

Financial Capital

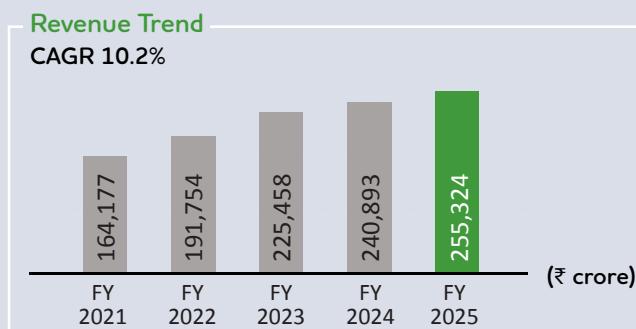
TCS' success is a testament to its robust business model and its ability to perpetually adapt in a constantly changing technology environment, ensuring it remains relevant to customers while delivering value to all stakeholders.

Key outcomes include:

- Focus on operational excellence and cost optimization, resulting in strong operating margins

- Superior profitability, providing the financial strength to invest in new capabilities, Research & Innovation, navigating economic downturns and changing technology waves
- Prudent use of working capital and cash flow management, resulting in robust cash conversion and increased invested funds
- A strong balance sheet with zero debt, further strengthening return ratios
- Consistently high shareholder returns

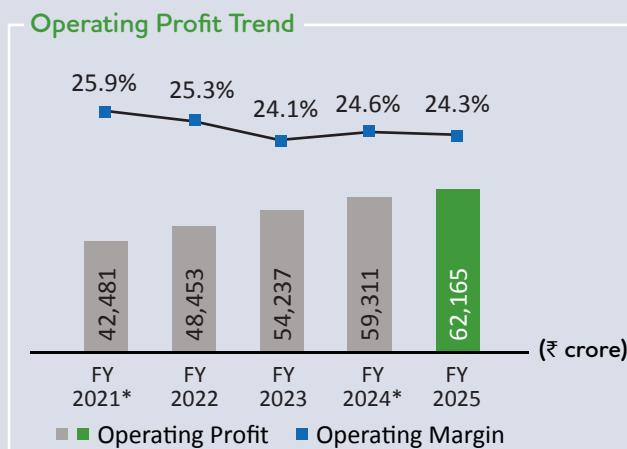
TCS Value Creation and Distribution (FY 2021 - 25)¹



In FY 2025, TCS achieved a year-over-year revenue growth of 6.0%, demonstrating a resilient business performance in this uncertain environment.

On a constant currency basis, revenue grew by 4.2%, outpacing the growth in FY 2024.

Over the past five financial years, the company recorded a compound annual growth rate (CAGR) of 10.2%, highlighting the resilience and scalability of its business model.



In FY 2025, TCS reported an operating margin of 24.3%, a marginal decline of 30 basis points compared to FY 2024.

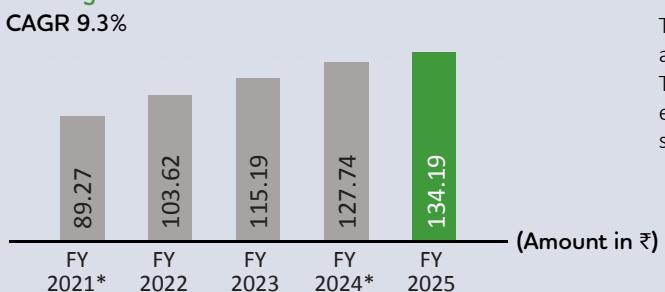
This moderation was primarily attributable to the impact of annual wage hikes, associates promotions, and strategic investments in infrastructure and capability development.

These cost pressures were partially offset by improvements in workforce utilization, productivity, and realization, along with favourable currency movements.

¹GRI 201-1

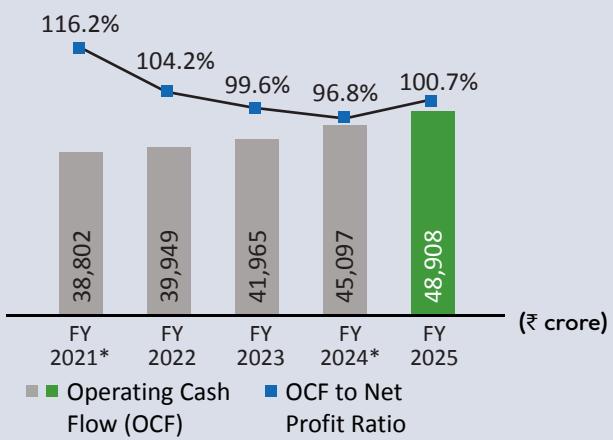
*Excludes provision (in FY 2021) and settlement (in FY 2024) of legal claim

Earnings Per Share



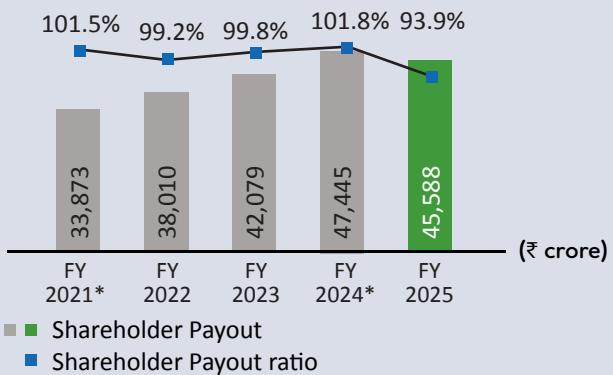
TCS has consistently grown its Earnings Per Share (EPS), achieving a CAGR of 9.3% over the past five financial years. This steady increase highlights the company's growing earnings and its commitment to delivering long-term value to shareholders.

Operating Cash Flow and Cash Conversion



TCS maintained an excellent cash conversion ratio exceeding 100%, highlighting its robust financial health and strong ability to generate cash from operations. This efficiency in translating profits to cash flows, enables TCS to meet financial obligations and fund growth initiatives without relying on external financing.

Shareholder Payouts



TCS has a practice of returning substantial free cash flow to shareholders and based on the company's performance, the Board of Directors have declared three interim dividends of ₹10 each, a special dividend of ₹66, and recommended a final dividend of ₹30 (pending shareholders' approval at this AGM), for a total dividend of ₹126 per share for FY 2025. TCS has consistently declared dividend every quarter since its listing, complemented by three bonus issues and five buyback offers.

Return on Equity



TCS' high and improving Return on Equity, reflects the company's ability to generate strong profitability and manage resources efficiently. This highlights the company's financial discipline and operational rigor, as well as its judicious use of shareholder capital.

*Excludes provision (in FY 2021) and settlement (in FY 2024) of legal claim