

INFiNite

INFiNite started as a startup by a group of three enterprising entrepreneurs in 1991 in Pune. They borrowed their startup funds. They were initially involved in the software development in the fields of Retail Banking and Telecommunications.

In 1992 it got its first corporate client – an American MNC based out of New Orleans. This provided consultancy services to large corporate. This went hand in hand with the opening of its first office in USA.

In the following year it went public. Issuing shares worth Rs.9 crore. Most of the shares were allotted to the promoters and directors at a face value of Rs.10. The remaining shares were sold to the public at a premium of Rs.30. By now the company had developed a unique software suite for the banking industry called BANCS. It had also diversified into software maintenance and re-engineering in its core market segments.

In '94 the company entered into a JV with ChipSoc a large American hardware firm to market their software products in the American market. To fund its rapidly growing activities the firm issued its second public issue worth Rs.14 crore. Shares of Rs.10 face value were sold at a premium of Rs.50. However this issue ran into troubles with market regulators alleging fraud and preferential allotment of shares to particular individuals. The company after a brief legal tussle with the regulators emerged unscathed.

To accommodate the companies increasing size it shifted its headquarters from Pune to Electronic City, Bengaluru in 1995.

In '96 the company opened marketing offices in New York, Pittsburg and Washington. By now the company had diversified into providing maintenance services for its rapidly increasing customer base. It also entered into the distribution industry by releasing its software package called DistRuct.

Several public issues of shares ensued in the following years to finance its growing activities.

In '97 the company was awarded the All-India Information Technology Keepers society award (A-IITK) for innovation in the IT industry. The share value of the firm stood at Rs.500. The company declared a 50% dividend on the face value of their shares for the first time in the history of the company.

By 2000 the company had established a wholly owned subsidiary in USA called NIFTY Inc. which had a market cap of \$500,000. In the meantime its products like BANCS and DistRuct had gained international fame. Several MNCs were running these softwares provided by INFiNite. By now the Market Cap of INFiNite had crossed \$10,000,000. The company regularly declared dividends in the range of 50-100% of face value.

In 2002 a bug was discovered in BANCS which enables computer hackers to access the account details and passwords of account holders in the Vyasa Bank. This considerably decreased the credibility of the firm. The firms share tumbled to Rs.320. However these issues were quickly fixed.

With the onset of the IT boom the company diversified into providing ITes to other industries. The company prospered and the share value increased from Rs.320 in 2002 to Rs.1500 in 2004.

In 2004 INFiNite was acquired by Lucent, an American Multinational Company. 1 share of Lucent share were allotted for 8 shares of INFiNite. The share of Lucent stood at \$240 per share.

By 2005 an INFiNite was Lucent's most profitable subsidiary. BANCS was Lucent's largest selling product. However in the same year an accounting fraud caused Lucent to wind up operations. As part of bankruptcy procedures INFinite was purchased by a Robert Brown, an influential investment banker from Wall Street for \$40,000,000. He restructured the firm and revamped its operations. 50,000 shares at a face value of \$10 were issued at a premium of \$53. The finance so derived was used for restructuring the firm. This coincided with INFiNite's entry into the providing ITeS to the Consultancy and Analytics sector. In 2007 INFinite was listed in BSE at Rs.3,000 a share.

Since its demerger from Lucent, INFiNite has been registering consistently reporting 20-25% growth of quarterly net profits. Since its listing on BSE its share value has shot up from Rs.3000 to its current value at Rs.4129 per share.

In July 2008 it was awarded the "Most Transparent Company in India Award" by FICCI. However, the ensuing subprime crises caused its shares to tumble to a 52 week low of Rs.1000 but the stock surged back to Rs.2000. It now stands at Rs.1127. The IT sector has been hit hard by the economic slowdown and has been urging the government for some industry specific sops.