Tata Consultancy's quarterly profit up 13 percent

KAY JOHNSON - Associated Press - Associated Press

India's top outsourcing company Tata Consultancy Services said Wednesday that its quarterly profit rose 13 percent to $663 million as business from Europe emerged from a downturn.

TCS added 52 new clients in the quarter, and CEO Natarajan Chandrasekaran predicted stronger growth in fiscal 2014, which began in April.

"We are seeing more in the number of large deals today than we were last year," Chandrasekaran told reporters in a briefing.

Revenue for the quarter was up 14.8 percent from a year earlier to $3 billion. Profit for the fiscal year ended March rose 15.6 percent to $2.6 billion.

TCS suffered a drop in business from Europe in the October-December quarter, but Chandrasekaran said the situation there was now improving. The company was especially optimistic about getting more clients in Germany, he said.

The quarterly and annual profits were in line with the average forecasts of analysts polled by FactSet.

The company's stock was down 1.7 percent to 1,459 rupees ($26.91) in Wednesday trading ahead of the results, which were released after markets closed.

Quarterly reports of India's leading IT and outsourcing companies are being closely watched this earnings season to gauge the health of one of India's top industries, which has been suffering as overseas customers worried about costs during the global economic downturn limited their orders.

TCS rival Infosys reported lower quarterly profit and forecast subdued revenue growth last week, sending its shares down 21 percent. Another major IT outsourcer, Wipro Ltd., is due to announce its earnings on Friday.

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