

India's Wipro says third-quarter profits up 21 percent

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Indian software exporter Wipro Ltd said Wednesday its consolidated third quarter net profit beat forecasts to rise 21 percent, lending further evidence to the sector's strong recovery.

Net profit rose to 12.17 billion rupees (266 million dollars) in the three months ended December 31, up from 10.04 billion rupees a year earlier led by demand for outsourcing and higher fees.

Revenues rose by more than five percent to 69.66 billion rupees, the Bangalore-based company said in a statement to the Mumbai stock exchange.

By US accounting standards, Wipro's results Wednesday showed a 19 percent rise in [net profit](#) at 12.03 billion rupees (263 million dollars), from 10.1 billion rupees a year earlier.

The better-than-expected Wipro results follow India's largest software exporter [Tata Consultancy Services](#) last week announcing that its consolidated net profit rose 34 percent in the third quarter on the back of improved orders.

"We saw a positive demand environment, driving broad based sequential growth across all our services and regions," said Azim Premji, chairman of Wipro, in a company statement.

"We have seen robust recovery in the IT infrastructure management

services," he said, adding that the firm would "cash-in on the resurgence in business" by forming new sales teams.

The company expects revenues from IT services to be in the range of 1.16 billion to 1.18 billion dollars for the quarter ending March 31 this year.

Wipro shares rose as much as 2.1 percent or 15.5 rupees to a day's high of 753 in early trade Wednesday, after earnings were announced. Prices retraced later on profit taking, to 737.45, down 0.54 percent or 3.95 rupees.

Wipro's IT services business added 31 new clients in the third quarter, and a net addition of 4,855 employees.

In the quarter, Wipro entered into a multi-year outsourcing engagement with a leading global tobacco group.

The company said its Middle East operations also won deals. Wipro Arabia secured a large order from a new university in Saudi Arabia to set up their software and telecom infrastructure.

On acquisition plans, Girish Paranjpe, Wipro's joint chief executive for its global IT services business, said the company was always on the lookout for "strategic deals" without giving specifics.

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