

# TCS Financial Results

Quarter II Ended FY 2025-26

Oct 9, 2025

# Disclaimer

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to, our ability to manage growth, intense competition among global IT services companies, various factors which may affect our profitability, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, liability for damages on our service contracts, client concentration, our ability to manage our international operations, restrictions on cross-border movement of skilled personnel, reduced demand for technology in our key focus areas, our ability to capitalize on the emerging technology landscape, the success of the companies in which TCS has made strategic investments, our ability to successfully complete and integrate potential acquisitions, legal restrictions on raising capital or acquiring companies outside India, withdrawal of governmental fiscal incentives, geo-political instability, regulatory changes impacting the business model, supplier concentration and resilience, unauthorized use of our intellectual property, disruptions in telecommunication networks, cyber attacks, security or data breaches, social media adverse impact, pandemics, natural disasters, our ability to ensure business continuity in unforeseen circumstances, and general economic conditions affecting our industry. TCS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made.

The Company assumes no obligation to revise or update any forward-looking statements.

# Q2 FY26 Performance Highlights

## ➤ Revenue:

- INR Revenue of ₹ **657,990 Mn**, up 3.7% QoQ | up 2.4% YoY
- USD Revenue of \$ **7,466 Mn**, up 0.6% QoQ | down 2.7% YoY
- Constant currency revenue **up 0.8% QoQ | down 3.3% YoY**

## ➤ Profit:

- Operating Margin at **25.2%\***
- Net Margin at **19.6%\***
- Cash flow from operations at **110.1%** of net profit

## ➤ Demand:

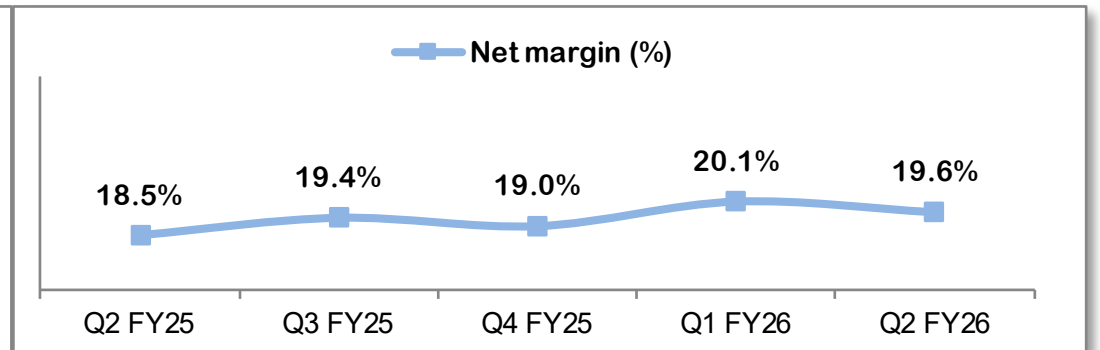
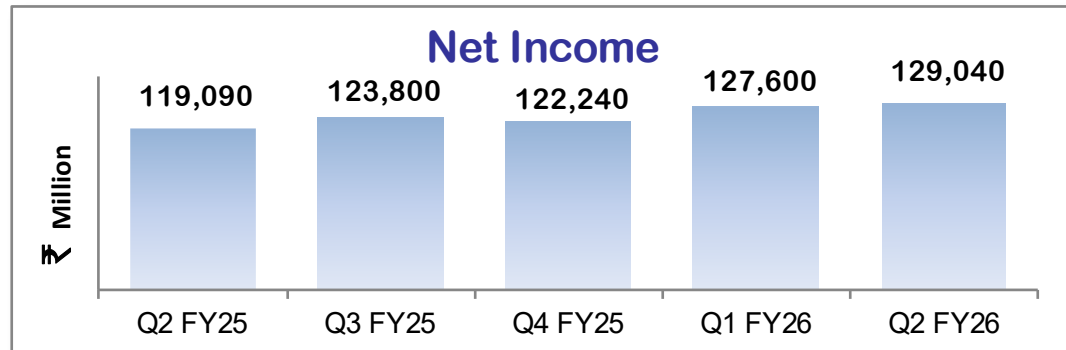
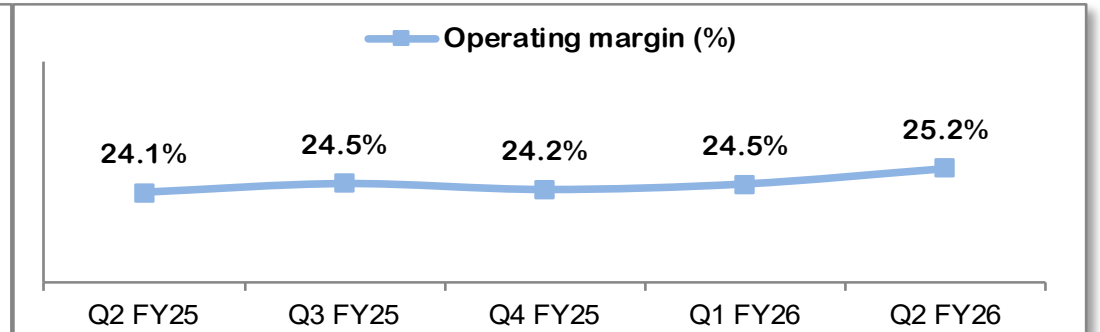
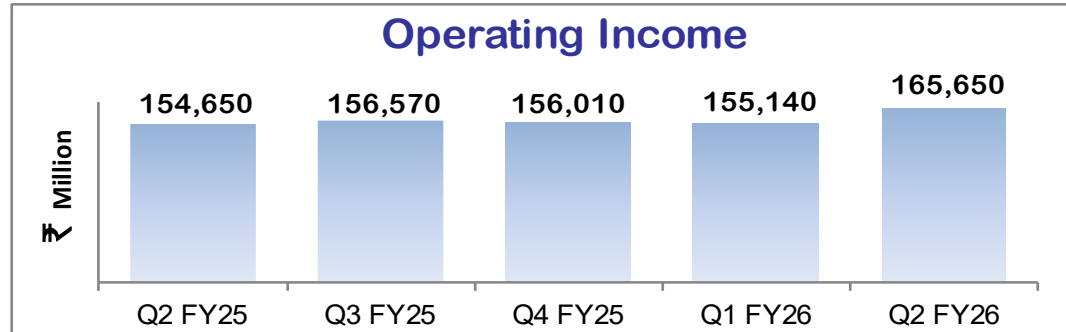
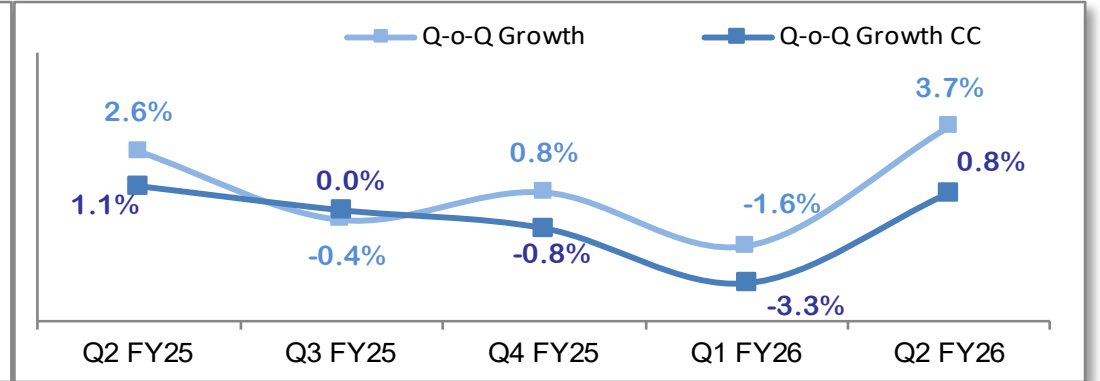
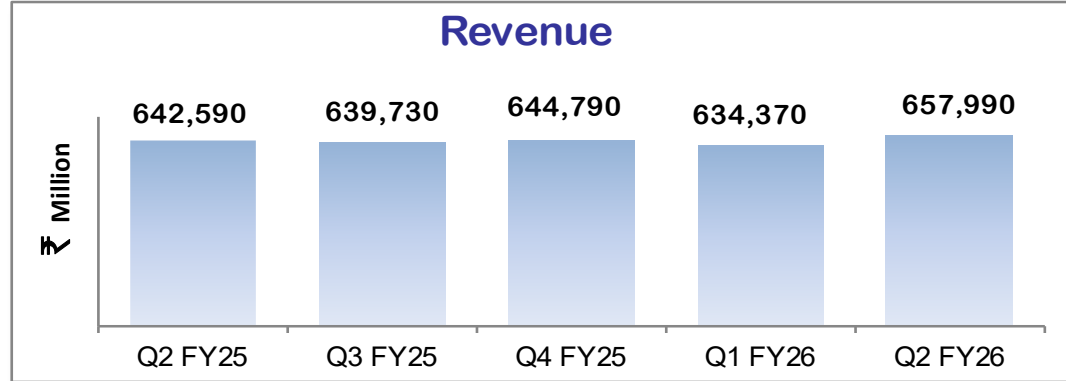
- Clients \$100M+ down by 2 ; \$50M+ up by 5, \$10M+ up by 3 & \$1M+ up by 24 QoQ
- Order book TCV at \$10 Bn; North America TCV at \$4.3 Bn; BFSI TCV at \$3.2 Bn, Consumer Business TCV at \$1.8 Bn

## ➤ People:

- Closing headcount: **593,314**
- Voluntary LTM attrition at **13.3%** in IT Services

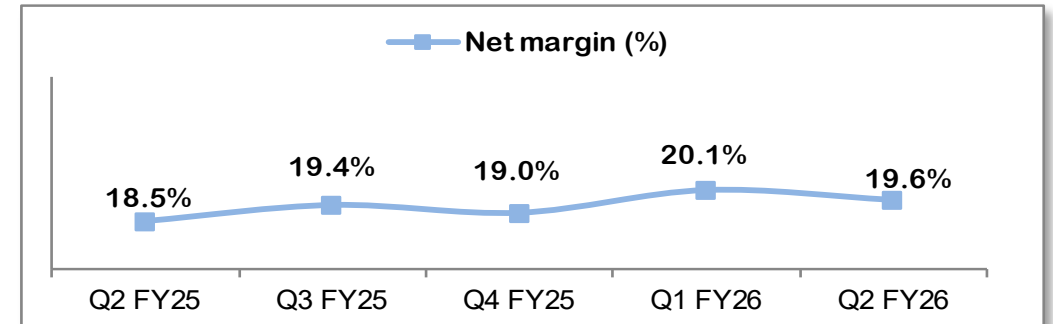
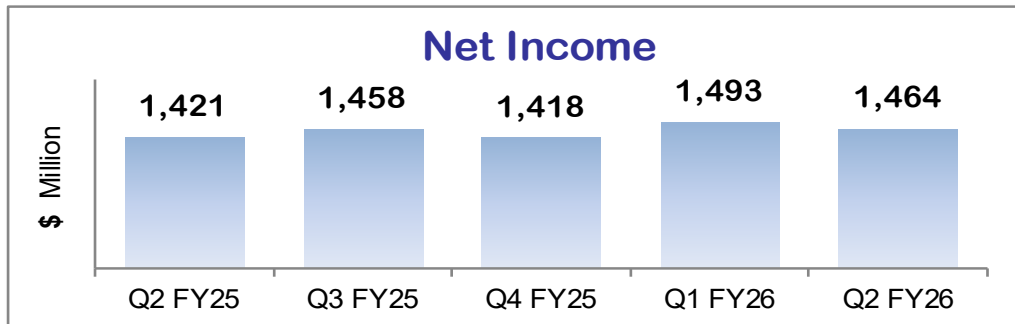
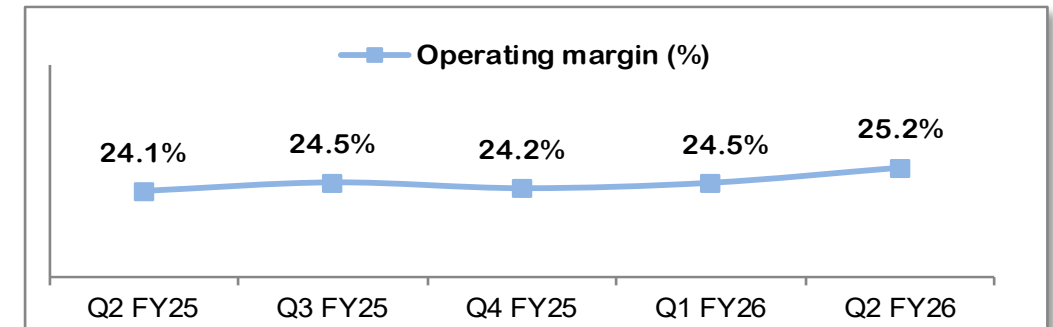
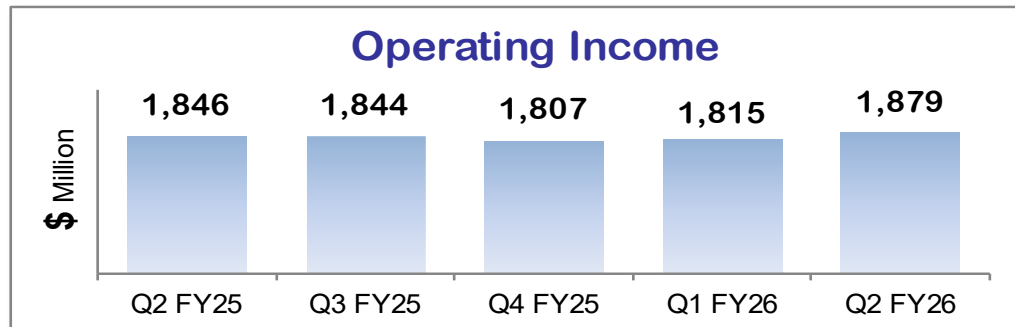
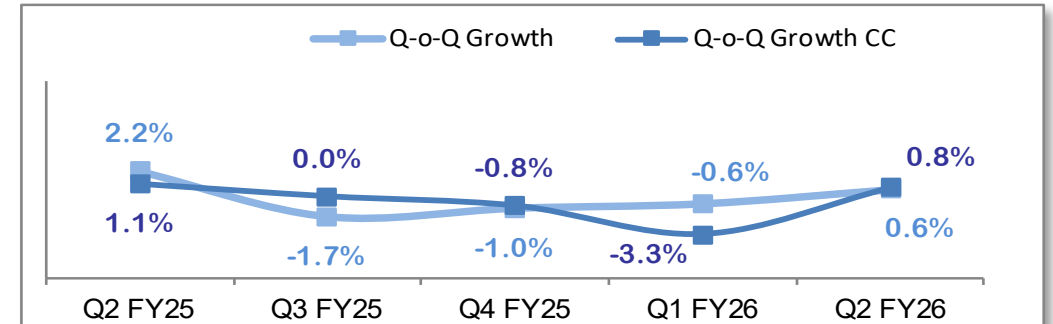
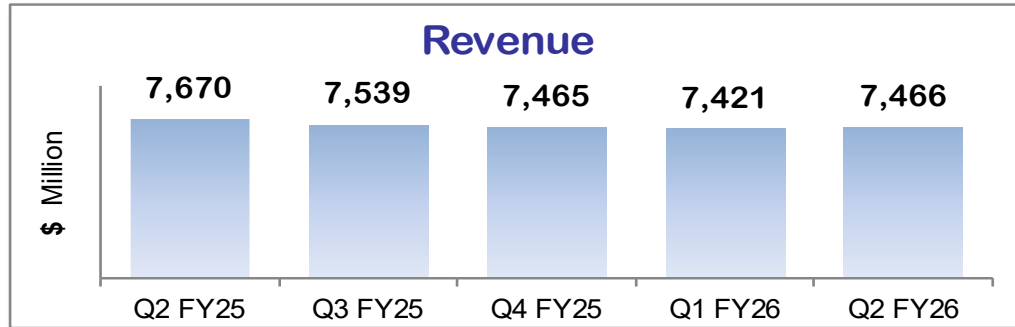
\*excludes one off re-structuring expenses of Rs 1,135 Crore.

# Growth Summary (INR)



\*Q2 FY26 excludes one off re-structuring expenses of Rs 11,350 Mn.

# Growth Summary (USD)



\*Q2 FY26 excludes one off re-structuring expenses of \$129 Mn.

# Operational Parameters

# Growth by Market

Geography (%)	Q2 FY25	Q1 FY26	Q2 FY26	Q-o-Q CC Growth	Y-o-Y CC Growth	Q-o-Q INR Growth	Y-o-Y INR Growth
<b>Americas</b>							
North America	47.6	48.7	<b>48.8</b>	<b>0.8</b>	<b>- 0.1</b>	<b>3.9</b>	<b>5.0</b>
Latin America	1.8	1.9	<b>1.9</b>	<b>0.3</b>	<b>1.8</b>	<b>5.5</b>	<b>7.4</b>
<b>Europe</b>							
UK	17.0	18.0	<b>17.5</b>	<b>- 1.4</b>	<b>- 1.9</b>	<b>0.7</b>	<b>5.2</b>
Continental Europe	14.6	15.0	<b>15.3</b>	<b>1.4</b>	<b>- 3.0</b>	<b>6.0</b>	<b>7.6</b>
<b>Asia Pacific</b>	8.0	8.4	<b>8.3</b>	<b>0.3</b>	<b>2.0</b>	<b>2.5</b>	<b>5.8</b>
<b>India</b>	8.9	5.8	<b>5.8</b>	<b>4.0</b>	<b>- 33.3</b>	<b>4.1</b>	<b>- 33.3</b>
<b>MEA</b>	2.1	2.2	<b>2.4</b>	<b>5.9</b>	<b>12.7</b>	<b>9.8</b>	<b>19.1</b>
<b>Total</b>	100.0	100.0	<b>100.0</b>	<b>0.8</b>	<b>-3.3</b>	<b>3.7</b>	<b>2.4</b>

# Growth by Domain

Vertical (%)	Q2 FY25	Q1 FY26	Q2 FY26	Q-o-Q CC Growth	Y-o-Y CC Growth	Q-o-Q INR Growth	Y-o-Y INR Growth
BFSI	30.8	32.0	<b>32.2</b>	<b>1.1</b>	<b>1.0</b>	<b>4.3</b>	<b>7.0</b>
Consumer Business	15.2	15.6	<b>15.3</b>	<b>- 1.0</b>	<b>- 2.9</b>	<b>2.2</b>	<b>3.5</b>
Life Sciences & Healthcare	10.3	10.2	<b>10.5</b>	<b>3.4</b>	<b>- 2.2</b>	<b>6.7</b>	<b>3.9</b>
Manufacturing	8.6	8.7	<b>8.8</b>	<b>1.6</b>	<b>- 1.1</b>	<b>5.0</b>	<b>5.4</b>
Technology & Services	8.0	8.4	<b>8.5</b>	<b>1.8</b>	<b>2.8</b>	<b>5.2</b>	<b>9.4</b>
Communication & Media	5.9	5.8	<b>5.9</b>	<b>0.8</b>	<b>- 5.1</b>	<b>3.8</b>	<b>0.7</b>
Energy, Resources and Utilities	5.7	5.9	<b>5.9</b>	<b>0.6</b>	<b>0.2</b>	<b>3.9</b>	<b>5.9</b>
Regional Markets & Others	15.5	13.4	<b>12.9</b>	<b>- 1.1</b>	<b>- 18.1</b>	<b>- 0.1</b>	<b>- 14.8</b>
<b>Total</b>	100.0	100.0	<b>100.0</b>	<b>0.8</b>	<b>- 3.3</b>	<b>3.7</b>	<b>2.4</b>

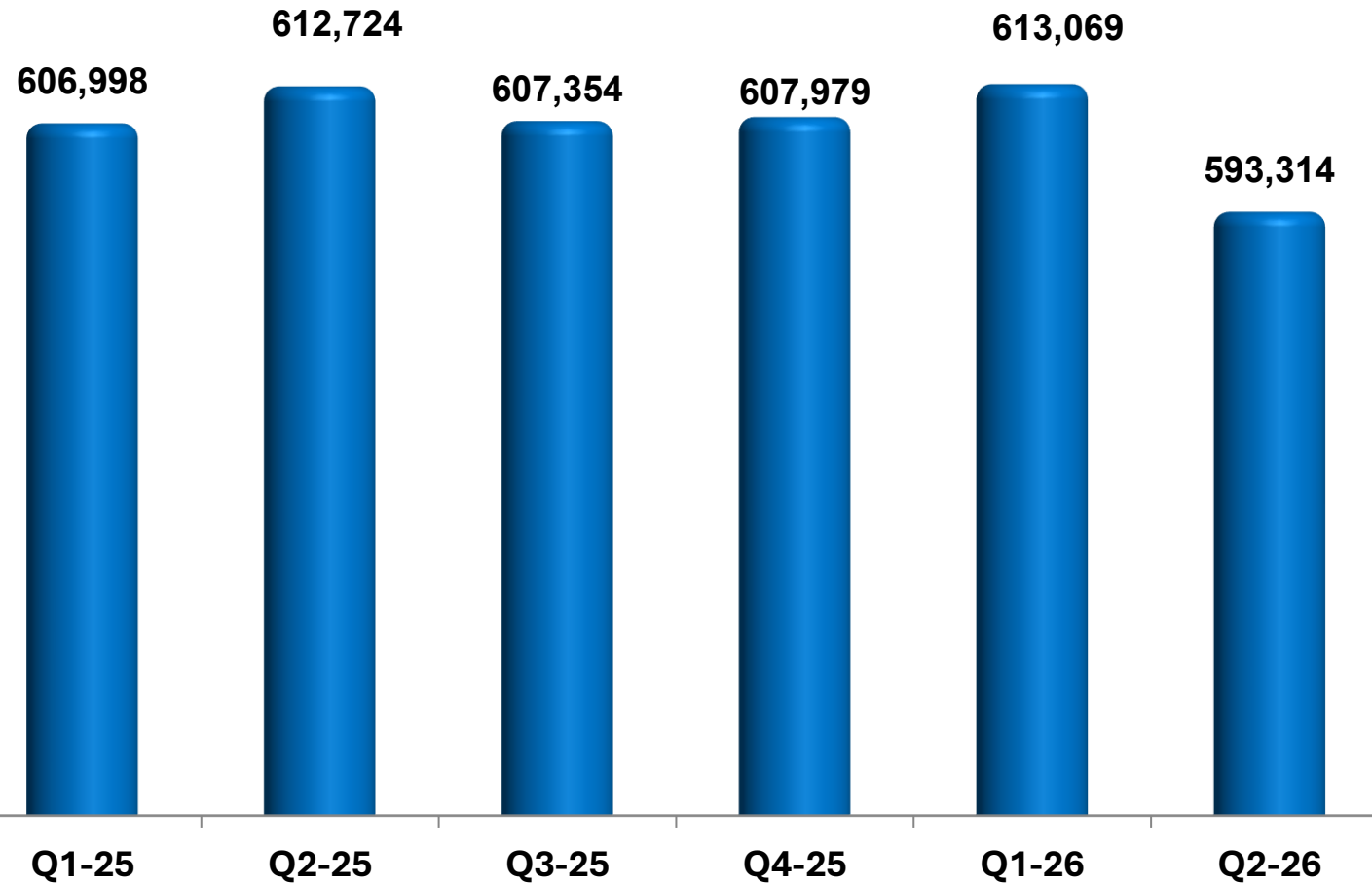
# Client Parameters

Clients Contribution	Q2 FY25	Q1 FY26	Q2 FY26
US\$ 1m+ Clients	1307	1336	<b>1360</b>
US\$ 5m+ Clients	710	714	<b>707</b>
US\$ 10m+ Clients	491	495	<b>498</b>
US\$ 20m+ Clients	298	300	<b>302</b>
US\$ 50m+ Clients	136	131	<b>136</b>
US\$ 100m+ Clients	66	62	<b>60</b>

\*Last Twelve Months' services revenues

# Human Resources

# Total Employee Base



## Voluntary Attrition\*:

- **13.3%** (LTM), IT Services

## Diversity:

- **35.2 %** Women employees
- **149** Nationalities

\*Excluding Subsidiaries

## Talent Development:

- **33.4Mn** Learning Hrs (YTD)
- **2.6Mn** competencies acquired (YTD)
- **159K** associates with higher proficiency in AI / ML (YTD)

# Annexure

# IFRS Income Statement

Consolidated IFRS	₹ Million			% of Revenue		
	Q2 FY25	Q1 FY26	Q2 FY26	Q2 FY25	Q1 FY26	Q2 FY26
<b>Revenue</b>	<b>642,590</b>	<b>634,370</b>	<b>657,990</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Cost of revenue	397,200	386,120	397,580	61.8	60.8	60.4
<b>Gross margin</b>	<b>245,390</b>	<b>248,250</b>	<b>260,410</b>	<b>38.2</b>	<b>39.2</b>	<b>39.6</b>
SG & A expenses	90,740	93,110	94,760	14.1	14.7	14.4
<b>Operating income</b>	<b>154,650</b>	<b>155,140</b>	<b>165,650</b>	<b>24.1</b>	<b>24.5</b>	<b>25.2</b>
Other income (expense), net	5,670	14,650	6,380	0.9	2.3	0.9
<b>Income before income taxes</b>	<b>160,320</b>	<b>169,790</b>	<b>172,030</b>	<b>25.0</b>	<b>26.8</b>	<b>26.1</b>
Income taxes	40,770	41,600	42,430	6.4	6.6	6.4
<b>Income after income taxes</b>	<b>119,550</b>	<b>128,190</b>	<b>129,600</b>	<b>18.6</b>	<b>20.2</b>	<b>19.7</b>
Non-controlling interests	460	590	560	0.1	0.1	0.1
<b>Net income</b>	<b>119,090</b>	<b>127,600</b>	<b>129,040</b>	<b>18.5</b>	<b>20.1</b>	<b>19.6</b>
Earnings per share in ₹	32.92	35.27	35.67			

\*Q2 FY26 excludes one off re-structuring expenses of Rs 11,350 Mn.

# COR – SG&A Details

COR	₹ Million			% of Revenue		
	Q2 FY25	Q1 FY26	Q2 FY26	Q2 FY25	Q1 FY26	Q2 FY26
Employee cost	292,670	301,960	308,920	45.5	47.6	46.9
Fees to external consultants	28,070	30,630	33,090	4.4	4.8	5.0
Equipment and software	32,300	7,260	9,670	5.0	1.1	1.5
Facility expenses	5,360	5,940	5,540	0.8	0.9	0.8
Depreciation	9,860	10,670	10,930	1.5	1.7	1.7
Travel	6,110	6,070	5,850	1.0	1.0	0.9
Communication	4,040	4,320	4,610	0.6	0.7	0.7
Other expenses	18,790	19,270	18,970	3.0	3.0	2.9
<b>Cost of Revenue</b>	<b>397,200</b>	<b>386,120</b>	<b>397,580</b>	<b>61.8</b>	<b>60.8</b>	<b>60.4</b>

SG&A	₹ Million			% of Revenue		
	Q2 FY25	Q1 FY26	Q2 FY26	Q2 FY25	Q1 FY26	Q2 FY26
Employee cost	73,870	75,190	77,140	11.5	11.9	11.7
Fees to external consultants	1,820	1,760	1,650	0.3	0.3	0.3
Facility expenses	3,300	3,220	3,330	0.5	0.5	0.5
Depreciation	2,810	2,940	3,200	0.4	0.5	0.5
Travel	2,030	2,310	2,010	0.3	0.4	0.3
Communication	1,980	1,880	1,870	0.3	0.3	0.3
Provision for Doubtful Debts	190	250	380	0.0	0.0	0.1
Other expenses	4,740	5,560	5,180	0.8	0.8	0.7
<b>S G &amp; A expenses</b>	<b>90,740</b>	<b>93,110</b>	<b>94,760</b>	<b>14.1</b>	<b>14.7</b>	<b>14.4</b>

\*Q2 FY26 excludes one off re-structuring expenses of Rs 11,350 Mn.

# Cash Flow Summary

IFRS in ₹ Mn	Q2 FY25	Q1 FY26	Q2 FY26
Net Cash from Operations	119,320	128,040	132,930
Capital Expenditure	8,060	14,040	12,010
Free Cash Flow	111,260	114,000	120,920
Dividends Paid	36,470	109,400	40,210
Operating Cash Flow to Sales (%)	18.6	20.2	20.2
Operating Cash Flow to Net Profit (%)	100.2	100.3	110.1
Total Cash and Investments	539,660	487,040	559,500

# IFRS Statement of Financial Position

Consolidated IFRS	₹ Million	
	31-Mar-25	30-Sep-25
<b>Assets</b>		
Property and equipment	129,320	135,850
Right-of-use Assets	92,750	106,920
Intangible assets and Goodwill	49,640	47,470
Accounts Receivable	502,330	543,010
Unbilled Revenues	154,700	166,340
Invested Funds	472,220	559,500
Other current assets	124,860	116,330
Other non current assets	91,730	98,030
<b>Total assets</b>	<b>1,617,550</b>	<b>1,773,450</b>
<b>Liabilities and Shareholders' Equity</b>		
Shareholders' Funds	968,820	1,085,410
Current liabilities	530,010	552,840
Non-current liabilities	108,570	124,740
Non-controlling interests	10,150	10,460
<b>Total Liabilities</b>	<b>1,617,550</b>	<b>1,773,450</b>

Detailed financials are uploaded.

# IFRS Income Statement – In USD

Consolidated IFRS	\$ Million			% of Revenue		
	Q2 FY25	Q1 FY26	Q2 FY26	Q2 FY25	Q1 FY26	Q2 FY26
<b>Revenue</b>	<b>7,670</b>	<b>7,421</b>	<b>7,466</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Cost of revenue	4,741	4,517	4,512	61.8	60.8	60.4
<b>Gross margin</b>	<b>2,929</b>	<b>2,904</b>	<b>2,954</b>	<b>38.2</b>	<b>39.2</b>	<b>39.6</b>
SG & A expenses	1,083	1,089	1,075	14.1	14.7	14.4
<b>Operating income</b>	<b>1,846</b>	<b>1,815</b>	<b>1,879</b>	<b>24.1</b>	<b>24.5</b>	<b>25.2</b>
Other income (expense), net	68	172	73	0.9	2.3	0.9
<b>Income before income taxes</b>	<b>1,914</b>	<b>1,987</b>	<b>1,952</b>	<b>25.0</b>	<b>26.8</b>	<b>26.1</b>
Income taxes	487	487	482	6.4	6.6	6.4
<b>Income after income taxes</b>	<b>1,427</b>	<b>1,500</b>	<b>1,470</b>	<b>18.6</b>	<b>20.2</b>	<b>19.7</b>
Non-controlling interests	6	7	6	0.1	0.1	0.1
<b>Net income</b>	<b>1,421</b>	<b>1,493</b>	<b>1,464</b>	<b>18.5</b>	<b>20.1</b>	<b>19.6</b>
Earnings per share in \$	0.39	0.41	0.40			

\*Q2 FY26 excludes one off re-structuring expenses of \$129 Mn. (refer note 22 to Financial Statements)

# COR – SG&A Details – In USD

COR	\$ Million			% of Revenue		
	Q2 FY25	Q1 FY26	Q2 FY26	Q2 FY25	Q1 FY26	Q2 FY26
Employee cost	3,493	3,532	3,505	45.5	47.6	46.9
Fees to external consultants	335	358	376	4.4	4.8	5.0
Equipment and software	386	85	110	5.0	1.1	1.5
Facility expenses	64	69	63	0.8	0.9	0.8
Depreciation	118	125	124	1.5	1.7	1.7
Travel	73	71	66	1.0	1.0	0.9
Communication	48	51	52	0.6	0.7	0.7
Other expenses	224	226	216	3.0	3.0	2.9
<b>Cost of Revenue</b>	<b>4,741</b>	<b>4,517</b>	<b>4,512</b>	<b>61.8</b>	<b>60.8</b>	<b>60.4</b>

SG&A	\$ Million			% of Revenue		
	Q2 FY25	Q1 FY26	Q2 FY26	Q2 FY25	Q1 FY26	Q2 FY26
Employee cost	882	880	875	11.5	11.9	11.7
Fees to external consultants	22	21	19	0.3	0.3	0.3
Facility expenses	39	38	38	0.5	0.5	0.5
Depreciation	34	34	36	0.4	0.5	0.5
Travel	24	27	23	0.3	0.4	0.3
Communication	24	22	21	0.3	0.3	0.3
Provision for Doubtful Debts	2	3	4	0.0	0.0	0.1
Other expenses	56	64	59	0.8	0.8	0.7
<b>SG&amp;A expenses</b>	<b>1,083</b>	<b>1,089</b>	<b>1,075</b>	<b>14.1</b>	<b>14.7</b>	<b>14.4</b>

\*Q2 FY26 excludes one off re-structuring expenses of \$129 Mn. (refer note 22 to Financial Statements)

# IFRS Statement of Financial Position in USD

Consolidated IFRS	\$ Million	
	31-Mar-25	30-Sep-25
<b>Assets</b>		
Property and equipment	1,514	1,530
Right-of-use Assets	1,086	1,204
Intangible assets and Goodwill	580	535
Accounts Receivable	5,880	6,115
Unbilled Revenues	1,811	1,873
Invested Funds	5,526	6,301
Other current assets	1,458	1,310
Other non current assets	1,076	1,104
<b>Total assets</b>	<b>18,931</b>	<b>19,972</b>
<b>Liabilities and Shareholders' Equity</b>		
Shareholders' Funds	11,337	12,222
Current liabilities	6,202	6,225
Non-current liabilities	1,270	1,405
Non-controlling interests	122	120
<b>Total Liabilities</b>	<b>18,931</b>	<b>19,972</b>

Detailed financials are uploaded.

# Ind AS Income Statement - Consolidated

Consolidated Ind AS	₹ Crore			% of Revenue		
	Q2 FY25	Q1 FY26	Q2 FY26	Q2 FY25	Q1 FY26	Q2 FY26
<b>Revenue</b>	<b>64,259</b>	<b>63,437</b>	<b>65,799</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenditure</b>						
a) Employee Costs	36,654	37,715	38,606	57.0	59.5	58.7
b) Cost of equipment and software licences	3,230	726	967	5.0	1.1	1.5
c) Other Operating expenses	7,644	8,121	8,248	11.9	12.8	12.5
d) Depreciation	1,266	1,361	1,413	2.0	2.1	2.1
<b>Total Expenditure</b>	<b>48,794</b>	<b>47,923</b>	<b>49,234</b>	<b>75.9</b>	<b>75.5</b>	<b>74.8</b>
<b>Profit Before Taxes &amp; Other Income</b>	<b>15,465</b>	<b>15,514</b>	<b>16,565</b>	<b>24.1</b>	<b>24.5</b>	<b>25.2</b>
Other income (expense), net	567	1,465	638	0.9	2.3	0.9
<b>Profit Before Taxes</b>	<b>16,032</b>	<b>16,979</b>	<b>17,203</b>	<b>25.0</b>	<b>26.8</b>	<b>26.1</b>
Provision For Taxes	4,077	4,160	4,243	6.4	6.6	6.4
<b>Profit After Taxes &amp; Before Non-controlling interests</b>	<b>11,955</b>	<b>12,819</b>	<b>12,960</b>	<b>18.6</b>	<b>20.2</b>	<b>19.7</b>
Non-controlling interests	46	59	56	0.1	0.1	0.1
<b>Net Profit</b>	<b>11,909</b>	<b>12,760</b>	<b>12,904</b>	<b>18.5</b>	<b>20.1</b>	<b>19.6</b>
Earnings per share in ₹	32.92	35.27	35.67			

\*Q2 FY26 excludes one off re-structuring expenses of Rs 1,135 Crore. (refer note 22 to Financial Statements)

# Ind AS Balance Sheet - Consolidated

Consolidated Ind AS	₹ Crore	
	31-Mar-25	30-Sep-25
<b>Assets</b>		
Property and equipment	12,524	13,107
Right-of-use Assets	9,275	10,692
Intangible assets and Goodwill	2,800	2,571
Accounts Receivable	50,233	54,301
Unbilled Revenues	15,470	16,634
Invested Funds	47,222	55,950
Other current assets	12,486	11,633
Other non current assets	9,619	10,331
<b>Total Assets</b>	<b>159,629</b>	<b>175,219</b>
<b>Liabilities and Shareholders' Equity</b>		
Shareholders' Funds	94,756	106,415
Current liabilities	53,001	55,284
Non-current liabilities	10,857	12,474
Non-controlling interests	1,015	1,046
<b>Total Liabilities</b>	<b>159,629</b>	<b>175,219</b>

Detailed financials are uploaded.

## Currency mix and average realized rates in INR

Currency	Average rates			% of Revenue		
	Q2 FY25	Q1 FY26	Q2 FY26	Q2 FY25	Q1 FY26	Q2 FY26
USD	83.78	85.49	88.13	49.32%	49.73%	49.79%
GBP	110.23	115.80	118.11	14.86%	15.78%	15.16%
EUR	92.41	98.04	102.70	11.15%	11.65%	11.73%
Others				24.67%	22.84%	23.32%
<b>Total</b>				<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Thank you