

Infosys

Performance highlights

(₹ cr)	1QFY17	4QFY16	% chg (qoq)	1QFY16	% chg (yoy)
Net revenue	16,782	16,550	1.4	14,354	16.9
EBITDA	4,450	4,589	(3.0)	3,758	18.4
EBITDA margin (%)	26.5	27.7	51bp	26.2	2bp
PAT	3,436	3,597	(4.5)	3,030	13.4

Source: Company, Angel Research

Infosys' numbers for 1QFY2017 have come in lower than our expectations. Its revenues grew 2.2% on a sequential basis to US\$2,501mn (V/s US\$2,548mn expected); the growth was mostly volume led. In INR terms, revenues came in at ₹16,782cr (V/s ₹17,072cr expected), up 1.4% qoq. In constant currency (CC) terms, sales grew 1.7% qoq. On the operating front, the EBDITA and EBIT margins dipped by ~121bp qoq and ~140bp qoq to 26.5% and 24.1% respectively. Consequently, the PAT de-grew by 4.5% qoq to ₹3,436cr (V/s ₹3,514cr expected). The FY2017 revenue guidance has been revised to 10.5%-12.0% in CC terms. **We maintain our Buy rating on the stock with a target price of ₹1,370.**

Quarterly highlights: The company's revenues for the quarter grew 2.2% on a sequential basis to US\$2,501mn (V/s US\$2,548mn expected) with the growth mostly being led by volumes. In INR terms, revenues came in at ₹16,782cr (V/s ₹17,072cr expected), up 1.4% qoq. In CC terms, sales grew 1.7% qoq. In terms of geographies, USA, Europe, and RoW posted a CC qoq growth of 2.4%, (0.3%), and 4.9% respectively, while India dipped by 8.2% qoq on a CC basis during the quarter. In terms of verticals, FSI posted a CC qoq growth of 1.7%, and Manufacturing & Hi-Tech posted a CC qoq growth of 2.4%. On the operating front, the EBDITA and EBIT margins dipped by ~121bp qoq and ~140bp qoq to 26.5% and 24.1% respectively. Consequently, the PAT de-grew by 4.5% qoq to ₹3,436cr (V/s ₹3,514cr expected).

Outlook and valuation: Following a soft start to the year, Infosys cut its FY2017 revenue growth guidance to 10.5-12.0% in CC terms from 11.5-13.5% earlier. This implies an ask rate of 3.1%-4.1% for the remainder of the year. It gave a guidance of achieving sales of US\$20bn by FY2020. **We maintain our Buy rating on the stock.**

Key financials (Consolidated, IFRS)

Y/E March (₹ cr)	FY2015	FY2016	FY2017E	FY2018E
Net sales	53,319	62,441	69,934	79,025
% chg	6.4	17.1	12.0	13.0
Adj. net profit	12,330	13,491	14,886	16,529
% chg	13.5	9.4	10.3	11.0
EBITDA margin (%)	27.9	27.4	27.5	27.5
EPS (₹)	53.7	59.0	64.8	72.0
P/E (x)	20.1	18.3	16.7	15.0
P/BV (x)	4.5	4.0	3.7	3.3
RoE (%)	22.5	21.8	22.0	22.3
RoCE (%)	20.8	20.7	22.1	23.0
EV/Sales (x)	4.1	3.4	3.0	2.6
EV/EBITDA (x)	14.5	12.5	10.9	9.4

Source: Company, Angel Research; Note: CMP as of July 18, 2016

BUY

CMP	₹1,082
Target Price	₹1,370

Investment Period	12 Months
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Stock Info

Sector	IT
Market Cap (₹ cr)	248,461
Net Debt (₹ cr)	(30,250)
Beta	0.8
52 Week High / Low	1,278/987
Avg. Daily Volume	225,158
Face Value (₹)	5
BSE Sensex	27,747
Nifty	8,509
Reuters Code	INFY.BO
Bloomberg Code	INFY@IN

Shareholding Pattern (%)

Promoters	12.8
MF / Banks / Indian Fls	18.0
FII / NRIs / OCBs	58.8
Indian Public / Others	10.4

Abs.(%)	3m	1yr	3yr
Sensex	7.5	(2.5)	37.8
Infosys	(12.7)	8.0	54.6

3-year price chart



Source: Company, Angel Research

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Exhibit 1: 1QFY2017 performance (IFRS, consolidated)

(₹ cr)	1QFY17	4QFY16	% chg (qoq)	1QFY16	% chg (yoy)	FY2016	FY2015	% chg (yoy)
Net revenue	16,782	16,550	1.4	14,354	16.9	62,673	53,319	17.5
Cost of revenue	10,278	9,893	3.9	8,812	16.6	37,655	32,081	17.4
Gross profit	6,504	6,657	(2.3)	5,542	17.4	25,018	21,238	17.8
SG&A expenses	2,054	2,068	(0.7)	1,784	15.1	7,723	6,604	16.9
EBITDA	4,450	4,589	(3.0)	3,758	18.4	17,295	14,634	18.2
Depreciation	403	369	9.2	312	29.2	1,443	802	79.9
EBIT	4,047	4,220	(4.1)	3,446	17.4	15,852	13,832	14.6
Other income	753	771	(2.3)	758	(0.7)	3,122	3,427	
PBT	4,800	4,991	(3.8)	4,204	14.2	18,974	17,259	9.9
Income tax	1,362	1,394	(2.3)	1,175	15.9	5,251	4,929	6.5
Exceptional item	2	-		-		(3)	(1)	
Reported PAT	3,436	3,597	(4.5)	3,030	13.4	13,726	12,329	11.3
Adjusted PAT	3,436	3,597	(4.5)	3,030	13.4	13,723	12,329	11.3
EPS	15.0	15.7	(4.5)	13.6	11.0	60.1	54.0	11.3
Gross margin (%)	38.8	40.2	(147)bp	38.6	15bps	39.9	39.8	9bp
EBITDA margin (%)	26.5	27.7	(121)bp	26.2	34bps	27.6	27.4	15bp
EBIT margin (%)	24.1	25.5	(138)bp	24.0	11bps	25.3	25.9	(65)bp
PAT margin (%)	20.5	21.7	(126)bp	21.1	(63)bp	21.9	23.1	(123)bp

Source: Company, Angel Research

Exhibit 2: 1QFY2017 – Actual Vs Angel estimates

(₹ cr)	Actual	Estimate	% Var.
Net revenue	16,782	17,072	(1.7)
EBITDA margin (%)	26.5	26.7	(13)
PAT	3,436	3,514	(2.2)

Source: Company, Angel Research

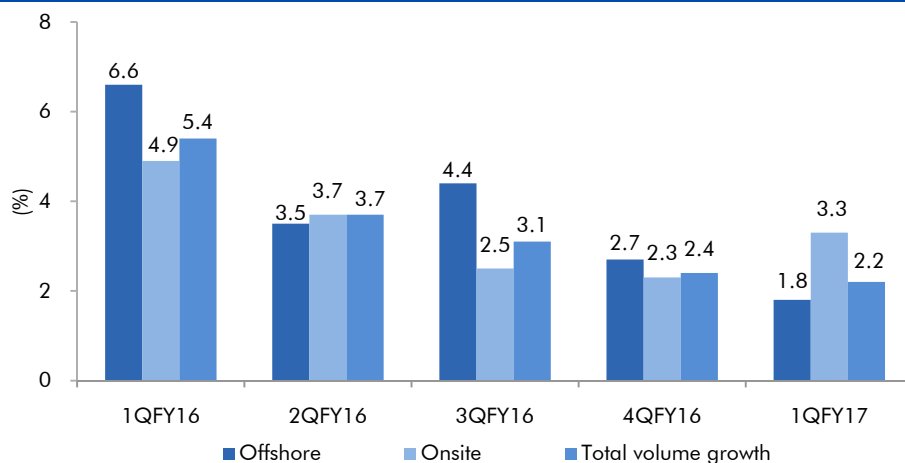
Revenues below expectation

For 1QFY2017, Infosys posted a 2.2% sequential growth in USD revenues to US\$2,501mn (V/s US\$2,548mn expected), with the growth mostly being volume led. In INR terms, revenues came in at ₹16,782cr (V/s ₹17,072cr expected), up 1.4% qoq.

On CC basis, the company posted a 1.7% qoq growth on the sales front. The blended realization declined by 0.5% qoq in CC terms while volumes in IT Services grew 2.2% qoq, which is lower than the 2.4% qoq growth seen in the previous quarter. Volumes grew 3.3% qoq onsite and 1.8% qoq offshore. The lower than expected software revenue growth is attributed to delays in commencement of ramp-up in large deals, and unanticipated headwinds in discretionary spending in consulting services and package implementation.

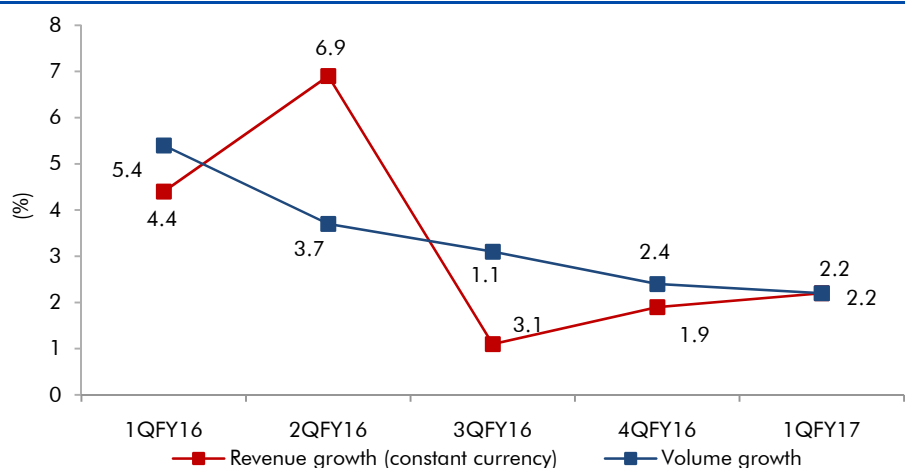
In terms of geographies, USA posted a CC qoq growth of 2.4%, Europe posted a CC qoq growth of 0.3%, ROW posted a CC qoq growth of 4.9%, while India dipped by 8.2% qoq on a CC basis during the quarter. In terms of verticals, FSI, Manufacturing & Hi-Tech, RCL, and ECS posted a CC qoq growth of 1.7%, 2.4%, 0.7% and 2.4% respectively.

Exhibit 3: Trend in volume growth QoQ (Effort wise)



Source: Company, Angel Research

Exhibit 4: Trend in volume and USD revenue growth (QoQ)



Source: Company, Angel Research

Industry-wise, revenue from FSI, the company's anchor vertical which contributed by 32.8% to revenues, grew by 2.2% qoq; in CC terms, revenue from FSI grew by 1.7% qoq. The Manufacturing industry vertical, which contributed by 22.8% to revenues, grew by 2.9% qoq. In CC terms, the revenue from this vertical grew by 2.4% sequentially.

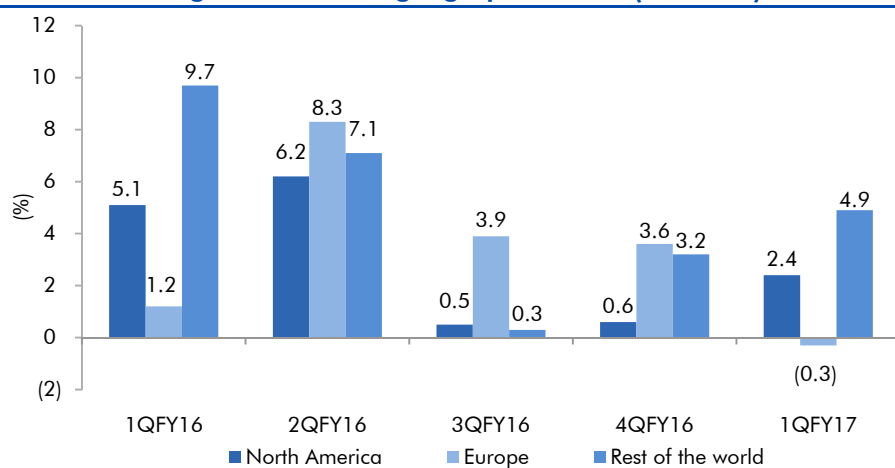
The Retail, CPG and Logistics segment (RCL; contributed by 24.2% to revenues) reported a 1.0% qoq growth. In CC terms, the revenue from RCL grew by 0.7% qoq. The Energy Utilities and Communications & Services segment (contributed by 20.0% to revenue) reported a growth of 3.1% qoq in revenue, with Energy and Utilities posting the biggest fall among verticals of 7.6% qoq.

Exhibit 5: Growth trend in industry segments (Reported basis)

Particulars	% to revenue	% growth QoQ	% growth YoY
FSI	32.8	2.2	9.9
Banking and financial services	27.2	1.5	11.3
Insurance	5.6	6.0	3.5
Manufacturing	22.8	2.7	5.3
RCL	24.2	1.0	11.3
Retail and CPG	15.5	5.7	14.6
Transport and logistics	1.9	7.9	40.4
Life Sciences	4.7	(15.7)	(7.0)
Healthcare	2.1	7.4	16.4
ECS	20.2	4.8	19.1
Energy and utilities	4.7	(7.6)	24.1
Communication and services	9.4	11.8	24.1
Others	6.1	0.6	9.1

Source: Company, Angel Research

In terms of geographies, revenue from North America grew by 2.4% qoq in CC terms, while other geographies such as Europe de-grew by 0.3% qoq and RoW grew by 4.9% QoQ (both in CC terms). India posted an 8.2% qoq de-growth in CC terms.

Exhibit 6: USD growth trend in geographies QoQ (CC basis)


Source: Company, Angel Research

Hiring and utilization

Infosys added 13,268 gross employees in 1QFY2017, of which 5,260 were lateral additions. The net addition number for the quarter stood at 3,006. Attrition (for standalone entity) heated up in 1QFY2017; it increased to 21.0% (LTM) V/s 17.3% in 1QFY2016. The Management has attributed the same to seasonality of the business.

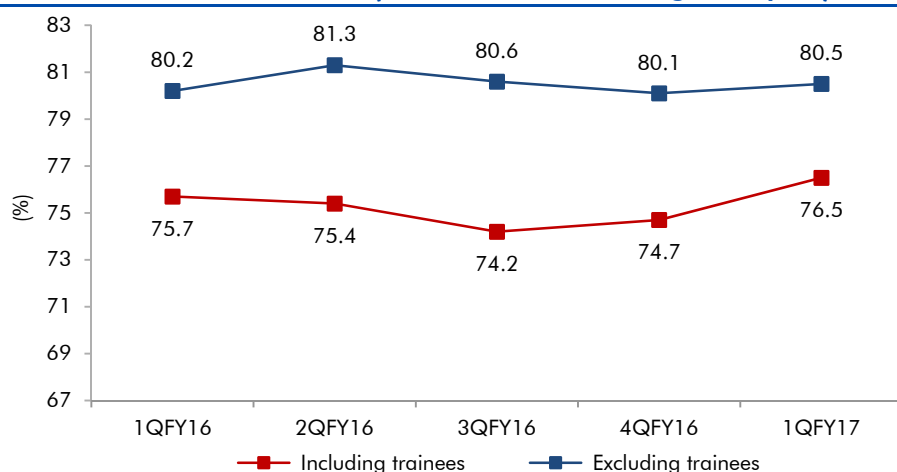
Exhibit 7: Employee metrics

	1QFY16	2QFY16	3QFY16	4QFY16	1QFY17
Gross addition	11,889	17,595	14,027	9,034	13,268
Net addition	3,336	8,453	8,620	661	3,006
Gross lateral emp. addition	5,886	7,452	6,115	5,266	5,260
Attrition – LTM basis (%)*	19.2	19.9	18.1	17.3	21.0

Source: Company, Angel Research, Note-* excluding subsidiaries

The utilization rate including trainees grew by 180bp qoq to 76.5% (higher than 74.7% as in 4QFY2016); while excluding trainees, it grew by 40bp qoq to 80.5%.

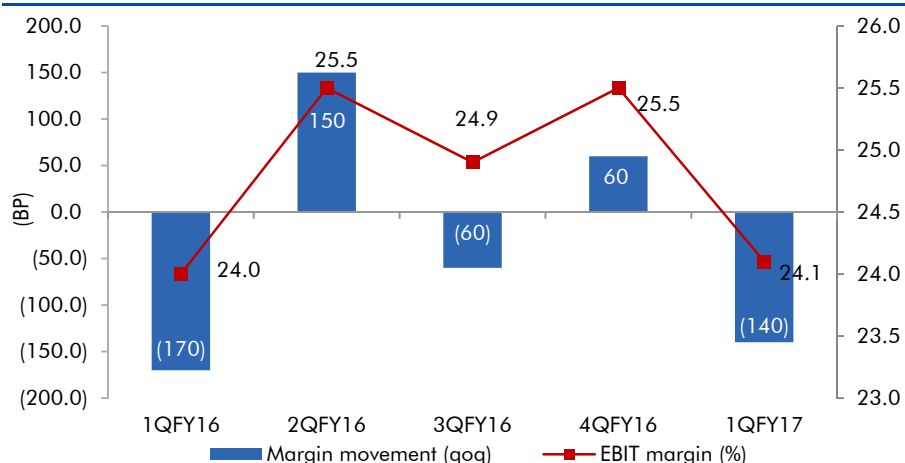
Exhibit 8: Trend in utilization (Services and Consulting + Projects)



Source: Company, Angel Research

Margins dip

On the operating front, EBDITA and EBIT margins dipped by ~121bp qoq and ~140bp qoq to 26.5% (V/s an expected 26.7%) and 24.1% respectively. In 1QFY2017, wage hike and visa expenses impacted margins by 140bp and 80bp qoq respectively. However, the company was able to offset the impact to 80bp through cost optimization and variable pay reduction.

Exhibit 9: Trend in EBIT margin


Source: Company, Angel Research

Client pyramid

Infosys added 95 new clients (gross additions) during the quarter, taking its total active client base to 1126. The client addition was across the board. The company bagged new deals with TCV of US\$757mn, during the quarter. TCV of deal wins for FY2016 is US\$2.9bn, which is 49% higher.

Exhibit 10: Client metrics

Particulars	1QFY16	2QFY16	3QFY16	4QFY16	1QFY17
Top client (% of revenue)	3.7	3.7	3.5	3.6	3.6
Gross Client addition	79	82	75	89	95
Active client	987	1011	1045	1092	1126
US\$1mn–5mn	287	284	294	290	306
US\$5mn–10mn	87	89	90	91	88
US\$10mn–20mn	78	84	82	89	93
US\$20mn–50mn	34	35	23	32	35
US\$50mn–100mn	21	19	15	17	21
US\$100mn–200mn	14	17	7	8	11
US\$200mn–300mn	8	8	5	5	6
US\$300mn plus	1	1	1	1	1

Source: Company, Angel Research

Concall Highlights

- Infosys won deals worth TCV of US\$757mn during the quarter.
- Owing to a weak beginning for FY2017, Infosys has reduced its guidance for the year to 10.5-12% growth in CC terms. The revised guidance implies an even higher ask rate than earlier of 3-4% in the remainder of the year.

Investment arguments

Revenue guidance revised for FY2017: The Management has lowered its revenue growth guidance for FY2017. The company has issued a 10.5-12.0% qoq CC growth guidance from 11.5-13.5% (in CC terms) earlier. In INR terms the guidance has been revised downwards to 11.7-13.2% from 12.7-14.7% earlier on the basis of exchange rate as on March 31, 2016. For FY2016, the company posted a 13.3% growth in CC terms V/s a guidance of 12.8-13.2% growth (in CC terms). We expect the company to post ~12.5% USD revenue growth in FY2017. The company expects to lead industry growth and reach a milestone of achieving sales of US\$20bn by FY2020. Currently, we have factored in moderate growth for FY2017 (INR and USD growth of 12.5%).

Aims to be US\$20bn company by FY2020: The Management believes the traditional IT services model is dying and a structural change is taking place in the industry. Pricing pressure is being witnessed in commoditized services, thus necessitating the company to pursue newer growth avenues including acquisitions in areas like automation. The outsourcing services provider is therefore looking to ramp up its productivity through automation and is looking for acquisitions to boost growth. Infosys' cash and cash equivalents were at US\$5.2bn as at the end of March 2015.

The company expects its revenue to rise to US\$20bn by FY2020, from US\$8.7bn now, as it focuses on acquisitions and on winning more new technology services, implying a 14% CAGR over the period. In the near term, we expect Infosys to post a 12.5% USD revenue growth in FY2017. Over FY2016-18E, we expect USD and INR revenue to grow at a CAGR of 12.5% and 12.5%, respectively.

Operating margin likely to be range bound in near term: Going ahead, given a stable rupee, higher S&M spends, and wage hikes in FY2017, we expect the EBIT margin to remain at 25.1% in FY2017 and FY2018 (V/s 25.0% in FY2016). Over FY2016-18E, we expect an EBIT CAGR of 13.2%. However, as part of its 'Vision 2020' (target to have US\$20bn revenues at 30% operating margins and US\$80,000 per employee revenue productivity by CY2020), the Management expects acceleration in revenue growth and margin improvement to reflect ahead of the increase in revenue productivity.

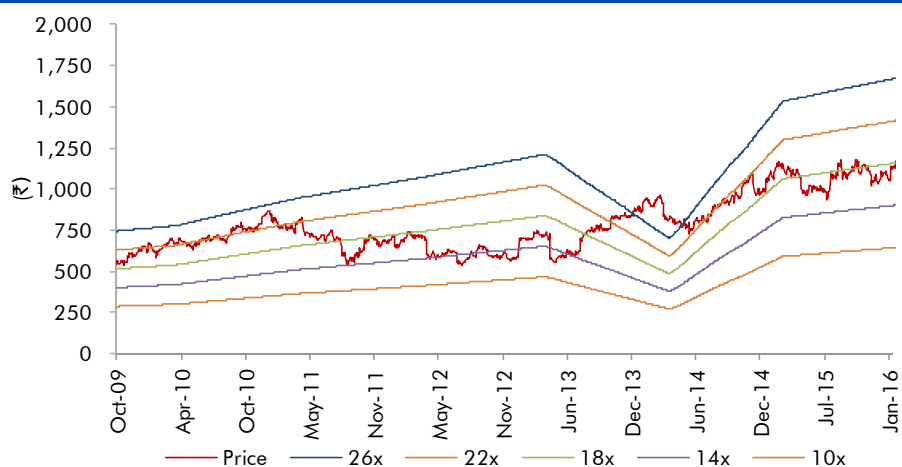
Outlook and valuation

The company has downgraded its USD revenue growth guidance for FY2017 to 10.5-12.0% on CC basis. We expect the company to post ~12.5% USD revenue growth in FY2017. It aims to reach a milestone of achieving sales of US\$20bn by FY2020. Also, the company plans to utilize cash properly through increased dividends and acquisitions, so that it can increase its capital efficiency. The stock currently trades at a valuation of 15.0x its FY2018E earnings. **We recommend an Buy on the stock with a price target of ₹1,370.**

Exhibit 11: Key assumptions

Parameters	FY2017E	FY2018E
Revenue growth – USD terms (%)	12.0	13.0
USD-INR rate	65.7	65.7
Revenue growth – INR terms (%)	12.0	13.0
EBITDA margin (%)	27.5	27.5
Tax rate (%)	28.0	28.0
EPS growth (%)	10.3	11.0

Source: Company, Angel Research

Exhibit 12: One-year forward PE (x)


Source: Company, Angel Research

Exhibit 13: Recommendation summary

Company	Reco	CMP (₹)	Tgt. price (₹)	Upside (%)	FY2018E EBITDA (%)	FY2018E P/E (x)	FY2016-18E EPS CAGR (%)	FY2018E EV/Sales (x)	FY2018E RoE (%)
HCL Tech	Buy	723	1,000	38.4	20.5	11.3	26.5	1.8	17.9
Infosys	Buy	1,082	1,370	26.6	27.5	15.0	10.4	2.6	22.3
TCS	Buy	2,448	3,004	22.7	28.3	15.4	13.0	3.0	35.5
Tech Mahindra	Buy	506	700	38.4	17.0	12.3	13.2	1.2	20.7
Wipro	Buy	552	680	23.1	23.8	12.1	9.9	1.6	19.6

Source: Company, Angel Research

Company Background

Infosys is the second largest IT company in India, employing over 1,857,776 professionals (as of FY2016). The company services more than 1000 clients across various verticals, such as financial services, manufacturing, telecom, retail and healthcare. Infosys has the widest portfolio of service offerings amongst Indian IT companies, spanning across the entire IT service value chain - from traditional Application Development and Maintenance to Consulting and Package Implementation to Products and Platforms.

Profit and loss statement (IFRS, consolidated)

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016	FY2017E	FY2018E
Net sales	40,352	50,133	53,319	62,441	69,934	79,025
Cost of revenue	24,158	30,767	31,817	37,595	36,016	40,698
Gross profit	16,194	19,366	21,502	24,846	27,624	31,215
% of net sales	40.1	38.6	40.3	39.8	39.5	39.5
Selling and mktg exp.	2,034	2,625	2,941	3,431	3,846	4,346
% of net sales	5.0	5.2	5.5	5.5	5.5	5.5
General and admin exp.	2,609	3,107	3,663	4,292	4,546	5,137
% of net sales	6.5	6.2	6.9	6.9	6.5	6.5
EBITDA	11,551	13,634	14,898	17,123	19,232	21,732
% of net sales	28.6	27.2	27.9	27.4	27.5	27.5
Dep and amortization	1,122	1,374	1,066	1,503	1,678	1,897
% of net sales	2.8	2.7	2.0	2.4	2.4	2.4
EBIT	10,429	12,260	13,832	15,620	17,553	19,835
% of net sales	25.8	24.5	25.9	25.0	25.1	25.1
Other income	2,359	2,669	3,427	3,122	3,122	3,122
Profit before tax	12,788	14,929	17,259	18,742	20,675	22,957
Provision for tax	3,367	4,062	4,929	5,251	5,789	6,428
% of PBT	26.3	27.2	28.6	28.0	28.0	28.0
PAT	9,421	10,648	12,330	13,491	14,886	16,529
Exceptional item	-	219	-	-	-	-
Adj. PAT	9,421	10,867	12,330	13,491	14,886	16,529
EPS (₹)	41.0	47.3	53.7	59.0	64.8	72.0

Balance sheet (IFRS, consolidated)

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016	FY2017E	FY2018E
Current assets						
Cash and cash equivalents	21,832	25,950	30,367	32,697	38,348	42,689
Available for sale financial assets	1,739	2,197	874	75	75	75
Investment in certificates of deposit	-	859	93	103	103	103
Trade receivables	7,083	8,351	9,713	11,330	11,749	13,276
Unbilled revenue	2,435	2,811	2,845	3,029	3,029	3,029
Derivative financial instruments	101	215	101	116	116	116
Prepayments and other current assets	2,123	2,636	3,296	4,448	4,056	4,583
Total current assets	35,313	43,019	47,289	51,798	57,476	63,872
Non-current assets						
Property, plant and equipment	6,468	7,887	9,125	10,530	10,730	10,930
Goodwill	1,976	2,157	3,091	3,764	2,157	2,157
Intangible assets	368	342	638	985	342	342
Available for sale financial assets	394	1,252	1,345	1,811	1,252	1,252
Deferred income tax assets	503	656	537	536	656	656
Income tax assets	1,092	1,522	4,089	5,230	5,230	5,230
Other non-current assets	237	220	238	735	1,632	1,632
Total non-current assets	11,038	14,036	19,063	23,591	21,999	22,199
Total assets	46,351	57,055	66,352	75,389	79,475	86,071
Current liabilities						
Trade payables	189	173	140	386	173	173
Derivative financial instruments	-	-	3	5	-	-
Current income tax liabilities	1,329	2,187	2,818	3,410	3,787	3,787
Client deposits	36	40	27	28	40	40
Unearned revenue	823	660	1,052	1,332	660	660
Employee benefit obligations	614	954	1,069	1,341	954	954
Provisions	213	379	478	512	379	379
Other liabilities	3,082	4,745	5,796	6,225	5,545	5,545
Total current liabilities	6,286	9,138	11,383	13,239	11,538	11,538
Non-current liabilities						
Deferred income tax liabilities	119	64	160	256	64	64
Employee benefit obligations	149	323	46	115	323	323
Other liabilities	-	-	-	-	-	-
Total non-current liabilities	268	387	206	371	387	387
Total liabilities	6,554	9,525	11,589	13,610	11,925	11,925
Equity						
Share capital	286	286	572	1,144	1,144	1,144
Share premium	3,090	3,090	3,090	2,241	2,241	2,241
Retained earnings	36,114	43,584	50,531	57,655	63,595	70,190
Other components of equity	307	570	570	739	570	571
Total equity	39,797	47,530	54,763	61,779	67,550	74,146
Total liabilities and equity	46,351	57,055	66,352	75,389	79,475	86,071

Cash flow statement (IFRS, consolidated)

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016	FY2017E	FY2018E
Pre tax profit from operations	10,429	12,260	13,832	15,620	17,553	19,835
Depreciation	1,122	1,374	1,066	1,503	1,678	1,897
Pre tax cash from operations	11,551	13,634	14,898	17,123	19,232	21,732
Other income/prior period ad	2,359	2,669	3,427	3,122	3,122	3,122
Net cash from operations	13,910	16,303	18,325	20,245	22,354	24,854
Tax	3,367	4,062	4,929	5,251	5,789	6,428
Cash profits	10,543	12,241	13,396	14,994	16,565	18,426
(Inc)/dec in current assets	(2,464)	(2,271)	(1,942)	(2,968)	(27)	(2,055)
Inc/(dec) in current liabilities	1,520	2,852	2,245	1,856	(1,701)	-
(Inc)/dec in net trade WC	(944)	581	303	(1,112)	(1,728)	(2,055)
Cashflow from operating actv.	9,599	12,822	13,699	13,882	14,837	16,371
(Inc)/dec in fixed assets	(2,181)	(2,793)	(2,304)	(2,908)	(1,878)	(2,097)
(Inc)/dec in investments	(1,362)	(1,317)	2,089	789	-	-
(inc)/dec in sale of financial assets	(382)	(858)	(93)	(466)	559	-
(Inc)/dec in deferred tax assets	(242)	(583)	(2,448)	(1,140)	(120)	-
Inc/(dec) in other non current liab.	147	119	(181)	165	16	-
(Inc)/dec in other non current ass.	(1,253)	(138)	(1,248)	(1,517)	1,353	-
Cashflow from investing actv.	(5,273)	(5,570)	(4,185)	(5,077)	(70)	(2,097)
Inc/(dec) in debt	-	-	-	-	-	-
Inc/(dec) in equity/premium	(280)	1,099	450	889	(1,421)	(1,410)
Dividends	2,805	4,233	5,547	7,364	7,695	8,523
Cashflow from financing actv.	(3,085)	(3,134)	(5,097)	(6,475)	(9,116)	(9,933)
Cash generated/(utilised)	1,241	4,118	4,417	2,330	5,651	4,342
Cash at start of the year	20,591	21,832	25,950	30,367	32,697	38,348
Cash at end of the year	21,832	25,950	30,367	32,697	38,348	42,689

Key ratios

Y/E March	FY2013	FY2014	FY2015	FY2016	FY2017E	FY2018E
Valuation ratio (x)						
P/E	26.4	22.9	20.1	18.3	16.7	15.0
P/CEPS	23.6	20.3	18.5	16.6	15.0	13.5
P/BVPS	6.2	5.2	4.5	4.0	3.7	3.3
Dividend yield (%)	1.0	1.5	1.7	2.3	3.0	3.3
EV/Sales	5.6	4.4	4.1	3.4	3.0	2.6
EV/EBITDA	19.4	16.0	14.5	12.5	10.9	9.4
EV/Total assets	4.8	3.8	3.3	2.8	2.6	2.4
Per share data (`)						
EPS	41	47	54	59	65	72
Cash EPS	46	53	58	65	72	80
Dividend	11	16	19	25	32	36
Book value	173	207	239	269	294	323
Dupont analysis						
Tax retention ratio (PAT/PBT)	0.7	0.7	0.7	0.7	0.7	0.7
Cost of debt (PBT/EBIT)	1.2	1.2	1.2	1.2	1.2	1.2
EBIT margin (EBIT/Sales)	0.3	0.2	0.3	0.3	0.3	0.3
Asset turnover ratio (Sales/Assets)	0.9	0.9	0.8	0.8	0.9	0.9
Leverage ratio (Assets/equity)	1.2	1.2	1.2	1.2	1.2	1.2
Operating ROE	23.7	22.4	22.5	21.8	22.0	22.3
Return ratios (%)						
RoCE (pre-tax)	22.5	21.5	20.8	20.7	22.1	23.0
Angel RoIC	45.8	43.7	39.5	36.7	42.9	45.9
RoE	23.7	22.9	22.5	21.8	22.0	22.3
Turnover ratios(x)						
Asset turnover (fixed assets)	3.7	3.6	2.8	2.6	3.2	3.6
Receivables days	86	81	86	84	77	75

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	Infosys
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2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

Ratings (Based on expected returns over 12 months investment period):

Buy (> 15%)

Accumulate (5% to 15%)
Reduce (-5% to -15%)

Neutral (-5 to 5%)
Sell (< -15)