

Eclerx operating profit margin set to decline qoq

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Eclerx, a leading IT firm in the country, will announce its financial results for the fourth quarter ended March 31, 2016 on May 20.

As per IIFL's forecast, the company is expected to register a net revenue of Rs.330 crore, growing at 31.3% yoy but dropping 4.2% qoq.

Operating profit margin of the company is likely to be at 35.6%, which is a rise of 651 bps yoy but a decline of 65 bps qoq.

IIFL estimates the company's net profit to be at Rs.83 crore, which constitutes a rise of 56.5% yoy but a drop of 6.1% qoq.

According to IIFL, IT will experience mixed results; divergence on account of client/sector specific issues, ability to capitalize on increasing digital spends, success in client mining/acquisition and execution progress on large deals in hand. The reported dollar revenue growth would also be impacted marginally from the adverse cross currency movements during the quarter.

Other key quarterly results on May 20 include Allcargo Logistics, Ashoka Buildcon, Balrampur Chini, Bombay Rayon, Cox & Kings, DB Corp, Just Dial, Jamna Auto Industries, Britannia, ITC, Gabriel India, Karnataka Bank, Munjal Showa, Praj Industries, Ramco Cement, Timken India, Unichem Lab, and Whirlpool.

Our preview coverage universe of 374 companies, representing ~75% of India's equity market cap is expected to report 4.2% yoy drop in net profit in Q4 FY16. On a qoq basis, profits will rise by 17% on account of low base of preceding two quarters, which had witnessed sequential PAT declines.