

India's IT giant TCS slumps despite profit boost

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Shares in India's biggest outsourcing firm TCS slid as much as 5.1 percent Wednesday amid investor concern about the outlook for a sector dependent on demand from crises-hit Europe and the United States.

TCS, part of the giant [Tata group](#), on Tuesday posted a 23-percent jump in net profit to 28.87 billion rupees (\$566 million) for the three months to December, but the figures failed to impress analysts.

Like its rival Infosys, which cut its forecast for sales last week, the firm delivered a cautious statement on the prospects for IT spending in the next financial year amid debt troubles in Europe and the United States.

"Early indications are that in some cases budgets have increased, while in other cases they are flat," TCS chief executive N. Chandrasekaran told reporters.

TCS shares fell to a day's low of 1,104.3 rupees at the [Bombay Stock Exchange](#) in morning trade, as the broader 30-share Sensex tracked higher.

"TCS' Q3 numbers lacked a 'positive surprise' and were in line with moderated expectations," Edelweiss Securities said in a note to clients.

Infosys last week cut its [revenue outlook](#) in dollar terms for the fiscal year to the end of March, while posting a 33 percent rise in net profit.

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