

## INFOSYS LTD BUY- BACK

21-Aug-17

INDUSTRY - IT  
BSE Code - 500209  
NSE Code - INFOSYS  
NIFTY - 9837.4

Company Data	
CMP	923.1

### BUYBACK OF EQUITY SHARES

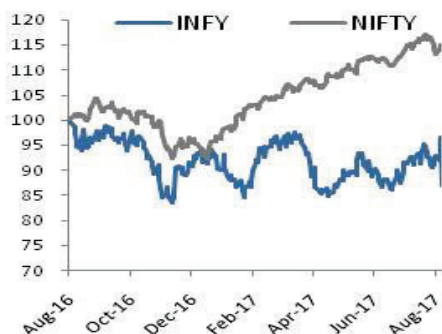
52wk Range H/L 1080.50/884.40  
Mkt Capital (Rs Cr) 2,12,033  
Av. Volume (,000) 362

#### Shareholding pattern %

	1QFY18	4QFY17	3QFY17
Promoters	12.8	12.8	12.8
Public	86.8	86.8	86.8
Others	0.5	0.5	0.5
Total	100.0	100.0	100.0

#### Stock Performance %

	1Mn	3Mn	1Yr
Absolute	-7.3	-2.1	-9.1
Rel.to Nifty	-1.3	2.7	14.0



#### Note:

Holders of ADS may be able to participate in the buyback if such ADS holders cancel ADSs and withdraw the underlying equity shares to become equity share holders of the company as on record date.

Boad Meeting Date	19-Aug-17
Buy Back Size	113043478 equity shares 4.92% of total paid up
Buy Back Size	13000 cr aprox.
Buy Back	1150/-
Buy Back Route	Tender Offer
Promoters Tendering their shares	YES

Reservation for Retail Shareholders	15%
No of shares reserved for Retail Shareholders	16956522

#### View:

Our view on Buy Back of infy's shares may be summarised into 2 parts:

#### 1. Whether to Buy for tendering in Buy Back:

Yes, We advise retail investors to buy Infy worth Rs 1,00,000 at current market Prices for tendering in Buy Back. For the balance Rs 1lac, one should wait for decline in Prices to add further.

#### 2. One year View for Investment purposes:

Vishal Sikka's resignation as MD and CEO of the company may have long term repercussions on the company and hence we view this step as a big negative for the company. Moreover, Buy Back will result into outflow of cash upto Rs 13000 Cr. In FY17, the company earned Rs 2300 Cr worth of interest income from 30000 Cr cash and Interest earning Investments that it had in its books. Other income accounted for 21% of the net profit of the company. Post buy Back, share of other income would reduce hugely and hence, the Net profit growth may reduce by ~10% for Fy18E. The expected ROE for FY18E works around 17% from current 21%. We change our rating for Infy from Buy to NEUTRAL, Though we currently maintain our target Price for the company at Rs 1030 which we will review post next quarter results.

Sidharth Soren  
Email -ID:s.siddharth@narnolia.com

**Narnolia Securities Ltd**

Please refer to the Disclaimers at the end of this Report