

India's TCS quarterly profit leaps 23%

April 23 2012

India's biggest outsourcing firm TCS reported Monday net profit jumped 23 percent in the three months to March, beating market forecasts as US and European customers boosted orders.

Net profit was 29.32 billion rupees (\$558 million) for the fiscal fourth quarter, TCS or [Tata Consultancy Services](#), part of the steel-to-tea Tata conglomerate reported in a statement.

Cost-conscious clients have pushed up demand for India's information technology and back office services providers, and the figure topped analyst forecasts of a 28.40 billion rupee profit in a [Dow Jones](#) Newswires survey.

"We have carried our strong momentum through the fourth quarter to close out a year of strong growth," said TCS chief executive N. Chandrasekaran.

He added that "TCS is well prepared to achieve balanced growth across the industries and markets it operates in."

Revenues for the quarter rose 31 percent from a year earlier to 132.6 billion rupees.

India's flagship outsourcing sector derives half of its revenues from the United States and it is engaged in an increasingly fierce struggle for business with global rivals such as IBM and [Accenture](#).

The TCS results came after rival Infosys, the country's second-biggest outsourcer, disappointed investors by warning of a tough year ahead amid global economic uncertainty and growing anti-outsourcing sentiment in the United States against shifting jobs to cheaper destinations such as India.

TCS's revenues from North America grew by nearly 30 percent percent while revenues from Europe grew by 34 percent.

During the quarter, TCS added a net 39,969 employees to bring the total strength of its workforce to 238,583.

Dipen Shah, head of fundamental research at India's Kotak Securities, said the TCS results were "encouraging in a tough macro environment".

"Management is also pretty confident of growing above the NASSCOM average growth rate for fiscal year 2012-13," he added.

The National Association of Software and Services Companies (NASSCOM) has said exports by the sector are expected to increase by up to 14 percent to \$78 billion in the fiscal year that began April 1.

India's outsourcing industry is aiming to achieve \$225 billion in export and domestic revenues by 2020, up from \$101 billion this year.

(c) 2012 AFP

Citation: India's TCS quarterly profit leaps 23% (2012, April 23) retrieved 22 September 2024 from <https://phys.org/news/2012-04-india-tcs-quarterly-profit.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.