plan, shall be proportionately

adjusted to give effect to the merger or asset sale.

There are no stock options outstanding under this plan.

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<b>Name of Plan</b>	<b>Authorized Shares <sup>(1)</sup></b>	<b>Range of exercise prices</b>	<b>Effective date</b>	<b>Termination date</b>	<b>Other remarks</b>
Stock Option Plan (2000 ADS Plan)	9,000,000	\$ 3.7	September, 2000	September, 2010	In event of merger of the Company with other corporation or sale of substantially of all our assets, the successor corporation shall either assume the outstanding units or grant equivalent units to the holders. If the successor corporation neither assumes the outstanding units nor grants equivalent units, such outstanding units shall vest immediately, and become exercisable in full.
Wipro Restricted Stock Unit Plan (WRSUP 2004 plan)	12,000,000	Rs. 2	June 11, 2004	June 10, 2014	
Wipro ADS Restricted Stock Unit Plan (WARSUP 2004 plan)	12,000,000	\$0.04	June 11, 2004	June 10, 2014	
Wipro employee Restricted Stock Unit Plan 2005 (WSRUP 2005 plan)	12,000,000	Rs. 2	July 21, 2005	July 20, 2015	
Wipro employee Restricted Stock Unit Plan 2007 (WSRUP 2007 plan)	10,000,000	Rs. 2	July 18, 2007	July 17, 2017	

(1) Subject to adjustment for corporate action from time to time.

**Wipro Equity Reward Trust**

We established the Wipro Equity Reward Trust, or WERT, in 1984 to allow our employees to acquire a greater proprietary stake in our success and growth, and to encourage our employees to continue their association with us. The WERT, which is administered by a Board of Trustees is designed to give eligible employees the right to receive restricted shares and other compensation benefits at the times and on the conditions that we specify. Such compensation benefits include voluntary contributions, loans, interest and dividends on investments in the WERT and other similar benefits.

Shares from the WERT are issued in the joint names of the WERT and the employee until such restrictions and obligations are fulfilled by the employee. After the four-year period, complete ownership of the shares is transferred to the employee.

If employment is terminated by death, disability or retirement, his or her restricted shares are transferred to the employee's legal heirs or continue to be held by the employee, as the case may be, and such individuals may exercise any rights to those shares for up to ninety days after employment has ceased. The Trustees of the WERT have the authority to amend or terminate the WERT at any time and for any reason.

**Item 7. Major Shareholders and Related Party Transactions****Major Shareholders**

The following table sets forth certain information regarding the beneficial ownership of our equity shares as of September 30, 2010, of each person or group known by us to own beneficially 5% or more of our outstanding equity

shares.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to such shares. Shares subject to vested options that are currently exercisable are deemed to be outstanding or to be beneficially owned by the person holding such options for the purpose of computing the percentage ownership of such person, but are not deemed to be outstanding or to be beneficially owned for the purpose of computing the percentage ownership of any other person. All information with respect to the beneficial ownership of any principal shareholder has been furnished by such shareholder and, unless otherwise indicated below, we believe that persons named in the table have sole voting and sole investment power with respect to all the shares shown as beneficially owned, subject to community property laws, where applicable. The number of shares and percentage ownership are based on 2,451,995,801 equity shares outstanding as of September 30, 2010.

<b>Name of Beneficial Owner</b>	<b>Class of Security</b>	<b>Number of Shares beneficially held as of September 30, 2010</b>	<b>% of Class</b>
Azim H. Premji (1)	Equity	1,935,110,430	78.91
Hasham Traders	Equity	543,765,000	22.17
Prazim Traders	Equity	541,695,000	22.09
Zash Traders	Equity	540,408,000	22.03

(1) Includes 543,765,000 shares held by Hasham Traders (a partnership), of which Mr. Premji is a partner, 541,695,000 shares held by Prazim Traders (a partnership), of which Mr. Premji is a partner, 540,408,000 shares held by Zash Traders (a partnership), of which Mr. Premji is a partner, 63,771,666 shares held by

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Napean Trading Investment Co. Pvt. Ltd., of which Mr. Premji is a director, 85,023,666 shares held by Regal Investments Trading Co. Pvt. Ltd., of which Mr. Premji is a director, 64,767,666 shares held by Vidya Investment Trading Co. Pvt. Ltd., of which Mr. Premji is a director, 95,679,432 shares held jointly by Mr. Premji and members of his immediately family. In addition 10,843,333 shares are held by Azim Premji Foundation (I) Pvt. Ltd. Mr. Premji disclaims beneficial ownership of 10,843,333 shares held by Azim Premji Foundation (I) Pvt. Ltd.

Our American Depositary Shares are listed on the New York Stock Exchange. Each ADS represents one equity share of par value Rs. 2 per share. Our ADSs are registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 and, as of September 30, 2010, are held by approximately 14,023 holders of record in the United States.

Our equity shares can be held by Foreign Institutional Investors, or FIIs, and Non-resident Indians, or NRIs, who are registered with the Securities and Exchange Board of India, or SEBI, and the Reserve Bank of India, or RBI. About 7.04% of the Company's equity shares were held by these FIIs, and NRIs as of September 30, 2010, some of which may be residents or corporate entities registered in the United States and elsewhere. We are unaware of whether FIIs, and/or NRIs hold our equity shares as residents or as corporate entities registered in the United States.

Our major shareholders do not have a differential voting right with respect to their equity shares. To the best of our knowledge, we are not owned or controlled directly or indirectly by any Government or by any other corporation. We are not aware of any arrangement, the operation of which may at a subsequent date result in a change in control, of our Company.

**Related Party Transactions**

*Terms of Employment Arrangements and Indemnification Agreements.* We are a party to various employment and indemnification agreements with our directors and executive officers. See *Terms of Employment Arrangements and Indemnification Agreements* under Item 6 of this Annual Report for a description of the agreements that we have entered into with our directors and executive officers.

*Related Parties.* The Company has relationships with the following related parties:

<b>Name of entity</b>	<b>Nature</b>	<b>% of holding</b>	<b>Country of Incorporation</b>
Wipro GE Healthcare Private Limited	Associate	49%	India
Azim Premji Foundation	Entity controlled by Director		
Hasham Premji (partnership firm)	Entity controlled by Director		
Prazim Traders (partnership firm)	Entity controlled by Director		
Zash Traders (partnership firm)	Entity controlled by Director		
Regal Investment & Trading Company Private Limited	Entity controlled by Director		
Vidya Investment & Trading Company private Limited	Entity controlled by Director		
Napean Trading & Investment Company Private Limited	Entity controlled by Director		
Key management personnel			
- Azim Premji	Chairman and Managing Director Chief Financial Officer and Director		
- Suresh C Senapaty	Jt CEO, IT Business and Director		
- Suresh Vaswani	Jt CEO, IT Business and Director		
- Girish S Paranjape	Non-Executive Director		
- Dr. Ashok Ganguly	Non-Executive Director		
- Narayan Vaghul	Non-Executive Director		
- Dr. Jagdish N Sheth	Non-Executive Director		
- P.M Sinha	Non-Executive Director		

- B.C. Prabhakar	Non-Executive Director
- Bill Owens	Non-Executive Director
- Dr. Henning Kagermann	Non-Executive Director

## Relative of Key management personnel

- Rishad Premji Relative of the director

The Company has engaged in the following related party transactions:

Transaction/ Balances	Associate		Entities controlled by Directors		Key Management Personnel	
	2009	2010	2009	2010	2009	2010
			(In millions)			
Sale of goods and services	Rs. 15	Rs. 7	Rs. 1	Rs. 1	Rs.	Rs.
Dividend			4,418	4,418	230	234
Royalty income	36	32				
Key management personnel#						
Remuneration and short-term benefits					85	175
Other benefits					32	34
Remuneration to relative of key management personnel					3	4
Balances as on March 31,						
Receivables		1				
Payables				2	4	44

# Post employment benefit comprising gratuity and compensated absences are not disclosed as these are determined for the Company as a whole.

The Parent Company has engaged in the following significant transactions with its subsidiaries during the years ended March 31, 2009 and 2010:

Name of the entity	Sale of services		Sale of goods		Purchase of services		Purchase of goods	
	2010	2009	2010	2009	2010	2009	2010	2009
			(In millions)					
Wipro Inc	Rs. 3,519	Rs. 3,737	Rs.	Rs.	Rs. 254	Rs. 202	Rs.	Rs.
Wipro Japan KK					186	259		
Wipro Shanghai Limited	108	79			112	150		
Wipro Technologies Gmbh.	44				1			
Unza Holdings Limited		117					35	18
Wipro Portugal S. A.	536	29			1,369	699		
New Logic Technologies GmbH	97	114			77			
Wipro Technologies S.A DE C.V	68	136			37			
Wipro Technocentre (Singapore) Pte	33							

Limited				
Wipro Information				
Technology,				
Netherlands BV	136			
Wipro Technologies				
Limited, Russia	23			
Wipro Technologies				
OY	65		297	
Wipro Gallagher				
Solutions Inc	60		15	
Wipro Holdings UK				
Limited	222			
Wipro Arabia		81	369	
			45	

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**Table of Contents****Item 15. Controls and Procedures***Disclosure controls and procedures.*

In connection with the audit of our consolidated financial statements for the year ended March 31, 2010, and as disclosed in our Form 6-K dated March 1, 2010, we discovered acts of embezzlement by one of our junior level employees during the period from November 2006 to December 2009. In response to the discovery of such acts of embezzlement, our Audit Committee conducted investigations to determine, among other things, the materiality of the amounts embezzled, the design and implementation of internal control processes to detect and prevent similar misappropriations in the future and certain other issues including appropriateness of certain accounting entries. Based on our review of the facts discovered during the investigation, we believe that the amounts embezzled were not material. See also Item 5 Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information pertaining to our Audit Committee investigations and the findings and the impact of financial statement misstatements and other adjustments identified during the investigations.

We and our independent registered public accounting firm also identified the lack of internal controls that gave rise to this embezzlement and the financial statement misstatements as material weaknesses in our internal control over financial reporting as of March 31, 2009. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses were related to the:

- sharing of online banking access passwords and our internal accounting system passwords by certain employees within the finance and accounting departments, including personnel responsible for external financial reporting;
- lack of effective controls over recording of journal entries, including inadequate documentation and maker-checker controls, which also resulted in ineffective controls over bank reconciliation statements, exchange rate fluctuation accounts and outstanding liabilities accounts;
- lack of timely and adequate reconciliation and review of period-end reinstatement of foreign currency inter-company and unit balances, including the recording of appropriate adjustments; and
- insufficient segregation of duties in relation to recording and initiating certain banking payments.

As a result of identifying these material weaknesses, our management and Audit Committee have concluded that our previously issued report on Internal Control Over Financial Reporting (ICOFR), as of March 31, 2009, should no longer be relied upon. Further, KPMG India, our independent registered public accounting firm, has concluded that its audit opinion on ICOFR as of March 31, 2009 should also no longer be relied upon due to these material weaknesses. Based on this information, our principal executive officer and principal financial officer have concluded that as of March 31, 2009, our disclosure controls and procedures were ineffective due to and only to the extent that ICOFR was ineffective and that their initial conclusion included in our Annual Report on Form 20-F for the fiscal year ended March 31, 2009, should no longer be relied upon.

We have taken steps to address the underlying causes of these material weaknesses described above primarily through the development and implementation of policies and controls, improved processes and documented procedures, the retention of third-party experts, and the hiring of additional accounting and finance personnel. The actions that we have taken were reviewed by our senior management with oversight by our Audit Committee.

As of the end of the period covered by this Annual Report on Form 20-F, we carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Based on their evaluation as of March 31, 2010 and the actions described above, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and that material information related to us and our consolidated subsidiaries is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate,

to allow timely decisions about required disclosure.

## **MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act. Our 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 the International Financial Reporting Standards and their interpretations ( IFRS ), as issued by the International Accounting Standard Board ( IASB ).

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 our assets;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, as issued by the IASB and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our 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, with the participation of our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of internal control over financial reporting as of March 31, 2010. In conducting this assessment of internal control over financial reporting, management based its evaluation 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 our internal control over financial reporting was effective as of March 31, 2010.

Our independent registered public accounting firm, KPMG India, has audited the consolidated financial statements in this Form 20-F, and as part of their audit, has issued its report, which is included in this Form 20-F, on the effectiveness of our internal control over financial reporting as of March 31, 2010.

In connection with the audit of our consolidated financial statements for the year ended March 31, 2010, we and our independent registered public accounting firm also identified the lack of internal controls that gave rise to the embezzlement and financial statement misstatements as material weaknesses in our internal control over financial reporting as of March 31, 2009.

We have taken steps to address the underlying causes of these material weaknesses, primarily through the development and implementation of policies and controls, improved processes and documented procedures, the retention of third-party experts, and the hiring of additional accounting and finance personnel. The actions that we have taken were reviewed by our senior management with oversight by our Audit Committee.

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**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Equity holders

Wipro Limited:

We have audited Wipro Limited and its subsidiaries (the Company) internal control over financial reporting as of March 31, 2010, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management 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 Annual 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2010, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of the Company as of April 1, 2008 and March 31, 2009 and 2010, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the two-year period ended March 31, 2010, and our report dated November 12, 2010 expressed an unqualified opinion on those consolidated financial statements.

KPMG

Bangalore, India

November 12, 2010

**Table of Contents***Change in internal controls over financial reporting.*

During the period covered by this Annual Report, there were changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

As we disclosed in our Form 6-K dated March 1, 2010, we discovered acts of embezzlement by one of our junior level employees during the period from November 2006 to December 2009. In response to the discovery of such acts of embezzlement, our Audit Committee conducted an investigation through an internal investigation team to determine, among other things, the materiality of the amounts embezzled, the design and implementation of internal control processes to detect and prevent similar misappropriations in the future and certain other issues including appropriateness of certain accounting entries. Based on our review of the facts discovered during the investigation, we believe that the amounts embezzled were not material. We have since recovered substantially all of the embezzled amounts.

As part of this internal investigation, certain financial misstatements were also identified in the area of exchange rate fluctuation and outstanding liability accounts. Accordingly, our Audit Committee, together with its independent legal counsel and the forensic accountants they engaged, commenced an external investigation to evaluate certain issues that arose out of the internal investigation, including the appropriateness of certain accounting entries. We and our independent registered public accounting firm also identified the lack of internal controls that gave rise to the embezzlement and other financial statement misstatements as material weaknesses in our internal control over financial reporting as of March 31, 2009. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses were related to the:

- sharing of online banking access passwords and our internal accounting system passwords by certain employees within the finance and accounting departments, including personnel responsible for external financial reporting;
- lack of effective controls over recording of journal entries, including inadequate documentation and maker-checker controls, which also resulted in ineffective controls over bank reconciliation statements, exchange rate fluctuation accounts and outstanding liabilities accounts;
- lack of timely and adequate reconciliation and review of period end reinstatement of foreign currency inter-company and unit balances, including recording of appropriate adjustments; and
- insufficient segregation of duties in relation to recording and initiating banking payments.

As of March 31, 2010, these identified material weaknesses were remediated by our management through the implementation of a series of steps designed to improve the control processes and controls, including making personnel changes whereby three controllers with greater seniority and experience were reassigned from other finance departments to assume existing corporate and divisional controllership positions in the Controllership Department in January 2010. The Audit Committee further recommended disciplinary action against a number of Wipro employees for breach of the Company's conflict of interest policy, including terminating certain employees and issuing warning letters to others for engaging in personal transactions with another Wipro employee. The actions that have been taken were reviewed by senior management with oversight by our Audit Committee. These steps included the following:

- re-emphasizing our documented policy on Password Security Compliance and obtaining quarterly confirmations from employees;
- implementation of maker-checker control over recording of journal entries including additional controls over bank reconciliation statements, exchange rate fluctuation accounts and outstanding liabilities accounts;
- performing review and reconciliation of period end reinstatement of foreign currency inter-company unit balances; and
- appropriate segregation of duties in relation to recording and initiating banking payments.

As a result of identifying these material weaknesses our management and Audit Committee have concluded that our previously issued report on Internal Control Over Financial Reporting (ICOFR), as of March 31, 2009, should no longer be relied upon. Further, KPMG India, our independent registered public accounting firm, have concluded that

its audit opinion on ICOFR as of March 31, 2009 should also no longer be relied upon due to these material weaknesses.

**Compliance with the New York Stock Exchange Corporate Governance Rules**

The Company presently complies with all the practices as described in the final Corporate Governance Rules and Listing standards of the New York Stock Exchange as approved by the Securities and Exchange Commission on November 4, 2003 and codified in Section 303A of the NYSE Listed Company Manual.

A detailed compliance report with the final Corporate Governance rules of the New York Stock Exchange will be separately filed with the New York Stock Exchange.

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**PART III**

**Item 19. Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
12.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes Oxley Act
13.1	Certification of Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes Oxley Act

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**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F/A and that it has duly caused and authorized the undersigned to sign this Amendment No. 1 to the Annual Report on its behalf.

For Wipro Limited

Bangalore, India  
Date: April 20, 2011

/s/ Azim H. Premji  
  
Azim H. Premji,  
Chairman and Managing Director

/s/ Suresh C. Senapaty  
  
Suresh C. Senapaty,  
Chief Financial Officer and Director

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