

India's Infosys reports strong quarter, hikes revenue forecast

13 October 2021



Infosys chief Salil Parekh said growth was the fastest in 11 years.

Indian software giant Infosys said Wednesday it expects to grow faster than previously projected after reporting quarterly earnings that beat analyst estimates.

The company reported revenues of 296 billion rupees (\$3.9 billion) in the three months ending September 30, an increase of 20.5 percent compared to the same quarter last year.

"On a year-on-year basis, our growth was the fastest in 11 years," [chief executive officer](#) and managing director Salil Parekh said in a media briefing.

"Given this continued momentum we have further increased our [revenue](#) growth guidance to 16.5 to 17.5 percent."

Revenues from [digital services](#) grew 43 percent year-on-year, contributing more than 56 percent of its total revenues, up from 54 percent in the previous quarter.

At the same time, revenues from the firm's legacy consulting and technology business grew only 0.7 percent in the three-month period.

Net profit at India's second-largest IT company rose to 54.21 billion rupees, 11.9 percent higher than the same quarter last year.

The company maintained its operating margins at 23.6 percent, compared to 23.7 percent in the previous quarter despite absorbing the impact of wage hikes in the period.

However, Infosys left its forecast for operating margins at 22-24 percent for the current financial year 2021-22.

The company signed deals worth \$2.15 billion in the quarter, down from \$2.6 billion in the previous quarter ended June 30.

Infosys said it will expand its graduate hiring programme to 45,000 recruits this year to meet increased demand for digital services, even as its attrition rate—a key metric for IT companies—spiked to 20.1 percent from 13.9 percent in the previous quarter.

Software companies in India are facing intense competition hiring and retaining talent as demand for digital services booms during the coronavirus pandemic.

The board announced an interim dividend of 15 rupees per share for shareholders.

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

Over 60 percent of its revenues come from North American markets.

Shares in the [company](#) closed more than one percent higher in Mumbai ahead of the earnings announcement.

© 2021 AFP

APA citation: India's Infosys reports strong quarter, hikes revenue forecast (2021, October 13) retrieved 28 October 2021 from <https://techxplore.com/news/2021-10-india-infosys-strong-quarter-hikes.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.