

## Infosys promoters to rake billions through ADS offering

The latest sponsored secondary offering of 30 million American Depositary Shares (ADS) by IT giant Infosys Technologies Ltd will make its promoters and directors richer by billions of rupees by selling their equity shares on pro-rata basis for the issue.

The firm Tuesday priced the issue at \$53.50 per ADS, which is equivalent to one equity share, listed and traded on the Indian stock exchanges.

According to the company's filing with the U.S. Securities and Exchange Commission (SEC) on the offering, Infosys mentor N.R. Narayana Murthy, CEO Nandan M. Nilekani, joint managing director Krish Gopalakrishnan, promoter directors K. Dinesh and S.D. Shibulal and director and human resource department head T.V. Mohandas Pai have collectively offered to sell 10.3 million equity shares for the ADS issue.

'On pro-rata basis, the promoters are entitled to sell 12.2 percent of their respective holding in the company. As a result, their collective holding will decline by 2.34 percent to 17.37 percent from the present 19.71 percent,' a top company official told IANS here.

For instance, Narayana Murthy, who holds 32.5 million shares, has offered to sell four million shares (12.2 percent). With the US dollar currently quoting at Rs.44.90 and each ADS priced at \$53.50, he will be richer by \$214 million or Rs.9.6 billion.

Similarly, Nilekeni has offered to sell 2.8 million shares of his holding. The transaction will yield him \$150 million (Rs.6.7 billion). Gopalakrishnan will be richer by \$145 million (Rs.6.5 billion) as he has offered to sell 2.7 million shares of his holding.

Dinesh and Shibulal, who have offered to sell 1.65 million shares and 1.8 million shares of their holdings respectively, will rake in \$88.3 million (Rs.3.97 billion) and \$96.3 million (Rs.4.32 billion) respectively.

Following the ADS issue, Narayana Murthy's holding in the company will decline to 5.13 percent from the current 5.85 percent, Nilekeni's to 3.55 percent as against 4.05 percent and Gopalakrishnan's to 3.44 percent from 3.93 percent respectively.

Besides the founder promoters and directors, leading financial institutions such as Deutsche Bank, J.P. Morgan Securities, Merrill Lynch and the Singapore government among others have offered a total of 10.7 million shares for the ADS issue.

The global software major had secured the approval of its shareholders at the extraordinary general meeting held Nov 7 for the ADS offering to increase its float on the Nasdaq stock exchange to 19 percent from 14 percent of its total stock (556 million equity shares).

Post-issue, the company's float will be 107 million ADSs as against 77 million ADSs currently, qualifying to enter the prestigious Nasdaq 100 index.

Of the 30-million ADSs offering, five million of them have been earmarked for Japanese investors through a public offer without listing.

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