

Nandan Nilekani back at India's Infosys

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Infosys cofounder Nandan Nilekani, seen in 2014, ran the business from 2002 to 2007 and remains highly respected in the technology world

Infosys cofounder Nandan Nilekani will take over immediately as the company's nonexecutive chairman, the Indian software giant said Thursday, a move to calm investor unrest and steady the share price.

His return comes in the wake of chief executive Vishal Sikka's surprise decision last Friday to quit amid tensions between the company's board and its founders.

The turmoil saw shares plunge as much as 15 percent in the past week.

Nilekani, one of the cofounders of the company, ran the business from 2002 to 2007 and remains highly respected in the technology world.

He also led the implementation of a key government programme holding biometric data on over a billion people.

"Nandan is the ideal leader for Infosys at this stage in the company's development. His appointment will allow Infosys to focus on the strategic changes it needs to make," outgoing chairman R. Seshasayee said in a statement.

Co-chairman Ravi Venkatesan, as well as two board members have resigned as part of the restructuring, the company said.

Infosys veteran UB Pravin Rao remains interim chief executive.

Sikka had come under fire in recent months from some of the founders of the company on issues related to corporate governance and salary increases for its top executives.

"Over the last many months and quarters, we have all been besieged by false, baseless, malicious and increasingly personal attacks," he said in his resignation.

Analysts said Nilekani's return would help end "the risk of the distraction in the business" because of the internal conflict.

"It might even pave the way to attract a good CEO going forward," said a Mumbai analyst who is not authorised to speak to the media.

"But the one negative is that with Vishal leaving immediately, that

expectation of some continuity will not be there."

Last month Infosys reported an increase of 1.4 percent in consolidated net profit year-on-year for the first quarter, marginally beating analysts' expectations.

India became a back office to the world in the early 2000s as companies subcontracted work to firms such as Infosys, taking advantage of the country's skilled English-speaking workforce.

The \$150-billion IT sector remains one of the country's flagship industries, but it is facing upheaval in the face of automation and US President Donald Trump's clampdown on visas.

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