

700% RETURNS
IN 2 YEARS
INVESTOR REPORT COPY



HIDDEN GEMS KSOLVES

MAY 2021

FUTURECAPS RESEARCH
www.futurecaps.com

ABOUT HIDDEN GEMS

Dear Investor,

Hidden Gems is **Advanced** Multibagger Subscription which involves Microcap, Smallcap & Midcap stocks. These will be having High Growth up to 50 Times in a period of 5-10 years. Plus, they will have High Delta in the sense a Credible news can show changes up to 50% up or down.

Due to the **High-Risk High Returns** nature, these Multibaggers are only Advisable to Advanced Investors who already made profits through stock market & really know well how the market ups & downs work.

Secondary Portfolio is preferred to manage these Hidden Gems. People who have Multibagger Plan & Hidden Gems Plan can Allocate 50% in Multibagger Plan + 20% in Hidden Gems Plan & Keep 30% in Cash for Future Bear Market Deployment.

Although most of the hidden gems will be invested by the Advisor Team, we will **Not** recommend you should Invest in all of these. You can choose the Hidden Gems Multibagger based on your Preference & Invest in 5-6 of them per year to keep your Portfolio Count manageable.

There will be Tracking & Updates on these periodically, but you can also manage them using **Intrinsic Value** Calculator listed [here](#) & also there will be occasional updates on these Multibaggers over your Subscription Period. We expect you to follow the Value Investing Principles listed [here](#).

As per the Hidden Gems Plan you will get **12** Multibaggers in 1-year period. However, we may not be regularly releasing every month; Instead, we prefer to release 2-3 reports in one go when valuations are low. This will protect you from potential price crashes & also zoom the returns.

Hope you understood All the **Strategies** of Hidden Gems plan.

We wish you Happy & Prosperous Investing Ahead!

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RECOMMENDATION

NAME	KSOLVES INDIA LTD
Recommended Price	Rs. 230 [Bonus Adjusted]
Current Price	Rs. 680 200% Returns
GROUP	SME
BUY BELOW	Rs. 1100

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REPORT OF
KSOLVES



ABOUT COMPANY

IT Services company doing application development services & product development.

Started in 2012 as Kartik Solutions by Ratan Srivastava, this company is having 30% CAGR Growth with Total 8+ years into IT business. Company currently have 150+ software engineers, 80+ clients & Offices in India, USA.

Company acknowledged with Various Awards & Recognition due to Powerful Digital Transformation Solutions in the area of iOS, Android, Web Development, AI, Machine Learning & Salesforce consultation. Owner of Industry winning products in Odoo, Magento which are Business Apps platforms.

In 2020 the company was listed in National Stock Exchange in the SME category & thereby attracting great momentum in price.



DASHBOARD



80+ Clients
Most are Returning Clients
through Long Term Relationships



Revenue
Rs. 23 Crore
300% up from past year


International Presence



Margins

45%
Operating Margin

27%
Profit Margin



\$704
\$500
\$450
\$350
\$250



Awards & Recognition

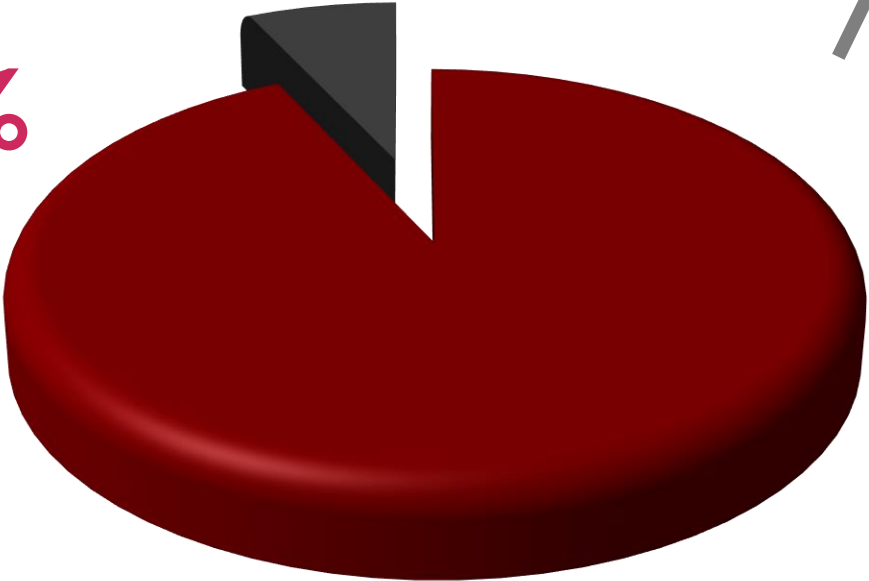


DASHBOARD

Service Division generates 93% of the Revenue Share for the company

93%

Company generates Repeated Service Business through High Talented Employees with Key Technical Knowhows. (Economic Moat)



7%

Product Division generates 7% of the Revenue Share

High Margin & Exponential Growth is possible in Product Division & Company is expanding the Product Division

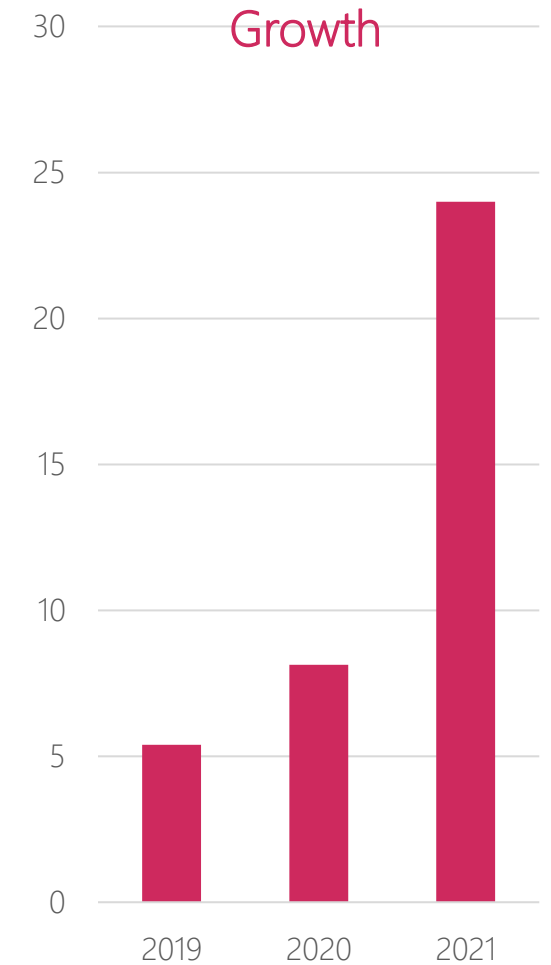
**700% RETURNS
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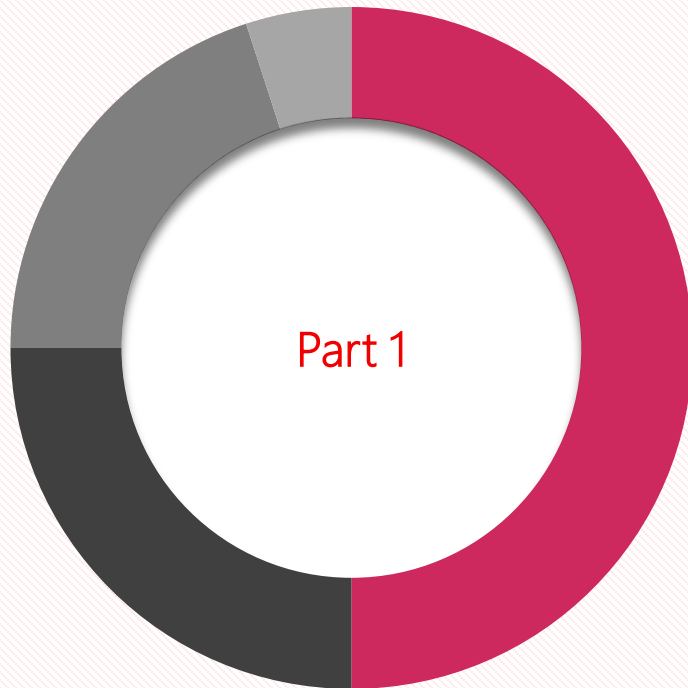
Profit & Loss

Standalone Figures in Rs. Crores / [View Consolidated](#)

	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021
Sales +	0.00	1.71	1.69	3.40	5.42	8.14	23.89
Expenses +	0.00	1.51	1.62	3.26	5.11	7.06	13.14
Operating Profit	0.00	0.20	0.07	0.14	0.31	1.08	10.75
OPM %		11.70%	4.14%	4.12%	5.72%	13.27%	45.00%
Other Income	0.00	0.00	0.00	0.00	0.01	0.00	0.19
Interest	0.00	0.00	0.00	0.00	0.02	0.01	0.00
Depreciation	0.00	0.01	0.02	0.04	0.08	0.17	0.29
Profit before tax	0.00	0.19	0.05	0.10	0.22	0.90	10.65
Tax %		31.58%	40.00%	40.00%	27.27%	24.44%	25.26%
Net Profit	0.00	0.13	0.02	0.06	0.16	0.67	7.97
EPS in Rs	0.00	130.00	20.00	60.00	160.00	335.00	53.78
Dividend Payout %		0.00%	0.00%	0.00%	97.36%	0.00%	74.28%



POSITIVES



HIGH EPS Growth of 300% in Past Year mainly due to COVID Situations leading to More IT Business, Product Launches & Management Optimizations



Trading around PE Ratio 20 & Intrinsic Value Discount of 90% with High ROE & ROCE above 100



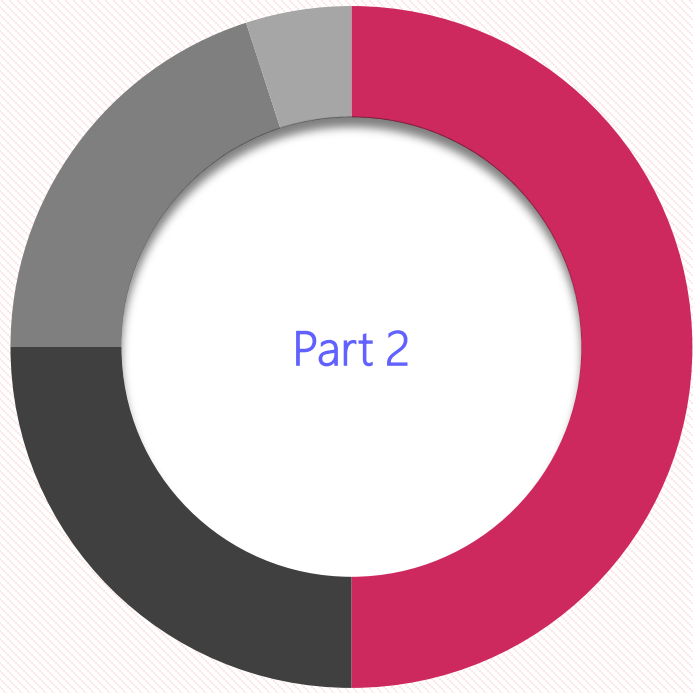
Company is Debt-Free & Growing 35% CAGR Rate for Past 6 Years with High Dividend Yield




Company declaring Bonus Shares of 1:3 which shows the Confidence in Growth Ahead





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POSITIVES

Company is in Hiring Spree with 3X Increase in Employee Growth compared with Past 3 Years 

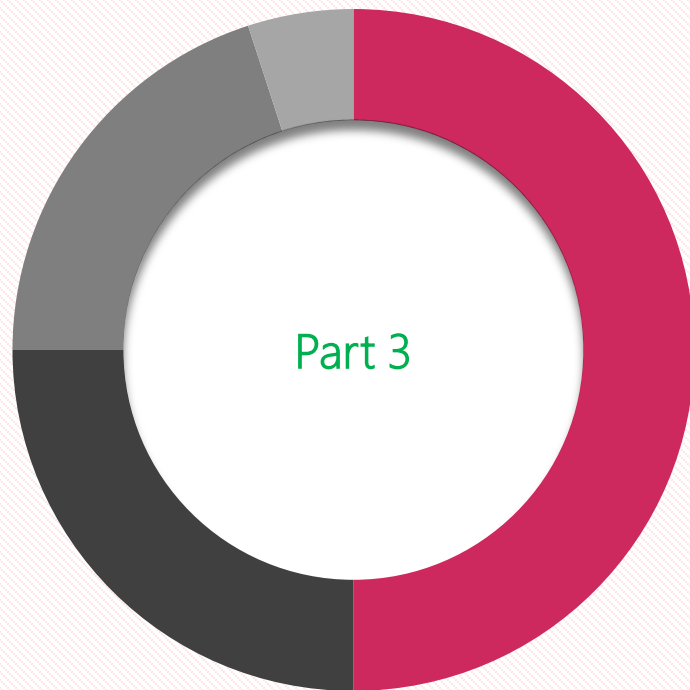
Company launched its own Product Store additional to Odoo app store which will boost the Revenue along with upcoming 5G Adaptions all over the world. 

Business Expansions with Adobe as Solution Partner, Odoo Silver Partner & Salesforce 

More Business Expansions in Product Ninja & Other Technologies Magento & Shopify to bring more Revenue in upcoming years 



POSITIVES



Company is Growing Global Presence. It currently has 77% Clients concentrated in North America & remaining from Africa, Australia, Europe & India.



Information Technology specific to Artificial Intelligence, Machine Learning, Big Data is expected to grow CAGR 20% till 2025



Company developing Center of Excellence Team for Salesforce which confluence 33% Revenue. Sweat Shares provided to Employees would Retain the Talents.



Management is Young, Energetic & have Dedicated 15+ years of experience in IT with Reputed MNC Companies & Strategic Methodologies.



NEGATIVES

Company is in SME Category which is Exposed to High Risks of Competition, Liquidity & Failures. The current High Growth, Zero Debt Profile with Experienced Techies in Management including CA handling CFO positions serves as the Mitigation for this Risk.

Company is Trading at a 12X Book Value Ratio due to the Huge Growth, Digital Promotions & Marketing Material available for this this company. The recent Run Up in Price is also a concern to be Mitigated by 50% Allocation now & remaining 50% on Price Correction of 30% or more if it happens.

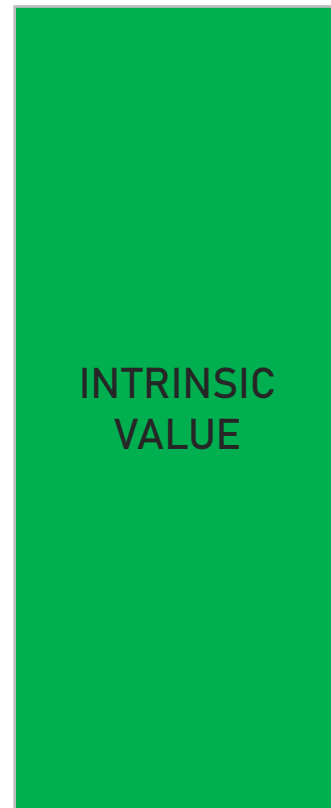
Company have Low Volume being another Reason for the Sharp Price Run Ups in the past. The recent Bonus Shares Announcements would Improve this situation in long run. Try with Multiple Buy Orders to accumulate this company at lower price levels.

Company spending too much on Dividends rather than Re-investing in Business which is a Concern as per Value Investing parameters. The high growth & sweat shares for employees would work as mitigation.

Company is NOT a Market Leader due to size & Hence NO Economic Moats. The Mitigation is KSOLVES is developing Unique Niche with Technical Excellence & Business Accumen to ensure returning customers & grow the account.

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INTRINSIC VALUE



Company is Trading at 90%
Discount to Intrinsic Value based
on the 35% CAGR growth average

<https://futurecaps.com/intrinsic-value-calculator/>

WARREN BUFFETT CHECKLIST

GROWTH

VALUE

DEBT

INTEGRITY

ECONOMIC MOAT

MARKET LEADER

PROFIT MARGINS

PRICE MOVEMENTS



HOW THIS COULD BE A MULTIBAGGER?

If the CAGR 35% is maintained the company could have EPS 4X by 2025 causing a 500% Growth in Stock Price by 2025

If the Growth is Sustained & when Capitalization Crosses 1000 Crore levels there will be Mutual Fund Investing & PE Resizing of another 10X levels causing reaching the Indiamart levels of PE 100.

5 Year 500% with EPS Growth
10 Year 5000% with EPS Growth & PE Resizing



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BUYING STRATEGY

50% at current levels | Or Increment every month

50% at future price discounts | Or Increment on each price discounts

Holding Period

5-10 Years

Category

Moderate Risk | High Returns

Advisor Invested

Not currently



PORTFOLIO THEORY

Why Portfolio Returns Matters in Long Term?

We are doing **Thorough Analysis** to ensure there is High Chances of Growth & Low Chances of Loss. In the long run few stocks can go up like 50X and few can go down like 0X too. But through Long-Term Holding we are ensuring Multibagger Returns on Portfolio is possible.

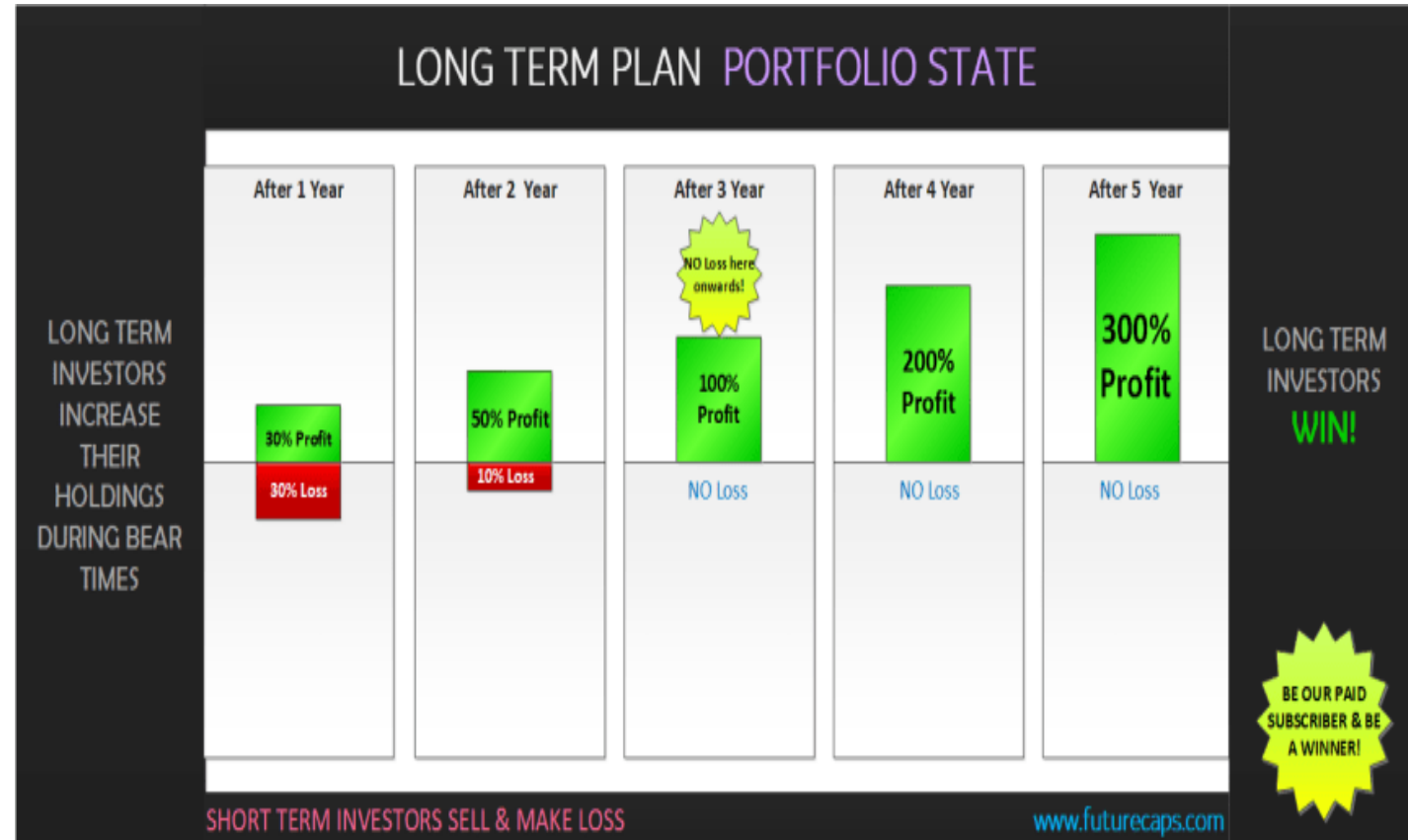
For example, you are Putting 1 Lakh on 10 stocks and holding for 5 Years:

- 2 stocks gave 50X returns = 1CR
- 2 stocks gave 20X returns = 40L
- 2 stocks gave 10X returns = 20L
- 2 stocks gave 5X returns = 10L
- 2 stocks gave 0X returns = 0L

Now your Portfolio Stands at 1.7CR Returns = 17X!

- If you would have sold the first 2 stocks at 10X returns you will not get this much growth
- If you were selling the 0X stocks before Reversal still it would not add much value

This is the Secret of Portfolio Management – Long Term, Less Actions, Peaceful, More Profitable!



TIP A well-managed Value Investing based Portfolio would not cause more than 30% Loss in any bear market scenario & above 2 years No Loss – **ONLY Profits!**. Learn more [here](#).



THANK YOU!

About Futurecaps

Futurecaps is a **Multibagger** Advisory with SEBI Registration & 2000+ Investors for past 12 years. We are set of Advisors & Investors inspired from Warren Buffett style of [Value Investing](#) along with Intrinsic Value calculations. We provide [Multibagger Services](#) at Affordable Prices to help Indian Investors accumulate Wealth. Each Multibagger published will undergo 50+ Checklist to ensure the Future Growth, Management Integrity, Sector Potential, Fraud Prevention etc.

We are strictly Long-Term Investors & Follow Fundamental Investing principles. No short-cuts, No day-trading etc. We invest in our recommendations too – so you can Trust Us that our Money is Put to Risk!

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