

AI-led Growth and Strong Order Book highlight TCS' Q3

MUMBAI, January 12, 2026: Tata Consultancy Services (BSE: 532540, NSE: TCS) reported its consolidated financial results according to Ind AS and IFRS, for the quarter ending December 31, 2025.

Highlights of the Quarter Ended December 31, 2025

- Revenue at **₹67,087 crore**, up **2.0% QoQ**, Sequential growth: **0.8%** in Constant Currency
- Annualized AI Services Revenue at **\$1.8 billion**; up **17.3% QoQ** in Constant Currency
- Operating Margin at **25.2%**; stable sequentially
- Net Income at **₹13,438 crore**, **+8.5% YoY** | Net Margin at **20.0%**; up **40 bps QoQ**
- Cash flow from Operations at **130.4%** of Net Income
- Q3 Total Contract Value (TCV): **US\$9.3 billion**
- Dividend per share: **₹57** including **₹46** per share as special dividend | Record date 17/01/2026 | Payment date 03/02/2026

K Krithivasan, Chief Executive Officer and Managing Director, said “The growth momentum we witnessed in Q2FY26 continued in Q3FY26. We remain steadfast in our ambition to become the world’s largest AI-led technology services company, guided by a comprehensive five-pillar strategy. Our AI services now generate \$1.8 billion in annualized revenue, reflecting the significant value we provide to clients through targeted investments across the entire AI stack, from Infrastructure to Intelligence.”

Aarthi Subramanian, Executive Director - President and Chief Operating Officer, said “We continued to see AI acceleration this quarter. We helped customers identify valuable AI opportunities through Innovation Days and deployed solutions faster with Rapid Builds. Our customers continue to invest in Cloud, Data, Cyber and Enterprise Transformations to build readiness for AI. We further strengthened our Salesforce capabilities with Coastal Cloud acquisition, building on our investment in ListEngage.”

Samir Seksaria, Chief Financial Officer, said, "Our sustained margin performance and strong cash conversion this quarter, reflects our disciplined execution and financial resilience. Backed by a robust balance sheet, we continue to invest confidently in strategic growth areas. Executing our five-pillar AI strategy at speed and scale is central to our transformation into an AI-first enterprise, and delivering long-term value for our stakeholders."

Sudeep Kunnungal, Chief HR Officer, said "Our associates are at the heart of our transformation into an AI-first enterprise. As of this quarter, there are over 217,000 associates with advanced AI skills, directly powering client success at scale. We doubled our intake of fresh graduates with higher order skills, rapidly expanding our next-generation talent pool. The passion and commitment our associates show in mastering next-gen capabilities gives us the confidence to innovate responsibly and deliver sustainable value as AI reshapes the services landscape."

Q3 FY26 Segment Highlights

Growth by Domain

Industry	Composition (%)			Q-o-Q CC Growth (%)	Y-o-Y CC Growth (%)
	Q3 FY25	Q2 FY26	Q3 FY26		
BFSI	30.5	32.2	31.9	- 0.4	1.6
Consumer Business	15.3	15.3	15.4	1.3	- 2.7
Life Sciences & Healthcare	10.1	10.5	10.5	0.9	2.2
Manufacturing	8.4	8.8	8.8	0.2	1.7
Technology & Services	8.0	8.5	8.4	- 1.3	1.7
Communication & Media	5.8	5.9	5.9	0.6	- 1.6
Energy, Resources and Utilities	5.6	5.9	6.0	1.0	2.2
Regional Markets & Others	16.3	12.9	13.1	4.6	- 19.4
Total	100.0	100.0	100.0	0.8	- 2.6

Growth by Markets

Geography	Composition (%)			Q-o-Q CC Growth (%)	Y-o-Y CC Growth (%)
	Q3 FY25	Q2 FY26	Q3 FY26		
Americas					
North America	47.7	48.8	48.5	0.1	1.3
Latin America	1.9	1.9	2.0	4.6	1.4
Europe					
UK	16.6	17.5	16.9	- 1.9	- 3.2
Continental Europe	13.9	15.3	15.6	2.1	1.4
Asia Pacific					
India	9.8	5.8	6.1	8.0	- 34.3
MEA	2.3	2.4	2.6	3.2	8.3
Total	100.0	100.0	100.0	0.8	-2.6

Key Highlights

- Announced a strategic partnership with **TPG**, a **leading global alternative asset management firm**, to support the growth of TCS' AI data center business, **HyperVault**. This investment will enable HyperVault's GW-scale AI-ready infrastructure build and aligns with TCS' vision to create data centers with capacity exceeding a gigawatt in the coming years. The partnership marks a major milestone in TCS' ambition to become the world's largest AI-led technology services company.
- Signed a definitive agreement to acquire **100% stake in Coastal Cloud**, a leading Salesforce Summit partner that specializes in Salesforce Consulting employing 400 seasoned professionals with more than 3,000 multi-cloud certifications. They bring AI-led advisory and business consulting capabilities to help customers reimagine Sales, Service, Marketing.
- Expanding its long-standing partnership with **Google Cloud**, TCS has adopted the next-generation agentic AI platform, Gemini Enterprise. This collaboration will empower TCS' workforce to build advanced agentic AI solutions that redefine **Human + AI workflows**. Gemini Enterprise enables the development of custom agents and seamless integration of pre-built Google Cloud agents and third-party agents. Its agent-to-agent communication and orchestration capabilities simplify complex, multi-step operational workflows and accelerate the scaling of agentic solutions across enterprises.
- Expanded its strategic partnership with **large global Hyperscaler** through a multi-year multi-million dollar deal. TCS will provide technical services on a global scale for the hyperscalers' customers. By deploying AI solutions, TCS will deliver a NextGen service model, transforming transactional effort into intelligent customer experiences. The transformation will build reliability in operations and establish long-term sustained scalability and deliver world class Customer Experiences.
- A **prominent North American software company** has engaged TCS to provide down-sell prevention and churn mitigation services for end-users of one of its flagship enterprise platforms. TCS will implement a robust execution model across multiple regions, aiming to enhance platform adoption, deepen customer engagement, and minimize churn. These objectives will be achieved through the integration of AI-driven solutions and streamlined service delivery, ultimately improving the overall customer experience.
- Expanded 18-year partnership with **ABB**, a global leader in electrification and automation. The partnership aims to modernise ABB's global hosting operations, simplify its IT landscape, and strengthen its digital foundation to drive resilience and innovation. As part of this multi-year engagement, TCS will operationalise ABB's Future Hosting Model, a next-generation modular IT infrastructure designed to streamline systems. This model will enable predictive operations, faster service restoration, and continuous security assurance through its AI-powered Zero Ops framework.
- Selected by the **National Health Service (NHS) Supply Chain** for application development support and maintenance of its core business systems and cloud infrastructure platforms, over a period of 5 years. TCS will deploy a host of cloud and AI-enabled solutions to modernize NHS Supply Chain's IT systems and enhance overall operational efficiency.
- Expanded partnership with **Aviva**, the **UK's leading Insurance, Wealth and Retirement provider**. The end-to-end policy administration services will now expand to cover more than 6.5 million policies, to be managed by TCS' FCA-regulated subsidiary, Diligenta UK, on behalf of Aviva.
- Entered into a multi-year transformation and managed services agreement with **Canada Life**, a leading global life and pensions insurer, covering its UK and European businesses. As part of this partnership, TCS will modernize and manage data centre, core infrastructure, end-user and evergreening services,

delivering enhanced resilience, increased automation, and an improved customer experience. The partnership brings together TCS's industry-leading capabilities with the insight and expertise of Canada Life colleagues, laying the foundation for the insurer's long-term technology modernization journey.

- Partnered with **Cathay**, a global premium travel lifestyle brand, to manage platform and digital workplace infrastructure delivering a robust foundation and enhancing the customer experience.
- A **leading North American semiconductor company** has chosen TCS to deliver comprehensive application support across its IT landscape, covering enterprise, cloud, and engineering applications, customer support portal, and around security operations center.
- A **global leader in industrial logistics** has selected TCS as its strategic partner to transform its IT landscape and make it fit for standalone operations post de-merger. TCS will implement an AI-first operating model and a unified command center, streamline the global IT footprint by consolidating applications, end-user services, infrastructure and hybrid cloud operations, and harness AI for continuous innovation and human-machine collaboration. This transformation will cut TCO, align IT with business priorities, enhance observability, reliability, and agility, and deliver superior digital experiences, positioning the client for sustained, profitable growth.
- Partnered with a **leading European luxury watchmaker** to establish a strategic nearshore delivery hub in Europe. Leveraging this location, its inherent global AI-Ready workforce, and advanced automation capabilities, TCS will ensure seamless business continuity and bringing AI led operational excellence through 24x7 managed services for infrastructure operations across data center, cloud, database, storage, backup, workplace, and network management.
- Expanded decade-long **partnership with Morrisons**, one of the **UK's largest supermarket chains**. As part of this agreement, TCS will help align operations across key business functions including retail, e-commerce, and marketing, increase efficiency, and accelerate Morrisons' digital transformation.
- Selected by a **leading US grocery retailer** to transform its IT Operations with composite AI. TCS will modernize the IT landscape and establish an intelligent Operating Model across applications, infrastructure, data & analytics and cybersecurity powered by ignio™ AIOps, SmartQE AI Studio, virtual assistants, and AR for real-time visibility, predictive insights, and proactive self-healing. This transformation will achieve significant automation, cut major incidents and mean time to resolution, strengthen security posture, and deliver superior user experiences.
- Partnered with a **leading European luxury watchmaker** to establish a strategic nearshore delivery hub in Europe. Leveraging this location, its inherent global AI-Ready workforce, and advanced automation capabilities, TCS will ensure seamless business continuity and bringing AI led operational excellence through 24x7 managed services for infrastructure operations across data center, cloud, database, storage, backup, workplace, and network management.
- Extended the partnership with a **leading global petrochemicals company** for multiple years. This deal deepens our strategic partnership, we are positioned for sustained, long-term value creation to strengthen customer's core operations, analytics, and digital workplace, TCS will manage end-to-end application managed services, including quality assurance, and will transform Enterprise Data Management, Cloud Data Governance, Power BI reporting, PowerApps-based business applications by bringing unparalleled expertise in Data.
- A **leading American healthcare company** has reaffirmed its long-standing partnership with TCS for managing the enterprise-wide application portfolio. TCS will leverage its deep domain expertise and contextual knowledge in providing AI-powered application development, management, and quality

engineering services. This will ensure resilience, agility and innovation for meeting its business goals.

- **A large global pharma** major has renewed and expanded its partnership with TCS for Pharmacovigilance and Clinical Safety operations. The client selected TCS for its proven credentials, strong domain experience, and AI-led solution to drive automation and efficiency spanning case processing, AI-enabled authoring, smart surveillance and workflow modernization.
- Entered a **five-year partnership with Tata Motors** to accelerate sustainability efforts. The Prakriti platform, powered by **TCS' AI-driven Intelligent Urban Exchange™ (IUX)**, will digitize ESG data, enable real-time monitoring, automate compliance reporting, and deliver data-driven insights—helping Tata Motors drive measurable environmental impact across all plants. Co-developed with Tata Motors' expertise, Prakriti is tailored to its operational and sustainability needs.
- Announced the launch of an **AI Experience Zone and Design Studio in London**, reaffirming its continued strategic investment across the United Kingdom (UK) and its long-standing partnership with the UK economy. In addition, with ongoing investment in employment and talent development, TCS will create 5,000 new jobs across the UK over the next three years.

Customer Speak

"AI is fundamentally redefining the value that professional services firms offer, and Gemini Enterprise provides TCS with a single, integrated platform that unifies enterprise knowledge and empowers every employee to become a force multiplier for the business. Together, we are helping our joint global customers integrate this best-in-class technology to accelerate their ability to build differentiated industry solutions and realize business value faster."

Thomas Kurian, Chief Executive Officer, Google Cloud

"Our partnership with TCS will play a pivotal role in the NHS Supply Chain Modernisation Programme. Working alongside our teams, TCS will help modernise our legacy systems into a more streamlined, cloud-based environment. This shift will strengthen our resilience, improve user experience, and enable us to respond faster to changing business and customer needs. Ultimately it will enhance our operational efficiency and service delivery as we work towards our commitment to unlock over £1 billion in recurrent value by 2030."

Matthew Wynn, Executive Director Data and Technology, NHS Supply Chain

"Our extended partnership with TCS strengthens ABB's ability to deliver value to customers. By modernising our hosting operations, we're creating a foundation for agility, faster innovation, and improved reliability across the business."

Alec Joannou, Group CIO, ABB

"TCS has consistently demonstrated deep domain expertise, technical capability, and a collaborative approach that aligns with our strategic vision. As we accelerate our digital transformation, we are confident that TCS' automation-first approach and innovative operating model will help us deliver superior service quality, faster time-to-market, and meaningful value to our customers."

Stuart O'Hara, Director of IT Operations at Morrisons

“Strategically partnering with TCS empowers Tata Motors to set new benchmarks in managing and streamlining sustainability initiatives, aligned with BRSR standards. In an era of intensifying regulatory expectations, the implementation of a purpose-built, digital sustainability spine equips us with robust data, insights, and analytics—enabling environmentally responsible operations across our value chain. This forward-looking approach reflects our commitment to transparency, innovation, and sustainable mobility.”

Rajesh Kannan, Chief Executive Officer, Tata Motors Digital.AI Labs Ltd.

Research and Innovation

As of **31st December 2025**, the company had applied for **9,428 patents**, including **202** applied during the quarter and been **granted 5,262 patents** including **176** during the quarter.

Key highlights during the quarter:

- Awarded the **“Best Company for Excellence in Managing Ideas for Innovation”** at Tata InnoVista 2025.
- CII Awards:
 - Won the Winner’s Trophy in the Patent Category at **the CII Industrial IP Awards 2025**
 - Recognized for maintaining the **Best Patent Portfolio** (2020–25) in the Large Enterprise, ICT sector
 - Ranked among the **Top 30 IP Driven Organizations**
 - CII recognised TCS Life Sciences Research as one of the **Top 25 institutes in India**.

Awards and Recognition

- Featured on **Forbes America's Best Employers for Engineers 2026** and won the **Newsweek America's Most Reliable Companies 2026** award, underscoring its credentials as an excellent employer.
- Received multiple **Awards from Everest Group** for Leadership in Adobe Services, Healthcare Data, Analytics, and AI Services, Digital Workplace Services, Financial Crime and Compliance Operations Services, and Supply Chain Management BPS.
- **Ranked #1 in customer satisfaction** for the seventh consecutive year in the independent **Whitelane Research 2025** “IT Sourcing Study” in France.
- Recognised by **AWS as a Launch Partner** for the Agentic AI Specialization programme.
- Received the **Market Builder GSI Parter of the Year Award** from **Commvault at SHIFT 2025**.
- Named **Global Winner for Build & Modernize with AI Apps by Microsoft** for excellence in building and modernizing AI applications.
- Recognised as the **Global Microsoft Partner of the Year - Build and Modernize AI Apps** award.

- Received multiple awards at the **GSA Annual Awards** including Service Provider of the Year under the Large Category, Strategic Sourcing Team of the Year, along with BBC, Utilities Programme of the Year, alongside EDF Energy.
- Awarded **Microsoft Sweden Country Partner of the Year** for enabling cloud and AI modernization for Swedish enterprises.
- TCS BaNCS was named a **Luminary in Celent's report** in EMEA, LATAM, and APAC.
- Received the **CII DX Awards 2025** for the Innovative Solution - Adoption Framework for TCS Gen AI E4 Strategies
- Recognized at the **CII AI Awards 2025** for “Best AI Solution Showcase”
- Won multiple awards at the **PR & Communication Aces Awards 2025** for best use of PR and media relations.
- Won the **NASCIO 2025** State IT Recognition Award for modernization of the State of Kansas' Unemployment Insurance system.

Industry Analyst Assessments

TCS was positioned the **foremost Leader** or **ranked #1** in **9** competitive assessments published by leading research firms in **Q3 FY26**.

TCS was ranked a Leader in other **54** competitive assessments published by leading research firms in **Q3 FY26**.

Analyst Firm	Report Type	Report Title
Everest	PEAK Matrix	Private Cloud Services PEAK Matrix® Assessment 2025*
NelsonHall	NEAT	Advanced Digital Workplace Services 2025*
IDC	MarketScape	IDC MarketScape: European Human-First Digital Workplace Services 2025 Vendor Assessment*
Gartner	Magic Quadrant	Magic Quadrant for Data Center Outsourcing Services*
NelsonHall	NEAT	Quality Engineering 2025*
NelsonHall	NEAT	Transforming Business Operations with GenAI*
Everest	PEAK Matrix	Payments Business Process Services (BPS) PEAK Matrix® Assessment 2025*
Everest	PEAK Matrix	Banking Operations – Services PEAK Matrix® Assessment 2025*
Avasant	RadarView	CPG Digital Services 2025–2026 RadarView™*

IFRS Financial Statements

Consolidated Statements of Comprehensive Income
For the three-month periods ended Dec 31, 2024, Sep 30, 2025, and Dec 31, 2025
(In millions of ₹, except per share data)

	Three-month period ended Dec 31, 2024	Three-month period ended Sep 30, 2025*	Three-month period ended Dec 31, 2025*
Revenue	639,730	657,990	670,870
Cost of revenue	391,390	397,580	397,040
Gross margin	248,340	260,410	273,830
SG & A expenses	91,770	94,760	104,940
Operating income	156,570	165,650	168,890
Other income (expense), net	10,090	6,380	9,220
Income before income taxes	166,660	172,030	178,110
Income taxes	42,220	42,430	43,100
Income after income taxes	124,440	129,600	135,010
Non-controlling interests	640	560	630
Net income	123,800	129,040	134,380
Earnings per share in ₹	34.21	35.67	37.14

*Excludes exceptional items.

Consolidated Statements of Financial Position
As of March 31, 2025, and Dec 31, 2025
(In millions of ₹)

	As of March 31, 2025	As of Dec 31, 2025
Assets		
Property and equipment	129,320	138,110
Right-of-use Assets	92,750	105,480
Intangible assets and Goodwill	49,640	51,030
Accounts Receivable	502,330	561,470
Unbilled Revenues	154,700	163,290
Invested Funds	472,220	640,970
Other current assets	124,860	116,780
Other non-current assets	91,730	86,740
Total Assets	1,617,550	1,863,870
Liabilities and Shareholders' Equity		
Shareholders' Funds	968,820	1,156,280
Current liabilities	530,010	572,270
Non-current liabilities	108,570	124,590
Non-controlling interests	10,150	10,730
Total Liabilities	1,617,550	1,863,870

Ind AS Financial Statements

Consolidated Statement of Profit and Loss
For the Quarter ended Dec 31, 2024, Sep 30, 2025, and Dec 31, 2025
(In ₹ crore, except per share data)

	Quarter ended Dec 31, 2024	Quarter ended Sep 30, 2025*	Quarter ended Dec 31, 2025*
Revenue	63,973	65,799	67,087
Expenditure			
a) Employee Costs	35,956	38,606	38,530
b) Cost of equipment and software licences	3,519	967	1,262
c) Other Operating expenses	7,464	8,248	9,026
d) Depreciation	1,377	1,413	1,380
Total Expenditure	48,316	49,234	50,198
Profit Before Taxes & Other Income	15,657	16,565	16,889
Other income (expense), net	1,009	638	922
Profit Before Taxes	16,666	17,203	17,811
Provision For Taxes	4,222	4,243	4,310
Profit After Taxes & Before Non-controlling interests	12,444	12,960	13,501
Non-controlling interests	64	56	63
Net Profit	12,380	12,904	13,438
Earnings per share in ₹	34.21	35.67	37.14

*Excludes exceptional items.

Consolidated Balance Sheet
As at March 31, 2025 and Dec 31, 2025
(In crores of ₹)

	As at March 31, 2025	As at Dec 31, 2025
ASSETS		
Property and equipment	12,524	13,449
Right-of-use assets	9,275	10,548
Intangible assets and Goodwill	2,800	2,939
Accounts Receivable	50,233	56,147
Unbilled Revenues	15,470	16,329
Invested Funds	47,222	64,097
Other current assets	12,486	11,678
Other non-current assets	9,619	9,081
Total Assets	159,629	184,268
EQUITY AND LIABILITIES		
Shareholders' Funds	94,756	113,509
Current liabilities	53,001	57,227
Non-current liabilities	10,857	12,459
Non-controlling interests	1,015	1,073
Total Liabilities	159,629	184,268

About Tata Consultancy Services Ltd (TCS)

Tata Consultancy Services (TCS) (BSE: 532540, NSE: TCS) is a digital transformation and technology partner of choice for industry-leading organizations worldwide. Since its inception in 1968, TCS has upheld the highest standards of innovation, engineering excellence and customer service.

Rooted in the heritage of the Tata Group, TCS is focused on creating long term value for its clients, its investors, its employees, and the community at large. With a highly skilled workforce spread across 55 countries and 202 service delivery centers across the world, the company has been recognized as a top employer in six continents. With the ability to rapidly apply and scale new technologies, the company has built long term partnerships with its clients – helping them emerge as perpetually adaptive enterprises. Many of these relationships have endured into decades and navigated every technology cycle, from mainframes in the 1970s to Artificial Intelligence today.

TCS sponsors 14 of the world’s most prestigious marathons and endurance events, including the TCS New York City Marathon, TCS London Marathon and TCS Sydney Marathon with a focus on promoting health, sustainability, and community empowerment.

TCS generated consolidated revenues of over US \$30 billion in the fiscal year ended March 31, 2025. For more information, visit www.tcs.com

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