

Chairman's letter to the stakeholders

Dear Stakeholders,

The calendar year 2017 saw most of the large global economies do better than in the last few years, while developments in technology continued picking pace. Organizations are becoming nimbler by the day and are embracing these developments, not just to keep their businesses relevant but also to transform their customer experience. Partnering with our clients in this transformative journey enabled our IT Services Revenue to grow 4.6% in fiscal 2018.

In my earlier letters, I have talked about the way Digital is being embraced by enterprises, consumers and IT services firms. While the pace of adoption is unprecedented, it is on expected lines, with 'customer experience' becoming a central theme for all organizations. Digital emphasizes upon 'how' technology reaches the end customer rather than 'which' technology. Both, enterprise mindsets and business models are undergoing a paradigm shift where the key scarce resource is no longer financial capital, but intellectual capital. One's own ability to adapt to the new and agile way of conducting business has become the key differentiator.

We at Wipro are seeing our early investments in disruptive technologies increasingly result in successful outcomes with clients and markets, which are early adopters of such new age technologies. This journey has only just started and we are continually calibrating and aligning ourselves to make our clients successful and be at the forefront of what our industry can offer.

Spirit of Wipro

In this journey, the Spirit of Wipro continues to guide us as we walk with our clients to partner with them on their transformational journeys. It keeps us alert, aware of and aligned to our core values, and enables us to deal with a multitude of situations in a uniform Wipro-like manner, while we ensure the success of our clients, employees and other stakeholders in a social and responsible manner.

Stakeholder Value

Our capital allocation philosophy has remained unchanged as we continue to keep long term value enhancement for our investors at the center of our pursuits through regular return of capital.

I had mentioned in my last letter that the Board was considering a proposal to buyback equity shares of the company. In July 2017, we announced a buyback amounting to ₹110,000 million. We also declared an interim dividend amounting to ₹5,420 million in January, 2018.

The value creation of an enterprise extends beyond financial capital. As more and more educated people become part of the organized workforce across the world, issues like sustainability and climate change have become everybody's business. For us at Wipro, creating value across social, natural, intellectual and human capital is central to our existence.

Till last year, we have trained more than 90,000 of our employees in Digital technologies, thereby enhancing the intellectual and human capital of society. Our work in school education, community care and ecology, helps enhance the social and natural capital across various spheres of life. Last year, we reduced our office space emissions by 20% and now use renewable energy for more than a third of our total energy requirements. We also saved nearly 187 million liters of freshwater last year, to make our small contribution to the community's natural capital.

In the current dynamic environment, we are often trapped by false choices. Through my years in Wipro, I have learnt that not getting trapped by these choices is at the heart of enduring success. Let me share three such examples:

- **Old and new:** Do we have to shed what is old to become new? This choice is often also thought of as choosing between the past and the future. It is far more effective if we are both, old and new. We must retain the strengths and learnings of the past, as we embrace the future by developing new capacities and innovative approaches.

- **Business and Society:** Sustained long term success in business will happen only if the business contributes positively to society. This contribution is at many levels. At the core is the basic matter that our business activity must create value for society. It is about acting responsibly towards the environment and contributing to our communities.
- **Means and ends:** Do we choose ends over means, pursue success however it comes? This is the classic false choice. Means and ends are exactly equally important. We must achieve our ends without ever compromising on the means.

As a company, our pursuit to make an impact in all walks of life continues unabated, and I want to thank you all - our clients, our employees, our partners and our stakeholders, for continuing to repose your trust in us. This is our driving force and makes us want to do our best in these exciting times.

Very Sincerely,

A handwritten signature in black ink, appearing to be 'Azim Premji', written in a cursive style.

Azim Premji