

July 28, 2017

## Tata Consultancy Services Limited

Tata Consultancy Services Limited (TCS) has announced its quarterly results on July 13, 2017.

During Q1 FY2018, as per audited consolidated financials, TCS reported a net profit of Rs. 5,950 crore on an operating income of Rs. 29,584 crore as against a net profit of Rs. 6,318 crore on an operating income of Rs. 29,305 crore in Q1 FY2017.

ICRA currently has ratings outstanding of [ICRA]AAA(Stable) and [ICRA]A1+ on the Rs. 6,059 crore bank facilities of TCS. The ratings continue to factor in the leading position of TCS among Indian players in the Global Information Technology (IT) and IT enabled services (ITES) outsourcing segment, its diversified and growing client base, wide range of services offered and strong financial profile characterized by revenue growth, healthy recurring cash accruals and net cash position. Though the long-term outlook for the Indian IT industry appears favourable, any legislation restricting outsourcing or immigration in its key markets such as the US immigration bill may have an adverse impact on the current business model of the industry thus putting pressure on its revenues and profitability. Nevertheless, ICRA derives comfort from TCS's large scale of operations, diversified customer base across geographies and long presence in the IT services business and its ability to generate operational efficiencies to mitigate such pressures.

**The previous rating rationale is available on the following link: [Click here](#)**

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