India's Infosys shares fall on US probe worries

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Shares in Infosys, India's second-largest outsourcing firm, fell four percent in Mumbai on Monday after the firm revealed that US authorities were probing alleged irregularities in its business visas.

The Nasdaq-listed company said it could not estimate the amount of money it might have to pay if the US probe upholds allegations of visa misuse but warned it could "adversely affect our business and results of operations."

The US Department of Homeland Security has found a "significant percentage" of errors in the company's verifications of US work visa applications, Infosys said in a US regulatory filing last week.

Infosys and some of its employees had already been facing allegations of misuse of business visas in Texas.

Infosys denies accusations of abusing the US visa process.

But it said in its disclosure to the US market watchdog, the Securities and Exchange Commission (SEC), that it could face "fines and penalties" if US authorities find the company at fault.

Infosys' announcement comes amid mounting US sentiment against shifting jobs to cheaper foreign locations as the US election campaign heats up.

US President Barack Obama has promised to "insource" jobs to reduce high unemployment.

"We cannot predict the final outcome of the review" by the Department of Homeland Security, an Infosys spokesman said in an emailed statement to AFP on Monday.

Infosys shares closed down nearly four percent at 2,311.95 rupees following the disclosure.

Investor concern about accusations of visa misuse follows disappointment at Infosys's weaker-than-expected revenue growth outlook for this fiscal year in figures released earlier this month.

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