ModernGraham Valuation

Company Name:

Company Ticker INFY Date of Analysis

1/5/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$37,098,608,972 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.73 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	60.37% Pass
6. Moderate PEmg Ratio	PEmg < 20	21.40 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	42.72 Fail
Enterprising Investor; must pass 4 out of the following 5 tests, or i	be suitable for the Defensive Investor.	
1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	3.73 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00 Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Infosys Ltd ADR

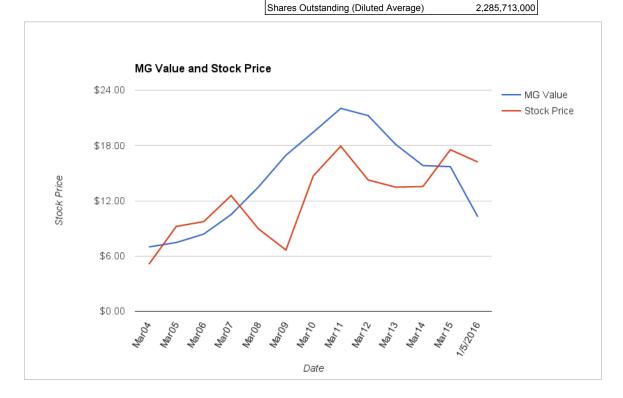
Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

•			
	EPSmg	\$0.76	;
	MG Growth Estimate	2.53%)
	MG Value	\$10.26	;
	MG Value based on 3% Growth	\$10.98	}
	MG Value based on 0% Growth	\$6.43	5
	Market Implied Growth Rate	6.45%)
MG Opinion			
	Current Price	\$16.20)
	% of Intrinsic Value	157.88%	,
	Opinion	Overvalued	
Stage 3: Infor	mation for Further Research		
	Net Current Asset Value (NCAV)	\$0.23	;
	Graham Number	\$2.38	;
	PEmg	21.40)
	Current Ratio	3.73	;
	PB Ratio	42.72	2
	Dividend Yield	2.17%	J
	Number of Consecutive Years of Dividend Growth	٤	}
Useful Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	
	Yahoo Finance	Seeking Alpha	
	GuruFocus	SEC Filings	
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.66	Next Fiscal Year Estimate	\$0.76
Mar15	\$0.88	Mar15	\$0.79
Mar14	\$0.75	Mar14	\$0.73
Mar13	\$0.75	Mar13	\$0.70
Mar12	\$0.76	Mar12	\$0.65
Mar11	\$0.65	Mar11	\$0.57
Mar10	\$0.57	Mar10	\$0.51
Mar09	\$0.56	Mar09	\$0.44
Mar08	\$0.50	Mar08	\$0.36
Mar07	\$0.37	Mar07	\$0.27
Mar06	\$0.25	Mar06	\$0.22
Mar05	\$0.19	Mar05	\$0.19
Mar04	\$0.24	Mar04	\$0.18
Mar03	\$0.18	Mar03	\$0.14
Mar02	\$0.16	Mar02	\$0.10
Mar01	\$0.12	Mar01	\$0.06
Mar00	\$0.06	Mar00	\$0.02
Mar99	\$0.02	Balance Sheet Information	Sep15
Mar98	\$0.00	Total Current Assets	\$741,747,700
Mar97	\$0.00	Total Current Liabilities	\$198,846,200
Mar96	\$0.00	Long-Term Debt	\$0
		Total Assets	\$1,071,627,000
		Intangible Assets	\$69,294,680
		Total Liabilities	\$204,952,000
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Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other Oraham	Infosys Limited Analysis – October 2015 Update \$INFY
ModernGraham posts about the company	The 8 Best Stocks For Value Investors This Week - 6/27/15
	Infosys Analysis – June 2015 Update \$INFY
	24 Companies in the Spotlight This Week – 3/28/15
	Infosys Limited Quarterly Valuation – March 2015 \$INFY
Other ModernGraham posts about related companies	Total System Services Inc. Valuation – November 2015 Update \$TSS
	International Business Machines Corp Valuation - November 2015 Update \$IBM
	Motorola Solutions Inc. Valuation – November 2015 Update \$MSI
	Qualcomm Inc. Valuation – October 2015 Update \$QCOM
	Cognizant Technology Solutions Corp Analysis – October 2015 Update \$CTSH
	Infosys Limited Analysis – October 2015 Update \$INFY
	Teradata Corporation Analysis – September 2015 Update \$TDC
	Akamai Technologies Inc. Analysis – August 2015 Update \$AKAM
	Total System Services Inc. Analysis – August 2015 Update \$TSS
	Acxiom Corporation Analysis – Initial Coverage \$ACXM