

## *Infosys*

The case describes the financing and growth of Infosys, an Indian software start-up. Infosys defies a number of stereotypes about barriers to entrepreneurship in India. The company was founded by a small group of entrepreneurs with little equity and without backing from a large family conglomerate. While Infosys has been very successful recently, there was also a highly uncertain period in the company's history. At the time of the case, Mr. Murphy, Infosys' CEO, and his team once again face important challenges regarding future growth and financing. Infosys' shares trade on the Bombay Stock Exchange. Mr. Murphy and his team need to decide whether they should seek to also list Infosys' shares on a US stock exchange and, if yes, whether to list on NASDAQ or NYSE.

### *Questions and issues needed to be addressed*

1. Define the issues Infosys is facing.
2. The case describes how Infosys differs from other software companies in India. To what degree is Infosys' performance show this fact. Please cite numbers and examples.
3. According to their stock price in late December 1998, what does this price imply for Infosys' growth and key operating ratios if we assume that the price reflects the true operation of the firm?
4. How can Infosys grow further? What competitive threats does the company face in India and abroad?
5. What is an appropriate value of Infosys in 1999 and please identify your reason and criticize your valuation method?
6. Should Infosys' list on a US exchange? If yes, why and on which exchange? What should Infosys' management do to mitigate the issues stated by Mr. Nilekani, Infosys' President?