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# SOVRENN TIMES

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## SOVRENN FRAMEWORK

Please look at the following parameters to assess any company for investment:

- (1) Company type: Evergreen or Seasonal sector is preferable over Cyclical. This is because it is difficult to predict upswing in Cyclical stocks.
- (2) Profit uptrend: The revenue, operating profit and net profit should ideally be following an increasing trajectory and company must not be loss making.
- (3) PE: TTM PE or Trailing 12m Price to Earnings ratio should ideally be on the lower side of the sector PE range, unless the growth prospects are compelling to justify a higher PE.
- (4) Futuristic Sector: A futuristic sector (eg: Solar, Wind EV, Railways, Defence, 5G, Electrification, New Age IT, etc.) enjoys sector tailwinds and usually has higher growth potential.
- (5) HNI / Institutional / Promoter Buying: If a known HNI enters the Company by picking equity stake in it, it can add to one's conviction building. Similarly, promoters buying their company's shares is generally a positive signal of them demonstrating confidence in their business.
- (6) Special Situation: If a company is raising funds through preferential issuance of shares to a select group of investors, or through Rights issuance where all the current shareholders have the right to buy additional shares in the company, it signals incoming cash into the company. This cash is generally used for future growth and hence signals increased possibility of higher future profits.
- (7) Future Information: If we have information about future growth drivers of a company, it can help build conviction before making investment decisions. Examples of such events include: (a) capacity expansion which indicates future increase in sales, (b) new product launches, (c) large orders, (d) partnerships and agreements, (e) acquisitions, etc.

## Sovrenn Times Summary

### 1. UGRO CAPITAL LIMITED

**Filing:** (BULK DEAL) Societe Generale bought 5L shares of Ugro Capital at INR 291/share, aggregating to INR 14.6 Cr.

**MCap:** INR 2,624 Cr

**PE:** 22x

**Number of LinkedIn Employees:** 1,286 Members

**GSTR3B:** Last filed May'24.

**Rating:** Rated by CRISIL.

**Partnerships:** Bank of Baroda (BoB), State Bank of India (SBI), etc.

### 2. SANGHVI MOVERS LIMITED

**Filing:** (SUBSIDIARY INCORPORATION) Sanghvi Movers has incorporated a Wholly Owned Subsidiary namely Sangreen Future Renewables to carry on the business related to provide full-fledged turnkey services to Independent Power Producers (IPP) right from Conceptualization to Commissioning of wind turbine generator (WTG)

**MCap:** 4,678 Cr

**PE:** 24.9x

**Number of LinkedIn Employees:** 570 Members.

**GSTR3B:** Last filed May '24.

**Clients:** Reliance Industries Ltd., BHEL, NTPC, Larsen & Toubro, Suzlon, Vestas, GE, Siemens Gamesa, Renew Power, Ultratech Cement, Ambuja Cement, Shree Cement, IOCL, NTPC, BALCO, Tata Steel, ACC Cement, JSW, Dilip Buildcon, ISGEC, Tata Power, JSPL, JSW Energy, GNFC, Vedanta, etc.

### 3. PG ELECTROPLAST LIMITED

**Filing:** (FURTHER PROMOTER BUYING) Immediate Relative of Promoter of PG Electroplast bought 63.4k shares at avg price of INR 3,006/share, aggregating to INR 19.1 Cr in the month of Jun '24.

**MCap:** INR 10,133 Cr

**PE:** 75x

**Number of LinkedIn Employees:** 537 Members.

**GSTR3B:** Last filed May'24.

**Clients:** LG Electronics, Carrier, Usha, etc.

### 4. SAFARI INDUSTRIES LIMITED

**Filing:** (CAPACITY EXPANSION) Safari Industries has increased its capacity from 3.5 lakh pieces per month (running at 94% utilization) to 4.5 lakh pieces per month, representing a 28% increase to cater to increased demand and future growth. This expansion will require an investment of INR 4 crore, which will be funded through internal accruals.

**MCap:** INR 10,119 Cr

**PE:** 57.6x

**Number of LinkedIn Employees:** 11,01 Members.

**GSTR3B:** Last filed May'24.

**Products:** Products are available on Amazon.

### 5. CFF FLUID LIMITED

**Filing:** (ORDER) CFF Fluid Control has received the Letter of Intent worth INR 267 Cr for Procurement of Low Frequency Variable Depth Sonar (LFVDS) for Yard 3029-3034 (ASW SWC) from Garden Reach Shipbuilders & Engineers.

**MCap:** INR 1,731 Cr

**PE:** 101x

**Number of LinkedIn Employees:** 19 Members.

**GSTR3B:** Last Filed May '24.

**Clients:** Indian NAVY.

# 1. UGRO CAPITAL LIMITED NSE: UGROCAP (1<sup>st</sup> time covered: 27<sup>th</sup> Jan 2023)

**Recent filing:** (BULK DEAL) Societe Generale bought 5L shares of Ugro Capital at INR 291/share, aggregating to INR 14.6 Cr.

**SUMMARY:** 6y Financing Profit uptrend | 7q Financing Profit uptrend | PE 22.0x (Sector PE range 20-40) | Ace Investor | Fund raise | Institutional entry | Promoter buying | NBFC

- MCap of INR 2,624 Crore (share price = INR 283 / share) (as on 1<sup>st</sup> Jul '24)
- TTM PE of 22.0x (as on 1<sup>st</sup> Jul '24)      Retail float = 10.3% (Mar-24)

**FOOD FOR THOUGHT:** SBI Life Insurance reduced its stake from 1.2% in Dec-23 to less than 1% in Mar-24.

**Company Description:** Ugro Capital is a technology focused, small business lending platform. It is focused on addressing capital needs of small businesses operating in select eight sectors by providing customized loan solutions. UGRO mission is 'Solve the Unsolved - the US \$600Bn Small Business Credit Need. It believes that the problem of small businesses can be solved by building deep expertise around core.

## Share price and Volume (last 1 year):











Price	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Ugro	272	298	280	288	266	270	282	259	220	264	284	296

(In INR Cr)	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	117	149	182	209	213	245	268	322
Fin. Profit	7	16	19	32	38	41	44	58
Net Profit	7	5	13	14	25	29	33	33
FPM	6%	11%	10%	15%	18%	17%	16%	18%
NPM	6%	3%	7%	7%	12%	12%	12%	10%
Promoter %	2.9%	2.9%	2.9%	2.9%	2.2%	2.2%	2.2%	2.2%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	4	44	105	153	312	684	1,048
Fin. Profit	3	7	11	24	33	101	180
Net Profit	3	4	20	29	15	40	119

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

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Please do your own due diligence before making any investment decisions.

Company Type	Evergreen	Co Lending Partnerships			
LT OP uptrend	Yes	<div></div> <div></div> <div></div> <div></div>			
ST OP uptrend	Yes				
PE 22 (NBFC: 20-40) Lower end of sector range					
Futuristic Sector	No	<div></div>	<div></div>	<div></div>	<div></div>
HNI / Institutional / Promoter Buying	Yes	<p>Sep '23: Ashish Kacholia (RBA Finance &amp; Investment Company) bought 10.5L shares at INR 300/share, aggregating to INR 31.5 Cr.</p> <p>Aug '23: Director bought 46k shares at INR 302/share, aggregating to INR 1.4 Cr.</p> <p>Aug '23: Founders Collective Fund bought 10L shares at INR 305/share, aggregating to INR 30.5 Cr.</p> <p>May '23: Suryavanshi Commotrade bought 14.5L shares at INR 187/share, aggregating to INR 27 Cr.</p> <p>Feb '23: Vardhaman Patni Trust bought 4.4L shares at INR 152/share, aggregating to INR 6.7 Cr. Shruti Patni bought 5L shares at INR 152/share aggregating to INR 7.6 Cr.</p>			
Special Situation	Yes	<p>May '24: BoD approved an equity capital raise of INR 1,322 Cr through Compulsory Convertible Debentures (CCD) and Warrants. This capital raise received strong commitment from Samena Capital, one of the Company's existing private equity investors, which committed INR 500 Cr through Warrants. In addition to institutional investor like Aregence, some of India's marquee family offices have committed in CCD and Warrants. UGRO's founder, board members and management team together committed INR 16.25 Cr in Warrants.</p> <p>Apr '24: BoD approved the issuance of Commercial Papers to the tune of INR 10 Cr to Yes Bank.</p> <p>Mar '24: CRISIL Ratings upgrades UGRO Capital Limited's rating to CRISIL A/Stable from CRISIL A-/Positive.</p> <p>Mar '24: Investment and Borrowing Committee of the Board of Directors made an allotment of 5k Non-Convertible Debentures having face value of INR 1L each, aggregating to INR 50 Cr through public private placement.</p> <p>Feb '24: Investment and Borrowing Committee of the Board of Directors made an allotment of 20L Non-Convertible Debentures having face value of INR 1,000 each, aggregating to INR 200 Cr through public issue.</p>			

		<p>Feb '24: BoD approved the issuance of Commercial Papers to the tune of INR 50 Cr to Yes Bank.</p> <p>Jan '24: BoD approved the allotment of 25k NCDs of face value of INR 1L/share, aggregating to INR 250 Cr on private placement basis.</p> <p>Jan '24: BoD approved the allotment of 5,000 NCDs of face value of INR 1L/share, aggregating to INR 50 Cr on private placement basis.</p> <p>Jun '23: BoD approved allotment of 2,500 NCDs of face value of INR 1L/share, aggregating to INR 25 Cr on private placement basis.</p> <p>May '23: Allotment of 27,000 NCDs of face value of INR 1L/share, aggregating to 270 INR Cr.</p> <p>Apr '23: BoD approved the allotment of 66L shares to eligible institutional buyers (including SBI Life Insurance and SBI General Insurance) at the issue price of INR 152 per equity share aggregating to INR 100.5 Crores.</p> <p>Apr '23: BoD approved preferential allotment of INR 240 Cr to IFU (Investeringsfonden for Udviklingslande) through its Danish Sustainable Development Goals Investment Fund K/S. Company is simultaneously also raising up to INR 101 Cr from long term shareholders like insurance companies, AIF, and other financial institutions through a Qualified Institutions Placement (QIP).</p>
Future Visibility	Yes	<p>May '24: BoD approved the acquisition of 'MyShubhLife' (MSL), a prominent Embedded Finance Fintech platform headquartered in Bangalore, for an enterprise value of INR 45 Cr through a combination of 64:36 Equity Cash transaction, thereby making it a wholly owned subsidiary. The company was valued at INR 240 Crores when Gojo invested in Series B round. Its major investors include Gojo, Saama Capital IV Ltd., BEENEXT2 Pte. Ltd., among others. The company anticipates experiencing an incremental Assets Under Management (AUM) of INR 1500 Cr and achieving a Profit After Tax (PAT) of INR 100 Cr over the same period with MSL as its subsidiary.</p> <p>Apr '23: Company announced the launch of GRO X App, a credit line on UPI for MSMEs. It will enable small business owners, retailers, traders, professionals, and small manufacturers across India to obtain collateral-free instant credit for immediate working capital requirements and to manage their financial liquidity.</p>

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

## 2. SANGHVI MOVERS LIMITED NSE: SANGHVIMOV

(1<sup>st</sup> time covered: 9<sup>th</sup> Aug 2023)

**Recent filing:** (SUBSIDIARY INCORPORATION) Sanghvi Movers has incorporated a Wholly Owned Subsidiary namely Sangreen Future Renewables to carry on the business related to provide full-fledged turnkey services to Independent Power Producers (IPP) right from Conceptualization to Commissioning of wind turbine generator (WTG).

**SUMMARY:** 3y Operating Profit uptrend | PE 24.9x (Sector PE range 30-60) | Capital Goods

**FUTURE OUTLOOK:** Company's Order book as of April 14 2024, stands at INR 426 Cr to be executed in FY25.

- MCap of INR 4,678 Crore (share price = INR 1,080 / share) (as on 1<sup>st</sup> Jul '24)
- TTM PE of 24.9x (as on 1<sup>st</sup> Jul '24)      Retail float = 26.5% (Mar-24)

**FOOD FOR THOUGHT:** Susceptibility to investment cycle in key end user industries like wind.

**Company Description:** Sanghvi Movers Limited (SML) is the largest crane rental company in India and Asia. Company has a fleet of 400+ medium to large sized heavy-duty telescopic and crawler cranes ranging from 20 to 1000 MT across 130+ operational job sites in India. Its fleet is primarily catered for the construction of various industrial plants like Power, Steel, Cement, Fertilizers, Petrochemicals & Refineries, Metros (underground as well as elevated) and Windmill sector.

### Share price and Volume (last 1 year):



Price	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Sang	635	742	681	731	786	818	772	1,140	1,352	1,316	1,096	1,062

(In INR Cr)	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	97	109	122	127	146	140	167	165
Op Profit	48	57	75	77	88	86	115	92
Net Profit	14	29	35	34	42	37	61	48
OPM	49%	52%	61%	61%	60%	62%	69%	56%
NPM	14%	27%	29%	27%	29%	26%	37%	29%
Promoter %	47.3%	47.3%	47.3%	47.3%	47.3%	47.3%	47.3%	47.3%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	-	-	-	224	335	456	619
Op Profit	-	-	-	87	138	257	381
Net Profit	-	-	-	-22	29	112	188

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

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Please do your own due diligence before making any investment decisions.

Company Type	Evergreen	
LT OP uptrend	Yes	
ST OP uptrend	No	
PE 24.9 (Capital Goods: 30-60) Below sector range		
Futuristic Sector	No	
HNI / Institutional / Promoter Buying	Yes	Mar '24: Aequitas Equity Scheme I is holding 1.4% stake.
Special Situation	No	
Future Visibility	Yes	<p>Jun '24: Company has secured two work orders totaling INR 180 crore. The first is a turnkey customized solution for a prominent Independent Power Producer (IPP) in the renewable energy sector, covering comprehensive mechanical (cranes, trailers, and installation and commissioning services), civil, electrical, and site management activities, along with project monitoring and engineering solutions. This project spans ten months, with over 95% of the work set for FY25. The second order introduces a new business offering in the hydrocarbons sector, involving above-ground piping work, fabrication, painting, and erection, including the supply of skilled manpower and necessary tools. This six-month project, awarded by a diversified global EPC player, will be executed within the FY25.</p> <p>Mar '24: Company has incorporated a new wholly owned subsidiary named Sangreen Renewables Private to carry on the business related to providing full- fledged turnkey services to Independent Power Producers (IPP), right from the conceptualization to commissioning of wind turbine generator (WTG).</p> <p>Dec '23: Company received an order worth INR 166 Cr from eminent Independent Power Providers (IPP) in the renewable energy sector, for providing crane, WTG Inter-carting, Installation &amp; Pre-commissioning and making WTG Foundations with geotechnical analysis. These contracts are of 24 months duration starting from Jan-24 and ending in Jan-26.</p>



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



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### 3. PG ELECTROPLAST LTD NSE: PGEL (1<sup>st</sup> time covered: 12<sup>th</sup> Mar 2024)

**Recent filing:** (FURTHER PROMOTER BUYING) Immediate Relative of Promoter of PG Electroplast bought 63.4k shares at avg price of INR 3,006/share, aggregating to INR 19.1 Cr in the month of Jun '24.

**SUMMARY:** 3y Operating Profit uptrend | 2q Operating Profit uptrend | PE 75x (Sector PE range: 30-70) | Excellent Mar-24 results | Capacity expansion | Fund raise | Institutional Entry | Promoter Buying | Consumption

**FUTURE OUTLOOK:** Management has provided revenue guidance of at least INR 3,400 Cr in FY25, 24% growth.

- MCap of INR 10,133 Crore (share price = INR 3,882 / share) (as on 1<sup>st</sup> Jul '24)
- TTM PE 75x (as on 1<sup>st</sup> Jul '24)      Retail float = 11.2% (Mar-24)

**FOOD FOR THOUGHT:** Working capital intensive business | Highly competitive sector | PE is above sector range.

**Company Description:** PG Electroplast is an end-to-end solutions provider for product design and final product assemblies for products like Air Conditioners, Washing Machines, LED Televisions, Air Coolers, and much more. The company currently caters to both ODM and OEM demand, with a continuous focus on delivering the highest standards of quality.

#### Share price and Volume (last 1 year):




Price	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
PGEL	1503	1833	1776	1970	2384	2374	1931	1816	1662	2109	2590	3555

(In INR Cr)	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	537	336	459	828	678	460	532	1,077
Op Profit	36	27	37	76	66	38	42	116
Net Profit	16	7	14	40	34	12	19	70
OPM	7%	8%	8%	9%	10%	8%	8%	11%
NPM	3%	2%	3%	5%	5%	3%	4%	7%
Promoter %	65.7%	65.2%	61.3%	61.3%	61.2%	53.6%	53.6%	53.7%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	-	-	-	703	1,112	2,160	2,746
Op Profit	-	-	-	50	89	177	262
Net Profit	-	-	-	12	37	77	135

Website: <https://www.pgeln/>

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Please do your own due diligence before making any investment decisions.

Company Type	Evergreen	
LT OP uptrend	Yes	
ST OP uptrend	Yes	
PE <b>75</b> (Consumer Disc: 30-70) Higher end of sector range		
Futuristic Sector	No	
HNI / Institutional / Promoter Buying	Yes	 <p>Mar '24: Pinebridge Global Funds is holding 3.2% stake. Kuwait Investment Authority Fund is holding 1% stake.</p> <p>Mar '24: Ruchi Pramod Gupta, Immediate Relative of the Promoter, bought 42.5k shares at a price of INR 1,674, aggregating to INR 7.1 Cr.</p> <p>Jan '24: Societe Generale bought 66k shares at INR 2,085/share, aggregating to INR 13.7 Cr. These shares were sold by Bnp Paribas Arbitrage.</p> <p>Dec '23: As per Dec-23 shareholding data, HSBC Global Investment Funds bought 1.08% and Tata Retirement Savings Fund bought 1.11% stake in the Company.</p> <p>Sep '23: As per Sep-23 shareholding data, Nippon Life India Trustee Ltd bought 3.2% stake in the Company.</p>
Special Situation	Yes	<p>Sep '23: QIP Committee of the Company approved the issue and allotment of 32L Equity Shares to eligible QIBs at the issue price of INR 1,560 each, aggregating to INR 500 Cr. Allottees include Nippon MF, Pinebridge, Tata MF, HSBC Global Investment Fund, Abakus Diversified Alpha Fund, Kotak Mahindra Life Insurance.</p>
Future Visibility	Yes	<p>Apr '24: Opened a new 200,000 sq.ft. AC manufacturing facility in Rajasthan with an annual capacity of 360k Split AC and 250k Window AC units. The facility includes a state-of-the-art Learning Centre and will create over 1,000 jobs. By the end of FY24, PG Technoplast has become the second largest ODM for Room Air Conditioners in India, having entered the market in 2021.</p> <p>Mar '24: PG Technoplast Pvt. Ltd., a subsidiary company, is the first company in its target segment to receive approval under the Government of India's PLI scheme for manufacturing AC components. The company has been granted incentives worth INR 15 Cr based on its investment and sales performance for FY22 and FY23.</p> <p>Mar '24: Company executed a 'Definitive Agreement' to acquire 100% stake in Next Generation Manufacturers Private Limited ("NGM"). Objective of the acquisition is to avail physical infrastructure (Land, Building, Plant &amp; Machinery), acquire manufacturing business of NGM for growth and expansion and to become a preferred outsourcing vendor for Consumer Durables and Electronics Business of Amstrad Brand. After acquisition, NGM will become a wholly owned subsidiary of PGTL.</p> <p>Feb '24: Company has provided the Sales guidance of INR 1,075 Cr which is a growth of 30% over 4QFY2023, EBITDA guidance of INR 100 Cr which is a growth of 30% over 4QFY2023 EBITDA of INR 77</p>

crores. Capex guidance for FY2024 will be in the range of INR 170-180 Cr. Further, another INR 65 Cr will be infused by PGTL in NGM in the form of equity and debt to get all incumbrances discharged in NGM.

Jul '23: BoD has approved the draft Joint Venture (JV) Agreement to be entered between PG Electroplast Limited ('PGEL') and 'Jaina Group' for manufacturing of LED Televisions (50:50 JV). The JV Company will initially undertake ODM manufacturing of Google-certified LED Televisions with an option later to expand the partnership to include products like Refrigerators, IT Hardware, Wearables, and Hearables. The JV's purpose is to leverage both Parties' expertise and resources to create a strong and competitive business that can meet the growing demand for high-quality televisions and refrigerators.

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

## 4. SAFARI INDUSTRIES (INDIA) LIMITED NSE: SAFARI

(1<sup>st</sup> time covered: 16<sup>th</sup> May 2023)

**Recent filing:** (CAPACITY EXPANSION) Safari Industries has increased its capacity from 3.5 lakh pieces per month (running at 94% utilization) to 4.5 lakh pieces per month, representing a 28% increase to cater to increased demand and future growth. This expansion will require an investment of INR 4 crore, which will be funded through internal accruals.

**SUMMARY:** 3y Operating Profit uptrend | PE 57.6x (Sector PE range 30-70) | Capacity expansion | Fund raise | Institutional Entry | Ace Investor | Consumption

- MCap of INR 10,119 Crore (share price = INR 2,075 / share) (as on 1<sup>st</sup> Jul '24)
- TTM PE of 57.6x (as on 1<sup>st</sup> Jul '24)      Retail float = 8.6% (Mar-24)

**FOOD FOR THOUGHT:** Designated Persons of the company sold shares worth INR 15.5 Cr since Nov '22.

**Company Description:** Safari Industries is in the business of manufacturing luggage and luggage accessories like hard luggage, soft luggage, duffle bags, backpacks, school bags, fashion bags and travel accessories.

### Share price and Volume (last 1 year):




Price	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Safari	1432	1842	1958	2067	2214	1951	2032	2036	1726	2114	1967	2038

(In INR Cr)	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	293	315	303	303	427	370	388	365
Op Profit	42	42	55	58	79	63	68	67
Net Profit	27	26	34	38	50	40	43	43
OPM	14%	13%	18%	19%	19%	17%	18%	18%
NPM	9%	8%	11%	13%	12%	10%	11.1%	12%
Promoter %	50.0%	47.2%	47.2%	47.2%	47.2%	46.9%	46.9%	45.7%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	419	578	686	328	706	1,212	1,550
Op Profit	42	53	72	-6	56	197	278
Net Profit	22	27	31	-21	22	125	176

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

Company Type	Structural	
LT OP uptrend	Yes	
ST OP uptrend	No	
PE 57.6 (Consumer Discretionary: 30-70) Higher end of sector range		
Futuristic Sector	No	
HNI / Institutional / Promoter Buying	Yes	<p>Designated Persons of the company sold shares worth INR 15.5 Cr since Nov '22.</p> <p>Mar '24: Malabar India Fund is holding 6.8% stake. HDFC Small Cap Fund is holding 4.6% stake. DSP Small Cap Fund is holding 2.5% stake. Invesco India Multicap Fund is holding 2.7% stake. Lighthouse India Fund IV AIF is holding 2.5% stake. HSBC Multi Cap Fund is holding 2.1% stake. Sundaram Mutual Fund is holding 1.4% stake. Ashish Kacholia is holding 1.9% stake.</p>
Special Situation	Yes	<p>Feb '24: Company has approved the allotment of 12L shares to Lighthouse India Fund IV AIF at a price of INR 1908/share, aggregating to INR 229 Cr.</p>
Future Visibility	Yes	<p>Dec 24: Safari Manufacturing Ltd., Company's wholly owned subsidiary, has executed a Lease Deed with Mahindra World City (Jaipur) Ltd. to take on lease, property situated at District Jaipur, Rajasthan. The said property is proposed to be used for setting up integrated greenfield manufacturing facility and the consideration involved is INR 53 Cr.</p> <p>Aug '23: Safari Manufacturing Limited (SML), Wholly Owned Subsidiary of the Company, after completion of various trial runs and increase productivity has successfully commenced the commercial production/manufacturing of luggage from its increased capacity at its factory situated at Halol, Gujarat. The effective production capacity of SML has increased from 2,25,000 to 3,50,000 per month.</p> <p>Jan '23: Company successfully commenced its additional commercial production of luggage at its factory. Consequently, the effective production capacity of the Company has increased from 2.5L pieces per month to 3L pieces per month. The total production capacity of the Group has reached 5.25L pieces per month (including 2.25L at its 100% subsidiary, Safari Manufacturing Limited).</p>

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

## 5. CFF FLUID CONTROL LIMITED BSE: 543920

(SME: Lot Size = 400 shares) (1<sup>st</sup> time covered: 28<sup>th</sup> Jul 2023)

**Recent filing:** (ORDER) CFF Fluid Control has received the Letter of Intent worth INR 267 Cr for Procurement of Low Frequency Variable Depth Sonar (LFVDS) for Yard 3029-3034 (ASW SWC) from Garden Reach Shipbuilders & Engineers, needs to be delivered by 2032.

**SUMMARY:** 3y Operating Profit uptrend | PE 101x (Sector PE range 50-100) | Large Order | Defense

- MCap of INR 1,731 Crore (share price = INR 805 / share) (as on 28<sup>th</sup> Jun '24)
- TTM PE 101x (as on 28<sup>th</sup> Jun '24)      Retail float = 12.9% (Mar-24)

**FOOD FOR THOUGHT:** Negative operating cash flow for FY24 | PE is above sector range.

**Company Description:** CFF Fluid Control Limited, specializes in fluid control products for submarines, tanks and missiles, offering a range of equipments such as isolation valves, control valves, pressure relief valves, reducing stations, fittings and orifice plates.

### Share price and Volume (last 1 year):




Price	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
PGEL	1503	1833	1776	1970	2384	2374	1931	1816	1662	2109	2590	3555

(In INR Cr)	Sep-20	Mar-21	Sep-21	Mar-22	Sep-22	Mar-23	Sep-23	Mar-24
Sales	-	-	-	-	39	32	59	47
Op Profit	-	-	-	-	10	8	18	13
Net Profit	-	-	-	-	6	4	10	7
OPM	-	-	-	-	26%	26%	30%	28%
NPM	-	-	-	-	15%	13%	17%	15%
Promoter %	-	-	-	-	-	-	73.3%	73.3%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales			32	15	47	71	107
Op Profit			5	3	13	18	31
Net Profit			1	0	8	10	17

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



Company Type	Evergreen	
LT OP uptrend	Yes	
ST OP uptrend	No	
PE <b>101</b> (Defense: 50-100) Higher end of sector range		
Futuristic Sector	Yes (Defence)	
HNI / Institutional / Promoter Buying	Yes	Jun '23: Ss Corporate Securities bought 1.1L shares at INR 175/share, aggregating to INR 1.9 Cr. Sappers Infra Realtors bought 1.8L shares at INR 166/share, aggregating to INR 3 Cr. Blackberry Projects bought 3.1L shares at INR 166/share, aggregating to INR 5.2Cr. Vedankit Traders bought 4.4L shares at an average of INR 180/share, aggregating to INR 7.9 Cr.
Special Situation	No	
Future Visibility	Yes	<p>Jun '24: Company has received Contract worth INR 9.6 Cr for Procurement of Spare P75 Project from Material Organisation, Mumbai, needs to be delivered by Dec '24.</p> <p>Jun '24: Company has received Contract worth INR 9.6 Cr for Procurement of Spare P75 Project from Material Organisation, Mumbai, needs to be delivered by Dec '24.</p> <p>May '24: Company has received a contract worth INR 5.6 Cr from Naval Dockyard, Mumbai for RRC for Repair Rate Agreement for Structural Renewal Onboard IN Ships, to be delivered by Apr 2026.</p> <p>Mar '24: Company has received a contract worth INR 3.5 Cr from Naval Dockyard for RRC for hiring of Services/Expertise Eng. For DI/DR of MCA 62.5 System Installed Onboard in Submarines, to be delivered by Mar 2027.</p> <p>Mar '24: Company has received order worth INR 46.5 Cr from Mazagon Dock Shipbuilders Limited for the Biennial Rate Contract for Engineering Work, to be executed by Aug 2026.</p> <p>Feb '24: Company has received the Contract worth INR 4.1 Cr for RRC for Routines &amp; Repairs of Hull Valves and Doublers onboard P-75 Class Submarines.</p>

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



## Others

### **SOLEX ENERGY LIMITED**

(ORDER) Company has received a work order worth INR 17.8 Cr from Eminent Paper Industries LLP, Kosamba for 6 MW Ground Mount Solar Power Plant.

- MCap of INR 1,211 Cr (share price = INR 1,514/share); TTM PE 139x (as on 1st Jul '24)

Price	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Solex	661	660	585	598	471	432	607	813	810	1177	1560	1443

### **ADITYA VISION LIMITED**

(NEW SHOWROOM) Company has opened its 150<sup>th</sup> Showroom at Ranchi, Jharkhand. Company has 105 showrooms in Bihar, 25 showrooms in Jharkhand, and 20 showrooms in Uttar Pradesh.

- MCap of INR 5,931 Cr (share price = INR 4,610/share); TTM PE 77x (as on 1st Jul '24)

Price	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
AVL	2,351	2,472	2,382	2,753	3,206	3,477	3,911	3,474	3,436	3,482	3,198	4,449

### **KRISHNA DEFENCE & ALLIED INDUSTRIES LIMITED**

(ORDER) Company has secured an order worth INR 8.3 Cr from Cochin Shipyard Limited (CSL) for the supply of special steel products to be used for Ship-building.

- MCap of INR 1,426 Cr (share price = INR 1,041/share); TTM PE 146x (as on 1st Jul '24)

Price	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Krishn	180	185	288	282	303	308	378	384	385	353	677	1096

### **ROTO PUMPS LIMITED**

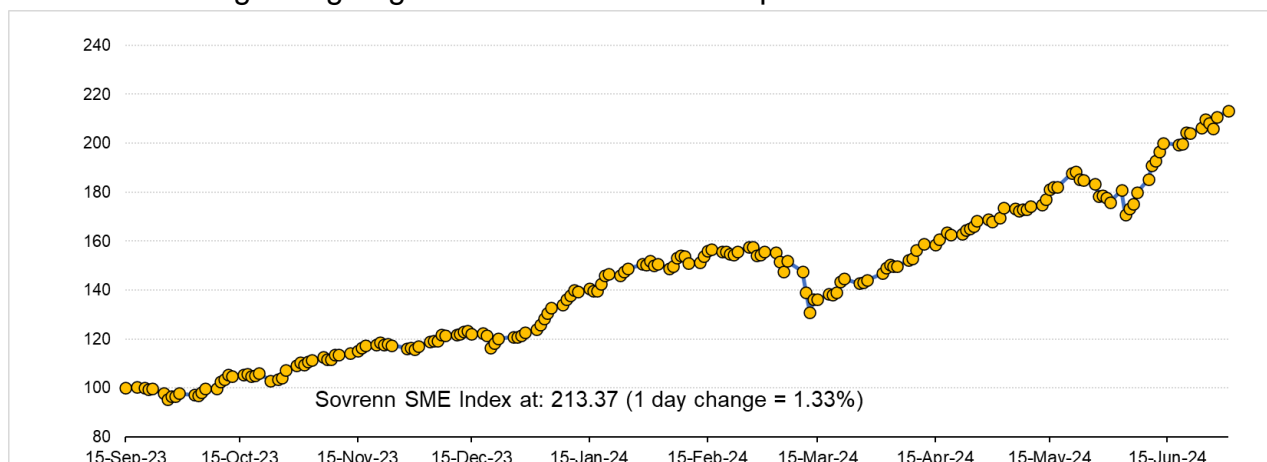
(PRODUCT LAUNCH) Company has announced Global launch of its new products - Artificial Lift Downhole Pumps in Progressive Cavity Pumps and Roto Rudra- Solar Pumping Systems in Solar Pumping Systems.

- MCap of INR 1,986 Cr (share price = INR 632/share); TTM PE 50.7x (as on 1st Jul '24)

Price	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
ROTO	335	358	350	370	396	421	432	381	352	417	423	527

## Sovrenn SME Index: 1.33%

Sovrenn SME Index was up 1.33% today. Please note that the constituents of the Index are private. Also, the Index is only an indication of the movement of the broader SME market and not available for replication or commercialization in any form. Sovrenn has the right to make changes to Index constituents or change weightages of the constituents as per its own discretion.



## IPO

Company	SME / Mainboard	Status	Open	Close	Listing	GMP	Subs (x)
Ganesh Green Bharat	SME	Upcoming	05-Jul-24	09-Jul-24	12-Jul-24	53%	NA
Ambey Laboratories	SME	Upcoming	04-Jul-24	08-Jul-24	11-Jul-24	32%	NA
Bansal Wire	Mainboard	Upcoming	03-Jul-24	05-Jul-24	10-Jul-24	25%	NA
Emcure Pharma	Mainboard	Upcoming	03-Jul-24	05-Jul-24	10-Jul-24	27%	NA
Nephro Care India	SME	Open	28-Jun-24	02-Jul-24	05-Jul-24	139%	137
Diensten	SME	Close	26-Jun-24	28-Jun-24	03-Jul-24	25%	53
Vraj Iron and Steel	Mainboard	Close	26-Jun-24	28-Jun-24	03-Jul-24	36%	126
Petro Carbon and Chemicals	SME	Close	25-Jun-24	27-Jun-24	02-Jul-24	53%	92
The Money Fair	SME	Close	25-Jun-24	27-Jun-24	02-Jul-24	19%	35
Divine Power	SME	Close	25-Jun-24	27-Jun-24	02-Jul-24	153%	394
Allied Blenders & Distillers	Mainboard	Close	25-Jun-24	27-Jun-24	02-Jul-24	16%	25

Company	Sector	Revenue growth (YoY)	Profit growth (YoY)	Issue PE
Ganesh Green Bharat	Solar	90%	2.7x	22x
Ambey Laboratories	Agrochemical	12%	60%	25x
Bansal Wire	Steel Products	2%	31%	51x
Emcure Pharma	Pharma	11%	-6%	36x
Nephro Care India	Healthcare	55%	2.3x	38x
Diensten	IT Consulting	-7%	NA	NA
Vraj Iron and Steel	Steel Products	-21%	10%	12x
Petro Carbon and Chemicals	Chemicals	36%	14x	NA
The Money Fair	NBFC	-21%	-15%	21x
Divine Power	Wires	48%	2.3x	13x
Allied Blenders & Distillers	Alcoholic Beverages	11%	3.5x	1698x

Note: GMP keeps updating till listing on exchange. Subscription (x) keeps updating till Issue is Open. Revenue and Profit growth is calculated after annualizing last period growth.

# Sovrenn Macro

## PMI Manufacturing Soars to 58.3 in June 2024

### Overview

In June 2024, the HSBC India Manufacturing Purchasing Managers' Index™ (PMI®) bounced back strongly to 58.3 from 57.5 in May, marking a clear improvement in business conditions. This index serves as a barometer: readings above 50 indicate growth, while below 50 signal contraction. The sector showed robust growth after a brief slowdown in May.

### Demand and Production

- **Strong Demand Boost:** Manufacturers experienced increased orders, higher production levels, and active buying across the board.
- **Sectoral Growth:** Consumer goods led the way, supported by significant expansions in intermediate and investment goods sectors.

### Employment

- **Record Hiring Surge:** Businesses responded to rising demand by hiring at the fastest rate in over 19 years, reflecting optimism and expansion plans.

### Cost Challenges

- **Persistent Cost Pressures:** Costs eased slightly from May but remained high over the past two years, driven by increases in materials like aluminium, plastic, and steel.
- **Price Adjustments:** To manage rising costs, manufacturers raised prices at the fastest pace since May 2022.

### International Trade

- **Export Expansion:** Overseas orders grew notably, fueled by strong demand from Asia, Australia, Brazil, Canada, Europe, and the US, despite a slight slowdown compared to May.

### Supply Chain and Inventory Management

- **Increased Purchasing:** Companies continued to build up stocks to meet demand, with suppliers improving delivery times significantly.
- **Inventory Dynamics:** While raw material stocks rose, finished goods inventories decreased as firms sold off existing supplies.

### Conclusion

The June 2024 HSBC India Manufacturing PMI® paints a positive picture of the sector's resilience and potential for growth. Despite facing cost pressures and varying levels of confidence, manufacturers remain upbeat about future prospects. Their ability to adapt to market shifts and sustain momentum underscores their crucial role in India's economic landscape.

## Annexure

### Sector specific PE classification:

Sl. No.	Sector	PE range
1	Information Technology	30 - 50
2	Pharma	20 - 30
3	Commodity Trading/Metal/ Paper	5 - 15
4	Consumer Retail/ FMCG	30 - 100
5	Consumer Discretionary	30 - 70
6	Gems and Jewellery	30 - 70
7	Capital Goods - Electrical Equipment	30 - 60
8	Capital Goods - Non Electrical Equipments	30 - 60
9	Industrial Products	30 - 60
10	Wires and Cables	30 - 60
11	Infrastructure	8 - 25
12	Telecom / Solar / Power Infra	30 - 50
13	Realty	30 - 40
14	Building Material	30 - 60
15	Oil & Gas field services	10-30
16	NBFCs	20 - 40
17	Banking	10 - 20
18	Financial Services	20 - 50
19	Microfinance	10 - 20
20	Brokerage	20 - 40
21	Power generation	20 - 30
22	Electric Vehicles	80 - 120
23	Automobile Manufacturing	30 - 50
24	Automobile Ancillaries	30 - 50
25	Railways	40 - 70
26	Clean Energy	50 - 90
27	Hydro Engineering	30 - 50
28	Smart Meter	30 - 70
29	Recycling	30 - 50
30	Waste Management	25 - 50
31	Healthcare - Hospitals/ Diagnostics	40 - 80
32	Speciality Chemicals	30 - 50
33	Commodity Chemicals	10 - 40
34	FMCG	30 - 70
35	Packaging	20 - 50
36	Defence	50 - 100
37	Drone	70 - 120
38	Contract Manufacturing	40 - 100
39	EMS	50 - 100
40	Logistics	10 - 40
41	Diversified Commercial Services	30 - 50
42	Consulting Services	30 - 50
43	Travel Services	30 - 60
44	HR Services	30 - 50
45	Media	20 - 50
46	Tech Platform	50 - 100
47	Steel products	10 - 50
48	EPC	20 - 50
49	Stationery	20 - 40
50	Education	15 - 40
51	Agro-processing	15 - 30
52	Agri products	30 - 50
53	Alcoholic beverages	30 - 70
54	Event management	25 - 50
55	Entertainment	20 - 40
56	VFX	30 - 60
57	Biofuels	30 - 60

**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.