

India's TCS reports strong profits on US, Europe deals

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Chief Executive Officer of Indian software firm Tata Consultancy Services Natarajan Chandrasekaran speaks in Mumbai on April 21, 2014

India's biggest IT outsourcing firm Tata Consultancy Services on Thursday reported better-than-expected quarterly profits on the back of growth in its key markets of the United States and Europe.

The Mumbai-based company, commonly known as TCS, said in a statement that [net profit](#) for the three months to June 30 rose 12.9 percent to 57.09 billion rupees (\$900.46 million), from 50.58 billion

rupees for the same period last year.

Analysts surveyed by Bloomberg had expected TCS to announce profits of 55.1 billion-rupees after a sharp decline in the previous quarter due to higher wage costs.

"North America has rebounded strongly with five large deals and Europe gave two," TCS chief executive N. Chandrasekaran told reporters.

"From the point of view of deals, all the key core markets have done very strongly," he added, saying that the financial services, retail, and life sciences sectors had all been major contributors.

The company's revenues for the just-concluded quarter climbed a shade above 16 percent to 256.68 billion rupees (\$4.05 billion) from 221.11 billion rupees a year ago.

The firm said it hired 5,279 new employees over the quarter to help handle increased business, taking the number of its staff across the world to 324,935.

TCS chief Chandrasekaran said the future outlook looked bright with new deals in the pipeline.

India has become a back office to the world as companies, especially in developed nations, have subcontracted work to firms such as TCS, taking advantage of the country's skilled English-speaking workforce.

The flagship industry has made India a top business destination by offering software development and information technology, engineering and design and other services.

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