

India's Wipro reports profit rise as IT sector hots up

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India's third-biggest software company Wipro on Friday said fourth-quarter net profit rose more than a fifth as the firm bagged several large deals amid a broad uptick for the sector.

Net profit for the three months to March was 12.09 billion rupees (270 million dollars), up 21 percent from 10.01 billion rupees the previous year, and broadly in line with analysts' forecasts.

"We have seen a strong quarter of broad-based volume-led growth," Wipro chairman Azim Premji said in a statement. "The business environment is returning to normal."

India's other software giants, TCS and Infosys Technologies, have also reported better-than-expected earnings for the last quarter and given positive business outlooks.

After the global economic slowdown of the past two years, the country's IT sector concentrated in the hubs of Bangalore, Hyderabad and New Delhi is hiring again and expanding fast.

Premji said global clients who were "fence-sitters" earlier due to the global slowdown were now willing to make decisions on investments.

"We expect IT budgets to be more and, importantly, to be spent," he told reporters at the company's Bangalore headquarters.

Wipro, which is dual-listed in Mumbai and in New York, secured several deals in the quarter, including a seven-year strategic agreement with US-based insurance giant Main Street America Group.

It also signed a multi-year partnership with global consumer electronics retailer Best Buy Co to provide technology services.

"Our experience in the quarter shows there are large deals on the table," Premji told AFP. "We are making strong bids for such deals."

Revenues rose eight percent to 69.83 billion rupees, the company said in its results statement filed to the Mumbai stock exchange.

For the full-year ending March, Wipro's net profit rose 18 percent to 45.93 billion rupees, while full-year revenues rose six percent to 271.24 billion rupees.

"The earnings were sound, despite pressures of a wage rise for staff and the strong rupee," said Hardik Shah, analyst with Mumbai-based brokerage Asit C. Mehta Investment Intermediaries.

Wipro shares ended down 1.42 percent or 10 rupees at 692.95, on profit taking after gaining as much as 3.5 percent in early trade.

Wipro's retail arm, which owns Yardley soap and shampoo brands in Asia, the Middle East and Africa, saw revenue growth of 17 percent for the full year.

"Yardley grew by 80 percent volume in India, and 30 percent in the Middle East, for the fourth quarter," said Vineet Agrawal, who heads Wipro's consumer care division.

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