

Wipro Q2 net profit up 2.2% at ₹2,235 cr

By Bureau
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INDIA'S third largest IT services exporter Wipro has reported a net profit of ₹2,235.40 crore, registering a 2.2% sequential increase in net profit for the second quarter boosted by higher productivity and better pricing powers. This rise in net profit, which just met Street expectations, was realised despite the impact of cross-currency movement and wage hikes. On a year-on-year basis, Wipro has recorded a 7.2% rise in net profit.

However for the third quarter of the fiscal, Wipro has given a muted revenue growth guidance in the range of 0.5-2.5% in dollar terms meeting the lower end of analysts' expectations. The IT major attributed this conservative guidance to larger number of holidays during the third quarter and the continued weakness in the energy vertical.

Wipro's IT services revenue increased by 4% on a sequential

Report card

(In ₹ crore)	Q2 FY16	Q1 FY16	Growth (% qoq)	Q2 FY15	Growth (% yoy)
Net profit	2,235	2,188	2	2,085	7.2
Revenues	12,514	12,238	2	11,684	7
OPM (in %)	20.7	21	-	22	-

OPM: Operating Profit Margin

Source: Company



basis to touch ₹12,042.8 crore at the end of the second quarter. The IT services revenues in dollar terms was \$1831.9 million, showing a sequential growth 2.1% and it was line with its guidance of 1.5-3.5%.

The operating profit margins stood at 20.7%, down 30 basis points when compared to the previous quarter, impacted largely by cross-currency movement and wage hikes. The IT major ex-

pects to maintain the OPM at the current level during the course of this fiscal.

Terming the second quarter performance as a period of all-round growth, Wipro CEO TK Kurien said: "As we look forward, we are seeing a stable demand environment. We continue to see strong competition around large deals and there is pressure on pricing with respect to new deals."