

India's Infosys hikes revenue guidance after strong quarter

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Indian IT giant Infosys raised its revenue guidance for the current financial year on Thursday after the outsourcing behemoth beat quarterly earnings forecasts on sustained demand for its digital services.

Net profit rose 13.4 percent year-on-year to 65.86 billion rupees (\$807.3 million) for the December quarter.

Revenue was up 20.2 percent to 383.18 billion rupees for the same period, helped by strong demand in North America and Europe.

The company, based in India's tech hub Bengaluru, tweaked its constant-currency revenue guidance for the financial year ending March 31 to the range of 16-16.5 percent, up from 15-16 percent forecast in July.

Infosys said it won large deals worth \$3.3 billion in the quarter, the highest in eight quarters and a sharp jump from \$2.7 billion at the end of September.

"As reflected in the large deals momentum, we continue to gain [market share](#) as a trusted transformation and operational partner for our clients," chief executive Salil Parekh said in a statement.

The company said its employee attrition rate—a key metric for [software companies](#) in India's competitive IT market—was down to 24.3 percent from 27.1 percent in the September quarter.

"Attrition reduced meaningfully during the quarter and is expected to decline further in the near-term," chief financial officer Nilanjan Roy said.

Infosys is India's second-largest information technology company and earns more than 85 percent of its revenue from North American and European markets.

It was at the forefront of the 1990s outsourcing boom that saw India become a back office to the world as Western firms subcontracted work to a skilled English-speaking workforce.

More recently, [technology companies](#) have benefitted from a boost in demand for [digital services](#) since the pandemic.

But fears of an impending recession in key Western markets have hit business sentiment in recent months as software clients turn cautious about spending.

Shares in Infosys closed 0.62 percent higher in Mumbai ahead of the earnings announcement.

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