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From Revenue Growth to Reported Earnings: Decomposing Profit Growth and Profitability in Six Large Indian IT Services Companies, FY2023–FY2025

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Abstract

Purpose. Comparative studies of Indian IT services firms mostly report levels of revenue, profit and ratios. Fewer ask how revenue growth is converted into reported profit growth. This study examines how revenue growth and margin change jointly account for year-to-year changes in profit after tax (PAT), and how much of the dispersion in PAT margins is firm-specific. **Design.** Descriptive and exploratory analysis of consolidated revenue from operations and PAT attributable to owners for six large listed firms (TCS, Infosys, HCLTech, Wipro, Tech Mahindra, LTIMindtree) for FY2023–FY2025: 18 firm-years and 12 growth observations. An exact log decomposition separates a revenue component from a margin component. **Findings.** Revenue growth was modest (mean 3.9% in FY2024 and 4.5% in FY2025), whereas PAT growth ranged from −51.2% to +80.3%. The margin component exceeded the revenue component in four of twelve firm-years, all at Wipro and Tech Mahindra. No monotonic association between revenue growth and PAT growth was detectable (Spearman $\rho = 0.09$, $n = 12$; permutation $p = 0.77$; bootstrap 95% interval −0.29 to 0.52), although power is low. About 92% of the variance in PAT margin lay between firms. A sensitivity check shows that unverified secondary figures would have changed the FY2024 PAT-growth ranking materially. **Limitations.** Purposive sample, three fiscal years, secondary data, no cost-line or exceptional-item adjustment. **Contribution.** A verified, provenance-documented dataset and a transparent decomposition that separates scale effects from margin effects, with explicit limits on inference.

Keywords: Indian IT services; profit growth decomposition; PAT margin; comparative financial analysis; financial data verification. **JEL:** G30, L86, M41.

1. Introduction

Large Indian IT services companies are routinely compared on revenue, profit and margin. Industry estimates cited in recent studies place the sector's FY2025 revenue at roughly USD 283 billion including hardware (Chandrika & Salauddin, 2026), and the listed majors are widely treated as sector bellwethers. A comparison built only on levels, however, mixes scale with performance. A firm can report rising revenue and nearly flat profit, or flat revenue and sharply higher profit, and a single-year ranking by PAT growth can be dominated by the base year.

In the two years examined here, rupee revenue growth across the six firms was modest and fairly uniform, while PAT growth was widely dispersed. That pattern invites a simple question that standard ratio comparisons do not answer directly: when profit moves, how much of the movement comes from revenue growth and how much from a change in the profit margin? This paper answers that question for six firms and three fiscal years with an exact arithmetic decomposition, and it reports what can and cannot be inferred from so few observations.

Research questions. RQ1: How did revenue growth, PAT growth and PAT margin differ across the six firms in FY2024 and FY2025? RQ2: How much of each firm-year's PAT growth is attributable to revenue growth versus margin change? RQ3: Is revenue growth associated with PAT growth across firm-years, and is variation in PAT margin mainly between firms or within firms over time?

Contribution. The paper (i) assembles a verified, provenance-documented dataset; (ii) applies a transparent decomposition of profit growth that separates volume from margin effects; (iii) reports exploratory statistics with intervals and without over-claiming; and (iv) shows, through a sensitivity check, how conclusions change when unverified secondary figures are used. The study is descriptive and exploratory. It does not explain *why* margins moved.



2. Background and research problem

IT services is labour-intensive and export-oriented, so reported rupee profit depends on utilisation, pricing, wage cost, mix, exchange rates and one-off items, not only on revenue. Peer comparisons in practitioner and student work typically rank firms on revenue, PAT and PAT margin in a single year. Three problems follow. First, levels reflect scale, so rankings on absolute PAT are largely rankings of size. Second, growth rates computed from a depressed or elevated base can mislead: a firm recovering from a weak year can show very high PAT growth while remaining below its earlier profit. Third, comparisons assembled from convenient secondary sources can embed definitional inconsistencies, such as mixing profit attributable to owners with total profit for the period. The research problem is therefore how to compare growth and profitability across large Indian IT firms in a way that separates scale, margin and data-definition effects.

3. Literature review

Search note. The search used open web sources and indexing sites (publisher pages, RePEc/IDEAS, DOAJ and repositories). Sources whose authors, year, journal and identifier could be confirmed are reviewed below; others are listed in Appendix A as unconfirmed and are not relied on. Fewer than the 15–25 sources targeted could be confirmed; the review is therefore indicative, not systematic.

3.1 Comparative financial performance of Indian IT firms

An early comparison attributed to Bansal (2015) in a later reference list examined TCS, Wipro, Infosys and Tech Mahindra for 2010–2014 using financial-statement and DuPont-type analysis; the journal page confirms the title, the period and the firms, while the author and volume details come from a secondary citation (Appendix A). Bansal, Kar and Mishra (2022) analysed Indian IT and consulting firms from April 2012 to March 2018 with panel regression and a Hausman test, and reported that working-capital turnover was significantly related to profitability whereas asset turnover and debtor turnover were not.

More recent work covers the latest years. Malarvizhireka (2026) ranked eight IT firms on FY2024–25 revenue and profit and concluded that the largest firms, TCS and Infosys, show the highest revenue and profitability. Chandrika and Salauddin (2026) studied ten listed firms, including all six analysed here, for FY2020–21 to FY2024–25, using ratio and trend analysis, one-way ANOVA and a paired t-test, and a forecast and discounted-cash-flow valuation. They reported significant between-firm differences in return on equity, net profit margin and debt-equity ratio, and Tech Mahindra as the only firm with a negative five-year profit CAGR. They acknowledged that reported figures could not be independently verified. That paper was published in a lesser-known outlet (IRE Journals), so its evidential weight should be judged accordingly.

3.2 Growth and profitability

Outside the Indian IT context, the growth–profitability relationship is described as unsettled. Lefebvre (2024), using 65,599 French private firms for 2010–2019, found that cost stickiness moderates the sales-growth–profitability link: in fast-growing firms it is positive, while in slow- or no-growth firms it is negative. Weiss, Herrmann, Khoury, Kreutzer and Hummel (2023), using 13 years of German firm data, reported an inverted-U relation between growth and return on assets, driven mainly by acquisitive growth. Honjo (2018), studying Colombian start-ups, found little evidence that profitability raises sales growth and some support for profitability arising from sales growth. These studies differ in context and measures, and none concerns IT services.

3.3 Cost behaviour

Anderson, Banker and Janakiraman (2003), using 7,629 firms over 20 years, showed that selling, general and administrative costs rise by about 0.55% per 1% increase in sales but fall by only about 0.35% per 1% decrease. If similar asymmetry applies to IT services delivery costs, slow revenue growth could compress margins and a later volume recovery could widen them. This paper has no cost-line data and does not test that mechanism; it is noted as a plausible interpretation for future work.

4. Research gap

Among the sources retrieved, studies of Indian IT firms (a) report levels, ratios, rankings or ANOVA across firms; (b) in several cases cover one fiscal year; and (c) do not separate profit growth into revenue and margin components or test how sensitive conclusions are to data provenance. Chandrika and Salauddin (2026) themselves note that most Indian IT-sector studies stop at historical ratios and trends. The gap claimed here is deliberately narrow: *the retrieved Indian IT comparisons do not decompose profit growth into volume and margin effects and do not document data verification*. This is a statement about the sources retrieved, not proof of absence; it must be re-checked in Scopus, Web of Science and Google Scholar before submission. A study that merely re-ranks the same firms over a different period would not



constitute a gap, and the preliminary title that proposed such a study was not adopted (Appendix E).

5. Research objectives and hypotheses

Objective	Research question	Measure / test
O1. Describe revenue growth, PAT growth and PAT margin by firm and year	RQ1	Descriptive statistics; Tables 2–3
O2. Decompose PAT growth into revenue and margin components	RQ2	Exact log decomposition; Table 4, Figure 3
O3. Assess association between revenue growth and PAT growth	RQ3; H1	Spearman ρ, Kendall τ, within-year permutation test, firm-cluster bootstrap interval
O4. Assess whether PAT-margin variation is mainly between firms	RQ3; H2	ICC(1) from one-way ANOVA decomposition; Friedman test across years
O5. Show sensitivity of conclusions to data provenance	Supplementary	Comparison of preliminary vs verified FY2024 PAT growth; Table 7

$H1_0$: Revenue growth and PAT growth are not monotonically associated across firm-years. **$H1_1$:** They are positively associated. **$H2_0$:** Between-firm and within-firm components of PAT-margin variance do not differ (ICC = 0). **$H2_1$:** Between-firm variance dominates (ICC > 0). No other hypotheses are tested, because the data (6 firms, 3 years) do not support models with controls such as size, leverage or cost ratios.

6. Research methodology

6.1 Design, sample and period

The design is descriptive and exploratory, using secondary quantitative data. The sample is purposive: six NSE/BSE-listed firms whose principal business is IT services and for which consolidated results for FY2023, FY2024 and FY2025 could be assembled and cross-checked. Inclusion criteria were (i) listing on a major Indian exchange, (ii) IT services as the main business,

(iii) a 31 March fiscal year-end (all six), and (iv) availability of consolidated revenue and PAT in at least two independent sources. Product-licensing or specialised firms, mid-cap firms, unlisted firms and foreign-listed firms were excluded to keep business models broadly comparable; this limits generalisation (Section 10). The period is FY2023–FY2025 (April–March). The period was not extended, because earlier years could not be verified within this study.

Variables and definitions

Revenue is consolidated revenue from operations in ₹ crore (for Wipro, gross revenue as reported by the company). **PAT** is consolidated profit after tax attributable to owners of the company; for LTIMindtree the headline net profit is used, which differs from the owners' figure by under 0.1% (Appendix B). Growth and margin are defined as follows.

Revenue growth (%) = $(R_t - R_{t-1}) / R_{t-1} \times 100$; PAT growth (%) = $(PAT_t - PAT_{t-1}) / PAT_{t-1} \times 100$; PAT margin (%) = $PAT_t / R_t \times 100$.

Decomposition. Because PAT = R × m, where m is the PAT margin, $PAT_t/PAT_{t-1} = (R_t/R_{t-1}) \times (m_t/m_{t-1})$. Taking logs gives $\ln(PAT_t/PAT_{t-1}) = \ln(R_t/R_{t-1}) + \ln(m_t/m_{t-1})$. The two terms are the revenue component and the margin component, reported in log points (×100). The identity is exact; it describes *what moved*, not *why*.

Operating margin was not used. The retrieved sources define operating profit differently (EBIT, PBIT, EBITDA, vendor-standardised), and a consistent company-defined measure could not be assembled for all firm-years. A vendor-standardised series is shown descriptively in Appendix D to illustrate the problem.

6.2 Data collection, verification and treatment

Figures were taken from company results announcements and exchange filings as reproduced by news agencies, SEC exhibits and company-release reproductions, and each series was compared across at least two independent reproductions where possible. A preliminary compilation prepared during the MBA project served as a starting point only; discrepancies were resolved in favour of the verified figures (Appendix C). All values are consolidated and in ₹ crore; no currency conversion was applied. No missing value was imputed. One value, LTIMindtree's FY2023 revenue, is *implied* by the reported FY2024 revenue and its reported 7.03% growth; it is flagged and affects only LTIMindtree's FY2024 growth. Exceptional items and acquisitions were not adjusted, because reliable comparable disclosures were not assembled; reported PAT is used as reported.

6.3 Statistical approach

With 12 growth observations nested in six firms, observations are not independent, and parametric regression or panel models would be unreliable. The analysis is therefore descriptive, with four exploratory checks: (1) Spearman's ρ and Kendall's τ between revenue growth and PAT growth across the 12 firm-years; (2) a permutation test that shuffles PAT growth within



each year (20,000 permutations, seed 42) to respect the year structure; (3) a firm-cluster bootstrap (5,000 resamples) for an interval on ρ; and (4) the intraclass correlation ICC(1) from a one-way variance decomposition of PAT margin by firm, plus a Friedman test of margin across the three years (blocks = firms). Reported intervals and p-values are descriptive indicators of compatibility with the data, not evidence of causal effects. Calculations were run in Python (NumPy, pandas, SciPy).

7. Results

7.1 Dataset

Table 1 gives the verified dataset. Revenue and PAT figures are rounded to the nearest ₹ crore for display; calculations use the unrounded values in Appendix B.

Table 1. Consolidated revenue from operations and PAT, ₹ crore

Firm	Revenue FY23	Revenue FY24	Revenue FY25	PAT FY23	PAT FY24	PAT FY25
TCS	225,458	240,893	255,324	42,147	45,908	48,553
Infosys	146,767	153,670	162,990	24,095	26,233	26,713
HCLTech	101,456	109,913	117,055	14,851	15,710	17,390
Wipro	90,488	89,760	89,088	11,350	11,045	13,135
Tech Mahindra	53,290	51,996	52,988	4,832	2,358	4,252
LTIMindtree	33,183	35,517	38,008	4,410	4,585	4,602

Sources: see Appendix B. PAT is attributable to owners (LTIMindtree: headline net profit). Wipro revenue is gross revenue. LTIMindtree FY23 revenue is implied from reported growth.

7.2 Growth and margins (RQ1)

Table 2. PAT margin and year-on-year growth

Firm	PAT margin FY23 (%)	PAT margin FY24 (%)	PAT margin FY25 (%)	Rev. growth FY24 (%)	Rev. growth FY25 (%)	PAT growth FY24 (%)	PAT growth FY25 (%)
TCS	18.69	19.06	19.02	6.85	5.99	8.92	5.76
Infosys	16.42	17.07	16.39	4.70	6.06	8.87	1.83
HCLTech	14.64	14.29	14.86	8.34	6.50	5.78	10.69
Wipro	12.54	12.31	14.74	-0.80	-0.75	-2.69	18.92
Tech Mahindra	9.07	4.53	8.02	-2.43	1.91	-51.20	80.32
LTIMindtree	13.29	12.91	12.11	7.03	7.01	3.96	0.38

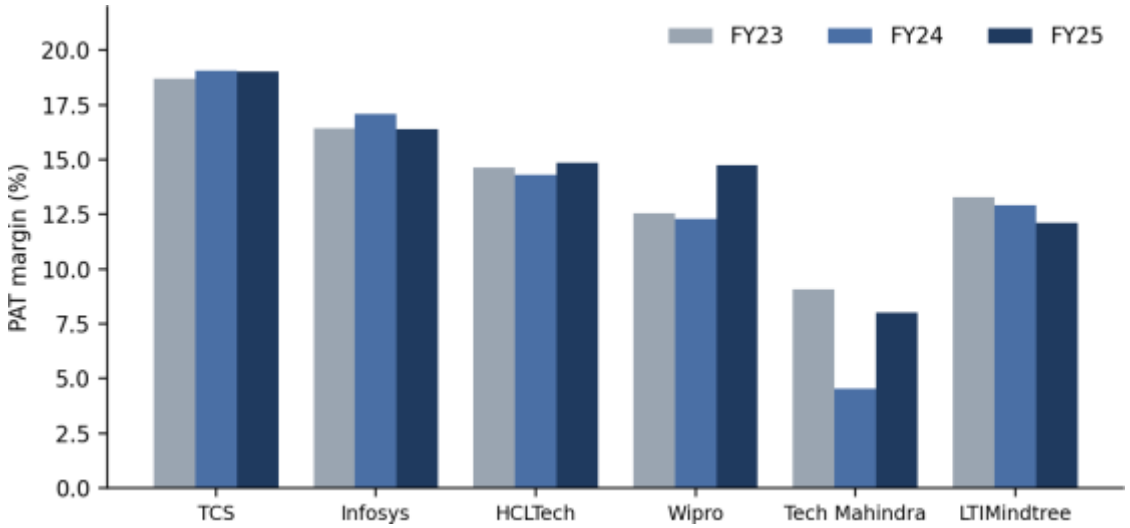
Own calculation from Table 1 (unrounded inputs).

Revenue growth was modest and uneven: the cross-firm mean was 3.9% in FY2024 (median 5.8%) and 4.5% in FY2025 (median 6.0%). Wipro's revenue fell slightly in both years (−0.8% and −0.8%) and Tech Mahindra's fell 2.4% in FY2024 before rising 1.9% in FY2025. PAT growth was far more dispersed. In FY2024 it ranged from −51.2% (Tech Mahindra) to +8.9% (TCS), with a mean of
−4.4% and a median of +4.9%; in FY2025 it ranged from +0.4% (LTIMindtree) to +80.3% (Tech Mahindra), with a mean of +19.7% and a median of +8.2%. Excluding Tech Mahindra, the FY2025 mean falls to 7.5% and the FY2024 mean rises to 5.0%, which shows how strongly one firm drives the averages.

PAT margins in FY2025 ranged from 8.0% (Tech Mahindra) to 19.0% (TCS); the cross-firm mean was 14.2% (SD 3.8). The order in FY2025 was TCS (19.0%), Infosys (16.4%), HCLTech (14.9%), Wipro (14.7%), LTIMindtree (12.1%) and Tech Mahindra (8.0%). Margin ordering was largely stable across years, with Wipro's FY2025 margin rising above its FY2023 level and Tech Mahindra's FY2025 margin remaining below its FY2023 level (9.1%).



Figure 1. PAT margin by firm and fiscal year



Source: own calculation from Appendix B data.

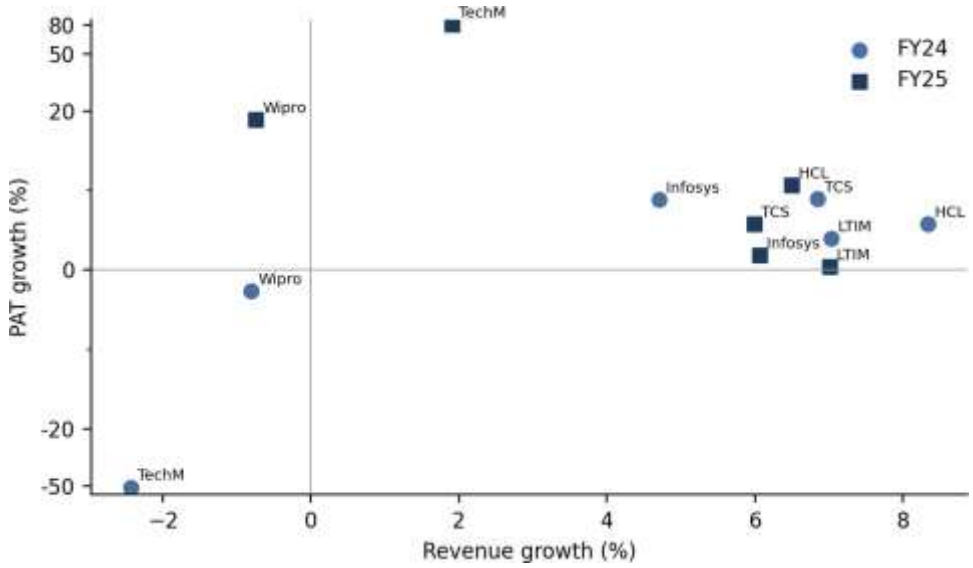
7.3 Decomposition of PAT growth (RQ2)

Table 3. Log decomposition of year-on-year PAT change (log points × 100)

Firm	Year	Log PAT change	Revenue component	Margin component	Margin change (pp)	Larger component
TCS	FY24	8.5	6.6	1.9	0.36	Revenue
TCS	FY25	5.6	5.8	-0.2	-0.04	Revenue
Infosys	FY24	8.5	4.6	3.9	0.65	Revenue
Infosys	FY25	1.8	5.9	-4.1	-0.68	Revenue
HCLTech	FY24	5.6	8.0	-2.4	-0.34	Revenue
Firm	**Year**	**Log PAT change**	**Revenue component**	**Margin component**	**Margin change (pp)**	**Larger component**
HCLTech	FY25	10.2	6.3	3.9	0.56	Revenue
Wipro	FY24	-2.7	-0.8	-1.9	-0.24	Margin
Wipro	FY25	17.3	-0.8	18.1	2.44	Margin
Tech Mahindra	FY24	-71.8	-2.5	-69.3	-4.53	Margin
Tech Mahindra	FY25	59.0	1.9	57.1	3.49	Margin
LTIMindtree	FY24	3.9	6.8	-2.9	-0.38	Revenue
LTIMindtree	FY25	0.4	6.8	-6.4	-0.80	Revenue

Own calculation. Log PAT change = revenue component + margin component. Log points approximate percentage change for small changes; large changes (Tech Mahindra) differ from the percentage figures in Table 2.

Figure 2. Revenue growth and PAT growth, FY2024 and FY2025 (vertical axis symmetric-log scaled)

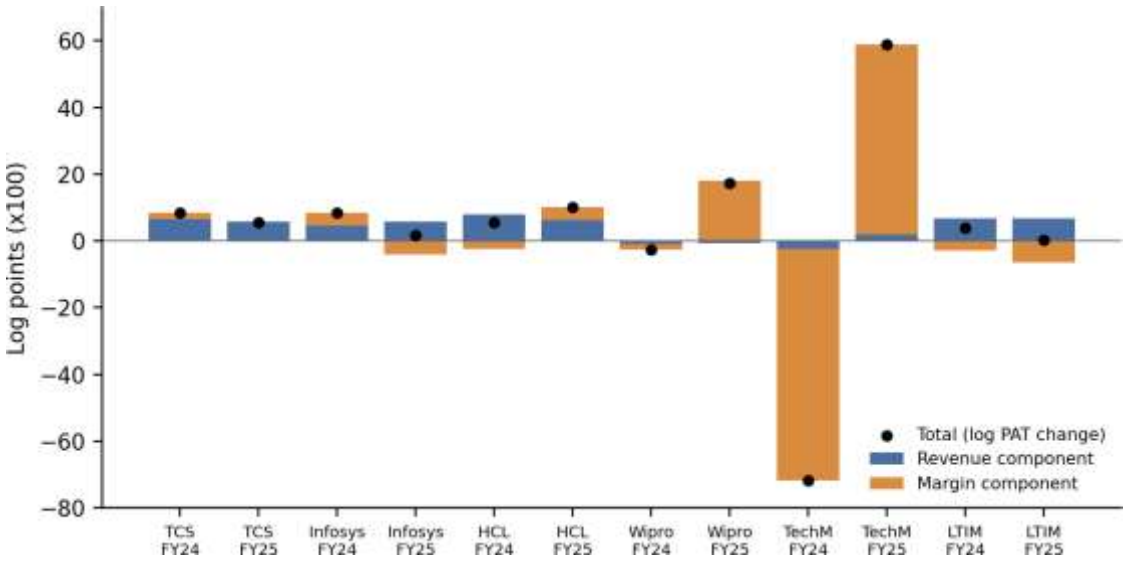


Source: own calculation. Each point is one firm-year (n = 12).



The margin component was the larger of the two in four of twelve firm-years: Wipro in both years and Tech Mahindra in both years. These are the two firms with flat or falling revenue. For TCS, Infosys, HCLTech and LTIMindtree, the revenue component exceeded the margin component in every year. LTIMindtree illustrates the opposite pattern to Wipro: a revenue component of about
+6.8 log points in both years was offset by margin components of −2.9 and −6.4 points, leaving PAT almost flat in FY2025. Infosys shows a smaller version: a positive margin component in FY2024 (+3.9) and a negative one in FY2025 (−4.1).

Figure 3. Revenue and margin components of PAT change (log points × 100)



Source: own calculation. Black dots show total log PAT change.

7.4 Two-year view

Table 4. Two-year compound growth and net margin change

Firm	Revenue CAGR FY23–25 (%)	PAT CAGR FY23–25 (%)	PAT margin change FY23→FY25 (pp)
TCS	6.42	7.33	0.32
Infosys	5.38	5.29	-0.03
HCLTech	7.41	8.21	0.22
Wipro	-0.78	7.58	2.20
Tech Mahindra	-0.28	-6.20	-1.04
LTIMindtree	7.02	2.15	-1.18

Own calculation. A two-year CAGR uses only the FY2023 and FY2025 endpoints and hides the intervening year.

Over the two years, PAT grew faster than revenue at TCS, HCLTech and Wipro (margin gains of
+0.3, +0.2 and +2.2 percentage points), grew at about the same rate as revenue at Infosys, and grew more slowly than revenue at LTIMindtree (−1.2 points) and Tech Mahindra (−1.0 point). Tech Mahindra's FY2025 PAT growth of 80.3% followed a 51.2% fall; in two-year terms its FY2025 PAT (₹4,252 crore) is about 12% below its FY2023 level (₹4,832 crore). Single-year growth can therefore overstate recovery.

7.5 Exploratory inference (RQ3)

Table 5. Exploratory statistics

Question	Method (n)	Result	Reading
Rev. growth vs PAT	Spearman ρ (12 firm-years) growth	ρ = 0.09; permutation p = 0.77	No detectable monotonic association
	Kendall τ (12)	τ = 0.03; p = 0.95	Consistent with ρ
Firm-cluster bootstrap (6 firms)		95% interval for ρ: -0.29 to 0.52	Compatible with zero and with moderate positive association
Firm-level growth	Spearman ρ, revenue CAGR vs PAT CAGR (6)	ρ = 0.26; p = 0.62	Not informative with n = 6
PAT margin: between vs firm	ICC(1), one-way decomposition (6 within × 3)	ICC = 0.92; F(5,12) = 35.5	About 92% of margin variance lies between firms; descriptive
Margin movement across years	Friedman test (blocks = 6 firms)	$\chi^2(2) = 0.33$; p = 0.85	No systematic common shift in margin across years

Own calculation. The permutation p-value shuffles PAT growth within year. The ICC treats the three annual margins of a firm as exchangeable



replicates, which is a strong assumption because annual margins are serially dependent; the F-value is shown for transparency and is not used for a significance claim.

H1 is not supported: the estimated rank correlation is close to zero, but the interval is wide (−0.29 to 0.52), so the data cannot distinguish no association from a moderate positive one. The result reflects two features of the data: low revenue-growth dispersion (mostly between −2% and +8%) and PAT growth driven by margin movements at a few firms. H2 is supported descriptively: most margin variance is between firms, which agrees in direction with the significant between-firm differences in net margin reported by Chandrika and Salauddin (2026) for a larger sample and a different period. The Friedman result indicates that margins did not shift in a common direction across years.

7.6 Sensitivity to data provenance

Table 6. Preliminary versus verified figures

Item	Preliminary compilation	Verified	Effect on FY2024 PAT growth
TCS FY23 PAT (₹ crore)	44,870	42,147	2.3% vs 8.9%
Tech Mahindra FY23 PAT (₹ crore)	2,403	4,832	−1.9% vs −51.2%
Infosys FY23 PAT (₹ crore)	24,108 (profit for the period)	24,095 (owners)	8.81% vs 8.87%; basis mixed in preliminary figures
Rank by FY24 PAT growth (1 = highest)	Infosys 1, HCLTech 2, LTIMindtree 3, TCS 4, Tech Mahindra 5, Wipro 6	TCS 1, Infosys 2, HCLTech 3, LTIMindtree 4, Wipro 5, Tech Mahindra 6	Rank order changes for all six firms

Own calculation. The preliminary compilation was prepared during the MBA project and is described in Appendix C.

Three discrepancies in the preliminary compilation changed FY2024 conclusions materially. The largest error would have shown a 1.9% decline in Tech Mahindra's FY2024 PAT, where the verified decline is 51.2%. The finding is methodological: comparative studies built on unverified secondary tables can reach different rankings from the filings.

8. Discussion

Scale and margin are different things. In both years the largest firm by revenue (TCS) also had the highest PAT margin, consistent with Malarvizhireka's (2026) conclusion that the largest firms show the highest profitability. Scale alone does not explain the other positions, however: HCLTech and Wipro had similar FY2025 margins (14.9% and 14.7%) with very different revenue growth, and LTIMindtree had the highest revenue growth in FY2025 (7.0%) but a margin below those of four peers. Higher revenue or higher PAT is not, by itself, evidence of better performance; the decomposition shows that the revenue and margin components often pull in different directions.

Margin-led versus volume-led profit change. PAT change was margin-led only at Wipro and Tech Mahindra, the two firms with flat or falling revenue. In Wipro's case the FY2025 increase in PAT of 18.9% on slightly lower revenue is entirely a margin effect (+18.1 log points). The data cannot say whether the margin gain came from cost control, delivery mix, other income, tax or one-off items, because no cost lines were analysed. For Tech Mahindra, media coverage of its FY2024 results attributed the profit decline to difficulties in its communications segment, but that attribution was not tested here, and the paper does not claim a cause. The sharp FY2024 fall and FY2025 rebound are best read together: net of both moves, FY2025 PAT remained about 12% below FY2023.

Revenue growth and profit growth. The absence of a detectable rank association between revenue growth and PAT growth ($\rho = 0.09$) does not show that growth is unimportant for profit. With six firms, two annual observations each, and revenue growth confined to a narrow range, the study has little power, and the interval (−0.29 to 0.52) includes moderate positive association. The larger studies of the growth–profitability relationship cited earlier find conditional rather than uniform relations (Lefebvre, 2024; Weiss et al., 2023). The cost-asymmetry literature (Anderson et al., 2003) suggests a mechanism by which slow revenue growth could compress margins, which would be compatible with the margin declines at LTIMindtree in both years, but the present data neither confirm nor reject it.

Relation to earlier Indian IT studies. Our two-year PAT CAGR for Tech Mahindra is negative (−6.2%), in the same direction as the negative five-year profit CAGR reported by Chandrika and Salauddin (2026), and our FY2025 Tech Mahindra PAT margin (8.0%) matches their reported 8.03%. The high between-firm share of margin variance agrees with their ANOVA finding of significant differences in net margin. Differences in period, sample and method mean this is a consistency check, not a replication.

9. Managerial and practical implications

For analysts and investors. Treat single-year PAT growth with caution when the prior year was unusually weak or strong, and decompose profit change into revenue and margin components before ranking firms. A margin-led improvement



(Wipro, FY2025) and a volume-led improvement (HCLTech, FY2025, where the revenue component was larger) imply different questions about durability. **For finance managers.** Reporting profit growth alongside the revenue and margin components, as in Table 3, makes it easier to see whether a result came from growth or from cost and mix. **For researchers and students.** Record the definition of PAT and revenue used for each firm, avoid mixing total and owner-attributable profit, and keep the source and verification status of every figure.

10. Limitations

(1) The sample is six purposively chosen large firms over three years; results do not generalise to mid-cap, product or unlisted firms. (2) With 12 growth observations nested in six firms, inferential statistics are exploratory and low-powered. (3) PAT is reported profit and is not adjusted for exceptional items; for example, TCS's results material footnotes a legal-claim settlement in FY2024 that was not quantified here. Acquisitions, mergers (LTIMindtree) and currency effects were not adjusted. (4) Operating margin was not analysed because of inconsistent definitions. (5) The figures were verified against secondary reproductions of company results and filings, not against page-numbered annual reports; LTIMindtree's FY2023 revenue is implied. (6) FY2025–26 results have since been published (one company's FY2026 results were encountered during data checks) and are not included; a submission in late 2026 should add them or justify their omission. (7) No causal conclusion is drawn about AI, management quality or any other factor.

11. Future research directions

Extend the window to FY2020–21 and FY2025–26 with page-referenced primary data; add mid-cap firms to reach a sample suitable for panel methods with firm and year effects; decompose the margin component into employee cost, other operating cost, other income, depreciation and tax using audited cost lines; adjust for exceptional items and acquisitions; use constant-currency revenue; and test the cost-asymmetry mechanism of Anderson et al. (2003) using sector data.

12. Conclusion

For six large Indian IT services firms in FY2024 and FY2025, revenue growth was modest while PAT growth was widely dispersed. An exact decomposition shows that profit change was volume-led for four firms and margin-led for two (Wipro, Tech Mahindra). No monotonic association between revenue growth and PAT growth could be detected in 12 firm-years, but the data are too limited to rule out a moderate one. Most variation in PAT margin lies between firms. Unverified secondary figures would have changed FY2024 PAT-growth conclusions materially, so provenance documentation is part of the contribution. The findings are descriptive and exploratory; extending the sample and period, and analysing cost lines, are the next steps.

Declarations

Prior dissemination and origin. This manuscript is derived from an MBA on-the-job-training project report submitted at the School of Business, Indira University (academic year 2026–27) [author to confirm that the institution permits publication of project-derived work and to follow the target journal's policy on prior dissemination]. The analysis, dataset verification and text were substantially redeveloped from that report. **Data availability.** All data used are in Appendix B with sources. **Ethics.** The study uses public company disclosures and involves no human participants; [author to confirm that the institution and target journal require no further statement]. **Funding.** [to be completed]. **Competing interests.** [to be completed by the author]. **Author contributions.** [to be completed by the author]. **Use of AI tools.** [Author to disclose in line with the target journal's policy.] An AI system (Anthropic's Claude) was used to support literature searching, data cross-checking, calculation scripting and drafting; the author is responsible for verifying all content before submission. **Acknowledgements.** [to be completed, including the faculty guide and industry mentor if appropriate].

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Data sources (company results announcements, exchange filings and their reproductions): see Appendix B.

Cited by secondary citation only: Bansal (2015), The IUP Journal of Accounting Research & Audit Practices, 14(4); the title, period and journal were confirmed on the IUP page, but the author and volume come from the reference list of Chandrika and Salauddin (2026). Not included in the verified reference list.

Appendix A. Literature matrix and verification status

Status key: **Confirmed** = authors, year, title, outlet and identifier seen on a publisher, indexing or repository page. **Partial** = some bibliographic fields not confirmed. **Unconfirmed** = identified but not relied on. Only 7 sources reached Confirmed or Partial status, below the 15–25 targeted; a database search (Scopus, Web of Science, Google Scholar, Crossref) by the author is required before submission.

Source	Status	Context / period	Method	Main findings	Relevance and limits
Chandrika & Salauddin (2026)	Confirmed (DOI; low-profile outlet)	10 listed Indian IT firms incl. all six here; FY2020–21 to FY2024–25	Ratio, trend, ANOVA, paired t-test, DCF	Significant between-firm differences in ROE, NPM, D/E; Tech Mahindra only negative profit CAGR; most listed firms priced above modelled value	Closest overlap in firms and period; did not decompose profit growth; authors note figures not independently verified
Malarvizhireka (2026)	Partial (volume/pages)	8 Indian IT firms; FY2024–25	Ranking and profitability ratios	Larger firms (TCS, Infosys) show higher revenue and profitability	Single year; no growth decomposition
Bansal, Kar & Mishra (2022)	Partial (pages, DOI)	Indian IT and consulting sector; Apr 2012–Mar 2018	Panel regression; Hausman test	Working-capital turnover significant for profit margin; asset and debtor turnover not	Older period; turnover ratios rather than growth
Lefebvre (2024)	Confirmed	65,599 French private firms; 2010–2019	Regression with cost-stickiness moderation	Cost stickiness moderates growth–profit link; sign depends on growth rate	Not IT; private firms
Weiss et al. (2023)	Partial (volume/issue)	German firms; 13 years	Panel data; ROA	Inverted-U growth–profitability, driven by acquisitive growth	Not IT; ROA not PAT margin
Anderson, Banker & Janakiraman (2003)	Confirmed	7,629 US firms; 20 years	SG&A cost behaviour regressions	SG&A rises ~0.55% per 1% sales rise, falls ~0.35% per 1% fall	Seminal; mechanism untested here
Honjo (2018)	Confirmed	Colombian start-ups	Regression	Little evidence profitability raises sales growth; profit derived from sales growth	Start-ups; limited relevance
Bansal (2015), IUP Journal 14(4)	Partial (secondary citation)	TCS, Wipro, Infosys, Tech Mahindra; 2010–2014	Financial-statement and DuPont analysis	Title, period, firms confirmed on IUP page	Author/volume from another paper's reference list
Rathi & Goyal, *Productivity* (TCS case study)	Unconfirmed (year/volume)	TCS; last five years	Trend, DuPont, Altman model	—	Not relied on
"Assessing the financial health of IT companies: a CMIE data driven analysis" (AIJR Abstracts, 2025)	Unconfirmed (author attribution inconsistent on page)	TCS, Wipro, Infosys; 2019–2024	CMIE data indicators	—	Conference abstract; not relied on
"Top four Indian IT companies: financial investigation" (IIUM J. Case Studies in Management)	Unconfirmed (authors, volume)	TCS, HCL, Wipro, Infosys	DuPont, ratio analysis	—	Case study; not relied on

Appendix B. Dataset, definitions and sources

Unrounded values, ₹ crore. Status: **V2** = agreed across two or more independent reproductions of company announcements or filings; **V1** = one reproduction plus consistency checks; **I** = implied from a reported growth rate. Primary annual-report page numbers: **pending** for all series.



Firm	Measure	FY23	FY24	FY25	Status	Principal sources (all retrieved October 2026)
TCS	Revenue	225,458	240,893	255,324	V2	Business Standard/Capital Market, 12 Apr 2024; PTI via The Week, 12 Apr 2024; TCS release 10 Apr 2025 (tataworld.com) and Q4 FY25 fact sheet (tcs.com)
	PAT (owners)	42,147	45,908	48,553	V2	Same
Firm	**Measure**	**FY23**	**FY24**	**FY25**	**Status**	**Principal sources (all retrieved October 2026)**
Infosys	Revenue	146,767	153,670	162,990	V2	Infosys Form 6-K exhibits FY2024 and FY2025 (sec.gov); Capital Market, 18 Apr 2024; Capital Market via cholasecurities.com, Apr 2025
	PAT (owners)	24,095	26,233	26,713	V2	Same. Profit for the period (incl. non-controlling) is 24,108 / 26,248 / 26,750
HCLTech	Revenue	101,456	109,913	117,055	V2 (FY24–25); V1 (FY23)	Business Standard/Capital Market, 26 Apr 2024 and 23 Apr 2025; PTI via The Week, 22 Apr 2025
	PAT (owners)	14,851	15,710	17,390	V2 (FY25); V1 (FY23–24)	Same; stockezee.com financial summary. Capital Market lists 15,702 (FY24) and 17,399 (FY25)
Wipro	Revenue (gross)	90,487.6	89,760.3	89,088.4	V2 (FY23–24); V1 (FY25)	Capital Market via Business Standard, 19 Apr 2024 and 17 Apr 2025; Investing.com financial summary (₹ million series)
	PAT (owners)	11,350.0	11,045.2	13,135.4	V1–V2	Same
Tech Mahindra	Revenue	53,290	51,995.5	52,988.3	V2 (FY23–24); V1 (FY25)	Company results release 27 Apr 2023 (cxotoday.com); Capital Market via Arihant Capital, Apr 2024; PTI via Daily Pioneer; Business Standard/Capital Market, 25 Apr 2025
	PAT (owners)	4,832	2,357.8	4,251.5	V2 (FY23–24); V1 (FY25)	Same. Total consolidated profit incl. non-controlling interest is 4,857 (FY23) and 2,396.8 (FY24)
LTIMindtree	Revenue	33,183	35,517	38,008.1	I (FY23); V2 (FY24–25)	Company release via Business Wire/The Week, 25 Apr 2024; Deccan Herald; Business Standard/Capital Market, 23 Apr 2025. FY23 implied by reported +7.03% FY24 growth
	PAT (headline)	4,410	4,584.6	4,602.0	V2 (FY24–25); V1 (FY23)	Same; YourStory, Apr 2023 (FY23). Capital Market owners' figures: 4,582.1 (FY24), 4,598.7 (FY25)

Basis: consolidated, fiscal years ending 31 March. Sources were news-agency, filing and company-release reproductions; the author must replace or supplement them with page-referenced annual reports (Integrated Annual Reports 2024–25 and 2023–24) before submission.

Appendix C. Discrepancies between the preliminary compilation and verified data

#	Item	Preliminary value	Verified value	Note
1	TCS FY23 PAT	44,870	42,147	Large difference; changes FY24 PAT growth from 2.3% to 8.9%
2	Tech Mahindra FY23 PAT	2,403	4,832	Changes FY24 PAT growth from −1.9% to −51.2%
3	Tech Mahindra FY23 revenue	53,824	53,290	Company-reported
4	Infosys PAT basis	FY23 24,108 (profit for period); FY24 26,233 (owners)	24,095 / 26,233 (owners)	Mixed basis within one series
5	Wipro revenue	90,935 / 89,794 / 89,092	90,487.6 / 89,760.3 / 89,088.4	Total revenue vs gross revenue/sales definitions
6	Tech Mahindra FY25 PAT growth	"80.4%", and "76.7% in the official release"	80.3% (annual)	The 76.5% figure appears in a quarterly Q4 report; possible confusion, unconfirmed
7	HCLTech FY24 PAT	15,702	15,710 (owners)	Minor; vendor versus company/agency figure
8	Tech Mahindra FY25 PAT	4,253	4,251.5	Minor

Appendix D. Vendor-standardised operating margin (descriptive only)

Firm	FY23 (%)	FY24 (%)	FY25 (%)
TCS	26.28	26.69	not retrieved
Infosys	23.94	23.70	24.07
HCLTech	22.30	22.02	21.79
Wipro	18.61	18.66	20.23
Tech Mahindra	not retrieved	8.67	13.14
LTIMindtree	not retrieved	17.98	17.09

Source: operating profit margin (OPM %) as published in Capital Market results tables via Business Standard. This is a data-vendor definition, not the company-defined EBIT or EBITDA margin; for example, the vendor Q4 FY2024 figure for Tech Mahindra (8.54%) differs from the company-



reported EBITDA margin (10.9%). It was therefore excluded from the analysis.

Appendix E. Candidate titles and journal shortlist

Candidate title	Clarity	Relevanc e	Data	Feasibili ty	Contribution	Verdict
1. Financial Performance and Profitability Analysis of Selected Indian IT Companies: A Comparative Study of FY 2020–21 to FY 2024–25 (preliminary title)	High	Medium	Low (only FY23–25 verified)	Low	Low: overlaps Chandrika & Salauddin (2026) and Malarvizhireka (2026)	Not adopted
2. From Revenue Growth to Reported Earnings: Decomposing Profit Growth and Profitability in Six Large Indian IT Services Companies, FY2023–FY2025	High	High	Verified	High	Moderate (narrow, method-based)	**Recommend ed**
3. Scale, Margins and Earnings Conversion in Indian IT Services: Evidence from Six Listed Firms	Medium	Medium	Verified	High	Moderate	Alternative
4. Does Revenue Growth Translate into Profit Growth? Evidence from Indian IT Services Firms	High	Medium	Verified	Medium	Low–moderate: result is inconclusive	Alternative
5. Data Provenance in Comparative Financial Analysis: A Verification Study of Indian IT Companies	Medium	Medium	Verified	Medium	Narrow, methodological	Alternative

Journal	Publisher	Why considered	Verified in this study	Still to verify before submission
Journal of Accounting & Organizational Change	Emerald	Published Lefebvre (2024), a growth–profitability study	Existence, ISSN 1832-5912	Scope, article types, APC, formatting, AI policy, indexing, rules on project-derived work
International Journal of Accounting, Auditing and Performance Evaluation	Inderscience	Published Bansal et al. (2022) on Indian IT profitability	Existence; Vol. 18 No. 2 (2022) entry	Same list
The IUP Journal of Accounting Research & Audit Practices	IUP Publications	Published an earlier Indian IT comparison	Existence of the journal and article page	Same list; indexing and review model
Managerial Finance; Global Business Review; Vikalpa; Journal of Indian Business Research	Emerald; SAGE; SAGE/IIMA; Emerald	General-knowledge candidates only	Not checked (Managerial Finance appeared in a reference list)	All details

A three-year exploratory design is more likely to suit a regional, practitioner-oriented or short-note outlet than a leading finance journal. Check indexing in official lists (Scopus, Web of Science, UGC-CARE, ABDC) rather than a publisher's own claims, avoid journals promising guaranteed acceptance or fast publication for a fee, and note that nothing here guarantees acceptance.

Appendix F. Pre-submission checklist

Item	Status
Replace secondary data sources with page-referenced primary annual reports (revenue, PAT, audit and consolidation status)	Open
Add FY2025-26 results, or justify the FY2023-FY2025 window	Open
Re-run the literature search in Scopus, Web of Science, Google Scholar and Crossref; reach 15-25 confirmed sources; confirm volume, issue, pages and DOI for Partial items	Open
Re-check the research-gap statement against the expanded search	Open
Quantify exceptional items and acquisition effects where disclosed (e.g., TCS FY2024 legal-claim settlement; LTIMindtree merger comparability)	Open
Obtain LTIMindtree FY2023 revenue from a primary filing	Open
Confirm institutional policy on publishing work derived from an MBA project; disclose OJT origin; confirm authorship (including supervisor) and ethics statement	Open
Complete author contributions, competing interests, funding and AI-use disclosure per journal policy	Open
Run a similarity check through the institution's licensed tool; interpret overlap manually; no score is guaranteed	Open
Select target journal; verify scope, fees, indexing, formatting and citation style; reformat if APA 7 is not required	Open
Remove host-company information not needed for the paper; obtain permission if the host company is named	Open