

India's Infosys posts 7.5 pct jump in quarterly profit

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Infosys Technologies, India's second-biggest software firm, posted Friday a surprise 7.5 percent quarterly jump in net profit as an improving global economy eased price-cutting pressure.

Net profit rose to a better-than-expected 15.4 billion rupees (330 million dollars) for the second quarter to September, up from 14.32 billion rupees a year earlier.

Kicking off India's quarterly earnings season, Bangalore-based Infosys said in a statement that revenues climbed three percent to 55.8 billion rupees.

The figures were based on Indian accounting norms.

Analysts had forecast the company to post a profit for the three months of nearly 15 billion rupees.

The business environment is "definitely improving," chief executive Kris Gopalakrishnan said, adding clients were looking to make investments when the downturn ends.

Infosys, which had been easing prices to keep customers and attract new ones in the key US and European markets during the global financial crisis, added 35 new clients during the quarter.

The company has raised its revenue outlook by about two percent. It

forecasts consolidated full-year revenues in the range of 4.60-4.62 billion dollars.

Infosys shares rose nearly four percent after the results to a day's high of 2,293.65 rupees on the Mumbai stock exchange but fell to close at 2,178.35, down 32.9 rupees or 1.49 percent, as investors took profits.

The company hired a net 1,548 employees during the quarter.

"We are confident about the future," Gopalakrishnan told Indian television channel CNBC-TV18.

"We await fresh annual budgets (for US clients) to see how things will go from here," he said, but added that, "customers are starting to spend more."

"The pricing environment seems to have stabilised," Infosys chief operating officer S.D. Shibulal said in the company statement.

Gopalakrishnan said the company expects to see a rise in business despite the recent strength of the rupee, which is riding near a one-year high at 46.5 against the dollar.

A weak dollar impacts India's software giants which bill most of their clients in dollar-terms.

"We are positive on the Indian IT Sector. Recent deal wins and no further negative news flow are expected to enable IT firms to show resilience in their volume growth this quarter," Angel Broking's analyst Hirat Shah said.

Infosys is a pioneer of India's outsourcing industry that has helped lead the country's emergence as a major emerging economic power.

It was the first of India's "big four" information technology companies to report second-quarter earnings.

India's largest software firm TCS reports quarterly earnings on October 16.

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