

India's Infosys beats profit estimates as client spending rises

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Infosys chief executive Salil Parekh reported a 7.1 percent on-year rise in net profit for the June quarter.

Indian IT giant Infosys raised its annual revenue guidance Thursday after reporting a 7.1 percent on-year rise in net profit for the June quarter,

signaling a gradual revival in client spending.

Infosys is India's second largest software services exporter and earns more than 80 percent of its revenue from Western markets.

The company earned \$761.3 million (63.68 billion rupees) in [net profit](#) for the quarter, beating expert estimates, while on-year revenue was up 3.6 percent to \$4.7 billion.

Infosys bumped constant-currency revenue guidance for the current financial year to 3-4 percent, up from an earlier forecast of 1-3 percent.

"All geographies and most industry groups grew sequentially," chief executive Salil Parekh told reporters.

"Volume growth turned positive after several quarters. We had another strong quarter of large deal wins, with 34 large deals at a total contract value of \$4.1 billion."

Parekh added that Infosys was seeing "early signs of improvement" for its [financial services](#) arm in the United States.

Part of India's \$254-billion IT sector, Infosys saw a pandemic-fueled demand boom followed by a quick slowdown in growth when inflation and global uncertainty prompted Western customers to cut back on tech spending.

The [slump](#) has hurt the [job prospects](#) of thousands of young Indian engineering graduates who depend on the sector, historically one of the country's biggest white-collar employers.

Infosys, which has over 300,000 employees, upset markets last year after temporarily halting campus hiring in light of reduced client demand.

The company's total headcount also dropped by nearly 26,000 in the 12 months to March 31.

Despite its upbeat assessment of returning client demand, Infosys still ended the June quarter with nearly 2,000 fewer employees.

Shares in Infosys ended 1.85 percent higher at the close of trading in Mumbai on Thursday ahead of the earnings announcement.

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