

India's Infosys rides out Chennai floods, posts profit rise

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Indian software giant Infosys reported a better-than-expected 6.6 percent rise in quarterly earnings on Thursday, riding out the effects of deadly floods in Chennai and sending its stock soaring.

The country's second largest IT services exporter said its [net profit](#) for October to December 2015 increased to 34.65 billion rupees (\$517.16 million) from 32.5 billion rupees a year earlier.

That exceeded the expectations of analysts surveyed by Bloomberg, who had expected a profit announcement of 33.5 billion rupees from sales of 157.6 billion rupees.

Infosys said in a statement that its sales had touched 159.02 billion rupees, a rise of 15 percent.

Its shares increased as much as 5.31 percent on the Bombay Stock Exchange following the announcement.

Infosys earnings had expected to take a hit from the devastating floods in Chennai at the end of the year, which killed more than 250 people, and swamped the offices of many top IT firms.

"We expected headwinds but I am extremely pleased with the strong performance and see the remaining part of the financial year to be better," CEO Vishal Sikka told reporters.

"We now expect full year revenues to rise between 12.8 percent to 13.2 percent from 10 to 12 percent earlier," he added.

Chief operating officer U.B. Pravin Rao said a "healthy pipeline" of potential deals worth \$3 billion would help the Bangalore-based firm achieve its new growth projections.

Infosys signed four new major deals and added 75 new clients during the quarter, according to the statement.

India has become a back office to the world as companies have subcontracted work to firms such as Infosys, taking advantage of the country's skilled English-speaking workforce.

Infosys is listed in Mumbai and New York and was once seen as the bellwether of India's flagship outsourcing industry and the country's equivalent to Microsoft.

But it is now engaged in a tough battle to regain the top spot from Tata Consultancy Services which also beat quarterly profit expectations in results announced on Tuesday.

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