JAINAM TIMES

A Monthly Newsletter Regarding System Updates, Circulars & New Development

In this Newsletter

JULY
2025

JAINAM
Prosperity with Security

TECHNICAL OVERVIEW

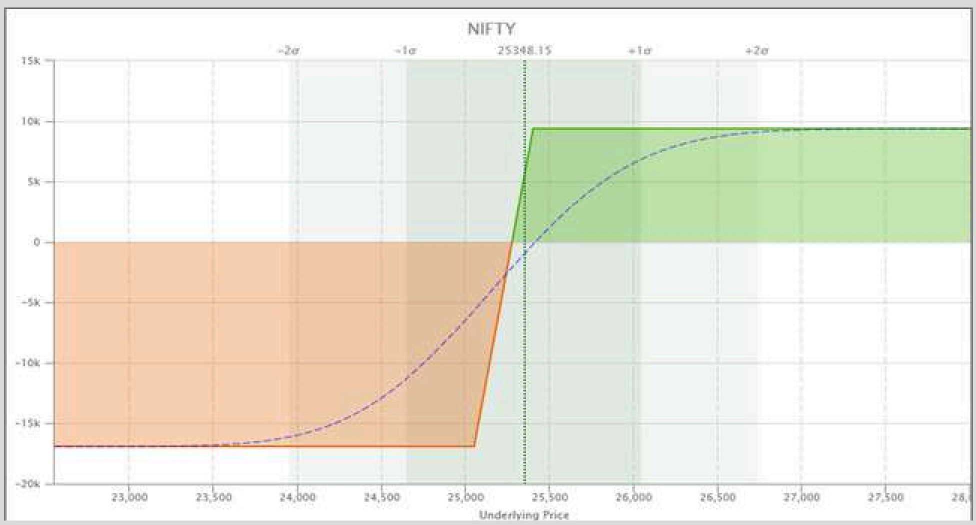
NIFTY

•Investors remained cautioussi amid uncertainty surrounding the ongoing India-US trade talks. This cautious sentiment was reflected in the market's subdued action, with the Nifty trading within a narrow range of 25,670 to 25,300.

Following its recent breakout from a consolidation phase, the index now appears to be heading for a potential retest of the breakout zone near 25,200.

- This level holds technical importance as it aligns with the 38.2% Fibonacci retracement, placed around 25,212, and also coincides with the 20-day Exponential Moving Average (EMA) — making it a strong support area.
- From a seasonality perspective, Nifty has shown a positive bias during the month of July. Over the past 10 years (2015–2024), the index has closed higher in 68% of instances, with an average gain of 2.17%, indicating a favorable historical trend.
- On the lower time frame, Nifty is exhibiting positive RSI divergence, pointing to underlying strength. This technical signal supports a buy-on-dips strategy, particularly near key support zones.
- Looking ahead, as long as Nifty sustains above the 25,200 level, the broader trend is expected to remain positive. A recovery in global cues could further support the index in resuming its upward trajectory.

NIFTY- 31 JUL 2025



Monthly Hedging Strategy

- Buy 1 lot of 25050 Put @ 126
- Sell 1 lot of 25400 Put @ 251
- Margin Required : Approx. Rs ₹ +75,609
- Risk : Reward :1:0.55
- BEP : 25276.0
- Max. Profit : ₹ +9,349 (14.14%)
- Max. Loss : ₹ -16,901 (-25.56%)
- Net Credit : ₹ +9,348.75

Note: This spread is for the current month's expiry of the Index.

CHART OF THE WEEK

NSE Code : PFC

CMP	Buy Price	Target
435.00	435.00	485.00

Stop loss	Holding Periond
410.00	1 Month

The stock price close at Rs.429.45 on 02th May, 2025.

It has recently broken out of a Ascending Triangle chart pattern on the daily chart, indicating potential for further upward movement.

The stock is currently trading above its long-term 200-day EMA, indicating strong underlying support. Additionally, the momentum indicator RSI remains in the bullish zone above 60, suggesting continued strength and a positive trend in the stock.
We expect the stock price to continue its current bullish momentum and head towards 1126.00 levels considering the current price action.

PERFORMANCE – JUNE 2025

COMMODITY | EQUITY

Strike Rate	Total Calls	Profitable Calls
55%	95	52
85%	20	17

FUTURE | OPTIONS

Strike Rate	Total Calls	Profitable Calls
58%	24	14
70%	51	15

CORPORATE INSIGHTS

This section provides an informational overview of two companies — Engineers India Limited and Subros Limited — based on publicly available data, offering a broad understanding of their business operations, industry positioning, and recent developments.

Engineers India Limited

Business Overview:

Engineers India Ltd. (EIL) is a leading global engineering consultancy and EPC (Engineering, Procurement, and Construction) company, primarily serving the hydrocarbons and petrochemicals sector. As a 'Total Solutions' provider, EIL offers services ranging from design, engineering, procurement, construction, and integrated project management to commissioning, all adhering to high-quality and safety standards.
The company also offers specialized services such as heat and mass transfer equipment design, environmental engineering, specialist material and maintenance, and plant operations and safety services. As a Central Public Sector Enterprise (CPSE) with 51.32% ownership by the Government of India (GoI), EIL operates under the Ministry of Petroleum and Natural Gas.

Stock Performance	
Market Cap (Rs. Cr.):	13658
CMP:	243
P/E:	23.6
Marketcap/Sales :	4.4
EV/EBITDA:	18.4
P/BV:	5.1

EIL holds an established track record across the entire oil and gas value chain, including pipelines, petrochemicals, offshore platforms, oil & gas processing, and refining. It enjoys strong relationships with major oil and gas PSUs like BPCL, ONGC, IOC, HPCL, CPCL, MRPL, and HEML. To diversify, EIL has expanded into infrastructure, water & waste management, solar and nuclear power, and fertilizers. The company boasts 35 active patents and operates in global markets across the Middle East, Africa, South and Central Asia, and Latin America.

Company Key Business Segments

1.Consultancy Services: EIL provides end-to-end consultancy services—conceptualization, design, engineering, and construction—tailored to client requirements. The company continues post-commissioning to monitor and provide feedback on plant operations.
2.Turnkey Projects (EPC): EIL undertakes projects where it assumes full responsibility for execution, including basic/detailed engineering, procurement, plant construction, erection, and commissioning. These are executed on Lump Sum Turnkey (LSTK) or Open Book Estimate (OBE) contracts.

EIL's operations are headquartered in New Delhi, with branch and regional offices in Mumbai, Gurugram, Kolkata, Chennai, Vadodara, and inspection offices across India. International offices in Abu Dhabi, London, Milan, and Shanghai handle global procurement and marketing.

Rationale

- EIL is a key beneficiary of India's expanding energy infrastructure, particularly in refineries and pipelines.
- Its order book growth and diversification into green hydrogen, biofuels, water treatment, and nuclear energy align with future energy needs.
- The company's strong engineering and project management capabilities position it to capitalize on India's infrastructure boom (transport, water management, urban development).
- EIL's Navratna status and government alignment enhance its role in infrastructure development.
- International expansion in the Middle East (especially Saudi Arabia) offers potential export-driven growth.
- Diversification into fertilizers, power (solar, nuclear), and green hydrogen opens new growth avenues.
- Focus on PLI-linked sectors and green ammonia supports longer-term sustainability goals.

EIL – BUSINESS SNAPSHOT

Services, Order Book & Strategic Presence

SERVICES OFFERED

The company offers a broad suite of engineering, procurement, and construction management services to various sectors including hydrocarbons, infrastructure, water management, and clean energy.

REVENUE DISTRIBUTION

EIL is gradually increasing its focus on the consultancy segment due to its high margins (34%-35%) compared to the low-margin turnkey EPC business (3%-4%). This strategic shift to an asset-light model enhances profitability.

ORDER BOOK

As of June 2025, EIL holds a robust order book of ₹8,800 Cr, with an additional ₹4,000–₹5,000 Cr expected within a year, potentially reaching a ₹12,000 Cr total. This provides solid revenue visibility over the medium term.

SUBSIDIARIES & JOINT VENTURES

1. Subsidiary: CEIL provides certification, recertification, and third-party inspection services.
2. Joint Venture: EIL holds a 26% stake in Ramagundam Fertilizers & Chemicals Ltd., which runs a urea plant in Telangana.

- Heavy dependence on hydrocarbons (~core revenue) exposes the company to sectoral risks and energy transition challenges.
- Project delays or execution lags can lead to irregular revenue recognition and earnings volatility.
- Competition in EPC contracts from domestic and international players exerts pressure on margins.
- Being a PSU, project margins are often lower due to government tendering processes.
- New businesses in clean energy and infrastructure are still at a nascent stage and may take time to materially impact revenues.
- Reliance on public sector clients limits revenue diversity and exposes the company to policy/budget delays.

Conclusion

Engineers India Limited stands out as a stable, strategically positioned player in India's energy and infrastructure sectors, with strong order book visibility, high-margin consultancy growth, and a proactive approach to clean energy and international diversification. While challenges exist, including hydrocarbon dependence and competitive pressures, the company's fundamentals, diversification efforts, and technical expertise make it a compelling medium- to long-term investment candidate with potential for rerating.

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CORPORATE INSIGHTS

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Subros Limited

Business Overview:

Subros Limited is India's leading manufacturer of thermal products for automotive applications. Established in 1985 as a joint venture between the Shriram Group, Denso Corporation (Japan), and Suzuki Motor Corporation (Japan), the company specializes in automobile air conditioning (AC) systems, along with key components such as condensers, compressors, HVAC units, and heat exchangers. Subros also caters to other segments, including railways, home air conditioning, and commercial vehicles, diversifying its revenue streams. The company operates eight manufacturing plants across India, supported by two R&D centres, providing end-to-end production capabilities.

Stock Performance:
Market Cap: ₹6,210 Cr
CMP: ₹952
P/E: 41x
Market Cap/Sales: 1.84x
EV/EBITDA: 17.9x
P/BV: 5.72x

Key Highlights

- Subros has eight manufacturing facilities located in Noida (2), Manesar, Pune, Chennai, Nalagarh, Karsanpura (Gujarat), and Sanand.
- It has expanded production from 15,000 AC units in 1985 to an impressive capacity of 1.5–2 million AC kits annually.
- The company is making significant strides in the railway segment, generating ₹17 crore in FY25 and securing tender orders worth ₹40 crore. Expansion into coach and metro AC applications is ongoing.
- Subros maintains strong Original Equipment Manufacturer (OEM) partnerships with major players like Maruti Suzuki, Mahindra & Mahindra, Tata Motors, Nissan, Renault, Ashok Leyland, and Daimler, serving diverse sectors including passenger vehicles, commercial vehicles, off-road applications, railways, and HVAC systems.
- The company is actively developing thermal solutions such as HVAC systems and battery/motor cooling for electric buses, hybrid vehicles, and railways.
- It is scaling up capacity across plants in Haryana, Gujarat, and Chennai to support the growing production needs of its OEM clients, especially as Maruti Suzuki targets production of 4 million vehicles by 2030.
- A joint venture with Denso Subros Engineering Centre (DSEC) enhances innovation capabilities, particularly in thermal systems for both Internal Combustion Engine (ICE) and Electric Vehicle (EV) markets.

Revenue Distribution & Growth

Subros’s revenue comes from a well-diversified portfolio:

Passenger Vehicles	Commercial Vehicles	Railways	Refrigeration	Home Air Conditioning

The company has secured ₹150 crore in orders in the truck AC segment and aims to achieve over 50% market share, positioning itself as a leader in this space. Subros also continues to penetrate the EV thermal systems market, focusing on battery cooling, motor cooling, and HVAC systems.

Company Strengths

- Diversified Customer Base: Reduces dependence on any single automotive segment or OEM.
- Market Leadership: Strong position in truck AC systems and growing presence in tractor ACs through supply to OJA Tractors and other OEMs.
- Backward Integration: Ensures quality control, cost efficiency, and supply chain stability.
- EV Focus: Active development of thermal management systems for electric vehicles and buses.
- Strong Management: A balanced and experienced leadership team with diverse industry representation.
- Policy Tailwinds: The Indian government’s mandate for ACs in all N2 and N3 trucks starting October 2025 opens up a ₹400–450 crore annual market.
- Technology Upgradation: The shift from manual to automatic ACs in passenger vehicles, with auto AC penetration now exceeding 40%, is boosting revenue per vehicle.
- Margin Expansion: Targeting a long-term EBITDA margin of 12%, with current margins at 10.22%.

- Customer Concentration Risk: Around 80% of revenue is derived from the passenger vehicle segment, with significant reliance on Maruti Suzuki. Any slowdown in this segment could impact performance.

- Cash Flow Pressures: FY25 saw extended receivables of ₹100 crore due to revised credit terms, stressing cash flow.

- Raw Material Price Volatility: Subros remains exposed to fluctuations in the prices of aluminium, copper, and steel, which can erode margins.

- Tender-Based Rail Business: Revenue from the railway and metro AC segments is irregular and depends on competitive bidding and capital commitments.

Conclusion

Subros is strategically positioned to benefit from the continued growth in automotive air conditioning demand, policy-driven opportunities in commercial vehicle ACs, and the accelerating shift toward electric mobility. With strong financials, capacity expansion, and a focus on innovation, the company is well-placed to sustain growth while managing key risks.

Disclaimer

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WEALTH INSIGHT

WEALTH CREATION – A JOURNEY, NOT A RACE

EMI vs SIP calculator

"This is a visual comparison between an Equated Monthly Instalment (EMI) scenario and a Systematic Investment Plan (SIP) over a 20-year period, based on standard assumptions."

EMI (Loan)	SIP Investment
Loan Amount: ₹50,00,000	Monthly SIP: ₹12,000
Tenure: 20 years	Tenure: 20 years
Interest Rate: 7.5% p.a.	Expected Return: 12% p.a.
Monthly EMI: ₹40,280	Total SIP Invested: ₹28.8 Lakhs
Total EMI Paid: ₹96-97 Lakhs	SIP Value after 20 yrs: ₹1.09 Cr

WEALTH INSIGHT

SMART CAR PURCHASE:
Drive with Money, Not Just Miles!

Situation- You want to buy a car worth ₹15 Lakhs.:

Option A

- **Pay Full ₹15 Lakhs in Cash**

- No EMI stress
- Capital is locked with zero returns
- You miss out on potential investment growth

Option B

- **Take a Loan, Let Money Work**

- Take a car loan of ₹15L @ 9% for 7 years
- Invest your ₹15L in a mutual fund (expected return 13%)
- Use SWP (Systematic Withdrawal Plan) to withdraw ~₹24,000/month

WEALTH INSIGHT

Why break your saving when they can work for you?

EMI Table – Loan ₹15L @9% for 7 Years

Particulars	Value
Loan Amount	₹15,00,000
Interest Rate	9% p.a.
Tenure	7 Years
Monthly EMI	₹24,134
Total Paid	₹20,27,224
Interest Paid	₹5,27,224

SWP Table – Invest ₹15L @13% for 7 Years

Particulars	Value
Invested Capital	₹15,00,000
Annual Return (CAGR)	13%
Monthly SWP Amount	₹24,000
Value After 7 Years	Around ₹4.3+ Lakhs
Total Withdrawn (7 yrs)	₹20,16,000

📩 You paid EMIs using your investment income.

🚗 Car is yours after 7 years.

💰 Still left with around ₹4.3+ Lakhs at the end!

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