# India's Infosys profits soar after TCS slide

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Indian software firm Infosys reported a massive increase in quarterly profits on Friday a day after rival Tata Consultancy Services said its earnings had slid.

Infosys, announcing its first results under new CEO Salil Parekh, said its profits had been buoyed by a deal signed with the United States tax department.

The Bangalore-based company reported a whopping 38 percent year-on-year jump in consolidated net profit for the quarter ending December 31.

It rose to 51.29 billion rupees ($805.94 million) from 37.08 billion rupees.

That exceeded the expectations of a Bloomberg survey of 18 analysts which projected the company's earnings to come in at 36.1 billion rupees.

"We are progressing towards stability and are well positioned to serve our clients in the new areas of demand," Parekh said, referring to the recent turmoil surrounding the departure of his predecessor Vishal Sikka.

Sikka left abruptly in June following criticism from several executives, led by co-founder Narayana Murthy, over strategy and alleged corporate governance lapses.

Parekh has been tasked with reviving growth and building bridges between the warring board members and founders.

He is also expected to safely navigate Infosys through any changes that US President Donald Trump may make to H-1B visas, which allow thousands of Indian tech staff to work in America every year.

Trump has said he will reform the visa system but unconfirmed reports this week suggested he may pull back from issuing changes.

Infosys said it had received a tax rebate of $225 million from the US's Internal Revenue Service in an agreement which will also reduce their future tax burden.

Investors seemed unmoved by the positive earnings report, with shares rising just over half a percent following the announcement.

It came a day after TCS reported an almost four percent decline in earnings due to falling demand for its banking and financial services.

India's $150-billion IT sector is struggling in the face of automation and a failure to keep up with new technologies, according to analysts.