

# India software giant TCS warns of market weakness

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India's biggest outsourcer Tata Consultancy Services warned Friday of "weakness" in global markets, marking the latest downbeat comment to emerge from the country's flagship software industry.

In the March-ended quarter, TCS beat analysts forecasts with a 23 percent rise in net profit, and gave a relatively optimistic outlook.

But its rivals [Infosys](#) and [Wipro](#) gave muted forecasts, warning of a tough year ahead due to global uncertainty and the growing anti-outsourcing sentiment in the United States.

"There is weakness in multiple markets, both developed and developing," TCS chief executive N. Chandrasekaran told the annual general meeting of the company which is due to report its first-quarter earnings next month.

"The global business environment will be volatile and recovery a prolonged exercise," said Chandrasekaran.

The TCS chief gave no direct comment about the outlook for the quarterly earnings of the company, which is part of the steel-to-tea Tata conglomerate.

But analysts are not too optimistic about the performance of India's outsourcing firms for the quarter which ends on June 30.

"Management commentary from India's IT firms in the run up to April-June results has failed to enthuse," said Bhuvnesh Singh of Barclays Capital.

"The business outlook has not deteriorated but the macro-economic environment remains muddled, with the ambiguity on order inflows likely to continue into the end of the year," he said in a note to clients.

India's IT firms, including TCS, have expanded beyond the traditional main markets of United States and Europe, into newer markets like Latin America, Africa and China to boost revenues.

The National Association of Software and Services Companies (NASSCOM) has said exports by the sector are expected to increase by up to 14 percent to \$78 billion in the fiscal year that began April 1.

However, some analysts have said that the forecast is too optimistic.

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