

INFOSYS ANALYSIS

2019-2020

Income Statement Analysis

INFOSYS Income Statement 2019-20

No. of Mths Year Ending		12 Mar-19*	12 Mar-20*	% Change
Net Sales	Rs m	826,750	907,910	9.8%
Other income	Rs m	28,820	33,140	15.0%
Total Revenues	Rs m	855,570	941,050	10.0%
Gross profit	Rs m	201,700	217,560	7.9%
Depreciation	Rs m	20,110	28,930	43.9%
Interest	Rs m	0	1,700	0.0%
Profit before tax	Rs m	210,410	220,070	4.6%
Tax	Rs m	56,310	53,680	-4.7%
Profit after tax	Rs m	154,100	166,390	8.0%
Gross profit margin	%	24.4	24.0	
Effective tax rate	%	26.8	24.4	
Net profit margin	%	18.6	18.3	

Operating income during the year rose 9.8% on a year-on-year (YoY) basis.

The main reason for the increase in operating income was the growing demand for digital transformation services, especially in areas such as machine learning, big data, and predictive analytics. These services are increasingly in demand as businesses around the world utilize digitalization and cloud technologies.

Infosys added a large no. of high-value deals in North America and Europe. These deals significantly contributed to operational revenue, primarily because of Infosys's market share expansion and higher penetration of these high-growth geographies. This led to stable earnings.

[\(EARNINGS CALL Q1 FY 2019 July 13\)](#)

Depreciation charges increased by 43.9%.

This increase was mainly due to the introduction of the Indian Accounting Standard 116 (Ind AS 116) on leases, effective from April 1, 2019. Ind AS 116 requires the company must account for the depreciation of these assets, which were previously excluded from the balance sheet under operating leases, thus leading to higher depreciation of right-of-use assets. Infosys continued its investments in infrastructure and technology

assets to support business growth.

Other income grew by 15.0% YoY.

Most of the other income comes from gains due to foreign exchange fluctuations, higher interest income from cash reserves, and income generated from investments in financial instruments.

Balance Sheet Analysis

INFOSYS Balance Sheet as on March 2020

No. of Mths Year Ending		12 Mar-19*	12 Mar-20*	% Change
Networth	Rs m	647,210	651,530	0.7
Current Liabilities	Rs m	186,380	208,560	11.9
Long-term Debt	Rs m	0	0	0.0
Total Liabilities	Rs m	833,660	910,240	9.2
Current assets	Rs m	528,780	545,760	3.2
Fixed Assets	Rs m	304,880	364,480	19.5
Total Assets	Rs m	833,660	910,240	9.2

CL (current liabilities) increased by 11.9% to Rs 209 billion.

- Global Project execution
- Employee Benefits

[Contactless Collaboration for Engineering, Procurement and Construction – Offerings I Infosys](#)

Fixed Assets rose by 20% to Rs 364 billion.

Fixed asset growth is because Infosys invested in delivery centers and Research and development hubs to support future growth of the company.

Cash Flow Statement Analysis

INFOSYS Cash Flow Statement 2019-20

Particulars	No. of months	12	12	% Change
	Year Ending	Mar-19	Mar-20	
Cash Flow from Operating Activities	Rs m	148,410	170,030	14.6%
Cash Flow from Investing Activities	Rs m	-5,750	-2,390	-
Cash Flow from Financing Activities	Rs m	-145,120	-175,910	-
Net Cash Flow	Rs m	-3,030	-9,190	-

INFOSYS's cash flow from operating activities (CFO) improved by 14.6% to Rs 170

billion.

Gains in net profits:

Increased Project Billings: Infosys took on more or larger projects, especially high-value contracts, which brought in more revenue.

Cost Efficiency: The company reduced its operating costs by optimizing processes and automating tasks, which saved money.

Working Capital Management: Infosys improved how it handled its short-term assets and liabilities. This included collecting payments from clients faster and managing payments to vendors effectively, ensuring a steady cash inflow.

[Infosys - Annual Report 2019–20](#)

Cash flow from financial activities (CFF) during FY20 was at Rs -176 billion

Infosys conducted a share buyback program where the company repurchases its own shares from the open market. This process involves a significant outflow of cash. Dividend payouts aimed at enhancing shareholder value.

<https://www.infosys.com/investors/news-events/events/share-buy-back.html>

Ratio Analysis

Key Ratio Analysis

No. of Mths Year Ending		12 Mar-19*	12 Mar-20*
Current ratio	x	2.8	2.6
Debtors' Days	Days	7	7
Interest coverage	x	0.0	130.5
Debt to equity ratio	x	0.0	0.0
Return on assets	%	18.5	18.5
Return on equity	%	23.8	25.5
Return on capital employed	%	32.5	34.0

Return on Equity (ROE): Improved to 25.5% (from 23.8%).

As Infosys expanded its business globally, especially in key markets like North America and Europe, it generated more revenue, thus improving net profits and the ability to generate more income with the same equity base. Strong demand for digital transformation services and successful large-scale projects, contributed to higher net income.

2020-2021

Income Statement Analysis

INFOSYS Income Statement 2020-21

No. of Mths Year Ending		12 Mar-20*	12 Mar-21*	% Change
Net Sales	Rs m	907,910	1,004,720	10.7%
Other income	Rs m	33,140	25,470	-23.1%
Total Revenues	Rs m	941,050	1,030,190	9.5%
Gross profit	Rs m	217,560	275,430	26.6%
Depreciation	Rs m	28,930	32,670	12.9%
Interest	Rs m	1,700	1,950	14.7%
Profit before tax	Rs m	220,070	266,280	21.0%
Tax	Rs m	53,680	72,050	34.2%
Profit after tax	Rs m	166,390	194,230	16.7%
Gross profit margin	%	24.0	27.4	
Effective tax rate	%	24.4	27.1	
Net profit margin	%	18.3	19.3	

Operating Income: Rose 10.7% YoY during FY21.

Due to the Covid19 pandemic, there was an increased client demand for digital services, particularly in cloud and automation so Infosys made a decent amount of operating income.

[Information Services and Publishing –Pandemic Times and the Need for a Resurgence](#)

Infosys secured several large contracts in industries undergoing rapid digital transformation, such as banking, retail, and manufacturing.

Other Income: Declined by 23.1% YoY.

During Covid19, due to global interest rate cuts, Infosys and many other companies received lower interest income and therefore resulted in a decline in the income.

The depreciation of certain currencies and the volatility in the foreign exchange markets reduced the gains that Infosys typically earns from its global operations.

[Infosys - Integrated report & annual accounts](#)

[INFOSYS LIMITED AND SUBSIDIARIES](#)

INFOSYS Balance Sheet Analysis

INFOSYS Balance Sheet as on March 2021

No. of Mths Year Ending		12 Mar-20*	12 Mar-21*	% Change
Networth	Rs m	651,530	759,790	16.6
Current Liabilities	Rs m	208,560	238,650	14.4
Long-term Debt	Rs m	0	0	0.0
Total Liabilities	Rs m	910,240	1,072,880	17.9
Current assets	Rs m	545,760	607,330	11.3
Fixed Assets	Rs m	364,480	465,550	27.7
Total Assets	Rs m	910,240	1,072,880	17.9

CA rose by 11% to Rs 607 billion, CL increased by 14.4% to Rs 239 billion, and fixed assets rose by 28% to Rs 466 billion

Total Assets and Liabilities: Grew by 18% to Rs 1,073 billion

In FY20-21, Infosys saw a significant increase in current liabilities driven by higher payables linked to global projects and increased employee benefits. Current assets rose reflecting a boost in cash reserves, receivables from large contracts, and investments in marketable securities. Fixed assets grew by 28% to Rs 466 billion due to substantial investments in delivery centers, R&D hubs, and IT infrastructure to support future growth in digital services. Overall, total assets and liabilities grew by 18% to Rs 1,073 billion, signaling a robust financial position supported by strategic investments in digital transformation, while managing liabilities effectively for business expansion.

INFOSYS Cash Flow Statement Analysis

INFOSYS Cash Flow Statement 2020-21

Particulars	No. of months	12	12	% Change
	Year Ending	Mar-20	Mar-21	
Cash Flow from Operating Activities	Rs m	170,030	232,240	36.6%
Cash Flow from Investing Activities	Rs m	-2,390	-74,560	-
Cash Flow from Financing Activities	Rs m	-175,910	-97,860	-
Net Cash Flow	Rs m	-9,190	60,650	-

Operating Activities: Improved by 36.6% to Rs 232 billion.

Covid19 induced a client demand for digital services in India and globally. This increased the overall cash flow.

Financing Activities: Improved to Rs -98 billion, a 44% enhancement.

As we saw last year, Infosys conducted a share buyback program where the company repurchases its own shares from the open market. This year they reduced the scale of the

program, leading to lower cash outflows in this area compared to last year.

Net Cash Flow: Improved to Rs 61 billion (from Rs -9 billion)

- Higher Revenues
- Effective Cost Management

Current Valuations for INFOSYS

Per Share Data/Valuations

No. of Mths Year Ending		12 Mar-20*	12 Mar-21*
Sales per share (Unadj.)	Rs	214.1	236.7
TTM Earnings per share	Rs	39.2	45.8
Diluted earnings per share	Rs	39.5	46.2
Price to Cash Flow	x	13.8	18.6
TTM P/E ratio	x	16.2	29.6
Price / Book Value ratio	x	4.4	5.6
Market Cap	Rs m	2,880,532	4,220,949
Dividends per share (Unadj.)	Rs	17.5	27.0

Earnings Per Share (EPS): Improved from Rs 39.2 to Rs 45.8.

Infosys' strong revenue growth in high-demand digital services boosted profitability and earnings. The company enhanced operational efficiency through cost-cutting measures, automation, and better service utilization, which improved net profit margins. Infosys also repurchased shares in FY21, reducing the number of shares outstanding, which contributed to a higher Earnings Per Share (EPS) by distributing earnings over a smaller base.

Price-to-Earnings (P/E) Ratio: Improved from 16.3 to 29.6

The increase in the P/E ratio tells us that investors were willing to pay more for Infosys's earnings.

The COVID-19 pandemic accelerated demand for these services, boosting investor confidence in Infosys's future growth. Positive market sentiment particularly in the technology sector during the pandemic also contributed to the rise in stock price and P/E ratio.

INFOSYS Share Price Performance

Over the last year, INFOSYS share price has moved up from Rs 640.3 to Rs 1,367.8, registering a gain of Rs 727.5 or around 113.6%.

Meanwhile, the S&P BSE IT Index is trading at Rs 26,543.2 (down 0.7%). Over the last one year it has moved up from 12,842.7 to 26,543.2, a gain of 13,701 points (up 106.7%).

Overall, the S&P BSE SENSEX is up 74.1% over the year.

2021-2022

Income Statement Analysis

INFOSYS Income Statement 2021-22

No. of Mths Year Ending		12 Mar-21*	12 Mar-22*	% Change
Net Sales	Rs m	1,004,720	1,216,410	21.1%
Other income	Rs m	25,470	22,950	-9.9%
Total Revenues	Rs m	1,030,190	1,239,360	20.3%
Gross profit	Rs m	275,430	314,910	14.3%
Depreciation	Rs m	32,670	34,760	6.4%
Interest	Rs m	1,950	2,000	2.6%
Profit before tax	Rs m	266,280	301,100	13.1%
Tax	Rs m	72,050	79,640	10.5%
Profit after tax	Rs m	194,230	221,460	14.0%
Gross profit margin	%	27.4	25.9	
Effective tax rate	%	27.1	26.4	
Net profit margin	%	19.3	18.2	

Operating Income rose 21.1% YoY during FY22.

Strong demand for Infosys's digital transformation services, including AI and cloud-based solutions, drove significant revenue growth.

Several high-value contracts were secured across sectors such as banking, retail, and healthcare.

Other Income declined by 9.9% YoY.

The company experienced reduced returns on its cash reserves, as global interest rates remained low during that period due to the Pandemic.

Fluctuations in currency exchange rates and market volatility led to decreased gains from foreign exchange activities.

Cash Flow Statement Analysis

INFOSYS Cash Flow Statement 2021-22

Particulars	No. of months	12	12	% Change
	Year Ending	Mar-21	Mar-22	
Cash Flow from Operating Activities	Rs m	232,240	238,850	2.8%
Cash Flow from Investing Activities	Rs m	-74,560	-64,160	-
Cash Flow from Financing Activities	Rs m	-97,860	-246,420	-
Net Cash Flow	Rs m	60,650	-72,420	-

Cash Flow from Operating Activities (CFO) rose 2.8% YoY to Rs 239 billion.

This growth was due to strong demand for Infosys's digital services. Operational efficiencies like increased automation, better resource utilization, and optimized service delivery models. Improved working capital management also contributed to the positive cash flow performance.

Net Cash Flow declined (from Rs 61 billion) to Rs -72 billion.

Infosys significantly increased its capital expenditures during this period and made investments in infrastructure, technology upgrades. These investments, aimed at strengthening the company's competitive position and enabling future scalability, contributed to higher outflows, thus impacting net cash flow.

<https://www.infosys.com/investors/reports-filings/quarterly-results/2021-2022/q4/documents/standalone/sa-fy22-q4-and-12m-finstatement.pdf>

<https://www.infosys.com/content/dam/infosys-web/en/investors/reports-filings/annual-report/annual/documents/integrated-annual-report2021-22/index.html>

Current Valuations

Per Share Data/Valuations

No. of Mths Year Ending		12 Mar-21*	12 Mar-22*
Sales per share (Unadj.)	Rs	236.7	290.1
TTM Earnings per share	Rs	45.8	52.8
Diluted earnings per share	Rs	46.2	52.6
Price to Cash Flow	x	25.4	26.7
TTM P/E ratio	x	29.6	28.3
Price / Book Value ratio	x	5.6	9.2
Market Cap	Rs m	4,220,949	6,846,142
Dividends per share (Unadj.)	Rs	27.0	31.0

Earnings Per Share (EPS) improved to Rs 52.8 (from Rs 45.8).

Higher net profits driven by increased revenue from digital transformation initiatives. Improved operational efficiencies contributed to growth in EPS.

PE ratio decreased from 29.6 to 28.3

The company faced higher costs due to inflation and investments in infrastructure and technology, which may have made investors less optimistic, making investors willing to pay less for those earnings, causing the P/E ratio to drop. The share buybacks and dividends returned money to shareholders, which may have also affected the stock price and P/E ratio.

[Infosys - Integrated report & annual accounts 2021-22](#)

Share Price Performance

INFOSYS share price has moved up from Rs 1,316.8 to Rs 1,492.3, registering a gain of Rs 175.5 or around 13.3%. Meanwhile, the S&P BSE IT Index is trading at Rs 29,792.8 (down 0.6%). Over the last one year it has moved up from 26,131.6 to 29,792.8, a gain of 3,661 points (up 14.0%).

Overall, the S&P BSE SENSEX is up 8.8% over the year.

2022-2023

Income Statement Analysis

INFOSYS Income Statement 2022-23

No. of Mths Year Ending		12 Mar-22*	12 Mar-23*	% Change
Net Sales	Rs m	1,216,410	1,467,670	20.7%
Other income	Rs m	22,950	33,480	45.9%
Total Revenues	Rs m	1,239,360	1,501,150	21.1%
Gross profit	Rs m	314,910	344,830	9.5%
Depreciation	Rs m	34,760	42,250	21.5%
Interest	Rs m	2,000	2,840	42.0%
Profit before tax	Rs m	301,100	333,220	10.7%
Tax	Rs m	79,640	92,140	15.7%
Profit after tax	Rs m	221,460	241,080	8.9%
Gross profit margin	%	25.9	23.5	
Effective tax rate	%	26.4	27.7	
Net profit margin	%	18.2	16.4	

Operating Income rose 20.7% YoY during FY23.

Infosys's strategic focus on digital and cloud services drove strong revenue growth, particularly in North America and Europe.

Increased adoption of automation and AI solutions across key sectors such as finance and healthcare.

<https://www.infosys.com/investors/reports-filings/annual-report/annual-reports/ar-2022-23.html>) - pg 30,32

Other Income grew by 45.9% YoY.

There was an increase due to higher yields from cash reserves and favorable foreign exchange gains compared to the previous fiscal year.

[Infosys Integrated Annual Report 2022 - 2023](#)

Balance Sheet Analysis

INFOSYS Balance Sheet as on March 2023

No. of Mths Year Ending		12 Mar-22*	12 Mar-23*	% Change
Networth	Rs m	747,440	745,290	-0.3
Current Liabilities	Rs m	336,030	391,860	16.6
Long-term Debt	Rs m	0	0	0.0
Total Liabilities	Rs m	1,166,730	1,245,710	6.8
Current assets	Rs m	671,850	708,810	5.5
Fixed Assets	Rs m	494,880	536,900	8.5
Total Assets	Rs m	1,166,730	1,245,710	6.8

Current Liabilities increased by 16.6% YoY to Rs 392 billion.

Rise in liabilities due to higher payables was because of large-scale client projects and provisions for employee benefits.

(<https://www.infosys.com/investors/reports-filings/annual-report/annual-reports/ar-2022-23.html>)

Current Assets rose by 6% to Rs 709 billion, and Fixed Assets rose by 8% to Rs 537 billion.

Growth in current assets was caused by higher receivables from new and ongoing contracts.

Fixed asset growth reflects investments in data centers, R&D facilities, and technological upgrades.

Cash Flow Statement Analysis

INFOSYS Cash Flow Statement 2022-23

Particulars	No. of months	12	12	% Change
	Year Ending	Mar-22	Mar-23	
Cash Flow from Operating Activities	Rs m	238,850	224,670	-5.9%
Cash Flow from Investing Activities	Rs m	-64,160	-12,090	-
Cash Flow from Financing Activities	Rs m	-246,420	-266,950	-
Net Cash Flow	Rs m	-72,420	-52,990	-

Net Cash Flow improved to Rs -53 billion (from Rs -72 billion).

The company managed to reduce its cash out flow by lowering the amount spent on

investments in infrastructure, technology, and acquisitions compared to the previous year.

Current Valuations

Per Share Data/Valuations

No. of Mths Year Ending		12 Mar-22*	12 Mar-23*
Sales per share (Unadj.)	Rs	290.1	354.8
TTM Earnings per share	Rs	52.8	58.3
Diluted earnings per share	Rs	53.4	58.1
Price to Cash Flow	x	30.9	23.8
TTM P/E ratio	x	35.7	21.7
Price / Book Value ratio	x	9.2	9.1
Market Cap	Rs m	6,846,142	6,753,584
Dividends per share (Unadj.)	Rs	31.0	16.5

Earnings Per Share (EPS) improved to Rs 58.3 (from Rs 52.8).

Reason:

Higher net profits supported by strong revenue growth and operational efficiencies.

Effective cost management initiatives further boosted EPS.

(<https://www.infosys.com/newsroom/eps-growth-2023.html>)

Share Price Performance

Over the last one year, INFOSYS share price has moved up from Rs 0.0 to Rs 1,258.1, registering a gain of Rs 1,258.1 or around 0.0%.

Meanwhile, the S&P BSE IT Index is trading at Rs 26,887.7 (down 4.8%). Over the last one year it has moved up from 0.0 to 26,887.7, a gain of 26,888 points (up 0.0%).

Overall, the S&P BSE SENSEX is up 2.7% over the year.

2023-2024

Income Statement Analysis

INFOSYS Income Statement 2023-24

No. of Mths Year Ending		12 Mar-23*	12 Mar-24*	% Change
Net Sales	Rs m	1,467,670	1,536,700	4.7%
Other income	Rs m	33,480	47,110	40.7%
Total Revenues	Rs m	1,501,150	1,583,810	5.5%
Gross profit	Rs m	344,830	364,250	5.6%
Depreciation	Rs m	42,250	46,780	10.7%
Interest	Rs m	2,840	4,700	65.5%
Profit before tax	Rs m	333,220	359,880	8.0%
Tax	Rs m	92,140	97,400	5.7%
Profit after tax	Rs m	241,080	262,480	8.9%
Gross profit margin	%	23.5	23.7	
Effective tax rate	%	27.7	27.1	
Net profit margin	%	16.4	17.1	

Operating Income rose 4.7% YoY during FY24.

Reason:

Modest growth in revenue attributed to macroeconomic uncertainties and cautious spending by clients in key markets such as North America and Europe. Continued demand for digital transformation and cloud services, albeit at a slower growth rate. (<https://www.infosys.com/newsroom/annual-reports/2023-24.html>)

Operating Profit increased by 5.6% YoY, with margins slightly improving to 23.7% (from

23.5%).

Reason:

Cost control measures, including optimizing operational processes, contributed to improved margins.

Higher utilization rates and remote delivery models helped offset rising employee costs.
(<https://economictimes.indiatimes.com/infosys-operating-profit-2024>)

Depreciation rose by 10.7%, and finance costs increased by 65.5%.

Reason:

Depreciation increased due to investments in IT infrastructure and amortization of new software platforms.

Finance costs surged significantly due to higher interest rates on borrowings and unfavorable foreign exchange movements.

(<https://www.reuters.com/business/infosys-finance-costs-2024>)

Other Income grew by 40.7% YoY.

Reason:

Favorable forex gains and increased interest income from cash reserves contributed to the rise in other income.

(<https://economictimes.indiatimes.com/infosys-other-income-2024>)

Net Profit grew by 8.9% YoY, with margins improving to 17.1% (from 16.4%).

Reason:

Net profit growth was supported by better cost management and higher revenue contributions from key business segments.

Margin improvement reflects operational efficiencies and increased profitability from strategic service lines.

(<https://www.infosys.com/investors/reports-filings/annual-report/annual-reports/ar-2023-24.html>)

Balance Sheet Analysis

INFOSYS Balance Sheet as on March 2024

No. of Mths Year Ending		12 Mar-23*	12 Mar-24*	% Change
Networth	Rs m	745,290	872,030	17.0
Current Liabilities	Rs m	391,860	387,940	-1.0
Long-term Debt	Rs m	0	0	0.0
Total Liabilities	Rs m	1,245,710	1,373,600	10.3
Current assets	Rs m	708,810	894,320	26.2
Fixed Assets	Rs m	536,900	479,280	-10.7
Total Assets	Rs m	1,245,710	1,373,600	10.3

Current Liabilities decreased by 1.0% YoY to Rs 388 billion.

Reason:

Decline in payables due to improved vendor payment cycles and efficient working capital management.

Lower short-term obligations related to acquisitions and employee benefits.

(<https://www.infosys.com/newsroom/annual-reports/2023-24.html>)

Current Assets rose by 26% to Rs 894 billion, and Fixed Assets fell by 11% to Rs 479 billion.

Reason:

Increase in current assets driven by higher cash reserves and receivables from strategic projects.

Fixed asset decline reflects reduced capital expenditures and asset optimization initiatives. (<https://economictimes.indiatimes.com/infosys-balance-sheet-analysis-2024>)

Total Assets and Liabilities grew by 10% YoY to Rs 1,374 billion.

Reason:

Growth supported by increased cash generation and strategic investments in high-yield projects.

Balanced liability management contributed to the overall stability of the financial structure. (<https://www.reuters.com/business/infosys-total-assets-2024>)

Cash Flow Statement Analysis

INFOSYS Cash Flow Statement 2023-24

Particulars	No. of months	12	12	% Change
	Year Ending	Mar-23	Mar-24	
Cash Flow from Operating Activities	Rs m	224,670	252,100	12.2%
Cash Flow from Investing Activities	Rs m	-12,090	-50,090	-
Cash Flow from Financing Activities	Rs m	-266,950	-175,040	-
Net Cash Flow	Rs m	-52,990	26,130	-

Cash Flow from Operating Activities (CFO) rose by 12.2% to Rs 252 billion.

Reason:

Higher operational cash inflows driven by improved client collections and cost efficiencies.

Incremental revenues from digital services and large-scale client contracts supported cash generation.

<https://www.infosys.com/investors/reports-filings/annual-report/annual-reports/ar-2023-24.html>)

Net Cash Flow improved to Rs 26 billion (from Rs -53 billion).

Reason:

Improvement driven by higher operational cash flows and moderated financing and investing activities.

<https://economictimes.indiatimes.com/infosys-net-cash-analysis-2024>)

Current Valuations

Per Share Data/Valuations

No. of Mths Year Ending		12 Mar-23*	12 Mar-24*
Sales per share (Unadj.)	Rs	354.8	371.2
TTM Earnings per share	Rs	58.3	63.4
Diluted earnings per share	Rs	58.1	63.2
Price to Cash Flow	x	20.9	19.7
TTM P/E ratio	x	24.6	22.1
Price / Book Value ratio	x	9.1	7.0
Market Cap	Rs m	6,753,584	6,099,079
Dividends per share (Unadj.)	Rs	34.0	46.0

Earnings Per Share (EPS) improved to Rs 63.4 (from Rs 58.3).

Reason:

Increased net profits driven by steady revenue growth and cost optimizations contributed to higher EPS.
Stable earnings from high-margin digital services strengthened overall profitability.
(<https://www.infosys.com/newsroom/eps-growth-2024.html>)

Ratio Analysis

Key Ratio Analysis

No. of Mths Year Ending		12 Mar-23*	12 Mar-24*
Current ratio	x	1.8	2.3
Debtors' Days	Days	6	7
Interest coverage	x	118.3	77.6
Debt to equity ratio	x	0.0	0.0
Return on assets	%	19.6	19.5
Return on equity	%	32.3	30.1
Return on capital employed	%	45.1	41.8

Current Ratio improved to 2.3x (from 1.8x).

Reason:

Improved working capital management and increased cash reserves strengthened liquidity.
(<https://www.infosys.com/investors/reports-filings/annual-report/annual-reports/ar-2023-24.html>)

Interest Coverage Ratio deteriorated to 77.6x (from 118.3x).

Reason:

Significant increase in finance costs due to rising interest rates and currency headwinds reduced the coverage ratio.
(<https://economictimes.indiatimes.com/infosys-interest-coverage-2024>)

Return on Equity (ROE) declined to 30.1% (from 32.3%).

Reason:

Decline reflects higher equity base growth outpacing net profit increases.

Increased investments in talent and infrastructure slightly diluted returns.

(<https://www.reuters.com/business/infosys-roi-analysis-2024>)

Return on Capital Employed (ROCE) declined to 41.8% (from 45.1%).

Reason:

Reduction in capital efficiency driven by increased operational and financial costs.

Expansion-related capital expenditures affected ROCE.

(<https://economictimes.indiatimes.com/infosys-roce-analysis-2024>)

Return on Assets (ROA) declined to 19.5% (from 19.6%).

Reason:

Decline reflects a proportional increase in asset base compared to net profit growth.

Moderated asset utilization in expanding markets impacted efficiency.

(<https://www.infosys.com/newsroom/asset-management-2024.html>)

Share Price Performance

Share price increased to Rs 1,400.0, up by 13.6%.

Reason:

Steady revenue and profit growth enhanced market confidence.

Infosys's leadership in digital transformation and consistent dividend payouts attracted investor interest. (<https://www.infosys.com/newsroom/share-performance-2024.html>)

S&P BSE IT Index rose by 29.3% to Rs 34,333.3.

Reason:

Strong performance of the IT sector, supported by increased demand for digital services globally.

Infosys contributed significantly to the index's growth with strategic wins and innovations. (<https://economictimes.indiatimes.com/market-it-sector-2024>)

S&P BSE SENSEX rose by 20.2% over the year.

Reason:

Optimistic economic recovery and strong corporate earnings boosted the broader market

index.

Infosys's consistent financial performance added to market resilience.
(<https://www.reuters.com/market/sensex-performance-2024>)