

# OVERVIEW

Infosys is the second-largest IT company in India in terms of revenue and one of the most reputable consulting and outsourcing companies worldwide. Infosys became the fourth Indian company to cross \$100 billion in market capitalization. Besides, the company has shown a steady growth in the EPS from the previous 3 quarters, and also has a favorable current ratio. All the other financials of the company also seems healthy, including the PBT and revenue.

## Shareholding Pattern - Infosys Ltd.

Holder's Name	No of Shares	% Share Holding
NoOfShares	4206738641	100%
Promoters	551682338	13.11%
ForeignInstitutions	1400817886	33.3%
NBanksMutualFunds	567492704	13.49%
Others	1068012818	25.39%
General Public	453154311	10.77%
FinancialInstitutions	151852872	3.61%
GDR	13725712	0.33

### Top 10 Owners of Infosys Ltd

Stockholder	Stake	Shares owned	Total value (\$)	Shares bought / sold	Total change
GQG Partners LLC	1.56%	65,512,222	1,630,599,206	+7,753,476	+13.42%
JPMorgan Investment Management, I...	0.56%	23,627,356	588,084,891	+6,003,827	+34.07%
FIL Investment Advisors (UK) Ltd.	0.53%	22,374,594	556,903,645	+2,369,538	+11.84%
JPMorgan Asset Management (UK) Lt...	0.50%	20,929,442	520,933,811	+1,600,984	+8.28%
Capital Research & Management Co....	0.48%	20,180,621	502,295,657	+53,906	+0.27%
Goldman Sachs Asset Management LP	0.39%	16,216,485	403,628,312	+1,597,729	+10.93%
Fisher Asset Management LLC	0.36%	15,063,781	374,937,509	-614,652	-3.92%
SSgA Funds Management, Inc.	0.35%	14,846,375	369,526,274	+235,283	+1.61%
Ninety One UK Ltd.	0.35%	14,616,322	363,800,255	-1,077,683	-6.87%
Schroder Investment Management Lt...	0.30%	12,625,761	314,255,191	+6,529,505	+107.11%

### Top 10 Mutual Funds Holding Infosys Ltd

Mutual fund	Stake	Shares owned	Total value (\$)	Shares bought / sold	Total change
Advisors' Inner Circle Fund III -...	0.51%	21,219,705	528,158,457	+1,572,666	+8.00%
Fidelity Inv. Trust - Emerging Ma...	0.28%	11,975,240	298,063,724	+3,096,996	+34.88%
BNY Mellon Investment Fds. - Glob...	0.20%	8,270,743	205,858,793	-140,227	-1.67%
First Trust NASDAQ Cybersecurity ...	0.20%	8,183,871	203,696,549	+36,300	+0.45%
American Funds New Perspective Fu...	0.18%	7,624,106	189,763,998	-28,459	-0.37%
American Funds EuroPacific Growth...	0.17%	7,145,619	177,854,457	-1,983,329	-21.73%
JPMorgan Emerging Markets Equity ...	0.16%	6,856,519	170,658,758	0	0.00%
JPMorgan Funds - Emerging Markets...	0.14%	6,033,304	150,168,937	0	0.00%
Fidelity Funds SICAV - India Focu...	0.14%	5,854,590	145,720,745	+31	+0.00%
Genesis Emerging Markets Investme...	0.12%	4,946,170	123,110,171	+310,622	+6.70%

## Management of the company

Founder **N.R. Narayana Murthy**  
Co founder **Nandan M. Nilekani**  
**S. Gopalakrishnan**

**S.D. Shibulal**

**K. Dinesh**

**N.S. Raghavan**

**Ashok Arora**

Board of Directors

**Salil Parekh**

Chief Executive Officer and Managing Director

**Co-founder and Chairman of the Board**

**Nandan M. Nilekani**

Co-founder and Chairman of the Board

**Lead Independent Director**

**Kiran Mazumdar-Shaw**

**Independent Directors**

**D. Sundaram**

**Michael Gibbs**

**Uri Levine**

**Bobby Parikh**

Although, **Family members of Infosys co-founder SD Shibulal** have sold 8.5 million shares of the company worth Rs 777 crore, according to regulatory documents.

The promoter and the promoter group cumulatively holds nearly 29,28,06,199 shares in Infosys and out of that Narayana Murthy and his family holds **7,90,02,104 shares** according to BSEIndia website. N Narayana Murthy holds 87,18,688 shares while Akshata Murthy held 2,04,25,648 shares.

Strengths, Weaknesses, Opportunities & Threats (SWOT) analysis of the company (400 - 500 words).

## SWOT Analysis Of Infosys

### S Stands For Strengths

As an essential component of SWOT, a company's strength is its asset to plan its expansion. Infosys has several strengths that make them one of the largest IT companies in India

- **Low Expenditure For Salaries:** India has given Infosys a major advantage over its global peers in terms of lower salaries. The majority of Infosys' 119 development centers are located in India, which provides the company with quality technical talent at a much lower cost, as salaries in India are much lower than in developed countries.
- **Complete Business Solutions:** Infosys offers a wide range of consulting services and provides comprehensive end-to-end business services in IT services, software-based services, business consulting, and business process management. This enables Infosys to attract businesses across various industries.
- **Strategic Partnerships:** Infosys has partnered with major technology and business players to strengthen its services and business solutions. The company has already partnered with Google HP, IBM, Microsoft, Amazon, Oracle, and other 30+ companies. The strong partnership network enables Infosys to deliver innovative and collaborative solutions.

- **Return Of Investment:** Infosys is relatively successful in executing new projects and earns good profits through its existing business. The company is earning a good return on its investments.
- **Training Programmes For Employees:** High-level personal skills can be acquired through training and development programs. Infosys Inc. provides continuous training and development to its employees, resulting in an innovative and motivated team.
- **Brand Value:** Infosys is the 602nd largest public company in the world according to Forbes Global 2000 ranking and Has a credit rating of CRISIL AAA / Stable / CRISIL A1+ (rated by CRISIL).

## W Stands For Weakness

Everyone has positive and negative sides; so do Infosys has weaknesses.

Though Infosys is one of the largest IT Companies in India, many weaknesses can become a nightmare for Infosys's growth.

- **Limited Market:** North America and Europe account for over 80% of the company's revenue. This makes the company vulnerable to instability and uneven growth.
- **Focusing on Product Segments:** Though Infosys has started focusing on its platform and product business, the services segment still contributes nearly 94 percent of the revenue.
- **Emerging Markets:** Emerging markets have grown rapidly, and most of the credit goes to fast-growing technology. Infosys has no services for most emerging markets and is missing out on growth potential.
- **High Attrition Rate:** Many employees leave Infosys for better-paying jobs, better career opportunities, and higher educational opportunities for studies. When staff turnover is high, a company has a bad image.

## O Stands For Opportunities

- **Acquisition:** One way to expand technology would be to invest in technology startups. Infosys has seen the potential and has invested heavily in early-stage technology companies. For example, in 2016, it invested in Trifacta, a data wrangling software company, and Waterline Data Science. Infosys should continue to invest in companies that offer Infosys the competitive advantage of technology.
- **Cloud Computing Solutions:** The demand for cloud-based solutions is increasing as cloud computing has changed the fundamental things that how we compute. According to industry estimates, global spending on cloud services will grow rapidly through 2025. Infosys, which has a significant presence in the cloud computing market, will benefit from the growing demand.
- **Focusing On Emerging Markets:** Infosys needs to focus on emerging markets that are expected to provide good business for IT services and consulting firms in the future. Infosys should grab the opportunity when it is within reach.

## T Stands For Threats

- **Exponentially Increasing Competition:** The service IT industry is highly competitive. Infosys competes with large technology and consulting firms like Accenture, Capgemini, Wipro, and TCS, etc. The company also competes with software consulting giants like Oracle, Salesforce, and SAP. Intense competition leads to pricing pressure and investment in innovative technologies to gain a competitive advantage.
- **Changes in US immigration laws:** Immigration laws are subject to political pressure and therefore can be changed with a change in political power in the US. US immigration laws may become stricter, which will impact Infosys' business and other countries that rely heavily on the US market.
- **Rising wages in India:** Infosys and Indian IT companies have a big competitive advantage which lowers labor costs, but now there is also pressure from rising wages in India. Infosys too has had to keep up with wage inflation to retain its technical staff. Such measures affect the profit margins of the company.

- **Volatility in Global Market:** Due to volatile world financial markets, Infosys is exposed to volatile international macroeconomic indicators.

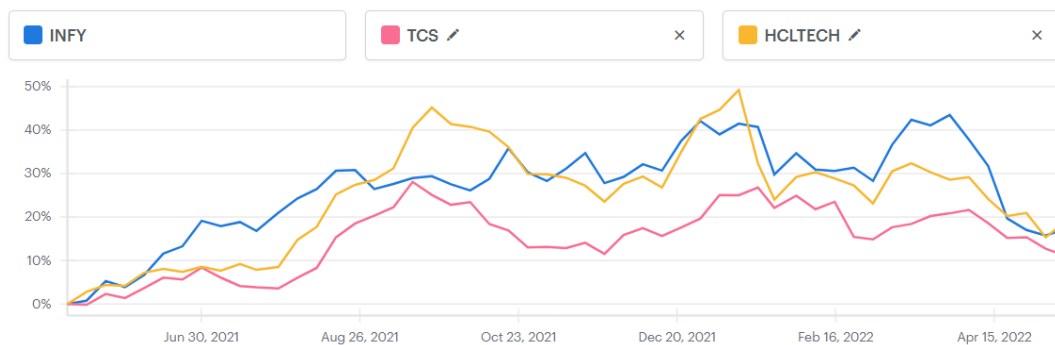
## COMPETITION

Stock	PE Ratio	PB Ratio	Dividend Yield
Infosys Ltd	29.45	8.60	2.00%
Tata Consultancy Services Ltd	33.19	14.16	1.24%
HCL Technologies Ltd	21.56	4.84	3.92%
Wipro Ltd	21.34	4.74	1.26%

Compare INFY with any stock or ETF

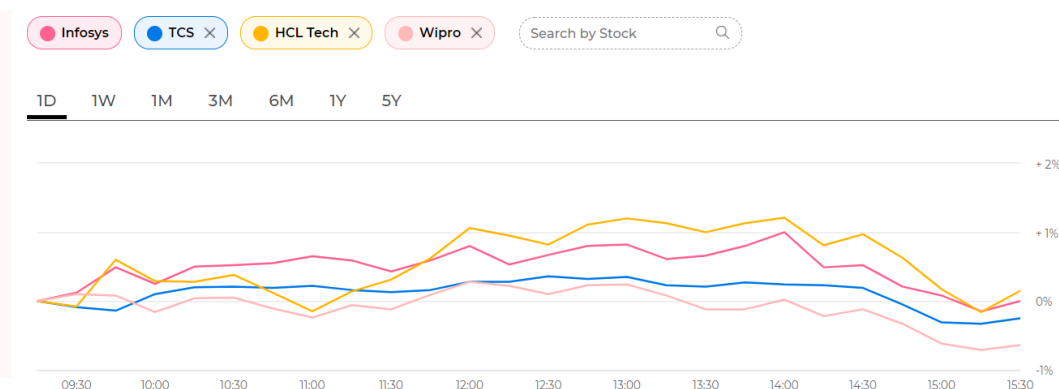
Comparing from

[May 12, 2021](#) → [May 10, 2022](#)



NAME		P/E (X)	P/B (X)	ROE %	ROA %	REV CAGR [3YR]	OPM
Infosys		29.55	8.63	29.34	18.75	13.01	24.91
TCS	×	32.83	14.00	42.99	27.08	9.00	27.36
HCL Tech	×	21.56	4.69	21.80	15.16	12.09	20.16
Wipro	×	21.41	4.76	19.66	13.04	1.40	23.24
Tech Mahindra	×	23.48	4.56	17.81	11.15	6.21	16.18

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Above are the infographic comparison of peers of Infosys.

1. **Tata Consultancy Service ( TCS ):** Tata Consultancy Services (TCS) is an Indian multinational information technology (IT) services. India with its largest campus located in Chennai, Tamil Nadu, India. As of February 2021, TCS is the largest IT services company in the world by market Capitalization (\$169.2 billion). It is a subsidiary of Tata Group and operates from 149 locations in 46 countries.



2. **Accenture:** Accenture plc is a multinational company based in Ireland that provides consulting and professional services. A Fortune Global 500 company, it had revenues of \$44.33 billion in 2020 and 569,000 employees. In 2015, the company had about 150,000 employees in India, 48,000 in the US, and 50,000 in the Philippines. Accenture's current clients include 91 of the Fortune Global 100 and more than three-quarters of the Fortune Global 500.
3. **Wipro:** Wipro Limited is an Indian multinational company that provides information technology, consulting, and business process services. According to Fortune India 500, it is the 29th largest Indian company by total revenue. It is also the 9th largest employer in India with nearly 195,000 employees.
4. **Cognizant:** Cognizant is an American multinational technology company that provides management consulting, information technology, and outsourcing services. It is headquartered in Teaneck, New Jersey, United States. Cognizant is part of the NASDAQ-100 and trades under CTSI. It was founded in 1994 as an internal technology unit of Dun & Bradstreet and began serving external clients in 1996.
5. **Oracle Corporation:** Oracle is an American multinational computer technology corporation headquartered in Austin, Texas. The company was formerly headquartered in Redwood Shores, California until it moved its headquarters to Texas in December 2020. The company sells database software and technology, cloud-based systems, and enterprise software products – particularly its own brands of database management systems.
6. **Capgemini:** Capgemini SE is a French multinational information technology (IT) services and consulting firm. It is headquartered in Paris, France. Capgemini has over 270,000 employees in over 50 countries, including nearly 125,000 in India.

### Peer Comparison

Name	CMP (₹)	P/E	Mar Cap.(Crs)	Div. Yld.(%)	NP Qtr (₹.Crs)	Sales Qtr (₹.Crs)	Book Value (₹)
Tata Consultancy Services Ltd TCS	3,439 NSE	32.95	1,257,707	1.25	9,795	42,459	209
Infosys Ltd INFY	1,553 NSE	30.92	653,572	1.99	5,177	27,426	165
HCL Technologies Ltd HCLTECH	1,073 NSE	26.76	290,986	3.92	3,003	10,634	157
Wipro Ltd WIPRO	478 NSE	21.58	261,966	1.26	5,479	15,586	99
Tech Mahindra Ltd TECHM	1,242 NSE	23.94	120,760	3.61	1,330	9,011	256

## CONCLUSION

Infosys started its journey with the vision of becoming a globally respected corporation. Based on its progress over the years, it can be stated that it has a compelling simplicity, a built-in narrative which makes the company's success appear all but inevitable.

The Infosys can be examined from an array of angles. Its management of people, its commitment to ethical business and its global aspirations and character. Other than this, there is an air of thoughtfulness to the company and its people. You would expect in such a fast growing company there would be a derring-do air of opportunism. Instead, the company's leaders are actively cerebral rather than blindly active.

Secondly, despite its headline grabbing growth, Infosys manages to juggle the short-term and long-term adroitly. Its leaders appear skilled in zooming in and out to tackle the issues with delivering complex projects and looking at the broader picture.

Infosys crossed a milestone of 100000 crores in year 2021 and has been recognized worldwide as being ethical, top employer and fast growing.

Financial condition:

The working capital is positive and has shown a linear growth. Capital expenditure has remained flat even with an increased scale.

But in terms of profitability ratios, Overall the company has seen reduced profitability over the years which is not likely to improve in the future.

But Overall the company has shown a solid cashflow position. The profitability margins have declined over the years, but this, however, is not a significant concern to the solvency of the company. The current and

quick ratio has declined over the years but is still way above the minimum threshold which shows a good liquidity position.

Training Programmes For Employees: High-level personal skills can be acquired through training and development programs. Infosys Inc. provides continuous training and development to its employees, resulting in an innovative and motivated team.

Overall the company has solid fundamentals, prudent cash allocation and good growth prospects in the coming future. The margins are also expected to improve along with efficiency in the coming years.