India's TCS announces 29 pct quarterly profit jump

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India's biggest software services exporter, TCS, reported Friday that its quarterly net profit rose by 29 percent as the company sealed more deals in a better global business environment.

Net profit for Tata Consultancy Services, widely known as TCS, in the second quarter ending September increased to 16.24 billion rupees (351 million dollars) from 12.62 billion rupees a year earlier.

Revenues rose three percent to 74.3 billion rupees, according to US accounting norms, the company said in a statement.

TCS shares rose 14.75 rupees, or 2.63 percent, to 599 rupees on the Mumbai stock exchange ahead of the earnings announcement, which beat market expectations.

"This was a very satisfying performance as we saw strong volume growth," said N. Chandrasekaran, TCS' new chief executive, who took over from S. Ramadorai earlier this month. "We are seeing an improvement in market conditions."

India's outsourcing sector was hurt by the global economic slump that hit spending by customers.

But TCS, part of India's giant tea-to-telecommunications Tata Group, added 300 employees during the three months.

Chandrasekaran said the company would monitor foreign exchange movements against the backdrop of a sharp rise in the rupee.

"We are monitoring our forex exposure and making adjustments accordingly," he said.

The Indian currency is at a near one-year high against the dollar at 46.2 to the dollar, data showed Friday.

Appreciation of the rupee against the dollar hits India's outsourcing industry hard.

Work farmed out to Indian companies, which account for around 50 percent of the world's outsourcing market, includes answering calls by bank customers, processing credit-card applications and insurance claims and equity analysis.

TCS counts such companies as General Electric and General Motors among its clients.

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