

Indian outsourcer HCL reports 67% jump in quarterly profit

July 25 2012

India's fourth-biggest outsourcing company, HCL Technologies, reported on Wednesday a 67 percent jump in quarterly net profit from a year earlier as client orders surged.

HCL notched up a net profit of 8.5 billion rupees (\$151 million) for the April-June period, its financial fourth quarter, on sales that grew 38 percent to 59.2 billion rupees.

HCL, which has been aggressive in pursuing new business, beat [market expectations](#) that it would post a profit of around seven billion rupees.

"HCL reported numbers that were ahead of expectation," said Rikesh Parikh, Vice president of Markets Strategy at India's Motilal Oswal Securities.

"Contrary to other IT majors, HCL has been able to win deals and maintain margins," Parikh said.

Shares of the company, India's fourth-largest outsourcer by sales, climbed nearly seven percent to hit a two-month high of 513 rupees on the back of the results.

Earnings of India's biggest [outsourcing firm](#), TCS, also beat analysts' estimates earlier this month.

But the country's second and third-largest [outsourcing](#) firms, Infosys and

Wipro, are facing headwinds in boosting sales as the downturn in their main US and European markets prompts many customers to go slow on concluding deals.

India's flagship outsourcing sector carries out a wide range of jobs for Western companies, such as answering bank customers' calls, processing [insurance claims](#) and software development.

The country's [software firms](#) derive over 85 percent of their revenues from the United States and Europe.

India, with its large less expensive English-speaking workforce, accounts for at least 50 percent of the global outsourcing market.

(c) 2012 AFP

Citation: Indian outsourcer HCL reports 67% jump in quarterly profit (2012, July 25) retrieved 24 April 2024 from <https://phys.org/news/2012-07-indian-outsourcer-hcl-quarterly-profit.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--