

TCS Financial Results

Quarter II FY 2026-27

October 8, 2026

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.

Quarterly Financial Performance

Q2 FY27 Performance Highlights

➤ Revenue:

- INR Revenue of ₹ **731,880 Mn**, up **1.3% QoQ** | up **11.2% YoY**
- USD Revenue of \$ **7,642 Mn**, up **0.2% QoQ** | up **2.4% YoY**
- Constant currency revenue up **0.5% QoQ** | up **2.8% YoY**

➤ Profit:

- Operating Margin at **24.0%**
- Net Margin at **19.0%**
- Cash flow from operations at **102.2%** of net profit

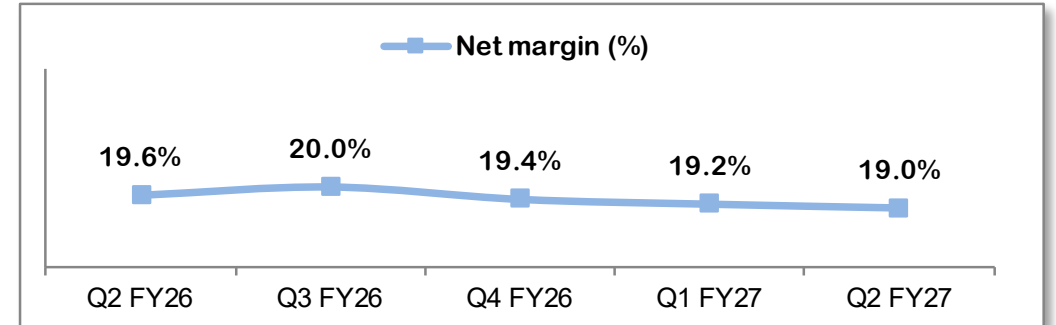
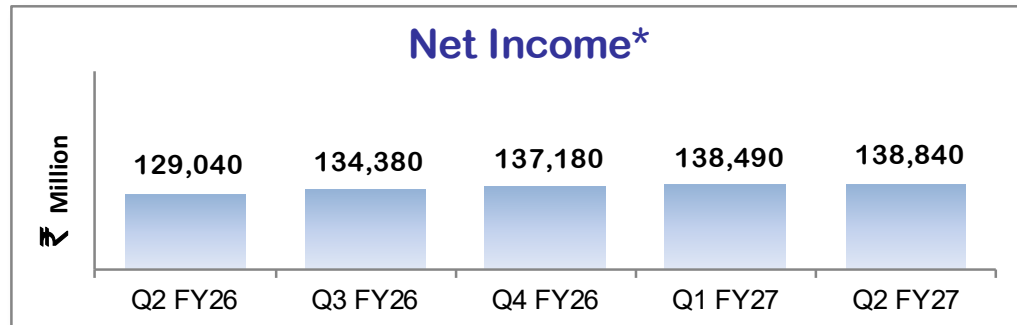
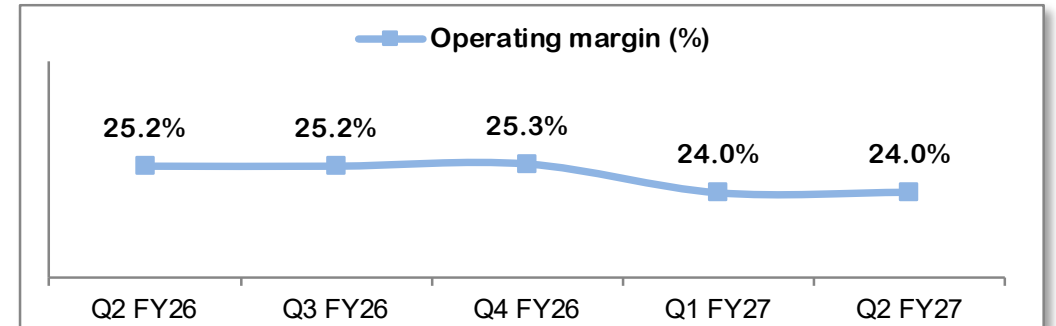
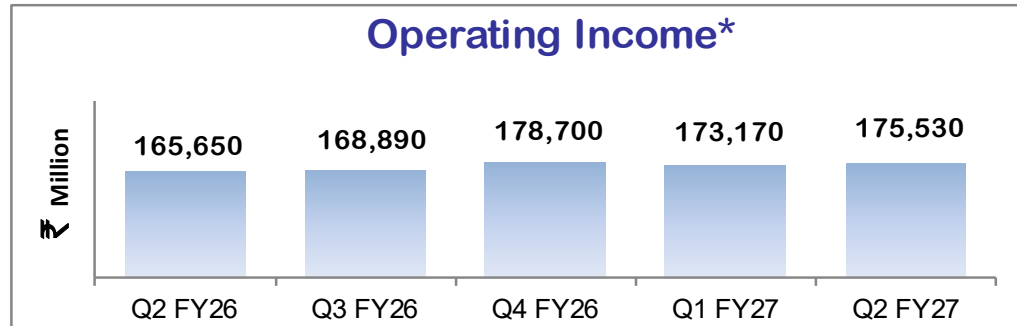
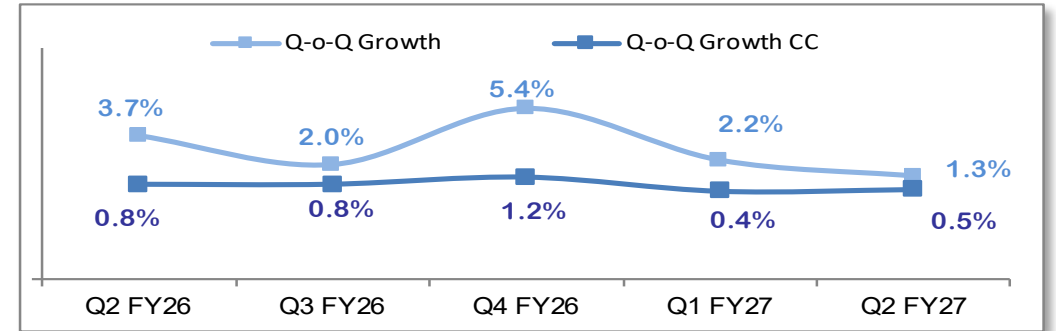
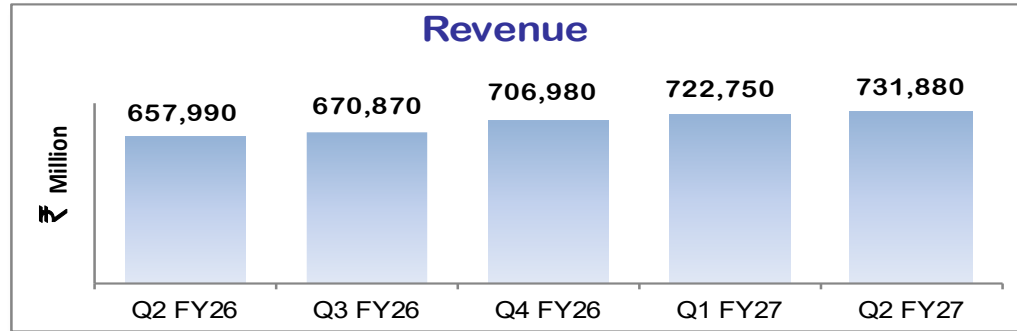
➤ Demand:

- Clients \$10M+ up by 2 ; \$5M+ up by 6 & \$1M+ up by 11 QoQ
- Order book TCV at \$9.6 Bn

➤ People:

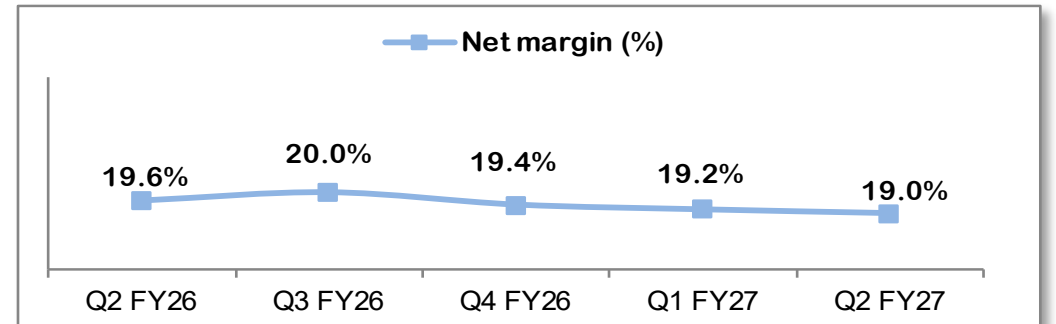
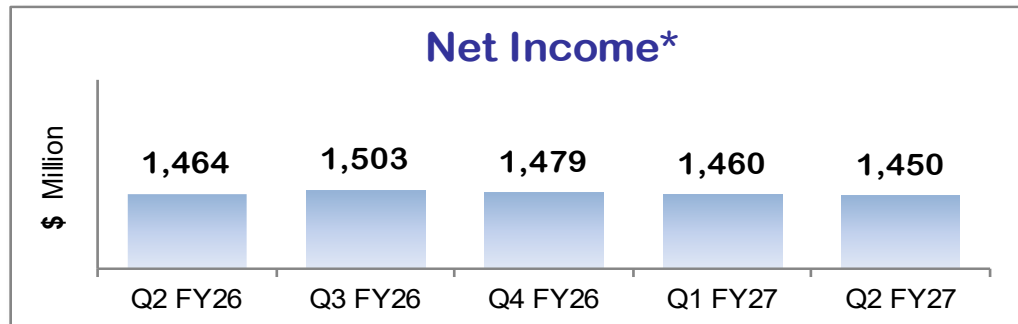
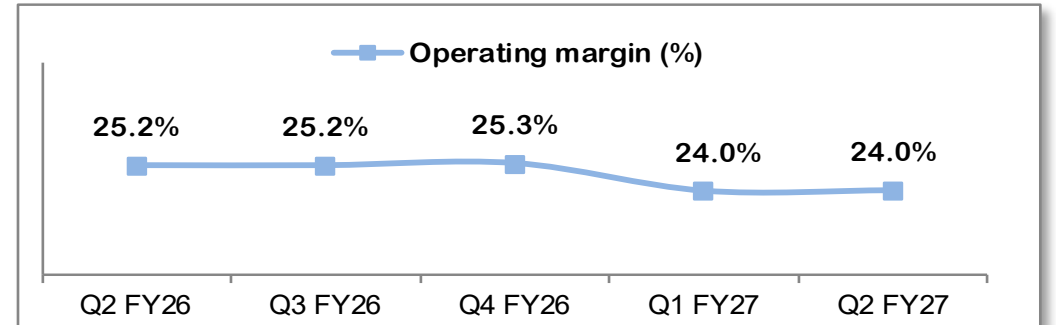
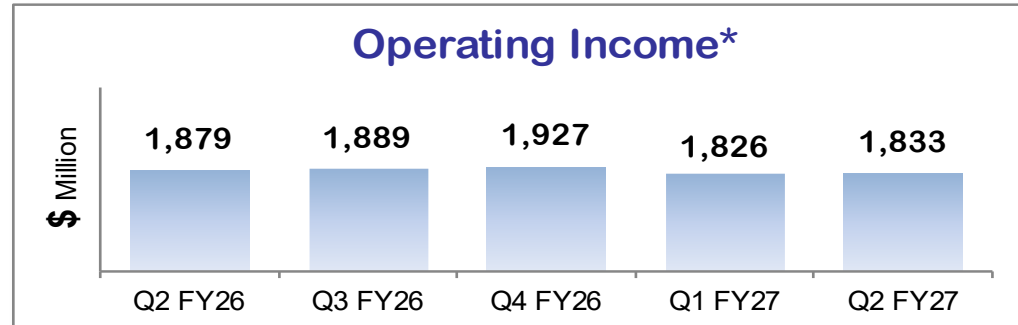
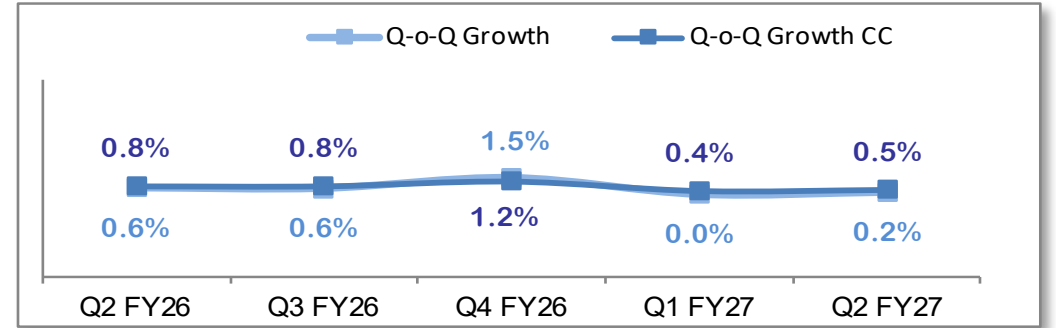
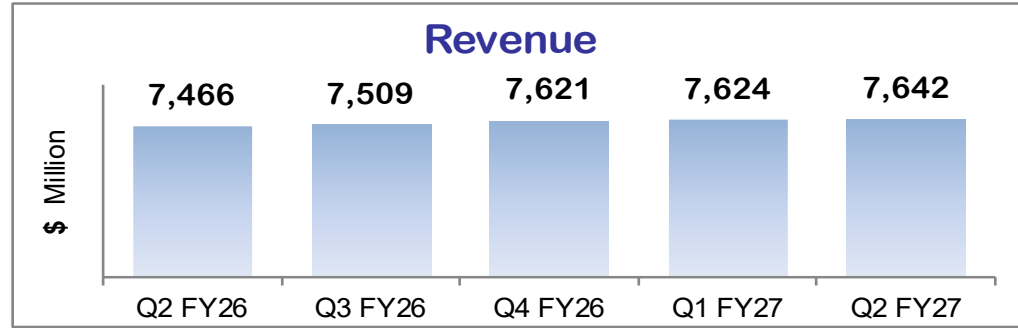
- Closing headcount: **598,056**
- Voluntary LTM attrition at **13.3%** in IT Services

Growth Summary (INR)



*Q2 FY26, Q3 FY26 and Q1 FY27 excludes exceptional items

Growth Summary (USD)



*Q2 FY26, Q3 FY26 and Q1 FY27 excludes exceptional items

Operational Parameters

Growth by Market

Geography (%)	Q2 FY26	Q1 FY27	Q2 FY27	Q-o-Q CC Growth	Y-o-Y CC Growth	Q-o-Q INR Growth	Y-o-Y INR Growth
Americas							
North America	48.8	48.3	48.3	0.4	1.5	1.3	10.2
Latin America	1.9	2.0	2.1	4.3	1.7	6.2	19.5
Europe							
UK	17.5	17.2	17.8	3.5	4.5	4.6	13.2
Continental Europe	15.3	15.4	15.2	0.4	3.3	0.4	10.6
Asia Pacific	8.3	8.4	8.6	2.0	4.1	3.1	15.6
India	5.8	6.2	5.5	- 10.3	6.0	- 10.3	6.2
MEA	2.4	2.5	2.5	0.4	2.0	1.6	13.0
Total	100.0	100.0	100.0	0.5	2.8	1.3	11.2

Growth by Domain

Vertical (%)	Q2 FY26	Q1 FY27	Q2 FY27	Q-o-Q CC Growth	Y-o-Y CC Growth	Q-o-Q INR Growth	Y-o-Y INR Growth
BFSI	32.2	32.1	32.8	2.5	3.9	3.5	13.2
Consumer Business	15.3	15.0	14.9	- 0.7	- 1.0	0.1	7.8
Life Sciences & Healthcare	10.5	10.3	10.3	0.3	0.5	1.2	9.1
Manufacturing	8.8	8.7	9.0	3.1	4.2	4.0	13.0
Technology & Services	8.5	8.5	8.6	3.1	4.8	3.3	12.7
Communication & Media	5.9	5.8	5.8	0.1	0.5	1.0	9.7
Energy, Resources and Utilities	5.9	6.3	6.2	- 0.5	5.7	0.1	16.0
Regional Markets & Others	12.9	13.3	12.4	- 5.8	3.6	- 5.2	8.5
Total	100.0	100.0	100.0	0.5	2.8	1.3	11.2

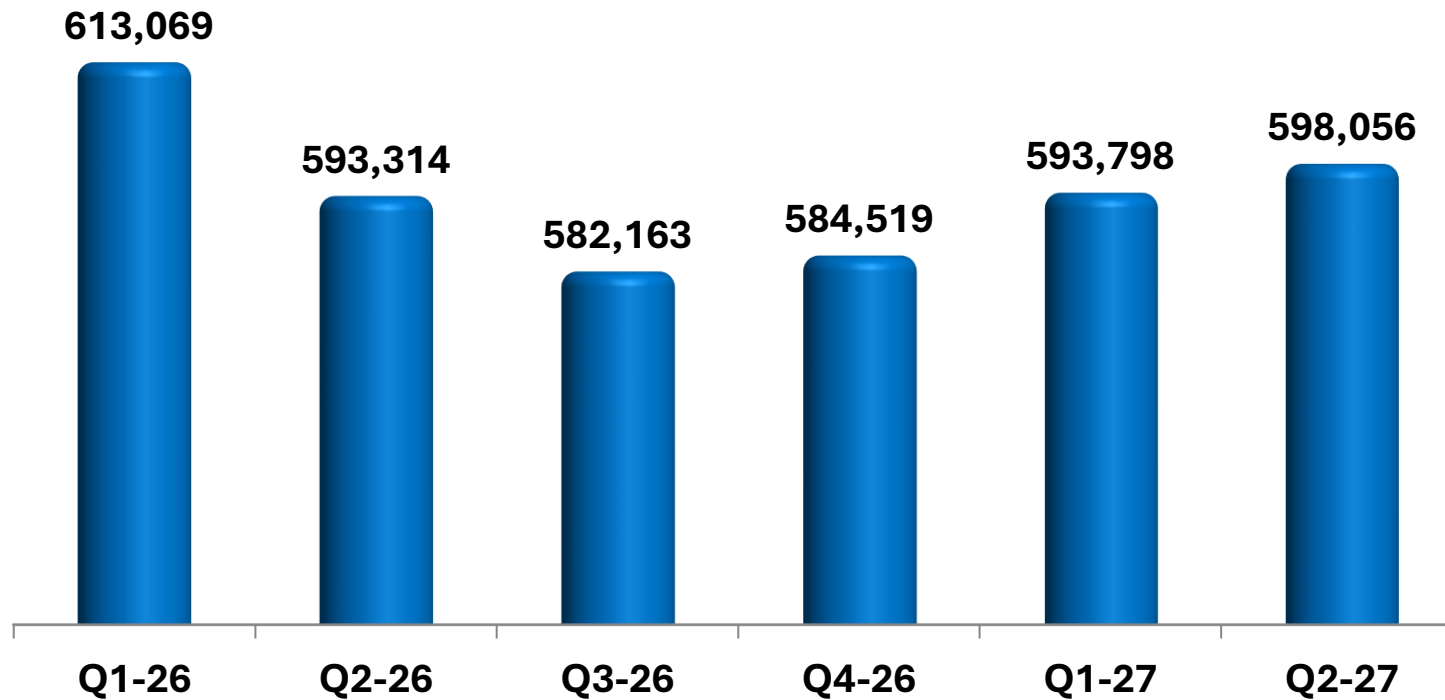
Client Parameters

Clients Contribution	Q2 FY26	Q1 FY27	Q2 FY27
US\$ 1m+ Clients	1360	1401	1412
US\$ 5m+ Clients	707	746	752
US\$ 10m+ Clients	498	504	506
US\$ 20m+ Clients	302	307	307
US\$ 50m+ Clients	136	139	137
US\$ 100m+ Clients	60	66	65

*Last Twelve Months' services revenues

Human Resources

Total Employee Base



Voluntary Attrition*:

- 13.3% (LTM), IT Services

Diversity:

- 35.0 % Women employees
- 149 Nationalities

*Excluding Subsidiaries

Talent Development:

- 31.8 Mn Learning Hrs (YTD)
- 2.7 Mn competencies acquired (YTD)
- 367K+ associates with higher proficiency in AI / ML (Cumulative)

Annexure

IFRS Income Statement

Consolidated IFRS	₹ Million			% of Revenue		
	Q2 FY26	Q1 FY27	Q2 FY27	Q2 FY26	Q1 FY27	Q2 FY27
Revenue	657,990	722,750	731,880	100.0	100.0	100.0
Cost of revenue	397,580	436,510	444,700	60.4	60.4	60.7
Gross margin	260,410	286,240	287,180	39.6	39.6	39.3
SG & A expenses	94,760	113,070	111,650	14.4	15.6	15.3
Operating income	165,650	173,170	175,530	25.2	24.0	24.0
Other income (expense), net	6,380	12,950	10,850	0.9	1.8	1.5
Income before income taxes	172,030	186,120	186,380	26.1	25.8	25.5
Income taxes	42,430	46,920	47,040	6.4	6.5	6.4
Income after income taxes	129,600	139,200	139,340	19.7	19.3	19.1
Non-controlling interests	560	710	500	0.1	0.1	0.1
Net income	129,040	138,490	138,840	19.6	19.2	19.0
Earnings per share in ₹	35.67	38.28	38.37			

*Q2 FY26 and Q1 FY27 excludes exceptional items

Expense by Nature

Expense by nature	₹ Million			% of Revenue		
	Q2 FY26*	Q1 FY27*	Q2 FY27	Q2 FY26*	Q1 FY27*	Q2 FY27
Employee Cost	386,060	421,370	418,900	58.7%	58.3%	57.2%
Fees to External consultants	32,480	42,930	49,540	4.9%	5.9%	6.8%
Cost of equipment and software licenses	9,670	13,540	13,520	1.5%	1.9%	1.8%
Project Expenses & Software for Service Delivery	21,260	24,090	26,220	3.2%	3.3%	3.6%
Depreciation & Amortisation	12,060	12,060	12,270	1.8%	1.7%	1.7%
Facility Expenses	8,860	9,750	9,870	1.3%	1.3%	1.3%
Communication	2,700	2,960	2,800	0.4%	0.4%	0.4%
Travel Expenses	7,870	9,100	9,460	1.2%	1.3%	1.3%
Branding and marketing	3,090	3,930	3,550	0.5%	0.5%	0.5%
Recruitment & Training	1,590	2,450	2,770	0.2%	0.3%	0.4%
Legal & Professional Expenses	1,850	2,100	2,220	0.3%	0.3%	0.3%
Provision for Doubtful Debts	380	840	770	0.1%	0.1%	0.1%
Other Expenses	4,470	4,460	4,460	0.7%	0.6%	0.6%
Total Expenses	492,340	549,580	556,350	74.8%	76.0%	76.0%
Operating Margin	165,650	173,170	175,530	25.2%	24.0%	24.0%

*Q2 FY26 and Q1 FY27 excludes exceptional items

Cash Flow Summary

IFRS in ₹ Mn	Q2 FY26	Q1 FY27	Q2 FY27
Net Cash from Operations	132,930	124,120	141,900
Capital Expenditure	12,010	7,500	14,590
Free Cash Flow	120,920	116,620	127,310
Dividends Paid	40,210	115,230	44,050
Operating Cash Flow to Sales (%)	20.2	17.2	19.4
Operating Cash Flow to Net Profit (%)	110.1	93.0	102.2
Total Cash and Investments	559,500	502,320	573,530

IFRS Statement of Financial Position

Consolidated IFRS	₹ Million	
	31-Mar-26	30-Sep-26
Assets		
Property and equipment	141,800	147,040
Right-of-use Assets	110,270	116,920
Intangible assets and Goodwill	114,370	114,730
Accounts Receivable	577,290	587,250
Unbilled Revenues	181,440	196,460
Invested Funds	500,200	573,530
Other current assets	128,980	106,490
Other non current assets	90,520	86,800
Total assets	1,844,870	1,929,220
Liabilities and Shareholders' Equity		
Shareholders' Funds	1,093,760	1,211,260
Current liabilities	609,140	578,870
Non-current liabilities	129,590	129,010
Non-controlling interests	12,380	10,080
Total Liabilities	1,844,870	1,929,220

Detailed financials are uploaded.

IFRS Income Statement – In USD

Consolidated IFRS	\$ Million			% of Revenue		
	Q2 FY26	Q1 FY27	Q2 FY27	Q2 FY26	Q1 FY27	Q2 FY27
Revenue	7,466	7,624	7,642	100.0	100.0	100.0
Cost of revenue	4,512	4,605	4,643	60.4	60.4	60.7
Gross margin	2,954	3,019	2,999	39.6	39.6	39.3
SG & A expenses	1,075	1,193	1,166	14.4	15.6	15.3
Operating income	1,879	1,826	1,833	25.2	24.0	24.0
Other income (expense), net	73	137	112	0.9	1.8	1.5
Income before income taxes	1,952	1,963	1,945	26.1	25.8	25.5
Income taxes	482	495	490	6.4	6.5	6.4
Income after income taxes	1,470	1,468	1,455	19.7	19.3	19.1
Non-controlling interests	6	8	5	0.1	0.1	0.1
Net income	1,464	1,460	1,450	19.6	19.2	19.0

*Q2 FY26 and Q1 FY27 excludes exceptional items

Expense by Nature – In USD

Expense by nature	\$ Million			% of Revenue		
	Q2 FY26*	Q1 FY27*	Q2 FY27	Q2 FY26*	Q1 FY27*	Q2 FY27
Employee Cost	4,381	4,445	4,374	58.7%	58.3%	57.2%
Fees to External consultants	368	453	518	4.9%	5.9%	6.8%
Cost of equipment and software licenses	110	143	141	1.5%	1.9%	1.8%
Project Expenses & Software for Service Delivery	242	254	274	3.2%	3.3%	3.6%
Depreciation & Amortisation	135	128	128	1.8%	1.7%	1.7%
Facility Expenses	101	103	103	1.4%	1.4%	1.3%
Communication	31	31	29	0.4%	0.4%	0.4%
Travel Expenses	89	96	99	1.2%	1.3%	1.3%
Branding and marketing	35	41	37	0.5%	0.5%	0.5%
Recruitment & Training	18	26	29	0.2%	0.3%	0.4%
Legal & Professional Expenses	21	22	23	0.3%	0.3%	0.3%
Provision for Doubtful Debts	4	9	8	0.1%	0.1%	0.1%
Other Expenses	52	47	46	0.7%	0.6%	0.6%
Total Expenses	5,587	5,798	5,809	74.8%	76.0%	76.0%

*Q2 FY26 and Q1 FY27 excludes exceptional items

IFRS Statement of Financial Position in USD

Consolidated IFRS	\$ Million	
	31-Mar-26	30-Sep-26
Assets		
Property and equipment	1,500	1,533
Right-of-use Assets	1,166	1,219
Intangible assets and Goodwill	1,211	1,197
Accounts Receivable	6,102	6,124
Unbilled Revenues	1,918	2,048
Invested Funds	5,287	5,980
Other current assets	1,360	1,108
Other non current assets	956	908
Total assets	19,500	20,117
Liabilities and Shareholders' Equity		
Shareholders' Funds	11,559	12,628
Current liabilities	6,439	6,036
Non-current liabilities	1,369	1,346
Non-controlling interests	133	107
Total Liabilities	19,500	20,117

Detailed financials are uploaded.

Ind AS Income Statement - Consolidated

Consolidated Ind AS	₹ Crore			% of Revenue		
	Q2 FY26	Q1 FY27	Q2 FY27	Q2 FY26	Q1 FY27	Q2 FY27
Revenue	65,799	72,275	73,188	100.0	100.0	100.0
Expenditure						
a) Employee Costs	38,606	42,137	41,890	58.7	58.3	57.2
b) Cost of equipment and software licenses	967	1,354	1,352	1.5	1.9	1.8
c) Other Operating expenses	8,248	10,228	11,131	12.5	14.1	15.3
d) Depreciation	1,413	1,239	1,262	2.1	1.7	1.7
Total Expenditure	49,234	54,958	55,635	74.8	76.0	76.0
Profit Before Taxes & Other Income	16,565	17,317	17,553	25.2	24.0	24.0
Other income (expense), net	638	1,295	1,085	0.9	1.8	1.5
Profit Before Taxes	17,203	18,612	18,638	26.1	25.8	25.5
Provision For Taxes	4,243	4,692	4,704	6.4	6.5	6.4
Profit After Taxes & Before Non-controlling interests	12,960	13,920	13,934	19.7	19.3	19.1
Non-controlling interests	56	71	50	0.1	0.1	0.1
Net Profit	12,904	13,849	13,884	19.6	19.2	19.0
Earnings per share in ₹	35.67	38.28	38.37			

*Q2 FY26 and Q1 FY27 excludes exceptional items

Ind AS Balance Sheet - Consolidated

Consolidated Ind AS	₹ Crore	
	31-Mar-26	30-Sep-26
Assets		
Property and equipment	13,697	14,273
Right-of-use Assets	11,027	11,692
Intangible assets and Goodwill	9,263	9,287
Accounts Receivable	57,729	58,725
Unbilled Revenues	18,144	19,646
Invested Funds	50,020	57,353
Other current assets	12,899	10,649
Other non current assets	9,572	9,157
Total Assets	182,351	190,782
Liabilities and Shareholders' Equity		
Shareholders' Funds	107,240	118,986
Current liabilities	60,914	57,887
Non-current liabilities	12,959	12,901
Non-controlling interests	1,238	1,008
Total Liabilities	182,351	190,782

Detailed financials are uploaded.

Currency mix and average realized rates in INR

Currency	Average rates			% of Revenue		
	Q2 FY26	Q1 FY27	Q2 FY27	Q2 FY26	Q1 FY27	Q2 FY27
USD	88.13	94.79	95.77	49.79%	48.65%	48.70%
GBP	118.11	126.80	128.24	15.16%	15.10%	15.28%
EUR	102.70	109.76	109.86	11.73%	11.88%	12.05%
Others				23.32%	24.37%	23.97%
Total				100.00%	100.00%	100.00%

Thank you