



Digital Inclusion

Companies facilitating increasing internet penetration in India

High Risk

Index Value

235.38

CAGR

16.76%

smallcase rationale

India has the second highest number of internet users in the world], next only to China. Data penetration in India currently stands at approximately 35% of the population.

- Government programs like Digital India aim to increase internet connectivity within the country
- Such programs have seen high budgetary allocations and the government has also launched incentive schemes to promote local manufacturing of electronics and IT hardware
- Internet subscribers in India have increased at an annual rate of 50% over the last decade
- Growing per capita income and an expanding technologically-savvy user base has increased demand for high-speed internet and pushed up the usage of data

This smallcase consists of companies like data providers, equipment manufacturers and infrastructure enablers working in the data chain and enabling higher internet penetration in India. The smallcase also contains broadcasting companies that will benefit from higher digital penetration.

Created by

smallcase Research

SEBI Reg. Number

INH200005984

Subscription Type

Free

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Methodology



Defining the universe

All publicly traded companies on the National Stock Exchange of India, covering 90% market capitalization, are included in the universe



Research

The smallcase research team does a in-depth research, along with internal presentations and decides the criteria to be used for stock screening



Stock Screening

- Proprietary liquidity filters are applied to remove ill-liquid stocks from the universe
- A special check is applied to remove stocks, where a significant part of the promoter holdings are pledged, to define the investable universe
- All stocks in the investable universes, belonging to the selected sectors are checked individually to ensure perfect theme fit



Weighting

Top points considered while assigning weights to stocks in the smallcase

Revenue derived/expected from smallcase theme-related business activities

Market capitalization of the company

Future estimates and corporate governance record of the company



Rebalance

This smallcase has a quarterly rebalance schedule. Once every quarter, the research team reviews smallcases to ensure the current list of constituents and their weights remain true to the theme

Ratios

Ratio	smallcase	NIFTY
PE Ratio	13.74	22.02
PB Ratio	1.65	3.09
Sharpe Ratio	1.05	0.90
Dividend Yield (%)	1.86	1.25

Important Dates

Inception Date

March 3, 2014

Launch Date

April 4, 2016

Benchmark

NIFTY

Review Frequency

Quarterly

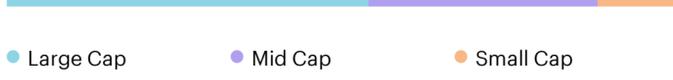
Last Reviewed

September 13, 2019

Next Review On

December 13, 2019

Market Cap Distribution



● Large Cap

54.00%

● Mid Cap

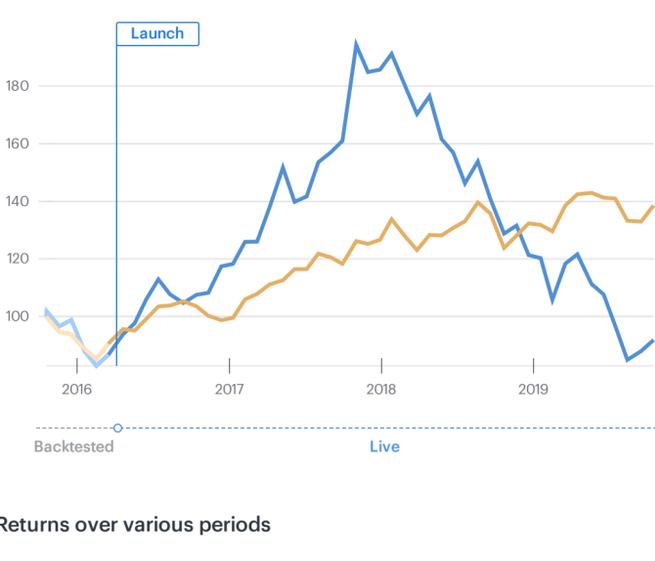
34.00%

● Small Cap

12.00%

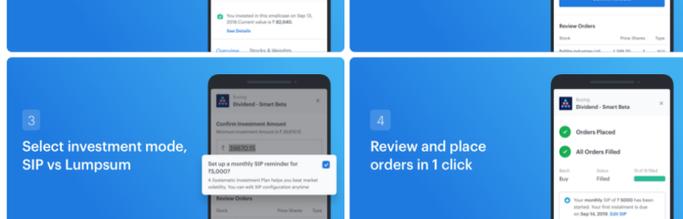
Past Performance Comparison with NIFTY

● Digital Inclusion with ● NIFTY



Returns over various periods

6M Returns	1Y Returns	3Y Returns	5Y Returns
smallcase	smallcase	smallcase	smallcase
-22.46%	-32.17%	-13.11%	5.29%
NIFTY	NIFTY	NIFTY	NIFTY
-1.43%	7.97%	40.94%	35.43%



Definitions and Disclosures

Index Value

Index value for all smallcases start from 100 since their inception date and helps investors easily calculate the returns generated since inception or between two specific dates. For example, if the current index value of the smallcase is 150, it means it has generated 50% since its inception. If the index value of a smallcase was 215 last month and the current index value is 245, it means it has generated $(245/215)-1 = 13.9\%$ return in last one month

CAGR

CAGR (compounded annual growth rate) is a useful measure of growth or performance of a portfolio. It represents the growth/return rate that gets you to the current value of the investment, starting from the initial investment value and assuming that investment has been compounding at the fixed growth/return rate for the period.

In simple words, it indicates the annual return generated by the smallcase from the date of inception

Risk Label

Change in value of your investment, due to changing prices of stocks on a daily basis is called the Risk. If the daily change in the investment value of portfolio is too drastic, it means prices of stocks in the portfolio are changing very rapidly. Such portfolios have High Risk.

Every smallcase is categorized into one of the three risk buckets - High Risk, Moderate Risk and Low Risk. This is done by comparing the volatility of the smallcase with market volatility since inception. Investing in High Risk smallcases means that change in your investment values can be very sudden and drastic.

Segment

Stocks/ETFs belonging to a smallcase are categorized under different segments. Weightage of a segment is calculated as sum of weights of all stocks belonging to that segment. Suppose 4 stocks, with each having a weight of 10%, belong to the Food Products segment. Then the weight of the Food Product segment in the smallcase will be 40% (4*10)

Review

Rebalancing is the process of periodically reviewing and updating the constituents of a smallcase. This is done to ensure that stocks & weights in the smallcase continue to reflect the underlying theme or strategy

Disclosure

smallcases are only created by SEBI registered Research Analysts, Investment Advisers and Portfolio Managers. Details like Name and SEBI registration number of the creator of this smallcase can be found on the first page of the factsheet.

Smallcases represent a collection of stocks/ETFs picked by the smallcase creator to represent a particular theme, idea or strategy and is not a recommendation or advice. Thus, smallcases should not be construed as an investment advice and investors should exercise due diligence and consult their Investment Advisor before investing. Stocks and ETF investing is subjected to market risk.

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