

SHARE HOLDERS' VALUE CREATION OF INFOSYS TECHONOLIGIES LTD

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There are different stakeholders who are directly interested in Financial matters of a company. These stakeholders include promoters, moneylenders, government, creditors, shareholders etc. In the era of corporate governance and globalization, the efficient management of a company is pre-condition for survival of any company. The value creation for shareholders is one of the parameter of efficient management of the company. It is continuous endeavor of companies to increase shareholders wealth. Shareholder wealth is directly connected with financial health of the company and shareholders both. In this paper an effort is made to analyze the change in shareholders wealth in Infosys Technologies limited over last five years ie. from 2002-03 to 2006-07. The shareholders value creation by Infosys technologies is analyzed from the view point of (i) Free Reserves, (ii) Right Shares, (iii) Bonus Shares, (iv) Share split, (v) Selling off the shares at NASDAQ, (vi) Market price of shares (vii) Market capitalization of Shares, (viii) Dividend. Some qualitative factors such as Ethics honesty merit CSR, exploring opportunity R&D, expansion, employees satisfaction, customer satisfaction etc. are found responsible for steady growth of the company which are also responsible for value creation. It is concluded that the company has adopted three dimensional measures for value creation. Which are Qualitative dimension, dimension of financial strength in the form of EPS, BOOKVALUE per share and free reserves. The third dimension is transfer of value creation in the hands of share holders in the form of dividend pay out, bonus share and increase in the market price of shares. The Infosys Technologies has proved itself as investors friendly company over the years.

Keywords: