© SEP 2026 | IRE Journals | Volume 10 Issue 3 | ISSN: 2456-8880
DOI: https://doi.org/10.64388/IREV10I3-1723475

Analyzing How Rigorous Financial Analysis Informs Strategic Decisions and Contributes to Corporate Growth: A Comparative Ratio Analysis of Four Indian IT Services Companies (TCS, Infosys, Wipro and HCLTech), FY2023–FY2026

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Abstract- ***Financial analysis is often treated as a retrospective accounting exercise, yet in practice it functions as the evidentiary basis on which executives make forward-looking strategic choices: how much capital to invest, how to fund growth, and when to intervene in an underperforming operation. This paper examines that link empirically using four years (FY2023–FY2026) of consolidated financial statement data from India's four largest listed information technology (IT) services companies: Tata Consultancy Services (TCS), Infosys, Wipro, and HCL Technologies (HCLTech). Ten financial ratios spanning profitability, efficiency, leverage, liquidity, and growth are calculated directly from each company's audited filings and interpreted against publicly reported strategic events, including leadership changes, capital allocation policy, and disclosed one-time charges. The analysis finds that rigorous, multi-year ratio analysis exposes strategic signals that a single year's headline revenue or profit figure conceals: Wipro's 2024 leadership transition coincides with a measurable margin recovery; HCLTech's FY2026 profit decline is explained by a disclosed one-time regulatory charge rather than operating weakness; and TCS's exceptionally high return on equity reflects a deliberate capital-return policy rather than superior operations alone. The paper concludes that financial analysis contributes to corporate growth not by producing numbers, but by disciplining the strategic conversation that surrounds them.***

Keywords: financial ratio analysis, strategic decision-making, corporate growth, capital allocation, DuPont analysis, IT services industry

I. INTRODUCTION

Every strategic decision a company makes, whether to expand into a new market, acquire a competitor, cut costs, raise debt, or return cash to shareholders, is at some level a financial decision. The Corporate Finance Institute defines financial statement analysis as the process of reviewing a company's financial statements for decision-making purposes, using techniques such as ratio, vertical, and horizontal analysis to evaluate performance over time and against peers (Vipond, 2022). What separates a well-run company from a poorly run one is often not access to better information, but the rigor with which that information is analyzed before a decision is made.

This paper investigates the relationship between rigorous financial analysis and strategic decision-making through a comparative, multi-year case study of four companies operating in the same industry: India's four largest listed information technology (IT) services companies, Tata Consultancy Services (TCS), Infosys Limited, Wipro Limited, and HCL Technologies (HCLTech). These four companies were selected because they compete directly for the same clients and talent, disclose detailed quarterly and annual consolidated financial statements under Indian Accounting Standards (Ind AS), and each experienced, within the period studied, a distinct strategic inflection point (a leadership change, a margin-recovery effort, a regulatory cost shock, or a renewed growth push) that shows up measurably in its financial ratios.

The specific objectives of this study are threefold: first, to calculate and compare a comprehensive set of profitability, efficiency, leverage, liquidity, and growth ratios for TCS, Infosys, Wipro, and HCLTech

over FY2023–FY2026; second, to examine whether movements in these ratios correspond to publicly documented strategic decisions and events at each company; and third, to evaluate how rigorous, multi-year financial analysis, as opposed to a single ratio or a single year's data, better informs strategic decision-making and explains corporate growth outcomes.

This paper restricts itself to one industry sector in order to hold external variables such as macroeconomic trends, currency exposure, and client demand cycles reasonably constant across companies, a standard technique in comparative financial research (Zhang et al., 2025). Section 2 reviews the literature connecting financial analysis to strategic decision-making. Section 3 describes the data sources and ratio-analysis methodology. Section 4 presents the findings. Section 5 discusses what these findings imply for strategic decision-making and corporate growth. Section 6 notes the limitations of the study, and Section 7 concludes with recommendations for practitioners and future researchers.

II. LITERATURE REVIEW

Financial ratio analysis has a long history as a decision-support tool, and a substantial body of recent work continues to refine how it should be used. Zhang et al. (2025), in a literature review circulated through the Munich Personal RePEc Archive, synthesize a range of 2024–2025 studies and conclude that ratios provide standardized, comparable metrics for evaluating liquidity, profitability, solvency, and efficiency, but that their strategic value increases substantially when they are tracked dynamically across time rather than read as a single-period snapshot, a point supported by panel-data research showing that trend interpretation reveals turning points that static ratios miss. The same review highlights sector-specific benchmarking as essential, since a ratio considered strong in one industry may be unremarkable, or even weak, in another. This paper takes that caution seriously by comparing only same-sector firms.

Vipond (2022), writing for the Corporate Finance Institute, frames financial statement analysis as resting on three complementary techniques: vertical analysis, which expresses each line item as a percentage of revenue; horizontal analysis, which tracks year-on-year change; and ratio analysis proper. Used together, these methods allow a decision-maker to separate a genuine change in the underlying business from a change caused only by scale. This paper applies all three implicitly: revenue and profit growth rates constitute a form of horizontal analysis, and margin ratios constitute a form of vertical analysis expressed through the profitability lens.

A specific and long-established technique for connecting ratios to the underlying drivers of performance is DuPont analysis, which decomposes return on equity (ROE) into net profit margin, asset turnover, and financial leverage (Wall Street Prep, 2024). The DuPont framework matters for this paper because it explains why a headline ROE figure can be strategically misleading in isolation: a company can report an excellent ROE either because its operations are genuinely excellent, or simply because it employs very little equity capital, a capital-structure decision rather than an operating one. As the findings in Section 4 show, this distinction is central to interpreting TCS's ROE correctly.

Beyond ratio mechanics, the strategic-management literature treats financial analysis as an input specifically to capital allocation, the decision of where a company should deploy its cash. Saalmuller (2022), writing for Harvard Business School Online, describes capital allocation as "the distribution, re-distribution, and investment of financial resources to maximize stakeholder profits," spanning choices between organic growth investment, acquisitions, debt repayment, dividends, and share buybacks. Stange et al. (2023), in a Boston Consulting Group study of large-company capital allocation practice, argue further that "capital allocation may be the most critical means of translating corporate strategy into action," reporting that top-performing companies that combine disciplined project-level financial analysis with strong governance invest roughly fifty percent more in capital expenditure than their peers while achieving materially higher returns on assets and sales growth. This literature supports the central claim of the present paper: financial analysis is not separate from strategy; it is one of strategy's primary inputs.

At the same time, the literature is careful to flag the limits of ratio-based analysis. Bragg (2026), writing for AccountingTools, lists several well-known limitations: ratios are calculated from historical data and may not predict future performance; a change in accounting policy, business structure, or a one-off event can distort a ratio without reflecting any real change in business health; and a ratio read in isolation, without its surrounding qualitative context, can actively mislead a decision-maker, illustrated by his example of a current ratio that looks unusually strong only because a company recently sold a large asset. This paper treats that caution as a design requirement rather than a footnote: every ratio finding reported in Section 4 is deliberately cross-checked against a specific, disclosed strategic or operational event, rather than presented as a number that speaks for itself. Taken together, the literature converges on three points that structure this paper's approach: ratios are most informative when compared across time and against same-sector peers (Zhang et al., 2025); they connect most directly to strategy through the specific lens of capital allocation (Saalmuller, 2022; Stange et al., 2023); and they must always be interpreted alongside the real-world events that produced them, rather than read as self-explanatory numbers (Bragg, 2026).

III. RESEARCH METHODOLOGY

3.1 Design

This study uses a comparative, quantitative case-study design based entirely on secondary data drawn from audited public disclosures. It does not rely on primary data collection such as surveys or interviews; instead, it treats each company's own consolidated financial statements as the primary source and reconstructs, from first principles, the ratios needed to test the paper's research objectives.

3.2 Companies and Period

The sample comprises Tata Consultancy Services, Infosys, Wipro, and HCL Technologies, covering the four most recently completed audited fiscal years at the time of writing (August 2026): FY2023, FY2024, FY2025, and FY2026, each ending 31 March.

3.3 Data Sources

All figures are consolidated (group-level) financial statements prepared under Ind AS, taken directly from each company's investor-relations filings (HCLTech, 2026; Infosys Limited, 2026; Tata Consultancy Services, 2026; Wipro Limited, 2026) and cross-verified against the independent financial-data aggregator Screener.in (2026), which compiles filings data for companies listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). Where a discrepancy of more than one percent arose between a primary filing and the aggregator figure, typically attributable to differing treatment of non-controlling interest, the figure taken directly from the company's own consolidated balance sheet was used, and the difference is documented in the accompanying data workbook (Financial_Analysis_Data_and_Solutions.xlsx).

3.4 Ratios Calculated

Ten ratios were calculated for each company in each year for which the underlying data was available, spanning five analytical categories, as summarized in Table 1.

Table 1 Financial Ratios Used in This Study

Ratio	Formula	Category
Net Profit Margin (%)	Net Profit ÷ Revenue × 100	Profitability
Operating Profit Margin (%)	Operating Profit ÷ Revenue × 100	Profitability
Return on Equity, ROE (%)	Net Profit ÷ Total Equity × 100	Profitability
Return on Assets, ROA (%)	Net Profit ÷ Total Assets × 100	Profitability
Asset Turnover (x)	Revenue ÷ Total Assets	Efficiency
Debt-to-Equity (x)	Borrowings ÷ Total Equity	Leverage

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Ratio	Formula	Category
Revenue Growth, YoY (%)	(Revenue$_1$ − Revenue$_0$) ÷ Revenue$_0$ × 100	Growth
Net Profit Growth, YoY (%)	(Net Profit$_1$ − Net Profit$_0$) ÷ Net Profit$_0$ × 100	Growth
Current Ratio (x)	Current Assets ÷ Current Liabilities	Liquidity
Operating Cash Flow / Net Profit (x)	Net Cash from Operations ÷ Net Profit	Cash Quality

Note. Current Ratio and Operating Cash Flow / Net Profit are reported for FY2025 and FY2026 only, the two years for which a full line-item consolidated balance sheet was reviewed for this study.

3.5 Analytical Approach

After calculation, each ratio's year-on-year and cross-company movement was checked against publicly reported strategic or operational events for that company, including leadership changes, capital allocation announcements, and disclosed one-time items, drawn from company press releases and financial news coverage. This step is the central test of the paper's underlying proposition: that rigorous, contextualized ratio analysis surfaces strategically meaningful information that a bare number does not.

3.6 Tools and Verification

Calculations were built as live, auditable formulas in a companion Microsoft Excel workbook, so that every ratio reported in this paper can be traced back to its two source figures and independently re-derived. Every formula in that workbook was recalculated and checked for errors before any figure was transcribed into this paper.

IV. DATA ANALYSIS AND FINDINGS

4.1 Scale and Growth, FY2023–FY2026

All four companies grew revenue over the four-year window, but at markedly different rates. Table 2 shows that TCS remained the largest by a wide margin throughout, growing from Rs. 2,25,458 crore in FY2023 to Rs. 2,67,021 crore in FY2026, a cumulative rise of 18.43%. HCLTech grew fastest in cumulative terms, up 28.28% over the same period, from Rs. 1,01,456 crore to Rs. 1,30,144 crore. Infosys grew a cumulative 21.72%, with growth accelerating sharply in FY2026 (9.61% year-on-year) after two comparatively slower years of 4.70% and 6.06%. Wipro's revenue was effectively flat across the period, rising only 2.36% cumulatively from Rs. 90,488 crore to Rs. 92,624 crore, and included two consecutive years of outright decline: −0.80% in FY2024 and −0.75% in FY2025 (see also Figure 1).

Table 2 Revenue by Company, FY2023–FY2026 (Rs. Crore)

Company	FY2023	FY2024	FY2025	FY2026	Cumulative Growth
TCS	2,25,458	2,40,893	2,55,324	2,67,021	+18.43%
Infosys	1,46,767	1,53,670	1,62,990	1,78,650	+21.72%
Wipro	90,488	89,760	89,088	92,624	+2.36%
HCLTech	1,01,456	1,09,913	1,17,055	1,30,144	+28.28%

Note. Company consolidated financial statements, FY2023–FY2026, cross-checked with screener.in.

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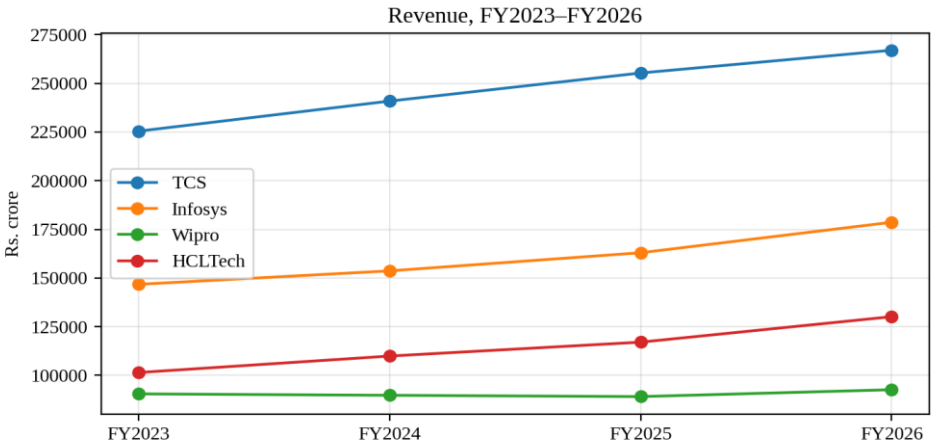
DOI: https://doi.org/10.64388/IREV10I3-1723475

Figure 1 Revenue by Company, FY2023–FY2026 (Rs. Crore)



Note. Company consolidated financial statements, FY2023–FY2026, cross-checked with screener.in.

Net profit followed a broadly similar pattern but with more divergence between companies, as shown in Table 3 and Figure 2. Infosys posted the highest cumulative net profit growth (22.26%), ahead of TCS (16.90%) and Wipro (16.72%). Wipro's profit growth is notable given that its revenue was nearly flat, an early signal, confirmed in Section 4.2, that Wipro's profit growth in this period was driven by margin expansion rather than by revenue expansion. HCLTech's cumulative net profit growth (12.17%) trailed its revenue growth (28.28%) by the widest margin of any company in the sample, foreshadowing the margin compression discussed below.

Table 3 Net Profit by Company, FY2023–FY2026 (Rs. Crore)

Company	FY2023	FY2024	FY2025	FY2026	Cumulative Growth
TCS	42,303	46,099	48,797	49,454	+16.90%
Infosys	24,108	26,248	26,750	29,474	+22.26%
Wipro	11,366	11,112	13,218	13,266	+16.72%
HCLTech	14,845	15,710	17,399	16,652	+12.17%

Note. Company consolidated financial statements, FY2023–FY2026, cross-checked with screener.in.

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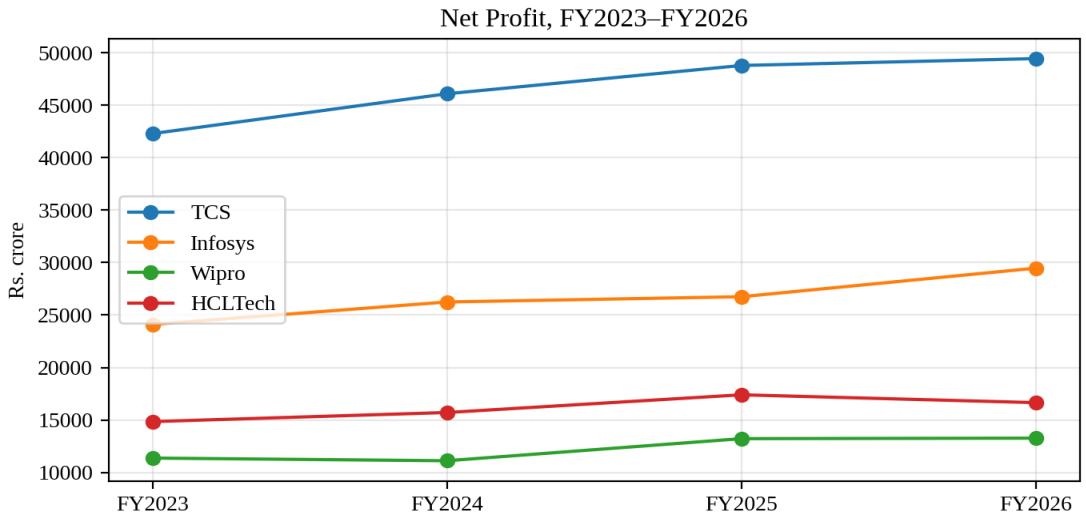
Figure 2 Net Profit by Company, FY2023–FY2026 (Rs. Crore)



Note. Company consolidated financial statements, FY2023–FY2026, cross-checked with screener.in.

4.2 Profitability, Efficiency, and Leverage (FY2026 Snapshot)

Table 4 presents the profitability, efficiency, and leverage ratios for FY2026, the most recent completed year. TCS posted a net profit margin of 18.52%, similar to Infosys's 16.50%, yet its return on equity of 46.12% was nearly one-and-a-half times Infosys's 31.74% and more than three times Wipro's 15.07%. DuPont analysis explains this gap: TCS's ROE advantage does not come from a proportionally larger profit margin but from a much smaller equity base relative to its profit, the arithmetic result of a capital allocation policy that has, over many years, returned a very high proportion of profit to shareholders through dividends and share buybacks rather than retaining it as equity (Saalmuller, 2022; Wall Street Prep, 2024). Read without this decomposition, TCS's ROE could mistakenly be interpreted as evidence of superior operating performance alone, rather than, in large part, evidence of a deliberate financing and payout decision.

Wipro recorded the lowest margins and lowest ROE of the four companies in most years studied, but FY2025 shows the single largest year-on-year profitability improvement in the entire dataset (Figure 3): net profit margin rose from 12.38% in FY2024 to 14.84% in FY2025, and net profit grew 18.95% even as revenue declined slightly (−0.75%), an unusual combination that signals a margin- and cost-focused strategic response rather than a growth-led one. This timing coincides closely with Wipro's April 2024 leadership transition, in which Thierry Delaporte was succeeded by Srinivas Pallia as Chief Executive Officer and Managing Director, with the new leadership publicly emphasizing a return to Wipro's core service strengths and tighter operational execution (Wipro Limited, 2024). The ratio movement, margin expansion despite flat or declining revenue, is exactly what one would expect to see in the financial statements of a company executing a deliberate margin-recovery strategy under new leadership, and it is visible in the numbers a full reporting year before it could be confirmed through qualitative commentary alone.

HCLTech shows the opposite pattern in FY2026: revenue grew 11.18%, the fastest of the four companies that year, yet net profit fell 4.29% and net profit margin dropped from 14.86% to 12.80%, the sharpest single-year margin compression in the dataset. Financial press coverage of HCLTech's FY2026 results attributes this decline specifically to one-time charges relating to new labour-law codes and a bilateral advance pricing agreement (BAPA) with tax authorities, both disclosed as non-recurring items

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DOI: https://doi.org/10.64388/IREV10I3-1723475

rather than signs of deteriorating core operations (Quartr, 2026). This is precisely the scenario against which Bragg (2026) warns: a ratio-only reading of HCLTech's FY2026 results, without the qualitative disclosure behind them, would incorrectly suggest a weakening business at exactly the moment its revenue growth was strongest among its peers.

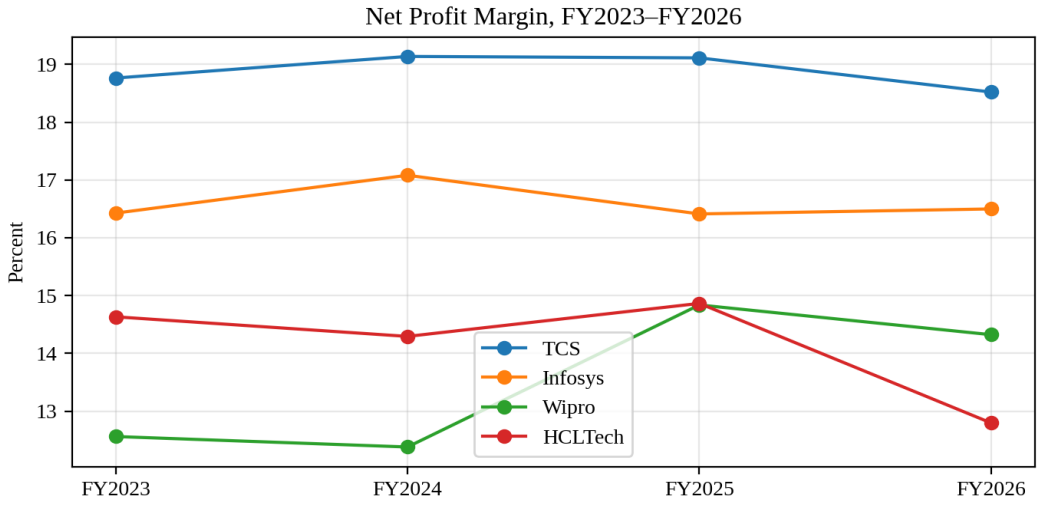
All four companies operate with very low financial leverage, with debt-to-equity ratios ranging from 0.07x (HCLTech) to 0.23x (Wipro), consistent with the asset-light, cash-generative nature of the IT services business model, which typically funds operations and growth from internally generated cash flow rather than borrowed capital. Wipro's comparatively higher leverage is consistent with the more acquisitive growth strategy historically pursued by the company relative to its three peers. Asset turnover, a measure of how efficiently a company converts its asset base into revenue, was highest for TCS (1.47x) and lowest for Wipro (0.66x), a gap that has widened rather than narrowed since FY2023, and which reinforces the picture of TCS as the most operationally efficient of the four companies on a pure asset-utilization basis.

Table 4 Profitability, Efficiency, and Leverage Ratios, FY2026

Company	Net Profit Margin (%)	Operating Margin (%)	ROE (%)	ROA (%)	Asset Turnover (x)	Debt-to-Equity (x)
TCS	18.52	27.11	46.12	27.30	1.47	0.11
Infosys	16.50	23.67	31.74	19.10	1.16	0.10
Wipro	14.32	19.23	15.07	9.42	0.66	0.23
HCLTech	12.80	20.56	22.15	14.47	1.13	0.07

Note. Calculated from the Raw_Data sheet of Financial_Analysis_Data_and_Solutions.xlsx; formulas defined in Table 1.

Figure 3 Net Profit Margin by Company, FY2023–FY2026 (%)



Note. Net profit ÷ revenue × 100, calculated from Tables 2 and 3.

4.3 Liquidity, Cash Quality, and Growth (FY2025–FY2026)

Table 5 reports current ratios and the ratio of operating cash flow to net profit for FY2025 and FY2026,

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alongside each year's revenue and net profit growth rates for reference. Current ratios for all four companies remained comfortably above 1.9x in both years, indicating strong short-term solvency and minimal risk of a working-capital shortfall, an unsurprising but important finding for an industry with negligible inventory and predominantly contract-based receivables. Operating cash flow equalled or exceeded net profit in every company-year (a ratio of 1.0x or above), most notably for Infosys in FY2025 (1.38x), indicating that reported profits across the sample are substantially backed by real cash generation rather than by non-cash accounting items, a reassuring earnings-quality signal for any board or investor using these ratios to inform a growth or capital allocation decision.

Table 5 Liquidity, Cash Quality, and Growth, FY2025–FY2026

Company	Current Ratio FY25	Current Ratio FY26	OCF/NP FY25	OCF/NP FY26	Revenue Growth FY25 / FY26	Net Profit Growth FY25 / FY26
TCS	2.32	2.23	1.00	1.05	5.99% / 4.58%	5.85% / 1.35%
Infosys	2.27	1.98	1.38	1.22	6.06% / 9.61%	1.91% / 10.18%
Wipro	2.72	2.05	1.28	1.13	−0.75% / 3.97%	18.95% / 0.36%
HCLTech	2.54	2.36	1.28	1.20	6.50% / 11.18%	10.75% / −4.29%

Note. OCF/NP = Net Cash from Operating Activities ÷ Net Profit. Calculated from the Raw_Data sheet of Financial_Analysis_Data_and_Solutions.xlsx.

V. DISCUSSION: FROM RATIOS TO STRATEGIC DECISIONS AND GROWTH

The findings in Section 4 support the paper's central proposition, that rigorous financial analysis informs strategic decisions and, through those decisions, contributes to corporate growth, but they also reveal a more specific and more useful pattern than a general statement that "ratios matter." Four distinct mechanisms emerge from the four companies studied, each corresponding to a different stage of the strategy-and-growth cycle.

The first mechanism is capital allocation as the bridge between profitability and shareholder return. TCS's exceptionally high ROE, once decomposed using the DuPont logic set out by Wall Street Prep (2024), is shown to be as much a financing decision as an operating outcome: by returning a large share of profit to shareholders rather than retaining it as equity, TCS mechanically raises its own ROE, a textbook illustration of Saalmuller's (2022) point that capital allocation choices between reinvestment, dividends, and buybacks are themselves strategic decisions with measurable financial consequences. The strategic lesson is not that TCS is simply "better" than Infosys or HCLTech because its ROE is higher, but that ROE cannot be used as a cross-company performance scorecard without first checking what capital structure produced it.

The second mechanism, illustrated by Wipro, is what might be called the feedback loop between strategic decisions and financial analysis: financial analysis does not only inform decisions before they are made; it also evaluates them after the fact. Wipro's stagnant revenue and below-peer margins through FY2023–FY2024 constituted exactly the kind of financial evidence that boards use to justify a leadership change; the appointment of Srinivas Pallia as CEO in 2024 was reported at the time as a response to sustained underperformance relative to peers (Wipro Limited, 2024). The subsequent FY2025 margin recovery then serves the opposite function: it is the financial-statement evidence that lets the board, investors, and, in this paper, an external researcher assess whether the new strategy is actually working, independent of the leadership's own claims about its progress. Rigorous financial analysis, in other words, both triggers and later validates a major strategic decision.

The third mechanism, illustrated by HCLTech, is risk management around non-recurring items. A board deciding on FY2027 capital expenditure, hiring, or

dividend policy using HCLTech's FY2026 numbers would reach a dangerously different conclusion depending on whether it correctly separates the one-time labour-code and BAPA charges from the underlying operating trend. Treating the 4.29% profit decline as a genuine operating deterioration could trigger an unwarranted retrenchment in strategic investment at precisely the moment the company's revenue growth (11.18%) was strongest among its peers, an overreaction of exactly the kind that rigorous, disaggregated financial analysis, rather than a single headline profit figure, is designed to prevent (Bragg, 2026).

The fourth mechanism is that liquidity and cash-quality ratios function as the balance-sheet capacity that makes the other three mechanisms possible. All four companies maintain current ratios well above 1.9x and operating cash flow at or above net profit in the years studied, meaning each company's board has, in principle, the short-term financial flexibility to act on whatever a deeper ratio analysis recommends, whether that is TCS continuing an aggressive buyback programme, Wipro funding a leadership-driven turnaround, or HCLTech absorbing a one-time regulatory charge without disrupting its growth investment. This connects directly to the finding of Stange et al. (2023) that disciplined capital allocation requires both rigorous project-level financial analysis and the balance-sheet capacity to act on its conclusions; a company with excellent analysis but no liquidity headroom cannot translate insight into growth.

Read together, these four mechanisms answer the paper's research question more precisely than a general claim that "financial analysis matters for strategy." Corporate growth in this sample was not simply a function of revenue growth; it was a function of decisions made in light of financial analysis: decisions about how much capital to return versus retain (TCS), when to change leadership and refocus strategy in response to margin and growth pressure (Wipro), how to interpret and respond to one-off items without overreacting (HCLTech), and how to sustain growth momentum through the deal cycle while margins stay intact (Infosys, whose net profit growth reaccelerated to 10.18% in FY2026 after a subdued 1.91% in FY2025). Rigorous financial analysis contributes to corporate growth not because it is predictive on its own, but because it forces a more precise, evidence-based strategic conversation than headline revenue or profit figures alone would allow.

VI. LIMITATIONS OF THE STUDY

This study has several limitations that should temper how far its conclusions are generalized. First, the sample is restricted to one sector (IT services), four companies, and four fiscal years; findings should not be extended to other industries, smaller or unlisted companies, or different macroeconomic conditions without further study. Second, the links proposed in Section 5 between specific ratio movements and specific strategic events, for example between Wipro's leadership change and its subsequent margin recovery, are correlational and drawn from public reporting rather than from internal management data or a controlled counterfactual; alternative or contributing explanations, such as currency movements, industry-wide pricing cycles, or the timing of large client contract renewals, cannot be fully ruled out. Third, the Total Equity figure used throughout this paper (equity share capital plus reserves and surplus) is a deliberate simplification chosen for comparability across all four companies and all four years, and it differs marginally from each company's own reported total equity figure where non-controlling interests are involved, as documented in the accompanying workbook. Finally, this study inherits the structural limitations of ratio analysis documented by Bragg (2026): reliance on historical-cost accounting data, sensitivity to differences in accounting policy, and the fact that a balance-sheet ratio is a single-point-in-time snapshot rather than a continuous measure.

VII. CONCLUSION AND RECOMMENDATIONS

This paper set out to examine how rigorous financial analysis informs strategic decisions and contributes to corporate growth, using a four-year comparative ratio analysis of TCS, Infosys, Wipro, and HCLTech. The evidence supports the paper's thesis but refines it: financial analysis contributes to growth not as a standalone predictive tool, but as the mechanism

through which specific strategic decisions (capital allocation, leadership change, risk management around one-time items, and the maintenance of balance-sheet flexibility) are informed, validated, or corrected. TCS's capital-return policy explains its outsized ROE more than any operating advantage; Wipro's 2024 leadership change is visible in its financial statements as a measurable margin recovery within a single fiscal year; HCLTech's FY2026 profit decline is largely explained by a disclosed one-time charge rather than deteriorating operations; and all four companies retain the liquidity and cash-generation capacity needed to act on whatever their own financial analysis recommends.

For corporate management and finance teams, four practical recommendations follow directly from these findings. First, never use return on equity, or any single profitability ratio, as a cross-company scorecard without first decomposing it using a DuPont-style framework to check whether the result reflects operating performance, capital structure, or both. Second, before treating a period's profit decline or improvement as evidence that a strategy is failing or succeeding, verify whether one-time or non-recurring items are responsible, as HCLTech's FY2026 results demonstrate. Third, track margin and cash-quality ratios on a quarterly basis around any major leadership or strategy transition, since, as the Wipro case shows, these ratios can confirm or challenge a stated strategic shift well before qualitative reporting does. Fourth, maintain sufficient liquidity headroom, evidenced here by current ratios and operating-cash-flow coverage, so that insights generated through financial analysis can actually be acted upon rather than remaining theoretical.

For future research, this framework could usefully be extended to more sectors, a longer time series, and, where accessible, internal management data such as segment-level margins or deal-pipeline metrics, which would allow the correlational strategic links proposed in this paper to be tested more rigorously than public disclosure alone permits. The evidence gathered here nonetheless suggests a clear closing observation: the companies best able to convert financial analysis into corporate growth are not necessarily those with the strongest ratios in any single year, but those whose leadership treats ratio movement as a standing question to be investigated, rather than a scorecard to be reported.

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