

India's Infosys net profit climbs 13%, shares gain

January 9 2015

Indian software giant Infosys announced Friday a better-than-expected 13 percent jump in third-quarter net profit, helped by strong demand for services in the United States.

The country's second-largest IT services exporter said October-December [net profit](#) hit 32.50 billion rupees (\$521 million), up from 28.75 billion rupees in the same period last year.

Analysts had expected profits to be about 31.5 billion rupees.

"We are seeing good demand from North America while Europe is a bit muted," said Vishal Sikka, Infosys chief executive and managing director.

Infosys shares cheered the earnings, gaining 4.99 percent to 2,073.00 rupees. They had hit a intra-day low of 1,914.10 rupees before the profit news was announced.

The company, created by seven software professionals around a kitchen table in the 1980s, said it was confident of expanding revenues by seven to nine percent in the current year ending March 31.

In the just ended quarter, Infosys' revenues rose to 137.96 billion rupees (\$2.21 billion) from 130.03 billion rupees a year ago.

The company, based in the southern high-tech hub of Bangalore,

announced it has more than \$5.5 billion in cash reserves, but top management did not detail how the firm planned to spend it.

Infosys, once known as the "bellwether" of India's flagship outsourcing industry and billed as the country's equivalent of Microsoft, is listed in Mumbai and New York.

Sikka replaced co-founder Narayana Murthy, who had been recalled from retirement last year to help Infosys, once the star of India's information technology sector, regain market share.

Sikka, a former executive of SAP AG, is trying to revive Infosys including by focusing on innovation and creating higher-earning opportunities in fields such as data analytics.

Co-founders, including Murthy, sold \$1.1-billion worth of stock in the company in December.

Murthy stressed at the time that the sale did not reflect lack of confidence in the company's prospects and he remained a top investor in Infosys.

© 2015 AFP

Citation: India's Infosys net profit climbs 13%, shares gain (2015, January 9) retrieved 25 April 2024 from <https://phys.org/news/2015-01-india-infosys-net-profit-climbs.html>

<p>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.</p>
--