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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: (BUSINESS UPDATE) As of December 2024, AUM grew to over INR 11,050 Cr, reflecting a 32% increase from INR 8,364 Cr in December 2023. The company achieved a milestone of over INR 2,000 Cr in loan origination, with a record high of INR 2,050+ Cr in net loans during Q3 FY25, driven by higher volumes across all products. Additionally, 74 SME branches were added in the first nine months of FY25.

MCap: INR 2,013 Cr

PE: 15.3x

Number of LinkedIn Employees: 1,286 Members

GSTR3B: Last filed Nov '24.

Rating: Rated by CRISIL.

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

2. APOLLO MICRO SYSTEM LIMITED

Filing: (FUND RAISE) BoD has approved the issuance of 3.3 Cr equity shares and 3.8 Cr warrants at INR 114/each, aggregating to INR 815 Cr. Subscribers include Ebisu Global Opportunities Fund, LIC Mutual Fund, Sandeep Kapadia, Sandeep Singh, Rajesh Kumar Singla and Promoter Group.

MCap: INR 3,778 Cr

PE: 80x

Number of LinkedIn Employees: 212 Members.

GSTR3B: Last filed Nov '24.

Clients: DRDO, Indian Army, Indian Navy, DPSU's, Adani, L&T etc.

3. ESCONET TECHNOLOGIES LIMITED

Filing: (ACQUISITION) Board approved acquiring a majority stake of 70% post issued capital in Fluidech IT Services Private Limited (FY24 revenue: INR 2.4 Cr), specializing in cybersecurity and IT services. Esconet aims to leverage Fluidech's expertise to optimize operations, enhance product offerings, and expand market reach through advanced IT solutions and international partnerships. The acquisition involves cash payment (INR 11.1 Cr) and share swap.

Mcap: INR 501 Cr

PE: 98.8x

Number of LinkedIn Employees: 52 Members.

GSTR3B: Last filed Nov '24.

Clients: Ministry of Defence, National Informatics Centre-MeitY, ONGC, IIT etc.

4. NETWORK PEOPLE SERVICES TECHNOLOGIES LIMITED

Filing: (PARTNERSHIP) Network People has partnered with NSDL Payments Bank Limited under a Partner Referral Agreement. As part of this collaboration, NPST will provide a platform for payout services, including merchant onboarding, transaction processing, reconciliation, dispute resolution, and other operational support, ensuring seamless and efficient service delivery.

MCap: INR 4,460 Cr

PE: 88.6x

Number of LinkedIn Employees: 310 Members.

GSTR3B: Last Filed Nov '24.

Clients: Softtech, IBM, Central Bank of India, etc.

1. UGRO CAPITAL LIMITED NSE: UGROCAP (1st time covered: 27th Jan 2023)

Recent filing: (BUSINESS UPDATE) As of December 2024, AUM grew to over INR 11,050 Cr, reflecting a 32% increase from INR 8,364 Cr in December 2023. The company achieved a milestone of over INR 2,000 Cr in loan origination, with a record high of INR 2,050+ Cr in net loans during Q3 FY25, driven by higher volumes across all products. Additionally, 74 SME branches were added in the first nine months of FY25.

SUMMARY: PE 15.3x (Sector PE range 20-40) | Ace Investor | Fund raise | Institutional entry | Acquisition | Promoter buying | NBFC

- MCap of INR 2,013 Crore (share price = INR 216 / share) (as on 13th Jan '25)
- TTM PE of 15.3x (as on 13th Jan '25) Retail float = 12.4% (Sep-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	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	LTP
UGRO	259	220	264	284	296	268	235	252	248	246	231	216

(In INR Cr)	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Sales	182	209	213	245	268	322	291	330
Fin. Profit	19	32	38	41	44	58	43	48
Net Profit	13	14	25	29	33	33	30	36
FPM	10%	15%	18%	17%	17%	18%	15%	15%
NPM	7%	7%	12%	12%	12%	10%	10%	11%
Promoter %	2.9%	2.9%	2.2%	2.2%	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	TTM
Sales	4	44	105	153	312	684	1,082	1,212
Fin. Profit	3	7	11	24	33	101	214	192
Net Profit	3	4	20	29	15	40	119	131

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

Company Type	Evergreen
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LT OP uptrend	Yes	<h3 style="text-align: center;">Co Lending Partnerships</h3> 
ST OP uptrend	No	
PE 15.3 (NBFC: 20-40) Below sector range		
Futuristic Sector	No	
HNI / Institutional / Promoter Buying	Yes	<p>Sep '24: Go Digit General Insurance is holding 1.5% stake.</p> <p>Jun '24: Societe Generale bought 5L shares of Ugro Capital at INR 291/share, aggregating to INR 14.6 Cr.</p> <p>Sep '23: Ashish Kacholia (RBA Finance & Investment Company) bought 10.5L shares at INR 300/share, aggregating to INR 31.5 Cr.</p>
Special Situation	Yes	<p>Jan '25: BoD approved the issuance of 1L NCDs at face value of INR 10k, aggregating to INR 100 Cr, with a green shoe option to retain oversubscription upto INR 50 Cr.</p> <p>Dec '24: BoD approved the issuance of Commercial Papers to the tune of INR 30 Cr to Yes Bank.</p> <p>Dec '24: BoD approved the issuance of Commercial Papers to the tune of INR 15 Cr to Yes Bank.</p> <p>Dec '24: BoD approved the issuance of Commercial Papers to the tune of INR 10 Cr to Yes Bank.</p> <p>Nov '24: BoD approved the issuance of Commercial Papers to the tune of INR 30 Cr to Yes Bank.</p> <p>Nov '24: BoD approved the issuance of Commercial Papers to the tune of INR 11 Cr to Yes Bank.</p> <p>Oct '24: Investment and Borrowing Committee of the Board of Directors made an allotment of 20L Non-Convertible Debentures having face value of INR 1k each, aggregating to INR 200 Cr through public private placement.</p> <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>
Future Visibility	Yes	<p>Jan '25: Company has signed a Share Purchase Agreement (SPA) and Shareholders' Agreement (SHA) on January 1, 2025, to acquire 100% ownership of Datasigns Technologies Private Limited (DTPL), a leading embedded finance fintech platform based in Bangalore. The acquisition will be completed in two tranches.</p> <p>Dec '24: Company has patented its GRO Score credit model, which uses alternate data like GST records and bank transactions to assess MSME creditworthiness, unlocking capital for over 1.7 lakh loan applications and transforming credit access.</p> <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. APOLLO MICRO SYSTEMS LIMITED NSE: APOLLO

(1st time covered: 28th Oct 2024)

Recent filing: (FUND RAISE) BoD of Aopollo Micro has approved the issuance of 3.3 Cr equity shares and 3.8 Cr warrants at INR 114/each, aggregating to INR 815 Cr. Subscribers include Ebisu Global Opportunities Fund, LIC Mutual Fund, Sandeep Kapadia, Sandeep Singh, Rajesh Kumar Singla and Promoter Group.

SUMMARY: 4y Operating Profit uptrend | 1q Operating Profit uptrend | Excellent Sep-24 results | Fund raise | Promoter Buying | PE 80x (Sector PE range 50-100) | Defense

- MCap of INR 3,778 Crore (share price = INR 123 / share) (as on 13th Jan '24)
- TTM PE 80x (as on 13th Jan '24) Retail float = 33.1% (Sep-24)

FOOD FOR THOUGHT: Negative operating cashflow for FY '24.

Company Description: Company is pioneer in design, development, assembly and testing of Ruggedized Custom-Built Electronic Hardware & Software solutions for Mission Critical applications. Our solutions are based on state-of-the-art technologies for the Aerospace, Defence, Space, Transportation and Home Land Security markets.

Share price and Volume (last 1 year):



Price	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	LTP
Apollo	127	95	109	106	107	119	105	103	101	100	116	123


(In INR Cr)	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Sales	82	107	58	87	91	135	91	161
Op Profit	20	23	13	18	24	29	22	33
Net Profit	7	7	2	7	10	13	8	16
OPM	24%	21%	22%	21%	26%	21%	24%	20%
NPM	9%	7%	3%	8%	11%	10%	9%	10%
Promoter %	59.1%	59.1%	59.1%	52.7%	53.2%	53.2%	55.1%	55.1%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	TTM
Sales	-	-	246	203	243	298	372	479
Op Profit	-	-	49	39	46	64	84	108

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

Net Profit	-	-	14	10	15	19	31	47
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Website: <https://apollo-micro.com/>

Company Type	Evergreen	
LT OP uptrend	Yes	
ST OP uptrend	Yes	
PE 80x (Defense: 50-100) Higher end of sector range		
Futuristic Sector	Yes (Defense)	
HNI / Institutional / Promoter Buying	Yes	<p>Jan '25: BoD has approved the issuance of 3.3 Cr equity shares and 3.8 Cr warrants at INR 114/each, aggregating to INR 815 Cr. Subscribers include Ebisu Global Opportunities Fund, LIC Mutual Fund, Sandeep Kapadia, Sandeep Singh, Rajesh Kumar Singla and Promoter Group.</p> <p>Promoter sold 50L shares at INR 121/share, aggregating to INR 60.5 Cr. Nexpect Ltd sold 16L shares at INR 112/ share, aggregating to INR 17.9 Cr.</p>
Special Situation	Yes	<p>Jan '25: As stated above</p> <p>Jul '24: BoD considered and approved the issuance of 2.5 Cr warrants at INR 108/each, aggregating to INR 265 Cr. Subscribers include the promoter group.</p>
Future Visibility	Yes	<p>Dec '24: Company has received an order worth INR 6.1 Cr from Defence Research and Development Organisation (DRDO).</p> <p>Dec '24: Company has been declared the Lowest Bidder for orders worth INR 21.4 Cr from Bharat Electronics Limited (BEL) and a private company.</p> <p>Nov '24: Company has received orders worth INR 4.7 Cr from Defence Research and Development Organization (DRDO) and Adani.</p> <p>Nov '24: Company has been declared the Lowest Bidder for orders worth INR 17 Cr from DRDO, Public Sector Units, Indian Navy and Indian Army.</p> <p>Oct '24: Company has been declared as the Lowest Bidder (L1) for orders worth Rs. 28.74 crores from Bharat Electronics Limited (BEL) and CNA (OF) Pune, Indian Navy.</p> <p>Sep '24: Company has been shortlisted by DRDO's Armament Research and Development Establishment (ARDE) for the Transfer of Technology (ToT) to produce PRACHAND anti-tank munition hardware for the Indian Armed Forces. Anticipating high market demand, the company is prepared for large-scale production. Additionally, it received an order worth ₹5.72 crores from Reliable Technosystems India Pvt. Ltd. for electronic modules.</p>

	<p>Sep '24: Company has received the orders from Economic Explosives Ltd and ARDE- Defence Research and Development Organisation (DRDO) worth Rs. 4.70 crores.</p>
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	<p>Aug '24: Company has received an order worth Rs. 10.90 Crores from M/s. Bharat Dynamics Limited. Company has been declared as L1 for the order from Controllarate of Naval Armanent (OF) for a value of Rs. 5.73 Crores.</p>
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	<p>Jul '24: Company was awarded Make II project by the Indian Army.</p>
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LT OP = Long-term operating profit; ST OP = Short-term operating profit

3. ESCONET TECHNOLOGIES LIMITED NSE – ST: ESCONET

(SME: Lot Size = 400 shares) (1st time covered: 28th Feb 2024)

Recent filing: (ACQUISITION) Board of Esconet approved acquiring a majority stake of 70% post issued capital in Fluidech IT Services Private Limited (FY24 revenue: INR 2.4 Cr), specializing in cybersecurity and IT services. Esconet aims to leverage Fluidech's expertise to optimize operations, enhance product offerings, and expand market reach through advanced IT solutions and international partnerships. The acquisition involves cash payment (INR 11.1 Cr) and share swap.

SUMMARY: 3y Operating Profit uptrend | PE 98.8x (Sector PE range 50-100) | Fund Raise | Ace Investor | Institutional entry | Data Center

- MCap of INR 501 Crore (share price = INR 383 / share) (as on 13th Jan '24)
- TTM PE of 98.8x (as on 13th Jan '24) Retail float = 20.2% (Dec-24)

FOOD FOR THOUGHT: Cash flow from operations negative for FY24.

Company Description: Incorporated in 2012, the Company initially established itself as a prominent system integrator specializing in IT infrastructure, cloud computing, managed services, and data security. Over the years, the Company has undergone significant growth, evolving from its origins as a hardware and software vendor into a multifaceted entity. Presently, Esconet Technologies is recognized as a trusted advisor, manufacturer, integrator, and service provider for a diverse range of private and public sector organizations.

Share price and Volume (last 1 year):




Price	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	LTP
Esconet	248	167	205	170	284	325	313	470	427	395	345	383

(In INR Cr)	Mar-22	Sep-22	Mar-23	Sep-23	Mar-24	Sep-24
Sales	-	-	-	71	69	107
Op Profit	-	-	-	5	5	4
Net Profit	-	-	-	3	2	3
OPM	-	-	-	7%	7%	4%
NPM	-	-	-	4%	3%	3%
Promoter %	-	-	-	-	64.9%	64.9%

(In INR Cr)	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	TTM
Sales			44	69	95	141	176
Op Profit			0	2	6	10	9
Net Profit			-1	1	3	5	5

Website: <https://www.esc.co.in/>

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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 98.8 (Data Center: 50-100) Higher end of sector range		
Futuristic Sector	Yes (Data Center)	
HNI / Institutional / Promoter Buying	Yes	Sep '24: BoD of Esconet has approved the issuance of 9.3L equity shares and 2.1L warrants at INR 334 each, aggregating to INR 38 Cr. Subscribers include Shalu Aggarwal, Rekha Gunavant Kumar, Gotham Chand, WOW Investments, Ten Eighty Investments, etc.
Special Situation	Yes	Sep '24: BoD of Esconet has approved the issuance of 9.3L equity shares and 2.1L warrants at INR 334 each, aggregating to INR 38 Cr. Subscribers include Shalu Aggarwal, Rekha Gunavant Kumar, Gotham Chand, WOW Investments, Ten Eighty Investments, etc.
Future Visibility	Yes	<p>Dec '24: Company has received letter of award (LoA) worth INR 13.9 Cr, from Himachal Pradesh State Electricity Board Limited ("HPSEBL") for renewal of existing cybersecurity devices along with supply, installation, and integration of Web Application Firewall (WAF) Solution at Data Centre, Shimla and Disaster Recovery Centre, Paonta Sahib, need to be completed within 30 days from the acceptance.</p> <p>Nov '24: Company has received new order worth INR 8.5 Cr from an Indian entity for supply of 4G or Higher Smartphones within 4-6 Weeks.</p> <p>Nov '24: Company has received new order worth INR 29 Cr from Indian Oil Corporation Limited for setting up, operating and maintaining Disaster Recovery site for 5 years at Bangalore for RHQ-DC</p> <p>Oct '24: Company has been identified as a Preferred Level Partner by NVIDIA Corporation. As Preferred membership level partner, Company will be eligible for enhanced program benefits.</p> <p>Oct '24: Company has received a significant order worth INR 6.9 Cr from National Informatics Centre Services Inc. under Ministry of Electronics and Information Technology (NICS – MeitY).</p> <p>Aug '24: Company had considered and approved the incorporation of subsidiary company in Singapore.</p> <p>Jul '24: Company has entered into an agreement with a reputed domestic multinational corporate house for enterprise software licensing and professional support for a period of one year, with a contract value of INR 39.8 crore.</p>

Jul '24: Company has invested INR 2.5 Cr by way of subscription in the equity share capital of its wholly owned subsidiary, Zeacloud Services Private Limited, on rights basis.

Jul '24: Company has entered into partnership with Cato Networks, a tech unicorn and a global leader in Secure Access Service Edge (SASE) technology, to offer Cato's cloud-based security services to its customers in India.

Jul '24: Company has received a work order worth INR 8.1 Cr for datacenter network equipment of Arista Networks, including installation and commissioning, from a reputed corporate customer. This project aims to modernize the customer's two datacenters. Company also has secured another substantial order worth INR 4.1 Cr from a different esteemed corporate client, for supply and installation of servers and network switching equipment to establish a private cloud at their captive datacenter, which are currently hosted on a global public cloud platform.

Jun '24: Company has received new order from Himachal Pradesh State Electricity Board Limited for Upgradation of ISU Billing IT Infrastructure at Data Center, Shimla and DR Center of the Board having total Contract value INR 12.4 Cr.

Company will use INR 2.5 Cr of the IPO proceeds to invest in wholly owned subsidiary, ZeaCloud Service Private Limited, to fund its capital expenditure.

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

4. NETWORK PEOPLE SERVICES TECHNOLOGIES LTD. NSE:

SM: NPST (SME: Lot Size = 50 shares) (1st time covered: 28th Feb 2023)

Recent filing: (PARTNERSHIP) Network People has partnered with NSDL Payments Bank Limited under a Partner Referral Agreement. As part of this collaboration, NPST will provide a platform for payout services, including merchant onboarding, transaction processing, reconciliation, dispute resolution, and other operational support, ensuring seamless and efficient service delivery.

SUMMARY: 5y Operating Profit uptrend | 7q Operating Profit uptrend | PE 88.6x (Sector PE range: 50-100) | Excellent Sep-24 results | Fund raise | New Product | Ace Investor | Fintech | Tech Platform

FUTURE OUTLOOK: As per Q2FY25 Con-call, Company is maintaining a growth guidance of 75% to 100% for FY25.

- MCap of INR 4,460 Crore (share price = INR 2,300 / share) (as on 13th Jan '24)
- TTM PE of 88.6x (as on 13th Jan '24) Retail float = 9.1% (Sep-24)

FOOD FOR THOUGHT: Highly competitive sector

Company Description: Network People Service Technology (NPST) incorporated in 2013, is a banking technology service provider (TSP) and is engaged in providing software and mobility solutions to banking and finance sector. It is currently rendering its services to banks like Canara Bank, Syndicate Bank, Kerela Gramin Bank, Karnataka Gramin Bank etc.

Share price and Volume (last 1 year):



Price	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	LTP
NPST	1288	1138	1567	1339	1620	2678	3341	2751	3003	3003	2663	2653

(In INR Cr)	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Sales	10.2	21.3	24.5	27.9	31.4	43.7	59	67
Op Profit	6.5	6.5	7.5	9.9	10.3	16	21	-
Net Profit	1.8	3.8	5.2	5.0	6.5	10.1	16	18
OPM	33%	31%	31%	35%	33%	37%	35%	-
NPM	18%	18%	21%	18%	21%	23%	27%	27%
Promoter %	-	67.6%	-	67.6%	-	67.6%	-	-

(In INR Cr)	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	TTM
Sales	18	15	15	19	41	128	201
Op Profit	3	2	3	3	12	41	-
Net Profit	1	1	1	2	7	27	51

Website: <https://www.npstx.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	Yes	
PE 88.6 (Tech platform: 50-100) Higher end of sector range		
Futuristic Sector	Yes (Fintech)	
HNI / Institutional / Promoter Buying	Yes	Mar '24: Sandeep Kapadia is holding 1.1% stake. Anshul Aggarwal is holding 1.5% stake.
Special Situation	Yes	Jun '24: BoD approved the issuance of 16L shares by the way of Qualified Institutional Placement (QIP) and an offer for sale of 7.1L equity shares by the promoters and other selling shareholders of the company on a private placement basis.
Future Visibility	Yes	<p>Dec '24: BoD has approved the incorporation of wholly owned subsidiary in Dubai, UAE, and approved the investment for the incorporation of new subsidiary within the limits prescribed under various acts and rules, and other routine business.</p> <p>Sep '24: Company announced the launch of EvoK 3.0, its AI-ML-powered Online Payment Platform, designed for payment aggregators and banks within the acquiring ecosystem, effective September 2024. This solution is currently in its sales cycle, and Company is encouraged by accounts nearing the go-live stage. Additionally, the company is implementing policy upgrades related to processing and merchant acquiring on the existing EvoK 2.0 platform to align with evolving industry and regulatory standards. Company is also excited to share that new partnerships and launches will soon be announced, further scaling the organization and supporting ongoing growth. Company confirmed that its annual growth guidance remains unchanged.</p> <p>Jun '24: Company has secured a Purchase order for Supply, Development, Installation, Configuration, Customization, Implementation, Maintenance, Monitoring, Management and Commissioning of All-in-One Super App Mobile Banking Solution for a period of Three years for the Kerala Gramin Bank & Karnataka Gramin Bank. This app will help banks deliver new-age digital banking and payment solutions to rural customers, significantly enhancing both accessibility and convenience.</p> <p>Jun '24: Company has secured the prestigious Technoviti Innovation Award 2024 for its cutting-edge EvoK Payment Platform as a Service (PPaaS).</p>

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

Others

ZEN TECHNOLOGIES LIMITED

(INVESTMENT) BoD has approved an investment in Zen Technologies USA, Inc, a wholly owned subsidiary of the Company, upto USD 10 million (INR 87 Cr), in one or more tranches. Zen Technologies USA, Inc is primarily focused on the design and development of combat training simulators and systems for military and security forces, including live fire, virtual, and constructive training solutions, with a particular emphasis on counter-drone technology; essentially providing advanced training systems to enhance combat readiness for armed forces around the world

- MCap of INR 20,467 Cr (share price = INR 2,267/share); TTM PE 101x (13th Jan '25)

SEALMATIC INDIA LIMITED

(BUSINESS UPDATE) Company has achieved significant milestones by supplying critical mechanical seals for defense applications, including the Midget Submarine Program, the Light Combat Aircraft (LCA) fuel pump project, and the Kalvari-Class Submarine under the Indian Navy's Project-75. These accomplishments, in collaboration with organizations like Mazagon Dock Shipbuilders (MDL), Hindustan Aeronautics Limited (HAL), and DRDO, demonstrate Sealmatic's world-class manufacturing capabilities, quality standards, and commitment to innovation, positioning it as a trusted partner in the defense, naval, and aviation sectors.

- MCap of INR 461 Cr (share price = INR 509/share); TTM PE 47.4x (13th Jan '25)

NIBE LIMITED

(BUSINESS UPDATE) Company has been granted "Mega Project" status for its proposed INR 800 Cr manufacturing facility at MIDC, Shirdi, for producing aircraft parts like stabilizers, wings, jet engines, and fuselages. Under the 2019 Package Scheme of Incentives, benefits include a 100% Industrial Promotion Subsidy on eligible investments or SGST payable within five years (from April 1, 2025), power tariff subsidies, and reimbursements/exemptions for expenses like stamp duty and electricity contributions.

- MCap of INR 2,044 Cr (share price = INR 1,511/share); TTM PE 59.0x (13th Jan '25)

ANAND RATHI WEALTH LIMITED

(GOOD RESULTS) For the quarter ending Dec-24, Sales up 30% YoY from INR 182 Cr in Dec-23 to INR 237 Cr in Dec-24. Similarly, Net Profit up 33% from INR 58 Cr to INR 77 Cr. On a QoQ basis, Sales down 2% and Net Profit up 1%.

- MCap of INR 16,891 Cr (share price = INR 4,026/share); TTM PE 59.7x (13th Jan '25)

ANGELONE LIMITED

(AVERAGE TO GOOD RESULTS) For the quarter ending Dec-24, Sales up 19% YoY from INR 1059 Cr in Dec-23 to INR 1262 Cr in Dec-24. Similarly, Net Profit up 8% from INR 260 Cr to INR 281 Cr. On a QoQ basis, Sales down 17% and Net Profit down 34%.

- MCap of INR 22,072 Cr (share price = INR 2,444/share); TTM PE 16.5x (13th Jan '25)

MARATHON NEXTGEN REALTY LIMITED

(WEAK RESULTS) For the quarter ending Dec-24, Sales down 41% YoY from INR 210 Cr in Dec-23 to INR 123 Cr in Dec-24. Similarly, Net Profit down 4% from INR 51 Cr to INR 49 Cr. On a QoQ basis, Sales down 16% and Net Profit up remained flat.

- MCap of INR 3,158 Cr (share price = INR 618/share); TTM PE 18.2x (13th Jan '25)

COMPUTER AGE MANAGEMENT SERVICES LIMITED

(BUSINESS UPDATE) CAMSRep (CAMS Insurance Repository Services Limited) has surpassed 1 crore e-policies across 80 lakh e-Insurance Accounts (eIA), making it India's largest insurance repository. Over 90% of insurers now issue electronic policies through CAMSRep, supporting the transition from paper to digital. Company introduced Bima Central, an integrated platform for policy management and services like renewals and updates, available in multiple languages via web and mobile apps. CAMSRep's digital initiatives have reduced policy delivery costs by 90% and improved customer engagement, with strong adoption across urban, rural, and NRI segments.

- MCap of INR 21,102 Cr (share price = INR 4,279/share); TTM PE 52.8x (13th Jan '25)

ROCKING DEALS CIRCULAR ECONOMY LIMITED

(BUSINESS UPDATE AND REVENUE GUIDANCE) Company recorded consolidated revenue nearly equal to 1H FY25, with PAT margins around 15%, and anticipates 80-100% YoY PAT growth for FY25. Key updates include opening a company-owned store in Delhi, a franchise in Himachal Pradesh, exclusive tie-up with Livpure for refurbished water purifiers, and integration of franchise and retail operations. Plans for Q4 include opening 3+ franchise stores, expanding in the East Zone, launching Dubai operations, and obtaining an e-waste recycling license by FY25-end.

Company aims to become a PAN-India multi-brand off-price retailer, targeting ₹400-500 crore revenue by FY27 with 10-15% PAT margins, driven by strategic initiatives and investor support.

- MCap of INR 342 Cr (share price = INR 604 /share); TTM PE 49.1x (13th Jan '25)

COSMIC CRF LIMITED

(BUSINESS UPDATE) Company has received a favourable NCLT Delhi Bench order for the acquisition of Amzen Transportation Industries Private Limited. This acquisition is expected to drive significant future growth for company.

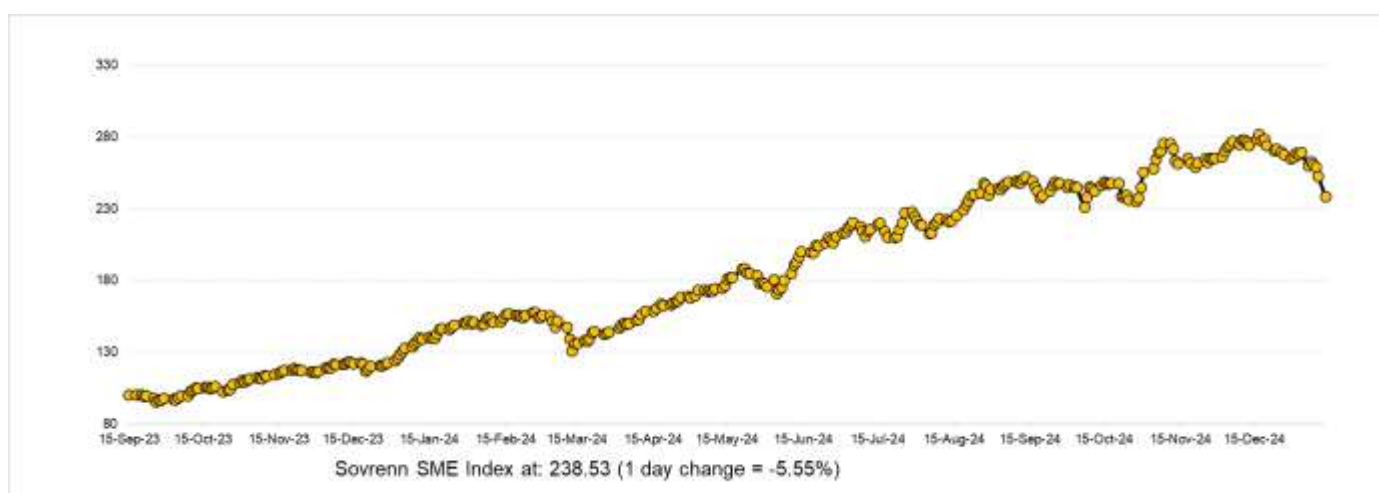
- MCap of INR 1,394 Cr (share price = INR 1,701/share); TTM PE 76.2x (13th Jan '25)

DHRUV CONSULTANCY SERVICES LIMITED

(ORDER) Company has secured an INR 7.8 Cr consultancy order from NHAI as Authority's Engineer for the development of two 6-lane greenfield highway packages around Kanpur, Uttar Pradesh, spanning a total of 27.875 km. The project includes a 30-month construction period and a 60-month defect liability period.

- MCap of INR 210 Cr (share price = INR 112/share); TTM PE 35.6x (13th Jan '25)

Sovrenn SME Index: **-5.55%**



Sovrenn SME Index was down 5.55% 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)
EMA Partners	SME	Upcoming	17-Jan-25	21-Jan-25	24-Jan-25	0%	NA
Land Immigration Consultants	SME	Upcoming	16-Jan-25	20-Jan-25	23-Jan-25	0%	NA
Rikhav Securities	SME	Upcoming	15-Jan-25	17-Jan-25	22-Jan-25	0%	NA
Kabra Jewels	SME	Upcoming	15-Jan-25	17-Jan-25	22-Jan-25	31%	NA
Barflex Polyfilms	SME	Open	10-Jan-25	10-Jan-25	20-Jan-25	0%	3
Laxmi Dental	Mainboard	Open	13-Jan-24	15-Jan-25	20-Jan-25	29%	3
Sat Kartar Shopping	SME	Open	10-Jan-24	14-Jan-25	17-Jan-25	41%	21
B.R. Goyal	SME	Closed	07-Jan-24	09-Jan-24	14-Jan-24	36%	118
Avax Apparels And Ornaments	SME	Closed	07-Jan-24	09-Jan-24	14-Jan-24	14%	260
Delta Autocorp	SME	Closed	07-Jan-24	09-Jan-24	14-Jan-24	81%	342
Quadrant Future Tek	Mainboard	Closed	07-Jan-24	09-Jan-24	14-Jan-24	48%	196

Company	Sector	Revenue growth (YoY)	Profit growth (YoY)	Issue PE
EMA Partners	Diversified Commercial Services	15%	-8%	21x
Land Immigration Consultants	Consultancy	4%	-3%	14x
Rikhav Securities	Financial Services	73%	136%	5x
Kabra Jewels	Consumption	15%	41%	11x
Barflex Polyfilms	Packaging	1%	25%	8x
Laxmi Dental	Health Care	21%	80%	67x
Sat Kartar Shopping	Health Care	21%	32%	16x
B.R. Goyal	Infrastructure	-21%	-73%	19x
Avax Apparels And Ornaments	Apparels	36%	31%	5x
Delta Autocorp	Electric Vehicles	40%	22%	39x
Quadrant Future Tek	Railways	-14%	—	—

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

India's Retail Inflation Eases to 5.22% in December: A Four-Month Low

Introduction: Inflation Moderates Amid Easing Food Prices

India's retail inflation eased to a four-month low in December, clocking 5.22%, according to data released by the Ministry of Statistics and Programme Implementation (MoSPI). This marked a decline from 5.48% in November and 5.69% in December 2023. The latest figures remain within the Reserve Bank of India's (RBI) medium-term inflation target range of 2%-6%.

Food Inflation: A Key Driver of Moderation

Food inflation, often a significant contributor to overall retail inflation, showed signs of cooling. It rose by 8.39% year-on-year in December, down from 9.04% in November and a peak of 10.87% in October. Seasonal declines in vegetable prices played a critical role, though categories like meat, fish, eggs, and fruits continued to experience price pressures.

On a monthly basis, inflation in food and beverages eased to 7.69% in December compared to 8.20% in the prior month. However, food prices have remained elevated for over a year, fueled by uneven monsoon rains and subsequent supply chain disruptions.

Regional Disparities in Inflation Rates

Inflation trends varied across states, with 13 out of 22 states reporting inflation rates exceeding 5% in December. States like Andhra Pradesh, Delhi, Gujarat, Himachal Pradesh, Jharkhand, Maharashtra, Rajasthan, Telangana, and West Bengal reported inflation below the national average. This regional variation highlights the localized impact of food price volatility and other economic factors.

RBI's Inflation Target and Monetary Policy

The Reserve Bank of India maintained the benchmark repo rate at 6.5% during its December Monetary Policy Committee (MPC) meeting, emphasizing its commitment to aligning inflation with its medium-term target. The central bank remains cautious, focusing on balancing inflation control with economic growth.

RBI revised its FY25 GDP growth forecast to 6.6%, down from 7.2%, and CPI inflation forecast to 4.8%, up from 4.5%. Persistently high food prices and weakened consumption demand contributed to this adjustment.

The Role of Interest Rates in Managing Inflation

Interest rate adjustments play a pivotal role in curbing inflation. Higher rates discourage borrowing and reduce consumer spending, thus easing inflationary pressures. While the repo rate remains unchanged since February 2023, the RBI's vigilance underscores its strategy to ensure sustainable inflation levels without stifling growth.

Conclusion: A Cautious Optimism

The moderation in retail inflation to 5.22% in December provides some respite, driven primarily by easing food prices. However, the persistence of elevated food inflation and regional disparities remain concerns. With the RBI maintaining a neutral stance, the trajectory of inflation and its broader impact on economic growth will be closely monitored in the coming months.

Annexure

Sector specific PE classification:

Sector	PE Range
5G	30-60
Advertising	30-50
Agri Products	15-30
Alcoholic Beverages	30-70
Automobile and Ancillaries	30-50
Biofuels	30-60
Building Material	30-60
Capital Goods - Electrical Equipment	30-70
Capital Goods - Non Electrical Equipments	30-60
Clean Energy	50-90
Commodity Chemicals	10-40
Consulting Services	30-50
Consumption	30-70
Cyber Security	50-100
Data center	50-100
Defence	50-100
Diversified Commercial Services	30-50
Drones	70-120
Electric Vehicle	80-120
EMS	50-100
Entertainment	20-40
EPC	30-60
Event Management	25-50
Financial Services	20-50
Gas Infra	10-50
Healthcare - Hospitals / Diagnostics	40-80
Hotels and Hospitality	30-60
HR Services	30-50
Infrastructure	10-50
IT	30-50
Marine Services	30-50
Microfinance	10-20
NBFC	20-40
Oil and Gas	10-30
Packaging	20-50
Pharma	20-40
Plastic Products	30-50
Railways	40-70
Realty	30-40
Shipping / Logistics	10-40
Speciality Chemicals	30-50
Steel Products	10-50
Sustainability and Recycling	30-50
Tech Platform	50-100
Telecom / Solar / Power Infra	30-50
Trading	NA
Travel Services	30-60
VFX	30-60
Water Infra	10-50
Wires and Cables	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.