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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. JEENA SIKHO LIMITED**

**Filing:** (EMPANELMENT) Company has been Empanelled under CGHS and CS(MA) rules and notified as CGHS empanelled centres for AyurCveda at New Delhi, Rajasthan, and Haryana.

**MCap:** INR 3,493 Cr

**PE:** 51.5x

**Number of LinkedIn Employees:** 276 Members

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

**Certification:** Hospitals situated in Amritsar, Delhi, Gurugram, Kota & Ajmer are NABH Certified (National Accreditation Board for Hospitals & Healthcare Providers).

### **2. ELECTRONICS MART INDIA LIMITED**

**Filing:** INSTITUTIONAL ENTRY (BULK DEAL) Sbi Mutual Fund, Ftif - Templeton Asian Smaller Companies Fund, and Norges Bank - Government Pension Fund Global bought 2.5 Cr shares of Electronics Mart at an Average price of INR 230/shares aggregating to INR 575 Cr.

**MCap:** INR 9,095 Cr

**PE:** 46.4x

**Number of LinkedIn Employees:** 101 Members

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

**Brands:** BAJAJ Electronics, Kitchen Stories, Audio & Beyond, Easy Kitchens.

### **3. GENUS POWER INFRASTRUCTURE LIMITED**

**Filing:** (ORDER) Genus Power Infrastructure's wholly owned subsidiary has received three LoA worth INR 2,925.5 Cr for appointment of Advanced Metering Infrastructure Service Providers (AMISPs) including design of Advance Metering Infrastructure (AMI) system with supply, installation and commissioning with FMS of about 3.75 million Smart Prepaid Meters, system meters including DT Meters with corresponding energy accounting on DBFOOT basis. With these recent orders, Company's total order book, including all SPVs and the GIC Platform, exceeds INR 24,383 Cr.

**MCap:** INR 12,401 Cr

**PE:** 126x

**Number of LinkedIn Employees:** 2389

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

**Clients:** State electricity boards (SEBs), private utilities like NDPL, and Reliance Energy (the power distribution companies known as DISCOMs)

### **4. KPI GREEN ENERGY LIMITED**

**Filing:** (FUND RAISE) BoD of KPI Green has approved the issuance and allotment of 1 Cr Equity Shares to eligible QIBs at the issue price of INR 935/each, aggregating to INR 935 Cr. Subscribers include Morgan Stanley Asia (Singapore) PTE, and Bofa Securities Europe SA.

**MCap:** INR 12,189 Cr

**PE:** 62.3x

**Number of LinkedIn Employees:** 217 Members.

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

**Clients:** Gujarat Urja Vikas Nigam Limited (GUVNL), Maharashtra State Power Generation Co. Ltd. (MAHAGENCO), etc.

**5. ZEN TECHNOLOGIES LIMITED**

**Filing:** (PATENT GRANT) Zen Technologies announces the recent Patent Grant in India for its revolutionary "Mine Detection System". This innovation marks a substantial leap in the field of minefield reconnaissance, planning, and clearance, specifically addressing the development of a safer, more efficient, and accurate approach to mine detection. The "Mine Detection System" incorporates GPS/GIS technology to plot and record in memory the coordinates of mines in terms of Latitude/Longitude and Military Grid in Defense Series Maps (DSM). The system is designed to function in extreme environmental conditions, operating at temperatures ranging from -25°C to +45°C and altitudes up to 15,000 feet above mean sea level.

**MCap:** INR 14,448 Cr

**PE:** 94.1x

**Number of LinkedIn Employees:** 400 Members.

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

**Clients:** Ministry of Defence, Govt. of India, etc.

# 1. JEENA SIKHO LIFECARE LIMITED NSE: SM: JSLL

(SME: Lot Size = 180 shares) (1<sup>st</sup> time covered: 15<sup>th</sup> Feb 2023)

**Recent filing:** (EMPANELMENT) Jeena Sikho Lifecare has been Empanelled under CGHS and CS(MA) rules and notified as CGHS empanelled centres for Ayurveda at New Delhi, Rajasthan, and Haryana.

**SUMMARY:** 4y Operating Profit uptrend | 4 semi-annual Operating Profit uptrend | PE 51.5x (Sector PE range 40-80) | Excellent Mar-24 results | Expanding hospital count | Acquisition | Promoter buying | Fund entry | Health Care

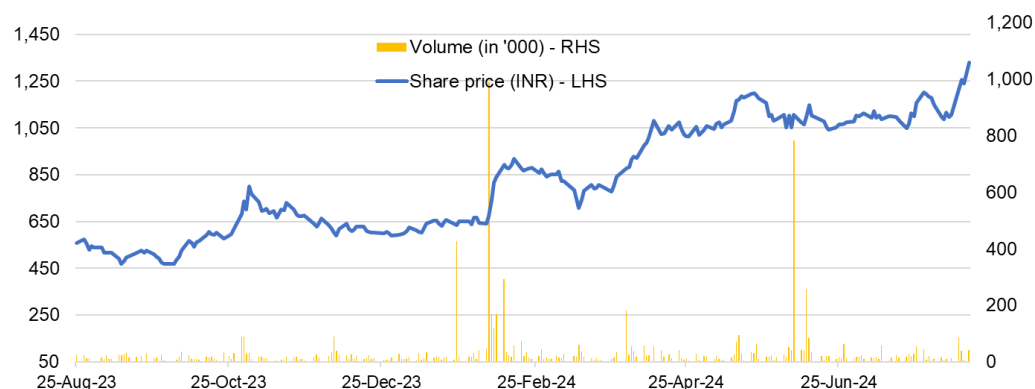
**FUTURE OUTLOOK:** As per Q4FY24 Con-call, Company is targeting a revenue of around INR 450 Cr and a PAT margin of more than 25% next year.

- MCap of INR 3,493 Crore (share price = INR 1,405/ share) (as on 19<sup>th</sup> Aug '24)
- TTM PE 51.5x (as on 19<sup>th</sup> Aug '24)      Retail float = 8.9% (Mar-24)

**FOOD FOR THOUGHT:** Ayurveda is generally not considered mainstream.

**Company Description:** Founded in 2009, Jeena Sikho Lifecare Limited is an Ayurveda based healthcare company headquartered in Zirakpur. It has a chain of 150+ Ayurvedic clinics all over India and a certified team of 200+ Ayurveda doctors.

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





Price	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	LTP
JSLL	521	818	645	591	667	843	841	1,019	1,104	1,075	1,182	1,405

(In INR Cr)	Sep-20	Mar-21	Sep-21	Mar-22	Sep-22	Mar-23	Sep-23	Mar-24
Sales	-	79	71	75	87	118	157	167
Op Profit	-	9	9	9	16	30	45	48
Net Profit	-	6	6	5	11	23	32	37
OPM	-	11%	13%	12%	18%	25%	29%	29%
NPM	-	8%	8%	7%	13%	19%	20%	22%
Promoter %	-	-	-	-	65.9%	66.2%	67.9%	67.9%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	-	106	94	136	147	205	324
Op Profit	-	11	11	17	18	46	93
Net Profit	-	6	6	10	11	34	69

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

This page is created for information purpose. It is not a BUY/SELL recommendation.  
Please do your own due diligence before making any investment decisions.

Company Type	Evergreen	 
LT OP uptrend	Yes	
ST OP uptrend	Yes	
PE <b>51.5</b> (Healthcare: 40-80) Lower end of sector range		
Futuristic Sector	No	
HNI / Institutional / Promoter Buying	Yes	<p>Jun '24: Promoter sold 5.14L shares at INR 1,019/share, aggregating to INR 54.2 Cr and Sixteenth Street Asian Gems Fund bought 7.5L shares at INR 1,022/share, aggregating to INR 76 Cr.</p> <p>Mar '24: Ajay Kumar Aggarwal bought 1.25L shares at INR 876/share, aggregating to 10.9 Cr.</p> <p>Feb '24: Stallion Asset bought 4.9L shares of Jeena Sikho Lifecare Ltd. at a price of INR 635/share, aggregating to INR 31.3 Cr.</p> <p>Feb '24 and Jan '24: <b>Societe Generale sold 2.5L shares at INR 674/share, aggregating to INR 17.2 Cr. Oregano Life sold 5L shares at INR 632/share, aggregating to INR 32 Cr.</b></p> <p>Sep '23: Mukesh Grover bought 2,500 shares worth INR 25L.</p> <p>Jul '23: Societe Generale bought 2.75L shares at INR 736/share, aggregating to INR 20.2 Cr. Oregano Life sold 2.8L shares at INR 736/share, aggregating to INR 20.8 Cr.</p> <p>Promoters bought INR 4.2 Cr worth of shares in July '23, INR 4.7 Cr in Jun '23 and INR 1.3 Cr in Jan '23 from the Market.</p>
Special Situation	No	
Future Visibility	Yes	<p>Aug '24: Company has established 2 Shuddhi Ayurveda Panchkarma Hospital/ Shuddhi Panchkarma Daycare Centre at Greater Noida &amp; Bilaspur.</p> <p>Aug '24: Company has been empanelled with Telecom Regulatory Authority of India for various Ayurvedic Treatment in Hospital/Centre in IPD as well as OPD service to TRAI employees and their dependents.</p> <p>Aug '24: Company has received National Accreditation Board for Hospitals &amp; Healthcare Providers (NABH) certifications for facility situated in Ambala Cantt, Andheri West, Bangalore, Jagriti Vihar Meerut, Kanpur, Sikar, Sonipat, Thane West in respect of following services includes Panchakarma, Ras Shastra Evam Bhaishajya Kalpana, Yoga, and Naturopathy.</p> <p>Aug '24: 16 of Company's Ayurveda Panchkarma Hospital situated in Dera Bassi, Murad Nagar, Lucknow, Navi Mumbai, Paschim Vihar, Gurugram, Safdarjung, Amritsar, Thane, Andheri, Kota, Ajmer, Jaipur, Sikar, Udaipur, and Jodhpur have been empanelled</p>

with Star Health Insurance for providing Cashless Ayurveda Panchkarma Treatment i.e. without having to pay upfront.

Jul '24: Company's sixteen Ayurveda Panchkarma Hospital situated in Dera Bassi, Murad Nagar, Lucknow, Navi Mumbai, Paschim Vihar, Gurugram, Safdarjung, Amritsar, Thane, Andheri, Kota, Ajmer, Jaipur, Sikar, Udaipur, and Jodhpur have been empanelled with Universal Sampo General Insurance for providing Cashless Ayurveda Panchkarma Treatment.

Jun '24: Company has established 3 Shuddhi Ayurveda Panchkarma Hospital/ Shuddhi Panchkarma Daycare Centre at Bhatinda, Dhanbad & Nagpur.

Jun '24: Company has acquired 80% stake in "Saatviksuddhi Ayurlife Private Limited" to provide adequate care, treatment and surgery through Ayurveda and Naturopathy by establishing health centers, hospitals, clinics with central concern of healthcare services and to promote, support, collaborate with such institutions involved with objects of the like nature.

Apr '24: Company's sixteen Ayurveda Panchkarma Hospitals, located in Dera Bassi, Murad Nagar, Lucknow, Navi Mumbai, Paschim Vihar, Gurugram, Safdarjung, Amritsar, Thane, Andheri, Kota, Ajmer, Jaipur, Sikar, Udaipur, and Jodhpur, have been empanelled with HDFC EGRO Insurance for providing Cashless Ayurveda Panchkarma Treatment.

Mar '24: Company has set up a new Shuddhi Ayurveda Panchkarma Hospital in Jalandhar. It spans 3700 square feet, offering 15 rooms and 10 beds. The staff consists of 4 members, including 1 doctor.

Mar '24: Company's two hospitals situated in Punjab and Delhi have been selected for empanelment with Ayush for providing services to Haryana Government Beneficiaries.

Feb '24: 11 of Company's Ayurveda Panchkarma Hospitals situated in Dera Bassi, Murad Nagar, Paschim Vihar, Gurugram, Safdarjung, Kota, Ajmer, Jaipur, Udaipur, Jodhpur and Sikar have been empanelled with Reliance General Insurance for providing Cashless Ayurveda Panchkarma Treatment.

Feb '24: Company's sixteen Ayurveda Panchkarma Hospital situated in Dera Bassi, Murad Nagar, Lucknow, Navi Mumbai, Paschim Vihar, Gurugram, Safdarjung, Amritsar, Thane, Andheri, Kota, Ajmer, Jaipur, Sikar, Udaipur and Jodhpur have been empanelled with Bajaj Allianz and IFFCO-Tokio General Insurance for providing Cashless Ayurveda Panchkarma Treatment.

Jan '24: Company has established 'New Shuddhi Ayurveda Panchkarma Hospital/Daycare centre' at Agra.

Jan '24: Company's 12 Ayurveda Panchkarma Hospitals situated in Dera Bassi, Murad Nagar, Lucknow, Paschim Vihar, Gurugram, Safdarjung, Amritsar, Kota, Ajmer, Jaipur, Udaipur and Jodhpur have been empanelled with NIVA Bupa Health Insurance for providing Cashless Ayurveda Panchkarma Treatment.

Jan '23: Announced establishment of 3 'New Shuddhi Ayurveda Panchkarma Hospital/Daycare centre' - Kolkata, Surat, Rajkot.

Dec '23: 16 Ayurveda Panchkarma Hospitals in Dera Bassi, Murad Nagar, Lucknow, Navi Mumbai, Paschim Vihar, Gurugram, Safdarjung, Amritsar, Thane, Andheri, Kota, Ajmer, Jaipur, Sikar, Udaipur and Jodhpur have been empanelled by Chola MS General Insurance as Cashless Ayurveda Panchkarma Hospital.

Dec '23: 4 of Company's Ayurveda Panchkarma Hospital situated in Dera Bassi, Paschim Vihar, Gurugram and Amritsar have been empanelled by Care Health Insurance, Star Health Insurance, Paramount Health, Heritage Health, Reliance General Insurance, ICICI Lombard General Insurance and Magma HDI General Insurance as Cashless Ayurveda Panchkarma Hospital.

Dec '23: Company has received National Accreditation Board for Hospitals & Healthcare Providers (NABH) certifications for its facilities situated in Haryana, Uttar Pradesh, Maharashtra in respect of Panchkarma Treatment, valid up to Oct 2026.

Dec '23: 16 Ayurveda Panchkarma Hospitals situated in Dera Bassi, Murad Nagar, Lucknow, Navi Mumbai, Paschim Vihar, Gurugram, Safdarjung, Amritsar, Thane, Andheri, Kota, Ajmer, Jaipur, Sikar, Udaipur Jodhpur have been empanelled by SBI General Insurance as Cashless Ayurveda Panchkarma Hospital.

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



## 2. ELECTRONICS MART INDIA LIMITED NSE: EMIL

(1<sup>st</sup> time covered: 25<sup>th</sup> Jan 2023)

**Recent filing:** INSTITUTIONAL ENTRY (BULK DEAL) SBI Mutual Fund, Ftif - Templeton Asian Smaller Companies Fund, and Norges Bank - Government Pension Fund Global bought 2.5 Cr shares of Electronics Mart at an average price of INR 230/shares aggregating to INR 575 Cr, these shares were sold by promoters.

**SUMMARY:** 4y Operating Profit uptrend | PE 46.4x (Sector PE range 30-70) | Excellent Jun-24 results | New Stores | Institutional Entry | Consumption

**FUTURE OUTLOOK:** As per Q1FY25 Con-call, Company's plan to open around 25 new stores in FY25, and anticipating a robust double-digit growth in revenue for FY25.

- MCap of INR 9,095 Crore (share price = INR 236/ share) (as on 19<sup>th</sup> Aug '24)
- TTM PE 46.4x (as on 19<sup>th</sup> Aug '24)      Retail float = 4% (Jun-24)

**FOOD FOR THOUGHT:** High competition from e-commerce | Inventory obsolescence risk

**Company Description:** Electronics Mart India Ltd. serves its customers by bringing the latest electronic gadgets at the lowest prices. The company is the 4<sup>th</sup> 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	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	LTP
EMIL	138	190	225	204	218	207	192	210	201	229	220	236

(In INR Cr)	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Sales	1,228	1,428	1,328	1,689	1,313	1,789	1,524	1,975
Op Profit	75	73	91	130	97	115	80	154
Net Profit	24	22	36	60	37	46	41	72
OPM	6%	5%	7%	8%	7%	6%	7%	8%
NPM	2%	2%	3%	4%	3%	3%	3%	4%
Promoter %	78.0%	78.0%	78.0%	78.0%	73.0%	73%	73%	73%

(In INR Cr)	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	TTM
Sales	1,649	3,172	3,202	4,349	5,446	6,285	6,587
Op Profit	100	228	204	292	336	449	473
Net Profit	48	82	59	104	123	184	196

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

Company Type	Seasonal	
LT OP uptrend	Yes	
ST OP uptrend	Yes	
PE 46.4 (Consumer Discretionary: 30-70) Lower end of sector range		
Futuristic Sector	No	
HNI / Institutional / Promoter Buying	Yes	<p>As per Jun-24 shareholding data, Pinebridge Global Funds holding 1.0%, Nippon Life India Trustee Ltd is holding 5.1%, Motilal Oswal Flexi Cap Fund is holding 2.7%, Mirae Asset Great Consumer Fund is holding 3.6%, and Hsbc Equity Savings Fund is holding 1.3% stake.</p> <p>Dec '23: As per the shareholding data, HSBC Equity Savings Fund bought 1.1% and Mirae Asset Midcap Fund bought 2.4% stake in the Company.</p> <p>Sep '23: Motilal Oswal bought 60L shares at INR 143/share, aggregating to INR 86.4 Cr. Promoters Karan Bajaj and Pavan Kumar Bajaj, each sold 96L shares at the same price, aggregating to INR 138 Cr for each of them.</p>
Special Situation	No	
Future Visibility	Yes	<p>Aug '24: Company has commenced the commercial operations of a new Multi Brand Store under the brand name 'Bajaj Electronics' at Peddapally, Telangana.</p> <p>Aug '24: Company has commenced the commercial operations of a new Multi Brand Store under the brand name 'Electronics Mart' at Najafgarh, New Delhi.</p> <p>Jul '24: Company has commenced the commercial operations of a new Multi Brand Store under the brand name 'Bajaj Electronics' in Narapally, Telangana.</p> <p>Jul '24: Company has commenced the commercial operations of a new Multi Brand Store under the brand name 'Bajaj Electronics' at Warangal, Telangana.</p> <p>Jul '24: Company has commenced the commercial operations of a new Multi Brand Store under the brand name 'BAJAJ ELECTRONICS' in Secunderabad Cantonment, Telangana.</p> <p>Jun '24: Company has commenced the commercial operations of a new Multi Brand Store under the brand name 'ELECTRONICS MART' in Netaji Subhash Marg, Daryaganj, Delhi.</p> <p>Jun '24: Company has commenced the commercial operations of a new Multi Brand Store under the brand name 'BAJAJ ELECTRONICS' in Madhura Nagar Colony, Women College Road, Srikakulam, Andhra Pradesh.</p>

		<p>May '24: Company has commenced the commercial operations of a new Multi Brand Store under the brand name 'ELECTRONICS MART' in Ghaziabad, Uttar Pradesh.</p> <p>May '24: Commenced the commercial operations of a new Multi Brand Store under the brand name 'BAJAJ ELECTRONICS' in Karim NAGAR District, Telangana.</p> <p>Apr '24: Commenced the commercial operations of a new Multi Brand Store under the brand name 'BAJAJ ELECTRONICS' in Siddipet District, Telangana.</p> <p>Apr '24: Commenced the commercial operations of 2 new Multi Brand Store under the brand name 'BAJAJ ELECTRONICS' in Guntur, Andhra Pradesh and Jadcherla, Telangana.</p> <p>Apr '24: Commenced commercial operations of 3 new Multi Brand Store under brand name 'AUDIO &amp; BEYOND' in Rajouri Garden, New Delhi.</p> <p>Mar '24: Commenced the commercial operations of 4 new Multi Brand Store under the brand name 'ELECTRONICS MART' with three located in Gurgaon, Haryana, and one in Rohini, Delhi.</p>
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*LT OP = Long-term operating profit; ST OP = Short-term operating profit*

### 3. GENUS POWER INFRASTRUCTURE LIMITED

NSE: GENUSPOWER (1<sup>st</sup> time covered: 4<sup>th</sup> Jul 2023)

This page is created for information purpose. It is not a BUY/SELL recommendation.  
Please do your own due diligence before making any investment decisions.

**Recent filing:** (ORDER) Genus Power Infrastructure's wholly owned subsidiary has received three LoA worth INR 2,925.5 Cr for appointment of Advanced Metering Infrastructure Service Providers (AMISPs) including design of Advance Metering Infrastructure (AMI) system with supply, installation and commissioning with FMS of about 3.75 million Smart Prepaid Meters, system meters including DT Meters with corresponding energy accounting on DBFOOT basis. With these recent orders, Company's total order book, including all SPVs and the GIC Platform, exceeds INR 24,383 Cr.

**SUMMARY:** 3y Operating Profit uptrend | 3q Operating Profit uptrend | Excellent Jun-24 results | PE 126x (Sector PE range 30-70) | Partnerships | Fund raise | Institutional entry | Ace Investor | Smart Meter

**FUTURE OUTLOOK:** As per Q1FY25 Concall, Company expects to record total revenue of about INR 2,500 Cr in FY25 and EBITDA margin guidance of 15%-16% | As of 19 Aug the order book stands at INR 24,383 Cr.

- MCap of INR 12,401 Crore (share price = INR 408 / share) (as on 19<sup>th</sup> Aug '24)
- TTM PE of 126x (as on 19<sup>th</sup> Aug '24)      Retail float = 12.4% (Jun-24)

**FOOD FOR THOUGHT:** PE is above sector range.

**Company Description:** Genus Power Infrastructure Limited has two business divisions offering highly innovative and sustainable solutions to the power sector. The products and solutions provided by the company includes Metering, Engineering, Construction & Contracts and Hybrid Microcircuits.

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



Price	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	LTP
Genus	256	246	221	232	265	250	230	298	314	310	379	408


(In INR Cr)	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Sales	219	200	202	261	259	260	420	414
Op Profit	17	20	27	28	26	28	54	63
Net Profit	7	22	-11	23	49	-10	24	48
OPM	8%	10%	13%	11%	10%	11%	13%	15%
NPM	3%	11%	-5%	9%	19%	-4%	6%	12%
Promoter %	50.4%	50.4%	50.4%	50.4%	50.3%	50.3%	42.7%	42.7%

(In INR Cr)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	TTM
Sales	835	1,055	1,060	609	685	808	1,201	1,353
Op Profit	94	113	157	103	60	79	135	171
Net Profit	85	48	73	69	57	29	87	112

Website: <https://www.genus.in/>

Company Type	Evergreen
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LT OP uptrend	Yes	
ST OP uptrend	Yes	
PE <b>126</b> (Smart Meter: 30-70) Above sector range		
Futuristic Sector	Yes (Smart Meter)	
HNI / Institutional / Promoter Buying	Yes	<p>Aug '24: Nomura India Investment Fund Mother Fund bought 59.7L shares at INR 346/shares, aggregating to INR 206.6 Cr.</p> <p>Jun '24: shareholding pattern shows Chiswick Investment Pte (affiliate of GIC) is holding 15.1%, and Nippon Life India Trustee Ltd is holding at 4.2% stake.</p> <p>Jun '24: Ajay Upadhyaya is holding 1.5%, and Akash Bhanshali is holding 1.2%, stake in the Company.</p> <p>Sep '23: Promoter sold 3.2L shares at INR 280/share, aggregating to INR 8.9 Cr.</p>
Special Situation	Yes	<p>Jul '23: Company signed an agreement for investment by Chiswick Investment, an affiliate of GIC, of up to INR 519 Cr via of warrants (4.6 Cr warrants) which shall constitute (if and when GIC elects to exercise such warrants) 15% of the issued and paid-up share capital of Genus on a fully diluted/as converted basis.</p>
Future Visibility	Yes	<p>May '24: Company has incorporated four wholly-owned subsidiaries, namely "Genus Alfa Smart Metering Pvt Ltd", "Genus Beta Smart Metering Pvt Ltd" and "Genus Delta Smart Metering Pvt Ltd", "Genus Gama Smart Metering Pvt Ltd".</p> <p>Mar '24: Company has incorporated two wholly-owned subsidiaries, namely "Genus Smart Energy Pvt Ltd", "Genus Smart Technology Pvt Ltd".</p> <p>Mar '24: Company has incorporated three wholly-owned subsidiaries, namely "Genus Smart Metering Pvt Ltd", "Genus Metering Infra Pvt Ltd" and "Genus Advance Metering Pvt Ltd".</p> <p>Dec '23: Company wins order worth INR 1,026 Cr for appointment of Advanced Metering Infrastructure Service Providers with FMS of about a million Smart Prepaid Meters, system meters including DT Meters with corresponding energy accounting on DBFOOT basis. Since July 2023, the Company has secured a total of 7 orders, amounting to INR 16,185 Cr. With the addition of the current order, the total order book has now surpassed INR 20,000 Cr.</p> <p>Nov '23: Company wins order worth INR 2,260 Cr for appointment of Advanced Metering Infrastructure Service Providers (AMISPs) including design of Advance Metering Infrastructure system with</p>

supply, installation and commissioning with FMS of 27.33 Lakhs Smart Prepaid Meters.

Oct '23: Company wins order worth INR 3,121 Cr for appointment of AMISPs including design of Advance Metering Infrastructure system with supply, installation and commissioning with FMS of 36.27 Lakhs Smart Prepaid Meters.

Oct '23: Company wins order worth INR 3,115 Cr for appointment of AMISPs including design of Advance Metering Infrastructure system with supply, installation and commissioning with FMS of 34.79 Lakhs Smart Prepaid Meters.

Aug '23: Company wins order worth INR 2,247 Cr for appointment of AMISPs including design of Advance Metering Infrastructure system with supply, installation and commissioning with FMS of 24.18 Lakhs Smart Prepaid Meters.

Aug '23: Company wins order worth INR 2,210 Cr for supply, installation and commissioning of 21.77L smart prepaid meters on Design, Build, Finance, Own, Operate, Transfer basis under RDSS.

Jul '23: Company announced the signing of definitive agreements with Gem View Investment (Gem : Genus = 74:26), an affiliate of GIC, Singapore for setting up of a platform for undertaking Advanced Metering Infrastructure Service Provider concessions. The partners have committed to an initial pipeline with a capital outlay of US\$ 2bn. Genus would be the exclusive supplier to the Platform for smart meters and associated services.

Jul '23: Company received a letter of award worth INR 2,208 Cr for appointment of Advanced Metering Infrastructure Service Provider.

Jun '23: Company incorporated a subsidiary by the name Gemstar Infra Pte. Ltd in Singapore. It will facilitate advanced metering infrastructure service provide concessions.

Jan '23: Company won an order worth INR 2,855 Cr.

Nov '22: Company approved evaluation of options for expansion of the business of its 5 wholly owned subsidiary.

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

## 4. KPI GREEN ENERGY LIMITED NSE: KPIGREEN

(1<sup>st</sup> time covered: 1<sup>st</sup> Feb 2023)

**Recent filing:** (FUND RAISE) BoD of KPI Green has approved the issuance and allotment of 1 Cr Equity Shares to eligible QIBs at the issue price of INR 935/each, aggregating to INR 935 Cr. Subscribers include Morgan Stanley Asia (Singapore) PTE, and Bofa Securities Europe SA.

**SUMMARY:** 6y Operating Profit uptrend | 1q Operating Profit uptrend | PE 62.3x (Sector PE range 50-90) | Excellent Jun-24 results | Fund raise | Large Order | Geographical Expansion | Institutional entry | Promoter buying | Solar

**FUTURE OUTLOOK:** As per Q1FY25 Investor Presentation, Company has 2.3+GW of orders in hand, and has ambitious target of 10+GW IN 2030.

- MCap of INR 12,189 Crore (share price = INR 1,011 / share) (as on 19<sup>th</sup> Aug '24)
- TTM PE 62.3x (as on 19<sup>th</sup> Aug '24)      Retail float = 21.4% (Jul-24)

**FOOF FOR THOUGHT:** Negative operating cash flow for FY24.

**Company Description:** Incorporated in 2002, KPI Green develops, builds, owns, operates, and maintains solar power plants through Independent Power Producer (IPP) and as service provider to Captive Power Producer (CPP) under the brand name of 'Solarism'.

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



Price	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	LTP
KPI	274	273	385	489	607	870	762	904	911	902	929	1011


(In INR Cr)	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Sales	160	179	182	189	215	330	289	348
Op Profit	53	60	54	69	71	104	93	132
Net Profit	21	34	32	33	35	51	43	66
OPM	33%	34%	30%	37%	33%	31%	32%	38%
NPM	13%	19%	18%	17%	16%	16%	15%	19%
Promoter %	54.7%	54.8%	54.8%	54.8%	54.8%	53.1%	53.1%	53.1%

(In INR Cr)	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	TTM
Sales	34	59	102	230	644	1,024	1,183
Op Profit	15	27	58	109	208	337	400
Net Profit	9	6	22	43	110	162	195

Website: <https://www.kpigreenenergy.in/>

This page is created for information purpose. It is not a BUY/SELL recommendation.  
Please do your own due diligence before making any investment decisions.



Company Type	Evergreen	
LT OP uptrend	Yes	
ST OP uptrend	Yes	
PE <b>62.3</b> (Clean Energy: 50-90) Lower end of sector range		
Futuristic Sector	Yes (Solar)	
HNI / Institutional / Promoter Buying	Yes	<p>Jul '24: Aspire Emerging Fund is holding 2.1% stake.</p> <p><b>May '24: Director sold INR 29.4 Cr worth of shares in May '24.</b></p> <p>Promoter Buying:</p> <p>Jun '24: 3.4k shares at INR 1760/share, aggregating to INR 59L.  May '24: 2.8K shares at INR 1770/share, aggregating to INR 50L.  Apr '24: 2.8k shares at INR 1,808/share, aggregating to INR 49L.  Mar '24: 1.1k shares at INR 1695/share, aggregating to 18.4L  Sep '23: 6k shares at INR 807/share, aggregating to INR 49L.  Aug '23: 1.5k shares at INR 837/share, aggregating to INR 12L.  Nov '22: 11.2k shares at INR 773/share, aggregating to INR 86L.  Oct '22: 10.8k shares at INR 763/share, aggregating to INR 82L.  Sep '22: 3k shares at INR 927/share, aggregating to INR 27L.</p> <p><b>In Aug '23, Designated Person sold 20k shares at INR 885/share, aggregating to INR 1.7 Cr.</b></p>
Special Situation	Yes	<p>May '24: Board of Director has approved the raising of funds through the issuance of equity shares for an aggregate amount of up to INR 1,000 Cr via Qualified Institutions Placement.</p> <p>Dec '23: BoD approved the allocation of 25L Shares to be allotted to eligible QIBs at an issue price of INR 1,183 per Equity Share, aggregating to INR 300 Cr. Several Institutions are subscribing to the QIP including Quant Mutual Fund, Societe Generale, Goldman Sachs, Morgan Stanley, BoFA Securities, Yes Bank, Bengal Finance, etc.</p>
Future Visibility	Yes	<p>Aug '24: Company has received Letters of Intent for executing solar power projects with a cumulative capacity of 28.40 MW under the 'Captive Power Producer (CPP)' business segment of the Company.</p> <p>Jul '24: Company has won two tenders: 250 MWAC (275 MWDC) for solar power and 370 MWAC (642 MWDC) for hybrid renewable energy. This expansion will boost the company's renewable energy portfolio to over 2,800 MW, with 1,432+ MW in the Independent Power Producer segment and 1,368+ MW in the Captive Power Producer segment. Power Purchase Agreements (PPAs) will be finalized following approval from the Gujarat Electricity Regulatory Commission (GERC).</p> <p>Jul '24: Company has received a Letter of Award (LOA) from MAHAGENCO. This award is for the development of a 100MWAC Solar Power Project, which includes an EPC package with land and three years of Operation and Maintenance (O&amp;M). The project is part of the tender for the development of a cumulative capacity of 600 MWAC Solar-PV Power Projects at various locations in Maharashtra under the</p>



RE Bundling Scheme. This project represents company's strategic expansion beyond Gujarat into Maharashtra, allowing it to leverage new opportunities and bring its solar power expertise to a broader geographical area, thereby reinforcing its position as a leading player in the renewable energy sector.

July '24: Company has received a new order for a 100 MW Hybrid Captive Solar Power Project under the Captive Power Producer (CPP) segment of the company from Aether Industries, to be completed in FY25.

July '24: Company has signed a Power Purchase Agreement (PPA) for a 50MW Solar-Wind Hybrid Power Project with Gujarat Urja Vikas Nigam Limited (GUVNL). This project, comprising of 50 MW Solar and 16.80 MW Wind, was awarded through a competitive bidding process.

Jul '24: Company has received approvals from the Chief Electrical Inspector (CEIG) for 15 MW of solar power projects under our 'Captive Power Producer (CPP)' business segment and 13.60 MW solar power projects under the Independent Power Producer (IPP) segment of the Company

Jun '24: Company has secured a final sanction letter for credit facilities amounting to INR 686 Cr for the development of a 200 MWAC (240 MWDC) Solar Photovoltaic Power Project in Khavda, Kutch District. Additionally, the company previously raised INR 300 Cr through a Qualified Institutional Placement (QIP), with INR 225 Cr already used to partially fund the project.

Jun '24: Company has received new orders of 26.15 MW for executing solar power projects under 'Captive Power Producer (CPP)' segment of the company.

Apr '24: Received orders totaling 74.3 MW for solar power projects in the CPP segment from textile and fabrics companies, scheduled for completion in FY25.

Mar '24: Obtained CEIG approval for 10 MW solar projects in the IPP sector.

Mar '24: Awarded new orders totaling 54.7 MWp for solar projects, with 48.18 MWp in CPP and 6.59 MWp in IPP.

Mar '24: Secured a 2.6 MWp order from Arete Services Pvt. Ltd. in the CPP segment.

Mar '24: Won a tender for a 100 MWAC Solar Power Project from MAHAGENCO, marking expansion beyond Gujarat.

Mar '24: Received a Letter of Intent from GUVNL for a 50 MW Wind-Solar Hybrid Power Project.

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

## 5. ZEN TECHNOLOGIES LIMITED NSE: ZENTEC

(1<sup>st</sup> time covered: 30<sup>th</sup> Jan 2023)

**Recent filing:** (PATENT GRANT) Zen Technologies announces the recent Patent Grant in India for its revolutionary "Mine Detection System". This innovation marks a substantial leap in the field of minefield reconnaissance, planning, and clearance, specifically addressing the development of a safer, more efficient, and accurate approach to mine detection. The "Mine Detection System" incorporates GPS/GIS technology to plot and record in memory the coordinates of mines in terms of Latitude/Longitude and Military Grid in Defense Series Maps (DSM). The system is designed to function in extreme environmental conditions, operating at temperatures ranging from -25°C to +45°C and altitudes up to 15,000 feet above mean sea level.

**SUMMARY:** 3y Operating Profit uptrend | 3q Operating Profit uptrend | PE 94.1x (Sector PE range 50-100) | Excellent Jun-24 results | Capacity expansion | New Products | Institutional entry | Fund raise | Defence

**FUTURE OUTLOOK:** As per Q1FY25 Management guidance, Company targeting to exceed turnover of INR 900 Cr in FY25, 100% increase from FY24. | Orderbook INR 1,159 Cr as of 30<sup>th</sup> Jun 2024 (2.1x of TTM Revenue) and as per Q1FY25 Concall, Management assured that 35% EBITDA and 25% PAT to achieve in FY25.

- MCap of INR 14,448 Crore (share price = INR 1,719 / share) (as on 19<sup>th</sup> Aug '24)
- TTM PE 94.1x (as on 19<sup>th</sup> Aug '24)      Retail float = 30.6% (Jun-24)

**FOOD FOR THOUGHT:** Company is exposed to risks in tender-based operations.

**Company Description:** Incorporated in 1996, Zen Technologies designs, develops and manufactures combat training solutions for the training of defense and security forces. It is actively involved in the indigenization of technologies, which are beneficial to Indian armed forces, state police forces, and paramilitary forces.

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




Price	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	LTP
Zen	765	718	772	794	840	866	957	1110	965	1175	1705	1719

(In INR Cr)	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Sales	33	52	96	132	66	100	141	255
Op Profit	10	17	35	69	19	42	50	111
Net Profit	8	12	23	48	14	30	38	79
OPM	30%	33%	36%	52%	29%	43%	36%	44%
NPM	24%	23%	24%	36%	21%	30%	27%	31%
Promoter %	60.2%	60.2%	60.1%	57.5%	57.5%	55.1%	55.1%	55.1%

(In INR Cr)	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	TTM
Sales	92	149	55	70	219	440	562
Op Profit	17	63	7	5	73	181	223
Net Profit	13	59	3	3	50	130	161

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

Company Type	Evergreen	 <p>Integrated Training Solutions for 24/7 Combat Readiness</p> <p>L-LVC INTEGRATION</p> <p>Live Simulation</p> <p>Virtual and Constructive Simulation</p> <p>Zen Combat Training Centre (CTC)</p> <p>Integration of Live Ranges, Live, Virtual &amp; Constructive Simulation into a Common Operating Picture</p>
LT OP uptrend	Yes	
ST OP uptrend	Yes	
PE <b>94.1</b> (Defense: 50-100) Higher end of sector range		
Futuristic Sector	Yes (Defence)	
HNI / Institutional / Promoter Buying	Yes	<p>Jun '24: Tata AIA Life Insurance Co. Ltd is holding 2.8% stake.</p> <p>Dec '23: Tata AIA Life Insurance Co. Ltd. bought 20L shares at INR 725/share, aggregating to INR 145 Cr. Promoter Group sold 20L shares at the same price, aggregating to INR 145 Cr.</p> <p>Jun '23: Employees Welfare Trust bought 60k shares at INR 388/share, totaling to INR 2.3 Cr.</p> <p>May '23: Employees Welfare Trust bought 1L shares at INR 371/share, aggregating to INR 3.7 Cr.</p> <p><b>Mar '23: Ravi Kumar Midathala (Promoter &amp; Director) sold 40k shares at INR 328/share, aggregating to INR 1.3 Cr</b></p> <p>Feb '23: Employees Welfare Trust bought 2L shares at INR 243/share, aggregating to INR 4.9 Cr.</p>
Special Situation	Yes	<p>Jan '24: BoD has considered and approved the raising of INR 1,000 Cr of funds.</p> <p>May '23: BoD approved the allotment of 4.7L equity shares on conversion of convertible warrants to the Promoters (warrants were allotted in Nov '21 at INR 213/warrant). Amount paid will be INR 7.5 Cr (75% of INR 213/warrant).</p>
Future Visibility	Yes	<p>Jul '24: Company has introduced AI-powered Robots, unveiling 4 Products for the Global Defense Market. These IP-owned innovations – Hawkeye, Barbarik-URCWS (Ultralight Remote Control Weapon Station), Prahashta, and Sthir Stab 640 – cater to a wide range of defence requirements, empowering forces with unmatched tactical superiority and enhanced operational efficiency.</p> <p>Jun '24: Company has successfully delivered its innovative Zen Anti-Drone System with Hard-Kill (Zen ADS HK) to the Army Air Defence College in Gopalpur, Odisha, marking a milestone in India's defence against drone threats. Ordered 18 months ago after successful trials, the system surpasses expectations following rigorous testing. Zen ADS HK enhances protection by integrating with existing defence infrastructure and features an advanced Electro-Optical Tracking</p>

System (EOTS) with day and thermal cameras, and a Laser Range Finder for effective all-weather auto-tracking.

Jun '24: Company has received patent for TZS (Laser Boresighting), valid upto Jul '36.

Feb '24: Company has received order worth of INR 93 Cr from Ministry of Defence, Govt. of India for tactical training simulators.

Feb '24: Company announced its participation in the 2<sup>nd</sup> India Kenya Mini Defense Exhibition and Seminar in Nairobi, Kenya, from 30<sup>th</sup> to 31<sup>st</sup> January 2024. During the event, Hon'ble Aden Bare Duale, Kenya's Cabinet Secretary for Defence, commended Zen Technologies for its exceptional contributions to the Kenya Army's training facilities, setting an industry standard. He highlighted Zen's pivotal role in enhancing the Kenya Defence Forces' capabilities and extending benefits to friendly regional forces through advanced training systems.

Jan '24: Company receives 15<sup>th</sup> Patent Grant for innovative "LASER TRANSMITTER UNIT" in Defense Simulation. This accomplishment further enriches the Company's portfolio of patented technologies, solidifying its position as a pioneer in defense simulation solutions.

Nov '23: Company has signed an MoU with the Govt. of Goa for setting up of new R&D and Manufacturing facility in Goa. The new facility, to be set up at the Electronic Manufacturing Cluster Tuem, Goa, represents an investment of up to INR 50 Cr and is expected to create employment opportunities for 800 individuals. This move aligns with the Company's vision to enhance its manufacturing capabilities, particularly in cutting-edge simulators and drone-related technologies.

Nov '23: According to Ashok Atluri, CMD of Zen Technologies, current order book of the Company stands at around INR 1,500 Cr. Out of this, FY24 would see order execution of around INR 450 Cr, while FY25 would see execution of INR 900 Cr+. EBITDA margin is expected to be 35% or more.

Nov '23: Company received an export order of worth INR 42 Cr. The order comprises of state-of-the-art simulators.

Oct '23: Company has been awarded an order valued at INR 100 Cr by the Ministry of Defence, India, for its state-of-the-art Force-On-Force Tank training system. This innovative system empowers Tank Units and Sub-Units to engage in training on real terrains under authentic conditions using their equipment, without the necessity for live ammunition.

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

## Others

### **MARINE ELECTRICALS (INDIA) LIMITED**

(CAPACITY EXPANSION) Narhari Engineering Works, a subsidiary of Marine Electricals India Limited, has specialized in custom-built, shock-graded motors for naval ships since 1964. The company is expanding its manufacturing facility in Palghar to produce Naval and Marine motors up to 1MW, as well as alternators for similar applications. This expansion will enable Marine Electricals India Limited to enhance its in-house product offerings for DG sets.

- MCap of INR 3,591 Cr (share price = INR 271/share); TTM PE 124x (as on 19<sup>th</sup> Aug '24)

### **EXHICON EVENTS MEDIA SOLUTIONS LIMITED**

(NEW EXHIBITION CENTER) Multipurpose Convention & Exhibition Centre in Pune, set to open by mid-November 2024, is designed to accommodate 500 to 50,000 attendees. It features state-of-the-art facilities for concerts, conferences, and seminars, along with advanced exhibition spaces and amenities. Strategically located near key areas, it offers convenience and ample parking. The first phase includes outdoor facilities like lush lawns and advanced lighting.

- MCap of INR 312 Cr (share price = INR 240/share); TTM PE 23.8x (as on 19<sup>th</sup> Aug '24)

### **E2E NETWORKS LIMITED**

(FUND RAISE) BoD considered and approved the issuance of 24.8L equity shares at INR 1,695/share aggregating to INR 420 Cr. Subscribers include Promoter, Promoter Group, Ashish Kacholia, RBA Finance and Investment Company, NAV Capital VCC.

- MCap of INR 3,135 Cr (share price = INR 2,164/share); TTM PE 125x (as on 19<sup>th</sup> Aug '24)

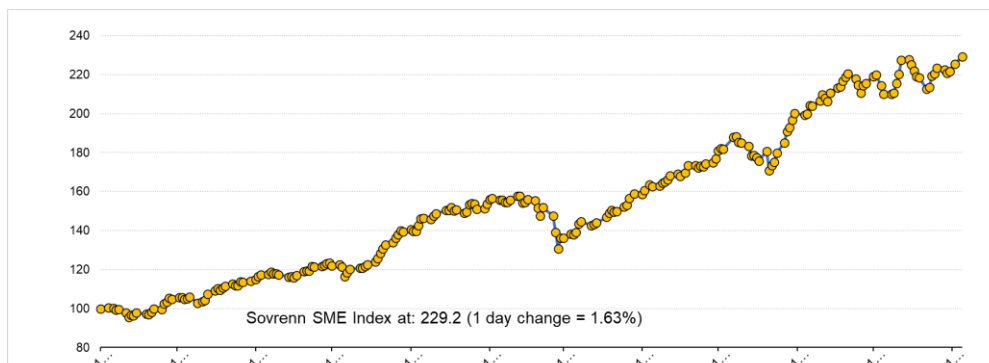
### **DIGIKORE STUDIOS LIMITED**

(ORDER) Company has received a \$1.2 Million (INR 10 Cr) order on a major American OTT series to provide VFX and Virtual Production services.

- MCap of INR 299 Cr (share price = INR 472/share); TTM PE 31.3x (as on 19<sup>th</sup> Aug '24)

## Sovrenn SME Index: +1.63%

Sovrenn SME Index was up +1.63% 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)
Indian Phosphate	SME	Upcoming	26-Aug-24	29-Aug-24	03-Sep-24	0%	NA
Resourceful Automobile	SME	Upcoming	22-Aug-24	26-Aug-24	29-Aug-24	43%	NA
QVC Exports	SME	Upcoming	21-Aug-24	23-Aug-24	28-Aug-24	35%	NA
Ideal Technoplast Industries	SME	Upcoming	21-Aug-24	23-Aug-24	28-Aug-24	0%	NA
Orient Technologies	Mainboard	Upcoming	21-Aug-24	23-Aug-24	28-Aug-24	27%	NA
Interarch Building Products	Mainboard	Open	19-Aug-24	21-Aug-24	26-Aug-24	37%	3
Brace Port Logistics	SME	Open	19-Aug-24	21-Aug-24	26-Aug-24	115%	51
Forcas Studio	SME	Open	19-Aug-24	21-Aug-24	26-Aug-24	103%	35
Solve Plastic Products	SME	Close	13-Aug-24	16-Aug-24	21-Aug-24	0%	34
Broach Lifecare Hoospital	SME	Close	13-Aug-24	16-Aug-24	21-Aug-24	0%	159
Saraswati Saree Depot	Mainboard	Close	12-Aug-24	14-Aug-24	20-Aug-24	27%	107
Sunlite Recycling	SME	Close	12-Aug-24	14-Aug-24	20-Aug-24	64%	282
Positron Energy	SME	Close	12-Aug-24	14-Aug-24	20-Aug-24	105%	415

Company	Sector	Revenue growth (YoY)	Profit growth (YoY)	Issue PE
Indian Phosphate	Chemicals	-9%	-6%	15x
Resourceful Automobile	2 Wheelers Showroom	-3%	4x	20x
QVC Exports	Ferroalloys Trader	2.1x	2.3x	23x
Ideal Technoplast Industries	Manufacturing	2.2x	7x	18x
Orient Technologies	IT	12%	8%	21x
Interarch Building Products	Steel Construction Solutions	15%	6%	17x
Brace Port Logistics	Logistics	-22%	-21%	18x
Forcas Studio	Apparel	47%	5.3x	25x
Solve Plastic Products	Upvc pipes	-24%	18%	28x
Broach Lifecare Hoospital	Healthcare	—	—	22x
Saraswati Saree Depot	Apparel	2%	29%	21x
Sunlite Recycling	Wires	1%	59%	13x
Positron Energy	Oil & Gas	2.6x	4.1x	22x

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.

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# Sovrenn Macro

## India's Widening Trade Deficit: Navigating the Challenges of Sluggish Exports

### Declining Exports in Key Commodities

India's commodities exports have shown a troubling decline between April and July 2024, marking a significant shift in the country's trade dynamics. According to the latest data from the Ministry of Commerce and Industry, 12 of the 30 major export items experienced further dips in July, reflecting ongoing challenges in the global market. Among the hardest-hit commodities were rice, gems & jewellery, and petroleum products, with the latter seeing a sharp 22.15% drop in July alone.

### July 2024: A Month of Mixed Signals

The July 2024 export data revealed a complex picture. While some sectors like electronics (37.31%), engineering (3.66%), and pharmaceutical products (8.36%) witnessed annual growth, traditional exports such as textiles, chemicals, and jewellery continued to falter. This shift signals a potential transformation in India's export landscape, as non-traditional sectors begin to take center stage.

### Year-on-Year Declines: A Broader Perspective

The downward trend in exports was not confined to July alone. Over the April-July period, the export value of several key commodities, including marine products, iron ore, and leather, also declined compared to the same period last year. Notably, rice exports fell by 4.29%, while cashews saw a significant 19.14% drop. The overall export value of the top 30 commodities stood at \$135.34 billion during this period, a slight increase from \$130.77 billion the previous year, but this growth masks the underlying sectoral weaknesses.

### The Expanding Trade Deficit

India's merchandise trade deficit widened to \$23.5 billion in July 2024, up from \$20.98 billion in the previous month and \$19 billion in July 2023. This growing deficit highlights the imbalance between the country's exports and imports, with the latter rising at a faster pace. According to the Bank of Baroda, the trade deficit during April-July 2024 widened by approximately \$10 billion compared to the same period last year, driven primarily by increased non-oil and non-gold imports—a sign of resilient domestic demand.

### Global Economic Weakness: The Underlying Cause

Experts attribute the sluggish export performance to the ongoing weakness in the global economy. Manoranjan Sharma, Chief Economist at Infomerics Ratings, noted that despite some growth in exports, the second successive month of decline and the three-quarter-high trade deficit underscore the challenges posed by tepid global demand and geo-economic fragmentation. This scenario could have adverse effects on India's macroeconomic stability and currency value, necessitating targeted efforts to boost exports and support economic growth.

### Future Outlook: A Glimmer of Hope?

Looking ahead, there is cautious optimism among economists. Dipanwita Mazumdar from the Bank of Baroda suggests that the trade deficit may see some correction in the coming months, with a potential revival in the export cycle. Easier monetary conditions globally could help stimulate demand, providing a much-needed boost to India's export sector.

## 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

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**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.