India's Wipro shares slump 11% on weak forecast

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Shares of Wipro, India's third-largest software firm, slumped as much as 11 percent intraday Monday after it projected weak revenue growth last week owing to global uncertainty.

The Bangalore-based firm's shares fell 11.02 percent to a low of 328.0 rupees, a near nine-month-low, on the Bombay Stock Exchange.

The stock, which did not trade on Friday due to a public holiday, closed down 7.95 percent at 339.35 rupees.

Wipro on Friday reported a 16.7 percent year-on-year rise in consolidated net profit to 17.29 billion rupees ($318 million) in the January to March quarter.

It also forecast revenue of $1.57 billion to $1.61 billion from IT services in the next quarter ending June, which suggested relatively flat growth amid tough business conditions.

"The revenue outlook has disappointed the markets. The stock is also being re-rated as a standalone IT firm, after the demerger of its businesses," Jagannadham Thunuguntla, SMC Global Securities chief strategist, told AFP.

Wipro this month demerged its non-technology operations—including consumer care, lighting, furniture, infrastructure and medical businesses—into a separate, unlisted firm called Wipro Enterprises.

Wipro's future earnings data, starting the April-June quarter, will be as a standalone IT firm.

Earlier in the month, rival Infosys also projected below-expected revenues, citing "global challenges".

TCS, Infosys and Wipro lead India's flagship IT outsourcing industry, which carries out a wide range of jobs for Western firms such as answering calls from bank customers, processing insurance claims and software development.