

Research Report: tcs

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Company Overview

Tata Consultancy Services (TCS) is an Indian multinational technology company specializing in information technology services and consulting. Established in 1968 as Tata Computer Systems by Tata Sons Limited, it is headquartered in Mumbai, Maharashtra, India. TCS is a public company, traded on the BSE (532540) and NSE (TCS), and is a constituent of both the BSE SENSEX and NSE NIFTY 50. It is a key part of the Tata Group, India's largest multinational business group, with Tata Sons owning 71.74% of TCS; close to 80% of Tata Sons' dividend income is derived from TCS.

TCS operates as a digital transformation and technology partner for industry-leading organizations worldwide, offering IT services, consulting, and business solutions. Its services are consulting-led and innovation-driven, designed to help businesses evolve as perpetually adaptive enterprises. The company's expertise spans various technology cycles, from mainframes in the 1970s to Artificial Intelligence today, with a recognized excellence in software development and the ability to rapidly apply and scale new technologies. Key offerings and platforms include Quartz Blockchain Platforms, TCS BaNCS, TCS Chroma (HRMS), TCS HOBS (Customer Experience Management Software), TCS MasterCraft™ (PLM Software), and TCS OmniStore (Retail POS Systems).

As of the fiscal year ended March 31, 2025, TCS reported consolidated revenues of US\$30 billion (TCS website) or ■259,286 crore (US\$31 billion) (Wikipedia). Other financials for the same period include an operating income of ■65,331 crore (US\$7.7 billion), a net income of ■48,797 crore (US\$5.8 billion), total assets of ■159,629 crore (US\$19 billion), and total equity of ■95,771 crore (US\$11 billion).

The company maintains a significant global footprint, operating in 55 countries with 150 locations and over 200 service delivery centers worldwide. It employs a highly skilled workforce of over 691,414 professionals. Key leadership includes Natarajan Chandrasekaran (Chairman) and K. Krithivasan (MD & CEO).

TCS holds a strong market position and has achieved several notable milestones. It ranked seventh on the Fortune India 500 list for 2024. In September 2021, it became the first Indian IT company to reach a market capitalization of US\$200 billion. Historically, in 2012, it was the world's second-largest user of U.S. H-1B visas. The company is recognized as a top employer across six continents, upholding high standards of innovation, engineering excellence, and customer service.

TCS is committed to creating long-term value for its clients, investors, employees, and the community. Its corporate social responsibility (CSR) efforts are focused on education, skilling, employment, and entrepreneurship. Additionally, TCS actively promotes health, sustainability, and community empowerment by sponsoring 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. A joint venture, Tata Consultancy Services Japan (TCS Japan), was established in 2014 with Mitsubishi Corporation.

Financial Analysis

Tata Consultancy Services (TCS) adheres to Ind AS accounting standards, effective April 1, 2016. An explanatory note detailing key differences between Ind AS and Indian GAAP is available. Comparative FY16 financials were provided in Indian GAAP, Ind AS, and IFRS.

Annual Financial Performance (FY 2024-25)

For the fiscal year 2024-25, TCS reported: * **Revenue:** \$30.2 Billion (\$30.18 Billion), representing a growth of +3.8% Year-on-Year (YoY) and +4.2% in Constant Currency (CC) YoY. A separate general reference indicates annual revenue of 2,57,688 Crore. * **Order Book:** Total Contract Value (TCV) stood at \$39.4 Billion. * **Operating Income:** \$7.3 Billion. * **Operating Margin:** 24.3%. * **Net Income:** \$5.7 Billion. A separate general reference indicates annual profit of 49,687 Crore. * **Net Margin:** 19.0%. * Revenue growth was primarily driven by strong double-digit growth in Regional Markets, which expanded by +37.2% YoY, and the Energy sector.

Quarterly Financial Performance

Q2 FY2026 (July - September 2025) * **Revenue:** \$7,466 million, reflecting a 0.6% Quarter-on-Quarter (QoQ) increase. * INR 65,799 crores, indicating a 3.7% QoQ growth. * Sales in the September quarter rose 2.4% to 657.99 billion rupees (\$7.4 billion), surpassing analysts' average estimate of 650.86 billion rupees. * **Operating Margin:** 25.2%, an expansion of 70 basis points (bps) QoQ. * **Net Income:** \$1,464 million, marking a +3.0% Year-on-Year (YoY) growth. * A reported net profit of INR 12,131 with a -5.37% change was noted. * Another report for September 2025 indicated a Quarterly Net Profit of Rs 11,828 Crore, reflecting a -9.0% YoY change. * **Net Margin:** 19.6%. * **Gross Profit:** INR 16,565, with a 6.77% change (likely QoQ). * TCS announced a significant focus on Artificial Intelligence (AI) during this quarter.

Q4 FY2025 (January - March 2025) * **Revenue:** Rs 64,479 crore. * **Growth:** 5.3% YoY, with Constant Currency (CC) growth at 2.5%. * Growth was led by Regional Markets (22.5% YoY), Emerging Markets (ERU) (4.6% YoY), and Banking, Financial Services, and Insurance (BFSI) (2.5% YoY).

Other Key Financial Metrics * **Market Capitalization:** 11,39,570