

# India's Infosys forecasts revenue slowdown on uncertain outlook

April 13 2023



Credit: Pixabay/CC0 Public Domain

Indian software giant Infosys reported a lower-than-expected profit rise for the March quarter on Thursday and flagged softer revenue guidance on the back of global economic and financial uncertainty.

Infosys, India's second-largest information technology firm, benefitted from an IT boom that made India the back office to the world for subcontracted work.

The [company](#), like local rival TCS, also gained from the increased use of digital services during the COVID pandemic.

But continued economic uncertainty and financial sector turmoil have made some clients, particularly in Western markets, tighten their belts.

Net profit came in at 61.3 billion rupees (\$748 million) for the March quarter, a 7.8 percent rise from the same period last year.

Revenue grew 8.8 percent year-on-year, but fell 3.2 percent quarter-on-quarter in constant currency terms, reflecting the challenging market conditions.

The Bengaluru-headquartered firm forecast revenue growth of four to seven percent in constant currency terms for the year to March 2024, lower than analysts' expectations.

"During the quarter we saw unplanned project rampdowns in some of our clients and delays in [decision-making](#), which resulted in lower volumes," Infosys chief executive Salil Parekh said in a media briefing.

"While we saw some signs of stabilization in March, the environment remains uncertain," he said.

Infosys earns more than 85 percent of its revenue from North American and European markets.

Employee attrition, an important metric for [software companies](#) in India's competitive IT market, slipped to 20.9 percent compared with

24.3 percent for the December quarter.

But the total number of Infosys employees fell by more than 3,600.

Rival IT giant TCS reported on Wednesday a weaker-than-expected increase in [net profit](#) for the first three months of the year, as the fallout from the economic uncertainty and banking turmoil weighed on its US operations.

Shares in Infosys closed nearly 2.8 percent lower in Mumbai trading ahead of the earnings announcement.

© 2023 AFP

Citation: India's Infosys forecasts revenue slowdown on uncertain outlook (2023, April 13) retrieved 11 May 2024 from <https://techxplore.com/news/2023-04-india-infosys-revenue-slowdown-uncertain.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.