

**AN ANALYSIS OF FINANCIAL PERFORMANCE OF INFOSYS LIMITED****M. Banupriya (Research Scholar)****Department of Commerce****Dr. SNS. Rajalakshmi College of Arts and Science**[Muthubanu6@gmail.com](mailto:Muthubanu6@gmail.com)**Dr. M. Thyagarajan****Associate Professor****Dr. SNS. Rajalakshmi College of Arts and Science**

---

**ABSTRACT**

Infosys was established in the year 1981. Infosys is a global leader in next generation digital services and consulting. Information technology is a use of computer and software for the purpose of managing the information's. This study is based upon the secondary data extracted from the annual report of the INFOSYS Limited. The financial statements of INFOSYS limited have been collected over a period of 5 years from Mar 2020- Mar 2024. Financial performance analysis identifies the financial strength and weakness of the company and facilitates management in decision making. Financial performance helps in forecasting the short term and long-term financial position and growth of the company. Common size statement and Ratio analysis have been used to analyze the financial performance of the INFOSYS Limited. The overall financial position of the company was satisfactory.

**Keywords:** Financial Performance, Ratio Analysis, Balance sheet, financial position.

**INTRODUCTION**

Infosys Limited is a global leader in technology services and consulting. Established in 1981 and headquartered in Bangalore, India, Infosys is one of the largest and most prominent IT services firms in the world. The company specializes in providing business consulting, information technology, and outsourcing services to clients across various industries.

**Key Milestones and Achievements:**

**Founding and Growth:** Founded by Narayana Murthy and six other entrepreneurs with a small initial investment, Infosys has grown into a multinational corporation with a strong global presence.

**Global Reach:** Infosys operates in over 50 countries, serving clients ranging from startups to Fortune 500 companies.

**Stock Market Listing:** Infosys became the first Indian company to be listed on NASDAQ in 1999, a significant milestone that marked its emergence as a global IT leader.

**Innovations:** Infosys has been at the forefront of innovation, leveraging technologies such as artificial intelligence (AI), cloud computing, and block chain to drive digital transformation for its clients.

**Core Services:**

**Application Development and Maintenance (ADM):** Developing, managing, and modernizing IT applications.

**Digital Transformation:** Assisting businesses in adopting digital technologies, enhancing customer experience, and increasing operational efficiency.

**Consulting:** Offering strategic IT consulting to align technology with business objectives.

**Cloud and Data Services:** Helping organizations migrate to cloud platforms and harness data analytics.

**Artificial Intelligence and Automation:** Delivering solutions through AI-powered platforms like Infosys Nia.

**Financial and Workforce Highlights:**

- **Revenue:** As of recent years, Infosys generates annual revenues exceeding \$18 billion USD.
- **Workforce:** Infosys employs over 340,000 professionals globally, emphasizing diversity and inclusion.

**Corporate Values and Sustainability:**

Infosys emphasizes its commitment to sustainability, corporate social responsibility (CSR), and ethical business practices.

Initiatives like the Infosys Foundation contribute to social causes such as education, healthcare, and rural development. The company is also recognized for its environmentally sustainable practices.

### **Recognition:**

Infosys is consistently ranked among the top IT service providers globally, earning accolades for its innovation, leadership, and workplace culture.

### **REVIEW OF LITERATURE**

**Ravichandran and Venkata Subramanyan (2016)** undertaken a study regarding financial performance analysis of Force Motors Ltd. for the period of 5 years that started from 2020-2024. The main objectives of the study are to compare the financial performance and to analyses the financial changes over a period of time. It was found that the company maintained a very attractive records related to its financial position.

**R Judith Priya, V Sukithangam, J Subhashree, and C Uma (2018)** conducted a comparative study between Tata Consultancy Limited and Infosys Limited using ratio analysis. They have found that the TCS has performed better than Infosys in terms of solvency, liquidity and efficiency. In addition, an investment in TCS should be more fruitful.

**P. R. Brindakalyani (2021)** had conducted a study on financial performance analysis of Infosys Ltd. Using secondary data from various sources. The period of this study was ranging from 2016-17 to 2020-2024. It was revealed that the market value was very high as to cover its debts. Additionally, it was marked that the company is growing rapidly with technological changes.

### **OBJECTIVES OF THE STUDY**

- To analyze financial performance of Infosys Limited through ratios analysis

### **RESEARCH METHODOLOGY**

The following methodology has been used in this study, Period of Study The study period of Infosys Ltd.

- Consists of 5 years from Mar 2020- Mar 2024 Source of Study This study is based on secondary data which have been obtained from the annual reports of the company, books, journals and websites.
- Tools and Techniques Used Common size statement and Trend analysis are the tools used in this study for analyzing the financial statement of Infosys.

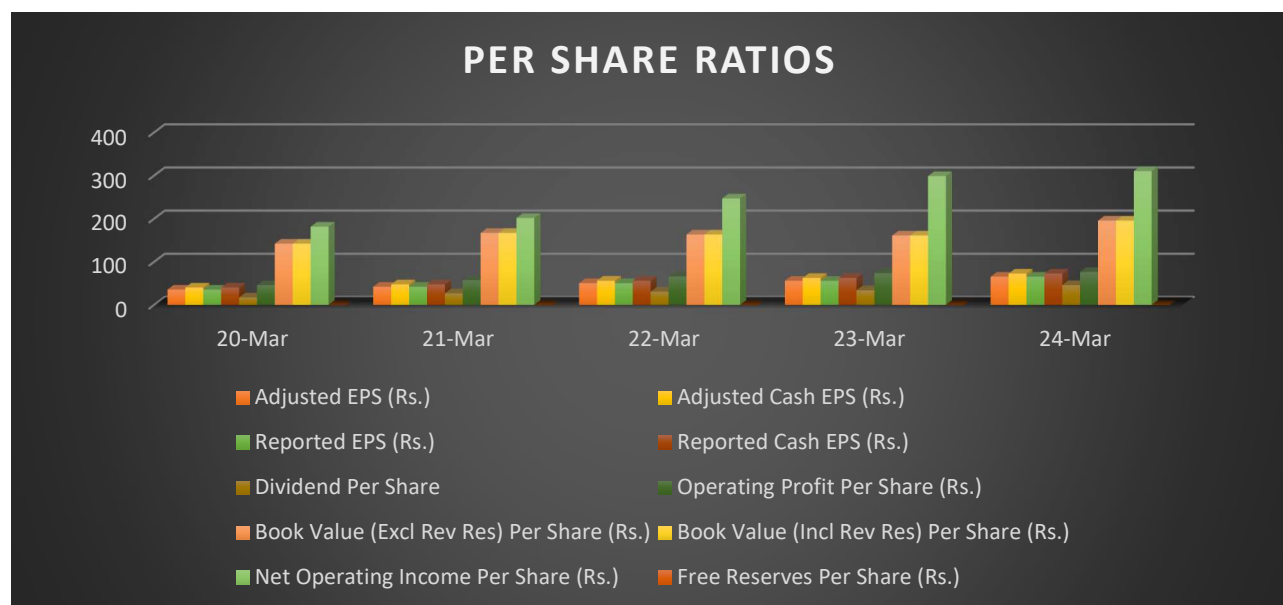
## TOOLS AND TECHNIQUES

- Ratio Analysis

### INFOSYS LTD. COMPANY FINANCIAL RATIOS ANALYSIS Mar 2020- Mar 2024

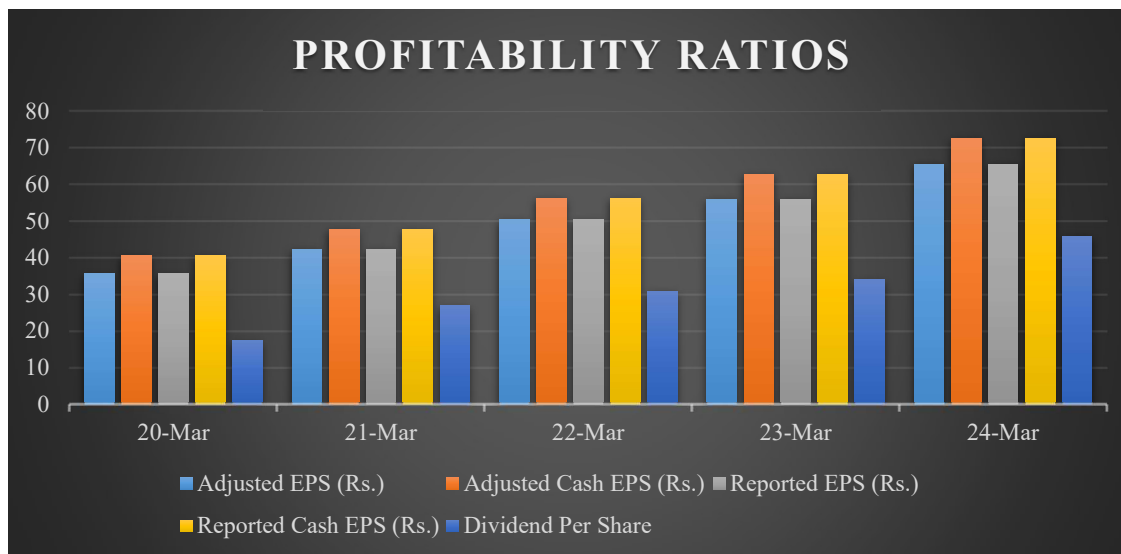
#### 1. PER SHARE RATIOS:

| (Rs in Cr.)                               | Mar 24 | Mar 23 | Mar 22 | Mar 21 | Mar 20 |
|---|--------|--------|--------|--------|--------|
| Adjusted EPS (Rs.)                        | 65.61  | 56.09  | 50.48  | 42.36  | 35.68  |
| Adjusted Cash EPS (Rs.)                   | 72.70  | 62.72  | 56.25  | 47.81  | 40.60  |
| Reported EPS (Rs.)                        | 65.61  | 56.09  | 50.48  | 42.36  | 35.68  |
| Reported Cash EPS (Rs.)                   | 72.70  | 62.72  | 56.25  | 47.81  | 40.60  |
| Dividend Per Share                        | 46.00  | 34.00  | 31.00  | 27.00  | 17.50  |
| Operating Profit Per Share (Rs.)          | 76.51  | 73.99  | 66.15  | 57.40  | 45.99  |
| Book Value (Excl Rev Res) Per Share (Rs.) | 195.56 | 161.18 | 163.31 | 167.01 | 142.18 |
| Book Value (Incl Rev Res) Per Share (Rs.) | 195.56 | 161.18 | 163.31 | 167.01 | 142.18 |
| Net Operating Income Per Share (Rs.)      | 310.62 | 298.93 | 247.08 | 201.64 | 181.46 |
| Free Reserves Per Share (Rs.)             | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |



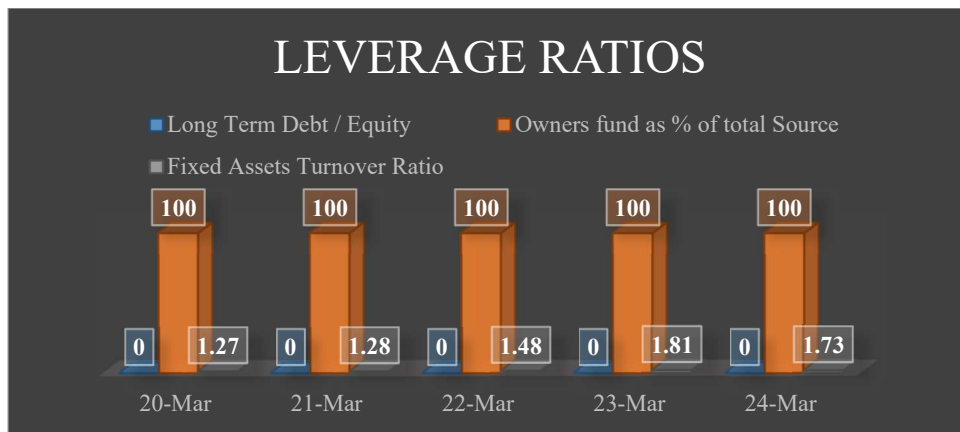
## 2. PROFITABILITY RATIOS

| (Rs in Cr.)                      | Mar 24 | Mar 23 | Mar 22 | Mar 21 | Mar 20 |
|----------------------------------|--------|--------|--------|--------|--------|
| Operating Margin (%)             | 24.63  | 24.75  | 26.77  | 28.46  | 25.34  |
| Adjusted Cash Margin (%)         | 22.13  | 20.34  | 22.08  | 23.04  | 21.63  |
| Adjusted Return on Net Worth (%) | 33.54  | 34.79  | 30.90  | 25.36  | 25.09  |
| Reported Return on Net Worth (%) | 33.54  | 34.79  | 30.90  | 25.36  | 25.09  |
| Return On long Term Funds (%)    | 44.63  | 47.55  | 41.66  | 34.57  | 33.24  |



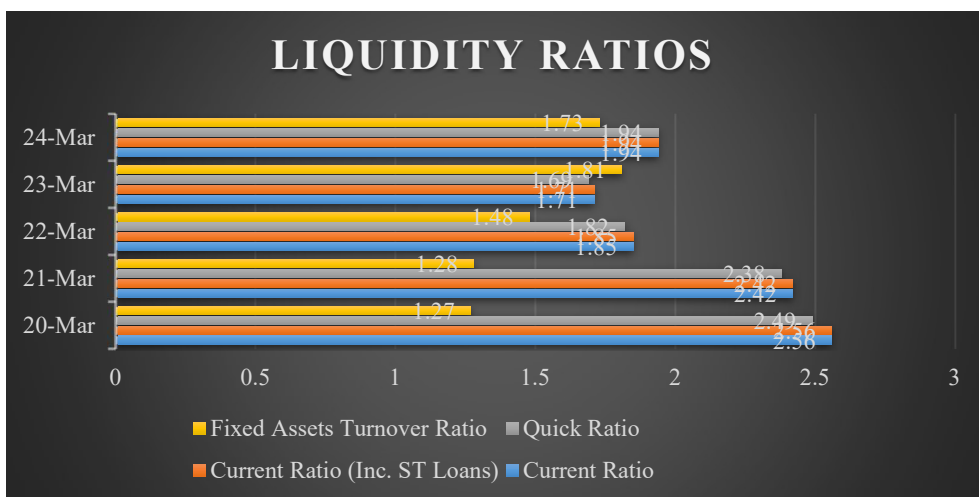
## 3. LEVERAGE RATIOS

| (Rs in Cr.)                      | Mar 24 | Mar 23 | Mar 22 | Mar 21 | Mar 20 |
|----------------------------------|--------|--------|--------|--------|--------|
| Long Term Debt / Equity          | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| Owners fund as % of total Source | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Fixed Assets Turnover Ratio      | 1.73   | 1.81   | 1.48   | 1.28   | 1.27   |



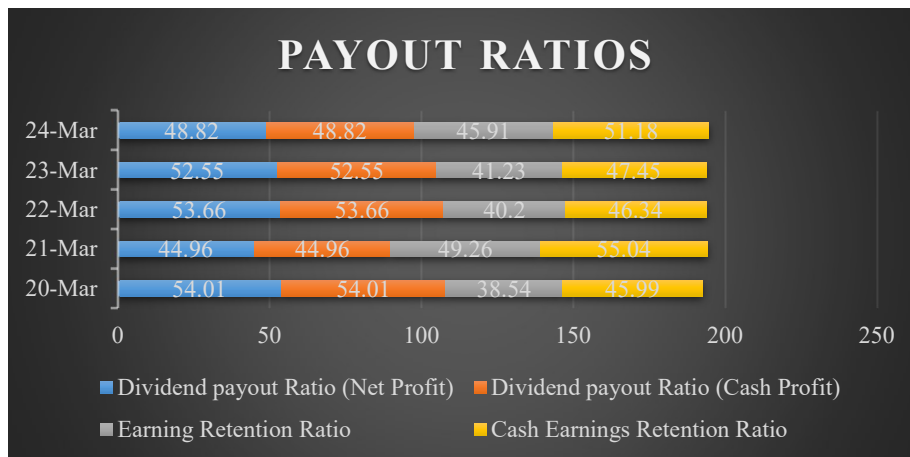
**4. LIQUIDITY RATIOS:**

| (Rs in Cr.)                   | Mar 24 | Mar 23 | Mar 22 | Mar 21 | Mar 20 |
|-------------------------------|--------|--------|--------|--------|--------|
| Current Ratio                 | 1.94   | 1.71   | 1.85   | 2.42   | 2.56   |
| Current Ratio (Inc. ST Loans) | 1.94   | 1.71   | 1.85   | 2.42   | 2.56   |
| Quick Ratio                   | 1.94   | 1.69   | 1.82   | 2.38   | 2.49   |
| Fixed Assets Turnover Ratio   | 1.73   | 1.81   | 1.48   | 1.28   | 1.27   |



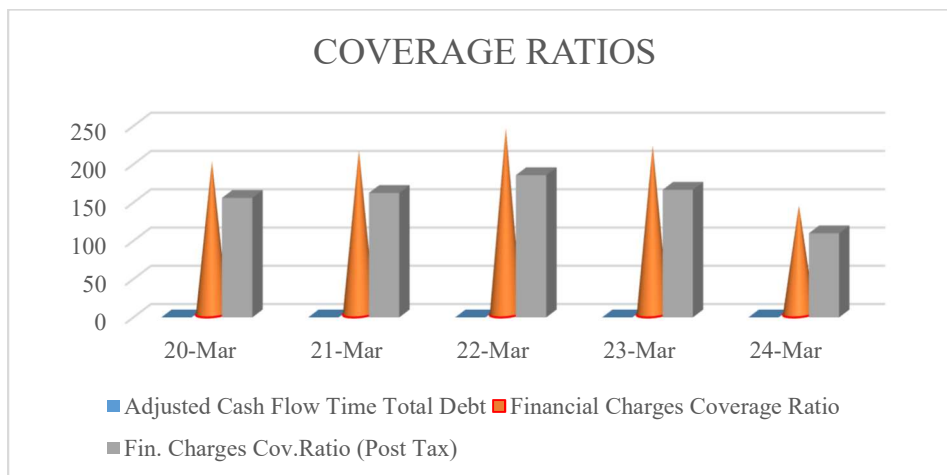
**5. PAYOUT RATIOS:**

| (Rs in Cr.)                         | Mar 24 | Mar 23 | Mar 22 | Mar 21 | Mar 20 |
|-------------------------------------|--------|--------|--------|--------|--------|
| Dividend payout Ratio (Net Profit)  | 48.82  | 52.55  | 53.66  | 44.96  | 54.01  |
| Dividend payout Ratio (Cash Profit) | 48.82  | 52.55  | 53.66  | 44.96  | 54.01  |
| Earning Retention Ratio             | 45.91  | 41.23  | 40.20  | 49.26  | 38.54  |
| Cash Earnings Retention Ratio       | 51.18  | 47.45  | 46.34  | 55.04  | 45.99  |



**6. COVERAGE RATIOS:**

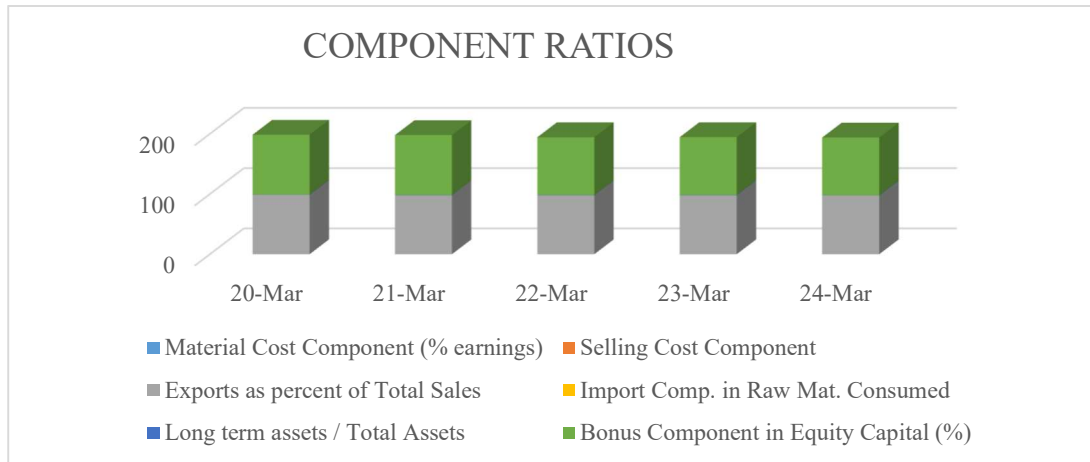
| (Rs in Cr.)                        | Mar 24 | Mar 23 | Mar 22 | Mar 21 | Mar 20 |
|------------------------------------|--------|--------|--------|--------|--------|
| Adjusted Cash Flow Time Total Debt | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| Financial Charges Coverage Ratio   | 141.42 | 220.08 | 242.59 | 213.68 | 199.43 |
| Fin. Charges Cov .Ratio (Post Tax) | 109.95 | 166.74 | 185.88 | 162.66 | 156.15 |



**7. COMPONENT RATIOS**

| (Rs in Cr.)                          | Mar 24 | Mar 23 | Mar 22 | Mar 21 | Mar 20 |
|--------------------------------------|--------|--------|--------|--------|--------|
| Material Cost Component (% earnings) | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| Selling Cost Component               | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| Exports as percent of Total Sales    | 97.56  | 98.05  | 97.99  | 98.06  | 98.64  |
| Import Comp. in Raw Mat. Consumed    | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |

|                                       |       |       |       |       |       |
|---------------------------------------|-------|-------|-------|-------|-------|
| Long term assets / Total Assets       | 0.43  | 0.43  | 0.44  | 0.42  | 0.40  |
| Bonus Component in Equity Capital (%) | 95.86 | 95.91 | 95.91 | 99.39 | 99.44 |



**INFOSYS LTD. COMPANY BALANCE SHEET Mar 2020- Mar 2024**

| Balance Sheet of Infosys (in Rs. Cr.) | Mar 24    | Mar 23    | Mar 22    | Mar 21    | Mar 20    |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>EQUITIES AND LIABILITIES</b>       |           |           |           |           |           |
| <b>SHAREHOLDER'S FUNDS</b>            |           |           |           |           |           |
| Equity Share Capital                  | 2,075.00  | 2,074.00  | 2,103.00  | 2,130.00  | 2,129.00  |
| Total Share Capital                   | 2,075.00  | 2,074.00  | 2,103.00  | 2,130.00  | 2,129.00  |
| Reserves and Surplus                  | 79,101.00 | 64,793.00 | 66,597.00 | 69,029.00 | 59,808.00 |
| Total Reserves and Surplus            | 79,101.00 | 64,793.00 | 66,597.00 | 69,029.00 | 59,808.00 |
| Total Shareholders' Funds             | 81,176.00 | 67,745.00 | 69,306.00 | 71,531.00 | 62,234.00 |
| <b>NON-CURRENT LIABILITIES</b>        |           |           |           |           |           |
| Long Term Borrowings                  | 0.00      | 0.00      | 0.00      | 0.00      | 0.00      |
| Deferred Tax Liabilities [Net]        | 1,509.00  | 866.00    | 841.00    | 511.00    | 556.00    |



|                               |            |            |           |           |           |
|-------------------------------|------------|------------|-----------|-----------|-----------|
| Other Long-Term Liabilities   | 5,179.00   | 5,284.00   | 4,264.00  | 4,275.00  | 3,031.00  |
| Long Term Provisions          | 0.00       | 0.00       | 0.00      | 0.00      | 0.00      |
| Total Non-Current Liabilities | 6,688.00   | 6,150.00   | 5,105.00  | 4,786.00  | 3,587.00  |
| <b>CURRENT LIABILITIES</b>    |            |            |           |           |           |
| Short Term Borrowings         | 0.00       | 0.00       | 0.00      | 0.00      | 0.00      |
| Trade Payables                | 2,493.00   | 2,426.00   | 2,669.00  | 1,562.00  | 1,529.00  |
| Other Current Liabilities     | 23,129.00  | 23,853.00  | 21,387.00 | 15,399.00 | 13,185.00 |
| Short Term Provisions         | 1,464.00   | 1,163.00   | 920.00    | 661.00    | 506.00    |
| Total Current Liabilities     | 27,086.00  | 27,442.00  | 24,976.00 | 17,622.00 | 15,220.00 |
| Total Capital and Liabilities | 114,950.00 | 101,337.00 | 99,387.00 | 93,939.00 | 81,041.00 |
| <b>ASSETS</b>                 |            |            |           |           |           |
| <b>NON-CURRENT ASSETS</b>     |            |            |           |           |           |
| Tangible Assets               | 14,116.00  | 15,217.00  | 14,695.00 | 14,365.00 | 13,897.00 |
| Intangible Assets             | 211.00     | 214.00     | 243.00    | 234.00    | 77.00     |
| Capital Work-In-Progress      | 277.00     | 275.00     | 411.00    | 906.00    | 945.00    |
| Other Assets                  | 0.00       | 0.00       | 0.00      | 0.00      | 0.00      |
| Fixed Assets                  | 14,604.00  | 15,706.00  | 15,349.00 | 15,505.00 | 14,919.00 |
| Non-Current Investments       | 23,352.00  | 23,686.00  | 22,869.00 | 22,118.00 | 13,916.00 |
| Deferred Tax Assets [Net]     | 0.00       | 779.00     | 970.00    | 955.00    | 1,429.00  |
| Long Term Loans and Advances  | 34.00      | 39.00      | 34.00     | 30.00     | 298.00    |
| Other Non-Current Assets      | 6,008.00   | 9,045.00   | 7,728.00  | 7,049.00  | 6,659.00  |
| Total Non-Current Assets      | 43,998.00  | 49,255.00  | 46,950.00 | 45,657.00 | 37,221.00 |
| <b>CURRENT ASSETS</b>         |            |            |           |           |           |
| Current Investments           | 11,307.00  | 4,476.00   | 5,467.00  | 2,037.00  | 4,006.00  |
| Inventories                   | 0.00       | 0.00       | 0.00      | 0.00      | 0.00      |
| Trade Receivables             | 25,152.00  | 20,773.00  | 18,966.00 | 16,394.00 | 15,459.00 |

|                               |            |            |           |           |           |
|-------------------------------|------------|------------|-----------|-----------|-----------|
| Cash And Cash Equivalents     | 8,191.00   | 6,534.00   | 12,270.00 | 17,612.00 | 13,562.00 |
| Short Term Loans and Advances | 208.00     | 291.00     | 219.00    | 229.00    | 307.00    |
| Other Current Assets          | 26,094.00  | 20,008.00  | 15,515.00 | 12,010.00 | 10,486.00 |
| Total Current Assets          | 70,952.00  | 52,082.00  | 52,437.00 | 48,282.00 | 43,820.00 |
| Total Assets                  | 114,950.00 | 101,337.00 | 99,387.00 | 93,939.00 | 81,041.00 |

## **CONCLUSION**

On studying the financial performance (ratio analysis) of INFOSYS LTD, for a period of Five years from Mar 2020- Mar 2024, the study reveals that the financial performance in general is satisfactory. Financial performance is important for finding the financial strength of the company. Researcher has used to analysis various Ratios like Per Share Ratio, Profitability Ratio, Leverage Ratio, Liquidity Ratio, Payout Ratio, Coverage Ratio, and Component Ratio to analysis the performance of the company. It could be concluded that the company has been performing well.

## **REFERENCES**

- Donath Ravinder, Muskula Anitha “Financial Analysis – A Study” IOSR Journal of economics and finance ISSN NO 2321-5925, VOL 2, pp 10-22 Dec (2013).
- Ravichandran and Venkata Subramanian “A Study on Financial Performance Analysis of Force Motors Limited” IJIRST –International Journal for innovative research in science & technology ISSN NO 2349-6010, VOL 2, April 2016.
- Ashok Kumar rath “A Study on Financial Statement Analysis of Tata Steel Odisha Project, Kalinga Nagar” Journal of Research in Business and Management ISSN NO 2347-3002, VOL 4, PP 49-60, Dec 2016.
- Poongavanam “A Study on Comparative Financial Statement Analysis with Reference To das Limited” IOSR Journal of Humanities and Social Science ISSN NO 2279 -0845, VOL 22, PP 09-14 Oct (2017).

## **WEBSITE**

- <https://www.moneycontrol.com>

- [www.ijsrp.org](http://www.ijsrp.org)
- [www.google.com](http://www.google.com)
- <http://www.ijmdr.in>
- [investopedia.com](http://investopedia.com)