

L&T Infotech

Refer to important disclosures at the end of this report

Strong performance but downgrade to Sell on expensive valuations

CMP: Rs 1,784 as of (May 20, 2020) | **TP: Rs 1,430 (▲)** 12 months | **Rating: SELL (▼)** | **Upside: (19.8) %**

- After relatively weak H1FY20, LTI reported 4.7% QoQ c/c revenue growth in the Mar'20 quarter, continuing the trend of improvement seen in the Dec'19 quarter. EBIT margins improved by 110 bps sequentially to 17.3%, adjusted for the contribution to the PM Cares fund. Net profit beat the estimates, aided by lower taxes and higher forex gains.
- Revenues from five of the top 10 clients were subdued as growth was led by non-top 20 clients. Revenue growth also aided by onshore revenue productivity, up 9% qoq (after a 3.4% qoq increase in the Dec'19 quarter), which might have aided margins as volume growth was a mere 1.1%.
- LTI remains a stronger Tier II player backed by strong and stable leadership and execution track record, which reflects in the steady rise across client revenue buckets and a steadier margin profile (unlike volatility seen in most Tier II techs as well as a few in Tier I).
- While we raise our FY21/22E EPS slightly, valuations at ~20x/17x FY21/22E EPS are punchy, given a possible hit to demand due to weak global macro. We downgrade LTI to Sell from Hold, with a revised TP of Rs1,430, despite raising the target P/E multiple to 14x (vs. 13x earlier) on FY22E EPS.

What we liked? Strong revenue performance, with 4.7% QoQ cc growth, continuing on the strength seen in the Dec'19 quarter after relatively weak H1FY20. EBIT margin improvement of 110 bps sequentially, adjusted for Covid-19 related donation to the PM Cares fund.

What we did not like? Weak performance in five of the top 10 clients on a relative basis; revenue performance being led by significant uplift on onshore revenue productivity (up by 9.1% QoQ) as overall volume growth was ~1.1% QoQ.

Operating estimates little changes; downgrade to Sell on punchy valuations

We raise our FY21/22E earnings by ~1%/0.4% to Rs87/101, and introduce FY23E earnings at Rs 113.5. While LTI does stand out among Tier II techs for a very consistent and steady execution unlike the volatility associated with mid-tier techs in general, we find valuations quite punchy and leaving no room for disappointments at ~ 20x/17x FY21/22E EPS. We cut our ratings to Sell from Hold, with a revised TP of Rs1,430 (19% downside), even though we raise our target multiple 1 notch to 14x (vs. 13x earlier) on FY22E earnings.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Information Technology \(page 10\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	94,458	1,08,786	1,16,452	1,30,491	1,48,161
EBITDA	18,835	20,292	20,751	24,161	27,413
EBITDA Margin (%)	19.9	18.7	17.8	18.5	18.5
APAT	15,157	15,199	15,328	17,970	19,968
EPS (Rs)	86.5	86.4	87.1	102.2	113.5
EPS (% chg)	29.0	0.0	0.8	17.2	11.1
ROE (%)	34.6	29.5	25.1	24.5	23.8
P/E (x)	20.6	20.6	20.5	17.5	15.7
EV/EBITDA (x)	15.5	14.1	13.2	11.0	9.4
P/BV (x)	6.4	5.8	4.6	4.0	3.5

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY21E/FY22E (%)	1/0.4
Target Price change (%)	7.5
Target Period (Months)	12
Previous Reco	HOLD

Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	87.1	102.2
Consensus	94.2	108.0
Mean Consensus TP (12M)	Rs 1,745	

Stock Details

Bloomberg Code	LTI IN
Face Value (Rs)	1
Shares outstanding (mn)	174
52 Week H/L	2,050 / 1,208
M Cap (Rs bn/USD bn)	311 / 4.10
Daily Avg Volume (nos.)	1,46,626
Daily Avg Turnover (US\$ mn)	3.0

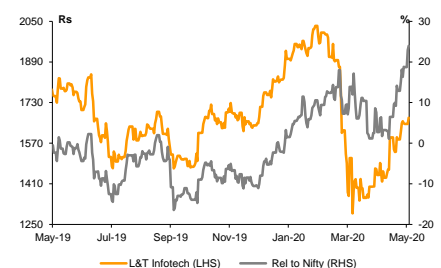
Shareholding Pattern Mar '20

Promoters	74.5%
FII's	9.5%
DII's	7.2%
Public and Others	8.8%

Price Performance

(%)	1M	3M	6M	12M
Absolute	20	(11)	3	1
Rel. to Nifty	22	19	37	32

Relative price chart



Source: Bloomberg

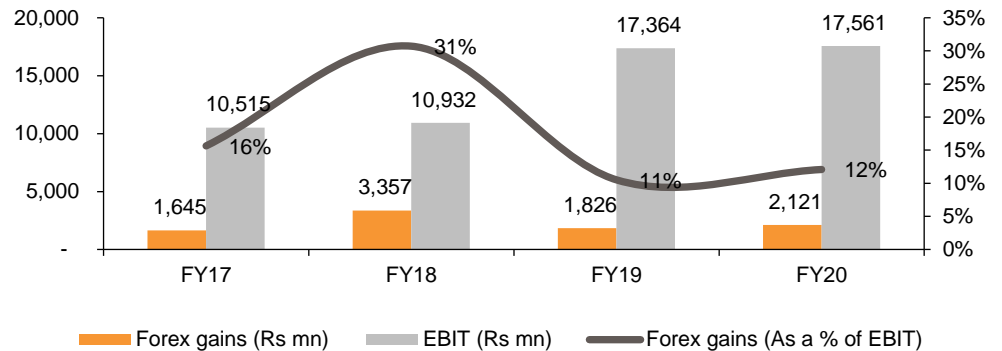
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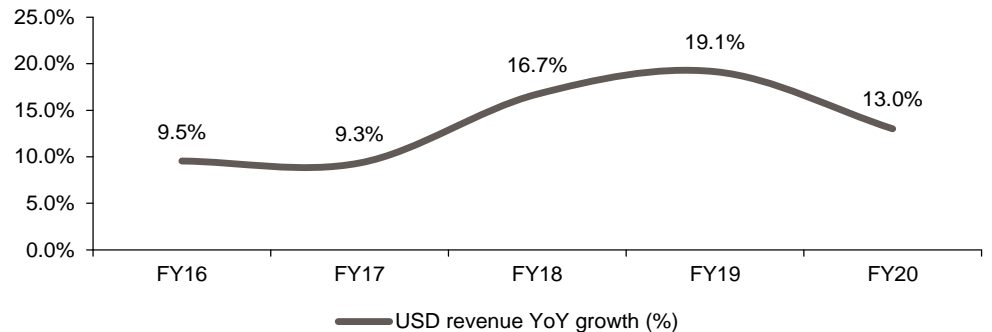
Story in Charts

Exhibit 1: Forex gains continue to account for a significant share of EBIT through the years; may be insignificant in FY21 due to sharp INR move



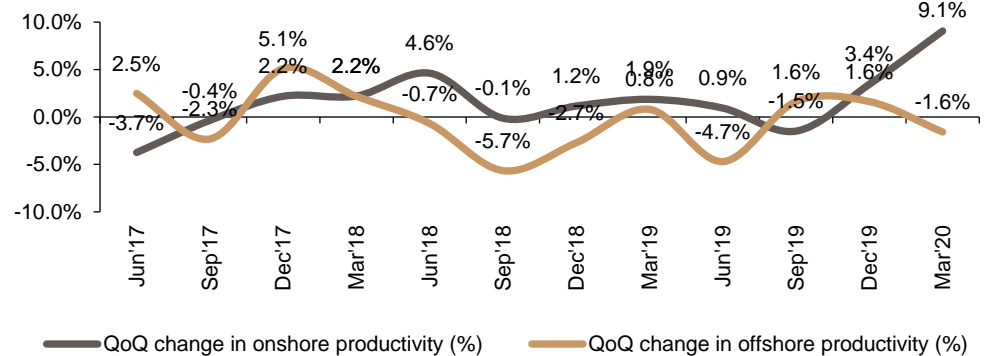
Source: Company, Emkay Research

Exhibit 2: Growth picked up in H2FY20 after a difficult H1FY20, though overall growth was still significantly lower for FY20 as a whole



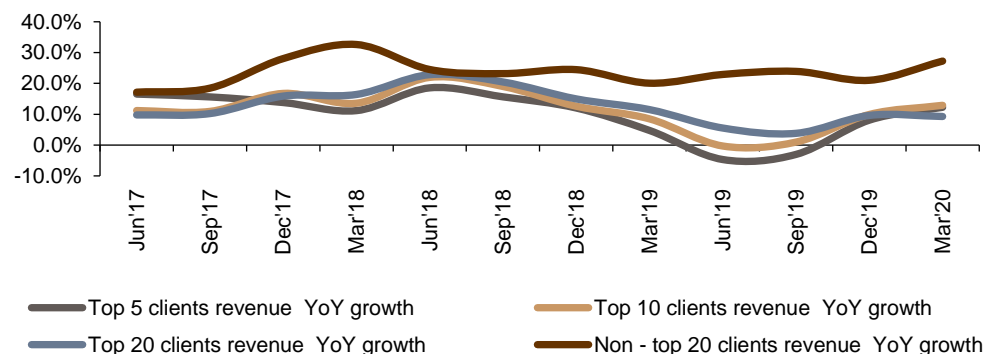
Source: Company, Emkay Research

Exhibit 3: Onshore productivity has jumped up sharply in H2FY20 aiding revenue growth & margin improvement as volume growth has been much lower



Source: Company, Emkay Research

Exhibit 4: Non top 20 clients have continued to lead growth



Source: Company, Emkay Research

Exhibit 5: Actual vs Estimates Q4FY20

(in Rs mn)	Actual	Estimates		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Sales (USD mn)	410	401	398	2.2%	3.0%	USD revenues were above our/street estimates
Sales (Rs mn)	30,119	29,287	29,048	2.8%	3.7%	Higher realizations led to higher INR revenues
EBIT	5,034	4,955	4,820	1.6%	4.4%	
EBIT, margin	16.7%	16.9%	16.6%	-20 bps	10 bps	Margins were a tad lower
PAT	4,274	4,002	3,870	6.8%	10.4%	Net profits were higher due to lower taxes

Source: Company, Emkay Research

Exhibit 6: Quarterly snapshot

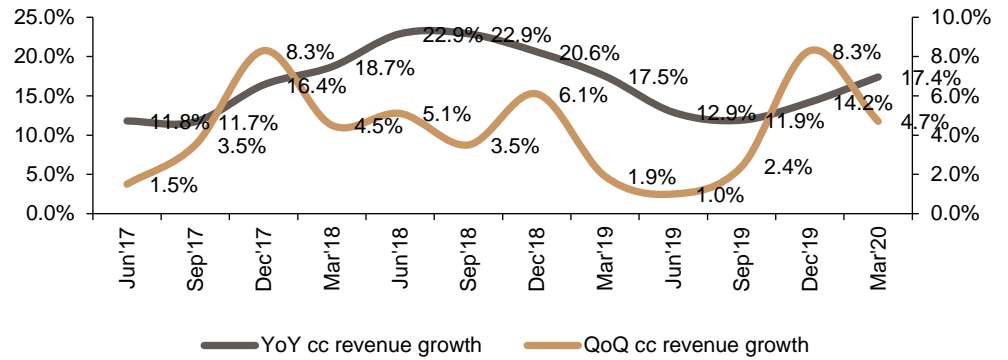
Rs mn	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	YoY (%)	QoQ (%)	FY19	FY20	YoY (%)
Revenues(in US\$ mn)	354	357	364	394	410	15.9	3.9	1,349	1,525	13.0
Revenue	24,860	24,849	25,707	28,111	30,119	21.2	7.1	94,458	1,08,786	15.2
Operating Expenditure	20,095	20,270	21,049	22,837	24,338	21.1	6.6	75,623	88,494	17.0
Cost of revenues	16,417	16,625	17,525	19,188	20,251	23.4	5.5	61,643	73,589	19.4
as % of sales	66.0	66.9	68.2	68.3	67.2			65.3	67.6	
SG&A expenses	3,678	3,645	3,524	3,649	4,087	11.1	12.0	13,980	14,905	6.6
as % of sales	14.8	14.7	13.7	13.0	13.6			14.8	13.7	
EBITDA	4,765	4,579	4,658	5,274	5,781	21.3	9.6	18,835	20,292	7.7
Depreciation	371	611	664	709	747	101.3	5.4	1,471	2,731	85.7
EBIT	4,394	3,968	3,994	4,565	5,034	14.6	10.3	17,364	17,561	1.1
Other Income	648	812	739	433	479			2,915	2,463	
PBT	5,042	4,780	4,733	4,998	5,513	9.3	10.3	20,279	20,024	(1.3)
Total Tax	1,255	1,225	1,130	1,231	1,239	(1.3)	0.6	5,122	4,825	(5.8)
Adjusted PAT	3,787	3,555	3,603	3,767	4,274	12.9	13.5	15,157	15,199	0.3
APAT after MI	3,787	3,555	3,603	3,767	4,274	12.9	13.5	15,157	15,199	0.3
Reported EPS	21.9	20.5	20.7	21.7	24.5	12.2	13.0	88	87	(0.2)

Margins (%)						(bps)	(bps)				(bps)
EBIDTA	19.2	18.4	18.1	18.8	19.2	3	43	19.9	18.7		(129)
EBIT	17.7	16.0	15.5	16.2	16.7	(96)	47	18.4	16.1		(224)
EBT	20.3	19.2	18.4	17.8	18.3	(198)	52	21.5	18.4		(306)
PAT	15.2	14.3	14.0	13.4	14.2	(104)	79	12.2	10.7		(152)
Effective Tax rate	24.9	25.6	23.9	24.6	22.5	(242)	(216)	25.3	24.1		(116)

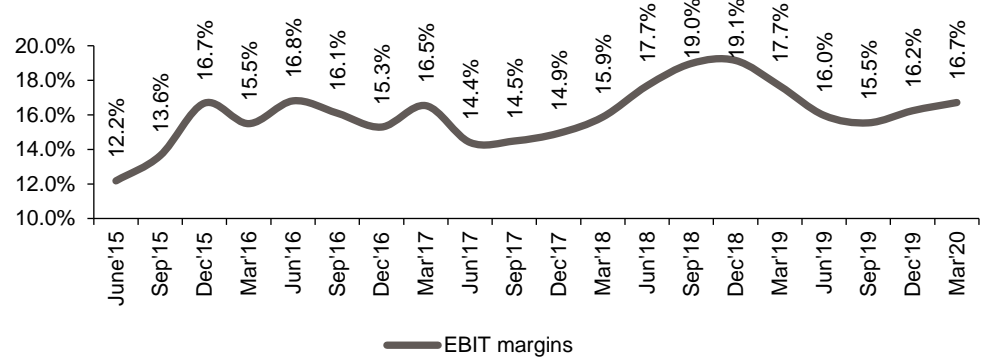
Source: Company, Emkay Research

LTI continues on the pick- up seen in Dec'19 quarter

After relatively weak H1FY20, LTI has continued to surprise positively in H2FY20. The company reported 4.7% QoQ c/c revenue growth for the Mar'20 quarter, building up on an over 8% sequential revenue increase in the Dec'19 quarter. We note that this is similar to usual seasonality seen for the company wherein H2 is always stronger than H1 in terms of sequential growth, partly aided by India/ROW presence. While reported EBIT margin improvement was restricted to 50bps sequentially - adjusted for the Covid-19 donation, margin improvement was ~110 bps QoQ. We note that LTI's margins were still down yoy in the Mar'20 quarter, reflecting the hit seen in FY20, with FY20 EBIT margins at 16.1% (down 230 bps YoY). Net profits at Rs4.3bn (+13.5% QoQ, +12.9% YoY) were ahead of estimates due to a slight beat on operating profits, coupled with higher-than-expected forex gains and lower taxes. Five of the Top 10 clients' revenue performance was weak on a relative basis, with a -1.1% /1.7% sequential revenue growth. Non- top 20 clients led growth, with a 10% sequential increase in the Mar'20 quarter on the back of a 6%+ QoQ increase seen in the Dec'19 quarter.

Exhibit 7: QoQ cc revenue growth declines sharply sequentially

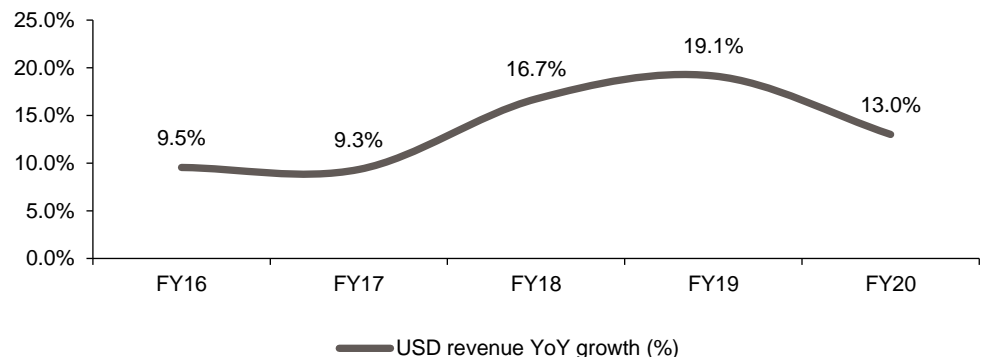
Source: Company, Emkay Research

Exhibit 8: EBIT margin continues its recovery trajectory

Source: Company, Emkay Research

Expects to continue growth outperformance; desists from providing margin guidance

LTI management suggested that it expects to sustain growth outperformance relative to the industry as has been the case through recent years, however it desisted from providing the usual net profit margin guidance, citing significant uncertainty. Management, akin to peers, expects a mid-single digit sequential decline in revenues in the June'20 quarter and suggested that it sees delays/deferrals in the order pipeline, though order booking had been robust. From a vertical standpoint, LTI expects near-term demand issues in verticals like Manufacturing (17% of revenues) and E&U (11.4% of revenues), The spending trends in BFS have held up for now but the company remains watchful of potential weakness here in Q2FY21 and Q3FY21.

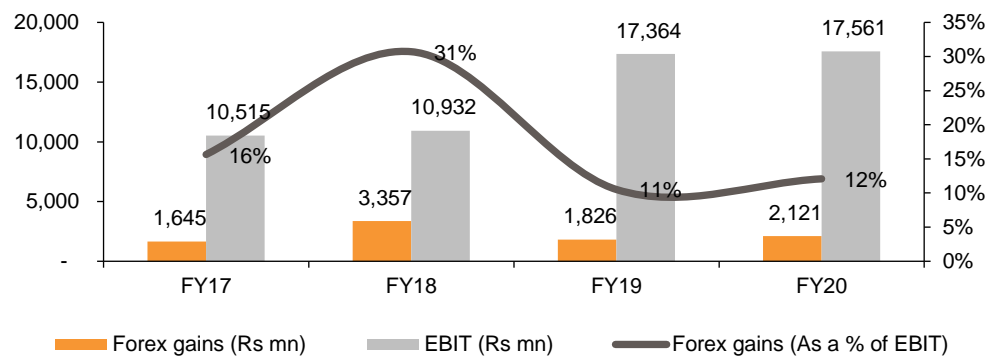
Exhibit 9: Growth picked up in H2FY20 after a difficult H1FY20, through overall growth was still significantly lower for FY20 as a whole

Source: Company, Emkay Research

Forex gains may not be significant in FY21

LTI reported forex gains of Rs398mn in the Mar'20 quarter. The total forex gains for FY20 were Rs2,121mn for FY20 or around 12.1% of EBIT. Forex gains have continued to be a significant contributor in LTI's earnings among the mid-tier peers (TechM also has a high component of forex gains in terms of earnings among the Tier I vendors). Given the sharp currency depreciation in recent weeks, LTI suggested that while it does not expect forex losses in FY21, the forex gains may be significantly lower than FY20 levels. We note that we are building in forex gains of Rs1,400mn in our earnings forecasts for FY21

Exhibit 10: Forex gains continue to account for a significant share of EBIT through the years; may be insignificant in FY21 due to sharp INR move



Source: Company, Emkay Research

Headcount largely unchanged during Mar'20 quarter

LTI's headcount was largely unchanged on a sequential basis in the Mar'20 quarter after seeing very strong net employee additions during 9MFY20. The company ended Mar'20/FY20 with total employees of 31,437 (up 3,270 people YoY). Attrition has continued to drop over the past 2 quarters on a LTM basis, with the Mar'20 quarter attrition at 16.5%. We believe that this may drop further as voluntary attrition comes off in general across the industry as companies slow down lateral hiring. We note that most companies have already suggested freezing lateral hiring and signaled deferring fresher hiring although they intend to honor these offers.

Changes in estimates

We raise our FY21/22E earnings by ~1%/0.4% to Rs 87/101. We also introduce FY23E earnings at Rs113.5. While LTI does stand out amongst Tier II techs for a very consistent and steady execution unlike the volatility associated with mid-tier techs in general, we find valuations quite punchy and leaving no room for disappointments at ~ 20x/17x FY21/22E EPS. We cut our ratings to Sell from Hold, with a revised TP of Rs1,430 (19% downside), even though we raise our target multiple 1 notch to 14x (vs. 13x earlier) on FY22E earnings.

Exhibit 11: Changes in estimates

Rs mn	FY21E			FY22E			FY23E
	Old	New	% chg.	Old	New	% chg.	Introduced
Revenues(US\$ mn)	1,581	1,574	-0.5%	1,787	1,763	-1.3%	2,002
YoY growth, %	3.7	3.2		13.0	12.1		13.5
Revenues	1,16,994	1,16,452	-0.5%	1,32,238	1,30,491	-1.3%	1,48,161
EBIT	17,549	17,768	1.2%	21,026	21,065	0.2%	24,194
EBIT margins, %	15.0	15.3		15.9	16.1		16.3
Net profits	15,189	15,328		17,917	17,970		19,968
EPS (Rs)	86.3	87.1	1.0%	101.8	102.2	0.4%	113.5

Source: Company, Emkay Research

Exhibit 12: Key Assumptions

(in Rs mn)	FY20	FY21E	FY22E	FY23E
USD growth (%)	13.0%	3.2%	12.1%	13.5%
USD/INR	71.4	74.0	74.0	74.0
INR Growth (%)	15.2%	7.0%	12.1%	13.5%
EBIT margin (%)	16.1%	15.3%	16.1%	16.3%
EPS Growth (%)	0.0%	0.8%	17.2%	11.1%

Source: Company, Emkay Research

Exhibit 13: Valuation Summary

Co Name	CMP	Reco.	Target Price	US\$ revenue growth (%)			EPS			P/E			EV/EBIT		
				FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
IT Services companies															
TCS	1,954	SELL	1,520	-3.3	9.6	9.0	82.7	94.7	103.3	23.6	20.6	18.9	18.4	15.9	14.4
Infosys	670	HOLD	590	-3.2	11.2	10.5	37.2	42.3	47.7	18.0	15.8	14.0	13.0	11.1	9.6
Wipro	185	HOLD	195	-3.4	5.2	5.5	16.8	17.7	19.0	11.0	10.4	9.7	6.8	5.5	4.3
HCL Tech	527	BUY	600	-1.7	9.9	11.6	39.1	45.7	51.6	13.5	11.5	10.2	9.9	8.4	7.2
Tech Mahindra	519	BUY	620	-4.3	9.6	9.6	42.7	51.9	59.3	12.1	10.0	8.8	8.2	6.2	4.8
L&T Infotech	1,784	SELL	1,430	3.2	12.1	12.8	87.1	102.2	113.5	20.5	17.5	15.7	15.3	12.4	10.5
Mphasis	824	HOLD	815	-0.1	6.1	9.4	61.2	67.9	75.5	13.5	12.1	10.9	9.3	8.1	7.0
Mindtree	904	SELL	710	-1.3	9.3	12.2	46.5	54.5	63.5	19.5	16.6	14.2	13.3	11.2	9.3
Hexaware*	235	HOLD	270	3.9	9.5	7.9	19.4	23.8	25.6	12.1	9.9	9.2	9.2	6.8	5.6
Persistent Systems	520	HOLD	550	-1.8	9.8	8.4	44.0	54.4	59.7	11.8	9.6	8.7	6.8	4.6	3.4
NIIT Tech	1,415	SELL	1,040	0.6	9.4	9.1	68.2	86.5	99.8	20.8	16.4	14.2	13.8	11.0	9.3
Other companies															
eClerx Services	393	HOLD	520	-2.1	7.8	7.2	61.5	65.5	68.8	6.4	6.0	5.7	3.3	3.1	2.8
Firstsource Solutions	30	HOLD	40	0.1	6.7	12.4	4.9	5.4	6.3	6.2	5.6	4.8	5.0	4.0	2.7

Source: Company, Emkay Research

Other Key Takeaways

Covid-19 impact

The company had minimal supply side impact due to Covid-19 as it was able to transition 95% of its business to Work-from-Home.

New deals

The company announced two major deals in the Mar'20 quarter with TCV of \$113mn, which included a major government deal worth \$73mn. LTI indicated that the deal pipeline continues to remain robust, however it is seeing some delays and deferrals on large deals.

Verticals and Geographical segments

Management expects Manufacturing and Oil and Gas verticals to be the most impacted on account of Covid-19 and also indicated that while the BFSI segment had no meaningful impact in the Mar'20 quarter, it anticipates slowdown in client activity in this segment in Q2FY21 and Q3FY21 as and when the banks start seeing the increase in defaults. CPG & Pharma and Hitech & Media are the verticals, where the company expects to do well and grow ahead in FY21. On the geographical segments, management indicated that the US and emerging markets are less impacted due to Covid-19, while Europe and Middle East are seeing a sever slowdown in client activities.

Outlook

In the near term, LTI believes that there will be some slowdown in discretionary spends and expects Q1FY21 to be challenging, with around mid-single digit revenue declines. The company is seeing pricing pressure from certain clients in the most impacted verticals but is also targeting increase in the wallet share. The ramp-up in Cloud migration initiatives by the client is the near-term opportunity for the company.

Margins

The company made a contribution of Rs180mn to the PM cares fund, excluding which the EBIT margin would have been 17.3%.

Other takeaways

- LTI had cash flow hedge book of \$1251mn and on balance sheet hedges of \$91mn as on March end.
- According to the company, ETR for FY21 is expected to be 25%. The company is currently utilizing its MAT credit and is expected to shift to the new tax regime in FY22. ETR is expected to be ~25% under the new tax regime in FY22 as well.

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	94,458	1,08,786	1,16,452	1,30,491	1,48,161
Expenditure	75,623	88,494	95,701	1,06,330	1,20,748
EBITDA	18,835	20,292	20,751	24,161	27,413
Depreciation	1,471	2,731	2,983	3,096	3,219
EBIT	17,364	17,561	17,768	21,065	24,194
Other Income	2,915	2,463	2,400	2,580	2,080
Interest expenses	0	0	0	0	0
PBT	20,279	20,024	20,168	23,645	26,274
Tax	5,122	4,825	4,840	5,675	6,306
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	15,157	15,199	15,328	17,970	19,968
Adjusted PAT	15,157	15,199	15,328	17,970	19,968

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	174	174	174	174	174
Reserves & surplus	48,764	53,867	67,786	78,568	88,920
Net worth	48,938	54,041	67,960	78,742	89,094
Minority Interest	8	11	11	11	11
Loan Funds	0	320	320	320	320
Net deferred tax liability	(1,489)	(2,945)	(2,945)	(2,945)	(2,945)
Total Liabilities	47,457	51,427	65,346	76,128	86,480
Net block	9,299	19,408	20,336	21,702	23,587
Investment	17,403	22,188	22,188	22,188	22,188
Current Assets	38,330	43,226	58,597	72,372	86,325
Cash & bank balance	4,150	5,252	18,078	26,969	34,773
Other Current Assets	10,335	10,433	11,167	12,513	14,207
Current liabilities & Provision	17,690	33,777	36,157	40,516	46,003
Net current assets	20,640	9,449	22,440	31,856	40,323
Misc. exp	0	0	0	0	0
Total Assets	47,457	51,427	65,346	76,128	86,480

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	17,364	17,561	17,768	21,065	24,194
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(2,520)	10,837	(165)	(526)	(662)
Operating Cashflow	11,193	21,584	20,469	17,960	20,445
Capital expenditure	(3,998)	(13,107)	(3,911)	(4,462)	(5,104)
Free Cash Flow	7,195	8,477	16,557	13,498	15,341
Investments	(4,759)	(4,785)	0	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(5,842)	(15,429)	(1,511)	(1,882)	(3,024)
Equity Capital Raised	2	0	0	0	0
Loans Taken / (Repaid)	0	320	0	0	0
Dividend paid (incl tax)	(5,911)	(5,373)	(6,131)	(7,188)	(9,617)
Other Financing Cash Flow	1,075	0	0	0	0
Financing Cashflow	(4,834)	(5,053)	(6,131)	(7,188)	(9,617)
Net chg in cash	517	1,102	12,826	8,890	7,805
Opening cash position	3,633	4,150	5,252	18,078	26,969
Closing cash position	4,150	5,252	18,078	26,969	34,773

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	19.9	18.7	17.8	18.5	18.5
EBIT Margin	18.4	16.1	15.3	16.1	16.3
Effective Tax Rate	25.3	24.1	24.0	24.0	24.0
Net Margin	16.0	14.0	13.2	13.8	13.5
ROCE	48.1	40.5	34.5	33.4	32.3
ROE	34.6	29.5	25.1	24.5	23.8
RoIC	75.1	71.1	73.6	82.1	86.8

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	86.5	86.4	87.1	102.2	113.5
CEPS	94.8	101.9	104.1	119.8	131.8
BVPS	279.1	307.3	386.4	447.7	506.5
DPS	28.0	28.0	34.9	40.9	45.4

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	20.6	20.6	20.5	17.5	15.7
P/CEPS	18.8	17.5	17.1	14.9	13.5
P/BV	6.4	5.8	4.6	4.0	3.5
EV / Sales	3.1	2.6	2.4	2.0	1.7
EV / EBITDA	15.5	14.1	13.2	11.0	9.4
Dividend Yield (%)	1.6	1.6	2.0	2.3	2.5

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	(0.4)	(0.5)	(0.6)	(0.6)	(0.6)
Net Debt/EBIDTA	(1.1)	(1.3)	(1.9)	(2.0)	(2.1)
Working Cap Cycle (days)	63.7	14.1	13.7	13.7	13.7

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	29.3	15.2	7.0	12.1	13.5
EBITDA	50.8	7.7	2.3	16.4	13.5
EBIT	58.8	1.1	1.2	18.6	14.9
PAT	36.2	0.3	0.8	17.2	11.1

Quarterly (Rs mn)	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Revenue	24,860	24,849	25,707	28,111	30,119
EBITDA	4,765	4,579	4,658	5,274	5,781
EBITDA Margin (%)	19.2	18.4	18.1	18.8	19.2
PAT	3,787	3,555	3,603	3,767	4,274
EPS (Rs)	21.6	20.3	20.5	21.5	24.3

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Promoters	74.8	74.8	74.6	74.6	74.5
FIIIs	7.7	8.0	7.7	9.1	9.5
DIIIs	7.1	6.9	8.2	7.2	7.2
Public and Others	10.4	10.3	9.5	9.1	8.8

Source: Capitaline

Emkay Alpha Portfolio – Information Technology



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Sector

IT Services, ITeS and Software

Analyst bio

Manik is a seasoned Equities professional who has covered the offshore IT Services space since 2006. He has rejoined Emkay Global recently after a 1.5-year stint in Business Finance and Financial strategy in the US. Manik holds a PGDBA (Finance) from SIIB.

EAP – Information Technology

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Information Technology	12.60	12.14	-4%	-46	100.00
eClerx Services	0.00	0.00	NA	0	0.00
Firstsource Solutions	0.00	0.00	NA	0	0.00
HCL Tech	1.18	1.51	28%	33	12.01
Hexaware Technologies	0.00	0.00	NA	0	0.00
Infosys	5.26	5.31	1%	4	42.11
Intellect Design*	0.00	0.00	NA	0	0.00
L&T Infotech	0.15	0.00	-100%	-15	0.00
Majesco*	0.00	0.00	NA	0	0.00
Mindtree	0.18	0.00	-100%	-18	0.00
Mphasis	0.15	0.30	96%	15	2.40
MPS	0.00	0.00	NA	0	0.00
NIIT	0.00	0.00	NA	0	0.00
NIIT Tech	0.00	0.00	NA	0	0.00
Nucleus Software*	0.00	0.00	NA	0	0.00
Oracle Financial Services*	0.11	0.00	-100%	-11	0.00
Persistent Systems	0.00	0.46	NA	46	3.65
Ramco Systems*	0.00	0.00	NA	0	0.00
TCS	4.31	3.05	-29%	-126	24.19
Tech Mahindra	0.67	0.92	38%	26	7.31
Wipro	0.58	0.59	1%	1	4.65
Cash	0.00	0.46	NA	46	3.68

Source: Emkay Research

* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

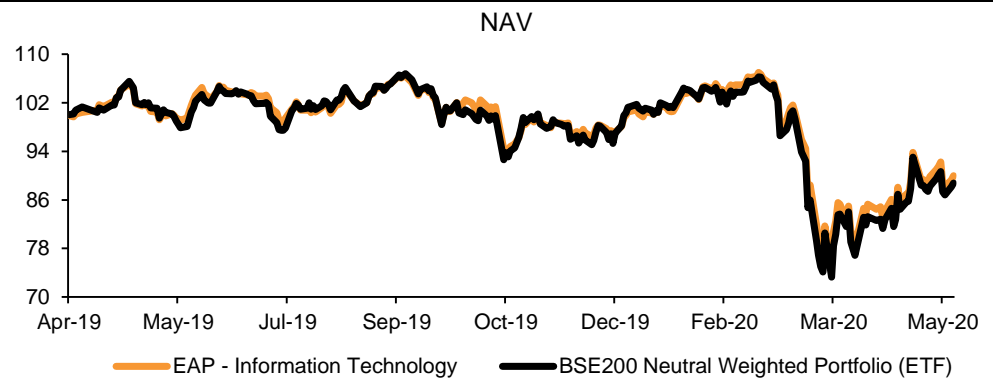
Sector portfolio NAV

	Base					Latest
	1-Apr-19	16-Aug-19	19-Nov-19	18-Feb-20	17-Apr-20	19-May-20
EAP - Information Technology	100.0	101.5	98.6	107.0	84.2	90.0
BSE200 Neutral Weighted Portfolio (ETF)	100.0	101.4	98.2	106.3	82.8	88.8

*Performance measurement base date 1st April 2019

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 21 May 2020 02:38:19 (SGT)

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