

India's TCS announces 14.7% Q2 profit jump

October 17 2011

India's biggest software exporter, TCS, said Monday its quarterly net profit rose 14.7 percent, marginally below estimates, as concerns over global uncertainty offset improved outsourcing demand.

Consolidated net profit for [Tata Consultancy Services](#), widely known as TCS, jumped to 24.39 billion rupees (\$498 million) in the three months to September, from 21.26 billion rupees a year earlier.

Revenues rose 26 percent to 92.86 billion rupees, it said, according to international accounting standards.

The company said the recent volatility in the foreign currency markets were a fresh cause for concern. Global economic signals were being "closely watched" as well as managing costs.

TCS shares slid 1.3 percent or 14.7 rupees to 1,119.8 rupees on the [Bombay Stock Exchange](#) ahead of the earnings announcement.

Analysts expected TCS to report a profit of 25 billion rupees.

"We have been able to capture business demand across major markets and deliver stellar growth in international revenues," N. Chandrasekaran, TCS's chief executive, said in a statement.

The company said it witnessed growth across its main markets of North America and Europe, as well as in new growth markets in Asia-Pacific,

the Middle East and Africa.

TCS does not provide a [revenue outlook](#).

The company, part of India's giant tea-to-telecommunications [Tata Group](#), added 12,580 employees and 35 new clients during the three months.

During the quarter, TCS won a \$100 million plus deal from a large telecom broadband firm based in Latin America and Europe.

Last week, rival Infosys Ltd reported a 9.7 percent rise in quarterly profit to 19.06 billion rupees (\$388 million) helped by improved demand for outsourcing and a weak rupee.

TCS counts such companies as General Electric, Citibank, British Airways and Sony Corp among its clients.

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