

Co Provides Muted Guidance For Q4 Because Of Concerns In Oil Vertical Wipro does better than peers in Q3

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Bengaluru: Wipro, whose financial results in the first two quarters of this year lagged those of its peers, has done relatively much better in the December quarter.

Its sequential revenue growth in constant currency at 3.7% is significantly higher than that of TCS (2.5%) and Infosys (2.6%), the two large Indian companies that have announced their results for the quarter so far. The growth is also close to the upper end of its own guidance of 2%-4% for the quarter.

In US dollar terms, the revenue was sequentially up 1.3% to \$1,795 million, higher than Infosys's 0.8%, and TCS's 0.5% (a significant difference has arisen between growth rates in US dollar and constant currency terms on account of the sharp depreciation of major global currencies against the US dollar).

Wipro's significant dependence on the oil & gas business, however, has compelled it to temper its outlook for the fourth quarter. The company has provided a revenue guidance of 1%-3% for the quarter. Oil & gas constituted 6% of Wipro's revenues in the December quarter. That's already down from 8-10% a few quarters ago, partly because of the steep decline in oil prices that has substantially reduced spending by oil & gas companies. This trend is expected to continue for some more time.

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In the December quarter the pressure in the oil & gas business was more than compensated by very good performances by the healthcare & life sciences, and retail & consumer goods verticals, and the global infrastructure and BPO services. Over the longer term, the price pressure on oil & gas companies will compel them to outsource more to control costs

T K KURIEN, CEO OF WIPRO

SEQUENTIAL REVENUE GROWTH IN Q3 (CONSTANT CURRENCY)

WIPRO 3.7% INFOSYS 2.6% TCS 2.5%

Rishad to head investor, govt relations



Rishad Premji's role at Wipro is being expanded. In addition to heading the strategy and M&A functions, he will now also head investor and government relations. The executives heading these divisions — Puneet Chandra, Melanie Carter-Maguire and Aravind Viswanathan — will report to Rishad.

Rishad, the eldest son of Wipro's billionaire chairman Azim Premji, is being groomed to assume a board position to represent the interests of the Premji family, which owns 75% of the company.

In a letter written by Wipro CEO T K Kurien to all employees on CFO Suresh Senapaty's retirement, Kurien said several changes were being made to the organization structure effective April 1 to ensure a smooth transition plan in the remaining days of the January-March quarter.

"Consequent to Jatin Dalal's appointment as Wipro CFO, heads of audit — Deepak Jain, controllership — Dipak Bohra, treasury — Aravind Viswanathan and corporate tax — Bala Subramanian will report to Dalal," the email on Friday said. The company secretary Ramachandran Venkatesan will report into Dalal and additionally to its general counsel Inderpreet Sawhney. TNN

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He also noted that over the longer term, the price pressure on oil & gas companies would compel them to outsource more to control costs. "We have already seen that visits from oil companies (to

Wipro) has gone up significantly," he said.

Kurien said he expected the next fiscal would be better than the current one. "We have a substantial pipeline of deals. And we are seeing a secular trend towards outsourcing in Europe for the first time," he said.

In the December quarter,

CFO Senapaty to retire, Dalal to succeed him

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Bengaluru: Wipro CFO Suresh Senapaty will retire from the company effective March 31 after over three decades in the company.



Suresh Senapaty



Jatin Dalal

senior vice president of finance, will succeed Senapaty. Dalal has been with Wipro since 2002. Senapaty will continue to be an active member on the boards of Wipro GE and Wipro Enterprises. He will also continue to be an advisor for the Azim Premji Foundation, Premji Invest and Wipro Ltd.

Wipro chairman Azim Premji, in a letter to employees, said, "Suresh has been an integral part of the evolution of Wipro and has been instrumental in contributing to its journey of growth... Managing so many critical portfolios in an exemplary fashion speaks volumes about Suresh's expertise and capability. A highly enthusiastic and committed leader, he has been a great inspiration and a role model for the finance team."

Senapaty joined Wipro in 1980, and one of his first assignments was the merger of various companies such as Wipro Infotech and Wipro Systems with Wipro Ltd.

Dalal, before his elevation as CFO of IT business, was based in the UK as the head of finance for Europe and the global finance head for two business units.

Going by its guidance for the fourth quarter, Wipro's growth for the full year will be between 7.6% and 8.2%. That's higher than the 6.4% growth in 2013-14, but significantly lower than the 13-15% that Nasscom has forecast for the industry as a whole. The company has a lot of catching up to do.