



“A STUDY ON FINANCIAL PERFORMANCE ANALYSIS OF SELECTED IT COMPANIES IN INDIA”

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ABSTRACT

Financial performance evaluation is central to understanding the operational efficiency, profitability, and long-term sustainability of firms operating in India's information technology (IT) sector. This study examines the financial performance of ten major Indian IT companies — Tata Consultancy Services, Infosys, Wipro, HCL Technologies, Tech Mahindra, LTIMindtree, Mphasis, Persistent Systems, Coforge, and Oracle Financial Services Software — over the five-year period from 2021-22 to 2025-26. Using secondary data drawn from company annual reports, NSE and BSE filings, and other published financial sources, the study applies ratio analysis covering liquidity (Current Ratio, Quick Ratio), profitability (Net Profit Ratio, Return on Assets, Return on Equity), solvency (Debt-Equity Ratio), and efficiency (Asset Turnover Ratio), supported by descriptive statistics (mean, standard deviation) and a one-way ANOVA on Return on Assets. The results show that Oracle Financial Services Software and Tata Consultancy Services recorded the strongest liquidity and profitability positions, while companies such as Wipro and Tech Mahindra reported comparatively lower profitability and returns. Most companies maintained low debt-equity ratios, indicating limited reliance on external borrowing. The ANOVA results confirm statistically significant differences in Return on Assets across the selected companies. The study concludes that financial performance varies considerably within the Indian IT sector and recommends that companies strengthen cost control, asset utilisation, and strategic investment to sustain long-term growth.

I. INTRODUCTION

Information technology (IT) is one of the principal drivers of India's economic growth and technological advancement. Driven by digital transformation, the rising global demand for software services, and the increasing adoption of data-driven business processes, the Indian IT industry has expanded substantially over the past two decades. Through services such as software development, consultancy, cloud computing, and digital transformation, Indian IT companies have established a strong presence in both domestic and international markets.

The financial position of a company is a key indicator of its survival and operating efficiency. It reflects how effectively a firm converts its assets into profit and whether it maintains sufficient liquidity to meet its obligations. Investors, managers, creditors, and other stakeholders rely on financial statement analysis to build a clearer understanding of a company's efficiency and overall financial health.

The IT sector is highly competitive and constantly evolving, with new innovations emerging every few years and customer requirements changing continuously. Regular financial analysis is therefore necessary to identify a firm's strengths, weaknesses, opportunities, and risks, and to build a clearer picture of its profitability, liquidity, solvency, and general financial health.

This study evaluates the financial performance of ten leading Indian IT companies — Tata Consultancy Services, Infosys, Wipro, HCL Technologies, Tech Mahindra, LTIMindtree, Mphasis, Persistent Systems, Coforge, and Oracle Financial Services Software — through ratio analysis and statistical comparison. These companies were selected for their significant contribution to India's economic growth and their prominence within the domestic and global IT industry. The study is intended to benefit investors, financial analysts, and researchers seeking a clearer understanding of the financial prospects of these companies.



Industry Profile: The Indian Information Technology Industry

The information technology (IT) sector is one of the most significant contributors to the Indian economy. India is among the largest global markets for information technology, business process outsourcing, and software development services, with technological innovation, cost-competitive manpower, and rising export demand driving its rapid growth. The sector contributes substantially to GDP growth, foreign exchange earnings, and employment generation, and its expansion has been further supported by growing adoption of cloud computing and artificial intelligence, along with government initiatives such as Startup India and Digital India.

Key Features of the Indian IT Industry

- The Indian IT industry is a major contributor to GDP, employment generation, and foreign exchange earnings.
- It comprises IT services, business process outsourcing, software products, and engineering research and development.
- Leading companies include Tata Consultancy Services, Infosys, Wipro, HCL Technologies, and Tech Mahindra, alongside fast-growing firms such as LTIMindtree, Mphasis, Persistent Systems, Coforge, and Oracle Financial Services Software.
- The sector has moved from traditional IT services toward digital transformation, cloud computing, artificial intelligence, and automation-based offerings.
- Government initiatives such as Digital India and Startup India, together with rising global demand for digital services, are expected to support continued growth in the sector.

Profile of Selected IT Companies

The study covers ten companies that together represent a cross-section of established global leaders and fast-growing, specialised firms within the Indian IT industry, providing a useful basis for comparative financial analysis. Table 1 summarises the core service areas of each company.

Table 1: Selected IT Companies and Their Core Service Areas

Company	Core Service Areas
Tata Consultancy Services (TCS)	IT consulting, cloud services, artificial intelligence, cybersecurity
Infosys Limited	Digital transformation, cloud computing, data analytics, artificial intelligence, software development
Wipro Limited	IT services, cloud solutions, cybersecurity, business consulting, engineering services
HCL Technologies Limited	Engineering services, cloud solutions, cybersecurity, digital transformation
Tech Mahindra Limited	IT consulting, network services, cloud computing, artificial intelligence, business process services
LTIMindtree Limited	Cloud services, digital engineering, data analytics, enterprise solutions
Mphasis Limited	Cloud services, application development, infrastructure services
Persistent Systems Limited	Software engineering, cloud computing, data analytics, digital transformation
Coforge Limited	Digital transformation, cloud services, artificial intelligence, automation solutions
Oracle Financial Services	Banking software solutions, financial technology services,



Company	Core Service Areas
Software Limited (OFSS)	consulting services, digital banking solutions

II. REVIEW OF LITERATURE

Raju and Venkateswara Rao (2020) examined the financial performance of ten Indian IT companies, including TCS, Infosys, Wipro, and HCL Technologies, for the period 2009–2019 using financial ratio analysis, and found that TCS and Infosys achieved the strongest profitability while most firms maintained adequate liquidity and low reliance on debt financing.

Roshini and Dhaneesh (2026) studied operating revenue, employee costs, software development expenditure, and profitability of Indian IT companies for 2020–2024, and found that operating costs and employee benefit expenses significantly influenced profitability, underscoring the importance of cost control.

Ajay Kumar (2021) compared companies in the NSE IT Index using ratio analysis, descriptive statistics, and ANOVA for the period 2013–2020, and identified TCS as the leading performer in profitability, operational efficiency, and investor returns, with Infosys and HCL Technologies also performing strongly.

Kalariya (2024) used ratio analysis to compare TCS, Infosys, Wipro, and HCL Technologies for 2019–2024, and found TCS superior in profitability and efficiency, while Infosys and HCL Technologies maintained stronger financial stability.

Praveen and Muthukumar (2024) compared the profitability, liquidity, and solvency of TCS, Infosys, HCL Technologies, Wipro, and LTIMindtree from 2012–13 to 2022–23, and found TCS excelled in profitability and shareholder returns, while LTIMindtree recorded stronger liquidity.

Pal and Patel (2024) analysed six IT firms — TCS, Infosys, Mphasis, Persistent Systems, Oracle, and Cyient — from 2019–2023 using ratio analysis and one-way ANOVA, and found that Oracle led in liquidity, profitability, and solvency, while TCS outperformed in capital usage and return-related measures.

Bhavini and Joshi (2025) compared the profitability of TCS, Infosys, HCL Technologies, and Wipro from 2019–20 to 2023–24 using the Net Profit Ratio, Return on Total Assets, and Earnings Per Share, and found TCS consistently the most profitable and efficient of the four.

Reddy and Sreekanth (2025) assessed the risk-return performance of TCS, Infosys, HCL Technologies, Wipro, and Tech Mahindra from 2019–2024, and found that HCL Technologies delivered the highest average return, while TCS exhibited the lowest volatility.

Priyadarshan (2025) reviewed the post-pandemic financial performance of TCS, Infosys, and HCL Technologies from 2021–2025, and found continuous growth in sales, profitability, and reserves across all three companies, with TCS recording the strongest indicators.

Chavda (2025) evaluated TCS, Infosys, Wipro, and HCL Technologies from 2019–20 to 2023–24 using ratio analysis, ranking methods, and one-way ANOVA, and found TCS superior in profitability, returns, and liquidity, while Tech Mahindra faced declining profits.

Jain and Tolani (2026) compared TCS, Infosys, Wipro, and HCL Technologies for 2023–24 and 2024–25, and found TCS maintained the strongest and most stable financial position, with Wipro improving gradually.

Patel and Patel (2020) studied Infosys, Wipro, HCL Technologies, and Tech Mahindra from 2011–2020 using ratio analysis and ANOVA, and found Tech Mahindra led in revenue growth and asset utilisation, while Infosys maintained higher profitability and liquidity.

Shukla (2018) compared HCL Technologies and Wipro from 2010–11 to 2014–15 using descriptive statistics and t-test analysis, and found HCL Technologies achieved better profitability, asset utilisation, and returns.

Singh, Mir, and Khandelwal (2022) examined Indian IT companies from 2007–08 to 2016–17 using ratio analysis, ANOVA, and CAGR, and found TCS superior in net profit ratio, current ratio, and return on invested capital, while HCL Technologies led in return on equity.

Dave and Shah (2018) studied TCS, Infosys, Wipro, HCL Technologies, and Tech Mahindra from 2008–2017, and found consistent growth in sales and profitability, with TCS and Infosys recording stronger profitability and Tech Mahindra showing more inconsistent results.



Latha (2023) compared TCS, Infosys, Wipro, and HCL Technologies from 2019–2023 using ratio analysis, CAGR, and one-way ANOVA, and found Infosys strongest in profitability, liquidity, and asset utilisation, while TCS maintained the most consistent returns.

Raju, Podile, and Durga (2025) examined TCS, Infosys, Wipro, HCL Technologies, and Tech Mahindra from 2019–2023 using ratio analysis, trend evaluation, ANOVA, and regression, and found TCS and Infosys the most consistently profitable and financially stable.

Maskara et al. (2023) applied the TOPSIS method to rank the top ten Indian IT companies for 2019–20 to 2021–22, and identified Oracle Financial Services Software, TCS, and Redington India as the top performers.

Usha (2010) studied 65 Indian software companies between 1998 and 2007, and found that most maintained adequate liquidity and low dependence on external borrowing, with net sales, staff costs, and retained profits significantly influencing operating profit.

Bansal (2015) compared TCS, Infosys, Wipro, and Tech Mahindra from 2010–2014 using liquidity, profitability, activity, and leverage ratios along with DuPont analysis, and found Infosys maintained a debt-free capital structure while TCS performed strongly on profitability and returns.

Das (2022) reviewed Wipro's financial performance for 2015–16 to 2020–21, and found a balanced capital structure, effective asset utilisation, and steady profitability.

Hamsalakshmi and Manicham examined 34 Bombay Stock Exchange-listed software companies from 1997–98 to 2001–02, and found adequate liquidity, greater reliance on internal financing, and a gradual improvement in profitability.

Musheer and Ganesamoorthy (2017) studied TCS, Infosys, Wipro, Tech Mahindra, and HCL Technologies from 2006–07 to 2015–16, and found TCS, Infosys, and HCL Technologies the most consistently profitable, with Infosys recording the highest earnings per share.

Jana, Patil, and Yadav (2023) applied Data Envelopment Analysis to six IT companies from 2008–09 to 2021–22, and found TCS achieved the highest average efficiency score, while Tech Mahindra recorded comparatively lower efficiency.

Goswami (2024) examined TCS, Infosys, Wipro, HCL Technologies, and Tech Mahindra from 2014–2023, and found TCS consistently outperforming peers in revenue growth, profitability, and return-based measures.

Research Gap

Most existing studies on the financial performance of Indian IT companies focus on four or five well-known firms such as TCS, Infosys, Wipro, and HCL Technologies, typically over shorter time periods, and rarely combine liquidity, profitability, solvency, and efficiency measures with statistical significance testing across a broader set of companies. This study seeks to address that gap by evaluating ten Indian IT companies — including newer or less frequently studied firms such as LTIMindtree, Persistent Systems, Coforge, and Oracle Financial Services Software — across four dimensions of financial performance over the recent five-year period from 2021–22 to 2025–26, supported by ANOVA testing to establish the statistical significance of the differences observed.

III. RESEARCH METHODOLOGY

Statement of the Problem

The information technology (IT) industry has long been a major contributor to the Indian economy, generating employment, attracting foreign investment, and driving technological advancement. The ability of IT companies to sustain growth and remain competitive depends heavily on their financial soundness and profitability. However, companies differ considerably in their liquidity position, profitability, and efficiency in utilising assets to generate returns. Given these variations, this study evaluates the financial performance of ten selected Indian IT companies to better understand their comparative liquidity, profitability, solvency, and efficiency over the period 2021–22 to 2025–26.

Need for the Study

- Profitability and efficient asset utilisation are key indicators of a company's ability to sustain long-term growth.



- Regular financial assessment is important for investors given the high level of competition within the IT sector.
- The study enables comparison of liquidity, profitability, solvency, and efficiency across major Indian IT companies.
- The findings can assist investors, managers, scholars, and researchers in understanding the financial performance of the IT sector.

Objectives of the Study

Primary Objective: To analyse the financial performance of selected Indian IT companies.

Secondary Objectives:

- To assess the liquidity position of the selected IT companies using the Current Ratio and Quick Ratio.
- To evaluate the profitability performance of the selected IT companies using the Net Profit Ratio, Return on Assets, and Return on Equity.
- To examine the solvency and efficiency of the selected IT companies using the Debt-Equity Ratio and Asset Turnover Ratio.
- To test whether there is a statistically significant difference in the Return on Assets of the selected companies.

Scope of the Study

The study is confined to ten selected Information Technology companies operating in India and covers the five-year period from 2021-22 to 2025-26. It relies entirely on secondary data drawn from annual reports and other published financial sources and evaluates liquidity, profitability, solvency, and efficiency through financial ratio analysis, supported by descriptive statistics and a one-way ANOVA.

Research Design and Data Collection

The study is descriptive and analytical in nature and relies entirely on secondary data; no primary data was collected. Data was compiled from the annual reports of the selected companies, official company websites, the National Stock Exchange (NSE), the Bombay Stock Exchange (BSE), and published financial reports, journals, and articles. Ratio analysis, descriptive statistics, and a one-way ANOVA were used to interpret and compare the financial performance of the selected companies.

Sample of the Study

Ten major Indian IT companies were selected for the study, based on their market significance, availability of financial information, and contribution to the IT industry:

- Tata Consultancy Services Limited (TCS)
- Infosys Limited
- Wipro Limited
- HCL Technologies Limited
- Tech Mahindra Limited
- LTIMindtree Limited
- Mphasis Limited
- Persistent Systems Limited
- Coforge Limited
- Oracle Financial Services Software Limited

Tools Used in the Analysis

1. Ratio Analysis

Liquidity ratios (Current Ratio, Quick Ratio), profitability ratios (Net Profit Ratio, Return on Assets, Return on Equity), a solvency ratio (Debt-Equity Ratio), and an efficiency ratio (Asset Turnover Ratio) were computed for each company for every year of the study period.

2. Descriptive Statistics

Mean and standard deviation were computed for Return on Assets to summarise average performance and the year-on-year consistency of each company's results.



3. One-Way ANOVA (F-Test)

A one-way ANOVA was applied to Return on Assets to test whether the differences in financial performance among the selected companies were statistically significant.

Hypotheses

H0: There is no significant difference in the Return on Assets of the selected IT companies.

H1: There is a significant difference in the Return on Assets of the selected IT companies.

Limitations of the Study

1. The study is restricted to ten selected IT companies operating in India and cannot be generalised to the entire sector.
2. The analysis is based entirely on secondary data drawn from published sources.
3. The study covers only a five-year period, from 2021-22 to 2025-26.
4. The reliability of the findings depends on the accuracy of the published financial statements used.
5. The conclusions drawn are specific to the selected companies and may not apply to other firms in the sector.

IV. DATA ANALYSIS AND INTERPRETATION

This section presents the financial ratios of the ten selected Indian IT companies for the period 2021-22 to 2025-26, covering liquidity, profitability, solvency, and efficiency, followed by descriptive statistics and ANOVA results for Return on Assets.

4.1 Current Ratio Analysis

Formula: Current Ratio = Current Assets ÷ Current Liabilities

Table 4-1: Current Ratio Analysis of Selected IT Companies (2021-22 to 2025-26)

Company	2021-22	2022-23	2023-24	2024-25	2025-26
TCS	2.49	2.36	2.2	2.1	2.01
Infosys	2.29	2.09	2.95	2.43	1.98
Wipro	2.82	2.64	2.58	2.72	2.66
HCL Technologies	2.48	2.56	3.53	1.9	2.37
Tech Mahindra	3.36	2.56	2.07	1.92	1.87
LTIMindtree	3.6	3.01	3.23	3.32	3.6
Mphasis	2.72	2.01	2.56	3.39	3.51
Persistent Systems	1.99	1.8	1.82	1.91	1.94
Coforge	2.33	1.04	1.56	1.8	1.34
Oracle Financial Services Software	4.89	10.1	4.18	4.08	4.2

Interpretation

Oracle Financial Services Software recorded the highest current ratio throughout the period, reflecting a high level of liquidity. TCS, Wipro, HCL Technologies, LTIMindtree, and Mphasis also maintained adequate liquidity, while Persistent Systems and Coforge recorded comparatively lower current ratios.

4.2 Quick Ratio Analysis

Formula: Quick Ratio = Quick Assets ÷ Current Liabilities

Table 4-2: Quick Ratio Analysis of Selected IT Companies (2021-22 to 2025-26)

Company	2021-22	2022-23	2023-24	2024-25	2025-26
TCS	2.49	2.36	2.2	2.1	2.01
Infosys	2.29	2.09	2.95	2.43	1.98
Wipro	2.82	2.64	2.58	2.72	2.66



Company	2021-22	2022-23	2023-24	2024-25	2025-26
HCL Technologies	2.48	2.56	3.53	1.9	2.37
Tech Mahindra	3.36	2.56	2.07	1.92	1.87
LTIMindtree	3.6	3.01	3.23	3.32	3.6
Mphasis	2.72	2.01	2.56	3.39	3.51
Persistent Systems	1.99	1.8	1.82	1.91	1.94
Coforge	2.33	1.04	1.56	1.8	1.34
Oracle Financial Services Software	4.89	10.1	4.18	4.08	4.2

Interpretation

Since the selected IT firms carry little inventory, the quick ratio closely mirrors the current ratio. Oracle Financial Services Software recorded the highest quick ratio, followed by TCS, Wipro, HCL Technologies, LTIMindtree, and Mphasis. Overall, the selected companies held sufficient liquid assets to meet their short-term liabilities.

4.3 Debt–Equity Ratio Analysis

Formula: Debt–Equity Ratio = Total Debt ÷ Shareholders' Equity

Table 4-3: Debt–Equity Ratio Analysis of Selected IT Companies (2021-22 to 2025-26)

Company	2021-22	2022-23	2023-24	2024-25	2025-26
TCS	0.09	0.08	0.11	0.12	0.13
Infosys	0.07	0.09	0.1	0.1	0.11
Wipro	0.08	0.09	0.08	0.08	0.07
HCL Technologies	0.1	0.08	0.09	0.08	0.08
Tech Mahindra	0.02	0.02	0.07	0.07	0.07
LTIMindtree	0.09	0.08	0.1	0.1	0.09
Mphasis	0.11	0.12	0.11	0.09	0.1
Persistent Systems	0.19	0.18	0.15	0.14	0.12
Coforge	0.15	0.13	0.1	0.08	0.08
Oracle Financial Services Software	0.01	0.01	0	0	0

Interpretation

Oracle Financial Services Software recorded the lowest debt-equity ratio, indicating a strong capital structure with minimal dependence on debt. Tech Mahindra and Infosys also carried relatively low debt levels. Persistent Systems recorded a comparatively higher debt-equity ratio, though this improved over the study period.

4.4 Net Profit Ratio Analysis

Formula: Net Profit Ratio = (Net Profit ÷ Revenue) × 100

Table 4-4: Net Profit Ratio Analysis of Selected IT Companies (2021-22 to 2025-26)

Company	2021-22	2022-23	2023-24	2024-25	2025-26
TCS	23.82	20.54	21.53	22.37	22.22
Infosys	18.18	16.42	17.08	18.72	16.48
Wipro	20.37	13.54	13.65	15.91	17



Company	2021-22	2022-23	2023-24	2024-25	2025-26
HCL Technologies	15.79	14.63	14.29	14.86	—
Tech Mahindra	14.15	8.86	5.42	6.88	7.52
LTIMindtree	24.38	19.76	17.34	16.35	16.02
Mphasis	16.72	15	15.9	16.53	14.24
Persistent Systems	12.09	11.03	11.13	11.29	11.27
Coforge	19.45	17.31	20.45	19.23	—
Oracle Financial Services Software	46.49	41.65	42.38	65.71	48.53

Interpretation

The net profit ratio was highest for Oracle Financial Services Software, indicating strong overall profitability, followed by TCS and LTIMindtree. Infosys, Wipro, Mphasis, and HCL Technologies maintained consistent profitability, while Persistent Systems and Tech Mahindra recorded relatively lower profitability.

4.5 Return on Assets (ROA) Analysis

Formula: $ROA = (\text{Net Profit} \div \text{Total Assets}) \times 100$

Table 4-5: Return on Assets (ROA) Analysis of Selected IT Companies (2021-22 to 2025-26)

Company	2021-22	2022-23	2023-24	2024-25	2025-26
TCS	31.49	32.64	35.96	36.19	32.89
Infosys	23.87	23.23	22.83	20.46	17.9
Wipro	12.32	8.78	7.94	8.51	8.55
HCL Technologies	12.96	15.19	15.89	15.75	16.19
Tech Mahindra	12.7	14.04	10.48	5.68	7.02
LTIMindtree	20.46	19.74	18.95	16.31	15.47
Mphasis	18.68	17.85	19.54	18.97	18.58
Persistent Systems	12.75	13.92	15.1	15.79	16.18
Coforge	10.66	19.89	19.39	22.11	16.95
Oracle Financial Services Software	26.49	28.12	26.7	29.45	40.23

Interpretation

Oracle Financial Services Software recorded the strongest ROA, reflecting highly efficient use of its assets, while TCS also maintained consistently high ROA levels. Infosys, LTIMindtree, and Mphasis performed well, whereas Wipro and Tech Mahindra recorded relatively low ROA values.

4.6 Return on Equity (ROE) Analysis

Formula: $ROE = (\text{Net Profit} \div \text{Shareholders' Equity}) \times 100$

Table 4-6: Return on Equity (ROE) Analysis of Selected IT Companies (2021-22 to 2025-26)

Company	2021-22	2022-23	2023-24	2024-25	2025-26
TCS	49.48	52.46	60.4	63.55	57.98
Infosys	29.34	31.95	32.33	29.28	29.92
Wipro	18.02	12.87	12.21	13.22	13.55
HCL Technologies	18.59	21.81	21.74	24.02	24.42
Tech Mahindra	16.95	19.01	14.99	8.79	11.24



Company	2021-22	2022-23	2023-24	2024-25	2025-26
LTIMindtree	27.04	28.2	26.6	22.36	20.7
Mphasis	25.76	27.77	28.23	25.28	24.33
Persistent Systems	20.5	23.23	23.14	22.89	22.45
Coforge	13.29	29.21	28.01	29.94	21.8
Oracle Financial Services Software	29.03	31.21	29.52	32.79	44.31

Interpretation

TCS generated a high ROE across most years, reflecting efficient use of resources, while Oracle Financial Services Software also recorded a strong ROE, particularly in the final year of the study. Infosys, LTIMindtree, Mphasis, and Persistent Systems reported satisfactory ROE figures, while Wipro and Tech Mahindra recorded relatively lower ROE figures.

4.7 Asset Turnover Ratio Analysis

Formula: Asset Turnover Ratio = Revenue ÷ Total Assets

Table 4-7: Asset Turnover Ratio Analysis of Selected IT Companies (2021-22 to 2025-26)

Company	2021-22	2022-23	2023-24	2024-25	2025-26
TCS	1.32	1.59	1.67	1.62	1.48
Infosys	1.31	1.42	1.34	1.09	1.09
Wipro	0.6	0.65	0.58	0.53	0.5
HCL Technologies	0.82	1.04	1.11	1.06	1.08
Tech Mahindra	0.9	1.58	1.93	0.83	0.93
LTIMindtree	0.84	1	1.09	1	0.97
Mphasis	1.12	1.19	1.23	1.15	1.3
Persistent Systems	1.05	1.26	1.36	1.4	1.44
Coforge	0.55	1.15	0.95	1.15	0.83
Oracle Financial Services Software	0.57	0.67	0.63	0.45	0.83

Interpretation

TCS recorded one of the highest asset turnover ratios, indicating efficient use of assets to generate revenue. Persistent Systems and Mphasis also showed satisfactory asset utilisation, while Wipro and Oracle Financial Services Software recorded comparatively low asset turnover ratios.

4.8 Mean Analysis

The mean represents the average value of a financial ratio over the study period and helps summarise the overall performance of each company for comparison purposes.

Table 4-8: Mean of Return on Assets (ROA)

Company	Mean ROA (%)
TCS	33.83
Infosys	21.66
Wipro	9.22
HCL Technologies	15.20
Tech Mahindra	9.56



Company	Mean ROA (%)
LTIMindtree	17.52
Mphasis	18.19
Persistent Systems	14.75
Coforge	17.80
Oracle Financial Services Software	28.70

Interpretation

TCS recorded the highest mean ROA, indicating effective use of its assets, while Oracle Financial Services Software also recorded a satisfactory mean ROA. Wipro and Tech Mahindra recorded comparatively low mean ROA values.

4.9 Standard Deviation Analysis

The standard deviation measures the extent to which each company's financial performance fluctuated over the study period. A smaller standard deviation indicates greater consistency, while a higher value reflects greater variation.

Table 4-9: Standard Deviation of Return on Assets (ROA)

Company	Standard Deviation
TCS	2.08
Infosys	2.45
Wipro	1.79
HCL Technologies	1.35
Tech Mahindra	3.53
LTIMindtree	2.19
Mphasis	0.62
Persistent Systems	1.49
Coforge	4.63
Oracle Financial Services Software	5.92

Interpretation

Mphasis recorded the lowest standard deviation, indicating relatively consistent financial performance compared with the other companies. Oracle Financial Services Software and Coforge recorded higher standard deviations, reflecting greater year-on-year variation.

4.10 One-Way ANOVA (F-Test) Analysis

The one-way ANOVA (F-Test) was used to assess whether the selected IT companies' financial performance, measured through Return on Assets, differed significantly over the study period.

Table 4-10: ANOVA (F-Test) Results for ROA

Source of Variation	SS	df	MS	F	P-value	F-Critical
Between Groups	2820.76	9	313.418	35.8267	2.17E-16	2.124
Within Groups	349.927	40	8.74817	—	—	—
Total	3170.69	49	—	—	—	—

Source: Computed using Microsoft Excel (ANOVA: Single Factor).



Interpretation

The ANOVA results show a p-value below 0.05 and an F-value greater than the critical value of F. The null hypothesis (H₀) is therefore rejected in favour of the alternative hypothesis (H₁), indicating that the Return on Assets of the selected IT companies differs statistically significantly.

Findings

1. Most of the selected IT companies maintained adequate liquidity throughout the study period, indicating sufficient short-term financial strength.
2. The debt-equity ratios of the selected companies were generally low, indicating that most companies were funded primarily through shareholders' funds rather than external borrowing.
3. Profitability varied considerably among the selected companies, with Oracle Financial Services Software and TCS demonstrating the strongest profit-generating capability.
4. TCS recorded the highest and most consistent Return on Assets, reflecting effective utilisation of its assets to generate profit.
5. Return on Equity results indicated that TCS and Oracle Financial Services Software were the most effective at generating returns for shareholders, while Wipro and Tech Mahindra recorded comparatively lower returns.
6. The Asset Turnover Ratio revealed differences in productivity across the selected companies, with TCS, Persistent Systems, and Mphasis making relatively efficient use of their assets.
7. The mean Return on Assets confirmed that TCS and Oracle Financial Services Software achieved the strongest average performance, while Wipro and Tech Mahindra recorded the lowest averages.
8. The standard deviation of Return on Assets showed that Mphasis had the most consistent financial performance, while Coforge and Oracle Financial Services Software showed greater year-on-year variation.
9. The ANOVA (F-Test) results confirmed a statistically significant difference in the Return on Assets of the selected companies, leading to rejection of the null hypothesis.
10. Overall, the results indicate that established firms such as TCS, alongside niche players such as Oracle Financial Services Software, outperformed several of their peers across most of the financial dimensions examined in this study.

Suggestions / Recommendations

11. IT companies should continue strengthening their financial planning practices to support long-term sustainability and growth.
12. Companies experiencing lower profitability should focus on improving operational efficiency and controlling costs without compromising service quality.
13. Continuous monitoring of financial ratios can help management identify performance gaps and implement timely corrective measures.
14. Companies should focus on more effective utilisation of available assets to improve productivity and overall financial performance.
15. Strategic investment in emerging technologies, innovation, and employee development can help strengthen future growth prospects.
16. Companies should maintain prudent debt management policies to safeguard financial stability during periods of changing economic conditions.
17. Greater emphasis on efficiency improvement and value creation can help companies strengthen their competitive position within the Indian IT industry.

Conclusion

This study examined the financial performance of ten selected Indian IT companies over the five-year period from 2021-22 to 2025-26, using ratio analysis, descriptive statistics, and a one-way ANOVA. The findings show considerable variation in financial performance across the selected companies: while most maintained adequate liquidity and low dependence on debt, profitability and asset utilisation differed significantly, with Tata Consultancy Services and Oracle Financial Services Software consistently outperforming several of their



peers. The ANOVA results confirm that these differences in Return on Assets are statistically significant. These results underline the importance of regular financial performance evaluation for investors, managers, and researchers seeking to understand the comparative strength of companies within India's IT sector, and suggest that companies with weaker profitability and efficiency indicators would benefit from strengthened cost control, asset utilisation, and strategic investment to sustain long-term growth.

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