

India's HCL profit soars 64%, beats forecasts

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HCL Technologies, India's fourth largest IT services provider, on Thursday said net profit soared 64 percent in July-September as an economic recovery in developed markets spurred demand.

HCL, which is controlled by tycoon Shiv Nadar, said [net profit](#) for its first financial quarter hit 14.16 billion rupees (230.6 million), up from 8.64 billion rupees in the same period a year earlier and beating forecasts of around 13-billion rupees.

"HCL continues to strengthen its position in the momentum markets of the industry", with Europe turning in a particularly "healthy" performance, HCL president Anant Gupta said in a statement.

The earnings marked the eighth straight quarter of profit growth for the company based in Gurgaon, a satellite city of national capital New Delhi.

India's flagship outsourcing sector has benefited from increasing buoyancy in its main US and European markets and the companies say economic conditions in developed markets are fuelling greater customer spending.

India's top IT services supplier Tata Consultancy Services this week outstripped analysts' forecasts by reporting net profit surged 34 percent in July-September to 47 billion rupees, while it also added a record number of new contracts.

And last week, number-two IT services provider Infosys raised its sales forecast for the full-financial year as it said customers were stepping up spending.

The earnings from Infosys, seen as a traditional industry bellwether, touched off a share rally in the sector on expectation of good performances by other IT companies.

But shares in IT companies fell on profit-taking Thursday with HCL down four percent at 1,113 rupees while TCS was 3.5 percent lower at 2,142 rupees.

India's outsourcing sector carries out a range of job for Western firms, such as answering bank customers' calls, processing insurance claims and software development.

The software firms derive more than 85 percent of their revenues from the United States and Europe while India, with its large, less costly English-speaking workforce, accounts for at least 50 percent of the global outsourcing market.

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