

India's TCS profits rise 8.8 percent

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India's Tata Consultancy Services reported an 8.8 percent year-on-year rise in quarterly profits Thursday as strong growth in Europe helped the IT giant override a slump in its domestic market.

The firm, based in India's financial capital Mumbai, said [net profit](#) for the three months to September 30 rose to 65.86 billion rupees (\$984 million) from 60.55 billion rupees for the same period a year ago.

That was higher than the 63 billion-rupee figure expected by a survey of analysts conducted by Bloomberg news.

Europe saw growth of 3.7 percent while India declined by 7.6 percent, India's biggest IT outsourcing firm said in its earnings report.

"It has been an unusual Q2 for TCS. Growing uncertainties in the environment is creating caution among customers and resulted in holdbacks in discretionary spending this quarter," CEO N Chandrasekaran said in a statement.

"In addition (sic), volatility in markets like India and Latin America also muted revenue growth. It has been a good quarter from a profitability perspective where despite multiple headwinds our disciplined approach and focus on operations has helped us deliver a strong margin performance," he added.

Revenues for the second quarter came in at 292.84 billion rupees, an increase of 7.8 percent year-on-year.

Investors had been expecting a disappointing announcement with shares in TCS slumping 2.17 percent on the Bombay Stock Exchange before the announcement, which took place after the market closed Thursday.

Shares of TCS's rival Infosys, which is due to release its quarterly results on Friday, rose 2.19 percent.

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

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