

## Monetary Recitation Analysis of Outstanding it Companies

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### ABSTRACT

Information Technology (IT) sector is a rapidly evolving industry that plays a crucial role in global economic growth. It encompasses various fields such as software development, cybersecurity, cloud computing, artificial intelligence, and data analytics. Companies in this sector provide essential services, including IT consulting, infrastructure management, and digital transformation solutions. The rise of emerging technologies like blockchain, the Internet of Things (IoT), and machine learning has further expanded the industry's scope, creating new opportunities and challenges. With an increasing demand for digital solutions, the IT sector continues to drive innovation, efficiency, and automation across multiple industries, including healthcare, finance, education, and entertainment.

**Keywords:** Industry, Artificial Intelligences, Block chain, IT Sector.

### INTRODUCTION

The growth of the IT sector is propelled by factors such as increasing internet penetration, the shift toward remote work, and the adoption of smart technologies. Major players include global tech giants like Microsoft, Google, Amazon, and IBM, alongside a rising number of startups introducing disruptive innovations. With the growing prevalence of digital threats, cybersecurity has emerged as a key focus area, prompting significant investments in security solutions. Cloud computing and AI-driven applications are also transforming business operations by enhancing productivity and decision-making processes. As technology continues to evolve, the IT sector is expected to play an increasingly vital role in shaping the future of businesses and society.

Moreover, the IT sector contributes significantly to job creation and economic development, offering a wide range of career opportunities in fields such as software engineering, data science, cybersecurity, IT support, and cloud computing. Governments and organizations around the world are investing heavily in digital infrastructure and skills development to bridge the digital divide and ensure inclusive access to technological advancements. Emerging trends like quantum computing, edge computing, and the metaverse are poised to revolutionize industries by creating new business models and enhancing user experiences. As digital transformation accelerates, the IT sector will remain a central driver of innovation, reshaping how people work, communicate, and engage with technology.

In the Indian context, a monetary recitation analysis of top IT companies involves evaluating the financial performance of leading firms such as Tata Consultancy Services (TCS), Infosys, Wipro, HCL Technologies, and Sonata Software. This includes examining their revenue generation, profitability, cost management, and overall market position. Key metrics like revenue growth, operating costs, profit margins, and cash flow are analyzed to assess how efficiently these companies manage resources and expenses. Additionally, understanding their liquidity and ability to generate operational cash flow is essential for gauging their potential for sustainable growth and reinvestment in innovation.

### STATEMENT OF THE PROBLEM

The Indian IT sector, a key pillar of the country's GDP and global tech landscape, is grappling with challenges from global economic fluctuations, rapid technological changes, and shifting client expectations. While top firms like TCS, Infosys, Wipro, HCL Technologies, and Tech Mahindra continue to grow, a deeper look into their financial health and sustainability is essential. The core issue lies in how these companies manage costs, sustain revenue streams, and remain agile amidst evolving market demands. Analyzing their profitability and adaptability is crucial to understanding their competitive edge in a dynamic industry. Additionally, it's important to assess their financial resilience against global uncertainties, geopolitical tensions, and emerging tech disruptions. A robust monetary recitation analysis can provide

clarity on their long-term performance. It highlights their capacity for innovation, cost-efficiency, and strategic reinvestment. This evaluation can ultimately offer insights into how well-positioned these firms are to navigate future challenges and maintain global relevance.

### **OBJECTIVES OF THE STUDY**

- ✚ To assess the financial performance of leading Indian IT companies with a focus on revenue growth, profitability, cost management, liquidity, and cash flow efficiency.
- ✚ To evaluate how effectively these companies utilize their resources and manage operational efficiency in a dynamic market environment.
- ✚ To analyze their competitive position, market share, and stock market performance, along with investor sentiment in the global technology landscape.
- ✚ To forecast future growth potential by examining their strategic initiatives, adaptability to technological innovations, and long-term sustainability.

### **SCOPE OF THE STUDY**

The scope of the study encompasses an in-depth financial analysis of the leading IT companies in India, including their revenue, profitability, cost management, and liquidity. It will focus on evaluating the companies' performance in both the domestic and global markets, assessing their market share, competitive position, and growth strategies. The study will also cover their stock market performance and investor sentiment, providing insights into how these companies are perceived by the market. Additionally, the scope includes forecasting the future growth potential of these companies by analysing their strategic initiatives, technological advancements, and adaptation to emerging industry trends. The study aims to provide comprehensive insights into the financial health and long-term sustainability of India's top IT firms.

### **RESEARCH METHODOLOGY**

The current study adopts both qualitative and quantitative research approaches. It focuses on analyzing the financial performance of leading Indian IT sector players with high market capitalization—namely TCS, Infosys, Wipro, HCL Technologies, and Sonata Software—over the period from 2020 to 2024, using financial ratio analysis. The research identifies a gap in that it only covers a short-term examination of financial results, specifically from 2020–21 to 2023–24. The study is based entirely on secondary data, which is data collected by sources other than the researcher and is generally more cost-effective and readily available than primary data. Such data includes information from government reports, organizational records, and other previously conducted research. For this study, secondary data was gathered from various websites and subjected to detailed analysis using appropriate analytical methods to derive insights into the financial health and performance of the selected IT companies.

### **TOOLS AND TECHNIQUES OF ANALYSIS**

- ❖ Ratio analysis
- ❖ Trend analysis

### **IMPORTANCE OF THE STUDY**

The study of financial analysis of leading IT companies in India is crucial for evaluating their financial health, profitability, and stability. It helps investors make informed decisions, enables companies to optimize their strategies, and provides insights into industry trends. This analysis also aids in managing risks, assessing growth opportunities, and understanding market positioning. By comparing financial performance, stakeholders can identify the best-performing companies and understand the impact of regulations, policies, and global competition on their success. Ultimately, it supports strategic planning and ensures long-term sustainability in a dynamic industry.

### **LIMITATIONS OF THE STUDY**

Financial analysis of IT companies has several limitations. It often overlooks non-financial factors such as innovation, customer satisfaction, and brand value, which are crucial in the technology sector. Additionally, reliance on historical data may not accurately predict future growth in this rapidly evolving industry. External dependencies, including global economic trends, foreign regulations, and market volatility, are frequently disregarded, despite their significant impact on IT firms. Moreover, financial statements can be subject to accounting manipulations, where companies might inflate

revenue or profits, leading to misleading analyses. Furthermore, long-term investments in research and development and emerging technologies, vital for future competitiveness, are often underestimated in traditional financial assessments.

### **TCS**

Tata Consultancy Services (TCS), founded in 1968 and headquartered in Mumbai, India, is a leading global IT services, consulting, and business solutions provider. Operating in over 50 countries, TCS offers a broad spectrum of services, including software development, digital transformation, cloud computing, artificial intelligence, and cybersecurity. The company serves various industries such as banking, healthcare, retail, and manufacturing, assisting businesses in adapting to the evolving digital landscape. As of 2023, TCS employs approximately 615,000 professionals worldwide. Since June 1, 2023, K. Krithivasan has been serving as the CEO and Managing Director, bringing over three decades of experience within the company.

### **WIPRO**

Wipro Limited, founded in 1945 and headquartered in Bengaluru, India, has evolved from a vegetable oil manufacturer into a leading global IT services, consulting, and business solutions provider. The company offers a diverse range of services, including digital transformation, cloud computing, cybersecurity, artificial intelligence, and business process outsourcing, serving industries such as healthcare, banking, retail, and manufacturing. As of March 2024, Wipro employed approximately 234,054 professionals worldwide. In April 2024, Srinivas Pallia succeeded Thierry Delaporte as CEO and Managing Director. Wipro is recognized for its commitment to innovation, sustainability, and corporate social responsibility, continually investing in research and development to maintain a competitive edge in the IT industry.

### **HCL**

HCL Technologies, founded in 1976 by Shiv Nadar and headquartered in Noida, India, has evolved from a hardware enterprise into a leading global IT services and consulting company. The company offers a diverse range of services, including cloud computing, cybersecurity, artificial intelligence, data analytics, and digital transformation, catering to industries such as banking, healthcare, retail, manufacturing, and telecommunications. With operations spanning over 60 countries, HCLTech employs more than 220,000 professionals worldwide. Under the leadership of CEO and Managing Director C. Vijayakumar, who has been at the helm since October 2016, HCLTech has prioritized leveraging disruptive technologies like digitalization, cloud, IoT, cybersecurity, and AI to drive growth and innovation. The company is recognized for its commitment to research and development, sustainability, and delivering customer-centric solutions in the competitive global IT market.

**SONATA SOFTWARE**  
Sonata Software, founded in 1986 and headquartered in Bengaluru, India, is a global IT services and consulting company specializing in digital transformation, cloud computing, data analytics, artificial intelligence, and enterprise solutions. The company serves industries such as retail, travel, banking, and healthcare, focusing on enhancing customer experiences and operational efficiency. With operations across North America, Europe, ANZ, and Asia-Pacific, Sonata collaborates with technology leaders like Microsoft, AWS, and SAP to deliver innovative solutions. Under the leadership of CEO and Managing Director Samir Dhir, who brings over 25 years of industry experience, Sonata emphasizes platform-based digital transformation through its proprietary Platformation™ approach. The company is recognized for modernizing legacy systems and implementing AI-driven insights to drive business growth.

### **INFOSYS**

Infosys Limited, founded in 1981 and headquartered in Bengaluru, India, is a global leader in IT services, consulting, and digital transformation. The company offers services in cloud computing, artificial intelligence, cybersecurity, data analytics, and enterprise solutions, serving industries such as banking, healthcare, retail, and manufacturing. As of March 31, 2024, Infosys employed approximately 317,240 professionals worldwide. Under the leadership of CEO and Managing Director Salil Parekh, who has been at the helm since January 2018, Infosys emphasizes innovation and client-centric solutions. The company is recognized for its commitment to sustainability, ethical business practices, and employee development.

**TABLE NO.:1 CURRENT RATIO**

YEAR	TCS	WIPRO	HCL	SONATA	INFOSYS
2020	3.296179139	2.779972	1.687827	2.061486	2.879106
2021	2.915337423	2.502675	2.766144	2.984162	2.739871
2022	2.485211472	2.234093	2.973239	3.272788	2.099496
2023	2.35947513	2.864638	2.678448	2.650713	1.897894
2024	2.204268363	2.741269	2.82349	3.332403	2.619508
MINIMUM	2.204268363	2.234093	1.687827	2.061486	1.897894
MAXIMUM	3.296179139	2.864638	2.973239	3.332403	2.879106
MEAN	2.652094306	2.624529	2.58583	2.86031	2.447175
SD	3.296179139	0.256287	0.513339	0.522111	0.425595
COV	0.804597	10.24059	5.037274	5.478355	5.750006
KURTOSIS	-0.92932	-0.01717	4.189102	0.208456	-2.33574
SKEWNESS	0.775615	-1.043	-1.98958	-1.00022	-0.52415

(SOURCE: WWW.MONEYCONTROL.COM)

**INTERPRETATION**

From the above table while comparing the 5 companies the HCL has a minimum level of Current Ratio that is 1.687827 & Sonata has a maximum level of Current Ratio that is 3.332403. Look into the 5 companies the Sonata has a high level of average value that is 2.86031 & the kurtosis company of Infosys are having a low level of average values that is 2.447175. The companies of TCS, WIPRO, SONATA, INFOSYS all are having a PLATYKURTIC kurtosis. Because the four companies are having a value of kurtosis is <3 that is -0.92932, -0.01717, 0.208456, -2.33574 & the remaining company of HCL is having a value of kurtosis is >3. So that is called as LEPTOKURTIC kurtosis. The companies of Wipro, HCL, Sonata, Infosys are negatively skewed and remaining 1 company is positively skewed.

**TABLE NO.: 2 CASH RATIO**

YEAR	TCS	WIPRO	HCL	SONATA	INFOSYS
2020	0.200782	0.635133	0.092605	0.760926	0.891064
2021	0.110149	0.539542	0.504641	1.487738	0.999433
2022	0.361257	0.211365	0.536216	1.685412	0.491272
2023	0.115527	0.240251	0.584138	0.889517	0.238102
2024	0.153248	0.205504	0.729071	0.420473	0.302407
MINIMUM	0.110149	0.205504	0.092605	0.420473	0.238102
MAXIMUM	0.361257	0.635133	0.729071	1.685412	0.999433
MEAN	0.188193	0.366359	0.489334	1.048813	0.584456
SD	0.103322	0.204959	0.237849	0.524638	0.344387
COV	1.821415	1.787474	2.057333	1.999118	1.697089
KURTOSIS	2.568626	-2.60415	2.999379	-1.98197	-2.73157
SKEWNESS	1.618203	0.712318	-1.47726	0.192082	0.36204

(SOURCE: WWW.MONEYCONTROL.COM)

**INTERPRETATION**

From the above table while comparing the 5 companies the HCL has a minimum level of Cash Ratio that is 0.092605 & Sonata has a maximum level of Cash Ratio that is 1.685412. Look into the 5 companies the Sonata has a high level of average value that is 1.048813 & the company of TCS is having a low level of average values that is 0.188193. The companies of TCS, Wipro, HCL, Sonata, Infosys all are having a PLATYKURTIC kurtosis. Because the all 5 companies are having a value of kurtosis is <3 that is 2.568626, -2.60415, 2.999379, -1.98197, -2.73157. The company of HCL is negatively skewed and then, the remaining companies are positively skewed.

**TABLE NO.:3 LIQUIDITY RATIO**

(SOURCE: WWW.MONEYCONTROL.COM)

**INTERPRETATION**

From the above table while comparing the 5 companies the HCL has a minimum level of Liquidity Ratio that is 1.109174 & Sonata has a maximum level of Liquidity Ratio that is 2.982653. Look into the 5 companies the Sonata has a high level of average value that is 2.554249 & the companies of Infosys are having a low level of average values that is 1.698297. The companies of TCS, Wipro, HCL, Sonata and Infosys all are having a PLATYKURTIC kurtosis. Because the all 5 companies are having a value of kurtosis is <3 that is 1.922232, -1.32243, -0.53963, 1.89694, -1.61113. The all 5 companies are Negatively skewed.

**TABLE NO.:4 GROSS PROFIT RATIO**

(SOURCE: WWW.MONEYCONTROL.COM)

YEAR	TCS	WIPRO	HCL	SONATA	INFOSYS
2020	2.462749	2.351312	1.109174	1.905335	2.169974
2021	1.987309	1.948148	1.684599	2.741247	2.045341
2022	1.920952	1.65132	2.436691	2.982653	1.469531
2023	2.112679	2.521536	2.272991	2.212368	1.158188
2024	1.292283	2.471223	2.540902	2.929641	1.648453
MINIMUM	1.292283	1.65132	1.109174	1.905335	1.158188
MAXIMUM	2.462749	2.521536	2.540902	2.982653	2.169974
MEAN	1.955194	2.188708	2.008872	2.554249	1.698297
SD	0.425461	0.375394	0.602174	0.473653	0.415167
COV	4.595473	5.830421	3.336033	5.392655	4.090637
KURTOSIS	1.922232	-1.32243	-0.53963	-1.89694	-1.61113
SKEWNESS	-0.84759	-0.83012	-0.9828	-0.68676	-0.13346

**INTERPRETATION**

From the above table while comparing the 5 companies the Wipro has a minimum level of Gross Profit Ratio that is 18.10817 & Sonata has a maximum level of Gross Profit Ratio that is 39.96653. Look into the 5 companies the Sonata has a high level of average value that is 33.67028 & the companies of Wipro is having a low level of average values that is 21.87721. The companies of TCS, Wipro, HCL, Sonata and Infosys all are having a PLATYKURTIC kurtosis. Because the all 5 companies are having a value of kurtosis is <3 that is -0.57539, -2.92158, -2.60646, -1.66015, -2.42812. The company of TCS and Infosys negatively skewed and then, the remaining companies are positively skewed.

**TABLE NO.:5 NET PROFIT RATIO**

YEAR	TCS	WIPRO	HCL	SONATA	INFOSYS
2020	25.33014	17.22782	27.50721	24.12828	19.66299
2021	23.87052	20.86009	36.23827	30.62489	26.90006
2022	30.94983	23.34830	34.78832	33.03675	28.76078
2023	31.62678	23.63208	32.86929	36.95008	27.42285
MINIMUM	20.55383	18.50826	34.86059	28.08353	28.56267
MAXIMUM	28.93067	28.50999	32.50704	39.96058	27.88263
MEAN	27.79462	18.96923	35.86953	28.08703	26.59562
SD	3.88098	3.360208	3.478832	6.99053	0.880078
COV	30.02233	31.89002	33.32530	33.03028	20.02289
SD	1.94423	3.542367	1.331022	4.659885	1.281747
COV	15.43672	6.175872	24.88884	7.225561	21.09795
KURTOSIS	-0.57539	-2.92158	-2.60646	-1.66015	-2.42812
SKEWNESS	-0.85449	0.007505	0.466359	0.539374	-0.26497

<b>KURTOSIS</b>	-0.94358	-2.97632	-2.41562	-0.00714	-0.82734
<b>SKEWNESS</b>	0.238342	-0.09422	0.687885	1.172424	-0.76188

(SOURCE: WWW.MONEYCONTROL.COM)

**INTERPRETATION**

From the above table while comparing the 5 companies the Wipro has a minimum level of Net Profit Ratio that is 13.54426 & Sonata has a maximum level of Net Profit Ratio that is 37.75968. Look into the 5 companies the Sonata has a high level of average value that is 27.9519 & the companies of Wipro is having a low level of average values that is 16.95925. The companies of TCS, Wipro, HCL, Sonata and Infosys all are having a PLATYKURTIC kurtosis. Because the all 5 companies are having a value of kurtosis is <3 that is -0.94358, -2.97632, -2.41562, -0.00714, -0.82734. The company of Wipro and Infosys negatively skewed and then, the remaining companies are positively skewed.

YEAR	TCS	WIPRO	HCL	SONATA	INFOSYS
<b>2020</b>	0.447235	0.186868	0.240482	0.570295	0.250949
<b>2021</b>	0.413937	0.222382	0.200744	0.33958	0.253629
<b>2022</b>	0.494823	0.223279	0.255312	0.413267	0.309098
<b>2023</b>	0.524645	0.147538	0.278781	0.404973	0.347974
<b>2024</b>	0.603979	0.157811	0.295769	0.517443	0.335493
<b>MINIMUM</b>	0.413937	0.147538	0.200744	0.33958	0.250949
<b>MAXIMUM</b>	0.603979	0.223279	0.295769	0.570295	0.347974
<b>MEAN</b>	0.496924	0.187575	0.254217	0.449111	0.299429
<b>SD</b>	0.073467	0.035269	0.036671	0.092985	0.045273
<b>COV</b>	6.763914	5.318363	6.932307	4.829938	6.61378
<b>KURTOSIS</b>	-0.04192	-2.79168	-0.01202	-1.53168	-2.88888
<b>SKEWNESS</b>	0.582177	-0.02726	-0.58242	0.338205	-0.21459

**TABLE NO.:6 RETURN ON NET WORTH RATIO**

(SOURCE: WWW.MONEYCONTROL.COM)

**INTERPRETATION**

From the above table while comparing the 5 companies the Wipro has a minimum level of Return on Net Worth Ratio that is 0.147538 & TCS has a maximum level of Return on Net Worth Ratio that is 0.603979. Look into the 5 companies the TCS has a high level of average value that is 0.496924 & the companies of Wipro is having a low level of average values that is 0.187575. The companies of TCS, Wipro, HCL, Sonata and Infosys all are having a PLATYKURTIC kurtosis. Because the all 5 companies are having a value of kurtosis is <3 that is -0.04192, -2.79168, -0.01202, -1.53168, -2.88888. The company of TCS and Sonata positively skewed and then, the remaining companies are negatively skewed.

YEAR	TCS	WIPRO	HCL	SONATA	INFOSYS
<b>2020</b>	0.316837	0.132923	0.167598	0.323845	0.191792
<b>2021</b>	0.283047	0.153049	0.157927	0.228781	0.192125
<b>2022</b>	0.314911	0.150969	0.203545	0.292783	0.21366
<b>2023</b>	0.326354	0.107572	0.214749	0.274642	0.22961
<b>2024</b>	0.359552	0.111681	0.223182	0.376566	0.23692

<b>MINIMUM</b>	0.283047	0.107572	0.157927	0.228781	0.191792
<b>MAXIMUM</b>	0.359552	0.153049	0.223182	0.376566	0.23692
<b>MEAN</b>	0.32014	0.131239	0.1934	0.299323	0.212821
<b>SD</b>	0.027414	0.021275	0.029025	0.055218	0.02082
<b>COV</b>	11.67813	6.168789	6.663264	5.420784	10.22187
<b>KURTOSIS</b>	1.535167	-2.88737	-2.66028	0.215116	-2.70614
<b>SKEWNESS</b>	0.207168	-0.11582	-0.41964	0.270398	0.025992

**TABLE NO.:7 RETURN ON ASSET RATIO**

*(SOURCE: WWW.MONEYCONTROL.COM)*

**INTERPRETATION**

From the above table while comparing the 5 companies the Wipro has a minimum level of Return on Asset Ratio that is 0.107572 & Sonata has a maximum level of Return on Asset Ratio that is 0.376566. Look into the 5 companies the TCS has a high level of average value that is 0.32014 & the companies of Wipro is having a low level of average values that is 0.131239. The companies of TCS, Wipro, HCL, Sonata and Infosys all are having a PLATYKURTIC kurtosis. Because the all 5 companies are having a value of kurtosis is <3 that is 1.535167, -2.88737, -2.66028, 0.215116, -2.70614. The company of Wipro and HCL negatively skewed and then, the remaining companies are positively skewed.

**TABLE NO.:8 DEBT EQUITY RATIO**

<b>YEAR</b>	<b>TCS</b>	<b>WIPRO</b>	<b>HCL</b>	<b>SONATA</b>	<b>INFOSYS</b>
<b>2020</b>	0.088492	0.046724	0.036009	0.199277	0.057914
<b>2021</b>	0.081049	0.049936	0.01644	0.12183	0.067258
<b>2022</b>	0.080196	0.051308	0.015661	0.092831	0.074309
<b>2023</b>	0.080026	0.058644	0.016033	0.057501	0.091974
<b>2024</b>	0.082737	0.091814	0.03248	0.055306	0.082389
<b>MINIMUM</b>	0.080026	0.046724	0.015661	0.055306	0.057914
<b>MAXIMUM</b>	0.088492	0.091814	0.036009	0.199277	0.091974
<b>MEAN</b>	0.0825	0.059685	0.023324	0.105349	0.074769
<b>SD</b>	0.003518	0.018484	0.01005	0.059254	0.013179
<b>COV</b>	23.45339	3.229096	2.320756	1.777909	5.673109
<b>KURTOSIS</b>	3.096944	3.86347	-2.92296	1.069504	-0.75448
<b>SKEWNESS</b>	1.768399	1.944687	0.674887	1.19427	0.058879

*(SOURCE: WWW.MONEYCONTROL.COM)*

**INTERPRETATION**

From the above table while comparing the 5 companies the HCL has a minimum level of Debt equity ratio that is 0.015661 & Sonata has a maximum level of Debt equity ratio that is 0.199277. Look into the 5 companies the Sonata has a high level of average value that is 0.105349 & the companies of HCL are having a low level of average values that is 0.023324. The companies of HCL, Sonata, Infosys are having a PLATYKURTIC kurtosis. Because the four companies are having a value of kurtosis is <3 that is -2.92296, 1.069504, -0.75448 & the remaining companies of TCS and Wipro are having a value of kurtosis is >3. So that is called as LEPTOKURTIC kurtosis. The all 5 companies are positively skewed.

<b>YEAR</b>	<b>TCS</b>	<b>WIPRO</b>	<b>HCL</b>	<b>SONATA</b>	<b>INFOSYS</b>
<b>2020</b>	0.708435	0.711319	0.696926	0.567855	0.764267
<b>2021</b>	0.683793	0.688229	0.786709	0.673716	0.757502

<b>2022</b>	0.63641	0.676143	0.797241	0.708461	0.691237
<b>2023</b>	0.622047	0.729116	0.770315	0.678174	0.659848
<b>2024</b>	0.595305	0.70769	0.754584	0.727745	0.706185
<b>MINIMUM</b>	0.595305	0.676143	0.696926	0.567855	0.659848
<b>MAXIMUM</b>	0.708435	0.729116	0.797241	0.727745	0.764267
<b>MEAN</b>	0.649198	0.702499	0.761155	0.67119	0.715808
<b>SD</b>	0.046128	0.020685	0.039394	0.061889	0.044482
<b>COV</b>	14.07391	33.96206	19.32145	10.84507	16.09209
<b>KURTOSIS</b>	-1.71826	-0.94902	1.938789	2.751575	-2.02424
<b>SKEWNESS</b>	0.299852	-0.07216	-1.36854	-1.52996	-0.02219

**TABLE NO.:9 NET WORTH RATIO**

*(SOURCE: WWW.MONEYCONTROL.COM)*

**INTERPRETATION**

From the above table while comparing the 5 companies the Sonata has a minimum level of Net worth Ratio that is 0.567855 & HCL has a maximum level of Net worth Ratio that is 0.797241. Look into the 5 companies the HCL has a high level of average value that is 0.761155 & the companies of TCS is having a low level of average values that is 0.649198. The companies of TCS, Wipro, HCL, Sonata and Infosys are having a PLATYKURTIC kurtosis. Because the all 5 companies are having a value of kurtosis is <3 that is -1.71826, -0.94902, 1.938789, 2.751575, -2.02424. The company of TCS is positively skewed and then, the remaining companies are negatively skewed.

**TABLE NO.:10 WORKING CAPITAL TURNOVER RATIO**

<b>YEAR</b>	<b>TCS</b>	<b>WIPRO</b>	<b>HCL</b>	<b>SONATA</b>	<b>INFOSYS</b>
<b>2020</b>	2.380112	1.721509	3.400355	4.018773	2.763881
<b>2021</b>	2.48857	1.846046	2.015993	2.08564	2.802087
<b>2022</b>	2.84843	2.08313	2.277404	1.866386	3.785004
<b>2023</b>	3.560681	1.928373	2.584674	2.564827	5.033036
<b>2024</b>	3.90225	2.079568	2.521776	1.960631	2.939247
<b>MINIMUM</b>	2.380112	1.721509	2.015993	1.866386	2.763881
<b>MAXIMUM</b>	3.90225	2.08313	3.400355	4.018773	5.033036
<b>MEAN</b>	3.036009	1.931725	2.56004	2.499252	3.464651
<b>SD</b>	0.669091	0.155181	0.520593	0.890919	0.970641
<b>COV</b>	4.537511	12.44824	4.917544	2.80525	3.569447
<b>KURTOSIS</b>	-2.29344	-1.51184	2.085191	3.120874	1.254046
<b>SKEWNESS</b>	0.475185	-0.35864	1.209985	1.784306	1.417379

*(SOURCE: WWW.MONEYCONTROL.COM)*

**INTERPRETATION**

From the above table while comparing the 5 companies the Wipro has a minimum level of Working Capital Turnover Ratio that is 1.721509 & Sonata has a maximum level Working Capital Turnover Ratio of that is 5.033036. Look into the 5 companies the Infosys has a high level of average value that is 3.464651 & the companies of Wipro is having a low level of average values that is 1.931725. The companies of TCS, Wipro, HCL and Infosys all are having a PLATYKURTIC kurtosis. Because the 4 companies are having a value of kurtosis is <3 that is -2.29344, -1.51184, 2.085191, 1.254046 & the remaining company of Sonata is having a value of kurtosis is >3. So that is called as LEPTOKURTIC kurtosis. The company of Wipro Negatively skewed and then, the remaining companies are positively skewed.

COMPANY	YEAR	SALES	%	PROFIT	%	STOCK	%
TCS	2020	131306.00	100	33260.00	100	5.00	100
	2021	135963.00	103.5467	30960.00	93.08479	7.00	140
	2022	160341.00	122.1125	38187.00	114.8136	19.00	380
	2023	190354.00	144.9698	39106.00	117.5767	27.00	540
	2024	202359.00	154.1125	43559.00	130.9651	27.00	540
WIPRO	2020	50387.70	100	8680.70	100	174.10	100
	2021	50299.40	98.82476	10060.90	115.8996	91.00	52.26881
	2022	59574.40	118.232	12135.30	136.7963	87.50	50.25847
	2023	67753.40	134.4642	9176.70	105.7138	91.30	52.44113
	2024	66792.40	132.557	9118.60	105.0445	72.90	41.87249
HCL	2020	32606.00	100	8969.00	100	14.00	100
	2021	35673.00	109.4062	8743.00	97.48021	18.00	128.5714
	2022	40.638.00	124.6335	10874.00	121.2398	23.00	164.2857
	2023	46276.00	141.9248	11459.00	127.7623	35.00	250
	2024	48118.00	147.5741	11674.00	130.1594	25.00	178.5714
SONATA	2020	875.57	100	211.26	100	230.09	100
	2021	781.26	89.22873	179.03	84.74392	191.58	83.26307
	2022	758.07	86.58017	235.19	111.3273	152.83	66.42183
	2023	920.85	105.1715	220.37	104.3122	307.52	133.652
	2024	950.22	108.5259	358.80	169.8381	520.19	226.0811
INFOSYS	2020	79047.00	100	15543.00	100	15459.00	100
	2021	85912.00	108.6847	18048.00	116.1166	16394.00	106.0483
	2022	103940.00	131.4914	21235.00	136.621	18966.00	122.6858
	2023	124014.00	156.8864	23268.00	149.7008	20773.00	134.3748
	2024	128933.00	163.1093	27234.00	175.2171	25152.00	162.7013

**TREND ANALYSIS**

(SOURCE: WWW.MONEYCONTROL.COM)

**TCS:** The sales have continuously increased in all the year up to 2024. The percentage in 2024 is that 154.1125 as compared to 100 in 2020. The increase in sales is quite satisfactory. The expansion of the firm is good and it has doubled its sales and profits in just five years-time. The profits have decreased more than a sale which shows that there is a improper control over cost of goods sold.

**WIPRO:** The sales have continuously increased in all the year up to 2024. The percentage in 2024 is that 132.557 as compared to 100 in 2020. The increase in sales is quite satisfactory. The expansion of the firm is good and it has doubled its sales and profits in just five years-time. The profits have decreased more than a sale which shows that there is a improper control over cost of goods sold.

**HCL:** The sales have continuously increased in all the year up to 2024. The percentage in 2024 is that 147.5741 as compared to 100 in 2020. The increase in sales is quite satisfactory. The expansion of the firm is good and it has doubled its sales and profits in just five years-time. The profits have decreased more than a sale which shows that there is a improper control over cost of goods sold.

**SONATA:** The sales have continuously increased in all the year up to 2024. The percentage in 2024 is that 108.5259 as compared to 100 in 2020. The increase in sales is quite satisfactory. The expansion of the firm is good and it has doubled its sales and profits in just five years-time. The profits have increased more than a sale which shows that there is a proper control over cost of goods sold.

**INFOSYS:** The sales have continuously increased in all the year up to 2024. The percentage in 2024 is that 163.1093 as compared to 100 in 2020. The increase in sales is quite satisfactory. The expansion of the firm is good and it has doubled its sales and profits in just five years-time. The profits have increased more than a sale which shows that there is a proper control over cost of goods sold.

## FINDINGS OF THE STUDY

- ❖ **Current Ratio:** HCL has the lowest current ratio at 1.687827, which indicates a weaker liquidity position compared to other companies. Sonata has the highest current ratio of 3.332403, indicating a stronger liquidity position.
- ❖ **Cash Ratio:** HCL has the lowest cash ratio at 0.092605, indicating that it has very little cash or liquid assets available to cover its short-term liabilities. Sonata has the highest cash ratio at 1.685412, indicating a strong liquidity position.
- ❖ **Liquidity Ratio:** HCL has the lowest liquidity ratio at 1.109174, indicating a relatively weaker liquidity position compared to the other companies. Sonata has the highest liquidity ratio at 2.982653, reflecting a strong liquidity position.
- ❖ **Gross Profit Ratio:** Wipro has the lowest gross profit ratio at 18.10817, indicating that it has a lower proportion of profit compared to its revenue. Sonata has the highest gross profit ratio at 39.96653, indicating that it is highly profitable in relation to its revenue.
- ❖ **Net Profit Ratio:** Wipro has the lowest net profit ratio at 13.54426, indicating that it has a relatively lower proportion of profit after expenses compared to its revenue. Sonata has the highest net profit ratio at 37.75968, indicating strong profitability relative to its revenue.
- ❖ **Return on Net Worth Ratio:** Wipro has the lowest Return on Net Worth (RONW) ratio at 0.147538, indicating that it has a relatively low return on its equity capital. TCS has the highest RONW ratio at 0.603979, showing that TCS is more efficient at generating profit from its equity capital.
- ❖ **Return on Asset Ratio (ROA):** Wipro has the lowest Return on Asset (ROA) ratio at 0.107572, indicating that it is less efficient at generating profit from its assets compared to the other companies. Sonata has the highest ROA ratio at 0.376566, indicating that it is very efficient in generating profit from its assets.
- ❖ **Debt Equity Ratio:** HCL has the lowest debt equity ratio at 0.015661, indicating that it has a very low level of debt compared to equity. Sonata has the highest debt equity ratio at 0.199277, indicating that it uses a higher level of debt in relation to equity.
- ❖ **Net Worth Ratio:** Sonata has the lowest net worth ratio at 0.567855, indicating that it has a relatively smaller proportion of net worth compared to its total assets. HCL has the highest net worth ratio at 0.797241, reflecting a higher proportion of net worth to total assets.
- ❖ **Working Capital Turnover Ratio:** Wipro has the lowest Working Capital Turnover Ratio at 1.721509, indicating that it is less efficient in utilizing its working capital to generate sales. Sonata has the highest Working Capital Turnover Ratio at 5.033036, reflecting strong efficiency in utilizing its working capital to generate sales.

## TREND ANALYSIS

An analysis of recent financial performance among leading Indian IT companies reveals varying degrees of cost management effectiveness:

- **TCS:** In Q3 FY25, TCS reported a 5.6% year-on-year revenue growth and a 12% increase in profit, indicating effective cost control.
- **Wipro:** The company experienced a 0.5% revenue growth alongside a 24.6% rise in profit during the same period, suggesting improved cost efficiency.
- **HCL Technologies:** HCL Tech's revenue grew by 5.1%, with a 5.6% increase in profit, reflecting stable cost management.

- **Infosys:** Infosys achieved a 7.6% revenue growth and an 11.6% rise in profit, demonstrating strong cost control measures.

## SUGGESTION

A robust financial foundation is essential for IT organizations to ensure long-term stability and growth, enabling them to maintain liquidity, manage liabilities, and navigate economic fluctuations effectively. Such financial health allows companies to invest in innovation and adapt to industry changes while sustaining profitability. Employees benefit from this stability, finding growth opportunities within a well-managed financial structure that supports clear budgeting and resource allocation, fostering a secure work environment focused on technological advancement. Effective financial management also builds organizational confidence among employees, investors, and stakeholders, assuring them of the company's ability to meet obligations and invest in future technologies. Transparent financial practices and compliance with regulatory standards enhance credibility with clients, investors, suppliers, and regulatory bodies, facilitating efficient capital expenditure and risk mitigation. To manage substantial operational costs, IT firms should pursue cost-efficient solutions through strategic resource allocation in areas like R&D and workforce expansion, renegotiating vendor contracts, and implementing automation to reduce overheads. Proactive financial planning, including data-driven forecasting and risk assessment, is crucial for maintaining profitability and ensuring resilience in the evolving digital economy.

## CONCLUSION

Thus, it is necessary to conclude that the Indian IT industry continues to demonstrate strong growth, driven by global demand and digital transformation. However, the sector faces challenges such as outstanding receivables, increasing operational costs, and market volatility. This study was based on the analysis of the financial performance of leading IT companies using various tools and techniques, primarily relying on their annual reports. Through this analysis, it is evident that while comparing the top IT firms, Tata Consultancy Services (TCS) has maintained a strong financial position, whereas Infosys and Wipro have also shown consistent performance. The study highlights the need for effective financial management strategies to sustain growth and ensure long-term stability in the highly competitive IT sector.