India's Infosys cuts forecast over 'uncertain' future

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Indian software giant Infosys cut its annual earnings outlook for the second time in just three months Friday, sending shares down almost three percent, as cautious clients rein in spending.

The Bangalore-based IT services exporter reported a 6.1 percent rise in quarterly net profits year-on-year but revised down its sales forecast for the financial year, citing an "uncertain" future.

Infosys shares slumped 2.57 percent on the Bombay Stock Exchange in morning trade as a sluggish global economy hits India's outsourcing industry hard with companies inclined to think twice before rushing to sign contracts.

"Considering our performance in the first half of the year and the near-term uncertain business outlook, we are revising our revenue guidance," CEO Vishal Sikka said in a statement.

In July, Infosys reduced its growth projection in US dollar terms for the fiscal year 2016-17 from between 11.8 percent and 13.8 percent to between 10.8 and 12.3 percent.

On Friday that was revised down again to between 8.2 and 9.2 percent.

Infosys and rival Tata Consultancy Services benefited as India became a back office to the world with companies taking advantage of the country's skilled English-speaking workforce by subcontracting work.

The companies are seen as the bellwether of India's flagship outsourcing industry but a recent tightening of the purse strings has put pressure on profits with contracts being postponed and in some cases cancelled.

Infosys said consolidated net profit for the three months to September 30 was 36.06 billion rupees ($542 million) compared with 33.98 billion rupees for the same period last year.

Revenues were 173.10 billion rupees, slightly above a prediction of 171.8 billion rupees by a survey of analysts done by Bloomberg News.

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