

India's TCS profits rise on US, European deals

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India's biggest outsourcing firm Tata Consultancy Services on Thursday reported a 5.1 percent rise in quarterly net profits, driven by demand in its key markets of the United States and Europe.

The firm, commonly known as TCS, inked seven major agreements in the final quarter of last year and has "a strong pipeline of deals," said chief executive N. Chandrasekaran.

Net profit for the three months to December 31 rose to 54.44 billion rupees (\$878.1 million), from 51.80 billion rupees a year earlier, the firm said.

That missed the 54.8 billion-rupee median forecast from 37 analysts surveyed by Bloomberg.

The IT giant's revenues also rose to 245.01 billion rupees in the October-December quarter, against 212.94 billion rupees a year ago.

Revenues were hit by "sharp cross-currency movements," according to chief financial officer Rajesh Gopinathan, who added that margins were maintained through "discipline and rigour".

India has become a back office to the world as companies have sought to cut costs by outsourcing some functions to its industrious, English-speaking population.

But the sector has been hit by hard times as some US and Britain-based clients were reluctant to fix new budgets for IT-related services in the face of weaker growth.

That trend now seems to be reversing, with TCS's main rival Infosys last week reporting a better-than-expected 13 percent jump in third-quarter [net profit](#).

TCS's Chandrasekaran on Thursday also dismissed speculation the company is planning large-scale layoffs.

"TCS is in high growth mode and there is no truth in the rumours of layoffs," he said.

In fact, the company "was likely to hire more" than the 55,000 people it had announced earlier, he added.

In the just-ended quarter, the IT giant added 16,561 people to its workforce, taking its employee base to 318,625.

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