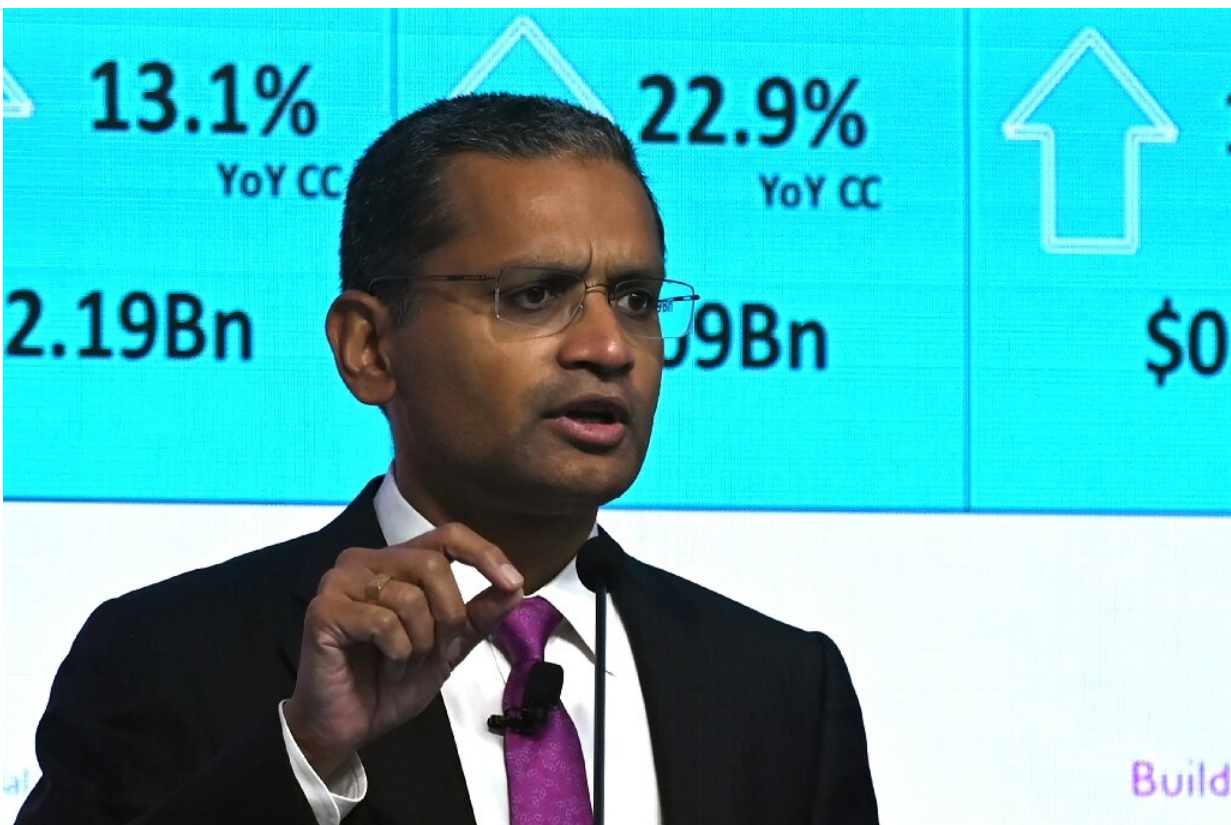


# Record quarterly profit for Indian software giant TCS

October 10 2022



Rajesh Gopinathan, chief executive and managing director of Tata Consultancy Services, said it was a 'milestone quarter' for his company.

India's largest software exporter Tata Consultancy Services on Monday shrugged off global economic turmoil to report a record profit for any

quarter, with figures that beat analyst estimates.

TCS is India's second-most-valuable [company](#) by market capitalisation and earns more than 80 percent of its revenues from Western markets.

It has been at the forefront of an IT boom that has seen India become a back office to the world as firms in North America and Europe subcontract work, taking advantage of a skilled English-speaking workforce.

More recently, [technology companies](#) have benefited from a boost in demand for [digital services](#) since the pandemic.

Net profit at the IT giant rose 8.4 percent year-on-year in the three months to September to reach 104.3 billion rupees (\$1.26 billion), with revenues up 18 percent to 553.1 billion rupees.

The net profit figure was 1.4 billion rupees ahead of analysts' average estimate, according to Bloomberg News.

"This is a milestone quarter for us," chief executive officer Rajesh Gopinathan told a media briefing, pointing to net [profit](#) surpassing 100 billion rupees for the first time.

"Of course, the environment is challenging and it requires all of us to remain very vigilant," he said, adding that customers were relying on TCS's diversified services to manage volatile market conditions.

Its overseas growth in the quarter was led by North America, which contributed half of its business and saw revenue growth of 17.6 percent.

The company—one of India's largest private employers—slowed its hiring despite its attrition rate rising to 21.5 percent.

Competition for employees has driven up salaries and weighed on operating margins in recent quarters, but TCS said attrition—a key metric for IT companies—has "peaked" and will "taper down from this point".

Operating margins at the Mumbai-headquartered company contracted 1.6 percentage points to 24 percent, while its order book stood steady at \$8.1 billion at the end of September.

Shares in the firm closed 1.84 percent higher in Mumbai ahead of the release of the results.

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