



INDIA'S MICROCAP ECOSYSTEM

India became a \$1 Trillion economy in 2007, during the past 15 years; it has grown at around 8% per annum and has more than tripled to \$3.1 Trillion in 2022.

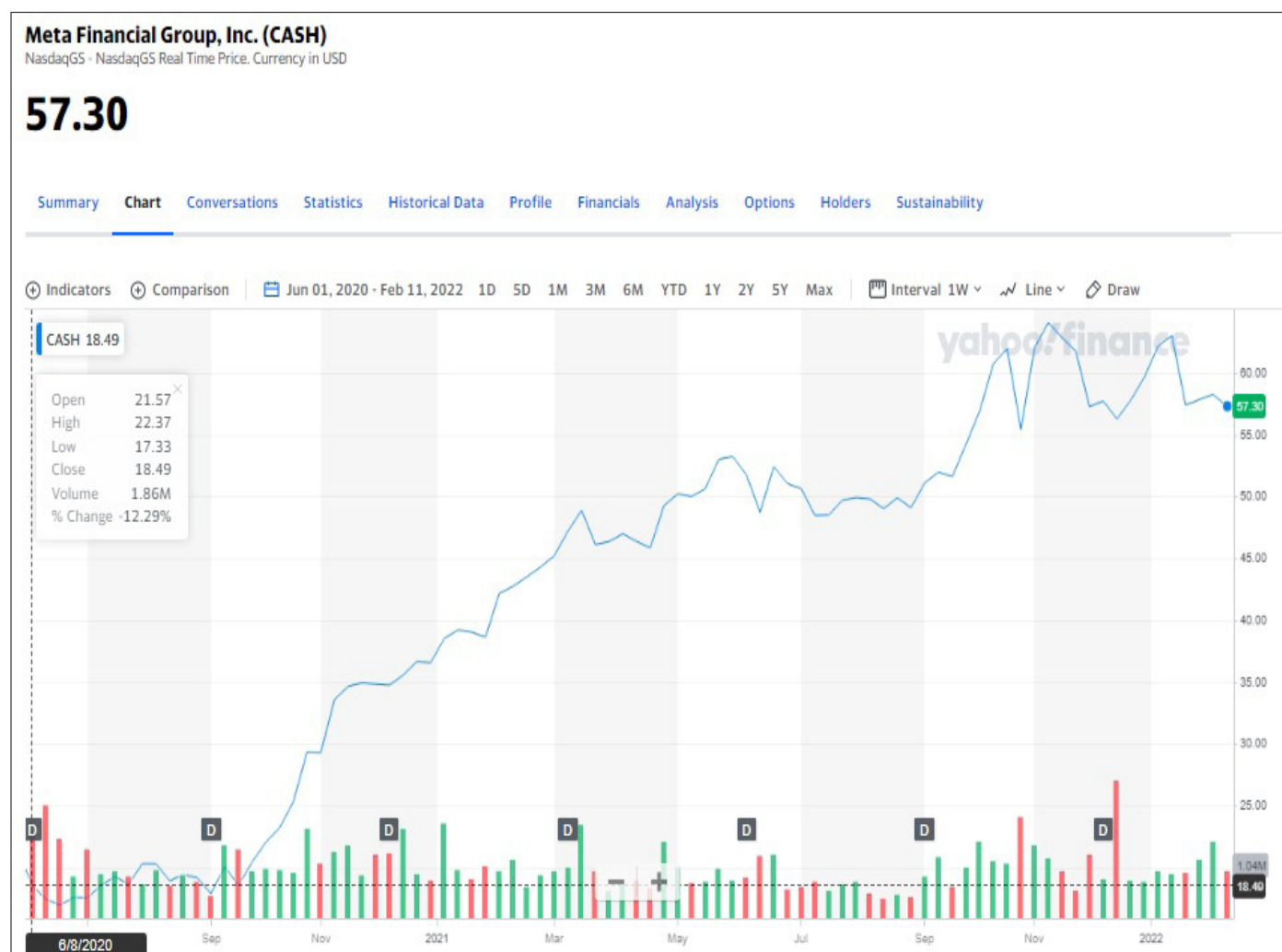
Given the tremendous amount of growth rate in the Indian economy, Indian equity markets have also performed well in the past decade and expect to give good results for the next few decades. So, many new big companies will be coming

out of India for the foreseeable future. Starting from the microcap region, it provides a long runway for the company to grow so it really helps the portfolio performance to find these multi-baggers.

June 2020 to Feb 2022 US Small Cap Stocks Portfolio 1.7 Years Performance Summary:

S.NO.	Ticker	Holding	Inception Price on 1st Jun 2020 (USD)	10th Feb 2022 Market Price (USD)	Since Inception 1st Jun 2020 to date (Gain/Loss %)
1	CASH	Meta Financial Grp Inc	18.5	60	224%
2	SHYF	The Shyft Group Inc	16.8	44	164%
3	RCM	R1 RCM Inc	10.8	27	147%
4	VBTX	Veritex Holdings Inc	17.8	41	132%
5	STC	Sangoma Technologies Corp	1.7	4	129%
6	VCTR	Victory Capital Holdings Inc	16.6	37	123%
7	MED	Medifast Inc	103.3	197	90%
8	VRTU	Virtusa Corp	30.4	54	76%
9	MITK	Mitek Systems Inc	9.4	16	75%
10	FFXDF	Fairfax India Holdings Corp	7.7	12	60%
11	CSIQ	Canadian Solar Inc	18.4	29	57%
12	SNEX	INTL FCStone Inc	51.2	77	51%
13	MBUU	Malibu Boats Inc	47.1	71	51%
14	REGI	Renewable Energy Group Inc	28.6	39	37%
15	GRVY	GRAVITY Co Ltd	51.2	65	27%
16	VNDA	Vanda Pharmaceuticals Inc	11.4	14	26%
17	EGO	Eldorado Gold Corp	8.4	10	22%
18	ELA	Envela Corp	3.5	4	20%
19	CNXN	PC Connection Inc	43.4	50	16%
20	MHH	Mastech Digital Inc	18.3	20	7%
21	OESX	Orion Energy Systems Inc	4.5	4	-9%
S.NO.	Symbol	Benchmark	Index on 1st June 2020	10th Feb 2022 Index Value	73%
1	^RUT	Russell 2000	1406	2051	46%

Since June 2020, Best performing stock in the US Small Cap portfolio: **Meta Financial Grp Inc (CASH) is up 224% (3.3X) in 1.7 years**



After doing lot of research, it was quite clear that in the Indian equity markets, very high growth rate happens up to the company reaches market cap of \$5 Billion. So to get a 100X in a decade or less in a stock idea, I have to start looking at companies around \$50 Million market cap. Now Indian equity markets have roughly 2000 publicly listed companies in the \$5Million to \$300M market cap range. Most of these companies are under researched and has lack of institutional and big investor's coverage.

This provides a vast variety of companies and if carefully studied, lot of good wealth creators can be found early on. So, I fine tuned my framework which I had earlier developed for the US equity markets to take care of the vast amount of companies and complexities of the Indian equity markets. Once, I started getting some success in the mid and small cap Indian

companies, I started venturing in the Indian microcap companies. Eventually, using the positive feedback loop of portfolio company's results, I developed a better framework and getting good success rate in the Indian microcap segment as well.

In June 2020, with the help of my Systematic Stock Selection Process (SSSP) framework, I created an equally weighted 21 US Small Cap companies portfolio. In the past twenty months (1.7 years), my US portfolio (also published in the SNN Microcap Review Magazine Aug 2020 edition) has generated a cumulative return of **73%**, out-performing the Russell 2000 Index benchmark by **27%**.

Following seven stocks which have more than doubled in the past 1.7 years are as follows: Meta Financial Grp Inc (CASH), The Shyft Group Inc (SHYF), R1 RCM Inc (RCM), Veritex Holdings Inc

S.NO.	Ticker	Holding	Inception Price on 8th May 2020 (INR)	10th Feb 2022 Market Price (INR)	Since Inception 8th May 2020 to date (Gain/Loss %)
1	HLEG.BO	HLE Glascoat Ltd	727	6425	784%
2	INAM.BO	Indo Amines Ltd	22	112	409%
3	PAUS.BO	Paushak Ltd	1955	9900	406%
4	AOLL.NS	Apollo Pipes Ltd	108	512	374%
5	ELHO.BO	Eldeco Housing And Industries Ltd	171	795	365%
6	PRIVISCL.NS	Privi Speciality Chemicals Ltd	442	1978	348%
7	AXTL.BO	Axtel Industries Ltd	98	385	293%
8	GUFI.BO	Gufic BioSciences Ltd	58	227	291%
9	NEWG.NS	Newgen Software Technologies Ltd	150	560	273%
10	ASTE.BO	Astec LifeSciences Ltd	514	1664	224%
11	ASAL.BO	Associated Alcohols & Breweries Ltd	188	476	153%
12	AJAN.NS	Amrutanjan Health Care Ltd	352	832	136%
13	BHAGERIA.NS	Bhageria Industries Ltd	112	252	125%
14	GTHM.BO	Gujarat Themis Biosyn Ltd	192	421	119%
15	HEST.BO	Hester Biosciences Ltd	1132	2432	115%
16	BATP.BO	Bharat Parenterals Ltd	202	377	87%
17	GMBR.NS	G M Breweries Ltd	411	668	63%
18	VALN.BO	Valiant Organics Ltd	732	1070	46%
19	TSPK.BO	Transpek Industry Ltd	1584	2182	38%
20	IOLCP.NS	IOL Chemicals & Pharmaceuticals Ltd	328	407	24%
S.NO.	Symbol	Benchmark	Index on 8th May 2020	10th Feb 2022 Index Value	234%
1	BSE-SMLCAP	S&P BSE SmallCap	10639	29074	173%

(VBTX), Sangoma Technologies Corp (STC), Victory Capital Holdings Inc (VCTR), Medifast Inc (MED).

Thirteen out of 21 stocks (62%) in the portfolio are out-performing the benchmark index. Only one out of twenty one stocks (4.8%) is in negative territory. Latest Super stock (Portfolio) level metrics compared to June 2020 are stable and most of the companies are showing signs of growth. I will change the allocation when more earnings data is incorporated in the coming quarters.

INDIA SMALL CAP PORTFOLIO UPDATE MAY 2020 TO FEB 2022

When I created the above US small cap portfolio, I had also created an India small cap stocks portfolio. I am here sharing the performance of that 20 stocks equally weighted portfolio here as well.

In the past twenty one months (1.8 years), my India

small cap portfolio has generated a cumulative return of **234%**, out-performing the S&P BSE Small-Cap Index benchmark by **61%**.

Following ten stocks which have more than tripled in the past 1.8 years are as follows: HLE Glascoat Ltd (HLEG.BO), Indo Amines Ltd (INAM.BO), Paushak Ltd (PAUS.BO), Apollo Pipes Ltd (AOLL.NS), Eldeco Housing And Industries Ltd (ELHO.BO), Privi Speciality Chemicals Ltd (PRIVISCL.NS), Axtel Industries Ltd (AXTL.BO), Gufic BioSciences Ltd (GUFI.BO), Newgen Software Technologies Ltd (NEWG.NS), Astec LifeSciences Ltd (ASTE.BO)

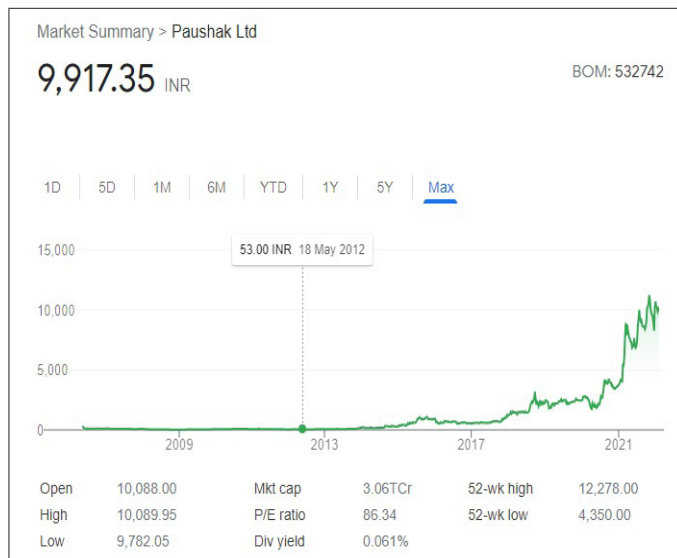
Ten out of 20 stocks (50%) in the portfolio are out-performing the benchmark index. All the twenty stocks are in positive territory.

My long term strategy is to find multi-baggers and stay with them for over a period of time. If some of the portfolio companies grow tenfold in the next

Since May 2020, Best performing stock in the India Small Cap portfolio: HLE Glascoat Ltd (HLEG.BO) is up 784% (9X) in 1.8 years



Since 2012, Best performing stock in the India Small Cap portfolio: Paushak Ltd. (PAUS.BO) is up 19035% (190X) in 10 years



Top 41 Multi-baggers, which I found in the Indian Stock Market in the past decade, are as follows:

S.NO.	Ticker	Multibaggers 2012 to 2022	May 2012 Buying Price (INR)	10th Feb 2022 Market Price (INR)	Gain%
1	PAUS.BO	Paushak Ltd.	52	9,950	19035%
2	ASPT.NS	Astral Poly Technik Ltd	18	2,080	11456%
3	SHJP.BO	Shri Jagdamba Polymers Ltd.	9	957	10533%
4	NGLF.BO	NGL Fine Chem Ltd.	24	2,202	9075%
5	AVNT.NS	Avanti Feeds Ltd.	7	601	8486%
6	RLXO.NS	Relaxo Footwears Ltd	20	1,308	6440%
7	ATLP.NS	Atul Ltd	197	9,560	4753%
8	ADRG.NS	Aarti Drugs Ltd.	13	517	4003%
9	VNTI.NS	Vinati Organics Ltd.	52	1,915	3604%
10	LAOP.BO	La Opala RG Ltd.	11	381	3364%
11	GRAN.NS	Granules India Ltd	9	307	3311%
12	THIN.NS	Expleo Solutions Ltd. (Thinksoft Global.)	46	1,399	2941%
13	CCLP.BO	CCL Products (India) Ltd.	19	474	2395%
14	PERS.NS	Persistent Systems Ltd.	171	4,263	2393%
15	RMT.NS	Ratnamani Metals and Tubes Ltd	99	2,199	2121%
16	ROTP.BO	Roto Pumps Ltd.	20	421	2005%
17	TVSM.NS	TVS Motor Company Limited	32	660	1963%
18	CHLA.BO	Cholamandalam Investment & Finance Company Ltd.	34	680	1900%
19	CERA.BO	Cera Sanitaryware Ltd.	251	4,472	1682%
20	SAKS.NS	Saksoft Ltd.	60	941	1468%
21	FNXC.NS	Finolex Cables Ltd	35	485	1286%
22	PLYP.NS	Polyplex Corp.Ltd.	153	2,051	1241%
23	TREN.NS	Trent Ltd	90	1,072	1091%
24	CEAT.BO	Ceat Ltd.	94	1,067	1035%
25	DYPR.NS	Dynemic Products Ltd.	50	553	1006%
26	SUVP.BO	Suven Life Sciences Ltd.	8	86	975%
27	MAYU.BO	Mayur Uniquoters Ltd.	48	492	925%
28	RPGL.NS	RPG Life Sciences	59	570	866%
29	TEML.NS	Tech Mahindra Ltd.	148	1,428	865%
30	SYMP.NS	Symphony Ltd	108	999	825%
31	FIIN.BO	FIEM Inds Ltd.	135	1,117	727%
32	DHNP.BO	Dhanuka Agritech Ltd.	93	764	722%
33	HCLT.NS	HCL Technologies Ltd	143	1,169	717%
34	TORP.NS	Torrent Pharmaceuticals Ltd.	320	2,582	707%
35	BAYE.NS	Bayer CropScience Ltd	799	4,599	476%
36	TCS.NS	Tata Consultancy Services Ltd	649	3,704	471%
37	GRPL.NS	Greenply Industries Ltd.	42	203	383%
38	AMAR.NS	Amara Raja Batteries Ltd.	137	615	349%
39	WIMP.BO	Wim Plast Ltd.	101	449	345%
40	AXBK.NS	Axis Bank Ltd	200	804	302%
41	LART.NS	Larsen & Toubro Ltd	725	1,859	156%

10 Stocks have gone up in between 35X and 190X, 10 stocks have gone up in between 15X and 34X, 10 stocks have gone up in between 10X and 14 X and 10 Stocks have gone up in between 4X to 9X.



three years, it takes care of the overall portfolio returns.

INDIA PORTFOLIO UPDATE FOR THE PAST DECADE (2012 TO 2022)

Since 2013, in the past 9 years, India Small Cap Model Portfolio is up 15X.

Cumulative performance of the portfolio is 1400% (Ann. 37%) vs. S&P BSE Small Cap Index Benchmark 400% (Ann. 21%).

Using my Systematic Stock Selection Framework, which I have developed over the past few decades, I have found these wealth creating stocks.

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In the past couple of years, there has been a lot of volatility in the markets due to Covid-19 crisis, my portfolios which have endured and out-performed during this period shows the resilience of the framework which I have developed over the past two decades. Going forward also, I am optimistic with the companies in the portfolio to do well and create wealth for the investors.

Profile Information: Maneesh Nath assisted the Hedge Fund Manager of Arcstone Capital starting 2013 which in 2014 became the World # 1 Rank Hedge Fund among all the 17,000 hedge funds across all asset classes globally. Maneesh Nath is a world-class portfolio manager with over 12+ years of international investing experience in the US, EU, and Indian Equities. Maneesh has a proven track record of generating 1500%+ absolute returns and out-performing the USD Adjusted BSE India Small-Cap Index by 1000%+ during the period May 2012 to Feb 2022 (Ann. Returns of 31% vs. 15% of Index over the 10 years). Major Performers in the portfolio were: Paushak Ltd. (PAUS.BO) is up 190X, Astral Poly Technik Ltd. (APTL: BO) is up 115X, Shri Jagdamba Polymers Ltd. (SHJP.BO) is up 105X, NGL Fine Chem Ltd. (NGLF.BO) is up 90X, Avanti Feeds Ltd. (AVNT.BO) is up 85X. In Oct 2012, Maneesh created a model portfolio of 10 large & mid-cap stocks from MSCI India Index which outperformed the index for the next 9.3 years. Top picks included Tata Consultancy Services Ltd., HCL Technologies Ltd., Tech Mahindra, Axis Bank Ltd. In Jan 2009, Maneesh created a USA Model Portfolio of 17 Mid and Large Cap USA Companies (equally weighted) which outperformed the DJIA for 13 years (Jan 2009 to Jan 2022). During this period, his USA Model Portfolio went up ~8 folds in 13 years (with no turnover) vs 3.8 folds of DJIA, Cumulative Returns of 700% vs. 280% DJIA and Annualized Returns of 18% vs 11% DJIA; Major Performers in the portfolio were: TJX Companies Inc., Ingersoll-Rand PLC, Harris Corporation, Stryker Corporation, FMC Corporation, Varian Medical Systems, Inc. In Jun 2015, Maneesh created a Model Portfolio of 24 USA Small Cap companies (created in Jun 2015) delivered Cumulative gains of 62%, (Ann. Returns of 13.1%+) over the 4 years Jun 2015 to May 2019, out-performing the Russell 2000 benchmark by 8% (Ann). Top stock picks included EnviroStar Inc (EVI) +700%, Richmond Mines Inc (RIC) +220%, Omega Flex Inc (OFLX) +200%.

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