

Aditya Joshi, Co-founder and CEO

Akriti Swaroop, Co-founder and COO

SOVRENN TIMES

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1. BALU FORGE INDUSTRIES LIMITED BSE: 531112

Recent filing: (PREFERENTIAL) BoD will meet on 21st June to consider and approve fund raising by way of preferential allotment / private placement of securities to the Promoters and Non-Promoters.

Company Description: Company is engaged in the manufacturing of fully finished and semi-finished crankshafts and forged components. It has the capability to manufacture components conforming to both New Emission Regulations & the New Energy Vehicles.

Share price and Volume (last 1 year):




Price	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Balu	67	65	55	58	68	55	64	93	86	88	94	100

- MCap of INR 1,249 Crore (share price = INR 150 / share) (as on 19th Jun '23)
- TTM PE of 32.0x (as on 19th Jun '23) Retail float = 5.1% (Mar-23)

(In INR Cr)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Sales	48	74	81	82	50	62	89	124
Op Profit	6	9	12	10	5	5	18	21
Net Profit	4	7	8	11	7	5	11	15
OPM	13%	12%	15%	12%	10%	8%	20%	17%
NPM	8%	9%	10%	13%	14%	8%	12%	12%
Promoter %	64.6%	64.6%	64.6%	66.2%	66.2%	65.4%	65.4%	65.4%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Sales				142	286	327
Op Profit				12	37	50
Net Profit				8	30	39

Website: <https://www.baluindustries.com/>

Company Type	Evergreen	 Crankshafts
LT OP uptrend	Yes	
ST OP uptrend	Yes	
PE	Moderate	
Futuristic Sector	Yes (Railways Modernization)	
HNI / Institutional / Promoter Buying	Yes	<p>Jun '23: Ecotek General Trading LLC bought 14.5L shares at INR 109/share, aggregating to INR 15.8 Cr +</p> <p>Apr '23: Discovery Buildcon Pvt Ltd. bought 6L shares at INR 91/share, aggregating to INR 5.5 Cr. Moneyplant Gold & Jewellery bought 4.3L shares at INR 92/share, amounting to INR 4 Cr.</p> <p>Mar '23: Dream Achiever Consultancy bought 5.7L shares at INR 90, aggregating to INR 5.1 Cr. Silvertoss Shoppers bought 9.5L shares at INR 85/share, aggregating to INR 8 Cr. Sawarnbhumi Vanijya Pvt. Ltd. bought INR 7.6 Cr of shares of the Company at INR 85/share.</p>
Special Situation	Yes	As stated above
Future Visibility	Yes	<p>Mar '23: Balu Forge won order to supply Powertrain Sub-assemblies to a tractor manufacturer based out of the middle east. Company has already started the supply under the said contract and expects to generate further revenues in upcoming quarters.</p> <p>Feb '23: Company has proposed to set up a new manufacturing facility at Belgaum, Karnataka. This new facility will house a state-of-the-art precision engineering center that will increase efficiency in production and enable an extension of the existing product portfolio to enhance the company's offering in both the ICE & the new energy sphere.</p>

LT OP = Long-term operating profit; ST OP = Short-term operating profit

2. ADITYA VISION LIMITED BSE: 540205

Recent filing: (NEW SHOWROOMS) Company has opened 3 new showrooms, 2 in in Uttar Pradesh and 1 in Bihar.

Company Description: Aditya Vision is a fast growing and service oriented electronic retail chain in Bihar. Began in 1999, now the company has its presence in almost all the districts of Bihar. It is a group of multi-brand stores dealing in consumer durables of all kinds.

Share price and Volume (last 1 year):



Price	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
AVL	763	940	1,460	1,423	1,461	1,532	1,527	1,499	1,421	1,547	1,436	1,394

- MCap of INR 1,780 Crore (share price = INR 1,480 / share) (as on 19th Jun '23)
- TTM PE of 27.8x (as on 19th Jun '23) Retail float = 7.5% (Mar-23)

(In INR Cr)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Sales	194	182	263	260	439	260	318	306
Op Profit	16	12	18	21	45	23	36	29
Net Profit	10	4	11	8	26	11	20	7
OPM	8%	7%	7%	8%	10%	9%	11%	9%
NPM	5%	2%	4%	3%	6%	4%	6%	2%
Promoter %	73.7%	73.7%	73.7%	73.7%	73.7%	69.9%	68.1%	67.6%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Sales	444	564	797	748	899	1,322
Op Profit	7	17	25	53	83	133
Net Profit	3	6	14	20	35	64

Website: <https://www.adityavision.com/>

Company Type	Seasonal	
LT OP uptrend	Yes	
ST OP uptrend	No	
PE	Low	
Futuristic Sector	No	
HNI / Institutional / Promoter Buying	Yes	<p>Feb '22: Envision India Limited bought 65k shares at INR 1,387/share, aggregating to INR 9 Cr</p> <p>Dec '22: Ashish Rameshchandra Kacholia bought 1L shares at INR 1,466/share, aggregating to INR 14.7 Cr</p>
Special Situation	No	
Future Visibility	Yes	<p>Above +</p> <p>Since Jan '23 Company has opened 19 new showrooms, out of which 12 are in Bihar, 4 in Uttar Pradesh and 3 in Jharkhand</p>

LT OP = Long-term operating profit; ST OP = Short-term operating profit

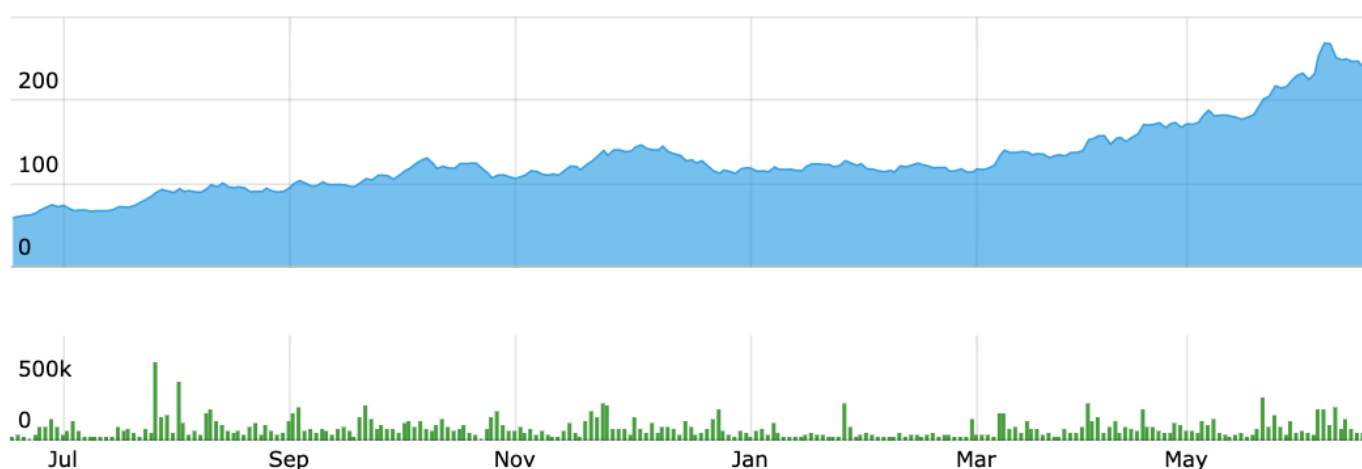
3. SOM DISTILLERIES & BREWERIES LIMITED NSE: SDBL

Recent filing: (TRIAL PRODUCTION) Company announced commencement of trial production of its enhanced capacity at Odisha plant. The commercial production is expected by early next month.

(BUSINESS UPDATE) The market share of the Company in Karnataka witnessed phenomenal growth, reaching a historic 20.1% in May '23. Previously, the Company's share in the state in FY22 was 6.9%, and it had reached 13.9% in FY23.

Company Description: Som Group has its portfolio of brands across the spectrum of Spirits, Beer, Alcopop. SOM's flagship brand Hunter is a forerunner in the strong beer category.

Share price and Volume (last 1 year):




Price	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-22	Feb-22	Mar-22	Apr-22	May-22
SDBL	72	89	91	117	109	139	120	124	115	154	168	233

- MCap of INR 1,900 Crore (share price = INR 246 / share) (as on 19th Jun '23)
- TTM PE 31.1x (as on 19th Jun '23) Retail float = 24.1% (Mar-23)

(In INR Cr)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Sales	50	77	89	146	254	147	151	253
Op Profit	-5	5	6	12	34	17	19	28
Net Profit	-13	-2	-1	6	26	8	11	16
OPM	-10%	6%	7%	8%	13%	12%	13%	11%
NPM	-26%	-3%	-1%	4%	10%	5%	7%	6%
Promoter %	24.5%	24.5%	24.5%	29.3%	30.1%	30.4%	32.7%	33.1%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Sales	351	393	460	288	363	807
Op Profit	59	49	44	-10	17	102
Net Profit	25	20	15	-38	-10	61

Website: <https://www.somindia.com/>

Company Type	Seasonal	Hunter
LT OP uptrend	Yes	
ST OP uptrend	Yes	
PE	Moderate	
Futuristic Sector	No	
HNI / Institutional / Promoter Buying	Yes	<p>Promoter Buying:</p> <p>Jun'23: INR 98L at INR 247/share</p> <p>May '23: INR 98L, at an average price of INR 194/share</p> <p>Mar '23: INR 2.9 Cr at INR 135/share</p> <p>Feb '23: INR 87L at INR 117/share</p> <p>Jan '23: INR 43L at INR 124/share</p> <p>Nov '22: INR 1.85 Cr at INR 110/share</p> <p>Oct '22: INR 2 Cr at INR 110/share</p> <p>Sep '22: INR 1.8 Cr at INR 105/share</p> <p>Nov '22: Caprize Inv. bought INR 7.6 Cr at INR 126/share</p>
Special Situation	Yes	BoD approved rights issuance of 35L equity shares worth INR 49 Crores, at INR 140/share.
Future Visibility	Yes	<p>Above +</p> <p>Jun '23: Company's flagship strong beer, Hunter, achieved a remarkable feat by emerging as the number one selling brand of strong beer in the state of Delhi for the month of May 2023 +</p> <p>Jun '23: Company has an overwhelming growth in the beer industry of Madhya Pradesh, with a market share of 42% in the month of May '23 +</p> <p>May '23: Strategic tie-up with Carlsberg Pvt Ltd. Under this tie-up, Som's state-of-the-art plant in Odisha will be partly utilized to produce a wide range of world-class beverages, including popular brands from Carlsberg India's portfolio. This tie-up will also lead to better capacity utilisation of the expanded capacity of the Odisha plant which is expected to be completed by June 2023 +</p> <p>Expanded brewing capacity at Hassan, Karnataka and expanded canning line at Bhopal have started commercial production</p>

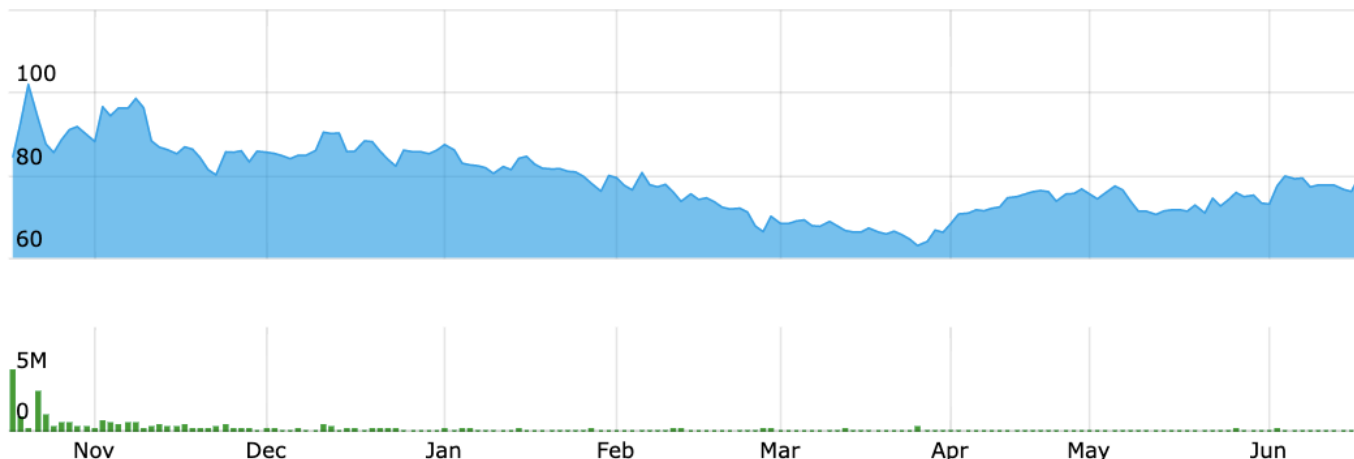
LT OP = Long-term operating profit; ST OP = Short-term operating profit

4. ELECTRONICS MART INDIA LIMITED NSE: EMIL

Recent filing: (NEW STORE) Electronics Mart India Ltd. has commenced the commercial operation of a new Exclusive Brand Outlet under the brand name 'LG Best Shop' in Gurugram, Haryana.

Company Description: Electronics Mart India Ltd. serves its customers by bringing the latest electronic gadgets at the lowest prices. The company is the 4th largest consumer durable and electronics retailer in India and one of the largest players in the Southern region in revenue terms with dominance in the states of Telangana and Andhra Pradesh.

Share price and Volume (last 1 year):



Price	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-22	Feb-22	Mar-22	Apr-22	May-22
EMIL					90	86	86	81	70	66	77	75

- MCap of INR 3,193 Crore (share price = INR 83 / share) (as on 19th Jun '23)
- TTM PE 25.9x (as on 19th Jun '23) Retail float = 6.1% (Mar-23)

(In INR Cr)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Sales		930	1,265	1,230	1,408	1,228	1,428	1,328
Op Profit		70	77	80	97	75	73	91
Net Profit		25	28	35	41	24	22	36
OPM		8%	6%	7%	7%	6%	5%	7%
NPM		3%	2%	3%	3%	2%	2%	3%
Promoter %						78.0%	78.0%	78.0%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Sales		1,649	3,172	3,202	4,349	5,446
Op Profit		100	228	204	292	336
Net Profit		48	82	59	104	123

Website: <https://www.electronicmartindia.com/>

Company Type	Seasonal	
LT OP uptrend	Yes	
ST OP uptrend	Yes	
PE	Low	
Futuristic Sector	No	
HNI / Institutional / Promoter Buying	Yes	Oct'22: Nippon India Mutual Fund bought 24L shares at INR 89.4/share, aggregating to INR 21.5 Cr
Special Situation	Yes	IPO in Oct 2022
Future Visibility	Yes	<p>Above +</p> <p>Jun '23: Commenced the commercial operation of a new Multi Brand Store under the brand name 'Bajaj Electronics' in Andhra Pradesh +</p> <p>Apr '23: Commenced the commercial operation of 2 new Multi Brand Store under the brand name 'Bajaj Electronics' in Telangana +</p> <p>New multi brand stores in Andhra Pradesh Telangana, New Delhi and Noida</p>

LT OP = Long-term operating profit; ST OP = Short-term operating profit

5. KRISHCA STRAPPING SOLUTIONS LIMITED NSE: KRISHCA

Recent filing: (BUSINESS UPDATE) Revenue is expected to grow by 35-45% in FY24 due to increased sales from current operation and also from new strapping line which will come into operations from December 2023.

Company Description: Krishca Strapping Solutions is engaged in the business of manufacturing and trading/ wholesale of Strapping Tools and Strapping Seals. Steel strapping is highly effective packaging consumable for packing heavy loads, especially in the steel industry.



Share price (last 1 year):

Price	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-22	Feb-22	Mar-22	Apr-22	May-22
Krishca												97

- MCap of INR 166 Crore (share price = INR 138 / share) (as on 19th Jun '23)
- TTM PE 17.8x (as on 19th Jun '23) Retail float = NA (Mar-23)

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Sales			1.0	9.4	18.6	72.3
Op Profit			-1.5	0.6	3.1	13.8
Net Profit			-2.2	-0.7	1.5	9.3

Website: <https://www.krishcastrapping.com/>

Company Type	Evergreen	
LT OP uptrend	Yes	
ST OP uptrend	NA	
PE	Very low	
Futuristic Sector	No	 <p>Steel Strapping tool</p>
HNI / Institutional / Promoter Buying	Yes	
Special Situation	Yes	
Future Visibility	Yes	

LT OP = Long-term operating profit; ST OP = Short-term operating profit

Sovrenn Macro Daily

- 1. India pushes for sovereign rating upgrade by Moody's:** India expects global rating agency Moody's to upgrade country's sovereign rating, as per Finance Ministry official. Currently, although India's rating of Baa3 (with 'Stable' outlook) as per Moody's is in investment grade, still it is the lowest rating within the investment grade category. Some of the factors considered by rating agencies to determine sovereign credit rating include growth rate, GDP per capita, inflation, general government debt, short term external debt as a percent of GDP, political stability, depth and diversification of a country's financial system and capital markets, amongst others.

Finance Ministry officials met senior executives at Moody's on 16th June 2023, looking to push for an upgrade in India's sovereign rating given India's robust growth outlook, easing inflation as well as other strong macroeconomic factors. The two parties discussed on the lines of borrowing, disinvestment targets and state budgets.

Earlier this year, the government officials had held similar meetings with the two other global rating agencies, S&P and Fitch. However, both had maintained their ratings at BBB- with Stable outlook. Although they believed in India's strong growth outlook as well as external sector resilience vs. peers, they were skeptical due to country's weak public finances, given high deficits and debt relative to peers as well as elevated interest burden.

Why is sovereign rating important? The sovereign rating of a country is an indicator of its credit worthiness. External borrowing cost of a country depends on its credit rating. Further, the borrowing cost of companies that wish to borrow from overseas is a function of its country's sovereign rating, given that no company can have a rating higher than its country of operations.

Takeaway: Efforts made by the government officials to push for ratings upgrade is a welcome move, as it will benefit in not only reducing India's interest cost for external debt, but also help companies within India to borrow from outside India at reduced cost. FII macro funds are often restricted by credit ratings of sovereigns where they can invest, hence it will also bring in more FII funds in the country.

Other News

OLECTRA GREENTECH

(BULK DEAL) BoD has given its approval to award the contract for construction of the greenfield electric vehicle manufacturing facility on 150 Acres of land situated at Seetharampur, Hyderabad to Megha Engineering & Infrastructures Limited which is the ultimate holding company and a related party to Olectra Greentech Limited.

Annexure

PE classification:

Less than 20	Very low
20 – 30	Low
30-50	Moderate
50-70	High
More than 70	Very high

Retail float calculation:

Shareholding percent for resident individuals holding nominal share capital up to INR 2L.

Special Situation:

Special Situation refers to any form of capital raise by the Company – Preferential issuance or allotment of equity shares, Preferential issuance or allotment of equity warrants, Rights issuance, recently conducted IPO / FPO or issuance of any debt security like NCDs, commercial papers, etc.

Future Visibility:

Future Visibility refers to a piece of information / event that positively impacts future revenues. Examples: a large order win by the company, partnership / acquisition, new factory setup, expansion in existing factory, new stores, launch of a new brand, etc.

Futuristic Sector:

Futuristic Sector refers to those sectors where high growth is expected. Examples: Green Energy (solar, wind, etc.), Electric Vehicle, Railways (through railways modernization), Defence (through increasing self-reliance), New-Age IT (Cloud, AI, ML, big data), 5G, Electrification, etc.